

SAFARI CLUB INTERNATIONAL FOUNDATION
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019



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**SAFARI CLUB INTERNATIONAL FOUNDATION
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YEARS ENDED JUNE 30, 2020 AND 2019**

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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, 2020 and 2019, 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, 2020 and 2019, 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 17, 2020

SAFARI CLUB INTERNATIONAL FOUNDATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 5,106,377	\$ 3,271,161
Accounts Receivable	75,123	279,694
Pledges Receivable	526,207	463,367
Inventories	47,256	49,775
Prepaid Expenses	42,500	150,872
Total Current Assets	5,797,463	4,214,869
PLEDGES RECEIVABLE, NET	1,580,577	1,375,965
LONG-TERM INVESTMENTS	18,201,481	17,099,676
PROPERTY HELD FOR LONG-TERM PURPOSES	41,650	41,650
PROPERTY AND EQUIPMENT, NET	4,916,396	5,036,819
CASH SURRENDER VALUE OF LIFE INSURANCE	23,444	23,932
Total Assets	\$ 30,561,011	\$ 27,792,911
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 532,189	\$ 602,484
Unearned Program Revenue	488,007	597,081
Notes Payable	324,467	-
Total Current Liabilities	1,344,663	1,199,565
LONG-TERM DEPOSIT PAYABLE-RELATED PARTY	69,951	72,353
Total Liabilities	1,414,614	1,271,918
NET ASSETS		
Without Donor Restrictions	10,934,639	9,004,005
With Donor Restrictions	18,211,758	17,516,988
Total Net Assets	29,146,397	26,520,993
Total Liabilities and Net Assets	\$ 30,561,011	\$ 27,792,911

See accompanying Notes to Financial Statements.

SAFARI CLUB INTERNATIONAL FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Convention	\$ 1,282,138	\$ -	\$ 1,282,138
Dues and Subscriptions	14,220	-	14,220
Membership Services and Product Sales	69,085	-	69,085
SCI Licensing	-	-	-
Contributions	1,456,513	456,183	1,912,696
Tuitions and Admissions	246,420	-	246,420
SCI Operating Grants and Rent	2,634,118	-	2,634,118
Investment Income	115,349	818,508	933,857
Gain on Sale of Intellectual Property	731,800	-	731,800
Other	216,692	-	216,692
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	579,921	(579,921)	-
Total Revenues and Other Support	<u>7,346,256</u>	<u>694,770</u>	<u>8,041,026</u>
EXPENSES			
Program Services:			
Education	2,162,113	-	2,162,113
Conservation	996,296	-	996,296
Total Program Services	<u>3,158,409</u>	<u>-</u>	<u>3,158,409</u>
Supporting Services:			
Fundraising	1,350,910	-	1,350,910
General and Administrative	906,303	-	906,303
Total Supporting Services	<u>2,257,213</u>	<u>-</u>	<u>2,257,213</u>
Total Expenses	5,415,622	-	5,415,622
CHANGES IN NET ASSETS	1,930,634	694,770	2,625,404
Net Assets - Beginning of Year	<u>9,004,005</u>	<u>17,516,988</u>	<u>26,520,993</u>
NET ASSETS - END OF YEAR	<u>\$ 10,934,639</u>	<u>\$ 18,211,758</u>	<u>\$ 29,146,397</u>

See accompanying Notes to Financial Statements.

SAFARI CLUB INTERNATIONAL FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Convention	\$ 975,960	\$ -	\$ 975,960
Dues and Subscriptions	14,440	-	14,440
Membership Services and Product Sales	104,387	-	104,387
SCI Licensing	100,000	-	100,000
Contributions	1,033,425	1,166,557	2,199,982
Tuitions and Admissions	340,002	-	340,002
SCI Operating Grants and Rent	2,742,326	-	2,742,326
Investment Income	9,937	765,509	775,446
Other	124,371	-	124,371
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	661,067	(661,067)	-
Total Revenues and Other Support	6,105,915	1,270,999	7,376,914
EXPENSES			
Program Services:			
Education	2,262,749	-	2,262,749
Conservation	1,316,008	-	1,316,008
Total Program Services	3,578,757	-	3,578,757
Supporting Services:			
Fundraising	1,519,509	-	1,519,509
General and Administrative	846,585	-	846,585
Total Supporting Services	2,366,094	-	2,366,094
Total Expenses	5,944,851	-	5,944,851
Loss (Recovery) on Uncollectible Pledges Receivable	-	(10,000)	(10,000)
Total Expenses and Losses	5,944,851	(10,000)	5,934,851
CHANGES IN NET ASSETS	161,064	1,280,999	1,442,063
Net Assets - Beginning of Year	8,842,941	16,235,989	25,078,930
NET ASSETS - END OF YEAR	\$ 9,004,005	\$ 17,516,988	\$ 26,520,993

See accompanying Notes to Financial Statements.

