



**FY 2017**  
**Performance and Accountability**  
**Report**

# Table of Contents

<b>Table of Contents.....</b>	<b>2</b>
<b>Message from the Chair of the Board of Trustees .....</b>	<b>4</b>
<b>Message from the Executive Director.....</b>	<b>5</b>
<b>Section I – Management’s Discussion and Analysis.....</b>	<b>6</b>
<b>Introduction .....</b>	<b>6</b>
<b>Agency and Mission Information.....</b>	<b>6</b>
<i>Vision Statement .....</i>	<i>7</i>
<i>Mission Statement.....</i>	<i>7</i>
<i>Values Statement .....</i>	<i>7</i>
<i>Scope of Responsibilities.....</i>	<i>8</i>
<i>Organizational Structure .....</i>	<i>8</i>
<b>Section II - Performance .....</b>	<b>10</b>
<b>Education Programs.....</b>	<b>10</b>
<b>The U.S. Institute for Environmental Conflict Resolution .....</b>	<b>10</b>
<b>Strategic Goals, Strategic Objectives, and Performance Goals .....</b>	<b>11</b>
<b>Performance Structure Overview.....</b>	<b>15</b>
<i>Completeness and Reliability of Data.....</i>	<i>15</i>
<i>Summary of Performance Evaluations Conducted During FY 2017.....</i>	<i>15</i>
<i>External Factors Affecting Progress and Future Actions .....</i>	<i>15</i>
<i>Management Challenges.....</i>	<i>16</i>
<i>Annual Performance.....</i>	<i>17</i>
<i>Strategic Goal 1: Environmental Dispute Resolution Fund - the U.S. Institute for Environmental Conflict Resolution (ECR) Program .....</i>	<i>17</i>
<i>Strategic Goal 2: Environmental Dispute Resolution Fund - the U.S. Institute for Environmental Conflict Resolution (ECR) Program .....</i>	<i>21</i>
<i>Strategic Goal 1: Trust Fund - Udall Foundation Education Programs.....</i>	<i>23</i>
<i>Strategic Goal 2: Trust Fund – Udall Foundation Education Programs .....</i>	<i>27</i>
<b>Section III – Financial .....</b>	<b>32</b>
<b>Other Information.....</b>	<b>32</b>
<i>Management Reviews.....</i>	<i>32</i>
<b>Analysis of Systems Controls and Legal Compliance.....</b>	<b>32</b>
<b>Management Assurances .....</b>	<b>32</b>
<i>Federal Managers’ Financial Integrity Act of 1982 (FMFIA).....</i>	<i>33</i>
<i>Internal Controls Assessments.....</i>	<i>33</i>
<i>FMFIA Material Weaknesses and Accounting System Non-conformances .....</i>	<i>33</i>
<i>Internal Controls over Financial Reporting .....</i>	<i>34</i>
<i>Federal Financial Management Improvement Act of 1996 (FFMIA) .....</i>	<i>34</i>
Major Management Challenges Confronting the Udall Foundation.....	34
<i>FY 2017 Assurance Statement.....</i>	<i>34</i>
<i>Goals and the Supporting Financial System Strategies .....</i>	<i>35</i>
<b>Analysis of Financial Statements .....</b>	<b>35</b>
<i>Introduction and Analysis of Statements.....</i>	<i>35</i>
<i>Overall Significant Trends.....</i>	<i>36</i>
<i>Balance Sheet .....</i>	<i>36</i>
<i>Statement of Net Cost (SNC) .....</i>	<i>37</i>
<i>Statement of Changes in Net Position (SCNP) .....</i>	<i>37</i>
<i>Statement of Budgetary Resources (SBR).....</i>	<i>37</i>
<i>Controls, Systems, and Legal Compliance Financial Audit.....</i>	<i>37</i>
<i>Independent Auditor’s Report (FY 2017) .....</i>	<i>37</i>
<i>Possible Future Effects of Existing Events and Conditions.....</i>	<i>37</i>
Future Effects and Trend Data .....	37

<i>Limitations of the Financial Statements</i> .....	38
<b>Section IV – Other Information</b> .....	<b>39</b>
<b>Appendix A. Data Validation and Verification</b> .....	<b>39</b>
<i>Environmental Conflict Resolution Program</i> .....	39
<i>Education Programs</i> .....	39
<b>Appendix B: Crosswalk between Udall Foundation Strategic Plan Performance Goals and Measures prior to FY 2018 and Performance Goals and Measures for the FY 2018-FY 2022 Strategic Plan</b> .....	<b>40</b>
<b>Appendix C. Independent Auditors Report, FY 2017 Consolidated Financial Statements, Notes to the Financial Statements</b> .....	<b>49</b>

December 12, 2017

## Message from the Chair of the Board of Trustees

### **FY 2017 Performance and Accountability Report**

During FY 2017, the Udall Foundation continued to implement its new organizational structure and finalized the work on an updated strategic plan. The Udall Foundation is a leaner organization with greater accountability to the Board of Trustees, a clear mission, and is an effective steward of Federal funds. New staff have brought considerable Federal experience to the Udall Foundation.

The Board of Trustees has been fully engaged in the management of the Udall Foundation and has worked closely with the management team. I know that I speak for the entire Board when I say that I am very proud of the work all of our staff have done.

I am pleased to submit the Morris K. Udall and Stewart L. Udall Foundation's Performance and Accountability Report (PAR) for FY 2017. This report presents financial and performance information that demonstrates the Udall Foundation's commitment to maintaining the legacies of Morris K. Udall and Stewart L. Udall as described in its enabling legislation.

The Udall Foundation continues to pursue high standards for accountability, transparency, and ethics. The Udall Foundation seeks to embody integrity, civility, consensus, public service, and non-partisanship, values that were lived by Morris Udall and Stewart Udall.

It gives me great satisfaction, therefore, to report that the attached audit indicates that financial reporting accurately reflects the operations of the Udall Foundation. The Board extends its thanks to those who have provided support to the Udall Foundation and believes the efforts reported above and in this report justify the continued support of our activities.



Eric D. Eberhard  
Chair of the Board of Trustees

December 12, 2017

## Message from the Executive Director

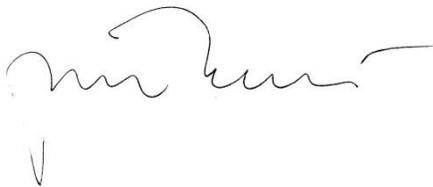
### **FY 2017 Performance and Accountability Report**

I am pleased to submit the Morris K. Udall and Stewart L. Udall Foundation's Performance and Accountability Report (PAR) for FY 2017. This report presents management, performance, and financial information that demonstrate our commitment to maintaining the legacies of Morris Udall and Stewart Udall as authorized in the Udall Foundation's enabling legislation. It is noteworthy to report the Udall Foundation's 16th consecutive unqualified audit opinion, a reflection of our continuing efforts to ensure good financial stewardship while aligning those efforts with our strategic plan.

The Udall Foundation continues to pursue high standards for accountability, transparency, and ethics. The Udall Foundation seeks to embody integrity, civility, consensus, public service, and non-partisanship, values that were lived by Morris Udall and Stewart Udall. While we continue to improve our internal controls and ethics programs, we also seek greater transparency with the public.

This PAR reports the status of the Udall Foundation's compliance with applicable legal and regulatory requirements and the steps we are taking to improve our financial performance and management, while also providing the measurable results of our 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.



Philip J. Lemanski  
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 Morris K. Udall and Stewart L. Udall Foundation’s (Udall Foundation) Fiscal Year (FY) 2017 Performance and Accountability Report (PAR) presents to Congress, the President, and the American people detailed information about progress in meeting the Udall Foundation’s strategic goals, strategic objectives, performance goals, and related measures.

The Udall Foundation’s Strategic Plan establishes overall long-term priorities and performance goals by which the Udall Foundation can gauge progress toward meeting its strategic objectives. The Udall Foundation’s Board of Trustees, working closely with the staff, aligned the 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 Performance and Accountability Report (PAR) for FY 2017. The Udall Foundation’s PAR for FY 2017 provides information on the current status of the performance of the Udall Foundation’s strategic goals for its FY 2018-2022 Strategic Plan and financial information that enables Congress and the public to assess its performance relative to the resources 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 (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). The 1998 Environmental Policy and Conflict Resolution Act (P.L. 105-156) created 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). The agency is now known as the Morris K. Udall and Stewart L. Udall Foundation. The Udall Foundation’s enabling legislation is codified at 20 U.S.C. 5601-5609. The Udall Foundation is located in Tucson, Arizona, and Washington, D.C.

The Udall Foundation awards 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; connects youth from underserved communities 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 Parks in Focus®; provides funding to the Native Nations Institute for research, education, and outreach on Native

American and Alaska Native health care issues and Tribal public policy issues; provides funding to the Udall Center for Studies in Public Policy to conduct policy research and outreach on the environment and related themes; and provides assessment, mediation, training, and other related services through the U.S. Institute for Environmental Conflict Resolution.

The Strategic Plan for fiscal years 2018–2022 establishes an agency-wide vision, direction, and priorities for operations and programs for five years. The Strategic Plan facilitates the integration of the Udall Foundation’s four 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.

Programs funded by Trust Fund revenues are directly impacted by changes in interest rates. In addition, the environmental conflict resolution services that Federal agencies seek from the Udall Foundation fluctuate over time due to a number of factors including available resources, need for services, and development of an agency’s internal expertise.

The Udall Foundation must try to meet the growing need for its programs by seeking new partnerships to help fund important programs and initiatives as well as developing relationships with new agencies and Tribes that require its services.

## 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 non-partisanship 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 legacy of Morris and Stewart Udall and the way 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
- Non-partisanship

We commit to these values in everything we do.

