



**Kurtis Smith, LLC**

An Audit and Advisory Firm

**Dallas Safari Club**  
Financial Statements  
and Accountant's Compilation Report

For the years ended March 31, 2022, 2021, and 2020



# Kurtis Smith, LLC

An Audit and Advisory Firm

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Woodland Park, CO 80863

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## ACCOUNTANT'S COMPILATION REPORT

Board of Directors  
Dallas Safari Club  
Dallas, Texas

Management is responsible for the accompanying financial statements of Dallas Safari Club, which comprise the statement of financial position as of March 31, 2022, 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 accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Management is also responsible for the summarized information presented for the years ended March 31, 2021, and 2020, which is provided for purposes of additional comparative analysis.

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

*Kurtis Smith, LLC*

Woodland Park, CO

May 5, 2023

**Dallas Safari Club****Statement of Financial Position****As of March 31, 2022***with summarized financial information as of March 31, 2021 and 2020*

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 4,793,139	\$ 7,494,493	\$ 4,324,894
Investments	5,098,947	1,307,785	2,869,914
Receivables	317,645	87,068	394,547
Inventory	59,630	93,338	99,422
Prepaid expenses	217,258	350,940	407,730
Property and equipment	885,153	917,243	957,059
Total assets	<u>\$ 11,371,772</u>	<u>\$ 10,250,867</u>	<u>\$ 9,053,566</u>
<b>Liabilities</b>			
Accounts payable	\$ 666,160	\$ 506,072	\$ 474,611
Accrued expenses	89,382	79,518	102,532
Deferred revenue	2,324,007	4,168,811	1,977,858
Refundable advance	-	149,500	-
Total liabilities	<u>3,079,549</u>	<u>4,903,901</u>	<u>2,555,001</u>
<b>Net assets</b>			
Without donor restrictions	8,292,223	5,346,966	6,498,565
With donor restrictions	-	-	-
Total net assets	<u>8,292,223</u>	<u>5,346,966</u>	<u>6,498,565</u>
Total liabilities and net assets	<u>\$ 11,371,772</u>	<u>\$ 10,250,867</u>	<u>\$ 9,053,566</u>

**Dallas Safari Club****Statement of Activities****For the year ended March 31, 2022***with summarized financial information for the years ended March 31, 2021 and 2020*

	2022			2021	2020
	Without Donor Restrictions	With Donor Restrictions	Total		
<b>Revenue and support</b>					
Revenue:					
Conference and event income	\$ 8,259,003	\$ -	\$ 8,259,003	\$ 1,828,224	\$ 8,019,044
Membership and chapter fees	511,276	-	511,276	340,416	650,492
Advertising	340,188	-	340,188	194,335	397,440
Apparel and gear sales	135,009	-	135,009	5,765	201,995
Total revenue	9,245,476	-	9,245,476	2,368,740	9,268,971
Contributed support and other income:					
Contributions	345,780	-	345,780	20,900	4,750
Contributions In-Kind	323,985	-	323,985	-	253,378
Investment return	13,215	-	13,215	22,682	57,605
Other income	72,612	-	72,612	3,511	4,378
Total contributed support and other income	755,592	-	755,592	47,093	320,111
Total revenue and support	10,001,068	-	10,001,068	2,415,833	9,589,082
<b>Net assets released</b>					
Purpose and time restrictions	-	-	-	-	-
Total revenue and support, and net assets released	10,001,068	-	10,001,068	2,415,833	9,589,082
<b>Expenses</b>					
Compensation and benefits	1,292,837	-	1,292,837	1,191,187	1,460,836
Conference and event expenses	3,277,441	-	3,277,441	223,202	2,935,954
Communications and advocacy	1,258,845	-	1,258,845	1,142,829	1,945,691
Contributions to others	199,388	-	199,388	327,500	2,427,646
Apparel and gear cost of sales	96,279	-	96,279	6,084	266,321
Membership activities	148,767	-	148,767	71,459	305,479
Office and general expenses	744,446	-	744,446	555,366	1,010,842
Depreciation expense	37,808	-	37,808	49,805	46,614
Total expenses	7,055,811	-	7,055,811	3,567,432	10,399,383
Change in net assets	2,945,257	-	2,945,257	(1,151,599)	(810,301)
Net assets, beginning	5,346,966	-	5,346,966	6,498,565	7,308,866
Net assets, ending	\$ 8,292,223	\$ -	\$ 8,292,223	\$ 5,346,966	\$ 6,498,565