SAFARI CLUB INTERNATIONAL FOUNDATION
STATEMENT OF FUNCTIONAL REVENUES AND EXPENSES
YEAR ENDED JUNE 30, 2020

	Education	Conservation	Fundraising	General and Administrative	Total
REVENUES AND SUPPORT					
Convention	\$ 735,408	\$ 16,000	\$ 530,730	\$ -	\$ 1,282,138
Dues and Subscriptions	15,535	-	(1,315)	-	14,220
Membership Services and Product Sales	69,085	-	-	-	69,085
SCI Licensing	-	-	-	-	-
Contributions	259,791	243,450	1,409,455	-	1,912,696
Tuition and Admissions	246,420	-	-	-	246,420
SCI Operating Grants and Rent	660,000	809,512	132,000	1,032,606	2,634,118
Investment Income	9,675	-	799,686	124,496	933,857
Gain on Sale of Intellectual Property	-	-	-	731,800	731,800
Other	75,347	-	141,320	25	216,692
	<u>\$ 2,071,261</u>	<u>\$ 1,068,962</u>	<u>\$ 3,011,876</u>	<u>\$ 1,888,927</u>	<u>\$ 8,041,026</u>
EXPENSES					
Convention Events	\$ 202,069	\$ 10,285	\$ 256,182	\$ 35,985	\$ 504,521
Salaries, Wages, and Benefits	852,928	295,192	725,456	457,431	2,331,007
Occupancy and Supplies	130,163	105,907	55,601	150,558	442,229
Conferences and Meetings	5,084	896	1,943	7,884	15,807
Liability and Other Insurance	46,908	-	36,261	3,612	86,781
Programs and Projects	112,390	26,691	2,314	1,276	142,671
Grants and Scholarships	393,543	274,005	1,950	-	669,498
Legal and Accounting Services	800	-	112	99,729	100,641
Consulting	4,050	-	28,484	55,444	87,978
Depreciation	130,449	122,296	2,290	43,870	298,905
Cost of Sales - Membership Services and Products	43,953	-	-	-	43,953
Printing	10,153	1,099	42,162	5,094	58,508
Promotion and Development	61,249	6,209	108,632	1,143	177,233
Postage and Freight	8,299	138	16,434	8,316	33,187
Maintenance and Security	96,373	15,836	-	7,995	120,204
Travel	63,702	137,742	73,089	27,418	301,951
Other	-	-	-	548	548
	<u>\$ 2,162,113</u>	<u>\$ 996,296</u>	<u>\$ 1,350,910</u>	<u>\$ 906,303</u>	<u>\$ 5,415,622</u>

See accompanying Notes to Financial Statements.