## Scope of Responsibilities

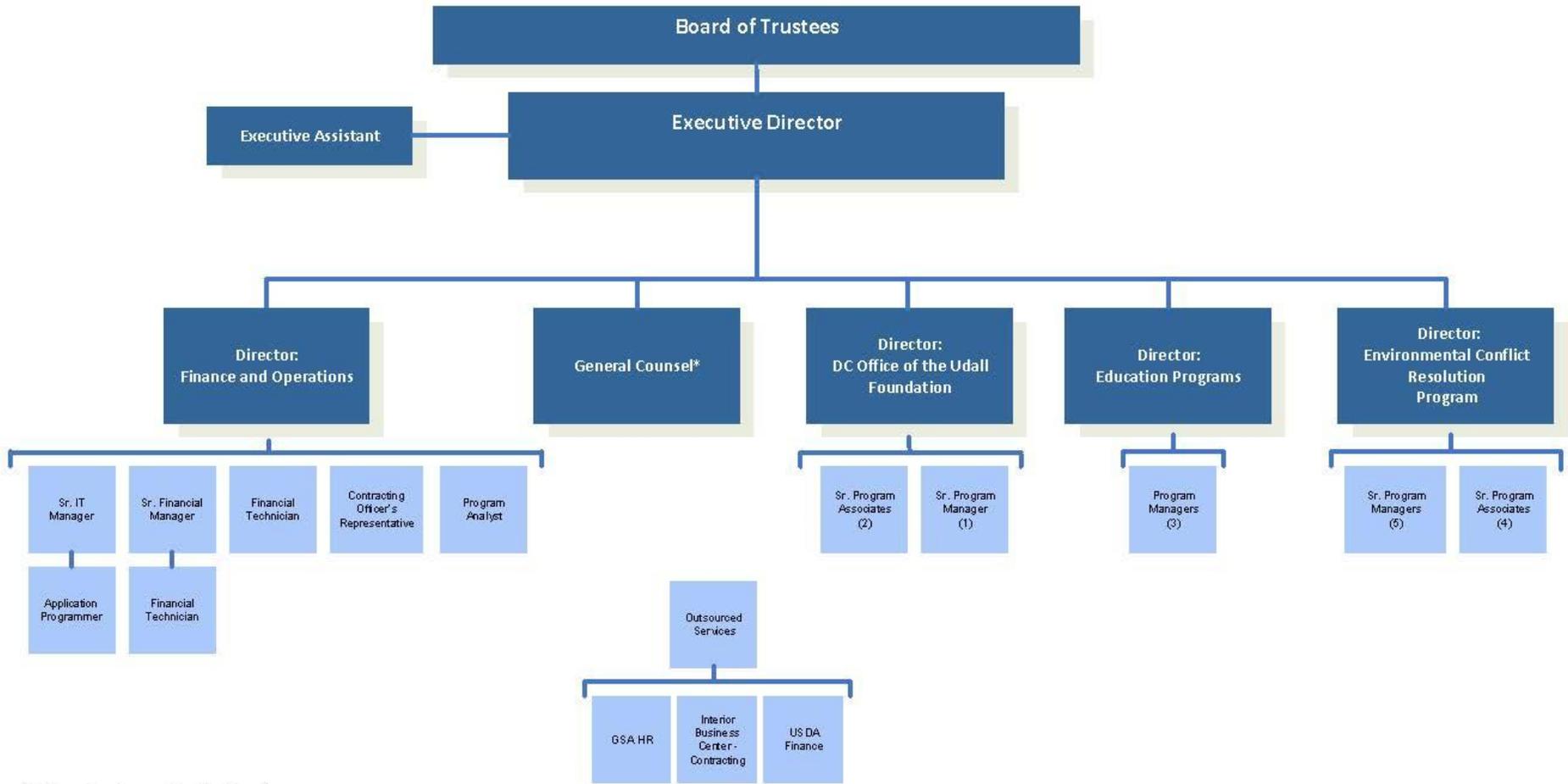
The Strategic Plan is based on the Udall Foundation's enabling legislation, which establishes its mission and authority. The Udall Foundation accomplishes its mission through four programs:

- **Education Programs**, including *Native American Congressional Internships*, which award internships annually to deserving and qualified Native American and Alaska Native undergraduate, graduate, and law students in order to provide them with practical experience with the Federal legislative process; *Native American Fellowships*, which award fellowships to outstanding Native American and Alaska Native graduate students who intend to pursue advanced degrees in health care and Tribal public policy, including law and medicine; *Parks in Focus®*, which fosters greater understanding, appreciation, stewardship, and enjoyment of the Nation's public lands and natural resources by connecting youth from underserved communities to nature through photography, positive outdoor experiences, and environmental education; and *Udall Undergraduate Scholarships*, which award scholarships annually to outstanding students who intend to pursue careers related to the environment, Tribal public policy, or Native American health care.
- **The Native Nations Institute for Leadership, Management, and Policy (NNI)**, a program of the Udall Center for Studies in Public Policy at the University of Arizona, which is a self-determination, governance, and development resource for Native Nations. NNI's programs of policy analysis and research, education, digital resources, and Tribal services are grounded in its research findings called Native Nation Building. The Udall Foundation and the University of Arizona cofounded NNI, building on the research programs of the Harvard Project on American Indian Economic Development and extending the legacy of Morris K. Udall and Stewart L. Udall.
- **Udall Center for Studies in Public Policy (Udall Center)**, a unit of the University of Arizona under the Senior Vice President for Research, Discovery, and Innovation, which supports policy-relevant, interdisciplinary research, science-policy dialogues, and other endeavors that link scholarship and education with decision-making, particularly in the areas of water security and management, climate change adaptation and planning, and ecosystem services valuation and protection, primarily in the Southwest and U.S.-Mexico border region.
- **The U.S. Institute for Environmental Conflict Resolution (U.S. Institute)**, which provides impartial collaboration, consensus-building, and conflict resolution services on a wide range of environmental, natural and cultural resources, Tribal, and public lands issues involving the Federal Government. The U.S. Institute's range of services includes consultations, assessments, process design, convening, mediation, facilitation, training, stakeholder engagement, Tribal consultation, and other related collaboration and conflict resolution activities authorized by the Udall Foundation's enabling legislation.

## Organizational Structure

In FY 2013, the Board of Trustees approved an organizational structure that increased accountability while reducing management layers. The attached organizational chart illustrates this structure. The Udall Foundation has 29 FTEs.

The Morris K. Udall and Stewart L. Udall Foundation  
Organizational Chart



\* Also a direct report to the Board

10/4/16

## Section II - Performance

### Education Programs

The Udall Foundation is authorized to award scholarships, fellowships, internships, and grants for educational purposes. The specific areas permitted by the enabling legislation are the following:

Scholarships, which are awarded to college undergraduates who (a) intend to pursue careers related to the environment or (b) are Native American or Alaska Native who intend to pursue careers in Tribal public policy or health care;

Internships, including awards to Native American and Alaska Native undergraduate, graduate, and law students in the areas of Tribal public policy or health care to participate in internships in Federal, State, and Local agencies or in offices of major public health or public policy organizations;

Fellowships to Native American and Alaska Native graduate students in the areas of Tribal public policy and health care, including law and medicine, and to graduate students pursuing advanced degrees in fields related to the environment; and

Grants to the Udall Center for Studies in Public Policy at the University of Arizona, for various purposes including research on environmental policy and natural resources management, Native American and Alaska Native health care issues, and Tribal public policy issues.

Scholarships, Fellowships, and Grants are funded through annual interest earned from the Morris K. Udall and Stewart L. Udall Trust Fund (Trust Fund). Interest is allocated by law as follows: at least 50 percent for scholarships, internships, and fellowships; at least 20 percent for grants to the Udall Center; and a maximum of 15 percent for salaries and other administrative costs. Parks in Focus® and other activities are funded from the remaining 15 percent of Trust Fund income and by gifts and donations.

One of the Udall Foundation's purposes is to develop resources to train Native American and Alaska Native professionals in health care and Tribal public policy by developing management and leadership training of those involved in Tribal leadership and providing assistance and resources for policy analysis. To further this goal, the Udall Foundation cofounded the Native Nations Institute for Leadership, Management, and Policy (NNI) with the University of Arizona in 2000. NNI serves as a self-determination, governance, and development resource. Congress has authorized the Udall Foundation to transfer a portion of its Trust Fund appropriations in each of fiscal years 2001 through 2017 for the purposes of NNI. In 17 years, the Udall Foundation has transferred a total of \$14 million to NNI.

### The U.S. Institute for Environmental Conflict Resolution

The U.S. Institute provides impartial collaboration, consensus-building, and conflict resolution services on a wide range of environmental, natural and cultural resources, Tribal, and public lands issues involving the Federal Government. Congress has provided annual operating appropriations for the U.S. Institute every year since fiscal 1999. The U.S. Institute is also authorized to collect and retain fees for services it provides.

# Strategic Goals, Strategic Objectives, and Performance Goals

The Udall Foundation's FY 2018-2022 Strategic Plan implements goals that further its mission and purpose. Three strategic goals, with their attendant objectives and performance goals, guide the Udall Foundation's activities. These strategic goals are shown on pages 12-14.

# 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 interests

**1.2**

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

**1.3**

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

### Performance Goals

**1.1.1**

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

**1.1.2**

Convene and facilitate policy dialogues and forums, and host conferences to further awareness and use of environmental conflict resolution and collaboration

**1.1.3**

Conduct research that informs environmental policy and natural resources management

**1.2.1**

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

**1.2.2**

Provide assessment, mediation, and facilitation services that address environmental, public lands, and natural resources conflicts 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 connecting youth to nature and public lands through photography and outdoor learning

## Strategic Goal 2

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

### Strategic Objectives

#### 2.1

Provide education and training to Native Nations and non-Native entities or individuals who engage with Native Nations

#### 2.2

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 that concern Native Nations

### Performance Goals

#### 2.1.1

Provide Native Nations with information resources and tools for leadership and governance that will enable them to achieve their strategic goals

#### 2.1.2

Provide policy analysis and research to support Native Nations

#### 2.1.3

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

#### 2.1.4

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

#### 2.1.5

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

#### 2.2.1

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

#### 2.2.2

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

### Strategic Goal 3

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

### Strategic Objectives

#### 3.1

Foster an organizational culture that promotes learning and demonstrates a commitment to elevating the capabilities and leadership skills of all employees

### Performance Goals

#### 3.1.1

Orient and train employees in the Vision, Mission, and Values of the Udall Foundation

#### 3.1.2

Orient and train employees in Udall Foundation and Federal policies and procedures

#### 3.1.3

Cross-train employees within key positions to assure continuity and quality of service

#### 3.1.4

Continue to provide professional and career development opportunities

#### 3.1.5

Encourage opportunities for experience and cross-training across Udall Foundation programs and functions

# Performance Structure Overview

## Completeness and Reliability of Data

The Udall Foundation has established methods and measures to assess progress in meeting its strategic goals, strategic objectives, and performance goals. The visual summary on pages 12 through 14 illustrates the alignment of the differing levels of goals and objectives, and the associated funding sources.

Performance data for the Udall Foundation is collected using output measures such as the number of scholarships, consultations, trainings, and other services, as well as outcome measures that capture participant feedback on the quality and value of services and programs.

The Udall Foundation solicits performance feedback from members of the public and agency representatives who were participants in, and users of, U.S. Institute services, and participants in the various education programs. Native Nations Institute also solicits performance feedback for its programs and the results are shown in this report. All of these program participants represent an independent external source of evaluative feedback. 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's performance data is reasonably complete and reliable, as defined by the Government Performance and Results Act of 1993, and is used regularly by program managers to make both strategic and operational decisions.

## Summary of Performance Evaluations Conducted During FY 2017

To obtain performance data, the U.S. Institute administered surveys to service recipients for completed FY 2017 processes and services as allowed, and when appropriate. 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, the completion of an assessment or mediation). For more information on the data collections, see the Data Validation and Verification section in Appendix A.

The education programs use a system of debriefings, direct observation, and follow up phone calls to assess the value to and satisfaction of scholarship and internship recipients as well as Parks in Focus® participants.

## External Factors Affecting Progress and Future Actions

If Federal appropriations decrease, a corresponding decrease in the budgets of Federal agencies that use the Udall Foundation's environmental conflict resolution services is expected to result in reduced funding available for travel, trainings, conferences, forums, and potentially for the Udall Center's research initiatives that are specifically funded by Federal agencies. The Udall Foundation must continue to develop new Federal and non-Federal partnerships to diversify funding sources.

The scholarship and fellowship programs are funded by the interest earned on Trust Fund investments in Treasury obligations. Between FY 2008 and FY 2016, Trust Fund revenues declined due to low interest rates on both long-term and short-term Treasury obligations as well as maturing bonds that could not be replaced with Treasury obligations with similar yields. Due to decreasing interest rates and interest earned, the Udall Foundation suspended the fellowship program for Fiscal Years 2012-2017, and reduced scholarship awards to 50 for Fiscal Years 2012-2015. In FY 2016, scholarships were increased from \$5,000

to \$7,000, the first increase since the inception of the program in 1996. These changes were made to ensure the Udall Foundation continues to meet statutory expenditure requirements.

During FY 2017, interest rates began to rise and the Udall Foundation purchased two \$3 million long-term bonds with different maturities. Given the timing of the purchases, the Udall Foundation received one semi-annual interest payment for each bond during FY 2017. The Udall Foundation will receive two semi-annual interest payments in FY 2018 from both long-term bonds purchased in FY 2017. The Udall Foundation will continue to monitor interest rates to identify bonds with maturity dates different from the current holdings.

