

**NATIONAL WILD TURKEY  
FEDERATION, INC. AND AFFILIATES**

COMBINED FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION

*As of and for the Years Ended August 31, 2018  
and 2017*

*And Report of Independent Auditor*

# NATIONAL WILD TURKEY FEDERATION, INC. AND AFFILIATES

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## Report of Independent Auditor

The Board of Directors  
National Wild Turkey Federation, Inc. and affiliates  
Edgefield, South Carolina

### Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of National Wild Turkey Federation, Inc. (a nonprofit organization) and affiliates (the "Federation"), which comprise the combined statements of financial position as of August 31, 2018 and 2017, and the related combined statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the combined financial statements.

### Management's Responsibility for the Combined Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of National Wild Turkey Federation, Inc. as of August 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters – Supplemental Information**

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining statement of financial position and combining statement of activities and changes in net assets on pages 14 and 15, respectively, are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to, the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in, all material respects, in relation to the combined financial statements as a whole.

The accompanying schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, on pages 20 through 22 is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2019, on our consideration of the Federation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Federation's internal control over financial reporting and compliance.

Handwritten signature in black ink that reads "Cheryl Bekant LLP". The signature is written in a cursive, flowing style.

Augusta, Georgia  
March 14, 2019

**NATIONAL WILD TURKEY FEDERATION, INC. AND AFFILIATES**  
**COMBINED STATEMENTS OF FINANCIAL POSITION**

*AUGUST 31, 2018 AND 2017*

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 4,291,492	\$ 1,749,253
Accounts receivable, net	4,319,035	4,013,021
Employee receivable	-	10,606
Prepaid merchandise	729,889	930,449
Inventories	2,906,930	4,544,835
Land held for sale	3,668,099	-
Other current assets	88,687	-
<b>Total Current Assets</b>	<u>16,004,132</u>	<u>11,248,164</u>
Land, building, and equipment, net of accumulated depreciation	<u>16,672,101</u>	<u>21,500,835</u>
<b>Total Assets</b>	<u><u>\$ 32,676,233</u></u>	<u><u>\$ 32,748,999</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts payable	\$ 2,020,649	\$ 1,769,463
Accrued expenses	2,476,796	2,620,784
Deferred revenues	3,580,328	3,043,172
Line of credit	-	1,852,783
<b>Total Current Liabilities</b>	<u>8,077,773</u>	<u>9,286,202</u>
Net Assets:		
Unrestricted	16,581,385	16,264,724
Temporarily restricted	<u>8,017,075</u>	<u>7,198,073</u>
<b>Total Net Assets</b>	<u>24,598,460</u>	<u>23,462,797</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 32,676,233</u></u>	<u><u>\$ 32,748,999</u></u>

**NATIONAL WILD TURKEY FEDERATION, INC. AND AFFILIATES**  
**COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

YEARS ENDED AUGUST 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Change in Unrestricted Net Assets:		
Support and Revenue:		
Membership dues	\$ 12,530,421	\$ 12,890,052
Contributions	514,252	599,075
Advertising income	1,104,905	1,191,940
Program services	42,832,573	39,579,782
Total Support and Revenue	<u>56,982,151</u>	<u>54,260,849</u>
Transfers between classes of net assets - unrestricted	(160,156)	-
Net assets released from restrictions	4,005,254	4,534,906
	<u>60,827,249</u>	<u>58,795,755</u>
Expenses:		
Administration	6,608,138	7,533,320
Education	3,502,094	4,656,086
Membership activities	3,741,478	4,898,862
Conservation activities	16,713,073	15,395,651
Program services	29,945,805	30,815,627
Total Expenses	<u>60,510,588</u>	<u>63,299,546</u>
Change in Unrestricted Net Assets	<u>316,661</u>	<u>(4,503,791)</u>
Change in Temporarily Restricted Net Assets:		
Super fund contributions	4,568,746	4,272,807
Other contributions	95,000	25,000
Interest income	354	774
Transfers between classes of net assets - temporarily restricted	160,156	-
Net assets released from restrictions	(4,005,254)	(4,534,906)
Change in Temporarily Restricted Net Assets	<u>819,002</u>	<u>(236,325)</u>
Change in net assets	1,135,663	(4,740,116)
Net assets, beginning of year	23,462,797	28,202,913
Net assets, end of year	<u>\$ 24,598,460</u>	<u>\$ 23,462,797</u>