SAFARI CLUB INTERNATIONAL FOUNDATION
STATEMENT OF FUNCTIONAL REVENUES AND EXPENSES
YEAR ENDED JUNE 30, 2019

	Education	Conservation	Fundraising	General and Administrative	Total
REVENUES AND SUPPORT					
Convention	\$ 379,040	\$ 56,680	\$ 540,240	\$ -	\$ 975,960
Dues and Subscriptions	14,440	-	-	-	14,440
Membership Services and Product Sales	104,387	-	-	-	104,387
SCI Licensing	-	-	-	100,000	100,000
Contributions	573,926	88,873	1,537,183	-	2,199,982
Tuition and Admissions	340,002	-	-	-	340,002
SCI Operating Grants and Rent	690,000	833,399	138,000	1,080,927	2,742,326
Investment Income	8,517	-	664,343	102,586	775,446
Other	77,757	-	62,660	(16,046)	124,371
	<u>\$ 2,188,069</u>	<u>\$ 978,952</u>	<u>\$ 2,942,426</u>	<u>\$ 1,267,467</u>	<u>\$ 7,376,914</u>
EXPENSES					
Convention Events	\$ 105,457	\$ 3,499	\$ 286,291	\$ 14,070	\$ 409,317
Salaries, Wages, and Benefits	861,380	322,163	823,305	443,543	2,450,391
Occupancy and Supplies	153,001	103,231	41,283	146,021	443,536
Conferences and Meetings	7,561	27,038	1,321	12,273	48,193
Liability and Other Insurance	47,146	-	33,057	3,158	83,361
Programs and Projects	150,238	30,884	714	673	182,509
Grants and Scholarships	408,556	593,273	53,732	-	1,055,561
Legal and Accounting Services	1,921	-	1,238	85,860	89,019
Consulting	5,660	2,502	29,606	33,741	71,509
Depreciation	89,941	121,886	2,481	47,215	261,523
Cost of Sales - Membership Services and Products	60,802	-	-	-	60,802
Printing	12,374	356	57,960	3,460	74,150
Promotion and Development	71,022	12,926	95,990	450	180,388
Postage and Freight	23,518	491	18,261	4,208	46,478
Maintenance and Security	157,569	9,233	-	11,065	177,867
Travel	106,603	88,526	74,270	40,798	310,197
Other	-	-	-	50	50
	<u>\$ 2,262,749</u>	<u>\$ 1,316,008</u>	<u>\$ 1,519,509</u>	<u>\$ 846,585</u>	<u>\$ 5,944,851</u>

See accompanying Notes to Financial Statements.

SAFARI CLUB INTERNATIONAL FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ 2,625,404	\$ 1,442,063
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	298,905	261,523
Loss on Disposal of Assets	3,454	16,266
Realized and Unrealized Gains on Investments, Net	(510,534)	(401,347)
Contributions with Donor Restrictions	(313,000)	(409,750)
Contributions without Donor Restrictions	(327,130)	(537,500)
Recovery on Uncollectible Pledges Receivable	-	(10,000)
Change in Discount on Pledges Receivable	(81,208)	634
Increase (Decrease) in Cash Resulting from Changes in:		
Accounts Receivable	204,571	(204,639)
Inventories	2,519	(2,581)
Prepaid Expenses	108,372	(76,204)
Accounts Payable and Accrued Liabilities	(70,295)	154,649
Deposit Payable, Related Party	(2,402)	(1,368)
Unearned Program Revenue	(109,074)	289
Net Cash Provided by Operating Activities	1,829,582	232,035
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(738,788)	(898,730)
Proceeds from Sale of Investments	147,517	259,259
Purchases of Property and Equipment	(185,436)	(214,782)
Proceeds from Sale of Property and Equipment	3,500	-
Change in Value of Cash Surrender Value of Life Insurance	488	279
Net Cash Used by Investing Activities	(772,719)	(853,974)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		
Proceeds from Receipt of Contributions	453,886	912,148
Proceeds from Notes Payable	324,467	-
Net Cash Provided by Financing Activities	778,353	912,148
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,835,216	290,209
Cash and Cash Equivalents - Beginning of Year	3,271,161	2,980,952
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 5,106,377	\$ 3,271,161

See accompanying Notes to Financial Statements.

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

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 \$2,634,118 and \$2,742,326 for the years ended June 30, 2020 and 2019, 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 (the 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.

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:

Without Donor Restrictions – 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, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

With Donor Restrictions – 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, net assets with donor restriction are reclassified to net assets without restrictions 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 support without donor restriction. Contributions of cash or other assets without donor stipulations concerning the use of such assets are reported as revenues without donor restrictions. Contributions of cash or other assets with donor stipulations are reported as revenues with donor restrictions. The restrictions are considered to be released at the time such assets are placed in service. Net assets with donor restrictions also include endowment earnings not yet appropriated for expenditure.

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, 2020 and 2019, a portion of the cash balances at financial institutions exceeded the balance insured by the FDIC.

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.

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 general 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 support with donor restrictions. When a donor's stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions 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 support without donor restriction.

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, 2020 AND 2019**

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 were 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, 2020 AND 2019

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 2020 and 2019.

