



# FY 2023 Performance and Accountability Report

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November 15, 2023

## Message from the Chair of the Board of Trustees

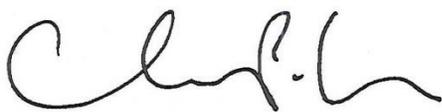
### **Fiscal Year 2023 Performance and Accountability Report**

I am pleased to submit the Morris K. Udall and Stewart L. Udall Foundation's (Udall Foundation) Performance and Accountability Report (PAR) for Fiscal Year (FY) 2023. This report presents financial and performance information that demonstrates the Udall Foundation's commitment to preserving the legacies of Morris K. Udall and Stewart L. Udall as described in its enabling legislation.

The Udall Foundation operates with a clear vision and mission, effective stewardship of its appropriated and offsetting collection-based funds, and full accountability to its Board of Trustees. The Udall Foundation maintains high standards for transparency and ethics while embodying the values of integrity, civility, consensus, public service, and nonpartisanship that were lived by Morris K. Udall and Stewart L. Udall. The Board extends its thanks to those who have provided support to the Udall Foundation in FY 2023 and believes the accomplishments reported here justify continued investment in its activities.

The enclosed external audit affirms that the financial reporting included in the FY 2023 PAR accurately reflects the operations of the Udall Foundation. The Board of Trustees continues to be fully engaged in fiduciary oversight and strengthening of the Udall Foundation's organizational structure and internal controls.

I know that I speak for the entire Board when I say that I am very proud of the work of the Udall Foundation team in FY 2023.



Charles P. Rose  
Chair, Board of Trustees

November 15, 2023

## Message from the Executive Director

### FY 2023 Performance and Accountability Report

I am pleased to submit the Udall Foundation's PAR for FY 2023. The management, performance, and financial information reported here demonstrates our commitment to maintaining the legacies of Morris K. Udall and Stewart L. Udall consistent with the Udall Foundation's enabling legislation and organizational values of integrity, civility, consensus, public service, and nonpartisanship.

The FY 2023 PAR affirms the Udall Foundation's compliance with applicable legal and regulatory requirements and provides evidence of strong internal financial performance and management. It includes an unqualified opinion from the agency's external financial auditors, a reflection of our continuing efforts to ensure good financial stewardship and alignment with our Strategic Plan. The FY 2023 PAR also includes measurable results from our suite of environmental, educational, and public policy programs; these results are a testament to the impact the Udall Foundation makes across the Nation and a tribute to the dedicated and talented Udall Foundation team that delivers and supports these programs.

The financial and performance information presented in this report is fundamentally complete and reliable as required by the Office of Management and Budget (OMB). The annual assurance statement required by the Federal Managers' Financial Integrity Act of 1982 (FMFIA) concludes that the Udall Foundation can provide reasonable assurance that its systems of management, accounting, and administrative controls, taken as a whole, meet the objectives specified in Section 2 of the FMFIA.

A handwritten signature in black ink, appearing to read 'D. P. Brown', is positioned above the printed name and title of the Executive Director.

David P. Brown, Ph.D.  
Executive Director

# Section I – Management’s Discussion and Analysis

## Introduction

The Government Performance and Results Modernization Act of 2010 requires each Federal agency to report annually on its progress in meeting the goals and objectives established by its Strategic Plan. The Udall Foundation’s FY 2023 PAR presents to Congress, the President, and the American people detailed information about progress in meeting the Udall Foundation’s strategic goals and achieving its strategic objectives, performance goals, and related measures.

The Udall Foundation’s Strategic Plan establishes overall long-term priorities and goals by which the agency implements its mission. The Udall Foundation’s Board of Trustees, working closely with agency leadership and employees, aligned the current FY 2022–2026 Strategic Plan with the Udall Foundation’s enabling legislation.

The Udall Foundation’s performance management approach links strategic goals to program activities and outcomes. The strategic planning and performance reporting cycle results in ongoing programmatic assessment and continuous operational improvement to deliver meaningful outcomes.

The Udall Foundation has chosen to produce a combined PAR for FY 2023, which provides both performance information on progress towards meeting the goals of its FY 2022–2026 Strategic Plan and financial information that enables Congress and the public to assess its performance relative to resources appropriated and used. This PAR satisfies the reporting requirements as outlined in OMB Circulars No. A-11 and A-136 and meets Government Performance and Results Act requirements.

## Agency and Mission Information

The Morris K. Udall Foundation was established by the U.S. Congress in 1992 as an independent executive branch agency to honor Morris K. Udall’s lasting impact on this Nation’s environment, public lands, and natural resources, and his support of the rights and self-governance of Native Americans and Alaska Natives. In 2009, Congress enacted legislation to also honor Stewart L. Udall for his half century of distinguished national leadership in environmental and Native American policy. The agency is known today as the Morris K. Udall and Stewart L. Udall Foundation and is headquartered in Tucson, Arizona.

## *Vision Statement*

Leaders in the fields of education, environment, public policy, and in Native Nations will demonstrate the Udall core values of integrity, civility, consensus, public service, and nonpartisanship in service to the common good of our country.

## *Mission Statement*

We promote public service through research, education, and programs that:

- foster leadership, education, collaboration, and conflict resolution in the areas of environment, public lands, Native Nations, and natural resources to encourage the continued use and appreciation of our Nation’s rich resources;
- support the development of self-governance to strengthen Native Nations; and
- assist Federal agencies and others to resolve environmental conflicts.

## Values Statement

Our core values exemplify the legacies of Morris K. Udall and Stewart L. Udall and the ways in which they served the public, and they provide a framework upon which all Udall Foundation programs, services, and activities are based.

- Integrity
- Civility
- Consensus
- Public Service
- Nonpartisanship

We commit to these values in everything we do.

## Scope of Responsibilities

The Udall Foundation is authorized by Congress to:

- Award Scholarships, Fellowships, and Internships for study in fields related to the environment and to Native Americans and Alaska Natives in fields related to health care and Tribal public policy.
- Connect youth to the Nation’s public lands and natural resources to foster greater understanding, appreciation, stewardship, and enjoyment of those lands and resources through photography, positive outdoor experiences, and environmental education through the Stewart L. Udall Parks in Focus® Program (Parks in Focus®).
- Provide funding to the Udall Center for Studies in Public Policy (Udall Center) to conduct policy research and outreach on the environment and related themes.
- Provide funding to the Native Nations Institute for Leadership, Management, and Policy (NNI), a program of the Udall Center, for research, education, and outreach on Native American and Alaska Native health care issues and Tribal public policy issues.
- Provide funding through the Udall Center to The University of Arizona Libraries, Special Collections to serve as the repository for the papers of Morris K. Udall and Stewart L. Udall (Udall Archives) and other such public papers as may be appropriate and assure such papers’ availability to the public.
- Provide impartial collaboration, consensus-building, training, and conflict resolution services on a wide range of environmental, natural and cultural resources, Tribal, and public lands issues, conflicts, and disputes involving the Federal Government through the John S. McCain III National Center for Environmental Conflict Resolution (National Center).

In FY 2021, the Udall Foundation and The University of Arizona signed an updated cooperative agreement that articulates the benefits of their long-standing partnership and codifies how funds from

the Udall Foundation may be used consistent with Congressional intent and authorities provided by the agency's enabling legislation.

The Udall Foundation Strategic Plan for FY 2022–2026 establishes an agency-wide vision, direction, and priorities for operations and programs. The Strategic Plan facilitates the integration of the Udall Foundation's programs and the allocation of resources to achieve key goals. Development of the Strategic Plan included consultation with the Udall Foundation's Board of Trustees and other stakeholders to incorporate their direction.

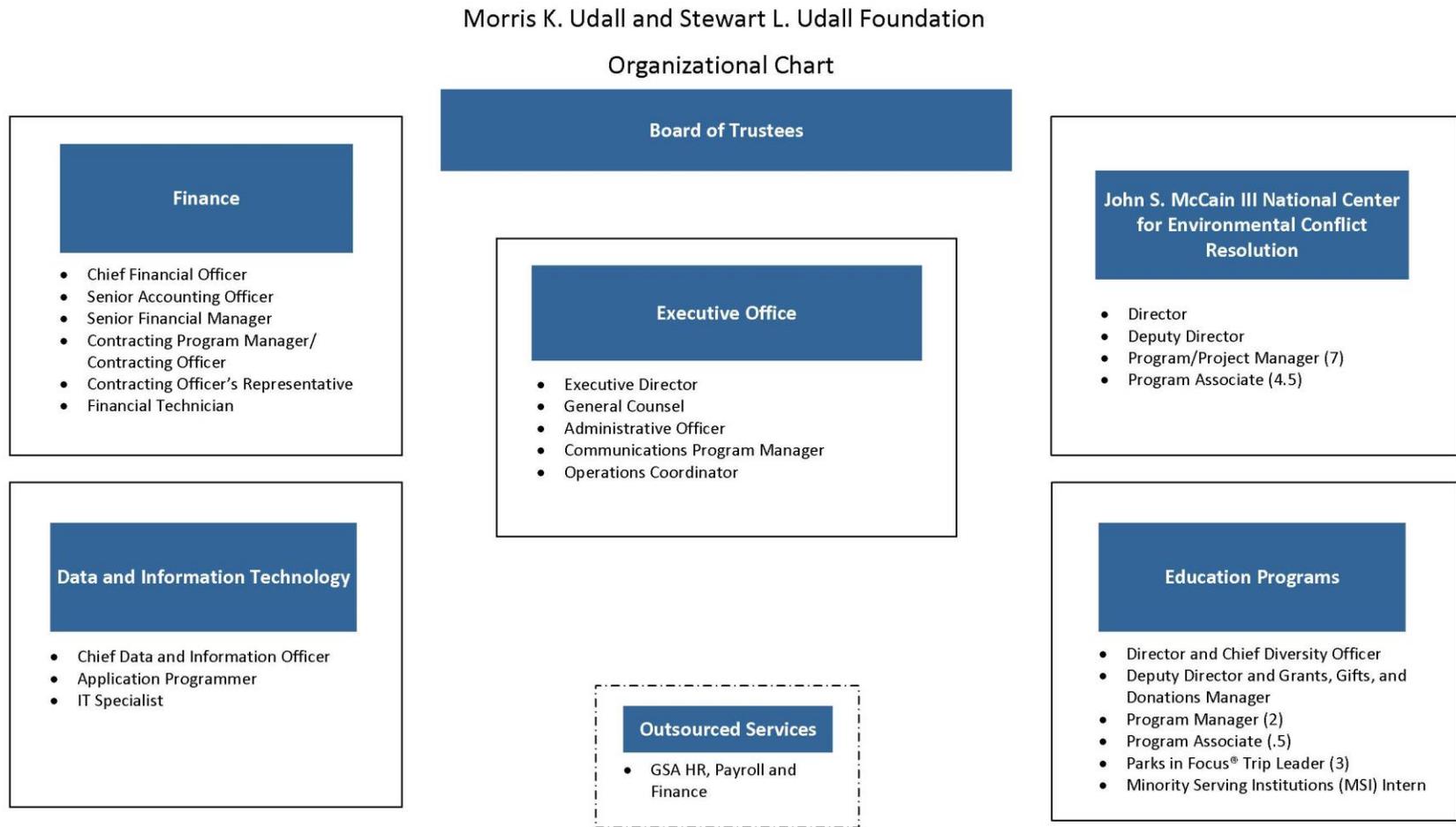
### *Organizational Structure*

The Udall Foundation ended FY 2023 with 28 full-time equivalent (FTE) positions and two term FTE positions. Approximately half of the agency's workforce is based at its Tucson, Arizona, headquarters office with the remainder based at permanent remote duty stations. The Udall Foundation utilizes remote duty stations to enhance employee recruitment and retention and reduce agency operating expenses.

The Udall Foundation relocated its Tucson, Arizona, headquarters office to a smaller footprint in FY 2023. The new office better supports the agency's mission requirements by facilitating meaningful, in-person work across agency components, and aligns with the Administration's guidance on Preparing for the Future of Work in OMB Memorandum M-21-25 and Measuring, Monitoring, and Improving Organizational Health and Organizational Performance (OMB Memorandum M-23-15). The Udall Foundation continues to provide Personal Identity Verification (PIV) card credentialing services to Federal employees and contractors in southern Arizona in its capacity as a shared service PIV provider location.

The Udall Foundation utilizes interagency agreements with the General Services administration (GSA) for payroll, accounting, human resources, and other enterprise support services. The agency no longer maintains an interagency agreement for contracting with the U.S. Department of the Interior Business Center (DOI IBC) and instead is issuing contracts directly, a process that is more cost-effective, efficient, and subject to stronger internal controls than that provided by DOI IBC.

Figure 1



Organizational Chart effective November 1, 2023

## Section II — Performance

### Environmental Dispute Resolution Fund (EDRF) Program — John S. McCain III National Center for Environmental Conflict Resolution (National Center)

The National Center is a nonpartisan Federal resource for environmental collaboration and conflict resolution (ECCR) activities. It is dedicated to resolving environmental disputes and conflicts involving the Federal Government and promoting collaborative decision-making among Federal, State, and Tribal governments and other organizations.

Federal agencies request assistance from the National Center when impartiality and process expertise are needed to lead complex conflict resolution and collaborative problem-solving efforts, especially for interagency, cross-jurisdictional issues. Through its work, the National Center helps Federal agencies better understand and respond to public and private interests, leading to more informed, timely, and workable Federal decisions related to public lands, natural resources, and the environment.