In the face of these challenges, the Udall Foundation will increase awareness of its programs through outreach to research and educational institutions as well as to private foundations and other potential funding partners. In addition, the U.S. Institute, which collects fees for its work, is strengthening and expanding its marketing outreach to a more diverse group of Federal agencies. In FY 2016, the Udall Foundation and the Western National Parks Association (WNPA) entered into a Memorandum of Understanding that designated WNPA as the official nonprofit partner of the Parks in Focus® program. Through this agreement, WNPA conducts fundraising activities and provides financial and logistical support to help Parks in Focus® engage new generations with our National Parks and other public lands.

## Management Challenges

While the organizational changes to streamline the Udall Foundation have resulted in greater accountability and reduced cost, annual fluctuations in staffing levels affect revenue generation and can create unsustainable workloads for extended periods of time. Furthermore, as a small, independent Federal agency, the Udall Foundation must find cost-effective means to comply with a wide variety of laws and statutes. One solution has been to outsource the processing of financial transactions and financial reporting to the U.S. Department of Agriculture (USDA) and human resources needs to the U.S. General Services Administration (GSA). The Udall Foundation has also outsourced contracting to the U.S. Department of the Interior's (DOI) Interior Business Center.

## Annual Performance

This PAR focuses on FY 2017 performance under the Udall Foundation’s 2015-2018 Strategic Plan. FY 2018 is a transition year between that previous Strategic Plan and the Udall Foundation’s 2018-2022 Strategic Plan. Appendix B (page 40) is a crosswalk comparing the 2015-2018 Performance Goals and Measures for Strategic Goals 1 and 2 and the 2018-2022 Performance Goals and Measures. This Annual Performance section reflects the transition between the Udall Foundation’s Strategic Plans.

### Strategic Goal 1: Environmental Dispute Resolution Fund - the U.S. Institute for Environmental Conflict Resolution (ECR) Program

**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 interests.

<b>Performance Goal 1.1.1:</b> Provide a training program to further the use of environmental conflict resolution, collaborative decision-making, and consensus building.	<b>Fiscal Year</b>	<b>Annual Target</b>	<b>Actual Performance</b>
Measure 1: Number of trainings provided.	FY 2014	N/A*	8
	FY 2015	12	5
	FY 2016	12	9
	FY 2017	9	14
	FY 2018		
	FY 2019		

\*New measure beginning in FY 2015. Past year performance information has been added for context.

Measure 2: Percent of ECR training participants who report what they take away from the training will have a very positive impact on their effectiveness in the future.	FY 2014	87%	94%
	FY 2015		99%
	FY 2016		98%
	FY 2017		90%
	FY 2018		
	FY 2019		

During FY 2017, the U.S. Institute delivered 14 trainings in collaborative problem solving and conflict resolution. This represents an increase from the previous three fiscal years, and exceeds our FY 2017 goal. The increase in trainings is primarily due to an increase in demand for agency-based trainings (i.e. a Federal agency, department, or bureau contracts for a training to occur for its personnel). The training program’s strategic approach has been altered to include a near term focus on refining and improving the training portfolio to reflect changes in the environmental collaboration and conflict resolution (ECCR) field, to update outdated graphics and materials, and to modernize content to respond to the evolving needs of Federal agencies addressing environmental and public policy-related issues. The U.S. Institute solicited feedback from training participants through an end-of-session evaluation questionnaire. Evaluation feedback indicated the U.S. Institute exceeded its performance target of 87%, with 90% of respondents indicating that the training will have a very positive impact on their

effectiveness in the future.

<b>Performance Goal 1.1.2:</b> Convene and facilitate policy dialogues and forums, and host conferences to further awareness and use of environmental conflict resolution and collaboration.	Fiscal Year	Annual Target	Actual Performance
Measure 1: Number of initiatives.	FY 2014	2	2
	FY 2015	3	3
	FY 2016	At least 3	4
	FY 2017		5
	FY 2018		
	FY 2019		

The U.S. Institute continued its efforts to provide services that further awareness and use of environmental collaboration and conflict resolution within the Federal Government. Initiatives supported by the U.S. Institute during FY 2017 included the following:

- Assisting with implementation of the Office of Management and Budget and President’s Council on Environmental Quality Memorandum on Environmental Collaboration and Conflict Resolution (September 2012).
- Facilitating the Federal ECR Facilitator network.
- Supporting the Association for Conflict Resolution, Environment and Public Policy Conference.
- Assisting with implementation of Executive Order 13604 – Improving Performance of Federal Permitting and Review of Infrastructure Projects (March 2012).
- Convening and facilitating Federal agency ECCR practitioners (including from USACE, EPA, FERC, DOE, EPA, and DOI) to develop a white paper highlighting the benefits of ECCR, and providing recommendations for improving the effective use of ECCR.

In response to budget uncertainty, the Udall Foundation strategically invested resources in this service area during FY 2017. The Udall Foundation considered opportunities that would provide broad benefits to the Federal Government with prudent staff and financial investments. For example, the U.S. Institute partnered with the Association for Conflict Resolution to conduct its annual conference instead of continuing its own bi-annual ECR conference series, which would require a higher degree of resource investment. To align with national priorities, the Udall Foundation has pursued opportunities with the Federal Permitting Improvement Steering Council to support streamlining infrastructure permitting.

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

<b>Performance Goal 1.2.1:</b> Provide case consultation services and mediator referrals to increase the use of environmental conflict resolution and collaboration involving Federal agencies and affected stakeholders.	Fiscal Year	Annual Target	Actual Performance
Measure 1: Number of case consultations.	FY 2014	80	72
	FY 2015	75	50
	FY 2016	75	39
	FY 2017	60	24
	FY 2018	30	
	FY 2019	30	

The U.S. Institute’s baseline consultation services are available without charge to help Federal agencies and other stakeholders explore the potential benefits of environmental conflict resolution and collaboration. The target of 60 consultations was not met for FY 2017. This can be attributed to two factors, one internal and one external. The internal factor is staffing: one-third of the Program Manager positions were unfilled for the majority of FY 2017. The external factor is demand. While demand from Federal agencies for fee-based ECR project work (assessment, facilitation, and mediation) has been increasing, the demand for the free baseline consultation services has been diminishing over the last several years; the FY 2018 and FY 2019 targets have been reduced accordingly.

FY 2015-FY 2018 Performance Goal 1.2.1	FY 2014		100%
Measure 2: Percent of ECR Roster Professional service users who report the Roster was a valuable resource for identifying qualified ECR professionals to assist them in solving their environmental or natural resources issues.	FY 2015	93%	100%
	FY 2016		100%
	FY 2017		**

\*\*No data is available for this measure as the survey has not been completed during the fiscal year.

During FY 2017, the U.S. Institute continued to maintain the National Roster of ECR Professionals (Roster), a searchable database that allows any stakeholder to identify qualified mediators and facilitators by geographic area. During FY 2017, there was no participation in the survey presented on the Roster website. We no longer believe that this measure is an appropriate representation of the value of the Roster. In FY 2018, as shown below, we are implementing a new measure that indicates the usage of the Roster, as measured by the number of Roster searches. In FY 2017, 414 searches were conducted using the Roster. We believe this new measure is a better indicator of the value and reach of this tool.

FY 2018-FY 2022 Performance Goal 1.2.1	FY 2014		
Measure 2: Number of ECR Roster searches	FY 2015	N/A***	
	FY 2016		
	FY 2017		414
	FY 2018		370
	FY 2019		370

\*\*\*New measure beginning in FY 2018. Past year performance information has been added for context when available.

<b>Performance Goal 1.2.2:</b> Provide assessment, mediation, and facilitation services that address environmental, public lands, and natural resources conflicts involving Federal agencies and affected stakeholders.	Fiscal Year	Annual Target	Actual Performance
Measure 1: Number of assessments, facilitations, and mediations.	FY 2014	N/A*	33
	FY 2015	35	33
	FY 2016		35
	FY 2017		34
	FY 2018		
	FY 2019		

\*New measure beginning in FY 2015. Past year performance information has been added for context.

During FY 2017, the U.S. Institute provided 34 neutral assessments, mediations, or facilitations to address environmental, public lands, and natural resources conflicts involving Federal agencies and affected stakeholders. Staffing levels had a negative impact on the amount of project work that could be conducted with four of the six program manager positions being filled for the majority of the fiscal year.

Measure 2: Percent of assessments for which the majority of responding stakeholders strongly agree that the U.S. Institute helped them determine how best to proceed to resolve their conflict.	FY 2014	88%	63%
	FY 2015		100%
	FY 2016		100%
	FY 2017		100%
	FY 2018		
	FY 2019		

Measure 3: Percent of mediations/facilitations for which the majority of responding stakeholders report full or partial agreement was reached or progress was made toward addressing the issues or resolving the conflict.	FY 2014	91%	100%
	FY 2015		100%
	FY 2016		100%
	FY 2017		100%
	FY 2018		
	FY 2019		

During FY 2017, the majority of responding participants in 100 percent of the assessments indicated that the assessment helped determine how best to proceed to resolve their conflict. The FY 2017 performance information on completed assessments is based on evaluative feedback solicited from representatives of each organization that requested or participated in assessment services.

During FY 2017, the majority of responding participants in 100 percent of the mediations/facilitations that were evaluated indicated that full or partial agreement was reached or progress was made toward addressing the issues or resolving the conflict. Based on that feedback, performance is being exceeded.

## Strategic Goal 2: Environmental Dispute Resolution Fund - the U.S. Institute for Environmental Conflict Resolution (ECR) Program

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

**Strategic Objective 2.2:** 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 that concern Native Nations.

<b>Performance Goal 2.2.1:</b> Provide assessment, mediation, facilitation, and related services on issues that concern Native Nations.*	Fiscal Year	Annual Target	Actual Performance
Measure 1: Number of assessments, facilitations, and mediations that involve Native Nations or Tribal issues.	FY 2014	N/A*	19
	FY 2015	12	9
	FY 2016	15	16
	FY 2017		16
	FY 2018		
	FY 2019		

Measure 2: Percent of assessments for which the majority of responding stakeholders strongly agree that the U.S. Institute helped them determine how best to proceed to resolve their conflict.	FY 2014	N/A*	33%
	FY 2015	88%	**
	FY 2016		100%
	FY 2017		100%
	FY 2018		
	FY 2019		

Measure 3: Percent of mediations/facilitations for which the majority of responding stakeholders report full or partial agreement was reached or progress was made toward addressing the issues or resolving the conflict.	FY 2014	N/A*	100%
	FY 2015	91%	**
	FY 2016		**
	FY 2017		100%
	FY 2018		
	FY 2019		

\* Subset of Performance Goal 1.2.2. New measure beginning in FY 2015. These services had previously been subsumed under general ECR services. Past year performance information has been added for context.

\*\*No data was available since the assessments and mediations/facilitations were either not appropriate for evaluation or not completed in the fiscal year shown.

Measure 1 is a subset of the assessments, facilitations, and mediations reported in Performance Goal 1.2.2 (Measure 1) that involve Native Nations or Tribal issues.

<b>FY 2015-FY 2018 Performance Goal 2.2.2:</b> Increase the awareness and use of the Native Dispute Resolution Network for environmental conflict resolution and collaboration services.	Fiscal Year	Annual Target	Actual Performance
FY 2015-FY 2018 Performance Goal 2.2.2  Measure 1: Number of entities made aware of the referral services available via the Native Dispute Resolution Network.	FY 2014	N/A*	Data not previously tracked
	FY 2015	12	12
	FY 2016		10
	FY 2017		5

FY 2015-FY 2018 Performance Goal 2.2.2  Measure 2: Percent of ECR Native Dispute Resolution Network users who report the Network was a valuable resource for identifying qualified ECR professionals to assist them in solving their environmental or natural resources issues.	FY 2014	N/A*	100%
	FY 2015	93%	**
	FY 2016		**
	FY 2017		**

\*New measure beginning in FY 2015. Measure 2 had previously been subsumed under general referral services. Past year performance information has been added for context when available.