**NATIONAL WILD TURKEY FEDERATION, INC. AND AFFILIATES**  
**COMBINED STATEMENTS OF CASH FLOWS**

YEARS ENDED AUGUST 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 1,135,663	\$ (4,740,116)
Adjustments to reconcile change in net assets from operating activities:		
Depreciation and amortization	1,678,797	1,739,056
Loss (gain) on sale of equipment	(55,207)	12,995
Change in deferred and accrued amounts:		
Accounts receivable	(306,014)	(1,224,342)
Prepaid merchandise	200,560	532,774
Inventories	1,637,905	(1,033,847)
Accounts payable	251,186	(372,224)
Accrued expenses	(143,988)	(50,649)
Deferred revenues	537,156	383,724
Net cash from operating activities	<u>4,936,058</u>	<u>(4,752,629)</u>
<b>Cash flows from investing activities:</b>		
Purchase of land, building, and equipment	(439,046)	(608,216)
Proceeds from employee loans	10,606	34,895
Proceeds from sale of equipment	86,949	10,172
Net cash from investing activities	<u>(341,491)</u>	<u>(563,149)</u>
<b>Cash flows from financing activities:</b>		
Borrowings under line of credit	25,086,003	37,869,271
Payment of loan origination fees	(199,545)	-
Repayment of line of credit	(26,938,786)	(36,016,488)
Net cash from financing activities	<u>(2,052,328)</u>	<u>1,852,783</u>
Net change in cash and cash equivalents	2,542,239	(3,462,995)
Cash and cash equivalents, beginning of year	<u>1,749,253</u>	<u>5,212,248</u>
Cash and cash equivalents, end of year	<u>\$ 4,291,492</u>	<u>\$ 1,749,253</u>
<b>Supplemental cash flow information:</b>		
Cash paid for interest	<u>\$ 139,087</u>	<u>\$ 75,383</u>

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

# NATIONAL WILD TURKEY FEDERATION, INC. AND AFFILIATES

## NOTES TO THE COMBINED FINANCIAL STATEMENTS

AUGUST 31, 2018 AND 2017

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### **Note 1—Nature of operations and summary of significant accounting policies**

*Nature of Operations* – National Wild Turkey Federation, Inc. and affiliates (the “Federation”) is a nonprofit organization that promotes public awareness of, and support for, the conservation and wise management of the American wild turkeys and the preservation of the turkey hunting tradition. The Federation has established chapters in cities across the United States of America. These chapters support the Federation and benefit from the overall success of their programs. The Federation operates in all states and in several foreign countries.

*Financial Statements* – The accompanying combined financial statements include the combined accounts of the National Wild Turkey Federation, Inc., the American Upland Land Trust, LLC (included within NWTF of the combining financial statements), the National Wild Turkey Federation Endowment Foundation, Inc. (“Endowment”), and the NWTF Foundation, Inc. (“Foundation”), which are either under common control or exist solely to support the mission of the Federation. The combined financial statements of the four entities have been combined in accordance with accounting principles generally accepted in the United States of America and all intercompany accounts have been eliminated.

*Accounting Principles* – The Federation follows accounting principles generally accepted in the United States of America on accounting for contributions and financial statements of not-for-profit organizations, which require reporting revenue and net assets by class of permanently restricted, temporarily restricted, and unrestricted.

*Temporarily Restricted* – Net assets resulting from contributions restricted by outside sources are reported as temporarily restricted and are distinguished from unrestricted net assets allocated to specific purposes by action of the governing board. Externally restricted net assets may only be utilized in accordance with the purposes established by the source of net assets and are in contrast with unrestricted net assets over which the governing board retains full control for use in achieving any of its institutional purposes.

*Cash and Cash Equivalents* – For purposes of reporting cash flows, the Federation considers all demand deposits and all liquid non-equity investments with a maturity of three months or less to be cash equivalents. Cash includes donor-restricted cash related to the Endowment and the Foundation of \$1,295,818 and \$1,130,617 at August 31, 2018 and 2017, respectively, as well as donor-restricted cash related to sale of Utah conservation permits of \$207,386 and \$137,126, at August 31, 2018 and 2017, respectively. The Utah Department of Natural Resources requires proceeds from the sale of conservation permits to be kept in a separate bank account. The Federation is in compliance with this requirement as of August 31, 2018.

*Accounts Receivable* – Receivables are carried at invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. Management determines the allowance for doubtful accounts and banquet losses by regularly evaluating individual customer and chapter receivables and considering a customer’s or chapter’s financial condition, credit history, and current economic conditions. Receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded when received.

*Inventories* – Inventories consist of firearms and are stated at the lower of cost (first-in, first-out basis) or market (net realizable value).

*Prepaid Merchandise* – Prepaid merchandise consists of items to be used by chapters for banquets during the next banquet season.

*Land Held for Sale* – Land held for sale includes properties that are not used for business activities. The land is measured at the lower of the carrying amount or fair value less costs of sale.

