

**SAFARI CLUB INTERNATIONAL FOUNDATION**

**Financial Statements and  
Independent Auditor's Report**

**June 30, 2023 and 2022**

# **SAFARI CLUB INTERNATIONAL FOUNDATION**

## **TABLE OF CONTENTS** **YEARS ENDED JUNE 30, 2023 AND 2022**

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<b>Independent Auditor's Report</b>	1 – 2
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### **Financial Statements**

Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4 – 5
Statements of Functional Revenues and Expenses	6 – 7
Statements of Cash Flows	8
Notes to the Financial Statements	9 - 25

**Independent Auditor's Report**

jlkrosenberger.com

To the Board of Directors of  
Safari Club International Foundation

**Opinion**

We have audited the accompanying financial statements of Safari Club International Foundation (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Safari Club International Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Prior Period Financial Statements**

The financial statements of Safari Club International Foundation as of June 30, 2022 were audited by other auditors whose report dated July 27, 2023 expressed an unmodified opinion on those statements.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Safari Club International Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Safari Club International Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Safari Club International Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*JLK Rosenberg, LLP*

Irvine, California  
April 9, 2024

**SAFARI CLUB INTERNATIONAL FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 4,518,115	\$ 5,408,852
Accounts Receivable	91,863	144,346
Pledges Receivable, Net of Allowance for Doubtful Accounts of \$387,996 and \$284,496 in 2023 and 2022, Respectively	293,303	311,663
Notes Receivable from Related Party- current portion	39,454	-
Inventories	44,730	52,231
Prepaid Expenses	113,126	63,385
Total Current Assets	<u>5,100,591</u>	<u>5,980,477</u>
<b>NONCURRENT ASSETS</b>		
Pledges Receivable, net of current portion	915,012	848,302
Long-term Note Receivable from Related Party	4,058,841	-
Long-term Investments	25,251,190	21,749,100
Property Held for Long-term Purposes	41,650	41,650
Property and Equipment, net	3,211,292	4,347,384
Cash Surrender Value of Life Insurance	21,215	22,439
Total Noncurrent Assets	<u>33,499,200</u>	<u>27,008,875</u>
Total Assets	<u><u>\$ 38,599,791</u></u>	<u><u>\$ 32,989,352</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$ 502,197	\$ 556,761
Due to Related Party	924,454	288,838
Unearned Program Revenue	98,186	45,710
Total Current Liabilities	<u>1,524,837</u>	<u>891,309</u>
<b>NONCURRENT LIABILITIES</b>		
Unearned Program Revenue, net of current portion	350,842	359,637
Long-term Deposit Payable - Related Party	5,000	65,798
Total Noncurrent Liabilities	<u>355,842</u>	<u>425,435</u>
Total Liabilities	1,880,679	1,316,744
<b>NET ASSETS</b>		
Without Donor Restrictions	15,584,308	11,622,979
With Donor Restrictions	21,134,804	20,049,629
Total Net Assets	<u>36,719,112</u>	<u>31,672,608</u>
Total Liabilities and Net Assets	<u><u>\$ 38,599,791</u></u>	<u><u>\$ 32,989,352</u></u>

**SAFARI CLUB INTERNATIONAL FOUNDATION**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Convention & Events	\$ 1,411,170	\$ -	\$ 1,411,170
Dues and Subscriptions	27,727	-	27,727
Membership Services and Product Sales	137,874	-	137,874
Contributions	1,226,181	1,360,119	2,586,300
Tuitions and Admissions	244,343	-	244,343
SCI Operating Grants and Rent	490,702	-	490,702
Investment Income	585,780	1,387,164	1,972,944
Other	293,629	-	293,629
Gain on Sale of Asset	4,086,810	-	4,086,810
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	1,659,608	(1,659,608)	-
Total Revenues and Other Support	10,163,824	1,087,675	11,251,499
<b>EXPENSES</b>			
Program Services:			
Education	2,035,625	-	2,035,625
Conservation	1,220,429	-	1,220,429
Total Program Services	3,256,054	-	3,256,054
Supporting Services:			
Fundraising	1,955,913	-	1,955,913
General and Administrative	889,528	-	889,528
Total Supporting Services	2,845,441	-	2,845,441
Total Expenses	6,101,495	-	6,101,495
Loss on Uncollectible Pledges Receivable	101,000	2,500	103,500
Total Expenses and Losses	6,202,495	2,500	6,204,995
<b>CHANGES IN NET ASSETS</b>	3,961,329	1,085,175	5,046,504
Net Assets - Beginning of Year	11,622,979	20,049,629	31,672,608
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 15,584,308</u>	<u>\$ 21,134,804</u>	<u>\$ 36,719,112</u>

