SAFARI CLUB INTERNATIONAL

FINANCIAL STATEMENTS

Years Ended June 30, 2011 and 2010

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of

SAFARI CLUB INTERNATIONAL

We have audited the accompanying statement of financial position of ***Safari Club International*** as of June 30, 2011 and the related statements of activities and changes in net assets, functional revenues and expenses, and cash flows for the year then ended. These financial statements are the responsibility of ***Safari Club International's*** management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of ***Safari Club International*** as of June 30, 2010, which were audited by other auditors whose report dated November 3, 2010, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2011 financial statements referred to above present fairly, in all material respects, the financial position of ***Safari Club International*** at June 30, 2011, and the change in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Mayer Hoffman McCann P.C.

Phoenix, Arizona
February 13, 2012

SAFARI CLUB INTERNATIONAL

STATEMENTS OF FINANCIAL POSITION

June 30, 2011 and 2010

ASSETS

	2011	2010
CURRENT ASSETS		
Cash and cash equivalents	$ 2,660,189	$ 4,574,690
Accounts receivable, net of allowance for doubtful accounts of $35,000 and $115,000 in 2011 and 2010, respectively	365,427	331,125
Notes receivable	330,801	68,750
Inventories	276,696	235,662
Prepaid expenses:		
Convention	178,549	193,717
Other programs	552,173	514,002
TOTAL CURRENT ASSETS	4,363,835	5,917,946
LONG-TERM NOTES RECEIVABLE, net of current portion	189,510	512,381
LONG-TERM INVESTMENTS	7,233,237	4,499,264
PROPERTY AND EQUIPMENT, net	330,608	362,457
TOTAL ASSETS	$ 12,117,190	$ 11,292,048

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 891,674	$ 896,431
Unearned revenue:		
Convention	3,339,419	2,875,665
Safari publication	615,395	571,472
Other programs	724,109	728,585
TOTAL CURRENT LIABILITIES	5,570,597	5,072,153
LONG-TERM LIABILITIES		
Unearned three-year membership revenue	459,273	348,743
Other long-term liabilities	-	39,175
TOTAL LIABILITIES	6,029,870	5,460,071
UNRESTRICTED NET ASSETS	6,087,320	5,831,977
TOTAL LIABILITIES AND NET ASSETS	$ 12,117,190	$ 11,292,048

See Notes to Financial Statements

SAFARI CLUB INTERNATIONAL

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended June 30, 2011 and 2010

	2011	2010
REVENUES AND SUPPORT		
Convention	$ 11,814,767	$ 12,414,286
Dues and subscriptions	2,808,748	2,753,448
Membership services and product sales	1,041,624	1,033,962
Advertising and sponsorships	2,633,464	3,026,775
Contributions	1,103,187	878,250
Investment income	969,271	610,885
Other	22,113	8,848
TOTAL REVENUES AND SUPPORT	20,393,174	20,726,454
EXPENSES		
Program services:		
Conservation	3,645,676	2,917,235
Governmental affairs	2,083,356	1,889,865
Total program services	5,729,032	4,807,100
Supporting services:		
Fundraising	5,840,117	5,729,155
Membership services	5,988,261	6,303,436
General and administrative	2,580,421	2,166,274
Total supporting services	14,408,799	14,198,865
TOTAL EXPENSES	20,137,831	19,005,965
CHANGE IN NET ASSETS	255,343	1,720,489
UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	5,831,977	4,111,488
UNRESTRICTED NET ASSETS, END OF YEAR	$ 6,087,320	$ 5,831,977