The National Center's services produce cost savings across the Federal Government by reducing litigation and appeals, minimizing inefficiencies and the waste of agency resources that result from conflict, reducing instances of stalled or delayed environmental projects, avoiding lost economic opportunities, minimizing unnecessary and costly remediation when environmental issues are not dealt with in a timely manner, and avoiding public frustration and lost confidence in the Federal Government. Via Congressionally approved cost recovery from offsetting collections (formerly referred to as fees) and the use of contracted private-sector providers, the National Center facilitates many additional positive conflict resolution outcomes for the Nation beyond those possible solely from appropriated funding.

Continued utilization of third-party neutrals for ECCR project and training services is anticipated in future fiscal years as the agency's in-house contracting program matures. Efficiencies in the Udall Foundation's contract management and oversight function will continue to reduce the agency's net costs due to offsetting collections from originating agencies.

### Trust Fund Programs – Education and The University of Arizona Partner Programs

The Trust Fund programs consist of the Morris K. Udall and John S. McCain III Native American Graduate Fellowship in Tribal Policy (Native American Graduate Fellowship); Native American Congressional Internship (Internship); Stewart L. Udall Parks in Focus® Program (Parks in Focus®); Udall Undergraduate Scholarship (Scholarship); and Udall Center for Studies in Public Policy (Udall Center), which includes the Native Nations Institute for Leadership, Management, and Policy (NNI) and funding for the Udall Archives at The University of Arizona Libraries, Special Collections (Udall Archives).

The Native American Graduate Fellowship Program supports outstanding Native American and Alaska Native graduate students who intend to pursue advanced degrees in Tribal public policy and health care, including law and medicine. The Udall Foundation established the Native American Graduate Fellowship Program in FY 2021; Fellowships are funded by interest revenues earned on Trust Fund investments.

The Internship Program identifies future leaders in Indian Country and places them in Congressional and Federal agency offices in Washington, D.C., to learn firsthand how the Federal Government works with and impacts Tribes and Tribal communities. The Internship provides professional development for up to 12 deserving and qualified students annually, connecting them to a network of leaders and policy makers in Indian affairs. The Internship Program, comanaged by the Udall Foundation and NNI, is funded through annual appropriations via the NNI set-aside, a portion of which is retained by the Udall Foundation for its direct expenditures on Internship programming.

Parks in Focus® fosters in youth an appreciation for the environment and natural resources through photography-centered visits to public lands during which participants learn the fundamentals of photography, ecology, and conservation. In response to the COVID-19 pandemic, the program has also developed new digital curricula and hosted virtual learning experiences for area youth. Tucson-based Parks in Focus® activities are primarily funded by interest revenues earned on Trust Fund investments, while Parks in Focus® activities outside of Arizona, such as in Yosemite National Park, are primarily funded by external grants, donations, and program partners including through the Western National Parks Association.

The Scholarship Program identifies future leaders in environmental, Tribal public policy, and health care fields. It is highly competitive; in FY 2023, 384 students, many of whom had already participated in their schools' internal competitions with a larger pool of applicants, competed for 55 scholarship awards. As a condition of their award, Scholars attend a multiday, in-person Scholar Orientation experience in Tucson, Arizona. The Udall Foundation continued its efforts in FY 2023 to reduce equity barriers and grow participation from Minority Serving Institutions in the Scholarship Program, consistent with the requirements of EO 13985. Scholarships are funded by interest revenues earned on Trust Fund investments.

The Udall Center supports policy-relevant interdisciplinary research, science-policy dialogues, and other endeavors that link scholarship and education with decision-making. Areas of particular focus primarily in the Southwest and U.S.-Mexico border region include water security and management, climate change adaptation and planning, and ecosystem services valuation and protection. The Udall Foundation's enabling legislation mandates that not less than 20% of annual interest revenues from the Trust Fund be allocated to the Udall Center to fund such programs and initiatives in its development and implementation of a Program for Environmental Policy Research and Environmental Conflict Resolution and Training, as well as activities specific to the Udall Archives. Since FY 2020, the Udall Foundation has made additional, strategic investments in the Udall Center's work from the EDRF totaling \$0.425 million to enhance its ECCR research and services portfolio and strengthen its ECCR-based partnership with the National Center.

NNI, a program of the Udall Center, is a resource for self-determination, governance, and economic development for Native Nations that assists Tribes engaged in constitutional and governance reforms and provides education to Tribal leaders. NNI also conducts research and policy analysis in the areas of intergovernmental relations, natural resources management, development strategy, health care, law enforcement, data governance, and social services. Since FY 2001, Congress has authorized the Udall Foundation to set aside up to \$1 million of its annual Trust Fund appropriation, at the discretion of the Board of Trustees, for reimbursement of NNI programming expenses and comanaging the Internship Program. The total of such set-asides to NNI through FY 2023 is \$18.925 million.

The University of Arizona Libraries, Special Collections serves as the repository for the Udall Archives, which includes the papers of Morris K. Udall and Stewart L. Udall. The University of Arizona Libraries, Special Collections assures public access to such papers, including books, manuscripts, photographs, maps, and audiovisual holdings, and curates public displays and events highlighting the impact and legacies of Morris K. Udall and Stewart L. Udall.

## Strategic Goals, Strategic Objectives, and Performance Goals

The Udall Foundation's FY 2022–2026 Strategic Plan articulates long-term priorities and goals by which the Udall Foundation implements its mission. Three specific Strategic Goals, with attendant Strategic Objectives and Performance Goals, currently guide the Udall Foundation's activities.

# Udall Foundation Strategic Goals, Strategic Objectives, and Performance Goals

## Strategic Goal 1

Strengthen the appreciation, stewardship, and collaborative processes for governance of the environment, public lands, and natural resources

### Strategic Objectives

#### 1.1

Provide organizational assistance and information resources to build capacity for collaborative decision-making and public participation related to environmental conflicts and natural resources issues involving Federal agencies and related interests

#### 1.2

Provide services and information resources to enhance collaboration and resolve environmental, public lands, and natural resources issues, conflicts, and disputes among governmental and nongovernmental stakeholders

#### 1.3

Provide educational opportunities and programs to promote understanding and appreciation of the environment and natural resources

### Performance Goals

#### 1.1.1

Convene and facilitate an annual meeting of experts and promote dialogues on environmental, natural resources, and public lands issues

#### 1.1.2

Conduct research that informs environmental policy and natural resources management and provide broad dissemination including of archival material

#### 1.2.1

Provide a training program to further the use of environmental conflict resolution, collaborative decision-making, and consensus building

#### 1.2.2

Provide case consultation services and resources to increase the use of environmental collaboration and conflict resolution involving Federal agencies and affected stakeholders

#### 1.2.3

Provide assessment, mediation, and facilitation services that address environmental, public lands, and natural resources issues, conflicts, and disputes involving Federal agencies and affected stakeholders

#### 1.3.1

Award Scholarships to outstanding undergraduate students who intend to pursue careers related to the environment

#### 1.3.2

Provide educational programs, training, and resources with the purpose of supporting opportunities for youth to learn about and experience the Nation's parks and wilderness and other outdoor areas

Funding Source: Red = EDF; Blue = Trust Fund

# Udall Foundation Strategic Goals, Strategic Objectives, and Performance Goals

## Strategic Goal 2

Strengthen Native Nations to facilitate their self-determination, governance, and human capital goals

### Strategic Objectives

#### 2.1

Provide research, education, and services to Native Nations and non-Native entities or individuals who engage with Native Nations

#### 2.2

Provide educational opportunities and programs to Native Nations in the areas of Tribal public policy or health care

#### 2.3

Provide information resources, assist to build capacity, and deliver services to support the resolution of environmental, environmental public health, public lands, cultural resources, and natural resources issues, conflicts, and disputes that concern Native Nations

### Performance Goals

#### 2.1.1

Provide Native Nations and others with education, resources, and services for leadership and governance that will enable Native Nations to achieve their strategic goals

#### 2.1.2

Provide policy analysis and research to support Native Nations

#### 2.2.1

Award Scholarships to outstanding Native American and Alaska Native undergraduate students who intend to pursue careers in Tribal public policy or health care

#### 2.2.2

Award Internships to deserving and qualified Native American and Alaska Native undergraduate, graduate, and law students in the areas of Tribal public policy or health care

#### 2.2.3

Award Fellowships to outstanding Native American and Alaska Native graduate students in the areas of Tribal public policy and health care, including law and medicine

#### 2.3.1

Provide assessment, mediation, facilitation, and related services on issues, conflicts, and disputes that concern Native Nations

#### 2.3.2

Develop communities of practice and provide training to build capacity and enhance collaboration and conflict resolution between Federal agencies and Native Nations

Funding Source: Red = EDFR; Blue = Trust Fund

## Udall Foundation Strategic Goals, Strategic Objectives, and Performance Goals

### Strategic Goal 3

Foster the professional development, growth, and ability of Udall Foundation employees within a collegial working environment

### Strategic Objectives

#### 3.1

Promote learning and elevate the capabilities and leadership skills of all employees

#### 3.2

Foster a collegial organizational culture that demonstrates a commitment internally and externally to EEO and DEI principles

### Performance Goals

<p><b>3.1.1</b> Orient and train employees in Udall Foundation and Federal policies and procedures</p>	<p><b>3.1.2</b> Cross-train employees as appropriate to assure continuity and quality of service across Udall Foundation programs and functions</p>	<p><b>3.1.3</b> Provide employees with professional and career development opportunities including experience and cross-training across Udall Foundation programs and functions</p>	<p><b>3.2.1</b> Orient and train employees in the Vision, Mission, and Values of the Udall Foundation</p>	<p><b>3.2.2</b> Orient and train employees in Udall Foundation and Federal EEO policies and procedures</p>	<p><b>3.2.3</b> Incorporate diversity, equity, and inclusion principles and best practices into the Udall Foundation workforce, systems, and programs</p>
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## Performance Structure Overview

### Completeness and Reliability of Data

The Udall Foundation regularly assesses its progress toward meeting the goals of its FY 2022–2026 Strategic Plan. Performance data are collected using output measures such as number of awardees, consultations, and trainings as well as outcome measures that capture participant feedback on the quality and value of services and programs. Performance feedback is solicited from participants in and users of National Center, Education, and The University of Arizona programs and services.

Collectively, these performance data represent an independent external source of evaluation. In designing data collections, the Udall Foundation balances the desire for and value of in-depth feedback with the burden such requests place on the public, as well as the associated administrative costs of such collections. The Udall Foundation submitted a Federal Register notice in late FY 2023 for updated information collection requests (ICRs) for its National Center Program in coordination with the Office of Information and Regulatory Affairs (OIRA). The agency expects to begin a review in FY 2024 of systems of records requirements for its Education Programs, with corresponding coordination with OIRA and Federal Register notices as appropriate.

The Udall Foundation’s performance data are reasonably complete and reliable as defined by the Government Performance and Results Act of 1993 and are used regularly by agency leadership and program managers to make both strategic and operational decisions.

### Summary of Performance Evaluations Conducted During FY 2023

FY 2023 performance evaluation data were obtained through multiple means:

- The National Center administered surveys to recipients of services for completed FY 2023 processes as allowed and when appropriate. Respondents were surveyed at the conclusion of services or at the end of a significant phase of a process or service (e.g., the end of a training or the completion of an assessment or mediation).
- The Education Programs used a system of debriefings, direct observation, and follow-up interviews to assess the value to and satisfaction of Scholarship, Internship, and Fellowship recipients as well as Parks in Focus® participants.
- The University of Arizona utilized several methods to evaluate its services and enhance participant experience and engagement. These included written surveys at the conclusion of seminars, debrief meetings with clients/sponsors, internal debriefs among project teams, maintenance of a service delivery metrics database, and GoogleAnalytic reports such as on the use of NNI’s Indigenous Governance Database, listservs, and social media.

More information on data collections is available in Appendix A, Data Validation and Verification.

## External Factors Affecting Progress and Future Actions

The Udall Foundation's Education Programs and The University of Arizona Partner Programs are funded by interest revenues earned on Trust Fund investments. Anticipated Trust Fund interest revenues and the requested FY 2024 Trust Fund appropriation from Congress should be sufficient to maintain existing baseline activities in FY 2024 for Parks in Focus®; the Scholarship, Internship, and Fellowship; and The University of Arizona Partner Programs. Lower interest rates in future years could negatively impact these programs through reduced interest revenues on Trust Fund investments.

Congressional appropriations to the EDRF and to other Federal agencies are a primary source of funding for the National Center's services, the latter through interagency agreements. The requested FY 2024 EDRF appropriation from Congress and anticipated interagency agreements should be sufficient to maintain existing National Center baseline activities in FY 2024. Should future appropriations decrease, the National Center's capacity to provide impartial collaboration, consensus-building, training, and conflict resolution services could be reduced.

As a small, independent Federal agency, the Udall Foundation must find cost-effective means to comply with a wide variety of laws and statutes. The Udall Foundation utilizes interagency agreements with the General Services Administration (GSA) for payroll, accounting, human resources, and other enterprise support services. The agency has also established a memorandum of agreement with the Department of Homeland Security Cybersecurity and Infrastructure Security Agency (CISA) to implement CISA's Continuous Diagnostics and Mitigation (CDM) program; use of the CDM program strengthens the agency's security posture in accordance with the five National Cybersecurity Strategy pillars, aids in the management of long-term information technology expenses, and positions the agency to strengthen its mission resilience while maintaining a distributed workforce. Consequently, the agency may be periodically impacted by service delays internal to GSA and CISA.