\*\*No data was available. None of the referrals made to the Native Dispute Resolution Network in FYs 2015, 2016, or 2017 were evaluated. Due to the fluctuation of the Native American Alaska Native (NAAN) program staffing, the program did not receive the attention that was planned for these fiscal years. It is the Udall Foundation's intention to hire a Senior Program Manager for the NAAN program and then to revisit the goals and structure of the NAAN program and the Native Dispute Resolution Network during FY 2018.

<b>FY 2018-FY 2022 Performance Goal 2.2.2:</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
Once the vacant position of Senior Program Manager for the Native American Alaska Native (NAAN) program is filled, this program will be developed, measures will be created, and targets selected.*	FY 2018		
	FY 2019		

This Performance Goal was broadened in order to develop alternative strategies to assist Native Nations with available funds. The FY 2015-FY 2018 measures for Performance Goal 2.2.2 have been removed from future reporting to address measurements that more accurately depict the changing nature of the NAAN program, which includes future plans to re-envision the Native Dispute Resolution Network.

## Strategic Goal 1: Trust Fund - Udall Foundation Education 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 interests.

<b>Performance Goal 1.1.3:</b> Conduct research that informs environmental policy and natural resources management.	Fiscal Year	Annual Target	Actual Performance
Measure 1: Number of environmental policy presentations or briefings.	FY 2014	N/A*	32
	FY 2015	10	25
	FY 2016	10	55
	FY 2017	40	41**
	FY 2018	30	
	FY 2019	30	

Measure 2: Number of collaborating agencies and institutions (not including internal institutions at University of Arizona).	FY 2014	N/A*	37
	FY 2015	10	12
	FY 2016	10	42
	FY 2017	30	31
	FY 2018	30	
	FY 2019	30	

Measure 3: Number of environmental policy publications.	FY 2014	N/A*	41
	FY 2015	10	15
	FY 2016	10	36
	FY 2017	30	62
	FY 2018	40	
	FY 2019	40	

\*New measure beginning in FY 2015. Past year performance information has been added for context.

\*\*Following past reporting procedures, the numbers of environmental presentations and briefings include those made in the United States, those that address the Udall Center's domestic U.S. environmental policy research, and academic presentations that are not part of regular university teaching.

**The Udall Center** supports policy-relevant, interdisciplinary research, science-policy dialogues, and other endeavors that link scholarship and education with decision-making, particularly in the areas of water security and management, climate change adaptation and planning, and ecosystem services valuation and protection, primarily in the Southwest and U.S.-Mexico border region. Not less than 20% of the annual interest revenue for the Trust Fund is allocated by law to the Udall Center.

**Strategic Objective 1.3:** Provide educational opportunities 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
Measure 1: Number of Scholarships.	FY 2014	50	50
	FY 2015	50	50
	FY 2016	60	60
	FY 2017	60	50
	FY 2018	50	
	FY 2019	50	

Measure 2: Percent of recipients who report they received a quality educational experience in their interactions and program activities with the Udall Foundation.	FY 2014	94%	100%
	FY 2015	94%	100%
	FY 2016	95%	100%
	FY 2017	95%	98%
	FY 2018	95%	
	FY 2019	96%	

The Udall Undergraduate Scholarship program reduced the number of scholarships from 80 to 50 in FYs 2013-2015, and discontinued monetary benefits for honorable mention awards due to extremely low interest rates that reduced interest revenue from the Trust Fund. Beginning in FY 2016, the Udall Foundation increased the number of scholarships awarded to 60 and the award amount from \$5,000 to \$7,000 (the first increase in the award amount since inception). Since 1996, the first year that scholarships were awarded, the average cost of tuition has increased significantly at both public (237%) and private universities (157%). Prior to the beginning of FY 2017, the Udall Foundation decreased the number of scholarships awarded from 60 to 50 due to continuing low interest rates on treasury bonds. The scholarships are awarded to outstanding students who intend to pursue careers related to the environment, Tribal public policy, or Native American health care. The Udall Scholarship is by nomination only; the designated Udall Faculty Representative at higher education institutions must nominate students.

Following the award, scholars convene at the Scholar Orientation to build professional networks with each other, scholarship program alumni, and staff and trustees of the Udall Foundation. Scholars work together on a case study problem to enhance their critical thinking and problem-solving skills. Since 1996, 1,574 scholarships and 954 honorable mentions have been awarded.

<b>FY 2015-FY 2018 Performance Goal 1.3.2:</b> Award fellowships to outstanding graduate students who intend to pursue advanced degrees in fields related to the environment.**	Fiscal Year	Annual Target	Actual Performance
Measure 1: Number of Fellowships.	FY 2014	0*	0
	FY 2015		0
	FY 2016		0
	FY 2017		0

\*Fellowship suspended in 2012-2017 due to low Trust Fund interest revenue.

\*\*See Appendix B—Crosswalk. The Udall Foundation is changing its fellowship to a Native fellowship, which is one option provided by its enabling legislation. (See Performance Goal 2.1.5.)

**The Udall Fellowship program** provided fellowships to Ph.D. candidates whose dissertations focused on U.S. environmental policy and/or conflict resolution. From FY 1997 to FY 2011, the Udall Foundation awarded two \$24,000 fellowships each year. During that time, 30 fellowships were awarded. The Fellowship has been on hiatus since FY 2012 due to low Trust Fund interest revenue. The Udall Foundation is changing its fellowship to a Native fellowship, which is one option provided by its enabling legislation. (See Performance Goal 2.1.5.)

<b>FY 2018-FY 2022 Performance Goal 1.3.2:*</b> Provide educational programs, training, and resources with the purpose of connecting youth to nature and public lands through photography and outdoor learning.*	<b>Fiscal Year</b>	<b>Annual Target</b>	<b>Actual Performance</b>
Measure 1: Number of youth reached through direct programs.	FY 2014	150	578**
	FY 2015		503**
	FY 2016		722**
	FY 2017		979**
	FY 2018	300**	
	FY 2019	300**	
Measure 2: Number of individuals trained.	FY 2014	N/A***	
	FY 2015		
	FY 2016		52
	FY 2017		33
	FY 2018	30	
	FY 2019	30	
Measure 3: Number of hours of direct programming provided.	FY 2014	N/A***	
	FY 2015		
	FY 2016		795
	FY 2017		714
	FY 2018	500	
	FY 2019	500	
Measure 4: Number of hours of training services provided.	FY 2014	N/A***	
	FY 2015		
	FY 2016		75
	FY 2017		73
	FY 2018	50	
	FY 2019	50	
Measure 5: Percent of youth participants who report they received a quality educational experience during Parks in Focus® activities.	FY 2014	86%	100%
	FY 2015		100%
	FY 2016		100%
	FY 2017		100%
	FY 2018	90%	
	FY 2019	90%	

Measure 6: Percent of training participants who report they received a quality educational experience during Parks in Focus® training activities.	FY 2014	N/A***	
	FY 2015		
	FY 2016		
	FY 2017		
	FY 2018	90%	
	FY 2019	90%	

FY 2015-FY 2018 Performance Goal 1.3.3****  Measure 2: Number of trips.	FY 2014	15	108
	FY 2015		95
	FY 2016		107
	FY 2017		127

FY 2015-FY 2018 Performance Goal 1.3.3****  Measure 3: Number of states.	FY 2014	4	5
	FY 2015		5
	FY 2016		6*****
	FY 2017		6*****

\*See Appendix B—Crosswalk. The Performance Goal number was revised due to FY 2015-FY 2018 Performance Goal 1.3.2 changing to Performance Goal 2.1.5 for FY 2018-FY 2022.

\*\*FYs 2014-2017 measured number of youth reached through direct and partner programming. Beginning in FY 2018, only direct programming by the Udall Foundation will be measured and reported.

\*\*\*New measure beginning in FY 2018. Past year performance information has been added for context when available. The new Measures will report the impact of these new strategies.

\*\*\*\*Beginning in FY 2018, these measures are being replaced. See Appendix B - Crosswalk

\*\*\*\*\*The Udall Foundation ran activities in Arizona, California, Oklahoma, and Tennessee. Activities in Michigan and Montana were conducted by the Udall Foundation’s youth and national park service partners using the Parks in Focus® curriculum.

**The Parks in Focus® program** fosters greater understanding, appreciation, stewardship, and enjoyment of the Nation’s natural resources by connecting youth from underserved communities to nature through photography, positive outdoor experiences, and environmental education.

In FY 2017, 979 middle school youth from Boys and Girls Clubs, Big Brothers Big Sisters, and other youth organizations in Arizona, California, Michigan, Montana, Oklahoma, and Tennessee participated in after-school photography lessons and outdoor activities, Saturday field trips, and weekend campouts to nearby parks and scenic areas, monuments, wilderness areas, and other national public lands. Of the 979 youth, 581 participated in programs run by the Udall Foundation (direct programs); 398 youth participated in partner-led programs. Programs outside of Arizona were entirely grant-funded through partnerships with national parks, “friends of” organizations, private foundations, and individual donations. Although Parks in Focus® has continued to exceed anticipated targets in FY 2017, programmatic transitions, including a greater emphasis on training staff at partner organizations to conduct Parks in Focus® activities, necessitated keeping the FY 2017 target at FY 2016 levels. Beginning in FY 2018, only direct programming by the Udall Foundation will be measured and reported.

## Strategic Goal 2: Trust Fund – Udall Foundation Education Programs

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

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

<b>Performance Goal 2.1.1:</b> Provide Native Nations with information resources and tools for leadership and governance that will enable them to achieve their strategic goals.	Fiscal Year	Annual Target	Actual Performance
Measure 1: Percent of respondents who report NNI is an important resource for them in carrying out their nation-building work.	FY 2014	83%	94%
	FY 2015	83%	86%
	FY 2016	86%	86%
	FY 2017		86%
	FY 2018		
	FY 2019		

**The Native Nations Institute for Leadership, Management, and Policy (NNI)** at the University of Arizona is a self-determination, governance, and development resource for Native Nations across the United States. The Udall Foundation and the University of Arizona cofounded NNI, building on the research programs of the Harvard Project on American Indian Economic Development. NNI provides executive education and professional development for leaders of Native Nations; conducts policy analysis and research on successful aspects of nation building and governance; and develops information resources and tools to enable Native Nation leaders to learn the essential elements of successful self-governance.

During FY 2017, NNI delivered 25 educational sessions (an unusually busy year) serving 899 individuals from 50 U.S. Native Nations; participants included Tribal decision makers, working professionals in Tribal governments and Tribal organizations, Tribal citizens and other community members, Tribal youth, and non-Indigenous individuals who work for and with them. The 12 *2017 January in Tucson* courses were attended by 144 U.S. participants from 50 Tribes and two additional courses provided for the Department of Defense in August 2017 had 14 participants.

No change in the annual target is proposed.

FY 2015-FY 2018 Performance Goal 2.1.1	FY 2014	N/A*	330
Measure 2: Number of individuals who enroll in distance-learning courses.	FY 2015	150	200
	FY 2016		166
	FY 2017		159

\*New measure beginning in FY 2015. Past year performance information has been added for context.

FY 2018-FY 2022 Performance Goal 2.1.1	FY 2018	130	
Measure 2: Number of Rebuilding Native Nations distance-learning modules completed.**	FY 2019	130	

\*\*Beginning in FY 2018, Measure 2 was revised to better assess and report program impact.

NNI’s Rebuilding Native Nations distance-learning series was established in September 2012 and is composed of nine modules that can be taken individually or as part of a 3-module short course. Modules are available online and on DVD.