# NATIONAL WILD TURKEY FEDERATION, INC. AND AFFILIATES

## NOTES TO THE COMBINED FINANCIAL STATEMENTS

AUGUST 31, 2018 AND 2017

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### **Note 1—Nature of operations and summary of significant accounting policies (continued)**

*Other Assets* – Other assets consists of debt issuance costs incurred in obtaining the line of credit. These costs are amortized on the straight-line method, over the life of the agreement. Debt issuance costs accumulated amortization and amortization expense was \$110,858 as of and for the year ended August 31, 2018. There were no debt issuance costs for the year ended August 31, 2017.

*Land, Building, and Equipment* – Land, building, and equipment are stated at cost except for donated property, which is stated at fair market value at the date of the donation. Additions with a cost or fair value of less than \$1,000 and an estimated life of less than three years are expensed as incurred. Depreciation is provided over the estimated useful lives of the assets and computed using the straight-line method.

*Costs of Borrowing* – Interest costs on borrowed funds during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets. No interest was capitalized in 2018 or 2017.

*Recognition of Donor Restrictions* – Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

*Revenue Recognition and Deferred Revenue* – Revenues consist primarily of dues paid by members and program services. Program services include proceeds from member banquets that are held by chapters and federal and state grants. The Federation's policy is to recognize membership revenue when the member joins and pays its membership dues. The Federation's policy is to recognize merchandise revenue when it is shipped. The Federation's policy is to recognize banquet proceeds as revenue when earned and collectability reasonably assured, which occurs when the banquet is finalized at the national headquarters. Revenue related to banquet proceeds is deferred until finalization of the banquet occurs. The Federation receives grants on a primarily reimbursement basis. The Federation's policy is to recognize revenues and receivables when expenses are incurred in connection with the grants.

*Advertising* – Advertising costs are expensed as incurred.

*Shipping and Handling Costs* – Freight billed to chapters and customers for banquet merchandise and firearms is considered program service revenue and the related freight costs as a program services expense.

*Concentration of Credit Risk* – The Federation places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation covers \$250,000 for substantially all depository accounts. The Federation from time to time may have amounts on deposit in excess of the insured limits. The Federation had approximately \$3,875,000 and \$1,153,000 which exceed these insured amounts as of August 31, 2018 and 2017, respectively.

*Donated Goods and Services* – Donated materials and equipment are reflected as contributions at their fair market value at date of receipt.

*Use of Estimates* – The preparation of the combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts or revenues and expenses during the reporting period. Actual results could differ from those estimates.

# NATIONAL WILD TURKEY FEDERATION, INC. AND AFFILIATES

## NOTES TO THE COMBINED FINANCIAL STATEMENTS

AUGUST 31, 2018 AND 2017

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### Note 1—Nature of operations and summary of significant accounting policies (continued)

*Conservation Easements* – Conservation easements represent rights to restrict the use, access, and development of certain properties. The Federation is obligated to monitor easements to ensure that the restrictions are maintained. The Federation monitors these easements in the normal course of its operations and associated costs are expensed as incurred. The property owners contribute funds to help with the monitoring costs and these contributions are held in the Endowment as temporarily restricted net assets.

The estimated value of easements is not included in the combined statements of financial position because the easements do not represent a future economic benefit to the Federation.

*Functional Allocation* – The costs of providing the Federation’s programs and other activities have been reported on a functional basis in the statements of activities and changes in net assets. Directly identifiable costs have been allocated to the program or supporting services benefited. Indirect costs have been allocated based on management’s estimate of resources used on behalf of the program or supporting services.

*Income Tax Status* – The Federation is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and the applicable state statutes. Management has evaluated the effect of the guidance provided by U.S. Generally Accepted Accounting Principles on Accounting for Uncertainty in Income Taxes. Management believes that the Federation continues to satisfy the requirements of a tax-exempt organization at August 31, 2018. Management has evaluated all other tax positions that could have a significant effect on the combined financial statements and determined the Federation had no uncertain income tax positions at August 31, 2018.

*New Accounting Pronouncements* – In August of 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-14, Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. This standard changes presentation and disclosure requirements of not-for-profit entities. The primary changes are a decrease in the number of net asset classes from three to two, reporting of the underwater amounts of donor-restricted endowment funds in net assets with donor restrictions, continues to allow preparers to choose between the direct method and indirect method for presenting operating cash flows, requires disclosures of qualitative information on how the not-for-profit entity manages its liquid available resources and liquidity risks and requires reporting of expenses by function and nature, as well as an analysis of expenses by both function and nature. This standard is effective for the year ending August 31, 2019.

In August 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 provides guidance on determining whether a transaction should be accounted for as a contribution or as an exchange transaction. It also provides better guidance on determining whether a contribution is conditional. ASU 2018-08 is effective for the Federation for the year ending August 31, 2020. The Federation is currently evaluating the effect of the implementation of this new standard.