See Notes to Financial Statements

SAFARI CLUB INTERNATIONAL

STATEMENT OF FUNCTIONAL REVENUES AND EXPENSES

Year Ended June 30, 2011

	Conservation	Governmental Affairs	Fundraising	Membership Services	General and Administrative	Total
REVENUE AND SUPPORT						
Convention	$ -	$ 44,370	$ 11,770,397	$ -	$ -	$ 11,814,767
Dues and subscriptions	-	-	-	2,808,748	-	2,808,748
Membership services and product sales	-	-	600	1,004,664	36,360	1,041,624
Advertising and sponsorships	-	-	150,225	2,483,239	-	2,633,464
Contributions	-	129,429	-	973,758	-	1,103,187
Investment income	-	-	-	964,807	4,464	969,271
Other	-	1,450	133	19,442	1,088	22,113
TOTAL REVENUES AND SUPPORT	$ -	$ 175,249	$ 11,921,355	$ 8,254,658	$ 41,912	$ 20,393,174
EXPENSES						
Convention events	$ -	$ 58,149	$ 3,536,426	$ 216,313	$ 91,702	$ 3,902,590
Salaries, wages, and benefits	-	655,941	1,138,373	2,280,333	944,693	5,019,340
Production costs - subscriptions	-	-	-	1,227,962	-	1,227,962
Production costs - record books and publications	-	-	-	151,027	-	151,027
Production costs - Expedition Safari TV show	-	-	-	130,278	-	130,278
General and administrative	-	220,509	35,069	253,002	320,703	829,283
Conferences and meetings	-	18,410	563	10,192	116,114	145,279
Liability and other insurance	-	270	111,938	169,537	63,841	345,586
Programs and projects	-	315,214	34,868	1,957	2,357	354,396
SCIF grants	3,645,676	-	-	-	-	3,645,676
Legal and consulting	-	512,724	110,909	333,738	482,214	1,439,585
Depreciation	-	5,985	6,923	39,393	109,506	161,807
Cost of sales - membership services and products	-	1,040	1,002	225,921	130	228,093
Printing	-	46,025	130,782	96,203	19,191	292,201
Promotion and development	-	32,541	227,962	349,299	30,463	640,265
Postage and freight	-	28,141	110,642	169,514	51,770	360,067
Maintenance and security	-	17,868	4,221	13,473	11,842	47,404
Travel	-	167,837	390,439	326,755	292,451	1,177,482
Bad debt	-	-	-	15,354	-	15,354
Taxes	-	-	-	(21,990)	-	(21,990)
Other	-	2,702	-	-	43,444	46,146
TOTAL EXPENSES	$ 3,645,676	$ 2,083,356	$ 5,840,117	$ 5,988,261	$ 2,580,421	$ 20,137,831

See Notes to Financial Statements

SAFARI CLUB INTERNATIONAL

STATEMENT OF FUNCTIONAL REVENUES AND EXPENSES

Year Ended June 30, 2010

	Conservation	Governmental Affairs	Fundraising	Membership Services	General and Administrative	Total
REVENUE AND SUPPORT						
Convention	$ -	$ 28,324	$ 12,385,962	$ -	$ -	$ 12,414,286
Dues and subscriptions	-	-	-	2,753,448	-	2,753,448
Membership services and product sales	-	-	-	980,932	53,030	1,033,962
Advertising and sponsorships	-	-	198,550	2,828,225	-	3,026,775
Contributions	-	29,560	-	847,990	700	878,250
Investment income	-	-	-	602,090	8,795	610,885
Other	-	-	50	8,148	650	8,848
TOTAL REVENUES AND SUPPORT	$ -	$ 57,884	$ 12,584,562	$ 8,020,833	$ 63,175	$ 20,726,454
EXPENSES						
Convention events	$ -	$ 53,300	$ 3,389,695	$ 202,493	$ 69,268	$ 3,714,756
Salaries, wages, and benefits	-	620,076	1,100,279	2,469,022	911,845	5,101,222
Production costs - subscriptions	-	-	-	1,382,221	-	1,382,221
Production costs - record books and publications	-	1,500	-	28,605	-	30,105
Production costs - Expedition Safari TV show	-	-	-	149,342	-	149,342
General and administrative	-	212,086	29,305	207,675	317,145	766,211
Conferences and meetings	-	14,889	4,588	40,175	164,962	224,614
Liability and other insurance	-	-	104,134	158,139	74,186	336,459
Programs and projects	-	186,416	32,198	67,126	563	286,303
SCIF grants	2,917,235	-	-	-	-	2,917,235
Legal and consulting	-	533,556	176,434	236,401	267,392	1,213,783
Depreciation	-	8,000	16,866	71,395	58,961	155,222
Cost of sales - membership services and products	-	-	1,515	253,953	1,400	256,868
Printing	-	10,595	138,454	85,246	11,351	245,646
Promotion and development	-	31,941	246,106	444,172	4,322	726,541
Postage and freight	-	5,049	97,360	165,266	41,444	309,119
Maintenance and security	-	17,997	3,939	12,572	15,815	50,323
Travel	-	193,495	326,244	327,737	227,620	1,075,096
Bad debt	-	-	61,934	3,811	-	65,745
Taxes	-	-	-	(1,915)	-	(1,915)
Other	-	965	104	-	-	1,069
TOTAL EXPENSES	$ 2,917,235	$ 1,889,865	$ 5,729,155	$ 6,303,436	$ 2,166,274	$ 19,005,965