The previous metric was the number of “course enrollments” and not “module completions,” the latter being a more accurate measure as most people opt to take individual modules. In FY 2017, the metric was changed to “Measure 2: Number of Rebuilding Native Nations distance-learning modules completed. Target: 130.” For FY 2017, 159 modules were completed. NNI experienced two larger groups that had not been anticipated. NNI is uncertain if this will be repeated, thus for FYs 2018 and 2019, it has proposed to keep the annual target of completed modules at 130.

FY 2015-FY 2018 Performance Goal 2.1.1  Measure 3: Number of individuals who use the Indigenous Governance database.	FY 2014	N/A*	688
	FY 2015	300	800
	FY 2016		994
	FY 2017		1,460**

\*New measure beginning in FY 2015. Past year performance information has been added for context.

FY 2018-FY 2022 Performance Goal 2.1.1  Measure 3: Number of Indigenous Governance Database account holders.**	FY 2018	1,400	
	FY 2019	1,400	

\*\*Beginning in FY 2018, Measure 3 was revised to better assess and report program impact.

The Indigenous Governance Database provides online resources on nation building in video, text, and audio formats.

The database received 44,868 “page views” that can be from a few seconds to longer sessions of 30 minutes. To provide a better gauge of usage, the metric was changed in FY 2017 to measure the number of account holders.

<b>Performance Goal 2.1.2:</b> Provide policy analysis and research to support Native Nations.	Fiscal Year	Annual Target	Actual Performance
Measure 1: Number of Native Nations Institute presentations or briefings.	FY 2014	N/A*	
	FY 2015		
	FY 2016		
	FY 2017		33
	FY 2018	25	
	FY 2019	25	

\*New measure beginning in FY 2018. Past year performance information has been added for context when available.

NNI staff made 33 presentations on various Indigenous topics to approximately 1,562 U.S. participants; while audiences were both Indigenous and non-Indigenous, records of these engagements indicate that they included representatives from at least 31 U.S. Native Nations.

Measure 2: Number of collaborating agencies and institutions (not including internal institutions at University of Arizona).	FY 2014	N/A*	
	FY 2015		
	FY 2016		
	FY 2017	26	
	FY 2018	25	
	FY 2019	25	

\*New measure beginning in FY 2018. Past year performance information has been added for context when available.

These external collaborations are with other universities, Native organizations, Federal agencies, other governments, nonprofits, and other institutions with whom NNI shares mutual interests.

Measure 3: Number of Native Nations Institute publications and/or case studies.**	FY 2014	N/A***	3
	FY 2015	2	4
	FY 2016	2	7
	FY 2017	5	7
	FY 2018	5	
	FY 2019	5	

\*\*Revised FY 2015-FY 2018 Measure 1. See Appendix B – Crosswalk.

\*\*\*New measure beginning in FY 2015. Past year performance information has been added for context.

This metric was changed in FY 2017 to "Measure 3: Number of Native Nations Institute publications and/or case studies." During FY 2017, NNI completed seven publications. The completed publications include a commissioned report on asset building (the second in a two-report series); one peer-reviewed article on Indigenous data sovereignty and another on research methods; a commissioned report on arts, culture, and Indigenous nation building; a blog on arts, culture, Indigenous nation building, and research methods; one book chapter on Indian child welfare and another on citizenship.

<b>Performance Goal 2.1.3:</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
Measure 1: Number of Scholarships.	FY 2014	N/A**	9
	FY 2015	8	8
	FY 2016	8	20
	FY 2017	10	16
	FY 2018	12	
	FY 2019	16	

Measure 2: Percent of recipients who report they received a quality educational experience in their interactions and program activities with the Udall Foundation.	FY 2014	N/A**	100%
	FY 2015	94%	100%
	FY 2016	95%	100%
	FY 2017	95%	98%
	FY 2018	95%	
	FY 2019	96%	

\*Subset of Performance Goal 1.3.1

\*\*New measure beginning in FY 2015. Past year performance information has been added for context.

Performance goal 2.1.3 is a subset of Performance Goal 1.3.1, the Undergraduate Scholarship program that provides up to 60 scholarships annually to outstanding students who intend to pursue careers related to the environment, Tribal public policy, or Native American health care. Prior to the FY 2015-2018 Strategic Plan, this goal was not measured separately.

<b>Performance Goal 2.1.4:</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
Measure 1: Number of Internships.	FY 2014	12	12
	FY 2015		12
	FY 2016		12
	FY 2017		10
	FY 2018		
	FY 2019		

Measure 2: Percent of recipients who report they received a quality educational experience through the Native American Congressional Internship Program.	FY 2014	92%	100%
	FY 2015		100%
	FY 2016		100%
	FY 2017		100%
	FY 2018		
	FY 2019		

**The Native American Congressional Internship program** offers up to 12 internships annually to deserving and qualified Native American and Alaska Native college, graduate, and law students in order to provide them with practical experience with the Federal legislative process. The program helps participants develop as Native professionals and future leaders in Indian country. Interns are placed in congressional offices and committees, executive branch departments, and the White House, where they are able to observe government decision-making processes firsthand. The Udall Foundation also arranges policy meetings and discussions with members of Congress, Federal agency officials, and staff from national Native organizations. Due to budget uncertainty, the Udall Foundation determined that it could fund only 10 interns in FY 2017.

The 10 interns were very satisfied with the program. The Udall Foundation uses evaluation feedback from interns and their office supervisors to facilitate continual learning and improvement.

<b>Performance Goal 2.1.5:</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
Measure 1: Number of Fellowships.	FY 2014	N/A	
	FY 2015		
	FY 2016		
	FY 2017		
	FY 2018		*
	FY 2019		*

Measure 2: Percent of recipients who report they received a quality educational experience in their interactions and program activities with the Udall Foundation.	FY 2014	N/A	
	FY 2015		
	FY 2016		
	FY 2017		
	FY 2018	*	
	FY 2019	*	

\*During FY 2019, the Native American Fellowship will be developed and recruitment will take place for a FY 2020 Native American Fellow, if sufficient funds are available.

**The Native American Fellowship program.** The Ph.D. fellowship was suspended in FY 2012 in anticipation of reduced Trust Fund interest revenues and has not been reinstated. The 2018-2022 strategic plan envisions reinstating the fellowship with the intent of increasing the fellowship’s impact by focusing on Native Americans. The new fellowship would be unique and would provide a logical next step in professional development for the Udall Foundation’s Native American Interns and others. During FY 2019, the Native American Fellowship will be developed by following the Board and staff working group’s suggestions that were made during the strategic planning process. Recruitment will take place for a FY 2020 Native American Fellow, if sufficient funds are available.

## Section III – Financial

### Other Information

#### Management Reviews

During FY 2015, the Udall Foundation undertook a comprehensive effort to better align employee performance with organizational performance. This included moving to a consolidated PAR, reviewing position descriptions and performance plans for consistency and support of the strategic plan, and an ongoing annual analysis of internal and management controls to ensure efficiency and effectiveness of program implementation.

### 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
- Management Challenges Confronting the Udall Foundation (see page 16).

The U.S. Department of Agriculture (USDA) Finance Center, a Federal financial management center of excellence, performs necessary financial services for the Udall Foundation. These services include furnishing receipt and disbursement of funds, financial reporting and related accounting functions, and execution of all investments in Treasury obligations. The USDA is considered to be part of the Udall Foundation's financial management; however, Udall Foundation management is responsible for the integrity and objectivity of the financial information presented in the financial statements.

The principal financial statements 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). The statements have been prepared from the books and records of the Udall Foundation in accordance with generally accepted accounting principles for Federal entities 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 Federal Managers' Financial Integrity Act (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 conducted a review of internal control processes in FY 2017 and is in the process of reviewing and updating policies and standard operating procedures. The assurance statement provided below is based on compliance with the following:

## 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 these goals, 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;
- 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 control program is designed to ensure full compliance with the goals, objectives, and requirements of 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 conclusions in the Udall Foundation's FY 2017 Annual FMFIA Assurance Statement are based on improved internal controls resulting from

- A 2012 review by the Department of Interior Office of Inspector General (OIG);
- A 2013 review conducted by the Government Accountability Office (GAO);
- A 2013 third-party review of internal controls;
- A 2015 review by the GAO;
- A 2017 Udall Foundation Risk Assessment of internal controls; and
- The annual financial audit conducted by 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, 2017.

## 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 FFMIA in the management representations made to the financial statement auditor. The auditor is required to report on compliance with FFMIA requirements in the Independent Auditors' Report. The independent auditor's report found the Udall Foundation in substantial compliance with FFMIA requirements.

### *Major Management Challenges Confronting the Udall Foundation*

The uncertainty in appropriations through continuing resolutions and the hiring freeze had an impact on programs and hiring. The Udall Foundation seeks to improve program delivery despite funding challenges. The Udall Foundation is reviewing the marketing plan for the U.S. Institute for Environmental Conflict Resolution to further diversify its customer base.

The Udall Foundation continued to operate effectively despite reduced budgetary resources. Despite Staff vacancies, the Udall Foundation continued to provide support for mission critical objectives and prompt attention to items identified as higher risk.

## FY 2017 Assurance Statement

As the Executive Director of the Morris K. Udall and Stewart L Udall Foundation, I recognize that the Udall Foundation is responsible for establishing and maintaining effective internal controls to meet the objectives of the Federal Managers' Financial Integrity Act (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.

I am pleased to report that management controls in effect from October 1, 2016, through September 30, 2017, provide reasonable assurance that the Udall Foundation is meeting the objectives of the FMFIA. In general,

- Financial and other resources are safeguarded from unauthorized use or disposition;
- Transactions are executed in accordance with authorizations;
- Records and reports are reliable;
- Applicable laws, rules, regulations, and policies are observed; and
- Resources are efficiently and effectively managed.

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



Philip J. Lemanski  
Executive Director

## Goals and the Supporting Financial System Strategies

PMD is a multiuser application that helps manage Foundation-wide financial transactions and provides real-time project-related information to staff. Using PMD, the financial staff completes the various Federal forms necessary for USDA to record and process obligations, revenues, and expenses. The financial information needed for the forms is then available to the financial staff for reconciliation and reporting purposes. The data is also available to all staff to assist them in tracking project-related revenues and expenses as well as project data such as contracts and interagency agreements in real time.

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 the document 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 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 person "receiving" the transaction in his/her inbox. Following approvals, PMD provides receipt and expense supporting documentation necessary for USDA's processing. USDA's internal controls provide a second check on receipts and disbursements. USDA provides monthly financial transaction reports that are reconciled with PMD. USDA also provides quarterly and annual financial reporting to the Udall Foundation.

## Analysis of Financial Statements

### Introduction and Analysis of Statements

The Federal Accounting Standards Advisory Board requires that the agency'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. The statements are in addition to the internal financial reports to management, which are prepared from the same data.

The Udall Foundation's appropriation is deposited into two funds—the Trust Fund and the Environmental Dispute Resolution Fund (EDRF). The financial statements combine data for both the Trust Fund's Education Programs and the EDRF's U.S. Institute for Environmental Conflict Resolution program. Although both funds invest available balances in Treasury obligations, they differ in how they may be spent: The Environmental Dispute Resolution Fund (U.S. Institute) appropriations remain available until expended and are used for annual operations; the appropriations for the Trust Fund are added to principal and

invested, and only the interest and earnings may be used to fund the Udall Foundation's Education Programs.

Public Law 102-259 authorized appropriations of \$40 million for the Trust Fund. The initial appropriation in 1994 was approximately \$19.9 million; from FY 1998 through FY 2017, \$42.4 million has been appropriated by Congress, of which \$14 million has been transferred to the Native Nations Institute (NNI) and \$800,000 has been transferred to the Office of Inspector General for internal control oversight bringing the total appropriations deposited in the Trust Fund to \$47.5 million. The Trust Fund is invested by law in Treasury obligations.

