



Dallas Safari Club
Financial Statements
With Independent Auditor's Report
For the year ended March 31, 2024



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Dallas Safari Club
Dallas, Texas

Opinion

We have audited the accompanying financial statements of the Dallas Safari Club (the "Club"), which comprise the statement of financial position as of March 31, 2024 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 accompanying financial statements present fairly, in all material respects, the financial position of the Club as of March 31, 2024, 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 ("GAAS"). 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 the Club 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.

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 the Club's ability to continue as a going concern for 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 GAAS 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 the Club'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 the Club'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.

Kurtis Smith, LLC

Woodland Park, Colorado

February 12, 2025

Dallas Safari Club
Statement of Financial Position
As of March 31, 2024

Assets

Cash and cash equivalents	\$ 939,834
Investments	14,135,745
Accounts receivable	215,742
Inventory and supplies	138,876
Prepaid expenses	353,239
Property and equipment, net	<u>984,319</u>
Total assets	<u>\$ 16,767,755</u>

Liabilities

Accounts payable	\$ 623,393
Accrued expenses	576,653
Deferred revenue	<u>2,192,479</u>
Total liabilities	<u>3,392,525</u>

Net Assets

Without donor restrictions	13,375,230
With donor restrictions	<u>-</u>
Total net assets	<u>13,375,230</u>
Total liabilities and net assets	<u>\$ 16,767,755</u>

Dallas Safari Club
Statement of Activities
For the year ended March 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Conference and event income:			
Exhibitor booths and sponsorships	\$ 5,723,244	\$ -	\$ 5,723,244
Auction income	2,807,832	-	2,807,832
Attendance and banquet fees	1,135,282	-	1,135,282
Raffle income	315,476	-	315,476
	<u>9,981,834</u>	<u>-</u>	<u>9,981,834</u>
Membership and chapter fees	701,070	-	701,070
Advertising and commissions	564,987	-	564,987
Apparel and gear sales	177,889	-	177,889
Management fees	130,000	-	130,000
	<u>11,555,780</u>	<u>-</u>	<u>11,555,780</u>
Expenses			
Program services	7,923,906	-	7,923,906
Supporting services:			
Management and general	737,690	-	737,690
Membership development	1,062,240	-	1,062,240
	<u>9,723,836</u>	<u>-</u>	<u>9,723,836</u>
Total expenses	<u>9,723,836</u>	<u>-</u>	<u>9,723,836</u>
Operating income	1,831,944	-	1,831,944
Other income (expenses)			
Investment return, net	441,442	-	441,442
Other income	7,152	-	7,152
	<u>448,594</u>	<u>-</u>	<u>448,594</u>
Change in net assets	<u>\$ 2,280,538</u>	<u>\$ -</u>	<u>\$ 2,280,538</u>
Net assets, beginning of year	<u>\$ 11,094,692</u>	<u>\$ -</u>	<u>\$ 11,094,692</u>
Net assets, end of year	<u>\$ 13,375,230</u>	<u>\$ -</u>	<u>\$ 13,375,230</u>

The accompanying notes are an integral part of these financial statements.

Dallas Safari Club

Statement of Functional Expenses

For the year ended March 31, 2024

	Program Services	Management and General	Membership Development	Total
Compensation and benefits	\$ 1,142,086	\$ 375,066	\$ 462,173	\$ 1,979,325
Conference and event expenses	3,699,789	-	-	3,699,789
Communications	1,916,853	21,386	352,785	2,291,024
Grants approved	670,000	-	-	670,000
Cost of sales	107,991	-	-	107,991
Membership activities	93,878	-	171,737	265,615
Administrative expenses	269,636	333,514	66,609	669,759
Depreciation expense	23,673	7,724	8,936	40,333
Total expenses	<u>\$ 7,923,906</u>	<u>\$ 737,690</u>	<u>\$ 1,062,240</u>	<u>\$ 9,723,836</u>

Dallas Safari Club

Statement of Cash Flows

For the year ended March 31, 2024

Cash flows from operating activities

Change in net assets	\$ 2,280,538
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Amortization expense	40,333
Changes in operating assets and liabilities:	
Accounts receivable	(36,363)
Inventory	(43,858)
Prepaid expenses	(133,613)
Accounts payable	(827,247)
Accrued expenses	36,713
Deferred revenue	93,991
Net cash provided (used) by operating activities	1,410,494

Cash flows from investing activities

Purchases of investments	(28,719,778)
Sales and maturities of investments	27,256,924
Purchases of property and equipment	(65,054)
Net cash provided (used) by investing activities	(1,527,908)
Net change in cash and cash equivalents	(117,414)

Cash and cash equivalents

Beginning of year	1,057,248
End of year	\$ 939,834

Dallas Safari Club
Notes to financial statements
For the year ended March 31, 2024

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 own 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 own board of directors.