See notes to Financial Statements

SAFARI CLUB INTERNATIONAL

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2011 and 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 255,343	$ 1,720,489
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	161,807	155,222
Loss on disposal of assets	38,239	-
Non-cash bartering transactions, net	(20,356)	(6,051)
Net realized and unrealized gains on investments	(823,688)	(459,425)
Change in allowance for doubtful accounts	(80,000)	65,745
Changes in operating activities:		
Accounts and notes receivable	126,874	347,687
Inventories	(41,034)	28,094
Prepaid expenses	(23,003)	(81,018)
Accounts payable and accrued liabilities	(4,757)	200,925
Other long-term liabilities	(39,175)	-
Unearned revenue	613,731	(54,696)
Net cash provided by operating activities	163,981	1,916,972
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	1,509,648	3,327,568
Purchases of investments	(3,419,933)	(3,278,985)
Purchases of property and equipment	(168,197)	(192,152)
Net cash used in investing activities	(2,078,482)	(143,569)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,914,501)	1,773,403
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,574,690	2,801,287
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,660,189	$ 4,574,690
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash received for income taxes	$ 21,990	$ 1,915

See Notes to Financial Statements

(1) Operations and summary of significant accounting policies

Safari Club international ("SCI"), a not-for-profit organization incorporated in the State of Arizona on January 1, 2000, is dedicated to educating the public concerning sport hunting, preserving the rights of hunters, promoting safe, legal, and ethical hunting, and promoting wildlife conservation worldwide.

Prior to January 1, 2000, Safari Club operated as a single 501(c)(3) charitable organization. A corporate restructuring was implemented January 1, 2000, in which Safari Club changed its name to **Safari Club International Foundation** ("SCIF"). 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 SCI.

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 the operations and programs of wildlife conservation, outdoor education, wildlife related humanitarian services, etc. to improve its ability to raise charitable donations.

SCI provided certain support to SCIF in the form of operating funds totaling $3,645,676 and $2,917,235 for the years ended June 30, 2011 and 2010, respectively.

The significant accounting policies followed by SCI are as follows:

The Financial Accounting Standards Board ("FASB") sets U.S. generally accepted accounting principles ("GAAP") to ensure consistent reporting. References to GAAP are to the *FASB Accounting Standards Codification* ("FASB ASC").

Basis of presentation – The accompanying financial statements are presented in accordance with FASB ASC 958-205, *Not-for-Profit Entities – Presentation of Financial Statements.* Under FASB ASC 958-205, SCI is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Revenues, gains, expenses and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of SCI and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations may be expendable for any purpose in performing the primary objectives of SCI.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of SCI and/or the passage of time. As the restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets 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 unrestricted support. Contributions of cash or other assets without donor stipulations concerning the use of such assets are reported as revenues of unrestricted net assets. Contributions of cash or other assets with donor stipulations are reported as revenues of temporarily restricted net assets. The restrictions are considered to be released at the time such assets are placed in service.

(1) Operations and summary of significant accounting policies (continued)

Permanently restricted net assets – Net assets subject to donor-imposed stipulations require the support amounts be invested in perpetuity and permanently restricted from spending. Investment income and gains relating to such support are available for the general operations of SCI.

SCI had no temporarily or permanently restricted net assets at June 30, 2011 and 2010.