Overall, the Udall Foundation must continue to cultivate existing and develop new Federal and non-Federal partnerships to diversify its funding sources, including by utilizing its Congressionally mandated authority to solicit and administer grants, gifts, and donations. The Udall Foundation expects to accrue a total of \$0.005 million in such grants, gifts, and donations collections in FY 2024 to the Trust Fund and EDRF. The Udall Foundation will continue to increase awareness of its programs through outreach to research and educational institutions as well as to private foundations and other potential funding partners.

## Annual Performance

This PAR focuses on FY 2023 performance toward the goals of the Udall Foundation's FY 2022–2026 Strategic Plan, which was released in March 2022 coincident with the FY 2023 President's Budget.

*Strategic Goal 1: EDRF Program — John S. McCain III National Center for Environmental Conflict Resolution (National Center)*

**Strategic Goal 1: Strengthen the appreciation, stewardship, and collaborative processes for governance of the environment, public lands, and natural resources.**

**Strategic Objective 1.2:** Provide services and information resources to enhance collaboration and resolve environmental, public lands, and natural resources issues, conflicts, and disputes among governmental and nongovernmental stakeholders.

<b>Performance Goal 1.2.1:</b> Provide a training program to further the use of environmental conflict resolution, collaborative decision-making, and consensus building.	Fiscal Year	Annual Target	Actual Performance
<b>Measure 1:</b> Number of trainings provided.	FY 2022	9	12
	FY 2023		9
	FY 2024		
	FY 2025		
	FY 2026		

<b>Performance Goal 1.2.1:</b> Provide a training program to further the use of environmental conflict resolution, collaborative decision-making, and consensus building.	Fiscal Year	Annual Target	Actual Performance
<b>Measure 2:</b> Percent of ECCR training participants who report what they take away from the training will have a very positive impact on their effectiveness in the future.	FY 2022	87%	98%
	FY 2023		97%
	FY 2024		
	FY 2025		
	FY 2026		

<b>Performance Goal 1.2.2:</b> Provide case consultation services and resources to increase the use of environmental collaboration and conflict resolution involving Federal agencies and affected stakeholders.	Fiscal Year	Annual Target	Actual Performance
<b>Measure 1:</b> Number of case consultations.	FY 2022	30	50
	FY 2023		77
	FY 2024		
	FY 2025		
	FY 2026		

<b>Performance Goal 1.2.2:</b> Provide case consultation services and resources to increase the use of environmental collaboration and conflict resolution involving Federal agencies and affected stakeholders.	Fiscal Year	Annual Target	Actual Performance
<b>Measure 2:</b> Number of initiatives that support or promote the increased use of ECCR by Federal agencies and affected stakeholders.	FY 2022	3	6
	FY 2023		5
	FY 2024		
	FY 2025		
	FY 2026		

<b>Performance Goal 1.2.3:</b> Provide assessment, mediation, and facilitation services that address environmental, public lands, and natural resources issues, conflicts, and disputes involving Federal agencies and affected stakeholders.	Fiscal Year	Annual Target	Actual Performance
<b>Measure 1:</b> Number of assessments, facilitations, mediations, and other ECCR processes.	FY 2022	30	28
	FY 2023		47
	FY 2024		
	FY 2025		
	FY 2026		

<b>Performance Goal 1.2.3:</b> Provide assessment, mediation, and facilitation services that address environmental, public lands, and natural resources issues, conflicts, and disputes involving Federal agencies and affected stakeholders.	Fiscal Year	Annual Target	Actual Performance
<b>Measure 2:</b> Percentage of respondents who report that the National Center provided services that supported progress toward prevention or resolution of environmental issues, conflicts, and disputes.	FY 2022	85%	100%
	FY 2023		95%
	FY 2024		
	FY 2025		
	FY 2026		

*Strategic Goal 2: EDRF Program —John S. McCain III National Center for Environmental Conflict Resolution (National Center)*

**Strategic Goal 2: Strengthen Native Nations to facilitate their self-determination, governance, and human capital goals.**

**Strategic Objective 2.3:** Provide information resources, assist to build capacity, and deliver services to support the resolution of environmental, environmental public health, public lands, cultural resources, and natural resources issues, conflicts, and disputes that concern Native Nations.

<b>Performance Goal 2.3.1:</b> Provide assessment, mediation, facilitation, and related services on issues, conflicts, and disputes that concern Native Nations.	Fiscal Year	Annual Target	Actual Performance
<b>Measure 1:</b> Number of assessments, facilitations, mediations, and other ECCR processes that involve Native Nations or Tribal issues.	FY 2022	15	27
	FY 2023		43
	FY 2024		
	FY 2025		
	FY 2026		

<b>Performance Goal 2.3.2:</b> Develop communities of practice and provide training to build capacity and enhance collaboration and conflict resolution between Federal agencies and Native Nations.	Fiscal Year	Annual Target	Actual Performance
<b>Measure 1:</b> Number of trainings, presentations, webinars, facilitated forums, and other initiatives that build capacity and enhance collaboration and conflict resolution between Federal agencies and Native Nations.	FY 2022	3	6
	FY 2023		4
	FY 2024		
	FY 2025		
	FY 2026		

Strategic Goal 1: Trust Fund Programs — Education and The University of Arizona Partner Programs

**Strategic Goal 1: Strengthen the appreciation, stewardship, and collaborative processes for governance of the environment, public lands, and natural resources.**

**Strategic Objective 1.1:** Provide organizational assistance and information resources to build capacity for collaborative decision-making and public participation related to environmental conflicts and natural resources issues involving Federal agencies and related interests.

<b>Performance Goal 1.1.1:</b> Convene and facilitate an annual meeting of experts and promote dialogues on environmental, natural resources, and public lands issues.	Fiscal Year	Annual Target	Actual Performance
<b>Measure 1:</b> Number of meetings of experts on environmental, natural resources, and public lands issues.	FY 2022	1	2
	FY 2023		3
	FY 2024		
	FY 2025		
	FY 2026		

<b>Performance Goal 1.1.1:</b> Convene and facilitate an annual meeting of experts and promote dialogues on environmental, natural resources, and public lands issues.	Fiscal Year	Annual Target	Actual Performance
<b>Measure 2:</b> Number of dialogues on environmental, natural resources, and public lands issues.	FY 2022	1	3
	FY 2023		7
	FY 2024		
	FY 2025		
	FY 2026		

<b>Performance Goal 1.1.2:</b> Conduct research that informs environmental policy and natural resources management and provide broad dissemination including of archival material.	Fiscal Year	Annual Target	Actual Performance
<b>Measure 1:</b> Number of environmental policy presentations or briefings.	FY 2022	40	65
	FY 2023		56
	FY 2024		
	FY 2025		
	FY 2026		

<b>Performance Goal 1.1.2:</b> Conduct research that informs environmental policy and natural resources management and provide broad dissemination including of archival material.	Fiscal Year	Annual Target	Actual Performance
<b>Measure 2:</b> Number of collaborating agencies and institutions.	FY 2022	30	51
	FY 2023		68
	FY 2024		
	FY 2025		
	FY 2026		

<b>Performance Goal 1.1.2:</b> Conduct research that informs environmental policy and natural resources management and provide broad dissemination including of archival material.	Fiscal Year	Annual Target	Actual Performance
<b>Measure 3:</b> Number of environmental policy publications.	FY 2022	30	33
	FY 2023		34
	FY 2024		
	FY 2025		
	FY 2026		

**Strategic Objective 1.3:** Provide educational opportunities and programs to promote understanding and appreciation of the environment and natural resources.

<b>Performance Goal 1.3.1:</b> Award Scholarships to outstanding undergraduate students who intend to pursue careers related to the environment.	Fiscal Year	Annual Target	Actual Performance
<b>Measure 1:</b> Number of Scholarships.	FY 2022	38	37
	FY 2023		37
	FY 2024		
	FY 2025		
	FY 2026		

<b>Performance Goal 1.3.1:</b> Award Scholarships to outstanding undergraduate students who intend to pursue careers related to the environment.	Fiscal Year	Annual Target	Actual Performance
<b>Measure 2:</b> Percent of recipients who report they received a quality educational experience in their interactions and program activities with the Udall Foundation.	FY 2022	96%	97%
	FY 2023		100%
	FY 2024		
	FY 2025		
	FY 2026		

<b>Performance Goal 1.3.2:</b> Provide educational programs, training, and resources with the purpose of supporting opportunities for youth to learn about and experience the Nation’s parks and wilderness and other outdoor areas.	Fiscal Year	Annual Target	Actual Performance
<b>Measure 1:</b> Number of individuals reached through direct Parks in Focus® programs and trainings.	FY 2022	250	494
	FY 2023		744
	FY 2024		
	FY 2025		
	FY 2026		

<b>Performance Goal 1.3.2:</b> Provide educational programs, training, and resources with the purpose of supporting opportunities for youth to learn about and experience the Nation’s parks and wilderness and other outdoor areas.	Fiscal Year	Annual Target	Actual Performance
<b>Measure 2:</b> Number of hours of direct Parks in Focus® programming and training services provided.	FY 2022	250	452
	FY 2023		768
	FY 2024		
	FY 2025		
	FY 2026		

<b>Performance Goal 1.3.2:</b> Provide educational programs, training, and resources with the purpose of supporting opportunities for youth to learn about and experience the Nation’s parks and wilderness and other outdoor areas.	Fiscal Year	Annual Target	Actual Performance
<b>Measure 3:</b> Percent of participants who report they received a quality educational experience during Parks in Focus® activities and trainings.	FY 2022	90%	95%
	FY 2023		95%
	FY 2024		
	FY 2025		
	FY 2026		

Strategic Goal 2: Trust Fund Programs — Education and The University of Arizona Partner Programs

**Strategic Goal 2: Strengthen Native Nations to facilitate their self-determination, governance, and human capital goals.**

**Strategic Objective 2.1:** Provide research, education, and services to Native Nations and non-Native entities or individuals who engage with Native Nations.

<b>Performance Goal 2.1.1:</b> Provide Native Nations and others with education, resources, and services for leadership and governance that will enable Native Nations to achieve their strategic goals.	Fiscal Year	Annual Target	Actual Performance
<b>Measure 1:</b> Number of Tribes served.	FY 2022	50	59
	FY 2023		65
	FY 2024		
	FY 2025		
	FY 2026		

<b>Performance Goal 2.1.1:</b> Provide Native Nations and others with education, resources, and services for leadership and governance that will enable Native Nations to achieve their strategic goals.	Fiscal Year	Annual Target	Actual Performance
<b>Measure 2:</b> Number of participants who complete NNI educational seminars and courses.	FY 2022	75	430
	FY 2023		456
	FY 2024		
	FY 2025		
	FY 2026		

<b>Performance Goal 2.1.1:</b> Provide Native Nations and others with education, resources, and services for leadership and governance that will enable Native Nations to achieve their strategic goals.	Fiscal Year	Annual Target	Actual Performance
<b>Measure 3:</b> Number of visitors to the Indigenous Governance Database website.	FY 2022	20,000	50,810
	FY 2023		26,040
	FY 2024		
	FY 2025		
	FY 2026		

<b>Performance Goal 2.1.2:</b> Provide policy analysis and research to support Native Nations.	Fiscal Year	Annual Target	Actual Performance
<b>Measure 1:</b> Number of Indigenous policy publications and briefings.	FY 2022	10	10
	FY 2023		14
	FY 2024		
	FY 2025		
	FY 2026		

<b>Performance Goal 2.1.2:</b> Provide policy analysis and research to support Native Nations.	Fiscal Year	Annual Target	Actual Performance
<b>Measure 2:</b> Number of presentations.	FY 2022	25	67
	FY 2023		31
	FY 2024		
	FY 2025		
	FY 2026		

<b>Performance Goal 2.1.2:</b> Provide policy analysis and research to support Native Nations.	Fiscal Year	Annual Target	Actual Performance
<b>Measure 3:</b> Number of collaborating agencies and institutions.	FY 2022	25	33
	FY 2023		39
	FY 2024		
	FY 2025		
	FY 2026		

**Strategic Objective 2.2:** Provide educational opportunities and programs to Native Nations in the areas of Tribal public policy or health care.