See accountants' compilation report.

**Dallas Safari Club**  
**Statement of Functional Expenses**  
**For the year ended March 31, 2022**

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	<b>Program Services</b>	<b>Management and General</b>	<b>Membership Development</b>	<b>Total</b>
Compensation and benefits	\$ 904,986	\$ 323,209	\$ 64,642	\$ 1,292,837
Conference and event expenses	2,949,697	163,872	163,872	3,277,441
Communications and advocacy	881,192	314,711	62,942	1,258,845
Contributions to others	199,388	-	-	199,388
Apparel and gear cost of sales	-	96,279	-	96,279
Membership activities	89,261	29,753	29,753	148,767
Office and general expenses	186,112	521,112	37,222	744,446
Depreciation expense	26,466	9,452	1,890	37,808
Total expenses	<u>\$ 5,237,102</u>	<u>\$ 1,458,388</u>	<u>\$ 360,321</u>	<u>\$ 7,055,811</u>

**Dallas Safari Club****Statement of Cash Flows****For the year ended March 31, 2022***with summarized financial information for the years ended March 31, 2021 and 2020*

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities</b>			
Change in net assets	\$ 2,945,257	\$ (1,151,599)	\$ (810,301)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:			
Depreciation	37,808	49,805	46,614
Changes in operating assets and liabilities:			
Receivables	(230,577)	307,479	(182,143)
Inventory	33,708	6,084	173,621
Prepaid expenses	133,682	56,790	(123,004)
Accounts payable	160,088	31,461	11,511
Accrued expenses	9,864	(23,014)	(181,145)
Deferred revenue	(1,844,804)	2,190,953	362,482
Refundable advances	(149,500)	149,500	-
Net cash provided (used) by operating activities	<u>1,095,526</u>	<u>1,617,459</u>	<u>(702,365)</u>
<b>Cash flows from investing activities</b>			
Purchases of investments	(5,098,947)	-	-
Sales and maturities of investments	1,307,785	1,562,129	-
Purchases of property and equipment	(5,718)	(9,989)	(36,088)
Net cash provided (used) by investing activities	<u>(3,796,880)</u>	<u>1,552,140</u>	<u>(36,088)</u>
Net change in cash and cash equivalents	<u>(2,701,354)</u>	<u>3,169,599</u>	<u>(738,453)</u>
<b>Cash and cash equivalents</b>			
Beginning of year	<u>7,494,493</u>	<u>4,324,894</u>	<u>5,063,347</u>
End of year	<u>\$ 4,793,139</u>	<u>\$ 7,494,493</u>	<u>\$ 4,324,894</u>

## **Dallas Safari Club**

### **Notes to financial statements**

#### **For the year ended March 31, 2022**

*with summarized financial information for the years ended March 31, 2021 and 2020.*

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#### **1. Nature of Organization**

The mission of the Dallas Safari Club (“DSC”, “we”, “us”, or “our”) is to ensure the conservation of wildlife through public engagement, education and advocacy for well-regulated hunting and sustainable use. The vision of DSC is a society that values wildlife, engages in its conservation and understands and supports the role of well-regulated hunting in the sustainable use of wild resources. We are governed by a board of directors (“Board”) that is elected by our members.

We have local chapters (“Chapters”) in other geographic regions that are governed by independently elected boards of directors. The Chapters have affiliation agreements with the DSC that provide the structure for common operating policies.