**SAFARI CLUB INTERNATIONAL FOUNDATION**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Convention	\$ 1,050,874	\$ -	\$ 1,050,874
Insurance Proceeds			-
Dues and Subscriptions	14,658	-	14,658
Membership Services and Product Sales	105,892	-	105,892
Contributions	2,434,036	1,139,811	3,573,847
Tuitions and Admissions	234,738	-	234,738
SCI Operating Grants and Rent	441,594	-	441,594
Investment Loss	(937,672)	(1,792,458)	(2,730,130)
Gain on Disposal of Assets	20,000	-	20,000
Forgiveness of Notes Payable	347,067	-	347,067
Other	278,186	-	278,186
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	1,971,477	(1,971,477)	-
Total Revenues and Other Support	5,960,850	(2,624,124)	3,336,726
<b>EXPENSES</b>			
Program Services:			
Education	2,262,435	-	2,262,435
Conservation	1,036,793	-	1,036,793
Total Program Services	3,299,228	-	3,299,228
Supporting Services:			
Fundraising	1,661,964	-	1,661,964
General and Administrative	834,538	-	834,538
Total Supporting Services	2,496,502	-	2,496,502
Total Expenses	5,795,730	-	5,795,730
Loss on Uncollectible Pledges Receivable	70,500	1,000	71,500
Total Expenses and Losses	5,866,230	1,000	5,867,230
<b>CHANGES IN NET ASSETS</b>	94,620	(2,625,124)	(2,530,504)
Net Assets - Beginning of Year	11,528,359	22,674,753	34,203,112
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 11,622,979</u>	<u>\$ 20,049,629</u>	<u>\$ 31,672,608</u>

**SAFARI CLUB INTERNATIONAL FOUNDATION**  
**STATEMENT OF FUNCTIONAL REVENUE AND EXPENSES**  
**YEAR ENDED JUNE 30, 2023**

	Education	Conservation	Fundraising	General and Administrative	Total
<b>REVENUES AND SUPPORT</b>					
Convention & Events	\$ 410,845	\$ -	\$ 1,000,325	\$ -	\$ 1,411,170
Insurance Proceeds	-	-	-	-	-
Dues and Subscriptions	29,227	-	(1,500)	-	27,727
Membership Services and Product Sales	120,012	17,862	-	-	137,874
Contributions	159,611	-	2,426,689	-	2,586,300
Tuition and Admissions	244,268	-	75	-	244,343
SCI Rent	-	225,806	-	264,896	490,702
Investment Income	38,292	-	1,377,383	557,269	1,972,944
Gain on Sale of DC Building	-	-	-	4,086,810	4,086,810
Other	76,500	-	82,738	134,391	293,629
	<u>\$ 1,078,755</u>	<u>\$ 243,668</u>	<u>\$ 4,885,710</u>	<u>\$ 5,043,366</u>	<u>\$ 11,251,499</u>
Total Revenues and Support					
<b>EXPENSES</b>					
Convention & Events	\$ 239,522	\$ 7,637	\$ 658,975	\$ 4,162	\$ 910,296
Salaries, Wages, and Benefits	661,394	293,103	781,224	455,067	2,190,788
Occupancy and Supplies	130,521	39,695	29,846	164,130	364,192
Conferences and Meetings	3,382	84,129	3,451	40,183	131,145
Liability and Other Insurance	58,160	-	38,052	4,373	100,585
Programs and Projects	36,429	37,751	134,415	837	209,432
Grants and Scholarships	552,413	554,576	9,870	-	1,116,859
Legal and Accounting Services	875	-	750	112,123	113,748
Consulting	-	9,974	34,603	10,123	54,700
Depreciation	108,442	75,728	1,328	45,602	231,100
Cost of Sales - Membership Services and Products	52,799	-	-	-	52,799
Printing	2,636	964	27,042	6,593	37,235
Promotion and Development	37,018	8,475	175,444	4,327	225,264
Postage and Freight	5,281	316	11,846	4,779	22,222
Maintenance and Security	103,902	3,885	-	9,940	117,727
Travel	31,477	104,196	49,067	27,239	211,979
Refunds and Bad Debt	-	-	103,500	-	103,500
Other	11,374	-	-	50	11,424
	<u>\$ 2,035,625</u>	<u>\$ 1,220,429</u>	<u>\$ 2,059,413</u>	<u>\$ 889,528</u>	<u>\$ 6,204,995</u>
Total Expenses					