**NATIONAL WILD TURKEY FEDERATION, INC. AND AFFILIATES**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**

AUGUST 31, 2018 AND 2017

**Note 2—Accounts receivable**

Accounts receivable consist of the following:

	<b>2018</b>	<b>2017</b>
Advertising	\$ 13,390	\$ 33,527
Banquets	1,665,677	1,998,250
Grants and stewardships	1,761,726	1,032,380
Other	1,079,541	1,282,572
Less allowance for banquet losses and doubtful accounts	(201,299)	(333,708)
	<u>\$ 4,319,035</u>	<u>\$ 4,013,021</u>

**Note 3—Land, buildings, and equipment**

Land, buildings, and equipment consist of the following:

	<u>Useful Lives</u>	<b>2018</b>	<b>2017</b>
Land		\$ 4,977,411	\$ 8,645,510
Buildings and infrastructure	2-40 years	19,347,292	19,266,778
Building improvements	10-15 years	-	46,789
Furniture	3-15 years	702,581	702,581
Equipment	2-15 years	7,310,848	7,033,921
Vehicles	3-5 years	500,930	777,787
Software	3-5 years	351,356	325,537
		<u>33,190,418</u>	<u>36,798,903</u>
Less accumulated depreciation		<u>(16,518,317)</u>	<u>(15,298,068)</u>
		<u>\$ 16,672,101</u>	<u>\$ 21,500,835</u>

Depreciation expense was \$1,567,939 and \$1,739,056 for the years ended August 31, 2018 and 2017, respectively.

**Note 4—Line of credit and long-term debt**

The Federation had a line of credit with a local bank with the maximum borrowing amount of \$12,000,000. In October 2017, the Federation and the bank agreed to extend the line of credit to \$16,000,000, which was reduced to \$15,000,000 as of September 2018, with a maturity date of April 2019. The borrowing rate on the line of credit is a variable rate of interest based on LIBOR, not to exceed LIBOR plus 1.35%. At August 31, 2018 and 2017, the rate was 3.43% and 2.58%, respectively. The line of credit is secured by the assets of the Federation.

The outstanding balance under the line of credit was \$-0- and \$1,852,783 as of August 31, 2018 and 2017, respectively. The availability at August 31, 2018 and 2017 was \$16,000,000 and \$10,147,217, respectively. The line of credit agreement requires, among other things, the Federation to maintain certain restrictive covenants. As of August 31, 2018, management believes they are in compliance with the covenants.

# NATIONAL WILD TURKEY FEDERATION, INC. AND AFFILIATES

## NOTES TO THE COMBINED FINANCIAL STATEMENTS

AUGUST 31, 2018 AND 2017

### Note 4—Line of credit and long-term debt (continued)

During the years ended August 31, 2018 and 2017, intercompany loans were formed among the Federation and its affiliates. These intercompany loans accrue interest at a rate of 3% annually. All intercompany balances and interest are eliminated in the combined financial statements.

### Note 5—Retirement plan

The Federation has a 401(k) and profit sharing plan covering all employees who have reached the age of 21 and completed six months of service. Employees may contribute an amount not to exceed 75% of their compensation into the plan. The Federation may make profit sharing contributions at its discretion based on an integrated allocation formula calculated as a percentage of each eligible active participant's compensation. Eligibility for the discretionary contribution requires the participant to be employed by the Federation on the last day of the plan year and to have worked at least 1,000 hours during the plan year. The Federation's expense related to the plan was \$770,609 and \$812,222 for the years ended August 31, 2018 and 2017, respectively.

### Note 6—Temporarily restricted net assets

Temporarily restricted net assets are available for the following as of August 31:

	<u>2018</u>	<u>2017</u>
National Wild Turkey Federation Endowment Foundation, Inc.	\$ 870,192	\$ 870,061
NWTF Foundation, Inc.	553,797	309,783
Funds held for State Superfund	6,419,732	5,832,229
Big Escambia Operating Funds	4,436	16,795
Paddy's Bluff Operating Funds	168,918	169,205
	<u>\$ 8,017,075</u>	<u>\$ 7,198,073</u>

The Federation is affiliated with local chapters that have fund-raising banquets. These banquets provide funds for conservation activities. A portion of the banquet proceeds are used for "Super Fund" conservation projects within the state hosting the banquet.

### Note 7—Fundraising expense

Total fundraising expense for the years ended August 31, 2018 and 2017 was approximately \$956,204 and \$866,226, respectively. The total fundraising expense is allocated to the appropriate function in the combined statements of activities.

### Note 8—Commitments and contingencies

*Operating Leases* – During the year ended August 31, 2017, the Federation leased retail space under an operating lease with monthly payments of \$800. The Federation closed operations of the retail store in July 2017. Total lease expense was \$13,600 for year ended August 31, 2017. There was no lease expense for year ended August 31, 2018.