Management's use of estimates – The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures concerning contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents – Cash and cash equivalents include short-term certificates of deposit, money market investment accounts, and other marketable securities purchased with original maturities of three months or less. SCI, 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. The unlimited guarantee of non-interest-bearing transaction deposit accounts is over and above the $250,000 coverage on all deposit accounts. As of June 30, 2011 and 2010, a portion of the cash balances at financial institutions exceeded the balance insured by the FDIC.

Accounts and notes receivable – Accounts receivable consist primarily of amounts due from advertisers and convention auction purchases. Notes receivable consist primarily of amounts due from long-term corporate sponsorship contracts. Long-term corporate sponsorship contracts for future services are recorded as notes receivable that bear no interest and are expected to be collected according to the payment terms within the contracts as follows:

Years Ending June 30,		
2012	$	330,801
2013		149,510
2014		40,000
Total expected collections	$	520,311

Accounts and notes 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 and notes receivable.

Inventories – Inventories consist mainly of record books, engraving supplies, merchandise inventories, world hunting awards, and Cabela's gift certificates. Record books, engraving supplies, merchandise inventories, and world hunting awards are stated at the lower of cost (using the first-in, first-out method) or market.

Investments – SCI accounts for its investments in accordance with FASB ASC 958-320, *Not-for-Profit Entities – Investments – Debt and Equity Securities.* Under ASC 958-320, SCI is required to report its investments in equity securities that have readily determinable fair values, and all investments in debt securities, at fair value. The fair value is based on quoted market prices. Changes in value are shown as unrealized gains or losses on the statement of activities.

(1) Operations and summary of significant accounting policies (continued)

Investments are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect account balances and the amounts reported in the accompanying financial statements.

Property and equipment – Property and equipment are initially recorded at cost when purchased or fair value as of the date contributed. Generally, property and equipment additions in excess of $1,000 are capitalized. Depreciation is computed using the straight-line method over estimated useful lives ranging from two to 25 years.

Impairment of long-lived assets – SCI accounts for long-lived assets in accordance with the provisions of FASB ASC 360, *Property, Plant, and Equipment.* FASB ASC 360 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that 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 2011 and 2010.

Donated materials and services – Donated materials are reflected as contributions in the statement of activities and changes in net assets at their estimated fair values at the date of receipt. Donated services are recognized as contributions in accordance with FASB ASC 958-605 if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. No amounts have been reflected in the financial statements for certain donated volunteer services because they did not qualify for recording under the guidelines of FASB ASC 958-605; however, a substantial number of volunteers have donated significant amounts of their time and perform a variety of tasks that assist SCI in certain administrative and committee assignments.

Contributions – SCI accounts for contributions in accordance with FASB ASC 958-605*, Not-for-Profit Entities – Revenue Recognition*. In accordance with FASB ASC 958-605, contributions received are considered to be available for unrestricted 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 temporarily restricted or permanently restricted support. When a donor's temporary restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets 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 unrestricted support.

Unearned revenue and prepaid expenses – Convention revenue and expenses 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, raffles, and other activities may be dedicated for the benefit of SCIF, and if so, the revenues are paid directly to SCIF.

Magazine subscription and advertising revenue is deferred and recognized as each magazine issue is published. Corporate sponsorship revenue is deferred and recognized in the period in which the contract obligations are fulfilled.

(1) Operations and summary of significant accounting policies (continued)

Revenue from record book sales and the related record book production costs are deferred and recognized when the record book is published and delivered.

SCI has one-year, three-year, and life memberships. Dues received on each one-year and three-year membership representing the cost of preparing member publications are deferred and recognized as the publications are issued. The remaining portion of dues received is recognized ratably over the membership period for three-year memberships and when the dues are received for one-year memberships. Life memberships are recognized when the dues are received, as advertising fees cover the cost of future services of the life memberships.

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 SCI'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:

- Conservation
- Governmental affairs
- Fundraising
- Membership services
- General and administrative

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

Advertising costs – Advertising costs are expensed as incurred. SCI utilizes many forms of advertising and promotion in order to communicate and accomplish its mission of protecting the freedom to hunt and promoting wildlife conservation worldwide. Advertising costs totaled $640,265 and $726,541 for the years ended June 30, 2011 and 2010, respectively.