**SAFARI CLUB INTERNATIONAL FOUNDATION**  
**STATEMENT OF FUNCTIONAL REVENUE AND EXPENSES**  
**YEAR ENDED JUNE 30, 2022**

	Education	Conservation	Fundraising	General and Administrative	Total
<b>REVENUES AND SUPPORT</b>					
Convention & Events	\$ 307,134	\$ -	\$ 743,740	\$ -	\$ 1,050,874
Insurance Proceeds	-	-	-	-	-
Dues and Subscriptions	17,408	-	(2,750)	-	14,658
Membership Services and Product Sales	102,048	-	3,844	-	105,892
Contributions	187,345	155,668	3,230,834	-	3,573,847
Tuition and Admissions	233,363	-	1,375	-	234,738
SCI Operating Grants and Rent	-	162,520	-	279,074	441,594
Investment Income	(39,155)	-	(1,851,702)	(839,273)	(2,730,130)
Gain on Disposal of Assets	20,000	-	-	-	20,000
Forgiveness of Notes Payable	-	-	-	347,067	347,067
Other	118,617	5,837	153,701	31	278,186
	<u>118,617</u>	<u>5,837</u>	<u>153,701</u>	<u>31</u>	<u>278,186</u>
Total Revenues and Support	<u>\$ 946,760</u>	<u>\$ 324,025</u>	<u>\$ 2,279,042</u>	<u>\$ (213,101)</u>	<u>\$ 3,336,726</u>
<b>EXPENSES</b>					
Convention & Events	\$ 150,200	\$ 2,624	\$ 334,870	\$ 34,595	\$ 522,289
Salaries, Wages, and Benefits	632,686	251,597	771,119	394,385	2,049,787
Occupancy and Supplies	119,848	132,565	50,937	131,291	434,641
Conferences and Meetings	11,140	34,413	889	37,416	83,858
Liability and Other Insurance	63,885	-	38,299	3,551	105,735
Programs and Projects	70,467	110,809	176,175	25	357,476
Grants and Scholarships	822,238	303,319	-	-	1,125,557
Legal and Accounting Services	1,325	-	831	108,992	111,148
Consulting	4,100	-	37,142	8,617	49,859
Depreciation	128,737	112,969	3,294	42,358	287,358
Cost of Sales - Membership Services and Products	44,027	-	1,138	-	45,165
Printing	2,380	149	19,486	2,732	24,747
Promotion and Development	57,469	3,716	162,149	9,993	233,327
Postage and Freight	6,139	187	16,238	5,727	28,291
Maintenance and Security	94,844	15,617	-	9,491	119,952
Travel	52,950	68,828	49,397	45,315	216,490
Refunds and Bad Debt	-	-	-	-	-
Other	-	-	-	50	50
	<u>-</u>	<u>-</u>	<u>-</u>	<u>50</u>	<u>50</u>
Total Expenses	<u>\$ 2,262,435</u>	<u>\$ 1,036,793</u>	<u>\$ 1,661,964</u>	<u>\$ 834,538</u>	<u>\$ 5,795,730</u>