<b>Performance Goal 2.2.1:</b> Award Scholarships to outstanding Native American and Alaska Native undergraduate students who intend to pursue careers in Tribal public policy or health care.	Fiscal Year	Annual Target	Actual Performance
<b>Measure 1:</b> Number of Scholarships.	FY 2022	17	18
	FY 2023		18
	FY 2024		
	FY 2025		
	FY 2026		

<b>Performance Goal 2.2.1:</b> Award Scholarships to outstanding Native American and Alaska Native undergraduate students who intend to pursue careers in Tribal public policy or health care.	Fiscal Year	Annual Target	Actual Performance
<b>Measure 2:</b> Percent of recipients who report they received a quality educational experience in their interactions and program activities with the Udall Foundation.	FY 2022	96%	97%
	FY 2023		100%
	FY 2024		
	FY 2025		
	FY 2026		

<b>Performance Goal 2.2.2:</b> Award Internships to deserving and qualified Native American and Alaska Native undergraduate, graduate, and law students in the areas of Tribal public policy or health care.	Fiscal Year	Annual Target	Actual Performance
<b>Measure 1:</b> Number of Internships.	FY 2022	12	11
	FY 2023		12
	FY 2024		
	FY 2025		
	FY 2026		

<b>Performance Goal 2.2.2:</b> Award Internships to deserving and qualified Native American and Alaska Native undergraduate, graduate, and law students in the areas of Tribal public policy or health care.	Fiscal Year	Annual Target	Actual Performance
<b>Measure 2:</b> Percent of recipients who report they received a quality educational experience through the Native American Congressional Internship Program.	FY 2022	92%	100%
	FY 2023		92%
	FY 2024		
	FY 2025		
	FY 2026		

<b>Performance Goal 2.2.3:</b> Award Fellowships to outstanding Native American and Alaska Native graduate students in the areas of Tribal public policy and health care, including law and medicine.	Fiscal Year	Annual Target	Actual Performance
<b>Measure 1:</b> Number of Fellowships.	FY 2022	1	3
	FY 2023		3
	FY 2024		
	FY 2025		
	FY 2026		

<b>Performance Goal 2.2.3:</b> Award Fellowships to outstanding Native American and Alaska Native graduate students in the areas of Tribal public policy and health care, including law and medicine.	Fiscal Year	Annual Target	Actual Performance
<b>Measure 2:</b> Percent of recipients who report they received a quality educational experience in their interactions and program activities with the Udall Foundation.	FY 2022	100%	100%
	FY 2023		100%
	FY 2024		
	FY 2025		
	FY 2026		

## Section III — Financial

### FY 2023 Assurance Statement

As the Executive Director of the Udall Foundation, I recognize our responsibility to establish and maintain effective internal controls to meet the objectives of the FMFIA.

The FMFIA and its implementing guidance, OMB Circular A-123, Management’s Responsibility for Internal Control, require that I evaluate and annually report the results of my evaluation regarding the internal and financial management controls in place at the Udall Foundation.

I am pleased to report that management controls in effect from October 1, 2022, through September 30, 2023, provide reasonable assurance that the Udall Foundation is meeting the objectives of the FMFIA. In general:

- Obligations and costs are in compliance with applicable laws, rules, regulations, and policies;
- Funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and
- Revenues and expenditures applicable to agency operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports, and to maintain accountability over assets.

I am able to provide an unqualified statement of assurance that operational internal controls of the Udall Foundation meet the objectives of the FMFIA.

A handwritten signature in black ink, appearing to read 'D. P. Brown', written in a cursive style.

David P. Brown, Ph.D.  
Executive Director

## Analysis of Systems Controls and Legal Compliance

This section of the report provides the required information on the Udall Foundation's management assurances and compliance with the following legal and regulatory requirements:

- Federal Managers' Financial Integrity Act of 1982 (FMFIA);
- Federal Financial Management Improvement Act of 1996 (FFMIA); and
- Major Management Challenges Confronting the Udall Foundation.

GSA performs necessary financial services for the Udall Foundation. These include furnishing receipt and disbursement of funds, financial reporting and related accounting functions, and execution of all investments in Treasury securities. GSA is considered a part of the Udall Foundation's overall financial management operations; however, the Udall Foundation is responsible for the integrity and objectivity of the information presented in its financial statements.

The principal financial statements included in the FY 2023 PAR have been prepared to report the financial position and results of operations of the Udall Foundation, pursuant to the requirements of 31 U.S.C. 3515(b). These statements have been prepared from the books and records of the Udall Foundation in accordance with generally accepted accounting principles for Federal agencies and the formats prescribed by OMB. These financial statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records. The statements should be read with the understanding that they are for a component of the U.S. Government, a sovereign entity.

## Management Assurances

The FMFIA requires agencies to provide an annual statement of assurance regarding internal accounting and administrative controls including program, operational, and administrative areas as well as accounting and financial management and reporting. The Udall Foundation maintains a standard of continuous process improvement under the framework of enterprise risk management. This includes review of standard operating procedures by the Chief Financial Officer and updating of necessary policies under the guidance of its General Counsel. The included assurance statement is based on compliance with the below policies and guidelines.

### *Federal Managers' Financial Integrity Act of 1982 (FMFIA)*

The Udall Foundation believes that maintaining integrity and accountability in all programs and operations (1) is critical for good government; (2) demonstrates responsible safeguarding of assets; (3) ensures high-quality, responsible leadership; (4) ensures the effective delivery of services; and (5) maximizes desired program outcomes.

To achieve integrity and accountability, the Udall Foundation has developed and implemented management, administrative, and financial system controls to reasonably ensure the following:

- Programs and operations achieve intended results efficiently and effectively;
- Resources are used in accordance with the Udall Foundation’s mission as defined by its enabling legislation;
- Programs and resources are protected from waste, fraud, and mismanagement;
- Laws and regulations are followed; and
- Timely, accurate, and reliable data are maintained and used for decision-making at all levels.

The Udall Foundation’s internal controls program is designed to ensure full compliance with the goals, objectives, and requirements of the FMFIA and the following:

- OMB Circular No. A-123, *Management’s Responsibility for Internal Control*, including Appendix B, Improving the Management of Government Charge Card Programs and Appendix C, Requirements for Effective Measurement and Remediation of Improper Payments;
- OMB Circular No. A-127, *Financial Management Systems*; and
- OMB Circular No. A-130, *Management of Federal Information Resources*.

### *Internal Controls Assessments*

The included assurance statement is based on internal controls resulting from:

- A 2012 review by the U.S. Department of the Interior Office of Inspector General (DOI OIG);
- A 2013 review conducted by the Government Accountability Office (GAO);
- A 2013 third-party review of internal controls;
- A 2015 review by GAO;
- A 2018 follow-up review by DOI OIG;
- A 2022 audit conducted by the DOI OIG; and
- The external financial audit for FY 2023 conducted by independent CPA firm Rocha and Company, PC.

### *FMFIA Material Weaknesses and Accounting System Non-conformances*

The Udall Foundation uses the OMB guidelines for material weakness designations and recognizes the importance of correcting material weaknesses in a timely manner. The independent auditors identified no deficiencies in internal controls that are considered a material weakness in financial reporting during their audit for the year ended September 30, 2023.

### *Internal Controls over Financial Reporting*

Internal controls over financial reporting reasonably ensure the safeguarding of assets from waste, loss, and unauthorized use or misappropriation as well as compliance with laws and regulations pertaining to financial reporting.

## *Federal Financial Management Improvement Act of 1996 (FFMIA)*

Federal agencies are required to address compliance with the requirements of the FFMIA in the management representations made to the financial statement auditor. The Udall Foundation's independent external auditor is required to report on compliance with the FFMIA requirements in the Independent Auditor's Report. The 2023 Independent Auditor's Report found the Udall Foundation in substantial compliance with the FFMIA requirements.

## *Major Management Challenges Confronting the Udall Foundation*

A long-term reduction in appropriations to the Trust Fund (from \$2.750 million in FY 2009 to \$1.800 million in FY 2023) has impacted those programs that are funded by Trust Fund interest revenues due to slower growth of the Trust Fund corpus. In contrast, the Udall Foundation has realized a recent increase in appropriations to the EDRF (from \$3.200 million in FY 2021 to \$3.943 million in FY 2023), which primarily benefits the National Center. The Udall Foundation seeks to improve overall program delivery regardless of available budgetary resources. In particular, the Udall Foundation has continued to provide support for mission critical objectives and prompt attention to items identified as higher risk.

## *Supporting Financial System Strategies*

The Udall Foundation's Project Management Database (PMD) is a multiuser application utilized to manage agencywide financial transactions and provide real-time project-related information to agency employees. Using PMD, the agency's financial team completes financial transmittals necessary for GSA to record and process obligations, revenues, and expenses on the Udall Foundation's behalf. The financial information is then available internally for reconciliation and reporting purposes. The information is also available to employees to assist in tracking project-related revenues and expenses as well as project data such as contracts and interagency agreements.

The financial sections of PMD maintain segregation of duties by separating the ability to create, review, and approve records depending on a user's login identity. Using a series of electronic inboxes for the purposes of moving an action from user to user, one user can create a transaction, which is forwarded to a different user for review, and the transaction is automatically forwarded to the next user for final review and approval. PMD establishes budgetary controls for each project or activity before obligations can be made or expenses can be incurred. This system not only ensures segregation of duties, it ensures that transactions are not overlooked and requires action on the part of the user "receiving" the transaction in their inbox. Following approvals, PMD provides receipt and expense supporting documentation necessary for GSA processing. GSA's internal controls provide a second check on receipts and disbursements; in addition, GSA provides monthly financial transaction reports that are reconciled with PMD as well as quarterly and annual financial reporting to the Udall Foundation.

In FY 2022, the Udall Foundation transitioned to in-house contracting. Due to new internal requirements necessary for proper accounting and oversight of acquisition activities, the Data and Information Technology team initiated further development work on PMD including new processes and controls to

establish an acquisition and agreement interface for the agency's Contracting Officer. Once these enhancements are complete, the Udall Foundation's financial systems will maintain segregation of duties and provide accurate financial reporting for the reconciliation of contracts, agreements, and invoices.

## Analysis of Financial Statements

### Introduction and Analysis of Statements

The Federal Accounting Standards Advisory Board requires that the Udall Foundation's financial statements be displayed in several formats. The annual financial statements include a Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, Statement of Budgetary Resources, and related notes. These statements are in addition to the internal financial reports to management, which are prepared from the same data.

The Udall Foundation receives appropriations that are deposited into two funds: the Morris K. Udall and Stewart L. Udall Trust Fund (Trust Fund) and the Environmental Dispute Resolution Fund (EDRF). The agency's financial statements combine data for both funds. Available balances in both the Trust Fund and EDRF may be invested in Treasury securities to generate interest revenues; however, the funds differ in how appropriations made to each may be spent. Appropriations made to the EDRF are available for direct expenditure and remain available until expended, while appropriations made to the Trust Fund are added to the Fund's corpus and invested. The Udall Foundation's enabling legislation specifies that only Trust Fund interest revenues are allowed to be used to fund authorized Education and The University of Arizona partner programming and related administrative costs. In FY 2023, Congress authorized the Udall Foundation to utilize that fiscal year's Trust Fund appropriation for direct expenditure in addition to Trust Fund interest revenues.

Public Law 102-259 authorized appropriations of \$40.000 million for the Trust Fund. The initial appropriation in 1994 was \$19.894 million; from FY 1995 through FY 2023, an additional \$37.113 million was appropriated by Congress to the Trust Fund, of which \$18.925 million has been set aside for NNI and \$1.200 million has been transferred to DOI OIG for internal controls oversight.

The Udall Foundation has received annual appropriations to the EDRF since FY 1999 totaling \$68.724 million through FY 2023. The EDRF also received a one-time start-up appropriation of \$3.000 million in FY 1999 for the National Center.

### Overall Significant Trends

**Trust Fund:** During FY 2023, interest rates on Treasury securities continued to recover from historically low levels; however, it will take months to years for the Udall Foundation to fully realize increased interest revenues from newly purchased Trust Fund investments with higher yields. Anticipated Trust Fund interest revenues and the requested FY 2024 Trust Fund appropriation from Congress should be sufficient to maintain existing baseline activities in FY 2024 for Parks in Focus®; the Scholarship, Internship, and Fellowship; and The University of Arizona Partner Programs. Udall Foundation leadership

continues to monitor rates and shift investments between short-term and long-term obligations when appropriate.

**EDRF:** During FY 2023, the Congressional appropriation to the EDRF increased slightly from \$3.296 million to \$3.943 million. Consequently, the Udall Foundation was able to slightly increase its staffing level including within the National Center Program. The requested FY 2024 EDRF appropriation from Congress and anticipated interagency agreements should be sufficient to maintain existing National Center baseline activities in FY 2024.

## *Balance Sheet*

The Balance Sheet provides a snapshot of the Udall Foundation’s financial condition as of the end of the fiscal year. The Assets category includes both long-term investments and Treasury balances that are invested on a monthly basis.

The vast majority of the Total Assets shown on the balance sheet are Trust Fund investments, representing both short- and long-term Treasury securities. Overall, assets remained unbiased by (\$1.787 million) (2.68%).

Liabilities are primarily related to external accounts payable, accrued but not yet billed.

## *Statement of Net Cost (SNC)*

The SNC displays the respective total expenses, net of earned revenues.

## *Statement of Changes in Net Position (SCNP)*

Overall, the ending balance in the consolidated financial statements increased by 1.82%, the difference between total funding sources and the net cost of operations.

## *Statement of Budgetary Resources (SBR)*

The SBR provides information to help assess budget execution and compliance with budgetary accounting rules. It provides information on total budgetary resources available, the status of those resources, and outlays. This statement is prepared on an obligation basis as opposed to the accrual basis of accounting used for the other statements. Overall, total budgetary resources remained unbiased by (\$3.607 million) (16.65%).

## *Controls, Systems, and Legal Compliance Financial Audit*

In FY 2023, the Udall Foundation received an unqualified opinion from the agency’s external financial auditors. The audit provides additional assurance to Udall Foundation leadership, its constituents, and

Congress that the Udall Foundation's financial transactions and management practices are in keeping with established laws, regulations, and practices.

### *Independent Auditor's Report (FY 2023)*

The independent external auditors found the Udall Foundation's financial statements, including the accompanying notes, presented fairly in all material respects and in conformity with generally accepted accounting principles for Federal agencies. They identified no material weaknesses or significant deficiencies in internal controls.