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, 2020 AND 2019

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 \$177,233 and \$180,388 for the years ended June 30, 2020 and 2019, 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 (IRC) 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, 2020 and 2019, management does not believe any uncertain tax positions exist.

Recent Accounting Pronouncement

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). This standard outlines a single comprehensive model for companies to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry specific guidance. The standard is required to be applied retrospectively. The ASU permits private companies and nonprofit organizations that have not yet applied the revenue recognition standard to elect to adopt for annual reporting periods beginning after December 15, 2019. SCI is currently evaluating the effect the standard will have on the financial statements.

**SAFARI CLUB INTERNATIONAL FOUNDATION
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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

SCIF evaluated subsequent events through December 17, 2020, which is the date the financial statements were available to be issued.

In October 2020, SCI made the decision to cancel its February 2021 Hunters' Convention in Las Vegas due to restrictions and safety precautions due to coronavirus. The impact of this cancellation is not included in the accompanying financial statements as of and for the year ended June 30, 2020.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$ 5,106,377	\$ 3,271,161
Accounts Receivable	75,123	279,694
Pledges Receivable, Current Portion	178,116	115,383
Operating Investments	1,983,065	1,637,357
Endowment Spending Rate Distributions Available	<u>783,509</u>	<u>771,678</u>
Total	<u>\$ 8,126,190</u>	<u>\$ 6,075,273</u>

SCIF endowment funds are donor-restricted. Income for donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

As part of our liquidity management plan, we invest cash in excess of daily requirements in investments.

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NOTE 3 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:

	2020	2019
Restricted - Endowment	\$ 550,398	\$ 814,562
Restricted - Other	417,275	293,998
Without Donor Restrictions	<u>1,150,447</u>	<u>823,316</u>
Gross Pledges Receivable	2,118,120	1,931,876
Less: Unamortized Discount	<u>(11,336)</u>	<u>(92,544)</u>
Net Pledges Receivable	<u><u>\$ 2,106,784</u></u>	<u><u>\$ 1,839,332</u></u>
Amounts Due in:		
Less than One Year	\$ 526,207	\$ 463,367
One to Five Years	1,519,613	1,358,881
Over Five Years	<u>72,300</u>	<u>109,628</u>
Total	<u><u>\$ 2,118,120</u></u>	<u><u>\$ 1,931,876</u></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, 2020 and 2019, this rate was approximately 0.18% and 1.71%, respectively.

At June 30, 2020 and 2019, gross pledges receivable include \$441,394 and \$550,926, respectively, due from members of the board of directors and directors at large of SCI and SCIF.

NOTE 4 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
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NOTE 4 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, 2020 and 2019.

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.

Exchange Traded Funds, 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, 2020.

	Level 1	Level 2	Level 3	Total
Exchange Traded Funds:				
Intermediate Term Bond	\$ 5,769,948	\$ -	\$ -	\$ 5,769,948
Money Market	100,000	-	-	100,000
Mid-Cap Blend	756,446	-	-	756,446
Large-Cap Blend	5,416,030	-	-	5,416,030
Small-Cap Blend	944,227	-	-	944,227
Short Term Bond	2,011,396	-	-	2,011,396
High Yield Bond	1,373,856	-	-	1,373,856
International Bond	1,829,578	-	-	1,829,578
Total Investments at Fair Value	<u>\$ 18,201,481</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,201,481</u>

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 4 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, 2019.

	Level 1	Level 2	Level 3	Total
Bond/Fixed Income:				
Short-Term	\$ -	\$ 774,041	\$ -	\$ 774,041
Intermediate Term	-	706,921	-	706,921
Long-Term	-	1,058,138	-	1,058,138
Securitized Gold	-	724,153	-	724,153
International Bond	-	54,702	-	54,702
Total Bond/Fixed Income	-	3,317,955	-	3,317,955
Mutual Funds:				
Preferred	28,602	-	-	28,602
Alternatives	1,664,683	-	-	1,664,683
Intermediate Term	1,373,739	-	-	1,373,739
Taxable Core	1,075,299	-	-	1,075,299
High Yield Bond	332,796	-	-	332,796
Total Mutual Funds	4,475,119	-	-	4,475,119
Common Stocks:				
Energy	554,527	-	-	554,527
Materials	414,885	-	-	414,885
Industrials	1,153,058	-	-	1,153,058
Consumer Discretionary	833,122	-	-	833,122
Consumer Staples	593,507	-	-	593,507
Healthcare	1,393,048	-	-	1,393,048
Financials	1,328,288	-	-	1,328,288
Information Technology	1,571,959	-	-	1,571,959
Real Estate	24,052	-	-	24,052
Telecommunications Services	778,382	-	-	778,382
Utilities	168,381	-	-	168,381
Others	141,082	-	-	141,082
Alternatives	352,311	-	-	352,311
Total Common Stocks	9,306,602	-	-	9,306,602
Total Investments at Fair Value	\$ 13,781,721	\$ 3,317,955	\$ -	\$ 17,099,676