**SAFARI CLUB INTERNATIONAL FOUNDATION**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in Net Assets	\$ 5,046,504	\$ (2,530,504)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	231,100	287,358
(Gain) Loss on Disposal of Assets	(4,086,810)	(20,000)
Realized and Unrealized Gains on Investments, Net	(1,310,776)	3,245,721
Contributions with Donor Restrictions	(213,900)	(268,346)
Change in Discount on Pledges Receivable	51,250	75,174
Provision for Uncollectible Pledges Receivable	103,500	71,500
Forgiveness of Notes Payable	-	(347,067)
Increase (Decrease) in Cash Resulting from Changes in:		
Accounts Receivable	52,483	28,460
Pledge Receivable	(406,450)	(470,344)
Inventories	7,501	(12,815)
Prepaid Expenses	(49,741)	(3,034)
Accounts Payable and Accrued Liabilities	(54,562)	177,329
Intercompany Payable	635,616	76,256
Deposit Payable, Related Party	(60,798)	(7,801)
Unearned Program Revenue	43,681	(102,676)
Net Cash Provided by Operating Activities	<u>(11,402)</u>	<u>199,211</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(5,240,859)	(5,378,399)
Proceeds from Sale of Investments	3,049,545	3,478,758
Purchases of Property and Equipment	(38,504)	(11,365)
Proceeds from Sale of Property and Equipment	907,528	20,000
Change in Value of Cash Surrender Value of Life Insurance	-	511
Repayment on notes receivable - related party	25,705	
Net Cash Used by Investing Activities	<u>(1,296,585)</u>	<u>(1,890,495)</u>
<b>CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>		
Proceeds from Receipt of Contributions	417,250	639,873
Net Cash Provided by Financing Activities	<u>417,250</u>	<u>639,873</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(890,737)	(1,051,411)
Cash and Cash Equivalents - Beginning of Year	<u>5,408,852</u>	<u>6,460,263</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 4,518,115</u></u>	<u><u>\$ 5,408,852</u></u>
<b>NONCASH INVESTING AND FINANCING ACTIVITIES:</b>		
Issuance of note receivable to related party to settle the proceeds from the sale of property and equipment	<u><u>\$ 4,124,000</u></u>	<u><u>\$ -</u></u>

# Safari Club International Foundation

## Notes to the Financial Statements

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### Note 1 - Summary of Significant Accounting Policies:

#### a. Organization and Nature of Operations

Safari Club International Foundation (SCIF or the Organization), 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 some 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 \$502,554 and \$441,594 for the years ended June 30, 2023 and 2022, respectively.

#### b. 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 the Financial Statements

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### Note 1 - Summary of Significant Accounting Policies (Continued)

#### b. 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.

#### c. 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.

#### d. 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, 2023 and 2022, a portion of the cash balances at financial institutions exceeded the balance insured by the FDIC.

#### e. Accounts Receivable, Net

Net accounts receivable consists 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 the Financial Statements

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### Note 1 - Summary of Significant Accounting Policies (Continued):

#### f. 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.

#### g. 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.

#### h. 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 the Financial Statements

### Note 1 - Summary of Significant Accounting Policies (Continued):

#### i. 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. 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.

#### j. 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.

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.

#### k. 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.

#### l. 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 \$5,000 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 the Financial Statements

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### Note 1 - Summary of Significant Accounting Policies (Continued):

#### l. 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. The building in Washington D.C. was sold to SCI on March 23, 2023 as further disclosed in note 8. The Granite Ranch real estate is held for sale. It has a book value of approximately \$1.5 million and is expected to sell for several million dollars.

#### m. 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 2023 and 2022.

#### n. In-kind 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 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 under 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.

#### o. 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:

# Safari Club International Foundation

## Notes to the Financial Statements

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### Note 1 - Summary of Significant Accounting Policies (Continued):

p. Functional Assignment of Revenues and Expenses (Continued)

- Education
- Conservation
- Fundraising
- General and Administrative

q. 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.

r. 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 \$225,265 and \$233,327 for the years ended June 30, 2023 and 2022, respectively.

s. 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.

t. 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, 2023 and 2022, management does not believe any uncertain tax positions exist.



# Safari Club International Foundation

## Notes to the Financial Statements

### Note 1 - Summary of Significant Accounting Policies (Continued):

#### u. Lease Arrangements

In February 2016, the FASB issued ASU 2016-02, Leases (ASC Topic 842), a comprehensive new lease recognition standard which will supersede previous existing lease recognition guidance. Under the standard, lessees need to recognize a right-of use asset and a lease liability for leases with terms of greater than twelve months. The liability is equal to the present value of lease payments. The asset is based on the liability, subject to adjustment, such as for initial direct costs. For financial statement purposes, leases are required to be classified as either operating or finance.