### *Possible Future Effects of Existing Events and Conditions*

Education Programs and The University of Arizona Partner Programs: During FY 2023, interest rates on Treasury securities continued to recover from historically low levels; however, it will take months to years for the Udall Foundation to fully realize increased interest revenues from newly purchased Trust Fund investments with higher yields. Anticipated Trust Fund interest revenues and the requested FY 2024 Trust Fund appropriation from Congress should be sufficient to maintain existing baseline activities in FY 2024 for Parks in Focus®; the Scholarship, Internship, and Fellowship; and The University of Arizona Partner Programs. Udall Foundation leadership continues to monitor rates and shift investments between short-term and long-term obligations when appropriate.

John S. McCain III National Center for Environmental Conflict Resolution: During FY 2023, the Congressional appropriation to the EDRF increased slightly from \$3.296 million to \$3.943 million. Consequently, the Udall Foundation was able to slightly increase its staffing level including within the National Center Program. The requested FY 2024 EDRF appropriation from Congress and anticipated interagency agreements should be sufficient to maintain existing National Center baseline activities in FY 2024.

Although the National Center typically receives offsetting collections for all ECCR cases and projects that develop beyond the initial consultation stage, it relies upon a baseline appropriation to support its operations. The appropriation allows the National Center to develop partnerships with Federal agencies, advance new projects and trainings, and create a foundation to leverage the use of contracted service professionals to expand its support to Federal agencies. A reduction in the baseline appropriation could have negative impacts on National Center operations and service provision.

A second, related factor that could negatively impact the National Center is a reduction in offsetting collections due to the inability of agencies to utilize the National Center's services. The National Center primarily provides support on Federal environmental decision-making processes; consequently, most project funding is provided by Federal agencies. Reductions in Federal agency budgets could impact either the scale or scope of Federal ECCR efforts, which could in turn impact National Center project activities. The National Center is continuing efforts to expand and diversify its customer base to reduce the likelihood of downward swings in service delivery; such expansion and diversification would mitigate the reliance of the National Center on any single funding source for service provision.

### *Limitations of the Financial Statements*

The enclosed principal financial statements have been prepared to report the financial position and results of operations of the Udall Foundation, as required by 31 U.S.C. 3515(b). The statements have been prepared from the books and records of the Udall Foundation in accordance with accounting principles generally accepted for Federal entities and the formats prescribed by OMB. These financial statements are in addition to other financial reports used to monitor and control budgetary resources that are also prepared from the same books and records.

# Appendix A. Data Validation and Verification

The Udall Foundation is working to ensure compliance with OMB Memorandum M-22-10, the Paperwork Reduction Act, and the President’s Management Agenda, specifically the goals identified for Evidence, Evaluation, and Capacity-Building to Advance Evidence-Based Policymaking. To this end, the Udall Foundation regularly assesses its progress toward meeting the goals of its FY 2022–2026 Strategic Plan. Performance data are collected using output measures such as number of awardees, consultations, and trainings as well as outcome measures that capture participant feedback on the quality and value of services and programs. Performance feedback is solicited from participants in and users of National Center, Education, and The University of Arizona programs and services.

Collectively, these performance data represent an independent external source of evaluation. In designing data collections, the Udall Foundation balances the desire for and value of in-depth feedback with the burden such requests place on the public, as well as the associated administrative costs of such collections. The Udall Foundation submitted a Federal Register notice in late FY 2023 for updated information collection requests (ICRs) for its National Center Program in coordination with the Office of Information and Regulatory Affairs (OIRA). The agency expects to begin a review in FY 2024 of systems of records requirements for its Education Programs, with corresponding coordination with OIRA and Federal Register notices as appropriate.

## John S. McCain III National Center for Environmental Conflict Resolution

Since FY 2002, the National Center has administered a suite of questionnaires to evaluate ECCR services. Using these questionnaires, the National Center solicits performance feedback from members of the public and agency representatives who are participants in, and users of, National Center services. Respondents are surveyed at the conclusion of services or at the end of a significant phase of a process or service (e.g., the end of a training or the completion of an assessment or mediation). To obtain performance data, the National Center administers surveys to service recipients for completed processes and services as allowed and when appropriate. In terms of data reliability, validation, and verification, the National Center has processes in place to ensure the accurate recording, processing, and summarizing of performance information.

The evaluative information collected by the National Center is used to promote improved outcomes. Project-level evaluation reports are generated that summarize respondents’ feedback in a detailed, transparent manner. These reports provide program managers and others with in-depth feedback on performance as well as insights into why performance was met, exceeded, or fell short of expectations. Such feedback is designed to promote reflective practice so that future processes and applications of ECCR are improved. The evaluation information also supports a macro-level evaluation of ECCR processes.

Federal ECCR data are collected across Federal agencies and consolidated in an annual report developed by the Council on Environmental Quality and the National Center. Over a decade of data were evaluated in [\*Environmental Collaboration and Conflict Resolution \(ECCR\): Enhancing Agency Efficiency and Making Government Accountable to the People\*](#).

## Education Programs

The Udall Foundation's Education Programs use both quantitative and qualitative data collections to assess performance and measure success. Quantitative data consist of numbers of awards and participants and statistical data such as types of majors and fields of study. The data are entered manually through the Scholarship online application and in the Udall Foundation's Scholar and Alumni Tracking database. Data are verified through staff quality control review and programming robustness.

Qualitative data are collected using the following methods:

- Direct observation of participants' behavior and interactions;
- Staff conversations and interactions with individual participants;
- Informal feedback from participants; and
- Follow up with program alumni.

The observations and interactions with participants occur over the course of each program, and alumni continue to provide feedback after the programs have ended. Information gathered over time in this way results in a more comprehensive and well-rounded data collection.

# Appendix B. General and Trust Fund Financial Statements



**GENERAL AND TRUST FUND  
FINANCIAL STATEMENTS**

**As Of And For The Fiscal Years Ended September 30, 2023 and 2022**

## **Independent Auditor's Report**

To: Chairman and Executive Director  
The Morris K. Udall and Stewart L. Udall Foundation  
Tucson, Arizona

In our audits of the fiscal years 2023 and 2022 financial statements of the **Morris K. Udall and Stewart L. Udall Foundation (the Foundation)**, we found:

- the Foundation's financial statements as of and for the fiscal years ended September 30, 2023, and 2022, are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- no material weaknesses in internal control over financial reporting based on the limited procedures we performed; and
- no reportable non-compliance for fiscal year 2023 with provisions of applicable laws, regulations, contracts, and grant agreements we tested.

The following sections discuss in more detail (1) our report on the financial statements, which includes required supplementary information (RSI) and other information included with the financial statements; (2) our report on internal control over financial reporting; (3) our report on compliance with laws, regulations, contracts, and grant agreements.

### **Report on the Financial Statements**

#### Opinion

In accordance with Office of Management and Budget (OMB) Bulletin No. 24-01, *Audit Requirements for Federal Financial Statements*, we have audited the Foundation's financial statements. The Foundation's financial statements comprise the balance sheets as of September 30, 2023, and 2022; the related statements of net cost, changes in net position, and budgetary resources for the fiscal years then ended; and the related notes to the financial statements. In our opinion, the Foundation's financial statements present fairly, in all material respects, the Foundation's financial position as of September 30, 2023, and 2022, and its net cost of operations, changes in net position, and budgetary resources for the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

#### Basis for Opinion

We conducted our audits in accordance with U.S. generally accepted government auditing standards. 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 Foundation 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

The Foundation's management is responsible for (1) the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles; (2) preparing, measuring, and presenting the RSI in accordance with U.S. generally accepted accounting principles; (3) preparing and presenting other information included in the Foundation's Performance and Accountability Report, and ensuring the consistency of that information with the audited financial statements and the RSI; and (4) designing, implementing, and maintaining effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### 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 of the financial statements conducted in accordance with U.S. generally accepted government auditing standards will always detect a material misstatement or a material weakness 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, including omissions, are considered to be material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. generally accepted government auditing standards, 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 our audit of the 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 Foundation's internal control over financial reporting. 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.
- Perform other procedures we consider necessary in the circumstances.

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 financial statement audit.

### Required Supplementary Information

U.S. generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) require that the RSI be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by FASAB, which considers it to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context.

We have applied certain limited procedures to the RSI in accordance with U.S. generally accepted government auditing standards. These procedures consisted of (1) inquiring of management about the methods used to prepare the RSI and (2) comparing the RSI for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during the audit of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

### Other Information

The Foundation's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Management is responsible for the other information included in the Foundation's Performance and Accountability Report. The other information comprises financial summaries and historical information but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Report on Internal Control over Financial Reporting**

In connection with our audits of the Foundation's financial statements, we considered the Foundation's internal control over financial reporting, consistent with our auditor's responsibilities discussed below.

### Results of Our Consideration of Internal Control over Financial Reporting

Our consideration of internal control was for the limited purpose described below, and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, or to express an opinion on the effectiveness of the Foundation's internal control over financial reporting. Given these limitations, during our 2023 audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

During our 2023 audit, we identified deficiencies in the Foundation's internal control over financial reporting that we do not consider to be material weaknesses or significant deficiencies. Nonetheless, these deficiencies warrant the attention of the Foundation's management. We have communicated these matters to the Foundation's management and, where appropriate, will report on them separately.

#### Basis for Results of Our Consideration of Internal Control over Financial Reporting

We performed our procedures related to the Foundation's internal control over financial reporting in accordance with U.S. generally accepted government auditing standards and Office of Management and Budget audit guidance.

#### Responsibilities of Management for Internal Control over Financial Reporting

The Foundation's management is responsible for designing, implementing, and maintaining effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibilities for Internal Control over Financial Reporting

In planning and performing our audit of the Foundation's financial statements as of and for the year ended September 30, 2023, in accordance with U.S. generally accepted government auditing standards, we considered the Foundation's internal control relevant to the financial statement 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 Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the Foundation's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

#### Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel. The objectives of internal control over financial reporting are to provide reasonable assurance that (1) transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and (2) transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

### Intended Purpose of Report on Internal Control over Financial Reporting

The purpose of this report is solely to describe the scope of our consideration of the Foundation's internal control over financial reporting and the results of our procedures, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering internal control over financial reporting. Accordingly, this report on internal control over financial reporting is not suitable for any other purpose.

### **Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements**

In connection with our audits of the Foundation's financial statements, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our auditor's responsibility discussed below.

### Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2023 that would be reportable under U.S. generally accepted government auditing standards. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to the Foundation. Accordingly, we do not express such an opinion.

During our 2023 audit, we identified instances of noncompliance that were not reportable under U.S. generally accepted auditing standards. Nonetheless, these instances of noncompliance warrant the attention of the Foundation's management. We have communicated these matters to the Foundation's management and, where appropriate, will report on them separately.

### Basis for Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards.

### Responsibilities of Management for Compliance with Laws, Regulations, Contracts and Grant Agreements

The Foundation's management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to the Foundation.

### Auditor's Responsibilities for Tests of Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our responsibility is to test compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements applicable to the Foundation that have a direct effect on the determination of material amounts and disclosures in the Foundation's financial statements, and to perform certain other limited procedures. Accordingly, we did not test compliance with all provisions of laws, regulations, contracts, and grant agreements applicable to the Foundation. We caution that noncompliance may occur and not be detected by these tests.

Intended Purpose of Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements is not suitable for any other purpose.

*Rocha & Company, PC*

*Gaithersburg, Maryland  
November 15, 2023*

**Morris K. Udall and Stewart L. Udall Foundation**  
**BALANCE SHEETS**

As Of September 30, 2023 and 2022  
(in dollars)

		2023	2022
<b>Assets:</b>			
<b>Intragovernmental Assets:</b>			
Fund Balance With Treasury	(Note 2)	\$ 29,030,031.09	\$ 9,968,154.38
Investments, net	(Note 3)	38,374,776.57	56,403,897.98
Accounts Receivable, net	(Note 4)	322,282.14	158,082.92
Advances and Prepayments	(Note 5)	-	3,498.00
<b>Total Intragovernmental Assets</b>		<b>67,727,089.80</b>	<b>66,533,633.28</b>
<b>Other than Intragovernmental Assets:</b>			
Accounts Receivable, net	(Note 4)	24,187.75	18,557.66
Property, Plant and Equipment, net	(Note 6)	626,749.70	38,295.87
<b>Total Other than Intragovernmental Assets</b>		<b>650,937.45</b>	<b>56,853.53</b>
<b>Total Assets</b>		<b>\$ 68,378,027.25</b>	<b>\$ 66,590,486.81</b>
<b>Liabilities:</b>			
<b>Intragovernmental Liabilities:</b>			
Accounts Payable	(Note 7)	\$ 7,652.42	\$ -
Advances from Others and Deferred Revenue		1,111,506.79	713,251.97
Other Liabilities	(Note 8)	22,464.69	19,716.59
<b>Total Intragovernmental Liabilities</b>		<b>1,141,623.90</b>	<b>732,968.56</b>
<b>Other than Intragovernmental Liabilities:</b>			
Accounts Payable		448,079.80	313,178.12
Federal Employees and Veterans Benefit Payable		338,262.15	289,009.52
Other Liabilities	(Note 8)	69,338.33	60,920.80
<b>Total Other than Intragovernmental Liabilities</b>		<b>855,680.28</b>	<b>663,108.44</b>
<b>Total Liabilities</b>		<b>\$ 1,997,304.18</b>	<b>\$ 1,396,077.00</b>
<b>Net Position:</b>			
Unexpended Appropriations - All Other Funds (Consolidated Totals)		808,458.18	929,893.39
Cumulative Results of Operations - All Other Funds (Consolidated Totals)		\$ 65,572,264.89	\$ 64,264,516.42
<b>Total Net Position - All Other Funds (Consolidated Totals)</b>		<b>66,380,723.07</b>	<b>65,194,409.81</b>
<b>Total Net Position</b>		<b>\$ 66,380,723.07</b>	<b>\$ 65,194,409.81</b>
<b>Total Liabilities and Net Position</b>		<b>\$ 68,378,027.25</b>	<b>\$ 66,590,486.81</b>

The accompanying notes are an integral part of these statements.

