

SAFARI CLUB INTERNATIONAL FOUNDATION
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020



WEALTH ADVISORY | OUTSOURCING
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**SAFARI CLUB INTERNATIONAL FOUNDATION
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YEARS ENDED JUNE 30, 2021 AND 2020**

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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, 2021 and 2020, 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, 2021 and 2020, 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
January 13, 2022

SAFARI CLUB INTERNATIONAL FOUNDATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

| | 2021 | 2020 |
|--|---------------|---------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and Cash Equivalents | \$ 6,460,263 | \$ 5,106,377 |
| Accounts Receivable | 172,806 | 75,123 |
| Pledges Receivable | 287,473 | 526,207 |
| Inventories | 39,416 | 47,256 |
| Prepaid Expenses | 60,351 | 42,500 |
| Total Current Assets | 7,020,309 | 5,797,463 |
| PLEDGES RECEIVABLE, NET | 920,349 | 1,580,577 |
| LONG-TERM INVESTMENTS | 23,095,180 | 18,201,481 |
| PROPERTY HELD FOR LONG-TERM PURPOSES | 41,650 | 41,650 |
| PROPERTY AND EQUIPMENT, NET | 4,623,377 | 4,916,396 |
| CASH SURRENDER VALUE OF LIFE INSURANCE | 22,950 | 23,444 |
| Total Assets | \$ 35,723,815 | \$ 30,561,011 |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts Payable and Accrued Liabilities | \$ 592,014 | \$ 532,189 |
| Unearned Program Revenue | 508,023 | 488,007 |
| Notes Payable | 347,067 | 324,467 |
| Total Current Liabilities | 1,447,104 | 1,344,663 |
| LONG-TERM DEPOSIT PAYABLE-RELATED PARTY | 73,599 | 69,951 |
| Total Liabilities | 1,520,703 | 1,414,614 |
| NET ASSETS | | |
| Without Donor Restrictions | 11,528,359 | 10,934,639 |
| With Donor Restrictions | 22,674,753 | 18,211,758 |
| Total Net Assets | 34,203,112 | 29,146,397 |
| Total Liabilities and Net Assets | \$ 35,723,815 | \$ 30,561,011 |

See accompanying Notes to Financial Statements.

SAFARI CLUB INTERNATIONAL FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2021

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|---------------|
| REVENUES AND OTHER SUPPORT | | | |
| Convention and Events | \$ 353,095 | \$ - | \$ 353,095 |
| Insurance Proceeds | 399,794 | - | 399,794 |
| Dues and Subscriptions | 3,655 | - | 3,655 |
| Membership Services and Product Sales | 80,818 | - | 80,818 |
| Contributions | 1,112,453 | 2,082,992 | 3,195,445 |
| Tuitions and Admissions | 179,788 | - | 179,788 |
| SCI Operating Grants and Rent | 1,419,705 | - | 1,419,705 |
| Investment Income | 665,584 | 3,004,570 | 3,670,154 |
| Other | 347,418 | - | 347,418 |
| Net Assets Released from Restrictions: | | | |
| Satisfaction of Program Restrictions | 554,567 | (554,567) | - |
| Total Revenues and Other Support | 5,116,877 | 4,532,995 | 9,649,872 |
| EXPENSES | | | |
| Program Services: | | | |
| Education | 1,803,818 | - | 1,803,818 |
| Conservation | 703,487 | - | 703,487 |
| Total Program Services | 2,507,305 | - | 2,507,305 |
| Supporting Services: | | | |
| Fundraising | 1,125,624 | - | 1,125,624 |
| General and Administrative | 676,232 | - | 676,232 |
| Total Supporting Services | 1,801,856 | - | 1,801,856 |
| Total Expenses | 4,309,161 | - | 4,309,161 |
| Loss (Recovery) on Uncollectible Pledges Receivable | 213,996 | 70,000 | 283,996 |
| Total Expenses and Losses | 4,523,157 | 70,000 | 4,593,157 |
| CHANGES IN NET ASSETS | 593,720 | 4,462,995 | 5,056,715 |
| Net Assets - Beginning of Year | 10,934,639 | 18,211,758 | 29,146,397 |
| NET ASSETS - END OF YEAR | \$ 11,528,359 | \$ 22,674,753 | \$ 34,203,112 |

See accompanying Notes to Financial Statements.