Operating leases will result in straight-line expense (similar to current operating leases) while finance leases will result in a front-loaded expense pattern (similar to current capital leases). The standard is effective for fiscal periods beginning after December 15, 2021. The Organization's management has completed its evaluation of the impact of the adoption of this standard on the financial statements and concluded there were no lease arrangements that met the criteria for recognition on the Organization's statement of financial position as of June 30, 2023.

#### v. Subsequent Events

SCIF evaluated subsequent events through April 9, 2024, which is the date the financial statements were available to be issued. See Note 16 for subsequent event disclosures.

### 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:

	2023	2022
Cash and Cash Equivalents	\$ 4,518,115	\$ 5,408,852
Accounts Receivable	91,863	144,346
Pledges Receivable, Current Portion	293,303	282,401
Note Receivable, current portion	39,454	-
Operating Investments	6,812,333	4,382,386
Endowment Spending Rate Distributions Available	918,073	860,621
Totals	\$ 12,673,141	\$ 11,078,606

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. Additionally, SCIF has a \$15,800,000 securities-based line of credit.

# Safari Club International Foundation

## Notes to the Financial Statements

### Note 3 - Revenue from Contracts with Customers:

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

	2023	2022
Unearned Revenue, Beginning of Year	\$ 405,347	\$ 508,023
Revenue Recognized that was Included in Unearned Revenue, Beginning of Year	(49,135)	(168,987)
Increase in Unearned Revenue Due to Cash Received During the Year	92,816	66,311
Unearned Revenue, End of Year	<u>\$ 449,028</u>	<u>\$ 405,347</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:

	2023	2022
Restricted - Endowment	\$ -	\$ 47,500
Restricted - Other	511,779	434,879
Without Donor Restrictions	<u>1,223,060</u>	<u>1,049,360</u>
Gross Pledges Receivable	1,734,839	1,531,739
Less: Unamortized Discount	(138,528)	(87,278)
Less: Allowance for Doubtful Accounts	<u>(387,996)</u>	<u>(284,496)</u>
Net Pledges Receivable	<u>\$ 1,208,315</u>	<u>\$ 1,159,965</u>

#### Amounts Due in:

Less than One Year	\$ 568,049	\$ 491,284
One to Five Years	1,113,790	948,555
Over Five Years	<u>53,000</u>	<u>91,900</u>
Totals	<u>\$ 1,734,839</u>	<u>\$ 1,531,739</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, 2023 and 2022, this rate was approximately 4.49% and 2.99%, respectively.

At June 30, 2023 and 2022, gross pledges receivable include \$88,746 and \$116,246, respectively, due from members of the board of directors and directors at large of SCI and SCIF.

# Safari Club International Foundation

## Notes to the Financial Statements

### Note 5 - Investment 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, 2023 and 2022.

*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 flow 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.

The following table presents assets measured at fair value by classification within the fair value hierarchy as of June 30, 2023.

	Level 1	Level 2	Level 3	Total
Exchange Traded Funds:				
Structured Investments	\$ 1,980,460	\$ -	\$ -	1,980,460
Large-Cap	8,179,861	-	-	8,179,861
Intermediate Team Bond	7,631,274	-	-	7,631,274
International Bond	2,304,113	-	-	2,304,113
High Yield Bond	1,578,369	-	-	1,578,369
Small-Cap Blend	1,383,462	-	-	1,383,462
Mid-Cap Blend	1,196,129	-	-	1,196,129
Total Exchange Traded Funds	24,253,668	-	-	24,253,668
Certificates of Deposits	-	-	997,523	997,523
Total Investments at Fair Value	\$ 24,253,668	\$ -	\$ 997,523	\$ 25,251,190

# Safari Club International Foundation

## Notes to the Financial Statements

### Note 5 - Investment 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, 2022.

	Level 1	Level 2	Level 3	Total
Exchange Traded Funds:				
Intermediate Team Bond	\$ 6,350,729	\$ -	\$ -	6,350,729
Mid-Cap Blend	827,668	-	-	827,668
Large-Cap	6,711,042	-	-	6,711,042
Small-Cap Blend	1,063,124	-	-	1,063,124
Short-Term Bond	1,727,493	-	-	1,727,493
High Yield Bond	1,564,893	-	-	1,564,893
International Bond	2,645,151	-	-	2,645,151
Total Exchange Traded Funds	20,890,100	-	-	24,253,668
Market-Linked Notes				
Senior Unsecured	-	-	859,000	859,000
Total Investments at Fair Value	\$ 20,890,100	\$ -	\$ 859,000	\$ 21,749,100