The U.S. Institute has received annual operating appropriations each year since FY 1999. The U.S. Institute also received a one-time start-up appropriation of \$3 million.

## Overall Significant Trends

### Trust Fund:

During FY 2017, after a decade of historically low interest rates, rates began to rise and the Udall Foundation purchased two \$3 million long-term bonds with different maturities. As a result, Trust Fund interest revenue increased in FY 2017 from partial-year interest payments and will increase further from a full year of interest payments in FY 2018. The Udall Foundation will continue to monitor rates and shift investments from short-term obligations to long-term obligations when appropriate.

### U.S. Institute for Environmental Conflict Resolution:

Over the past few years, the U.S. Institute has experienced significant fluctuations in staff levels. There were positions filled in 2017; however, several unfilled positions remain at this time. The 2017 U.S. Institute appropriation decreased by 4.44%. The annual financial statements reflect an increase in net program costs and a decrease in earned revenue. The main drivers for increased cost were associated with increased marketing efforts and greater use of private sector neutrals for environmental conflict resolution project work.

## 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 obligations. When the U.S. Institute's Fund balance with Treasury is included, these investments are 99% of total assets. Because annual appropriations to the Trust Fund may not be spent, but must be invested, these appropriations increased the fund balance in FY 2017.

Overall, assets grew by nearly \$845,000 (1.41%). The increase in total assets resulted primarily from appropriations paid from the Treasury into the Trust Fund.

Liabilities are primarily related to external accounts payable, accrued but not yet billed. Liabilities related to payroll (leave, taxes payable, and the like) were 9.6% of total liabilities in FY 2017. Payables increased in FY 2017 as a result of timing in the accrual versus the billing of accounts payable.

## Statement of Net Cost (SNC)

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

The overall net cost of operations for the Udall Foundation was 12.82% higher than in FY 2016. The increase results from increased marketing efforts, greater outsourcing of environmental conflict resolution project work, and one-time costs. Earned revenue decreased 1.62% compared to FY 2016.

## Statement of Changes in Net Position (SCNP)

As mentioned above, the Net Cost of Operations increased in FY 2017. Total Financing Sources was less than in FY 2016, a result of an increase in appropriations used and a decrease in grant funds received. Overall, the ending balances, in our consolidated financial statements, increased by nearly \$2.2 million, 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 decreased by approximately 1.7% and net outlays increased by approximately 5.4%.

## Controls, Systems, and Legal Compliance Financial Audit

In Fiscal Year 2017, the Udall Foundation had its 16th independent audit of its financial statements. The audit provides additional assurance to its constituents, to Congress, and to the Udall Foundation's Chief Financial Officer that the Udall Foundation's financial transactions and management practices are in keeping with established laws, regulations, and practices. The Udall Foundation received unqualified ("clean") opinions for all years.

## Independent Auditor's Report (FY 2017)

The independent financial statement auditors found the Udall Foundation's financial statements, including the accompanying notes, present fairly in all material respects, in conformity with U.S. generally accepted accounting principles. They identified no material weaknesses or significant deficiencies in internal controls.

## Possible Future Effects of Existing Events and Conditions

### *Future Effects and Trend Data*

**Education Programs:** The Education scholarship and fellowship programs are funded from interest earned on Treasury investments. These investments are interest-rate sensitive and have been adversely affected by declining Treasury rates since FY 2007; however, the upturn in rates during FY 2017 resulted in the Udall Foundation's purchase of two long-term bonds. The interest from these bonds will improve finances. Rates are expected to rise and the Udall Foundation will continue to monitor the market for buying opportunities that do not duplicate existing long-term investment maturities.

**U.S. Institute for Environmental Conflict Resolution:** Although the U.S. Institute charges fees for all ECR cases and projects that develop beyond the initial consultation stage, it has relied upon a baseline appropriation to support its operations. Since the U.S. Institute has a statutory obligation to use the services of neutrals in the geographic area of the dispute when feasible, the use of contracted service providers leverages the effort of the staff and enables the U.S. Institute to work on a greater number of cases and projects.

There are two unknowns that could affect operations—a reduction of the entity’s baseline appropriations, or a reduction in reimbursable fees due to the inability of agencies to prioritize ECR activities. It is anticipated that reductions in agency budgets may impact either the scale or scope of Federal ECR efforts. The U.S. Institute is continuing efforts to reach out to a broader array of entities receiving Federal funds in order to reduce the likelihood of downward swings in its overall earned revenue. Such diversification may reduce the potential for sudden drops in earned revenue.

### 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 in the United States of America for Federal entities and the formats prescribed by the Office of Management and Budget. 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.

## Section IV – Other Information

### Appendix A. Data Validation and Verification

#### Environmental Conflict Resolution Program

Since FY 2002, the U.S. Institute has received OMB approval to administer a suite of questionnaires to evaluate environmental collaboration and conflict resolution services. Using these questionnaires, the U.S. Institute solicits performance feedback from members of the public and agency representatives who are participants in, and users of, U.S. Institute 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, the completion of an assessment or mediation). To obtain performance data, the U.S. Institute administered surveys to service recipients for completed FY 2017 processes and services as allowed, and when appropriate.

The evaluative information collected by the U.S. Institute 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 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 ECR are improved. In terms of data reliability, validation, and verification, the U.S. Institute has processes in place to ensure the accurate recording, processing, and summarizing of performance information.

#### Education Programs

The Udall Foundation's education programs use both quantitative and qualitative data collections to assess performance and measure success.

Quantitative data consists of numbers of awards and participants, and statistical data such as types of majors and fields of study. The data is entered manually through the scholarship online application and in the Udall Foundation's Scholar and Alumni Tracking database. Data is verified through staff quality control review and programming robustness.

Qualitative data is collected using the following methods:

- Direct observation of participants' behavior and interactions;
- Staff conversations and interactions with individual participants;
- Informal feedback from participants;
- 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: Crosswalk between Udall Foundation Strategic Plan Performance Goals and Measures prior to FY 2018 and Performance Goals and Measures for the FY 2018-FY 2022 Strategic Plan

This crosswalk shows revisions to Performance Goals and Measures for Strategic Goals 1 and 2 for the Udall Foundation's FY 2018-FY 2022 Strategic Plan and provides the rationale for these revisions. The Udall Foundation's enabling legislation informed these revisions. These revisions better reflect our enabling legislation language, facilitate increased program impact using available resources, and improve assessment and reporting of program performance.

## 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 interests

#### 1.2

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

#### 1.3

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

### Performance Goals

#### 1.1.1

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

#### 1.1.2

Convene and facilitate policy dialogues and forums, and host conferences to further awareness and use of environmental conflict resolution and collaboration

#### 1.1.3

Conduct research that informs environmental policy and natural resources management

#### 1.2.1

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

#### 1.2.2

Provide assessment, mediation, and facilitation services that address environmental, public lands, and natural resources conflicts 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 connecting youth to nature and public lands through photography and outdoor learning

## Strategic Plan Performance Goals & Measures Prior to FY 2018 Mapped to Performance Goals & Measures for FY 2018-FY 2022

<p><b>FY 2015-FY 2018 Performance Goal 1.1.1</b></p> <p>Provide training to further the use of environmental conflict resolution, collaborative decision making, and consensus building.</p> <ul style="list-style-type: none"> <li>▪ Measure 1: # of trainings provided.</li> <li>▪ Measure 2: % of ECR training participants who report what they take away from the training will have a very positive impact on their effectiveness in the future.</li> </ul>	<p><b>FY 2018-FY 2022 Performance Goal 1.1.1</b></p> <p>Provide a training program to further the use of environmental conflict resolution, collaborative decision-making, and consensus building.</p> <ul style="list-style-type: none"> <li>▪ Measure 1: # of trainings provided.</li> <li>▪ Measure 2: % of ECR training participants who report what they take away from the training will have a very positive impact on their effectiveness in the future.</li> </ul> <p><b>Rationale for Change:</b> Performance Goal revised to 1) emphasize that the U.S. Institute has a cohesive training program that includes many courses and 2) reflect the importance of the U.S. Institute’s training efforts.</p>
<p><b>FY 2015-FY 2018 Performance Goal 1.1.2</b></p> <p>Convene and facilitate policy dialogues and forums, and host conferences to further awareness and use of environmental collaboration and conflict resolution.</p> <ul style="list-style-type: none"> <li>▪ Measure 1: # of initiatives.</li> </ul>	<p><b>FY 2018-FY 2022 Performance Goal 1.1.2</b></p> <p>Convene and facilitate policy dialogues and forums, and host conferences to further awareness and use of environmental conflict resolution and collaboration.</p> <ul style="list-style-type: none"> <li>▪ Measure 1: # of initiatives.</li> </ul> <p><b>Rationale for Change:</b> Performance Goal revised to better reflect the Udall Foundation’s enabling legislation language.</p>
<p><b>FY 2015-FY 2018 Performance Goal 1.1.3</b></p> <p>Conduct research that informs environmental policy and natural resources management.</p> <ul style="list-style-type: none"> <li>▪ Measure 1: # of environmental policy presentations or briefings.</li> <li>▪ Measure 2: # of collaborating agencies and institutions.</li> <li>▪ Measure 3: # of environmental policy publications.</li> </ul>	<p><b>FY 2018-FY 2022 Performance Goal 1.1.3</b></p> <p>Conduct research that informs environmental policy and natural resources management.</p> <ul style="list-style-type: none"> <li>▪ Measure 1: # of environmental policy presentations or briefings.</li> <li>▪ Measure 2: # of collaborating agencies and institutions (not including internal institutions at University of Arizona).</li> <li>▪ Measure 3: # of environmental policy publications.</li> </ul> <p><b>Rationale for Change:</b> Measure revised to clarify what is meant by “collaborating agencies and institutions.”</p>