Income taxes – SCI is a not-for-profit organization exempt from income taxes under Section 501(c)(4) of the Internal Revenue Code (the "Code"). Accordingly, no provision for federal or state income taxes has been reflected in the accompanying financial statements. SCI 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, 2011 and 2010, management does not believe any uncertain tax positions exist.

SCI's federal Return of Organizations Exempt from Income Tax (Form 990) for 2008, 2009 and 2010 are subject to examination by the Internal Revenue Service and state taxing authorities, generally for three years after they were filed. As of the date of this report, the 2011 Form 990 had not yet been filed.

Included in the accompanying statements of functional revenues and expenses are ($21,990) and ($1,915) of tax expense (net refunds) made by SCI in 2011 and 2010, respectively, relating to unrelated business income.

Subsequent events – SCI evaluated subsequent events through February 13, 2012, which is the date the financial statements were available to be issued.

(2) Investments and fair value measurements

FASB ASC 820, *Fair Value Measurements and Disclosures*, establishes a common definition for fair value to be applied to U.S. generally accepted accounting principles requiring use of fair value, establishes a framework for measuring fair value, and expands disclosures about such fair value measurements. FASB ASC 820 establishes a hierarchy for ranking the quality and reliability of the information used to determine fair values. FASB ASC 820 requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Unadjusted quoted market prices in active markets for identical assets or liabilities.

Level 2: Unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.

Level 3: Unobservable inputs for the asset or liability.

The following table summarizes the valuation of SCI's assets and liabilities subject to fair value measurement on a recurring basis by the above FASB ASC 820 categories as of June 30, 2011:

	Level 1	Level 2	Level 3	Total
Mutual funds:				
Intermediate term bond	$ 2,289,328	$ -	$ -	$ 2,289,328
Large growth	103,504	-	-	103,504
High yield bond	402,439	-	-	402,439
World bond	150,108	-	-	150,108
Emerging market bond	155,877	-	-	155,877
Inflation protected bond	239,067	-	-	239,067
Mid-cap blend	442,372	-	-	442,372
Foreign growth	266,877	-	-	266,877
Foreign large blend	339,541	-	-	339,541
Large-cap blend	714,917	-	-	714,917
Small-cap blend	292,139	-	-	292,139
Emerging markets	651,654	-	-	651,654
Common stocks:				
Energy	168,639	-	-	168,639
Materials	46,013	-	-	46,013
Industrials	139,234	-	-	139,234
Consumer discretionary	113,413	-	-	113,413
Consumer staples	119,122	-	-	119,122
Healthcare	144,811	-	-	144,811
Financials	182,375	-	-	182,375
Information technology	235,419	-	-	235,419
Telecommunications services	22,639	-	-	22,639
Utilities	13,749	-	-	13,749
Total assets at fair value	$ 7,233,237	$ -	$ -	$ 7,233,237

(2) Investments and fair value measurements (continued)

The following table presents assets measured at fair value by classification within the fair value hierarchy as of June 30, 2010.

	Level 1	Level 2	Level 3	Total
Mutual funds:				
Intermediate term bond	$ 1,042,043	$ -	$ -	$ 1,042,043
Short term bond	572,598	-	-	572,598
High yield bond	241,952	-	-	241,952
World bond	101,888	-	-	101,888
Emerging market bond	52,048	-	-	52,048
Inflation protected bond	168,159	-	-	168,159
Mid-cap blend	306,425	-	-	306,425
Foreign large value	122,456	-	-	122,456
Foreign large blend	253,360	-	-	253,360
Large-cap blend	282,239	-	-	282,239
Small-cap blend	155,232	-	-	155,232
Emerging markets	302,590	-	-	302,590
Common stocks:				
Energy	109,632	-	-	109,632
Materials	26,241	-	-	26,241
Industrials	105,827	-	-	105,827
Consumer discretionary	89,292	-	-	89,292
Consumer staples	99,265	-	-	99,265
Healthcare	103,452	-	-	103,452
Financials	145,252	-	-	145,252
Information technology	185,946	-	-	185,946
Telecommunications services	12,377	-	-	12,377
Utilities	20,990	-	-	20,990
Total assets at fair value	$ 4,499,264	$ -	$ -	$ 4,499,264