**Morris K. Udall and Stewart L. Udall Foundation**  
**STATEMENTS OF NET COST**

**For The Fiscal Years Ended September 30, 2023 and 2022**  
**(in dollars)**

	2023	2022
<b>Program Costs:</b>		
<b>Gross Costs</b>	\$ 9,683,420.92	\$ 9,145,803.87
<b>Less: Earned Revenue</b>	<u>2,303,870.47</u>	<u>1,930,642.27</u>
<b>Net Program Costs</b>	<u>7,379,550.45</u>	<u>7,215,161.60</u>
<b>Net Cost of Operations</b>	<u>\$ 7,379,550.45</u>	<u>\$ 7,215,161.60</u>

The accompanying notes are an integral part of these statements.

**Morris K. Udall and Stewart L. Udall Foundation**  
**STATEMENT OF CHANGES IN NET POSITION**  
**For The Fiscal Years Ended September 30, 2023 and 2022**  
(in dollars)

FY 2023 (CY)

	<b>All Other Funds (Consolidated Totals)</b>	<b>Consolidated Total</b>
<b>Unexpended Appropriations:</b>		
Beginning Balance	\$ 929,893.39	\$ 929,893.39
Appropriations received	5,743,000.00	5,743,000.00
Appropriations used	<u>(5,864,435.21)</u>	<u>(5,864,435.21)</u>
Net Change in Unexpended Appropriations	<u>(121,435.21)</u>	<u>(121,435.21)</u>
<b>Total Unexpended Appropriations</b>	<b><u>\$ 808,458.18</u></b>	<b><u>\$ 808,458.18</u></b>
<b>Cumulative Results from Operations</b>		
Beginning Balances	\$ 64,264,516.42	\$ 64,264,516.42
Appropriations used	5,864,435.21	5,864,435.21
Nonexchange Revenue	2,453,869.14	2,453,869.14
Donations and forfeitures of cash and cash equivalents	535.34	535.34
Imputed Financing	368,459.23	368,459.23
Net Cost of Operations	<u>(7,379,550.45)</u>	<u>(7,379,550.45)</u>
Net Change in Cumulative Results of Operations	<u>1,307,748.47</u>	<u>1,307,748.47</u>
<b>Cumulative Results of Operations</b>	<b><u>65,572,264.89</u></b>	<b><u>65,572,264.89</u></b>
<b>Net Position</b>	<b><u>\$ 66,380,723.07</u></b>	<b><u>\$ 66,380,723.07</u></b>

The accompanying notes are an integral part of these statements.

**Morris K. Udall and Stewart L. Udall Foundation**  
**STATEMENT OF CHANGES IN NET POSITION**  
**For The Fiscal Years Ended September 30, 2023 and 2022**  
(in dollars)

FY 2022 (PY)

	<b>All Other Funds (Consolidated Totals)</b>	<b>Consolidated Total</b>
<b>Unexpended Appropriations:</b>		
Beginning Balance	\$ 1,688,679.27	\$ 1,688,679.27
Appropriations received	5,096,000.00	5,096,000.00
Appropriations transferred-in/out (+/-)	38,360.00	38,360.00
Appropriations used	(5,893,145.88)	(5,893,145.88)
Net Change in Unexpended Appropriations	(758,785.88)	(758,785.88)
<b>Total Unexpended Appropriations</b>	<b>\$ 929,893.39</b>	<b>\$ 929,893.39</b>
<b>Cumulative Results from Operations</b>		
Beginning Balances	\$ 63,707,846.95	\$ 63,707,846.95
Appropriations used	5,893,145.88	5,893,145.88
Nonexchange Revenue	1,635,078.07	1,635,078.07
Transfers-in/out without reimbursement (+/-)	600.00	600.00
Imputed Financing	243,007.12	243,007.12
Net Cost of Operations	(7,215,161.60)	(7,215,161.60)
Net Change in Cumulative Results of Operations	556,669.47	556,669.47
<b>Cumulative Results of Operations</b>	<b>64,264,516.42</b>	<b>64,264,516.42</b>
<b>Net Position</b>	<b>\$ 65,194,409.81</b>	<b>\$ 65,194,409.81</b>

The accompanying notes are an integral part of these statements.

**Morris K. Udall and Stewart L. Udall Foundation**  
**STATEMENTS OF BUDGETARY RESOURCES**

For The Fiscal Years Ended September 30, 2023 and 2022  
(in dollars)

	<b>2023</b>	<b>2022</b>
	<b>Budgetary</b>	<b>Budgetary</b>
<b>Budgetary resources:</b>		
Unobligated balance from prior year budget authority, net (discretionary and mandatory) (Note 13) \$	11,176,872.21	\$ 11,914,710.45
Appropriations (discretionary and mandatory)	9,794,852.32	7,513,598.24
Spending authority from offsetting collections (discretionary and mandatory)	4,299,294.51	2,235,963.69
<b>Total budgetary resources</b>	<b>\$ 25,271,019.04</b>	<b>\$ 21,664,272.38</b>
<b>Status of budgetary resources:</b>		
New obligations and upward adjustments (total)	\$ 12,218,390.90	11,123,228.88
Unobligated balance, end of year:		
Apportioned, unexpired account	10,646,324.00	8,635,802.98
Unapportioned, unexpired accounts	2,406,304.14	1,905,240.52
Unexpired unobligated balance, end of year	13,052,628.14	10,541,043.50
Unobligated balance, end of year (total)	13,052,628.14	10,541,043.50
<b>Total budgetary resources</b>	<b>\$ 25,271,019.04</b>	<b>\$ 21,664,272.38</b>
<b>Outlay, net:</b>		
Outlays, net (total) (discretionary and mandatory)	\$ 8,689,494.11	\$ 7,463,158.53
Distributed offsetting receipts (-)	1,800,000.00	1,800,000.00
<b>Agency outlays, net (discretionary and mandatory)</b>	<b>\$ 6,889,494.11</b>	<b>\$ 5,663,158.53</b>

The accompanying notes are an integral part of these statements.

## **Note 1 – Significant Accounting Policies**

### **Reporting Entity**

The Morris K. Udall Foundation was established by the U.S. Congress in 1992 as an independent executive branch agency to honor Morris K. Udall's lasting impact on this Nation's environment, public lands, and natural resources, and his support of the rights and self-governance of Native Americans and Alaska Natives (P.L. 102-259). That legislation is codified at 20 U.S.C. § 5601-5609 and has been amended several times:

- The 1998 Environmental Policy and Conflict Resolution Act (P.L. 105-156) established the U.S. Institute for Environmental Conflict Resolution as a program of the Udall Foundation to assist parties in resolving environmental, public lands, and natural resources conflicts nationwide that involve Federal agencies or interests.
- In 2000, Congress authorized the Udall Foundation to conduct management and leadership education and provide assistance and resources for policy analysis for Native American and Alaska Native leaders (P.L. 106-568).
- In 2009, Congress enacted legislation to honor Stewart L. Udall and add his name to the Udall Foundation (P.L. 111-90).
- In 2019, Congress enacted legislation to reauthorize the Udall Foundation and to amend the enabling legislation by renaming the U.S. Institute for Environmental Conflict Resolution as the John S. McCain III National Center for Environmental Conflict Resolution, and to include the Stewart L. Udall Parks in Focus® Program and the Native Nations Institute for Leadership, Management, and Policy as formal elements of the Udall Foundation's Education Programs (P.L. 116-94).

The agency is known today as the Morris K. Udall and Stewart L. Udall Foundation (Udall Foundation) and is headquartered in Tucson, Arizona.

### **Basis of Presentation**

The financial statements of the Udall Foundation have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and the form and content requirements specified by the Office of Management and Budget's (OMB) Circular No. A-136, revised. U. S. GAAP for Federal entities are the standards prescribed by the Federal Accounting Standards Advisory Board (FASAB), which has been designated as the official accounting standards-setting body for the U. S. Federal Government by the American Institute of Certified Public Accountants (AICPA).

The Udall Foundation uses both the accrual basis and budgetary basis of accounting to record transactions. Under the accrual basis, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. These financial statements were prepared following accrual basis accounting. The Combined Statements of Budgetary Resources provide information about how budgetary resources were made available as well as their status at the end of the period. Recognition and measurement of budgetary information reported on this statement is based on budget terminology definition and guidance in OMB Circular No. A-11, *Preparation, Submission and Execution of the Budget*, August 2023.

### **Annual Appropriations**

Annual appropriations for the years ended September 30 are as follows:

	<u>2023</u>	<u>2022</u>
Morris K. Udall Scholarship and Excellence in National Environmental Policy Trust Fund	\$ 1,800,000.00	\$ 1,800,000.00
Environmental Dispute Resolution Fund	\$ 3,943,000.00	\$ 3,296,000.00

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make a number of estimates and assumptions. These estimates affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

### **Fund Balance with the U.S. Treasury**

The Udall Foundation's cash receipts and disbursements are processed by the U.S. Treasury. No cash balances are maintained outside the U.S. Treasury.

### **Accounts Receivable**

Accounts receivable consists of amounts owed to the Udall Foundation by other Federal agencies and the public. This balance is present net of any direct write-offs made.

### **Investments**

Investments consist only of U.S. Government securities and are carried at historical cost in the accompanying financial statements. The unamortized premium (discount) is amortized using the interest yield method as required by the Treasury Financial Manual, Volume 1, Bulletin No. 2007-03.

### **General Property and Equipment**

Property and equipment purchases are valued at cost and are capitalized when the cost is \$2,500 or more with a useful life of more than two years. Depreciation is calculated on a straight-line basis over the estimated useful lives. The estimated useful lives are as follows: Furniture & Fixtures – seven years, Computer equipment – five years, and Telephone System – ten years. Leasehold improvements are valued at cost and are capitalized when the cost is \$2,500 or more with a useful life of more than two years. Amortization is calculated on a straight-line basis over the estimated useful lives. The estimated useful lives are dependent on remaining lease terms of the offices. As of September 30, 2023, the leasehold improvements capitalized with estimated useful lives of ten years.

## **Liabilities**

Liabilities are recognized for amount of probable future outflows or other sacrifices of resources as a result of past transactions or events. Since the Udall Foundation is a component of the U.S. Government, a sovereign entity, its liabilities cannot be liquidated without legislation that provides resources to do so. Payment of all liabilities other than contracts can be abrogated by the sovereign entity.

Unfunded liabilities are incurred when funding has not yet been made available through Congressional appropriations or current earnings. The Udall Foundation recognizes such liabilities for employee annual leave earned but not taken and amounts billed by the Department of Labor (DOL) for the worker's compensation benefits. In accordance with Public Law and existing Federal accounting standards, a liability is not recorded for any future payment made on behalf of current workers contributing to the Medicare Hospital Insurance Trust Fund.

## **Revenues and Other Financing Sources**

The Education Programs and The University of Arizona Partner Programs are supported by the Morris K. Udall Scholarship and Excellence in National Environmental Policy Trust Fund (Trust Fund), where the primary financing source consists of interest revenue earned on Treasury securities. The activities of the National Center are supported by annual appropriations to the Environmental Dispute Resolution Fund (EDRF) and offsetting collections for National Center services. Other financing sources for the Udall Foundation consist of imputed financing sources which are costs financed by other Federal entities on behalf of the Udall Foundation, as required by Statement of Federal Financial Accounting Standard (SFFAS) No. 5, *Accounting for Liabilities of the Federal Government*. Solicitation and administration of grants, gifts, and donations for the work of the Udall Foundation programs are expressly permitted by an amendment to the enabling legislation passed by Congress in FY 2020.

Financing sources are provided through Congressional appropriations on a no-year basis or through reimbursable agreements. No-year or "X-year" appropriations are available for obligations until the purpose for which they are provided is carried out and, therefore, for an indefinite period. Reimbursable service agreements generally recognize revenues when goods are delivered, or services rendered between the Udall Foundation and other Federal agencies and the public. In addition, other financing sources are provided in the form of gifts from the public, interest on investments, and miscellaneous sales. All of these financing sources may be used to finance operating expenses and for capital expenditures, as specified by law.

## **Trust Fund**

The Education Programs of the Udall Foundation were established by Public Law 102-259, codified at 20 U.S.C. § 2601 and following.

The Udall Foundation enabling legislation specifically authorizes Scholarships, Fellowships, Internships, and grants in the areas of the environment and Native American health or Tribal policy. The enabling legislation authorized \$40 million for a Trust Fund and directed that the Trust Fund be invested in Treasury securities, with only the income from the Trust Fund available to operate the Education

Programs. The Udall Foundation is also authorized to accept, hold, administer, and utilize grants, gifts, and donations. 20 U.S.C. § 5608(a)(4).