<p><b>FY 2015-FY 2018 Performance Goal 1.2.1</b></p> <p>Provide case consultation services and mediator referrals to increase the use of environmental conflict resolution and collaboration by federal agencies.</p> <ul style="list-style-type: none"> <li>Measure 1: # of case consultations.</li> <li>Measure 2: % of ECR Roster Professional service users who report the Roster was a valuable resource for identifying qualified ECR professionals to assist them in solving their environmental or natural resources issues.</li> </ul>	<p><b>FY 2018-FY 2022 Performance Goal 1.2.1</b></p> <p>Provide case consultation services and mediator referrals to increase the use of environmental conflict resolution and collaboration involving Federal agencies and affected stakeholders.</p> <ul style="list-style-type: none"> <li>Measure 1: # of case consultations.</li> <li>Measure 2: # of ECR Roster searches</li> </ul> <p><b>Rationale for Changes:</b> Performance Goal revised to better reflect the Udall Foundation’s enabling legislation language. FY 2015-FY 2018 Performance Goal 1.2.1 Measure 2 reported online responses from the public. The response rate was very low (as is typical of online surveys) and may not have been representative of all users. The new Measure 2 for FY 2018-FY 2022 will indicate the value of the Roster to the private sector, Federal agencies, and other organizations looking for ECR support personnel.</p>
<p><b>FY 2015-FY 2018 Performance Goal 1.2.2</b></p> <p>Provide assessment, mediation, and facilitation services that address environmental, public lands, and natural resources conflicts involving federal agencies.</p> <ul style="list-style-type: none"> <li>Measure 1: # of assessments, facilitations, and mediations.</li> <li>Measure 2: % of assessments for which the majority of responding stakeholders strongly agree that the U.S. Institute helped them determine how best to proceed to resolve their conflict.</li> <li>Measure 3: % of mediations/facilitations for which the majority of responding stakeholders report full or partial agreement was reached or progress was made toward addressing the issues or resolving the conflict.</li> </ul>	<p><b>FY 2018-FY 2022 Performance Goal 1.2.2</b></p> <p>Provide assessment, mediation, and facilitation services that address environmental, public lands, and natural resources conflicts involving Federal agencies and affected stakeholders.</p> <ul style="list-style-type: none"> <li>Measure 1: # of assessments, facilitations, and mediations.</li> <li>Measure 2: % of assessments for which the majority of responding stakeholders strongly agree that the U.S. Institute helped them determine how best to proceed to resolve their conflict.</li> <li>Measure 3: % of mediations/facilitations for which the majority of responding stakeholders report full or partial agreement was reached or progress was made toward addressing the issues or resolving the conflict.</li> </ul> <p><b>Rationale for Change:</b> Performance Goal revised to better reflect the Udall Foundation’s enabling legislation language.</p>
<p><b>FY 2015-FY 2018 Performance Goal 1.3.1</b></p> <p>Award scholarships to outstanding undergraduate students who intend to pursue careers related to the environment, and provide training and community building to Udall scholars.</p> <ul style="list-style-type: none"> <li>Measure 1: # of Scholarships.</li> <li>Measure 2: % of scholarship recipients who report they received a quality educational experience in their interactions and program activities with the Udall Foundation.</li> </ul>	<p><b>FY 2018-FY 2022 Performance Goal 1.3.1</b></p> <p>Award scholarships to outstanding undergraduate students who intend to pursue careers related to the environment.</p> <ul style="list-style-type: none"> <li>Measure 1: # of Scholarships.</li> <li>Measure 2: % of recipients who report they received a quality educational experience in their interactions and program activities with the Udall Foundation.</li> </ul> <p><b>Rationale for Changes:</b> Performance Goal revised to improve clarity and better reflect the Udall Foundation's enabling legislation language. Measure revised to provide consistency of text between Performance Goals that use similar measures.</p>

<p><b>FY 2015-FY 2018 Performance Goal 1.3.2</b></p> <p>Award fellowships to outstanding graduate students who intend to pursue advanced degrees in fields related to the environment.</p> <ul style="list-style-type: none"> <li>▪ Measure 1: # of Fellowships.</li> </ul> <p>[Fellowship suspended FY 2012-FY 2017 due to low Trust Fund interest.]</p>	<p>The Udall Foundation is changing its fellowship to a Native fellowship, which is one option provided by its enabling legislation. This new fellowship is therefore included under Strategic Goal 2 as Performance Goal 2.1.5. Performance Goal 1.3.3 below has become Performance Goal 1.3.2 in the FY 2018-FY 2022 Strategic Plan.</p>
<p><b>FY 2015-FY 2018 Performance Goal 1.3.3</b></p> <p>Provide outdoor, educational programming to connect youth to nature through photography.</p> <ul style="list-style-type: none"> <li>▪ Measure 1: # of students.</li> <li>▪ Measure 2: # of trips.</li> <li>▪ Measure 3: # of states.</li> <li>▪ Measure 4: % of Parks in Focus participants who report they received a quality educational experience in their interactions and program activities with the Udall Foundation.</li> </ul>	<p><b>FY 2018-FY 2022 Performance Goal 1.3.2</b></p> <p>Provide educational programs, training, and resources with the purpose of connecting youth to nature and public lands through photography and outdoor learning.</p> <ul style="list-style-type: none"> <li>▪ Measure 1: # of youth reached through direct programs.</li> <li>▪ Measure 2: # of individuals trained.</li> <li>▪ Measure 3: # of hours of direct programming provided.</li> <li>▪ Measure 4: # of hours of training services provided.</li> <li>▪ Measure 5: % of youth participants who report they received a quality educational experience during Parks in Focus® activities.</li> <li>▪ Measure 6: % of training participants who report they received a quality educational experience during Parks in Focus® training activities.</li> </ul> <p><b>Rationale for Changes:</b>  This Performance Goal was broadened in order to develop alternative strategies to reach a greater number of youth with available funds. The new Measures will report the impact of these new strategies. (The Performance Goal number was revised due to FY 2015-FY 2018 Performance Goal 1.3.2 changing to Performance Goal 2.1.5 for FY 2018-FY 2022—see above.)</p>

## Strategic Goal 2

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

### Strategic Objectives

#### 2.1

Provide education and training to Native Nations and non-Native entities or individuals who engage with Native Nations

#### 2.2

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 that concern Native Nations

### Performance Goals

#### 2.1.1

Provide Native Nations with information resources and tools for leadership and governance that will enable them to achieve their strategic goals

#### 2.1.2

Provide policy analysis and research to support Native Nations

#### 2.1.3

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

#### 2.1.4

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

#### 2.1.5

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

#### 2.2.1

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

#### 2.2.2

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

## Strategic Plan Performance Goals & Measures Prior to FY 2018 Mapped to Performance Goals & Measures for FY 2018-FY 2022

<p><b>FY 2015-FY 2018 Performance Goal 2.1.1</b></p> <p>Provide Native nations with information resources and tools for leadership and governance that will enable them to achieve their strategic goals.</p> <ul style="list-style-type: none"> <li>▪ Measure 1: % of respondents who report NNI is an important resource for them in carrying out their nation-building work.</li> <li>▪ Measure 2: # of individuals who enroll in distance-learning courses.</li> <li>▪ Measure 3: # of individuals who use the Indigenous Governance database.</li> </ul>	<p><b>FY 2018-FY 2022 Performance Goal 2.1.1</b></p> <p>Provide Native Nations with information resources and tools for leadership and governance that will enable them to achieve their strategic goals.</p> <ul style="list-style-type: none"> <li>▪ Measure 1: % of respondents who report NNI is an important resource for them in carrying out their nation-building work.</li> <li>▪ Measure 2: # of Rebuilding Native Nations distance-learning modules completed.</li> <li>▪ Measure 3: # of Indigenous Governance Database account holders.</li> </ul> <p><b>Rationale for Changes:</b> Measures 2 and 3 revised to better assess and report program impact.</p>
<p><b>FY 2015-FY 2018 Performance Goal 2.1.2</b></p> <p>Provide policy analysis and research to support Native nations.</p> <ul style="list-style-type: none"> <li>▪ Measure 1: # of completed case studies and/or policy-analyses.</li> </ul>	<p><b>FY 2018-FY 2022 Performance Goal 2.1.2</b></p> <p>Provide policy analysis and research to support Native Nations.</p> <ul style="list-style-type: none"> <li>▪ Measure 1: # of Native Nations Institute presentations or briefings.</li> <li>▪ Measure 2: # of collaborating agencies and institutions (not including internal institutions at University of Arizona).</li> <li>▪ Measure 3: # of Native Nations Institute publications and/or case studies. (Revised FY 2015-2018 Measure 1.)</li> </ul> <p><b>Rationale for Changes:</b> Measures revised to better assess and report program impact.</p>
<p><b>FY 2015-FY 2018 Performance Goal 2.1.3</b></p> <p>Note: This goal has standalone measures for awards and educational experiences provided to Native American and Alaska Native students, which are a subset of the services reported under Performance Goal 1.3.1.</p> <p>Provide scholarships, training, and community building to American Indian and Alaska Native undergraduate students who intend to pursue careers in tribal public policy or health care.</p> <ul style="list-style-type: none"> <li>▪ Measure 1: # of Scholarships. Subset of Performance Goal 1.3.1.</li> <li>▪ Measure 2: % of recipients who report they received a quality educational experience in their interactions and program activities with the Foundation.</li> </ul>	<p><b>FY 2018-FY 2022 Performance Goal 2.1.3</b></p> <p>Note: This goal has standalone measures for awards and educational experiences provided to Native American and Alaska Native students, which are a subset of the services reported under Performance Goal 1.3.1.</p> <p>Award scholarships to outstanding Native American and Alaska Native undergraduate students who intend to pursue careers in Tribal public policy or health care. (Subset of Performance Goal 1.3.1.)</p> <ul style="list-style-type: none"> <li>▪ Measure 1: # of Scholarships.</li> <li>▪ Measure 2: % of recipients who report they received a quality educational experience in their interactions and program activities with the Udall Foundation.</li> </ul> <p><b>Rationale for Change:</b> Performance Goal revised to improve clarity and better reflect the Udall Foundation's enabling legislation language.</p>

<b>FY 2015-FY 2018 Performance Goal 2.1.4</b>	<b>FY 2018-FY 2022 Performance Goal 2.1.4</b>
<p>Provide internships, training, and community building to American Indian and Alaska Native undergraduate, graduate, and law students in the areas of tribal public policy or health care.</p> <ul style="list-style-type: none"> <li>▪ Measure 1: # of Internships.</li> <li>▪ Measure 2: % of interns who report they received a quality educational experience through the Native American Congressional Internship Program.</li> </ul>	<p>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.</p> <ul style="list-style-type: none"> <li>▪ Measure 1: # of Internships.</li> <li>▪ Measure 2: % of recipients who report they received a quality educational experience through the Native American Congressional Internship Program.</li> </ul> <p><b>Rationale for Changes:</b> Performance Goal revised to improve clarity and better reflect the Udall Foundation's enabling legislation language. Measure revised to provide consistency of text between Performance Goals that use similar measures.</p>
<b>FY 2015-FY 2018 Performance Goal 1.3.2</b>	<b>FY 2018-FY 2022 Performance Goal 2.1.5</b>
<p>Award fellowships to outstanding graduate students who intend to pursue advanced degrees in fields related to the environment.</p> <ul style="list-style-type: none"> <li>▪ Measure 1: # of Fellowships.</li> </ul> <p>[Fellowship suspended FY 2012-FY 2017 due to low Trust Fund interest.]</p>	<p>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.</p> <ul style="list-style-type: none"> <li>▪ Measure 1: # of Fellowships.</li> <li>▪ Measure 2: % of recipients who report they received a quality educational experience in their interactions and program activities with the Udall Foundation.</li> </ul> <p><b>Rationale for Changes:</b> The Udall Foundation is changing its fellowship to a Native fellowship, which is one option provided by its enabling legislation. The intent is to increase the fellowship's impact with the same level of funding as the previous fellowship by focusing on an underrepresented population. The change would also provide a logical next step in professional development for the Native American Interns. Measure 2 is the same one used for other Udall Foundation education programs.</p>

<p><b>FY 2015-FY 2018 Performance Goal 2.2.1</b>  Note: This goal has standalone measures for ECR assessment, mediation, and facilitation services on issues that concern Native Nations, which are a subset of services reported under Performance Goal 1.2.2.</p>	<p><b>FY 2018-FY 2022 Performance Goal 2.2.1</b>  Note: This goal has standalone measures for ECR assessment, mediation, and facilitation services on issues that concern Native Nations, which are a subset of services reported under Performance Goal 1.2.2.</p>
<p>Provide assessment, mediation, facilitation, and related services on issues that concern Native nations.</p> <ul style="list-style-type: none"> <li>▪ Measure 1: # of assessments, facilitations, and mediations that involve Native nations or Tribal issues.</li> <li>▪ Measure 2: % of assessments for which the majority of responding stakeholders strongly agree that the U.S. Institute helped them determine how best to proceed to resolve their conflict.</li> <li>▪ Measure 3: % of mediations/facilitations for which the majority of responding stakeholders report full or partial agreement was reached or progress was made toward addressing the issues or resolving the conflict.</li> </ul>	<p>Provide assessment, mediation, facilitation, and related services on issues that concern Native Nations.</p> <ul style="list-style-type: none"> <li>▪ Measure 1: # of assessments, facilitations, and mediations that involve Native Nations or Tribal issues.</li> <li>▪ Measure 2: % of assessments for which the majority of responding stakeholders strongly agree that the U.S. Institute helped them determine how best to proceed to resolve their conflict.</li> <li>▪ Measure 3: % of mediations/facilitations for which the majority of responding stakeholders report full or partial agreement was reached or progress was made toward addressing the issues or resolving the conflict.</li> </ul>