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

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---|---------------------------------------|------------------------------------|----------------------|
| REVENUES AND OTHER SUPPORT | | | |
| Convention and Events | \$ 1,282,138 | \$ - | \$ 1,282,138 |
| Dues and Subscriptions | 14,220 | - | 14,220 |
| Membership Services and Product Sales | 69,085 | - | 69,085 |
| 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 |
| Loss (Recovery) on Uncollectible Pledges Receivable | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Expenses and Losses | <u>5,415,622</u> | <u>-</u> | <u>5,415,622</u> |
| 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 FUNCTIONAL REVENUES AND EXPENSES
YEAR ENDED JUNE 30, 2021

| | Education | Conservation | Fundraising | General and Administrative | Total |
|---|---------------------|-------------------|---------------------|-------------------------------|---------------------|
| REVENUES AND SUPPORT | | | | | |
| Convention and Events | \$ 1,825 | \$ - | \$ 351,270 | \$ - | \$ 353,095 |
| Insurance Proceeds | 184,809 | 55,160 | 184,932 | (25,107) | 399,794 |
| Dues and Subscriptions | 3,655 | - | - | - | 3,655 |
| Membership Services and Product Sales | 57,519 | - | 23,299 | - | 80,818 |
| Contributions | 204,805 | 276,533 | 2,714,107 | - | 3,195,445 |
| Tuition and Admissions | 179,788 | - | - | - | 179,788 |
| SCI Operating Grants and Rent | 300,000 | 414,473 | 60,000 | 645,232 | 1,419,705 |
| Investment Income | 37,724 | - | 3,041,238 | 591,192 | 3,670,154 |
| Gain on Sale of Intellectual Property | - | - | - | - | - |
| Other | 22,416 | - | 121 | 324,881 | 347,418 |
| Total Revenues and Support | <u>\$ 992,541</u> | <u>\$ 746,166</u> | <u>\$ 6,374,967</u> | <u>\$ 1,536,198</u> | <u>\$ 9,649,872</u> |
| EXPENSES | | | | | |
| Convention and Events | \$ 150,000 | \$ - | \$ - | \$ - | \$ 150,000 |
| Salaries, Wages, and Benefits | 702,843 | 259,565 | 804,045 | 384,204 | 2,150,657 |
| Occupancy and Supplies | 143,181 | 120,148 | 46,136 | 130,048 | 439,513 |
| Conferences and Meetings | - | 781 | - | 1,527 | 2,308 |
| Liability and Other Insurance | 53,520 | - | 38,713 | 3,994 | 96,227 |
| Programs and Projects | 62,601 | 20,205 | 4,905 | 770 | 88,481 |
| Grants and Scholarships | 383,263 | 152,116 | - | - | 535,379 |
| Legal and Accounting Services | - | - | 119 | 72,238 | 72,357 |
| Consulting | 5,550 | 2,750 | 24,311 | 11,724 | 44,335 |
| Depreciation | 131,440 | 121,552 | 1,731 | 42,666 | 297,389 |
| Cost of Sales - Membership Services and Products | 28,466 | - | 806 | - | 29,272 |
| Printing | 1,145 | - | 35,582 | 1,908 | 38,635 |
| Promotion and Development | 12,360 | 3,500 | 131,184 | 1,477 | 148,521 |
| Postage and Freight | 4,035 | 768 | 20,430 | 3,416 | 28,649 |
| Maintenance and Security | 92,216 | 12,872 | - | 6,163 | 111,251 |
| Travel | 33,198 | 9,230 | 17,662 | 15,152 | 75,242 |
| Other | - | - | - | 945 | 945 |
| Total Expenses | <u>\$ 1,803,818</u> | <u>\$ 703,487</u> | <u>\$ 1,125,624</u> | <u>\$ 676,232</u> | <u>\$ 4,309,161</u> |

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 and Events | \$ 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 |
| 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 |
| Total Revenues and Support | <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 and 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 |
| Total Expenses | <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
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020