# NATIONAL WILD TURKEY FEDERATION, INC. AND AFFILIATES

## NOTES TO THE COMBINED FINANCIAL STATEMENTS

AUGUST 31, 2018 AND 2017

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### **Note 8—Commitments and contingencies (continued)**

The Federation also lease vehicles under an operating lease. The Federation leased five vehicles requiring monthly payments of a total of \$4,095 and the terms of the lease expired in November 2017. In anticipation of the lease expiration, the Federation leased four vehicles in October 2017 and the term of the lease is scheduled to expire in October 2019 and requires monthly payments of \$650 per vehicle. In October 2018, the Federation signed another lease to replace one of the vehicles damaged in the previous lease. The term of the lease is scheduled to expire in October 2020 and requiring monthly payments of a total of \$1,129. Total lease expense was \$39,869 and \$49,149 for the years ended August 31, 2018 and 2017, respectively.

### **Note 9—Donor-restricted endowments**

The Federation's endowment consists of one fund established for a variety of purposes. This donor-restricted endowment includes funds contributed to the Federation for the long-term benefit of the future of the Federation. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The board of directors of the Federation has interpreted the *State Prudent Management of Institutional Funds Act* ("SPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Federation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Federation in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Federation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Federation, and (7) the Federation's investment policies.

*Investment Return Objectives, Risk Parameters, and Strategies* – The Federation has adopted investment and spending policies, approved by the board of directors, for endowment assets that attempts to maximize total return consistent with an acceptable level of risk. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

*Spending Policy* – The Federation's spending policy is not to spend the funds unless needed to defend the development of land. The Federation expects the current spending policy to allow its endowment funds to grow at a nominal rate, which is consistent with the Federation's objective to maintain the purchasing power of the endowment assets.

**NATIONAL WILD TURKEY FEDERATION, INC. AND AFFILIATES**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**

AUGUST 31, 2018 AND 2017

**Note 9—Donor-restricted endowments (continued)**

Endowment net asset composition by type of fund as of August 31, 2018 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Net Assets</u>
Board designated funds	\$ 52,292	\$ -	\$ -	\$ 52,292
Donor-restricted endowment funds	-	1,423,989	-	1,423,989
	<u>\$ 52,292</u>	<u>\$ 1,423,989</u>	<u>\$ -</u>	<u>\$ 1,476,281</u>

Endowment net asset composition by type of fund as of August 31, 2017 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Net Assets</u>
Board designated funds	\$ 24,371	\$ -	\$ -	\$ 24,371
Donor-restricted endowment funds	-	1,179,844	-	1,179,844
	<u>\$ 24,371</u>	<u>\$ 1,179,844</u>	<u>\$ -</u>	<u>\$ 1,204,215</u>

Endowment net assets are included in cash and cash equivalents in the combined statements of financial position at August 31, 2018 and 2017.

Changes in endowment net assets during the year ended August 31, 2018 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Net Assets</u>
Endowment net assets, beginning	\$ 24,371	\$ 1,179,844	\$ -	\$ 1,204,215
Contributions	-	95,000	-	95,000
Investment income	27,921	354	-	28,275
Transfer between classes of net assets	-	160,156	-	160,156
Net assets released from restriction	-	(11,365)	-	(11,365)
Endowment net assets, ending	<u>\$ 52,292</u>	<u>\$ 1,423,989</u>	<u>\$ -</u>	<u>\$ 1,476,281</u>

Changes in endowment net assets during the year ended August 31, 2017 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Net Assets</u>
Endowment net assets, beginning	\$ -	\$ 1,291,450	\$ -	\$ 1,291,450
Contributions	-	25,000	-	25,000
Investment income	24,371	774	-	25,145
Net assets released from restriction	-	(137,380)	-	(137,380)
Endowment net assets, ending	<u>\$ 24,371</u>	<u>\$ 1,179,844</u>	<u>\$ -</u>	<u>\$ 1,204,215</u>

**NATIONAL WILD TURKEY FEDERATION, INC. AND AFFILIATES**  
**NOTES TO THE COMBINED FINANCIAL STATEMENTS**

*AUGUST 31, 2018 AND 2017*

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**Note 10—Subsequent events**

The Federation has evaluated subsequent events through March 14, 2019, which was the date the combined financial statements were available to be issued. There were no material subsequent events that required adjustment to or disclosure in the combined financial statements for the year ended August 31, 2018.