Investment income consists of the following:

	2011	2010
Interest and dividend income	$ 145,583	$ 151,460
Net realized gains on investments	139,812	437,755
Net unrealized gains on investment	683,876	21,670
Total investment income	$ 969,271	$ 610,885

Expenses relating to investment income, including custodial fees and investment advisory fees of approximately $31,000 and $24,000 for the years ended June 30, 2011 and 2010, respectively, are included in investment income in the accompanying statements of activities and changes in net assets.

(3) Property and equipment

A summary of property and equipment at June 30 follows:

	2011	2010
Office furniture and equipment	$ 1,817,856	$ 1,629,308
Work-in-progress	53,993	118,287
Total property and equipment	1,871,849	1,747,595
Less accumulated depreciation	(1,541,241)	(1,385,138)
Property and equipment, net	$ 330,608	$ 362,457

Depreciation and amortization expense charged to operations was $161,807 for 2011 and $155,222 for 2010.

At June 30, 2011 and 2010, work-in-process includes costs associated with various software installations not yet placed into service.

(4) 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.

During the years ended June 30, 2011 and 2010, SCIF charged SCI $68,936 and $33,937, respectively for use of administrative space. Additionally, SCIF received an operating grant from SCI as described in Note 1.

SCI paid an independent contractor, who is the son of a member of the SCI Board of Directors, $303,226 and $195,693 for the years ended June 30, 2011 and 2010, respectively, for production related expenses.

(5) Commitments

SCI leases space at the Reno/Sparks Convention center in Reno, Nevada and the Mandalay Bay Convention Center in Las Vegas, Nevada for the annual conventions and has entered into agreements for events through the 2015 convention. The Reno/Sparks Convention center agreements do not require minimum payments or cancellation fees. The Mandalay Bay Convention Center leases are for the years 2012 and 2014 and require either minimum food and beverage sales, or a license fee as well as a one time cancellation penalty ranging from $25,000 to $100,000 determined by the date of the cancellation.

SCI also enters into advertising and sponsorship contracts. Payments are made according to schedules outlined in the contracts and expensed in the periods in which the advertising airs.

(6) Barter transactions

In the normal course of operations, SCI traded marketing exposure in return for products. These transactions are recorded at fair value when the goods and services are received. Amounts included in revenue and expense resulting from bartered transactions were $45,356 and $25,000, respectively, for the year ended June 30, 2011. Amounts included in revenue and expense resulting from bartered transactions were $54,629 and $48,578, respectively, for the year ended June 30, 2010.

Barter transactions not affecting revenue and expense are included in the statements of financial position. These amounts include $57,698 in accounts receivable, $41,016 in accounts payable and accrued liabilities as of June 30, 2011. These amounts include $82,698 in accounts receivable, $47,197 in accounts payable and accrued liabilities, and $39,175 in other long-term liabilities as of June 30, 2010.

(7) Retirement plan

SCI has a 401(k) plan available to all eligible employees with more than 1,000 hours of service. SCI matches all employee contributions at a rate of 30% up to the maximum contribution allowed by the internal Revenue Code. These matching contributions vest over a five year period. In 2011 and 2010, employer matching contributions totaled $66,480 and $86,411, net of forfeitures, respectively.

(8) Contingencies

SCI is a defendant in a lawsuit for breach of contract with a former SCI member. SCI's attorneys have advised SCI that an unfavorable outcome is possible but not inevitable, with a potential loss ranging from $13,000 to $105,000, which could increase if attorney's fees are awarded. Given the likelihood of an unfavorable outcome is possible but not yet probable, a reserve has not been recognized by SCI as of June 30, 2011 or 2010. Management of SCI is aggressively defending this matter.

SCI and SCIF are involved in various disputes and matters of litigation generally incidental to their business. SCI and SCIF engage 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 SCI's financial position or results of operations.