The DSC Foundation, Inc. (“Foundation”) was formed to support our mission and vision by providing grants and programs to a charitable giving arm. The Foundation is governed by its board of directors.

The DSC Frontline Foundation (“Frontline”) was formed to provide financial support for seriously injured individuals and families engaged in the professional hunting industry or in professions related to the conservation of wildlife. The Foundation is governed by its board of directors.

#### **2. Summary of Significant Accounting Policies**

##### **Basis of Presentation and Consolidation**

Our financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. (“U.S. GAAP”). Our significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

The Foundation, Frontline, and Chapters are not consolidated with these financial statements as we do not have a controlling interest in these entities in accordance with U.S. GAAP.

## **Dallas Safari Club**

### **Notes to financial statements**

#### **For the year ended March 31, 2022**

*with summarized financial information for the years ended March 31, 2021 and 2020.*

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#### **Revenue Recognition**

We earn revenue from events, membership and chapter fees, advertising, and apparel and gear sales. Revenue is recognized when control of the promised goods or services is transferred in an amount that reflects the consideration we are entitled to in exchange for those goods or services (transaction price). Revenue from membership fees, chapter income, and advertising are recognized over time. Revenue from conferences and events, and apparel and gear sales are recognized at the point of sale. We defer customer payments received in advance of when we meet our performance obligations.

#### **Contributions**

Contributions are recognized when made or promised, which may be when cash is received, unconditional promises are made, or when ownership of donated assets are transferred. Contributions are reported as an increase in net assets with or without donor restrictions depending on the nature of the restrictions, if any. The refundable advance received during the year ended March 31, 2021, in the amount of \$149,500 was a PPP Loan reflected as a conditional contribution (refundable advance) that was forgiven in the following year.

#### **Use of Estimates**

We use estimates and assumptions in preparing these financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

#### **Cash and Cash Equivalents**

Cash and cash equivalents are comprised of cash deposits at banks and short term, highly liquid investments with maturity dates of less than three months.

#### **Investments**

Investments are measured and reflected at fair value on a recurring basis. Unrealized and realized gains and losses are reported as increases or decreases in net assets in the Statement of Activities. Interest and dividend income are recognized as earned.



## **Dallas Safari Club**

### **Notes to financial statements**

#### **For the year ended March 31, 2022**

*with summarized financial information for the years ended March 31, 2021 and 2020.*

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#### **Accounts Receivable**

Accounts receivable are reflected at net realizable value. We estimate net realizable value using an allowance for doubtful accounts, which is based on collection experience and other known factors anticipated to affect collections. Receivables are due from customers when billed. Accounts that are outstanding longer than the contractual payment terms are considered past due. We write off receivables when they become uncollectible, and payments subsequently received on such receivables are credited back to income. We determined that it was not necessary to record an allowance for doubtful accounts as of March 31, 2022, 2021, and 2020.

#### **Inventory**

Inventory consists of branded clothing and other branded materials. Inventory is valued at the lower of cost or market. Cost is determined using average cost.

#### **Property and Equipment**

Property and equipment are reflected at cost net of accumulated depreciation or, in the case of donated assets, at fair value at the date of contribution. Major renewals and improvements are capitalized while maintenance and repairs, which do not improve or extend the life of the respective assets, are expensed. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. Building assets are depreciated over 40 years. Equipment, furniture and fixtures are depreciated over a range of three to seven years.

#### **Net Assets**

The financial statements reflect amounts by class of net assets. Accordingly, net assets and changes therein are classified as follows:

- *Net assets without donor restrictions:* Net assets not subject to donor-imposed stipulations and are available for use or may be designated for a specific purpose by the Board.
- *Net assets with donor restrictions:* Net assets subject to donor-imposed stipulations that expire by the passage of time or by actions pursuant to purpose restrictions.

