



**Kurtis Smith, LLC**

An Audit and Advisory Firm

**Dallas Safari Club**  
Financial Statements  
and Accountants' Compilation Report

For the years ended March 31, 2023 and 2022



# Kurtis Smith, LLC

An Audit and Advisory Firm

1234 Woodland Valley Ranch Dr

Woodland Park, CO 80863

[kurtissmithcpa.com](http://kurtissmithcpa.com)

---

## ACCOUNTANTS' 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, 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 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 year ended March 31, 2022.

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

January 24, 2024

## Dallas Safari Club

### Statement of Financial Position

As of March 31, 2023

*with summarized financial information as of March 31, 2022*

---

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 6,390,646	\$ 4,793,139
Investments	7,339,493	5,098,947
Receivables	179,379	317,645
Inventory	95,018	59,630
Prepaid expenses	219,626	217,258
Property and equipment, net	959,598	885,153
Total assets	<u>\$ 15,183,760</u>	<u>\$ 11,371,772</u>
<b>Liabilities</b>		
Accounts payable	\$ 1,873,499	\$ 666,160
Accrued expenses	113,946	89,382
Deferred revenue	2,098,488	2,324,007
Total liabilities	4,085,933	3,079,549
<b>Net assets</b>		
Without donor restrictions	11,097,827	8,292,223
With donor restrictions	-	-
Total net assets	<u>11,097,827</u>	<u>8,292,223</u>
Total liabilities and net assets	<u>\$ 15,183,760</u>	<u>\$ 11,371,772</u>

**Dallas Safari Club****Statement of Activities****For the year ended March 31, 2023***with summarized financial information for the year ended March 31, 2022*

	<b>2023</b>			<b>2022</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	
<b>Revenue and support</b>				
Revenue:				
Conference and event income	\$ 9,211,300	\$ -	\$ 9,211,300	\$ 8,259,003
Membership and chapter fees	541,868	-	541,868	511,276
Advertising	387,953	-	387,953	340,188
Apparel and gear sales	190,178	-	190,178	135,009
Total revenue	10,331,299	-	10,331,299	9,245,476
Contributed support and other income:				
Contributions	-	-	-	345,780
Contributions In-Kind	347,321	-	347,321	323,985
Investment return	98,535	-	98,535	13,215
Other income	445,094	-	445,094	72,612
Total contributed support and other income	890,950	-	890,950	755,592
Total revenue and support	11,222,249	-	11,222,249	10,001,068
<b>Net assets released</b>				
Purpose and time restrictions	-	-	-	-
Total revenue and support, and net assets released	11,222,249	-	11,222,249	10,001,068
<b>Expenses</b>				
Compensation and benefits	1,583,454	-	1,583,454	1,292,837
Conference and event expenses	3,052,461	-	3,052,461	3,277,441
Communications and advocacy	2,070,790	-	2,070,790	1,258,845
Contributions to others	649,802	-	649,802	199,388
Apparel and gear cost of sales	106,721	-	106,721	96,279
Membership activities	118,513	-	118,513	148,767
Office and general expenses	792,121	-	792,121	744,446
Depreciation expense	42,783	-	42,783	37,808
Total expenses	8,416,645	-	8,416,645	7,055,811
Change in net assets	2,805,604	-	2,805,604	2,945,257
Net assets, beginning	8,292,223	-	8,292,223	5,346,966
Net assets, ending	\$ 11,097,827	\$ -	\$ 11,097,827	\$ 8,292,223

**Dallas Safari Club**  
**Statement of Functional Expenses**  
**For the year ended March 31, 2023**

---

	<b>Program Services</b>	<b>Management and General</b>	<b>Membership Development</b>	<b>Total</b>
Compensation and benefits	\$ 1,108,417	\$ 395,864	\$ 79,173	\$ 1,583,454
Conference and event expenses	2,747,215	152,623	152,623	3,052,461
Communications and advocacy	1,449,552	517,698	103,540	2,070,790
Contributions to others	649,802	-	-	649,802
Apparel and gear cost of sales	-	106,721	-	106,721
Membership activities	71,107	23,703	23,703	118,513
Office and general expenses	198,030	554,485	39,606	792,121
Depreciation expense	29,948	10,696	2,139	42,783
Total expenses	<u>\$ 6,254,071</u>	<u>\$ 1,761,790</u>	<u>\$ 400,784</u>	<u>\$ 8,416,645</u>

**Dallas Safari Club****Statement of Cash Flows****For the year ended March 31, 2023***with summarized financial information for the year ended March 31, 2022*

	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 2,805,604	\$ 2,945,257
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	42,783	37,808
Changes in operating assets and liabilities:		
Receivables	138,266	(230,577)
Inventory	(35,388)	33,708
Prepaid expenses	(2,368)	133,682
Accounts payable	1,207,339	160,088
Accrued expenses	24,564	9,864
Deferred revenue	(225,519)	(1,844,804)
Refundable advances	-	(149,500)
Net cash provided (used) by operating activities	<u>3,955,281</u>	<u>1,095,526</u>
<b>Cash flows from investing activities</b>		
Purchases of investments	(2,240,546)	(5,098,947)
Sales and maturities of investments	-	1,307,785
Purchases of property and equipment	<u>(117,228)</u>	<u>(5,718)</u>
Net cash provided (used) by investing activities	<u>(2,357,774)</u>	<u>(3,796,880)</u>
Net change in cash and cash equivalents	1,597,507	(2,701,354)
<b>Cash and cash equivalents</b>		
Beginning of year	<u>4,793,139</u>	<u>7,494,493</u>
End of year	<u>\$ 6,390,646</u>	<u>\$ 4,793,139</u>