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

	2020	2019
Interest and Dividends	\$ 466,840	\$ 512,444
Net Realized Gains on Investments	1,231,867	332,581
Net Unrealized Gains (Losses) on Investments	(721,333)	68,766
Fees on Investments	(43,517)	(138,345)
Total Investment Income	\$ 933,857	\$ 775,446

SAFARI CLUB INTERNATIONAL FOUNDATION
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NOTE 5 PROPERTY AND EQUIPMENT

A summary of property and equipment at June 30 follows:

	2020	2019
Land and Improvements	\$ 377,271	\$ 364,063
Building - Headquarters and Museum	5,008,241	5,008,241
Building - Granite Ranch	2,928,023	1,809,035
Building - Washington, D.C.	3,255,249	3,255,249
Exhibits	1,377,759	1,377,755
Office Furniture and Equipment	1,624,974	1,643,686
Work-in-Progress	3,375	1,010,830
Total Property and Equipment	14,574,892	14,468,859
Less: Accumulated Depreciation	(9,658,496)	(9,432,040)
Property and Equipment, Net	\$ 4,916,396	\$ 5,036,819

Depreciation expense charged to operations was \$298,905 and \$261,523 for 2020 and 2019, respectively.

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 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 retains in perpetuity (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. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by SCIF in a manner consistent with the standard of prudence prescribed by MCFA.

SAFARI CLUB INTERNATIONAL FOUNDATION
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NOTE 6 ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law (Continued)

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.

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.

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 6 ENDOWMENTS (CONTINUED)

The change in endowment net assets for the year ended June 30, 2020 is as follows:

	Without Restrictions	With Donor Restrictions		Total
		Time/Purpose Restricted	Restricted in Perpetuity	
Endowment Net Assets, July 1, 2019	\$ -	\$ 1,587,259	\$ 13,875,060	\$ 15,462,319
Contributions and Pledge Payments	-	-	322,264	322,264
Investment Return:				
Net Realized and Unrealized Gains	-	425,897	-	425,897
Dividends and Interest	-	392,611	-	392,611
Appropriation of Endowment Assets for Expenditure	-	(384,675)	-	(384,675)
Endowment Net Assets, June 30, 2020	<u>\$ -</u>	<u>\$ 2,021,092</u>	14,197,324	<u>\$ 16,218,416</u>
Pledges Receivable, Net (Restricted)			550,398	
Present Value Discount on Restricted Pledges			(4,560)	
Net Assets Retained in Perpetuity			<u>\$ 14,743,162</u>	

The change in endowment net assets for the year ended June 30, 2019 is as follows:

	Without Restrictions	With Donor Restrictions		Total
		Time/Purpose Restricted	Restricted in Perpetuity	
Endowment Net Assets, July 1, 2018	\$ -	\$ 1,059,938	\$ 13,257,785	\$ 14,317,723
Contributions and Pledge Payments	-	-	617,275	617,275
Investment Return:				
Net Realized and Unrealized Losses	-	339,634	-	339,634
Dividends and Interest	-	425,875	-	425,875
Appropriation of Endowment Assets for Expenditure	-	(238,188)	-	(238,188)
Endowment Net Assets, June 30, 2019	<u>\$ -</u>	<u>\$ 1,587,259</u>	13,875,060	<u>\$ 15,462,319</u>
Pledges Receivable, Net (Restricted)			814,562	
Present Value Discount on Restricted Pledges			(21,049)	
Net Assets Retained in Perpetuity			<u>\$ 14,668,573</u>	

SAFARI CLUB INTERNATIONAL FOUNDATION
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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 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.