When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

## **Dallas Safari Club**

### **Notes to financial statements**

#### **For the year ended March 31, 2022**

*with summarized financial information for the years ended March 31, 2021 and 2020.*

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#### **Functional Allocation of Expenses**

The costs of providing the various programs and supporting services have been summarized on a functional basis in the Statement of Functional Expenses. Certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include compensation and benefits, conference and event expenses, communication expenses, and certain office expenses. Compensation and benefits are allocated to functional areas based on estimated time incurred. Conference and event expenses are allocated based on areas benefited.

#### **Income Taxes**

We are exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code as a not-for-profit organization. Accordingly, no provision has been made for federal income taxes in the accompanying financial statements.

#### **Fair Value Measurements**

U.S. GAAP defines fair value, establishes a framework for measuring fair value, and requires certain disclosures about fair value measurements. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

U.S. GAAP establishes a fair value hierarchy that prioritizes and ranks the inputs in valuation techniques used to measure fair value. The fair value hierarchy maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Inputs using quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs, other than Level 1 prices, such as quoted prices in active markets for similar assets and liabilities in markets that are not active, or unobservable inputs that are corroborated by market data.

Level 3 – Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities. This includes discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

## Dallas Safari Club

### Notes to financial statements

#### For the year ended March 31, 2022

*with summarized financial information for the years ended March 31, 2021 and 2020.*

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Our assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the classification of assets and liabilities within the fair value hierarchy. Because of the long-term nature of certain assets and liabilities measured at fair value as well as differences in the availability of market prices and market liquidity over their terms, inputs for some assets and liabilities may fall into any one of the three levels in the fair value hierarchy. U.S. GAAP requires us to classify these assets and liabilities in the lowest level in the hierarchy for which inputs are significant to the fair value measurement; a portion of that measurement may be determined using inputs from a higher level in the hierarchy.

#### Subsequent Events

Subsequent events have been evaluated for potential recognition or disclosure through May 5, 2023, which is the date the financial statements were available to be issued.

### 3. Investments

Our investments, categorized in accordance with the fair-value hierarchy, as of March 31, 2022, 2021, and 2020, is summarized as follows:

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
March 31, 2022				
Certificates of Deposit	\$ -	\$ 5,098,947	\$ -	\$ 5,098,947
March 31, 2021				
Certificates of Deposit	-	1,307,785	-	1,307,785
March 31, 2020				
Certificates of Deposit	-	2,869,914	-	2,869,914

Our investment returns reflected in the Statement of Activities for the years ended March 31, 2022, 2021, and 2020 are comprised of interest earned from our investments and interest-bearing cash and cash equivalents.

## Dallas Safari Club

### Notes to financial statements

#### For the year ended March 31, 2022

*with summarized financial information for the years ended March 31, 2021 and 2020.*

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#### 4. Property and Equipment

Property and equipment consisted of the following as of March 31, 2022:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Land	\$ 242,740	\$ 242,740	\$ 242,740
Building and improvements	816,636	816,636	816,636
Furniture and equipment	243,657	237,939	342,521
Vehicles	<u>27,804</u>	<u>27,804</u>	<u>27,804</u>
Property and equipment, cost	1,330,837	1,325,119	1,429,701
Accumulated depreciation	<u>(445,684)</u>	<u>(407,876)</u>	<u>(472,642)</u>
Property and equipment, net	<u>\$ 885,153</u>	<u>\$ 917,243</u>	<u>\$ 957,059</u>

Depreciation expense for the years ended March 31, 2022, 2021, and 2020 was \$37,808, \$49,805, and \$46,614, respectively.