The annual income from the Trust Fund is specifically allocated by the law as follows: at least 50 percent for Scholarships, Internships, and Fellowships; at least 20 percent to be allocated to the Udall Center for Studies in Public Policy at The University of Arizona (Udall Center); and a maximum of 17.5 percent for administrative costs. Parks in Focus® and other Education Program activities are funded from the remaining 12.5 percent of Trust Fund income. Since FY 2001, set asides from appropriations have been made for the purposes of the Native Nations Institute (NNI), a program of the Udall Center, pursuant to Congressional authorization.

Public Law 102-259 authorized appropriations of \$40.000 million for the Trust Fund. The initial appropriation in 1994 was \$19.894 million; from FY 1995 through FY 2023, an additional \$37.113 million was appropriated by Congress to the Trust Fund, of which \$18.925 million has been set aside for NNI and \$1.200 million has been transferred to DOI OIG for internal control oversight.

In FY 2023, the Udall Foundation had three sources of income to the Trust Fund: donations and interest revenues from investments. All would be considered inflow of resources to the Government.

### **EDRF**

The National Center was established as the U.S. Institute for Environmental Conflict Resolution by Congress through the Environmental Policy and Conflict Resolution Act of 1998 (Public Law 105-156). The name of the program was changed in FY 2020 with an amendment to the enabling legislation.

Congressional appropriations to support the work of the National Center are deposited into the EDRF. The Udall Foundation has received annual appropriations to the EDRF since FY 1999 totaling \$68.724 million through FY 2023. The National Center also received a one-time start-up appropriation of \$3.000 million in FY 1999.

Congress has authorized the National Center to accept and retain collections for conflict resolution services, in addition to its appropriations. Such collections are also deposited into the EDRF and all available balances are invested in Treasury securities.

Of the \$2,303,870 being reported as FY 2023 collections for services provided, \$2,070,668 is from Federal sources and is the result of intragovernmental flows. The remaining \$233,202 is from non-Federal sources and should be considered inflows or resources to the Federal Government.

### **Annual Leave**

Annual leave is accrued as it is earned, and the accrual is reduced as leave is taken. Each year, the balance in the accrual annual leave account is adjusted to reflect current pay rates. To the extent that current or prior year funding is not available to cover annual leave earned but not taken, funding will be obtained from future financing sources. Sick leave and other types of non-vested leave are expensed as taken. Unused sick leave will be used in the calculation of an employee's or survivor's annuity based on retirement with an immediate annuity or on a death in service.

The Udall Foundation no longer has any employees covered by the Civil Service Retirement System (CSRS). For employees covered by the Federal Employees Retirement System (FERS), credit toward the annuity computation will be based upon a percentage of the sick leave balance at retirement or death, depending on the date the entitlement to the annuity began:

- 50 percent in the case of an annuity entitlement based on a separation from service from October 28, 2009, through December 31, 2013; and
- 100 percent in the case of an annuity entitlement based on a separation from service occurring on or after January 1, 2014.

### **Retirement Plans**

All of the Udall Foundation's employees participate in FERS. Under FERS, the Udall Foundation contributes the employer's matching share for Social Security and an amount equal to one percent of employee's pay to the Thrift Savings Plan. The Udall Foundation will also match an employee's savings plan contribution up to an additional four percent of pay. OPM is responsible for reporting on FERS plan assets, accumulated plan benefits, and unfunded liabilities, if any, applicable to federal civilian employees.

The FASAB's SFFAS Number 5, *Accounting for Liabilities of the Federal Government*, requires that employing agencies recognize the full cost of pensions, health, and life insurance benefits, during their employee's active years of service. OPM, as the administrator of the FERS plan, the Federal Employee's Health Benefits Program, and the Federal Employee's Group Life Insurance Program must provide the "cost factors" that adjust the agency contribution rate to the full cost for the applicable benefit programs. Accordingly, no liability is reflected on the Foundation's balance sheet, and an imputed cost is reflected in its operating statements.

### **Obligations Related to Canceled Appropriations**

Payments may be required of up to one percent of current year appropriations for valid obligations incurred against prior year appropriations that have been canceled. The Udall Foundation had no canceled appropriations as of September 30, 2023, and September 30, 2022.

### **Contingencies**

A contingency is an existing condition, situation, or set of circumstances involving uncertainty as to possible gain or loss to the Udall Foundation. The uncertainty will ultimately be resolved when one or more future events occur or fail to occur. With the exception of pending, threatened, or potential litigation, a contingent liability is recognized when a past transaction or event has occurred, a future outflow or other sacrifice of resources is more likely than not, and the related future outflow or sacrifice of resources is measurable. For pending, threatened, or potential litigation, a liability is recognized when a past transaction or event has occurred, a future outflow or other sacrifice of resources is likely, and the related future outflow or sacrifice of resources is measurable.

**Note 2 – Fund Balance With Treasury**

The Udall Foundation’s Trust Fund and EDRF balances come from investment interest revenues, appropriations, fees collected for services, and grants, gifts, and donations. The Trust Fund corpus is unavailable to the Udall Foundation for general use and can only be invested.

	2023	2022
A. Fund Balance with Treasury		
Trust Fund	\$ 18,194,613.37	\$ 6,613,725.59
Institute	10,835,417.72	3,354,428.79
Total	<u>\$ 29,030,031.09</u>	<u>\$ 9,968,154.38</u>
B. Status of Fund Balance with Treasury		
1) Unobligated Balance		
a) Available	\$ 10,646,324.00	\$ 8,635,802.98
b) Unavailable	2,406,304.14	1,905,240.52
c) Temporary Reduction	2,088.00	1,615.00
2) Obligated Balance not yet Disbursed	2,441,829.05	1,952,135.11
3) Non-Budgetary FBWT	13,533,485.90	(2,526,639.23)
Total	<u>\$ 29,030,031.09</u>	<u>\$ 9,968,154.38</u>

**Note 3 – Investments**

As of September 30, 2023, investments were composed of the following:

	Cost	Amortization Method	Amortized Premium (Discount)	Interest Receivable	Investments, Net	Market Value Disclosure
Intragovernmental Securities:						
Market Based Notes and Bonds	37,440,485.73	Interest-Yield	567,429.14	366,861.70	38,374,776.57	36,086,505.80

As of September 30, 2022, investments were composed of the following:

	Cost	Amortization Method	Amortized Premium (Discount)	Interest Receivable	Investments, Net	Market Value Disclosure
Intragovernmental Securities:						
Market Based Notes and Bonds	55,354,548.23	Interest-Yield	650,386.60	398,963.15	56,403,897.98	56,570,806.24

**Note 4 – Accounts Receivable**

Accounts Receivable is represented by Accounts Receivable – Associate Claims and Accounts Receivable – Other, which is where the National Center has billed for services provided. The direct write-off method is used for uncollectible receivables.

Accounts Receivable	<u>2023</u>	<u>2022</u>
Associate Claims:		
Non-federal	-	-
Other:		
Federal	322,282.14	158,082.92
Non-federal	24,187.75	18,557.66
Total Receivables	<u>\$ 346,469.89</u>	<u>\$ 176,640.58</u>

**Note 5 – Advances and Prepayments**

Advances and Prepayments are entirely comprised of funds to other Federal agencies in support of assisted acquisitions through an interagency agreement. The Udall Foundation transitioned to in-house contracting and acquisitions in FY 2022 and is no longer advancing or prepaying for such services.

**Note 6 – General Property, Plant and Equipment, Net**

As of September 30, 2023, the Udall Foundation showed furniture and equipment with total cost of \$391,376, accumulated depreciation of \$217,696, and a net book value of \$173,680. Leasehold improvements had a total cost of \$485,218, accumulated amortization of \$32,149, and a net book value of \$453,069. The depreciation and amortization expense for FY 2023 was \$64,641. As of September 30, 2022, the Udall Foundation showed furniture and equipment with total cost of \$223,501, accumulated depreciation of \$185,204, and a net book value of \$38,297. The depreciation expense for FY 2022 was \$10,243.

**Note 7 – Liabilities Not Covered by Budgetary Resources**

Liabilities of the Udall Foundation are classified as liabilities covered or not covered by budgetary resources. As of September 30, 2023, the Udall Foundation showed liabilities covered by budgetary resources of \$1,661,964 and liabilities not covered by budgetary resources of \$335,340. As of September 30, 2022, the Udall Foundation showed liabilities covered by budgetary resources of \$1,109,751 and liabilities not covered by budgetary resources of \$286,326.

	<u>2023</u>	<u>2022</u>
Other than Intragovernmental:		
Unfunded leave	\$ 335,340.41	\$ 286,325.68
Total liabilities not covered by budgetary resources	335,340.41	286,325.68
Total liabilities covered by budgetary resources	1,661,963.77	1,109,751.32
Total liabilities	<u>\$1,997,304.18</u>	<u>\$ 1,396,077.00</u>

**Note 8 – Other Liabilities**

Other liabilities with the public for the year ended September 30, 2023, and 2022 consist of Accrued Funded Payroll and Leave, Employer Contributions and Payroll Taxes Payable, and Other Liabilities in the amounts shown below. Other Intragovernmental liabilities consist of Employer Contributions and Payroll Taxes Payable.

	<b>FY 2023</b>		
	Non-Current	Current	Total
<b>Intragovernmental</b>			
Employer Contributions and Payroll Taxes Payable	\$ -	\$ 22,464.69	\$ 22,464.69
Total Intragovernmental	<u>-</u>	<u>22,464.69</u>	<u>22,464.69</u>
<b>Other than Intragovernmental</b>			
Accrued Funded Payroll & Leave		68,928.33	68,928.33
Other Liabilities Without Related Budgetary Obligations		410.00	410.00
Total Other than Intragovernmental	<u>-</u>	<u>69,338.33</u>	<u>69,338.33</u>
<b>Total Other Liabilities</b>	<u>\$ -</u>	<u>\$ 91,803.02</u>	<u>\$ 91,803.02</u>
	<b>FY 2022</b>		
	Non-Current	Current	Total
<b>Intragovernmental</b>			
Employer Contributions and Payroll Taxes Payable	\$ -	\$ 19,716.59	\$ 19,716.59
Total Intragovernmental	<u>-</u>	<u>19,716.59</u>	<u>19,716.59</u>
<b>Other than Intragovernmental</b>			
Accrued Funded Payroll & Leave	-	60,510.80	60,510.80
Other Liabilities Without Related Budgetary Obligations		410.00	410.00
Total Other than Intragovernmental	<u>-</u>	<u>60,920.80</u>	<u>60,920.80</u>
<b>Total Other Liabilities</b>	<u>\$ -</u>	<u>\$ 80,637.39</u>	<u>\$ 80,637.39</u>

**Note 9 – Costs and Exchange Revenue**

Intragovernmental costs are those related to goods/services purchased from a Federal entity.

	Total 2023	Total 2022
<b>Program A</b>		
Intragovernmental costs	\$ 1,766,475.47	\$ 2,375,486.90
Public costs	\$ 7,916,945.45	6,770,316.97
Total Program A costs	<u>\$ 9,683,420.92</u>	<u>\$ 9,145,803.87</u>
Intragovernmental earned revenue	2,070,667.62	1,905,091.93
Public earned revenue	233,202.85	25,550.34
Total earned revenue	<u>\$ 2,303,870.47</u>	<u>\$ 1,930,642.27</u>
Total Program A	<u>\$ 7,379,550.45</u>	<u>\$ 7,215,161.60</u>

**Note 10 – Apportionment Categories of Obligations Incurred**

The Udall Foundation is subject to apportionment; therefore, all obligations incurred for the Trust Fund and EDRF are category B, which is the amount of direct obligations incurred against amounts apportioned under category B on the latest SF 132.

	Total 2023	Total 2022
Direct		
Category B	12,218,390.90	11,123,228.88
Total Obligations	12,218,390.90	11,123,228.88

**Note 11 – Undelivered Orders at the End of the Period**

The amount of Unpaid Obligated Balance, Net, End of Period includes obligations relating to Undelivered Orders (goods and services contracted for but not yet received at the end of the year) and Accounts Payable (amounts owed at the end of the year for goods and services received).

	Unpaid Undelivered Orders	Paid Undelivered Orders	Total Undelivered Orders
2023	\$ 1,628,217.29	\$ -	\$ 1,628,217.29
2022	\$ 1,696,557.89	\$ 3,498.00	\$ 1,700,055.89

**Note 12 – Leases**

The Udall Foundation relocated its Tucson, Arizona, headquarters office to a smaller footprint in FY 2023. The new office better supports the agency’s mission requirements by facilitating meaningful, in-person work across agency components, and aligns with the Administration’s guidance on Preparing for the Future of Work in the Office of Management and Budget (OMB) Memorandum M-21-25 and Measuring, Monitoring, and Improving Organizational Health and Organizational Performance (OMB Memorandum M-23-15). The Udall Foundation leases its new headquarters office space under an operating lease expiring in FY 2033.

The Udall Foundation also subleases an office in the District of Columbia with the Arizona Board of Regents for and on behalf of The University of Arizona. The period of the lease commenced June 1, 2021, under a five-year option expiring in FY 2026.

Future total lease payments are summarized as follows:

FY 2024	\$351,798.22
FY 2025	\$357,916.04
FY 2026	\$346,081.22
FY 2027	\$316,243.56
FY 2028	\$322,568.43
Thereafter	<u>\$1,443,810.24</u>
Total Future Minimum Lease Payments	<u>\$3,138,417.71</u>

**Note 13 – Explanation of Differences between the SBR and the Budget of the US Government**

SFFAS No. 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*, requires an explanation of material differences between budgetary resources available, the status of those resources and outlays as presented in the Statement of Budgetary Resources (SBR) to the related actual balances published in the *Budget of the United States Government* (Budget). The Budget that will include FY 2023 actual budgetary execution information is scheduled for publication in February 2024, which will be available through OMB’s website at <http://www.whitehouse.gov/omb>. Accordingly, information required for such disclosure is not available at the time of publication of these financial statements.