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

	2023	2022
Interest and Dividends	\$ 697,265	\$ 554,552
Net Realized (Losses) Gains on Investments	(190,454)	600,151
Net Unrealized Gains (Losses) on Investments	1,501,230	(3,845,872)
Fees on Investments	(35,097)	(38,961)
Total Investment Income	\$ 1,972,944	\$ (2,730,130)

# Safari Club International Foundation

## Notes to the Financial Statements

### Note 6 - Property and Equipment:

A summary of property and equipment at June 30 follows:

	2023	2022
Land and Improvements	\$ 377,271	\$ 377,271
Building - Headquarters and Museum	5,040,121	5,011,427
Building - Granite Ranch	2,928,023	2,928,023
Building - Washington, D.C.	-	3,261,999
Exhibits	1,377,757	1,377,757
Office Furniture and Equipment	1,601,593	1,597,474
Total Property and Equipment	11,324,765	14,553,951
Less: Accumulated Depreciation	(8,113,473)	(10,206,567)
Property and Equipment, Net	\$ 3,211,292	\$ 4,347,384

Depreciation expense charged to operations was \$231,100 and \$287,358 for 2023 and 2022, respectively.

In January 2023, the Granite Ranch real estate was listed for sale and is expected to sell for an amount far in excess of its book carrying value.

### 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 the Financial Statements

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### Note 7 - Endowments (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, SCIF 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 the Financial Statements

### Note 7 - Endowments (Continued):

The change in endowment net assets for the year ended June 30, 2023 is as follows:

		Without Restrictions	With Donors Restrictions		Total
			Time/Purpose Restricted	Restricted in Perpetuity	
Endowment Net Assets, July 1, 2022	\$	-	\$ 1,397,284	\$ 15,969,430	\$ 17,366,714
Contributions and Pledge Payments		-	-	991,081	991,081
Investment Return:					
Net Realized and Unrealized Gain		-	898,261	-	898,261
Dividends and Interest		-	488,903	-	488,903
Appropriation of Endowment Assets for Expenditure		-	(1,306,101)	-	(1,306,101)
Endowment Net Assets, June 30, 2023	\$	-	\$ <u>\$1,478,347</u>	16,960,511	\$ <u>18,438,858</u>
Pledges Receivable, Net (Restricted)				-	-
Present Value Discount on Restricted Pledges				-	-
Net Assets Retained in Perpetuity				\$ <u>16,960,511</u>	

The change in endowment net assets for the year ended June 30, 2022 is as follows:

		Without Restrictions	With Donors Restrictions		Total
			Time/Purpose Restricted	Restricted in Perpetuity	
Endowment Net Assets, July 1, 2021	\$	-	\$ 4,326,742	\$ 15,506,217	\$ 19,832,959
Contributions and Pledge Payments		-		46,213	463,213
Investment Return:					
Net Realized and Unrealized Losses		-	(2,185,622)	-	(2,185,622)
Dividends and Interest		-	393,165	-	393,165
Appropriation of Endowment Assets for Expenditure		-	(1,137,001)	-	(1,137,001)
Endowment Net Assets, June 30, 2022	\$	-	\$ <u>1,397,284</u>	15,969,430	\$ <u>17,366,714</u>
Pledges Receivable, Net (Restricted)				49,998	
Present Value Discount on Restricted Pledges				-	-
Net Assets Retained in Perpetuity				\$ <u>16,019,428</u>	

# Safari Club International Foundation

## Notes to the Financial Statements

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### 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.

A memorandum of understanding for facilities and shared services was entered into effective May 14, 2020 and all prior agreements are no longer effective. This 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 space to SCI for its operation in Tucson, Arizona, and in Washington, District of Columbia (DC) with a new lease agreement for the DC facility to be negotiated. This lease was negotiated effective September 1, 2022, however was terminated as of March 23, 2023 due to the sale of the building to SCI. SCI purchased the building for \$5,155,000 and SCF received an initial payment of \$907,528 towards the building and fees and established a promissory note with SCI in the amount of \$4,124,000. This note has a term of twenty-five years with an interest rate of 9.5% and payments are \$36,031 a month based on a 360-day calculation.