## **SUPPLEMENTAL INFORMATION**

**NATIONAL WILD TURKEY FEDERATION, INC. AND AFFILIATES**  
**COMBINING STATEMENT OF FINANCIAL POSITION**

AUGUST 31, 2018

	<u>NWTF</u>	<u>Endowment</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Total</u>
<b>ASSETS</b>					
Current Assets:					
Cash and cash equivalents	\$ 2,995,674	\$ 936,303	\$ 359,515	\$ -	\$ 4,291,492
Accounts receivable, net	4,319,035	-	-	-	4,319,035
Prepaid merchandise	729,889	-	-	-	729,889
Inventories	2,906,930	-	-	-	2,906,930
Land held for sale	3,668,099	-	-	-	3,668,099
Other current assets	88,687	-	-	-	88,687
Due from related party	-	-	205,063	(205,063)	-
<b>Total Current Assets</b>	<b>14,708,314</b>	<b>936,303</b>	<b>564,578</b>	<b>(205,063)</b>	<b>16,004,132</b>
Land, building, and equipment, net of accumulated depreciation	16,672,101	-	-	-	16,672,101
<b>Total Assets</b>	<b>\$ 31,380,415</b>	<b>\$ 936,303</b>	<b>\$ 564,578</b>	<b>\$ (205,063)</b>	<b>\$ 32,676,233</b>
<b>LIABILITIES AND NET ASSETS</b>					
Current Liabilities:					
Accounts payable	\$ 2,020,649	\$ -	\$ -	\$ -	\$ 2,020,649
Accrued expenses	2,452,196	24,600	-	-	2,476,796
Deferred revenues	3,580,328	-	-	-	3,580,328
Due to related party	205,063	-	-	(205,063)	-
<b>Total Current Liabilities</b>	<b>8,258,236</b>	<b>24,600</b>	<b>-</b>	<b>(205,063)</b>	<b>8,077,773</b>
Net Assets:					
Unrestricted	16,529,093	-	-	52,292	16,581,385
Temporarily restricted	6,593,086	911,703	564,578	(52,292)	8,017,075
<b>Total Net Assets</b>	<b>23,122,179</b>	<b>911,703</b>	<b>564,578</b>	<b>-</b>	<b>24,598,460</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 31,380,415</b>	<b>\$ 936,303</b>	<b>\$ 564,578</b>	<b>\$ (205,063)</b>	<b>\$ 32,676,233</b>

**NATIONAL WILD TURKEY FEDERATION, INC. AND AFFILIATES**  
**COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

YEAR ENDED AUGUST 31, 2018

	<u>NWTF</u>	<u>Endowment</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Total</u>
Change in Unrestricted Net Assets:					
Support and Revenue:					
Membership dues	\$ 12,530,421	\$ -	\$ -	\$ -	\$ 12,530,421
Contributions	514,252	-	160,156	(160,156)	514,252
Advertising income	1,104,905	-	-	-	1,104,905
Program services	42,832,573	-	-	-	42,832,573
Total Support and Revenue	56,982,151	-	160,156	(160,156)	56,982,151
Transfers between classes of net assets - unrestricted	-	-	(160,156)	-	(160,156)
Net assets released from restrictions	3,993,889	-	11,365	-	4,005,254
	<u>60,976,040</u>	<u>-</u>	<u>11,365</u>	<u>(160,156)</u>	<u>60,827,249</u>
Expenses:					
Administration	6,624,694	-	11,365	(27,921)	6,608,138
Education	3,502,094	-	-	-	3,502,094
Membership activities	3,741,478	-	-	-	3,741,478
Conservation activities	16,713,073	-	-	-	16,713,073
Program services	30,105,961	-	-	(160,156)	29,945,805
Total Expenses	60,687,300	-	11,365	(188,077)	60,510,588
Change in Unrestricted Net Assets	<u>288,740</u>	<u>-</u>	<u>-</u>	<u>27,921</u>	<u>316,661</u>
Change in Temporarily Restricted :					
Net Assets:					
Super fund contributions	4,568,746	-	-	-	4,568,746
Other contributions	-	-	95,000	-	95,000
Interest income	-	22,989	5,286	(27,921)	354
Transfers between classes of net assets - temporarily restricted	-	-	160,156	-	160,156
Net assets released from restrictions	(3,993,889)	-	(11,365)	-	(4,005,254)
Change in Temporarily Restricted Net Assets	<u>574,857</u>	<u>22,989</u>	<u>249,077</u>	<u>(27,921)</u>	<u>819,002</u>
Change in net assets	863,597	22,989	249,077	-	1,135,663
Net assets, beginning of year	22,258,582	888,714	315,501	-	23,462,797
Net assets, end of year	<u>\$ 23,122,179</u>	<u>\$ 911,703</u>	<u>\$ 564,578</u>	<u>\$ -</u>	<u>\$ 24,598,460</u>

## **COMPLIANCE REPORTS**

**Report of Independent Auditor on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

The Board of Directors  
National Wild Turkey Federation, Inc. and affiliates  
Edgefield, South Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of National Wild Turkey Federation, Inc. and affiliates (the “Federation,” a nonprofit organization), which comprise the combined statements of financial position as of August 31, 2018 and 2017, and the related combined statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the combined financial statements, and have issued our report thereon dated March 14, 2019.