2. Summary of Significant Accounting Policies

Basis of Presentation

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 and management fees are recognized over time. Revenue from exhibitor booths and sponsorships, auction income, attendance and banquet fees, raffle tickets, advertising and commissions, 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, 2024

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. The most significant use of estimates relates to the valuation of investments and functional allocation of expenses.

Cash and Cash Equivalents

Cash and cash equivalents are comprised of checking and interest-bearing savings accounts with banks. For the purposes of the statement of cash flows, we consider all highly liquid debt instruments with original maturities of three months or less to be cash equivalents unless they are part of our investment portfolio.

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 represents amounts billed to customers that are due and payable, which is stated at the amount management expects to collect. We consider historical credit losses, current market conditions, the financial condition of customers, and age of accounts receivable when measuring credit loss reserves. Account balances are written off against the credit loss reserve after all means of collection have been exhausted and the potential for recovery is considered remote. We determined that it was not necessary to record a credit loss reserve as of March 31, 2024.

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 renovations 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 forty years. Equipment, furniture and fixtures are depreciated over a range of three to seven years.

Dallas Safari Club
Notes to financial statements
For the year ended March 31, 2024

Inventory and Supplies

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

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 other 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, 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 February 12, 2025, 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, 2024

3. Investments

Our investments, categorized in accordance with the fair-value hierarchy, as of March 31, 2024 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
Certificates of deposit	\$ -	\$ 7,541,331	\$ -	\$ 7,541,331
Money market mutual fund	6,594,414	-	-	6,594,414
	<u>\$ 6,594,414</u>	<u>\$ 7,541,331</u>	<u>\$ -</u>	<u>\$ 14,135,745</u>

Our investment returns reflected in the statement of activities for the year ended March 31, 2024, are comprised of interest earned from our investments and interest-bearing cash and cash equivalents. The above values are based on amounts provided by our financial institutions.

4. Property and Equipment

Property and equipment consisted of the following as of March 31, 2024:

Land	\$ 242,740
Building and improvements	959,702
Furniture and equipment	<u>273,726</u>
Property and equipment, cost	1,476,168
Accumulated depreciation	<u>(491,849)</u>
Property and equipment, net	<u>\$ 984,319</u>

Depreciation expense for the year ended March 31, 2024, was \$40,333.

Dallas Safari Club
Notes to financial statements
For the year ended March 31, 2024

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, are as follows as of March 31, 2024:

Financial assets:	
Cash and cash equivalents	\$ 939,834
Investments	14,135,745
Receivables	215,742
Financial assets, at year-end	15,291,321
Board-designated liquidity reserve	(6,233,400)
Financial assets available to meet general expenditures within one year	<u>\$ 9,057,921</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, 2024:

Net assets without donor restrictions:	
Unrestricted	\$ 7,141,830
Board liquidity reserve	6,233,400
Total net assets without donor restrictions	13,375,230
Net assets with donor restrictions	-
Total net assets	<u>\$ 13,375,230</u>

Dallas Safari Club
Notes to financial statements
For the year ended March 31, 2024

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 time when it is recognized and major categories of revenue therein for the year ended March 31, 2024:

Revenue recognized at a point in time:	
Exhibitor booths and sponsorships	\$ 5,723,244
Auction income	2,807,832
Attendance and banquet fees	1,135,282
Raffle income	315,476
Advertising and commissions	564,987
Apparel and gear sales	177,889
	<hr/>
	10,724,710
Revenue recognized over time:	
Membership and chapter fees	701,070
Management fees	130,000
	<hr/>
	831,070
	<hr/>
	\$ 11,555,780

Our conference and event income are 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:

	2024	2023
Receivables	\$ 215,742	\$ 179,379
Deferred revenue	(2,192,479)	(2,098,488)

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 year ended March 31, 2024, we billed the Foundation \$130,000 for these services. We granted \$300,000 to the Foundation during the year ended March 31, 2024. For Frontline, we provide office and administrative services informally with no written agreement and at no charge.

We engaged a company that is owned by a member of the Board for production and media services. For the years ended March 31, 2024, we incurred \$418,750 in expenses for this company. We owed \$93,750 as of March 31, 2024.

9. Commitments and Contingencies

Convention Commitments and Contingencies

Approximately 87% of our revenues are derived from the DSC Convention & Sporting Expo. We would need to find alternative sources of income should this event not occur.

We entered into agreements for hotel and convention facilities to host our DSC Convention & Sporting Expo and other events. These agreements provide a venue and provide services for food and beverage, audio visual, and related ancillary services. These contracts contain terms for liquidated damages should we cancel our conventions and events. The amount of liquidated damages vary according to the timing of cancellation and related terms. The liquidated damages as of the date that these financial statements were issued is estimated to be \$2,920,000.

General 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.

10. Retirement Arrangement

Employees are eligible to participate in a simple IRA retirement arrangement effective upon employment. All employees can set up their own account and make voluntary contributions to the extent allowed under Internal Revenue Service rules. We match employee contributions up to a percentage determined periodically by the Board. This percentage was 3% for the year ended March 31, 2024.