# **Dallas Safari Club**

## **Notes to financial statements**

### **For the year ended March 31, 2023**

*with summarized financial information for the year ended March 31, 2022*

---

#### **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.

##### **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.

## **Dallas Safari Club**

### **Notes to financial statements**

**For the year ended March 31, 2023**

*with summarized financial information for the year ended March 31, 2022*

---

#### **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.

#### **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.

#### **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, 2023 and 2022.

#### **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.



## **Dallas Safari Club**

### **Notes to financial statements**

**For the year ended March 31, 2023**

*with summarized financial information for the year ended March 31, 2022*

---

#### **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.

#### **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.

## **Dallas Safari Club**

### **Notes to financial statements**

#### **For the year ended March 31, 2023**

*with summarized financial information for the year ended March 31, 2022*

---

### **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.

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 January 24, 2024, which is the date the financial statements were available to be issued.

## Dallas Safari Club

### Notes to financial statements

#### For the year ended March 31, 2023

with summarized financial information for the year ended March 31, 2022

---

### 3. Investments

Our investments, categorized in accordance with the fair-value hierarchy, as of March 31, 2023 and 2022 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, 2023				
Certificates of Deposit	\$ -	\$ 7,339,493	\$ -	\$ 7,339,493
March 31, 2022				
Certificates of Deposit	\$ -	\$ 5,098,947	\$ -	\$ 5,098,947

Our investment returns reflected in the Statement of Activities for the years ended March 31, 2023 and 2022 are comprised of interest earned from our investments and interest-bearing cash and cash equivalents.

### 4. Property and Equipment

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

	2023	2022
Land	\$ 242,740	\$ 242,740
Building and improvements	914,696	816,636
Furniture and equipment	253,678	243,657
Vehicles	-	27,804
Property and equipment, cost	1,411,114	1,330,837
Accumulated depreciation	(451,516)	(445,684)
Property and equipment, net	\$ 959,598	\$ 885,153

Depreciation expense for the years ended March 31, 2023 and 2022 was 42,783 and 37,808, respectively.

## Dallas Safari Club

### Notes to financial statements

For the year ended March 31, 2023

with summarized financial information for the year ended March 31, 2022

---

#### 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>2023</u>	<u>2022</u>
Financial assets:		
Cash and cash equivalents	\$ 6,390,646	\$ 4,793,139
Investments	7,339,493	5,098,947
Receivables	179,379	317,645
Financial assets, at year-end	13,909,518	10,209,731
Board-designated liquidity reserve	(3,188,288)	(4,346,714)
Financial assets available to meet general expenditures within one year	<u>\$ 10,721,230</u>	<u>\$ 5,863,017</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.

#### 6. Net Assets

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

	<u>2023</u>	<u>2022</u>
Net assets without donor restrictions:		
Unrestricted	\$ 7,909,539	\$ 3,945,509
Board liquidity reserve	3,188,288	4,346,714
Total net assets without donor restrictions	11,097,827	8,292,223
Net assets with donor restrictions	-	-
Total net assets	<u>\$ 11,097,827</u>	<u>\$ 8,292,223</u>

## Dallas Safari Club

### Notes to financial statements

#### For the year ended March 31, 2023

with summarized financial information for the year ended March 31, 2022

---

## 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 for the year ended March 31:

	<u>2023</u>	<u>2022</u>
Revenue recognized at a point in time:		
Conferences and event income	\$ 9,211,300	\$ 8,259,003
Apparel and gear sales	190,178	135,009
	<u>9,401,478</u>	<u>8,394,012</u>
Revenue recognized over time:		
Membership and chapter fees	541,868	511,276
Advertising	387,953	340,188
	<u>929,821</u>	<u>851,464</u>
	<u>\$ 10,331,299</u>	<u>\$ 9,245,476</u>

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

### Contract Balances

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Receivables	\$ 179,379	\$ 317,645	\$ 87,068
Deferred revenue	(2,098,488)	(2,324,007)	(4,168,811)

## **Dallas Safari Club**

### **Notes to financial statements**

#### **For the year ended March 31, 2023**

*with summarized financial information for the year ended March 31, 2022*

---

#### **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. For the years ended March 31, 2023 and 2022, we billed the Foundation \$129,996 and \$56,664 for these services, respectively. We provide office and administrative services for Frontline informally with no written agreement and at no charge. We also granted approximately \$350,000 to the Foundation during the year ended March 31, 2023.

We engaged a company that is owned by a member of the Board for production and media services. For the years ended March 31, 2023 and 2022, we incurred \$473,000 and \$470,039, respectively, in expenses for this company. We owed \$106,250 as of March 31, 2023 and 2022.

#### **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.