#### **Internal Control over Financial Reporting**

In planning and performing our audit of the combined financial statements, we considered the Federation’s internal control over financial reporting (“internal control”) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Federation’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Federation’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Federation’s combined financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of combined financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Federation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Federation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Chung Bekant LLP". The signature is written in a cursive, flowing style.

Augusta, Georgia  
March 14, 2019

## **Report of Independent Auditor on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance**

The Board of Directors  
National Wild Turkey Federation, Inc. and affiliates  
Edgefield, South Carolina

### **Report on Compliance for Each Major Federal Program**

We have audited National Wild Turkey Federation, Inc. and affiliates' (the "Federation") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Federation's major federal programs for the year ended August 31, 2018. The Federation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Federation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Federation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Foundation's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the Federation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2018.

### **Report on Internal Control over Compliance**

Management of the Federation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Federation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Federation's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Chung Bekant LLP". The signature is written in a cursive, flowing style.

Augusta, Georgia  
March 14, 2019

**NATIONAL WILD TURKEY FEDERATION, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

YEAR ENDED AUGUST 31, 2018

<u>Grantor / Program / Agency</u>	<u>CFDA #</u>	<u>Identifying Number</u>	<u>FY 2018 Expense</u>
<b>United States Department of Agriculture</b>			
<b>Conservation Reserve Program</b>	10.069		\$ 24,875
<b>Direct Federal Awards:</b>			
USDA Natural Resources Conservation Service			
<b>Wetlands Reserve Program</b>	10.072		10,230
<b>Direct Federal Awards:</b>			
USDA Natural Resources Conservation Service			
<b>Voluntary Public Access and Habitat Incentive Program</b>			
<b>Federal Flow Through From:</b>			
Illinois Department of Natural Resources	10.093	IL Recreational Access Program	15,000
Texas Parks & Wildlife Department	10.093	69-3A75-14-285	264,161
		<b>Total CFDA #10.093</b>	<b>279,161</b>
<b>Cooperative Forestry Assistance</b>			
<b>Direct Federal Awards:</b>			
USDA Natural Resources Conservation Service	10.664		68,224
<b>Federal Flow Through From:</b>			
Ohio Department of Natural Resources	10.664	15-DG-11420004-137	1,848
South Carolina Forestry Commission	10.664	#2015FSP1	21,392
		<b>Total CFDA #10.664</b>	<b>91,464</b>
<b>Collaborative Forest Restoration</b>			
<b>Direct Federal Awards:</b>			
USDA Forest Service	10.679		34,700
<b>National Fish and Wildlife Foundation</b>			
<b>Federal Flow Through From:</b>			
Wildlife Management Institute	10.683	GSA Young Forest NWTF	20,160
<b>Soil and Water Conservation</b>			
<b>Direct Federal Awards:</b>			
USDA Natural Resources Conservation Service	10.902		290,607
<b>Federal Flow Through From:</b>			
National Fish & Wildlife Foundation	10.902	1903.16.051811	11,765
Wildlife Management Institute	10.902	GSA Young Forest NWTF	15,840
		<b>Total CFDA #10.902</b>	<b>318,212</b>
<b>Environmental Quality Incentives Program</b>			
<b>Direct Federal Awards:</b>			
USDA Natural Resources Conservation Service	10.912		54,742
<b>Federal Flow Through From:</b>			
National Fish & Wildlife Foundation	10.912	1903.14.044616	582
		<b>Total CFDA #10.912</b>	<b>55,324</b>

**NATIONAL WILD TURKEY FEDERATION, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**

YEAR ENDED AUGUST 31, 2018

<u>Grantor / Program / Agency</u>	<u>CFDA #</u>	<u>Identifying Number</u>	<u>FY 2018 Expense</u>
<b>Wildlife Habitat Incentive Program</b>			
<b>Federal Flow Through From:</b>			
National Fish & Wildlife Foundation	10.914	1903.14.044616	\$ 582
<b>Regional Conservation Partnership Program</b>			
<b>Direct Federal Awards:</b>			
USDA Natural Resources Conservation Service	10.932		21,055
<b>Federal Flow Through From:</b>			
American Bird Conservancy	10.932	1361A	56,418
Wildlife Management Institute	10.932	68-1428-16-930	40,823
		<b>Total CFDA #10.932</b>	<u>118,296</u>
<b>Department of Agriculture Other Financial Assistance</b>			
<b>Federal Flow Through From:</b>			
Monongahela National Forest	10.OFA	13-CS-11092100-012	25,341
		<b>Total United States Department of Agriculture</b>	<u>978,345</u>
<b>United States Department of Defense</b>			
<b>Department of /defense Other Financial Assistance</b>			
<b>Federal Flow Through From:</b>			
National Fish & Wildlife Foundation	12.OFA	1903.14.044616	379
National Fish & Wildlife Foundation	12.OFA	1903.16.051811	14,707
		<b>Total CFDA #12.OFA</b>	<u>15,086</u>
		<b>Total United States Department of Defense</b>	<u>15,086</u>
<b>United States Department of the Interior</b>			
<b>Fish, Wildlife and Plant Conservation Resource Management</b>			
<b>Direct Federal Awards:</b>			
Bureau of Land Management	15.231		<u>160,621</u>
<b>Rangeland Resource Management</b>			
<b>Direct Federal Awards:</b>			
Bureau of Land Management	15.237		<u>44,286</u>

See accompanying notes to the schedule of expenditures of federal awards.