| | 2021 | 2020 |
|---|--------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Changes in Net Assets | \$ 5,056,715 | \$ 2,625,404 |
| Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities: | | |
| Depreciation | 297,389 | 298,905 |
| Loss on Disposal of Assets | 1,438 | 3,454 |
| Realized and Unrealized Gains on Investments, Net | (3,256,612) | (510,534) |
| Contributions with Donor Restrictions | - | (313,000) |
| Contributions without Donor Restrictions | (166,400) | (327,130) |
| Change in Discount on Pledges Receivable | 768 | (81,208) |
| Provision for Uncollectible Pledges Receivable | 283,996 | - |
| Forgiveness of Notes Payable | (324,467) | - |
| Increase (Decrease) in Cash Resulting from Changes in: | | |
| Accounts Receivable | (97,683) | 204,571 |
| Inventories | 7,840 | 2,519 |
| Prepaid Expenses | (17,851) | 108,372 |
| Accounts Payable and Accrued Liabilities | 59,825 | (70,295) |
| Deposit Payable, Related Party | 3,648 | (2,402) |
| Unearned Program Revenue | 20,016 | (109,074) |
| Net Cash Provided by Operating Activities | 1,868,622 | 1,829,582 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of Investments | (2,599,639) | (738,788) |
| Proceeds from Sale of Investments | 962,552 | 147,517 |
| Purchases of Property and Equipment | (5,808) | (185,436) |
| Proceeds from Sale of Property and Equipment | - | 3,500 |
| Change in Value of Cash Surrender Value of Life Insurance | 494 | 488 |
| Net Cash Used by Investing Activities | (1,642,401) | (772,719) |
| CASH FLOWS PROVIDED BY FINANCING ACTIVITIES | | |
| Proceeds from Receipt of Contributions | 780,598 | 453,886 |
| Proceeds from Notes Payable | 347,067 | 324,467 |
| Net Cash Provided by Financing Activities | 1,127,665 | 778,353 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 1,353,886 | 1,835,216 |
| Cash and Cash Equivalents - Beginning of Year | 5,106,377 | 3,271,161 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | \$ 6,460,263 | \$ 5,106,377 |

See accompanying Notes to Financial Statements.

**SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

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 \$1,419,705 and \$2,634,118 for the years ended June 30, 2021 and 2020, 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, 2021 AND 2020

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, 2021 and 2020, 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, 2021 AND 2020

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.

Program Revenue, Revenue Recognition and Insurance Proceeds

Convention and events revenue 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. SCI's 2021 annual convention was cancelled due to COVID-19. As a result, SCIF received insurance proceeds representing the anticipated net revenue from the event in the amount of \$399,794. In addition to this, SCIF received reimbursement for expenses incurred, totaling \$6,814. The expense reimbursements were recorded as reductions to the related expenses.

**SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program Revenue, Revenue Recognition and Insurance Proceeds (Continued)

Revenue from product sales are recognized at the point of sale. SCIF recognizes revenue from ticket sales at the time of admission. Tuition payments received for the annual AWLS camp are deferred and recognized upon completion of each summer's camp.

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 |

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.

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2021 and 2020.

Donated Materials and Services

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

Functional Assignment of Revenues and Expenses

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

- Education
- Conservation
- Fundraising
- General and Administrative

Common Costs

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

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 \$148,521 and \$177,233 for the years ended June 30, 2021 and 2020, respectively.

**SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2021 and 2020, management does not believe any uncertain tax positions exist.

Adoption of New Accounting Standard

In 2021, SCIF adopted Financial Accounting Standards Board's Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* (Topic 606), which requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. SCIF utilized the modified retrospective adoption method however, there was no material impact on SCIF's financial position and results of operations upon adoption of the new standard.

Subsequent Events

SCIF evaluated subsequent events through January 13, 2022, which is the date the financial statements were available to be issued.

In October 2021, SCIF obtained a securities-based line of credit for \$15,800,000.

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:

| | 2021 | 2020 |
|---|----------------------|---------------------|
| Cash and Cash Equivalents | \$ 6,460,263 | \$ 5,106,377 |
| Accounts Receivable | 172,806 | 75,123 |
| Pledges Receivable, Current Portion | 236,426 | 178,116 |
| Operating Investments | 3,262,221 | 1,983,065 |
| Endowment Spending Rate Distributions Available | 1,000,856 | 783,509 |
| Total | <u>\$ 11,132,572</u> | <u>\$ 8,126,190</u> |

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)

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 SCIF's liquidity management plan, SCIF invests cash in excess of daily requirements in investments.

NOTE 3 REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table provides information about significant changes in the contract liabilities for the year ended June 30, 2021:

| | |
|---|-------------------|
| Unearned Revenue, Beginning of Year | \$ 488,007 |
| Revenue Recognized that was Included in Unearned Revenue, Beginning of Year | (149,385) |
| Increase in Unearned Revenue Due to Cash Received During the Year | 169,401 |
| Unearned Revenue, End of Year | <u>\$ 508,023</u> |