#### 5. Liquidity and Availability of Financial Assets

Our financial assets, net of amounts not available for general use because of contractual or donor-imposed restrictions, is as follows as of March 31 :

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Financial assets:			
Cash and cash equivalents	\$ 4,793,139	\$ 7,494,493	\$ 4,324,894
Investments	5,098,947	1,307,785	2,869,914
Receivables	<u>317,645</u>	<u>87,068</u>	<u>394,547</u>
Financial assets, at year-end	10,209,731	8,889,346	7,589,355
Board-designated liquidity reserve	<u>(4,346,714)</u>	<u>(4,881,768)</u>	<u>(6,230,484)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 5,863,017</u>	<u>\$ 4,007,578</u>	<u>\$ 1,358,871</u>

Our financial assets available for general expenditures reflected above are comprised of assets available for current use and cash received in advance for future conferences. Cash received in advance for future conferences is used first for the respective conferences. Other financial assets are made available for general expenditures, liabilities, and other obligations as they become due. Our Board established a liquidity reserve. This is a fund established by our Board that may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside of normal operations.

## Dallas Safari Club

### Notes to financial statements

#### For the year ended March 31, 2022

with summarized financial information for the years ended March 31, 2021 and 2020.

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#### 6. Net Assets

The following table summarizes our net assets as of March 31:

	2022	2021	2020
Net assets without donor restrictions:			
Unrestricted	\$ 3,945,509	\$ 465,198	\$ 268,081
Board liquidity reserve	4,346,714	4,881,768	6,230,484
Total net assets without donor restrictions	8,292,223	5,346,966	6,498,565
Net assets with donor restrictions	-	-	-
Total net assets	\$ 8,292,223	\$ 5,346,966	\$ 6,498,565

#### 7. Revenue Recognition

##### Disaggregation of Revenue

Our revenue is comprised of amounts recognized at a point in time and amounts recognized over time. The following table provides a disaggregation of our revenue by the timing of when it is recognized and major categories of revenue therein:

	2022	2021	2020
Revenue recognized at a point in time:			
Conferences and event income	\$ 8,259,003	\$ 1,828,224	\$ 8,019,044
Apparel and gear sales	135,009	5,765	201,995
	8,394,012	1,833,989	8,221,039
Revenue recognized over time:			
Membership and chapter fees	511,276	340,416	650,492
Advertising	340,188	194,335	397,440
	851,464	534,751	1,047,932
	\$ 9,245,476	\$ 2,368,740	\$ 9,268,971

Our conference and event income is comprised primarily of our annual DSC Convention and Sporting Expo.

## Dallas Safari Club

### Notes to financial statements

#### For the year ended March 31, 2022

*with summarized financial information for the years ended March 31, 2021 and 2020.*

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#### Contract Balances

The balances of receivables, contract assets, and contract liabilities from contracts with customers are as follows as of March 31:

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Receivables	\$ 317,645	\$ 87,068	\$ 394,547	\$ 249,857
Deferred revenue	(2,324,007)	(4,168,811)	(1,977,858)	(1,615,376)

#### **8. Related Party Transactions**

The Foundation and Frontline were formed to assist with charitable giving in support of programs and activities related to our mission.

We entered into an Administrative Services Agreement (“ASA”) with the Foundation on September 25, 2021, to provide executive and staff services, office facilities, technological support, and other administrative services. We provided fewer administrative services for periods prior to September 25, 2021, informally without a written agreement. We billed the Foundation \$56,664 for the year ended March 31, 2022, for these services. We provide office and administrative services for Frontline informally with no written agreement and at no charge.

We engaged a company owned by a member of the Board for production and media services. We incurred \$470,039, \$284,000, and \$298,000 in expenses for this company during the years ended March 31, 2022, 2021, and 2020, respectively. We owed this vendor approximately \$106,250, \$66,250, and \$18,750 as of March 31, 2022, 2021, and 2020, respectively.

#### **9. Commitments and Contingencies**

##### Contingencies

We are subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of our activities. We do not believe that there are any matters that would have a material adverse effect on our financial condition.

##### Concentrations of Credit Risk

We maintain cash in bank deposit accounts which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (“FDIC”) up to certain limits. We monitor our relationships and diversification of accounts with our financial institutions.