A new agreement was entered into effective May 14, 2020. The new agreement has an initial term of two years and shall auto-renew for additional terms of equal length thereafter, unless terminated by either party providing 90 days 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, 2020 and 2019, SCIF charged SCI \$434,118 and \$442,327, 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 \$216,616 and \$220,620 for the years ended June 30, 2020 and 2019, respectively. Additionally, SCIF received SCI reimbursement of allocated expenses of \$215,525 and \$254,968 for the years ended June 30, 2020 and 2019, 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, 2020 and 2019, SCIF received from SCI goods and services totaling \$2,084,487 and \$2,112,356, 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, 2020 AND 2019

NOTE 7 RELATED PARTY TRANSACTIONS (CONTINUED)

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

	<u>2020</u>	<u>2019</u>
Salaries and Benefits	\$ 683,053	\$ 582,779
Occupancy and Supplies	471,627	492,496
Travel	403,968	227,864
Events	180,007	376,755
Legal	96,805	78,226
Programs and Projects	73,177	134,934
Printing	62,391	66,199
Maintenance and Security	50,937	63,569
Advertising and Promotion	39,976	58,150
Postage and Freight	22,546	31,384
Total	<u>\$ 2,084,487</u>	<u>\$ 2,112,356</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, 2020 and 2019, the annual grant totaled \$115,513 and \$187,642, 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, 2020 and 2019, amounts payable to SCI totaled \$134,418 and \$220,343, respectively. Amounts are included in accounts payable in the accompanying statements of financial position.

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. On July 1, 2019, SCI purchased the Marks for \$731,800. The license fee received by SCIF from SCI as stated within the agreement was \$100,000 for the year ended June 30, 2019. The license fee was included in SCI Licensing in the accompanying statements of activities and changes in net assets.

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NOTE 8 PAYCHECK PROTECTION PROGRAM LOAN

On May 4, 2020, SCIF received a loan from Wells Fargo Bank in the amount of \$324,467 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the "PPP Loan"). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over 24 months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Company fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. The covered period from May 4, 2020 to October 19, 2020, is the time that a business has to spend their PPP Loan funds.

NOTE 9 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 each of the years ended June 30, 2020 and 2019.

NOTE 10 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. There were no amounts included in revenue and expense resulting from such exchange transactions for the year ended June 30, 2020. Amounts included in revenue and expense resulting from such exchange transactions was \$-0- and \$10,500, respectively, for the year ended June 30, 2019.

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
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NOTE 11 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 2020 and 2019, employer matching contributions totaled \$57,191 and \$45,876, 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 2020 and 2019.

NOTE 12 NET ASSETS

Net assets with donor restrictions are restricted for the following purposes or periods at June 30:

	<u>2020</u>	<u>2019</u>
Subject to Expenditure for Specified Purpose:		
Education	\$ 377,037	\$ 522,048
National Fundraising	623,236	445,018
Museum	110	670
Humanitarian	157,707	146,600
Conservation	289,414	146,819
Accumulated Unappropriated Endowment Earnings	<u>2,021,092</u>	<u>1,587,260</u>
Total	3,468,596	2,848,415
Subject to Endowment Spending Policy and Appropriation:		
Endowment	<u>14,743,162</u>	<u>14,668,573</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 18,211,758</u></u>	<u><u>\$ 17,516,988</u></u>

Net assets were released from donor restrictions by incurring expense satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30 as follows:

	<u>2020</u>	<u>2019</u>
Satisfaction of Purpose Restrictions:		
Education	\$ 133,517	\$ 204,597
National Fundraising	10,224	85,330
Museum	2,060	4,013
Humanitarian	30,589	74,456
Conservation	18,856	54,483
Endowment Expenditures	<u>384,675</u>	<u>238,188</u>
Total Net Assets Released from Donor Restrictions	<u><u>\$ 579,921</u></u>	<u><u>\$ 661,067</u></u>

**SAFARI CLUB INTERNATIONAL FOUNDATION
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NOTE 13 CONTINGENCIES

Litigation

From time to time, 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.

Pandemic

In March 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to SCIF, COVID19 may impact various parts of its fiscal 2021 operations and financial results, including decreased revenues and increased expenses. Management believes SCIF is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