NOTE 4 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>2021</u> | <u>2020</u> |
|---------------------------------------|---------------------|---------------------|
| Restricted - Endowment | \$ 357,318 | \$ 550,398 |
| Restricted - Other | 251,758 | 417,275 |
| Without Donor Restrictions | <u>894,846</u> | <u>1,150,447</u> |
| Gross Pledges Receivable | 1,503,922 | 2,118,120 |
| Less: Unamortized Discount | (12,104) | (11,336) |
| Less: Allowance for Doubtful Accounts | <u>(283,996)</u> | <u>-</u> |
| Net Pledges Receivable | <u>\$ 1,207,822</u> | <u>\$ 2,106,784</u> |
| Amounts Due in: | | |
| Less than One Year | \$ 571,469 | \$ 526,207 |
| One to Five Years | 886,353 | 1,519,613 |
| Over Five Years | <u>46,100</u> | <u>72,300</u> |
| Total | <u>\$ 1,503,922</u> | <u>\$ 2,118,120</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, 2021 and 2020, this rate was approximately 0.46% and 0.18%, respectively.

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 4 PLEDGES RECEIVABLE (CONTINUED)

At June 30, 2021 and 2020, gross pledges receivable include \$207,064 and \$441,394, respectively, due from members of the board of directors and directors at large of SCI and SCIF.

NOTE 5 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.

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, 2021 and 2020.

Common Stocks and Exchange Traded Funds: Valued at the daily closing price as reported by the active market on which it is traded.

Market-Linked Notes: Priced using evaluations which are typically model-based and do not necessarily reflect actual trades. The notes are 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.

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 5 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, 2021.

| | Level 1 | Level 2 | Level 3 | Total |
|---------------------------------|----------------------|-------------|-------------------|----------------------|
| Common Stocks: | | | | |
| Information Technology | \$ 940,205 | \$ - | \$ - | \$ 940,205 |
| Exchange Traded Funds: | | | | |
| Intermediate-Term Bond | 6,240,045 | - | - | 6,240,045 |
| Mid-Cap Blend | 891,915 | - | - | 891,915 |
| Large-Cap Blend | 7,175,807 | - | - | 7,175,807 |
| Small-Cap Blend | 1,108,698 | - | - | 1,108,698 |
| Short-Term Bond | 1,683,594 | - | - | 1,683,594 |
| High Yield Bond | 1,601,464 | - | - | 1,601,464 |
| International Bond | 2,846,252 | - | - | 2,846,252 |
| Total Exchange Traded Funds | 21,547,775 | - | - | 21,547,775 |
| Market-Linked Notes: | | | | |
| Senior Unsecured | - | - | 607,200 | 607,200 |
| Total Investments at Fair Value | <u>\$ 22,487,980</u> | <u>\$ -</u> | <u>\$ 607,200</u> | <u>\$ 23,095,180</u> |

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

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

| | 2021 | 2020 |
|--|---------------------|-------------------|
| Interest and Dividends | 450,177 | \$ 466,840 |
| Net Realized Gains on Investments | 989,000 | 1,231,867 |
| Net Unrealized Gains (Losses) on Investments | 2,267,612 | (721,333) |
| Fees on Investments | (36,635) | (43,517) |
| Total Investment Income | <u>\$ 3,670,154</u> | <u>\$ 933,857</u> |

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 6 PROPERTY AND EQUIPMENT

A summary of property and equipment at June 30 follows:

| | 2021 | 2020 |
|------------------------------------|--------------|--------------|
| Land and Improvements | \$ 377,271 | \$ 377,271 |
| Building - Headquarters and Museum | 5,008,241 | 5,008,241 |
| Building - Granite Ranch | 2,928,023 | 2,928,023 |
| Building - Washington, D.C. | 3,261,999 | 3,255,249 |
| Exhibits | 1,377,759 | 1,377,759 |
| Office Furniture and Equipment | 1,622,232 | 1,624,974 |
| Work-in-Progress | - | 3,375 |
| Total Property and Equipment | 14,575,525 | 14,574,892 |
| Less: Accumulated Depreciation | (9,952,148) | (9,658,496) |
| Property and Equipment, Net | \$ 4,623,377 | \$ 4,916,396 |

Depreciation expense charged to operations was \$297,389 and \$298,905 for 2021 and 2020, respectively.