**NATIONAL WILD TURKEY FEDERATION, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**

YEAR ENDED AUGUST 31, 2018

<u>Grantor / Program / Agency</u>	<u>CFDA #</u>	<u>Identifying Number</u>	<u>FY 2018 Expense</u>
<b>North American Wetlands Conservation Fund</b>			
<b>Federal Flow Through From:</b>			
Ducks Unlimited	15.623	US-MI-306-1	\$ 17,528
<b>Partners for Fish and Wildlife</b>			
<b>Direct Federal Awards:</b>			
U.S. Dept. of Interior Fish & Wildlife Services	15.631		77,097
<b>National Fish and Wildlife Foundation</b>			
<b>Federal Flow Through From:</b>			
National Fish & Wildlife Foundation	15.663	1903.16.051811	22,060
<b>Fish &amp; Wildlife Cluster</b>			
<b>Wildlife Restoration and Basic Hunter Education</b>			
<b>Federal Flow Through From:</b>			
Arizona Game & Fish Department	15.611	No number assigned	22,636
Colorado Department of Natural Resources	15.611	17-PSC-97873	127,971
Ohio Department of Natural Resources	15.611	DNRPIOHX05	33,715
State of Nebraska Game & Parks Commission	15.611	SC-002	54,432
State of Nebraska Game & Parks Commission	15.611	No number assigned	61,255
Vermont Natural Resources Fish and Wildlife Dept.	15.611	0612FY17500	16,913
Wisconsin Department of Natural Resources	15.611	No number assigned	57,422
		<b>Total CFDA #15.611</b>	<b>374,344</b>
		<b>Total Fish and Wildlife Cluster</b>	<b>374,344</b>
		<b>Total United States Department of Interior</b>	<b>695,936</b>
		<b>Total Federal Expenditures</b>	<b>\$ 1,689,367</b>

# **NATIONAL WILD TURKEY FEDERATION, INC.**

## **NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

*YEAR ENDED AUGUST 31, 2018*

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### **Note 1—Basis of presentation**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the National Wild Turkey Federation, Inc. (the “Federation”) under programs of the federal government for the year ended August 31, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the Federation, it is not intended to and does not present either the financial position, changes in net assets, or cash flows of the Federation.

### **Note 2—Summary of significant accounting policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

### **Note 3—Indirect cost rate**

The Federation has elected not to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

### **Note 4—Noncash awards**

The Federation did not receive any non-cash federal awards during the year ended August 31, 2018.

### **Note 5—Contingencies**

These award programs are subject to financial and compliance audits by grantor agencies. The amount, if any, of expenditures that may be disallowed by the grantor agencies cannot be determined at this time, although the Federation expects such amounts, if any, to be immaterial.

### **Note 6—Commingled funds**

Federal government agencies received funds from other federal agencies in addition to private funds. The federal agency then awards a combination of federal and private funds to the Federation. If the Federation is unable to determine the federal portion, the entire amount is reported on the Schedule under one federal program.

### **Note 7—Subrecipients**

The Federation did not pass any funds to subrecipients.

**NATIONAL WILD TURKEY FEDERATION, INC. AND AFFILIATES**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED AUGUST 31, 2018

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**Section I: Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued:	Unmodified		
Internal control over financial reporting:			
• Material weakness(es) identified?	_____ yes	<u>  X  </u> no	
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	_____ yes	<u>  X  </u> none reported	
Noncompliance material to financial statements noted?	_____ yes	<u>  X  </u> no	

**Federal Awards**

Internal control over major federal programs:			
• Material weakness(es) identified?	_____ yes	<u>  X  </u> no	
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	_____ yes	<u>  X  </u> none reported	
Type of auditor's report issued on compliance for major programs:	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2CFR Section 200.516(a)?	_____ yes	<u>  X  </u> no	

**Identification of Major Programs**

The programs tested as major programs of the National Wild Turkey Federation, Inc. included:

<b><u>CFDA #</u></b>	<b><u>Name of Federal Program</u></b>
15.611	Wildlife Restoration and Basic Hunter Education

The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.

The National Wild Turkey Federation, Inc. qualified as a low-risk auditee.

**Section II: Findings in Relation to the Audit of the Financial Statements**

None reported.

**Section III: Federal Award Findings and Questioned Costs**

None reported.