The MOU states that SCI will provide reasonable fees for shared staff and facilities. While the MOU states a separate Services Agreement will be negotiated between the parties, there is no agreement at this time. For the years ended June 30, 2023 and 2022, SCIF charged SCI \$490,702 and \$441,594, respectively, for the use of facilities. The rates charged were determined by reviewing average rent rates in the given areas and were reasonably determined by the Landlord and Tenant. SCIF pays, 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 \$194,589 and \$250,426 for the years ended June 30, 2023 and 2022, respectively. Additionally, SCIF received SCI reimbursement of allocated expenses of \$294,813 and \$218,353 for the years ended June 30, 2023 and 2022, respectively.

As of June 30, 2023 and 2022, amounts payable to SCI totaled \$924,454 and \$288,838 respectively. Amounts are included in accounts payable in the accompanying statements of financial position.

During 2022, SCIF paid \$87,606, to a law firm in which the spouse of the board member is a partner.

### Note 9 - Securities Base Line of Credit:

In October 2021, SCIF obtained a securities-based line of credit in the maximum amount of \$15,800,000, subject to certain withdrawal restrictions as defined in the agreement. Outstanding draws are secured by a portion of SCIF's investment portfolio and are charged interest at the one-month LIBOR plus 2.25% (effective rate 3.55% at June 30, 2023). There were no amounts outstanding under this line of credit on June 30, 2023.



# Safari Club International Foundation

## Notes to the Financial Statements

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### **Note 10 - 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). On March 9, 2022, the SBA forgave the loan in full.

### **Note 11 - 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, 2023 and 2022.

### **Note 12 - Lease Arrangements:**

#### ***Short-Term Leases***

SCIF rents office equipment and storage space with terms less than twelve months on an as needed basis. SCIF has elected to account for these equipment rentals and storage space as short-term lease arrangements. Short-term lease costs for the year ended June 30, 2023 amounted to \$21,039. The Organization has no lease arrangements that meet the criteria for recognition on the Organizations statement of financial position as of June 30, 2023.

### **Note 13 - 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 IRC. These matching contributions vest over a five-year period. In 2023 and 2022, employer matching contributions totaled \$50,009 and \$44,461, 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 2023 and 2022.

# Safari Club International Foundation

## Notes to the Financial Statements

### Note 14 - Net Assets:

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

	<u>2023</u>	<u>2022</u>
Subject to Expenditure for Specified Purpose:		
Education	\$ 503,453	\$ 354,727
National Fundraising	714,744	993,300
Museum	1,473	1,473
Humanitarian	367,446	217,304
Conservation	1,108,830	1,066,113
Accumulated Unappropriated Endowment Earnings	<u>1,478,346</u>	<u>1,397,284</u>
Total	4,174,293	4,030,201
Subject to Endowment Spending Policy and Appropriation		
Endowment	<u>16,960,511</u>	<u>16,019,428</u>
Total Net Assets with Donor Restrictions	\$ <u><u>21,134,804</u></u>	\$ <u><u>20,049,629</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>2023</u>	<u>2022</u>
Subject to Expenditure for Specified Purpose:		
Education	\$ 72,599	\$ 172,607
National Fundraising	303,557	477,943
Humanitarian	115,386	114,844
Conservation	553,465	261,582
Endowment Expenditures	1,306,101	1,137,001
Unspent Endowment Expenditures	<u>(691,500)</u>	<u>(192,500)</u>
Total Net Assets Released from		
Donor Restrictions	\$ <u><u>1,659,608</u></u>	\$ <u><u>1,971,477</u></u>

# Safari Club International Foundation

## Notes to the Financial Statements

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### Note 15 - 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.

### Note 16 - Subsequent Events:

The Organization's Board directed the closure of the Museum portion of the building as of December 31, 2023. Management is in the process of preparing a plan for board approval that will address the building and its contents. Since most items are fully depreciated, the Organization's management does not expect a loss from the closure and disposition of these assets.

On January 31, 2024, the Organization filed for the Employee Retention Credit ("ERC") in accordance with the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). Management believes the Organization is eligible for the refundable retention credits under the qualitative method criteria as defined in the CARES Act. The credit amount under this criteria is approximately \$389,000 plus interest. This amount will be recognized when conditions have been met to do so.