NOTE 7 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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 7 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, 2021 AND 2020

NOTE 7 ENDOWMENTS (CONTINUED)

The change in endowment net assets for the year ended June 30, 2021 is as follows:

| | Without Restrictions | With Donor Restrictions | | Total |
|--|-------------------------|----------------------------|-----------------------------|----------------------|
| | | Time/Purpose Restricted | Restricted in Perpetuity | |
| Endowment Net Assets, July 1, 2020 | \$ - | \$ 2,021,092 | \$ 14,197,324 | \$ 16,218,416 |
| Contributions and Pledge Payments | - | - | 1,308,893 | 1,308,893 |
| Investment Return: | | | | |
| Net Realized and Unrealized Gains | - | 2,639,178 | - | 2,639,178 |
| Dividends and Interest | - | 365,393 | - | 365,393 |
| Appropriation of Endowment Assets for Expenditure | - | (698,921) | - | (698,921) |
| Endowment Net Assets, June 30, 2021 | <u>\$ -</u> | <u>\$ 4,326,742</u> | 15,506,217 | <u>\$ 19,832,959</u> |
| Pledges Receivable, Net (Restricted) | | | 287,318 | |
| Present Value Discount on Restricted Pledges | | | (1,124) | |
| Net Assets Retained in Perpetuity | | | <u>\$ 15,792,411</u> | |

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 Losses | - | 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> | |

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 8 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, 2021 and 2020, SCIF charged SCI \$419,705 and \$434,118, 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 \$236,555 and \$216,616 for the years ended June 30, 2021 and 2020, respectively. Additionally, SCIF received SCI reimbursement of allocated expenses of \$213,441 and \$215,525 for the years ended June 30, 2021 and 2020, 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, 2021 and 2020, SCIF received from SCI goods and services totaling \$1,000,000 and \$2,084,487, 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, 2021 AND 2020

NOTE 8 RELATED PARTY TRANSACTIONS (CONTINUED)

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

| | <u>2021</u> | <u>2020</u> |
|---------------------------|---------------------|---------------------|
| Salaries and Benefits | \$ 570,367 | \$ 683,053 |
| Occupancy and Supplies | 381,894 | 471,627 |
| Travel | 47,739 | 403,968 |
| Events | - | 180,007 |
| Legal | - | 96,805 |
| Programs and Projects | - | 73,177 |
| Printing | - | 62,391 |
| Maintenance and Security | - | 50,937 |
| Advertising and Promotion | - | 39,976 |
| Postage and Freight | - | 22,546 |
| Total | <u>\$ 1,000,000</u> | <u>\$ 2,084,487</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, 2021 and 2020, the annual grant totaled \$-0- and \$115,513, 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, 2021 and 2020, amounts payable to SCI totaled \$212,582 and \$134,418 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.

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 9 PAYCHECK PROTECTION PROGRAM LOANS

On February 5, 2021, SCIF received a loan from Wells Fargo Bank in the amount of \$347,067 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the "PPP Loan"). The PPP Loan bears interest at a fixed rate of 1.0% per annum, has a term of five years, and is unsecured and guaranteed by the U.S. Small Business Administration (SBA). 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.

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 bore interest at a fixed rate of 1.0% per annum, had a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration (SBA). On June 24, 2021, the SBA forgave the loan in full.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on SCIF's financial position.

NOTE 10 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, 2021 and 2020.

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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 2021 and 2020, employer matching contributions totaled \$48,156 and \$57,191, 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 2021 and 2020.

NOTE 12 NET ASSETS

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

| | 2021 | 2020 |
|---|---------------|---------------|
| Subject to Expenditure for Specified Purpose: | | |
| Education | \$ 361,091 | \$ 377,037 |
| National Fundraising | 1,215,981 | 623,236 |
| Museum | 160 | 110 |
| Humanitarian | 183,048 | 157,707 |
| Conservation | 795,320 | 289,414 |
| Accumulated Unappropriated Endowment Earnings | 4,326,742 | 2,021,092 |
| Total | 6,882,342 | 3,468,596 |
| Subject to Endowment Spending Policy and Appropriation: | | |
| Endowment | 15,792,411 | 14,743,162 |
| Total Net Assets with Donor Restrictions | \$ 22,674,753 | \$ 18,211,758 |

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:

| | 2021 | 2020 |
|---|------------|------------|
| Satisfaction of Purpose Restrictions: | | |
| Education | \$ 93,496 | \$ 133,517 |
| National Fundraising | 199,552 | 10,224 |
| Museum | 350 | 2,060 |
| Humanitarian | 20,253 | 30,589 |
| Conservation | 72,425 | 18,856 |
| Endowment Expenditures | 698,921 | 384,675 |
| Unspent Endowment Expenditures | (530,430) | - |
| Total Net Assets Released from Donor Restrictions | \$ 554,567 | \$ 579,921 |

SAFARI CLUB INTERNATIONAL FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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.

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