Balances reported in the FY 2022 SBR and the related Budget reflected the following:

<b>FY2022</b>	<b>Budgetary Resources</b>	<b>New Obligations &amp; Upward Adjustments (Total)</b>	<b>Distributed Offsetting Receipts</b>	<b>Net Outlays</b>
Statement of Budgetary Resources	\$ 21,664,272.38	\$ 11,123,228.88	\$ 1,800,000	\$ 7,463,158.530
<i>Budget of the U.S. Government</i>	19,000,000.00	9,000,000.00	\$ -	8,000,000.00
<b>Difference</b>	<u>\$ 2,664,272.38</u>	<u>\$ 2,123,228.88</u>	<u>\$ 1,800,000</u>	<u>\$ (536,841.47)</u>

The difference between the SBR and the Budget for budgetary resources, obligations incurred, and net outlays are primarily due to the Budget rounding to the nearest millionth. A portion of the difference in the budgetary resources is due to expired unobligated balances being reported in the SBR but not in the Budget. Statement of Federal Financial Accounting Standards No. 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*, calls for explanations of material differences between budgetary resources available, the status of those resources, and outlays as presented in the SBR to the related actual balances published in the Budget. However, the Budget that will include FY 2023 actual budgetary execution information has not yet been published. Accordingly, information required for such disclosures is not available at the time of preparation of these financial statements. There were no material differences between the Udall Foundation’s FY 2022 SBR and the related Budget.

## Note 14 – Reconciliation of Net Cost of Operations to Outlays

The Udall Foundation has reconciled its budgetary obligations and non-budgetary resources available to its net cost of operations.

Reconciliation of Net Operating Cost & Net Budgetary Outlays		Intragovernmental	With the Public	Total FY2023
Net Cost		\$ (304,192.15)	\$ 7,683,742.60	\$ 7,379,550.45
<b>Components of net cost not part of the budgetary outlays</b>				
	Property, plant, and equipment depreciation expense	-	(64,640.45)	(64,640.45)
<b>Increase/(Decrease) in Assets:</b>				
	Accounts receivable, net	181,770.01	(11,940.70)	169,829.31
	Securities and investments	(115,058.91)	-	(115,058.91)
	Other assets	(3,498.00)	-	(3,498.00)
<b>(Increase)/Decrease in Liabilities:</b>				
	Accounts payable	(9,455.92)	(134,901.68)	(144,357.60)
	Federal employee and veteran benefits payable	-	(49,252.63)	(49,252.63)
	Other Liabilities	(944.60)	(406,672.35)	(407,616.95)
<b>Financing Sources:</b>				
	Imputed Cost	(368,459.23)	-	(368,459.23)
<b>Total Components of net operating cost not part of the budgetary outlays</b>		<b>\$ (315,646.65)</b>	<b>\$ (667,407.81)</b>	<b>\$ (983,054.46)</b>
<b>Components of the budget outlays that are not part of net operating cost</b>				
	Acquisition of capital assets	-	653,094.28	653,094.28
<b>Financing Sources:</b>				
	Donated Revenue	-	(535.34)	(535.34)
	Transfers out (in) without reimbursements	42,456.00	-	42,456.00
<b>Total Components of the budget outlays that are not part of net operating cost</b>		<b>\$ 42,456.00</b>	<b>\$ 652,558.94</b>	<b>\$ 695,014.94</b>
<b>Misc Items</b>				
	Custodial/Non-exchange revenue	(2,420,064.14)	(33,805.00)	(2,453,869.14)
	Appropriated Receipts for Trust/Special Funds	2,375,066.98	1,676,785.34	4,051,852.32
<b>Total Other Reconciling Items</b>		<b>\$ (44,997.16)</b>	<b>\$ 1,642,980.34</b>	<b>\$ 1,597,983.18</b>
<b>Total Net Outlays (Calculated Total)</b>		<b>\$ (622,379.96)</b>	<b>\$ 9,311,874.07</b>	<b>\$ 8,689,494.11</b>
<b>Budgetary Agency Outlays, net (SBR 4210)</b>				
	Budgetary Agency Outlays, net			<u>\$ 8,689,494.11</u>
	Distributed offsetting receipts (-)			<u>\$ (1,800,000.00)</u>
	Agency outlays, net (discretionary and mandatory)			<u>\$ 6,889,494.11</u>

**Note 15 – Commitments and Contingencies**

The Udall Foundation is not aware of any commitments or contingencies which will have a material adverse effect on the agency's financial statements.

**Note 16 – Subsequent Events**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through November 15, 2023, which is the date the financial statements were available to be issued.

**Morris K. Udall and Stewart L. Udall Foundation**  
**BALANCE SHEETS**

As Of September 30, 2023 and 2022  
(in dollars)

	850	897	898	Consolidated Total
<b>Assets:</b>				
<b>Intragovernmental Assets:</b>				
Fund Balance With Treasury	\$ 10,835,417.72	\$ -	\$ 18,194,613.37	\$ 29,030,031.09
Investments, net	-	-	38,374,776.57	38,374,776.57
Accounts Receivable, net	322,282.14	-	-	322,282.14
<b>Total Intragovernmental Assets</b>	<u>11,157,699.86</u>	<u>-</u>	<u>56,569,389.94</u>	<u>67,727,089.80</u>
Accounts Receivable, net	24,187.75	-	-	24,187.75
Property, Plant and Equipment, net	626,749.70	-	-	626,749.70
<b>Total Other than Intragovernmental Assets</b>	<u>650,937.45</u>	<u>-</u>	<u>-</u>	<u>650,937.45</u>
<b>Total Assets</b>	<u>\$ 11,808,637.31</u>	<u>\$ -</u>	<u>\$ 56,569,389.94</u>	<u>\$ 68,378,027.25</u>
<b>Liabilities:</b>				
<b>Intragovernmental Liabilities:</b>				
Accounts Payable	\$ 6,992.03	\$ -	\$ 660.39	\$ 7,652.42
Advances from Others and Deferred Revenue	1,111,506.79	-	-	1,111,506.79
Other Liabilities	19,676.34	-	2,788.35	22,464.69
<b>Total Intragovernmental Liabilities</b>	<u>1,138,175.16</u>	<u>-</u>	<u>3,448.74</u>	<u>1,141,623.90</u>
<b>Other than Intragovernmental Liabilities:</b>				
Accounts Payable	320,726.33	-	127,353.47	448,079.80
Federal Employees and Veterans Benefit Payable	286,383.68	-	51,878.47	338,262.15
Other Liabilities	59,666.23	-	9,672.10	69,338.33
<b>Total Other than Intragovernmental Liabilities</b>	<u>666,776.24</u>	<u>-</u>	<u>188,904.04</u>	<u>855,680.28</u>
<b>Total Liabilities</b>	<u>\$ 1,804,951.40</u>	<u>\$ -</u>	<u>\$ 192,352.78</u>	<u>\$ 1,997,304.18</u>
<b>Net Position:</b>				
Unexpended Appropriations - All Other Funds (Consolidated Totals)	770,098.18	38,360.00	-	808,458.18
Cumulative Results of Operations - All Other Funds (Consolidated Totals)	\$ 9,233,587.73	\$ (38,360.00)	\$ 56,377,037.16	\$ 65,572,264.89
<b>Total Net Position - All Other Funds (Consolidated Totals)</b>	<u>10,003,685.91</u>	<u>-</u>	<u>56,377,037.16</u>	<u>66,380,723.07</u>
<b>Total Net Position</b>	<u>\$ 10,003,685.91</u>	<u>\$ -</u>	<u>\$ 56,377,037.16</u>	<u>\$ 66,380,723.07</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 11,808,637.31</u>	<u>\$ -</u>	<u>\$ 56,569,389.94</u>	<u>\$ 68,378,027.25</u>

# Morris K. Udall and Stewart L. Udall Foundation

## STATEMENTS OF NET COST

For The Fiscal Years Ended September 30, 2023 and 2022

(in dollars)

	<u>850</u>	<u>897</u>	<u>898</u>	<u>Consolidated Total</u>
Program Costs:				
Gross Costs	\$ 6,574,014.01	\$ 38,360.00	\$ 3,071,046.91	\$ 9,683,420.92
Less: Earned Revenue	<u>2,303,870.47</u>	<u>-</u>	<u>-</u>	<u>2,303,870.47</u>
Net Program Costs	<u>4,270,143.54</u>	<u>38,360.00</u>	<u>3,071,046.91</u>	<u>7,379,550.45</u>
Net Cost of Operations	<u>\$ 4,270,143.54</u>	<u>\$ 38,360.00</u>	<u>\$ 3,071,046.91</u>	<u>\$ 7,379,550.45</u>

**Morris K. Udall and Stewart L. Udall Foundation**  
**STATEMENT OF CHANGES IN NET POSITION**  
**For The Fiscal Years Ended September 30, 2023 and 2022**  
(in dollars)

	<u>850</u>	<u>897</u>	<u>898</u>	<u>Consolidated Total</u>
<b>Unexpended Appropriations:</b>				
Beginning Balance	\$ 891,533.39	\$ 38,360.00	\$ -	\$ 929,893.39
Appropriations received	3,943,000.00	1,800,000.00	-	5,743,000.00
Appropriations used	<u>(4,064,435.21)</u>	<u>(1,800,000.00)</u>	-	<u>(5,864,435.21)</u>
Net Change in Unexpended Appropriations	<u>(121,435.21)</u>	<u>-</u>	<u>-</u>	<u>(121,435.21)</u>
<b>Total Unexpended Appropriations</b>	<b><u>\$ 770,098.18</u></b>	<b><u>\$ 38,360.00</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 808,458.18</u></b>
<b>Cumulative Results from Operations</b>				
Beginning Balances	\$ 8,823,775.94	\$ -	\$ 55,440,740.48	\$ 64,264,516.42
Appropriations used	4,064,435.21	1,800,000.00	-	5,864,435.21
Nonexchange Revenue	297,603.52	-	2,156,265.62	2,453,869.14
Donations and forfeitures of cash and cash equivalents	-	-	535.34	535.34
Transfers-in/out without reimbursement (+/-)	-	(1,800,000.00)	1,800,000.00	-
Imputed Financing	317,916.60	-	50,542.63	368,459.23
Net Cost of Operations	<u>(4,270,143.54)</u>	<u>(38,360.00)</u>	<u>(3,071,046.91)</u>	<u>(7,379,550.45)</u>
Net Change in Cumulative Results of Operations	<u>409,811.79</u>	<u>(38,360.00)</u>	<u>936,296.68</u>	<u>1,307,748.47</u>
<b>Cumulative Results of Operations</b>	<b><u>9,233,587.73</u></b>	<b><u>(38,360.00)</u></b>	<b><u>56,377,037.16</u></b>	<b><u>65,572,264.89</u></b>
<b>Net Position</b>	<b><u>\$ 10,003,685.91</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 56,377,037.16</u></b>	<b><u>\$ 66,380,723.07</u></b>

**Morris K. Udall and Stewart L. Udall Foundation**  
**STATEMENTS OF BUDGETARY RESOURCES**

For The Fiscal Years Ended September 30, 2023 and 2022  
(in dollars)

	850	897	898	Consolidated Total
<b>Budgetary resources:</b>				
Unobligated balance from prior year budget authority, net (discretionary and mandatory)	\$ 9,865,330.27	\$ 80,816.00	\$ 1,230,725.94	\$ 11,176,872.21
Appropriations (discretionary and mandatory)	3,943,000.00	1,800,000.00	4,051,852.32	9,794,852.32
Spending authority from offsetting collections (discretionary and mandatory)	4,299,294.51	-	-	4,299,294.51
<b>Total budgetary resources</b>	<b>\$ 18,107,624.78</b>	<b>\$ 1,880,816.00</b>	<b>\$ 5,282,578.26</b>	<b>\$ 25,271,019.04</b>
<b>Status of budgetary resources:</b>				
New obligations and upward adjustments (total)	\$ 7,374,098.27	\$ 1,880,816.00	\$ 2,963,476.63	\$ 12,218,390.90
Unobligated balance, end of year:				
Apportioned, unexpired account	9,961,740.61	-	684,583.39	10,646,324.00
Unapportioned, unexpired accounts	771,785.90	-	1,634,518.24	2,406,304.14
Unexpired unobligated balance, end of year	10,733,526.51	-	2,319,101.63	13,052,628.14
Unobligated balance, end of year (total)	10,733,526.51	-	2,319,101.63	13,052,628.14
<b>Total budgetary resources</b>	<b>\$ 18,107,624.78</b>	<b>\$ 1,880,816.00</b>	<b>\$ 5,282,578.26</b>	<b>\$ 25,271,019.04</b>
<b>Outlay, net:</b>				
Outlays, net (total) (discretionary and mandatory)	\$ 3,707,557.87	\$ 1,880,816.00	\$ 3,101,120.24	\$ 8,689,494.11
Distributed offsetting receipts (-)	-	1,800,000.00	-	1,800,000.00
<b>Agency outlays, net (discretionary and mandatory)</b>	<b>\$ 3,707,557.87</b>	<b>\$ 80,816.00</b>	<b>\$ 3,101,120.24</b>	<b>\$ 6,889,494.11</b>