<p><b>FY 2015-FY 2018 Performance Goal 2.2.2</b>  Note: This newly specified goal creates standalone measures related to the Native Dispute Resolution Network. Components of these services are also reported under the overarching referral services goal (See newly specified 1.2.1., measure 2)</p>	<p><b>FY 2018-FY 2022 Performance Goal 2.2.2</b></p>
<p>Increase the awareness and use of the Native Dispute Resolution Network for environmental conflict resolution and collaboration services.</p> <ul style="list-style-type: none"> <li>▪ Measure 1: # of entities made aware of the referral services available via the Native Dispute Resolution Network.</li> <li>▪ Measure 2: % of ECR Native Dispute Resolution Network users who report the Network was a valuable resource for identifying qualified ECR professionals to assist them in solving their environmental or natural resources issues.</li> </ul>	<p>Develop communities of practice and provide training to build capacity and enhance collaboration and conflict resolution between Federal agencies and Native Nations.</p> <p><b>Rationale for Change:</b>  This Performance Goal was broadened in order to develop alternative strategies to assist Native Nations with available funds. Once the vacant position of Senior Program Manager for the Native American Alaska Native (NAAN) program is filled, this program will be developed, measures will be created, and targets selected.</p>

# Appendix C. Independent Auditors Report, FY 2017 Consolidated Financial Statements, Notes to the Financial Statements



**THE MORRIS K. UDALL AND  
STEWART L. UDALL FOUNDATION**

**GENERAL AND TRUST FUND**

**CONSOLIDATED FINANCIAL STATEMENTS**

**As of and For The Years Ended September 30, 2017 and 2016**

## **Independent Auditor's Report**

Board Members and Executive Director  
The Morris K. Udall and Stewart L. Udall Foundation

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

We have audited the accompanying balance sheet of The Morris K. Udall and Stewart L. Udall Foundation (the Foundation) as of September 30, 2017 and 2016, and the related statements of net cost, changes in net position, and budgetary resources for the years then ended. In our audit of the Foundation for the fiscal year ended September 30, 2017, we found:

- The financial statements are presented fairly in all material respects, in conformity with U.S. generally accepted accounting principles.
- No material weaknesses or significant deficiencies in internal control over financial reporting.
- No Reportable non-compliance with laws and regulations we tested.

The following sections discuss in more detail our opinion, our consideration of internal control over financial reporting, our tests of compliance with certain provisions of applicable laws and regulations, and management's and our responsibilities.

### **Opinion on the Financial Statements**

In our opinion, the financial statements, including the accompanying notes present fairly, in all material respects, in conformity with U.S. generally accepted accounting principles, the financial position of The Morris K. Udall and Stewart L. Udall Foundation as of September 30, 2017 and 2016, and its net costs; changes in net position; and budgetary resources for the year then ended.

### **Consideration of Internal Control**

In planning and performing our audit, we considered The Foundation's internal control over financial reporting as a basis for designing our auditing procedures and to comply with the Office of Management and Budget (OMB) audit guidance for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on internal control and compliance or on management's assertion on internal control included in MD&A. Accordingly, we do not express an opinion on internal control over financial reporting and compliance or on management's assertion on the effectiveness of the entity's internal control over financial reporting, or on management's assertion on the internal control included in the MD&A.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies,

in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in a more than remote likelihood that the design or operation of one or more internal controls will not allow management or employees, in the normal course of performing their duties, to promptly detect or prevent errors, fraud, or noncompliance in amounts that would be material to the financial statements.

Our consideration of internal control over financial reporting was for the purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the Foundation's internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

We noted other non-reportable matters involving internal control and its operation that we will communicate in a separate management letter to the Foundation's management.

### **Compliance With Applicable Laws and Regulations**

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we also performed tests of its compliance with certain provisions of laws and regulations for fiscal year 2017. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests of compliance disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### **Consistency of Other Information**

The information in the Management's Discussion and Analysis is not a required part of the financial statements, but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this information. However, we did not audit this information and, accordingly, we express no opinion on it.

The information in the Chairman's Message, Performance Section, and Other Accompanying Information is presented for purposes of additional analysis and is not required as part of the financial statements. This information has not been subjected to auditing procedures and, accordingly, we express no opinion on it.

### **Responsibilities**

**Management's Responsibilities.** Management is responsible for the preparation of these financial statements; establishing and maintaining effective internal control over financial reporting; and complying with laws, regulations, contracts, and grant agreements applicable to the Foundation.

**Auditors' Responsibilities.** Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the U.S. Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management

and Budget (OMB) Bulletin No. 17-03, Audit Requirements for Federal Financial Statements. Those standards and OMB Bulletin No. 17-03 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the agency's preparation and fair presentation 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 agency's internal control. Accordingly, we do not express an opinion on such internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

A handwritten signature in cursive script that reads "Rocha & Company PC". The signature is written in black ink and is positioned above the typed name and date.

*Gaithersburg, Maryland  
December 4, 2017*

**THE MORRIS K. UDALL AND STEWART L. UDALL FOUNDATION**  
BALANCE SHEET

As Of September 30, 2017 and 2016

		2017		2016
<b>Assets:</b>				
<b>Intragovernmental:</b>				
Fund Balance With Treasury	(Note 2)	\$ 27,553,922.76		\$ 32,716,957.51
Investments	(Note 3)	32,622,402.90		26,651,470.19
Accounts Receivable	(Note 4)	543,910.48		526,719.94
<b>Total Intragovernmental</b>		<b>60,720,236.14</b>		<b>59,895,147.64</b>
<b>Assets With The Public:</b>				
Accounts Receivable, net	(Note 4)	38,262.82		32,194.22
General Property, Plant and Equipment	(Note 5)	15,781.81		2,210.07
<b>Total Assets</b>		<b>\$ 60,774,280.77</b>		<b>\$ 59,929,551.93</b>
<b>Liabilities:</b>				
<b>Intragovernmental:</b>				
Other:	(Note 6)			
Employer Contributions and Payroll Taxes Payable	(Note 7)	\$ 25,166.73		\$ 24,802.39
<b>Total Intragovernmental</b>		<b>25,166.73</b>		<b>24,802.39</b>
<b>Liabilities With the Public:</b>				
Accounts Payable		525,407.25		606,220.62
Other:	(Note 7)			
Accrued Funded Payroll and Leave		87,921.60		86,213.60
Employer Contributions and Payroll Taxes Payable		3,612.62		3,575.81
Unfunded Leave		152,379.79		164,147.95
Other Liabilities Without Related Budgetary Obligations		410.00		410.00
<b>Total Liabilities</b>		<b>\$ 794,897.99</b>		<b>\$ 885,370.37</b>
<b>Net Position:</b>				
Unexpended Appropriations - All Other Funds (Consolidated Totals)		1,771,151.72		1,385,363.00
Cumulative Results of Operations - All Other Funds (Consolidated Totals)		58,208,231.06		57,658,818.56
<b>Total Net Position - All Other Funds (Consolidated Totals)</b>		<b>59,979,382.78</b>		<b>59,044,181.56</b>
<b>Total Net Position</b>		<b>59,979,382.78</b>		<b>59,044,181.56</b>
<b>Total Liabilities and Net Position</b>		<b>\$ 60,774,280.77</b>		<b>\$ 59,929,551.93</b>

The accompanying notes are an integral part of these statements.

**THE MORRIS K. UDALL AND STEWART L. UDALL FOUNDATION**  
**STATEMENT OF NET COST**

For The Years Ended September 30, 2017 and 2016

	2017	2016
<b>Program Costs:</b>		
<b>Trust: Strategic Goal 1</b>		
<b>Gross Costs</b>	\$ 2,998,486.06	\$ 2,974,032.37
<b>Less: Earned Revenue</b>	-	7,500.00
<b>Net Program Costs</b>	\$ 2,998,486.06	\$ 2,966,532.37
<b>Institute: Strategic Goal 2</b>		
<b>Gross Costs</b>	\$ 6,044,794.11	\$ 5,551,953.42
<b>Less: Earned Revenue</b>	3,074,117.04	3,124,757.81
<b>Net Program Costs</b>	2,970,677.07	2,427,195.61
<b>Net Cost of Operations</b>	\$ 5,969,163.13	\$ 5,393,727.98

(Note 8)

The accompanying notes are an integral part of these statements.

**THE MORRIS K. UDALL AND STEWART L. UDALL FOUNDATION**  
**STATEMENT OF CHANGES IN NET POSITION**  
For The Years Ended September 30, 2017 and 2016

FY 2017 (CY)

	<u>Funds From Dedicated Collections (Consolidated Totals)</u>	<u>All Other Funds (Consolidated Totals)</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
<b>Cumulative Results of Operations:</b>				
Beginning Balances		\$ 57,658,818.56		\$ 57,658,818.56
Beginning balance, as adjusted		57,658,818.56		57,658,818.56
<b>Budgetary Financing Sources:</b>				
Appropriations used		4,558,211.28		4,558,211.28
Nonexchange revenue		1,466,175.51		1,466,175.51
Donations and forfeitures of cash and cash equivalents		330,000.00		330,000.00
Other		(70.84)		(70.84)
<b>Other Financing Sources (Non-Exchange):</b>				
Imputed financing		164,259.68		164,259.68
Total Financing Sources		6,518,575.63		6,518,575.63
Net Cost of Operations		5,969,163.13		5,969,163.13
Net Change		549,412.50		549,412.50
<b>Cumulative Results of Operations</b>		<b>58,208,231.06</b>		<b>58,208,231.06</b>
<b>Unexpended Appropriations:</b>				
Beginning Balance		1,385,363.00		1,385,363.00
Beginning Balance, as adjusted		1,385,363.00		1,385,363.00
<b>Budgetary Financing Sources:</b>				
Appropriations received		5,144,000.00		5,144,000.00
Appropriations transferred-in/out		(200,000.00)		(200,000.00)
Appropriations used		(4,558,211.28)		(4,558,211.28)
Total Budgetary Financing Sources		385,788.72		385,788.72
Total Unexpended Appropriations		1,771,151.72		1,771,151.72
Net Position		<b>\$ 59,979,382.78</b>		<b>\$ 59,979,382.78</b>

The accompanying notes are an integral part of these statements.

**THE MORRIS K. UDALL AND STEWART L. UDALL FOUNDATION**  
**STATEMENT OF CHANGES IN NET POSITION**  
**For The Years Ended September 30, 2017 and 2016**

FY 2016 (PY)

	Funds From Dedicated Collections (Consolidated Totals)	All Other Funds (Consolidated Totals)	Eliminations	Consolidated Total
<b>Cumulative Results of Operations:</b>				
Beginning Balances		\$ 56,415,160.77		\$ 56,415,160.77
Beginning balance, as adjusted		56,415,160.77		56,415,160.77
<b>Budgetary Financing Sources:</b>				
Appropriations used		4,519,033.88		4,519,033.88
Nonexchange revenue		1,313,297.91		1,313,297.91
Donations and forfeitures of cash and cash equivalents		603,112.11		603,112.11
<b>Other Financing Sources (Non-Exchange):</b>				
Imputed financing		201,941.87		201,941.87
<b>Total Financing Sources</b>		<b>6,637,385.77</b>		<b>6,637,385.77</b>
Net Cost of Operations		5,393,727.98		5,393,727.98
Net Change		1,243,657.79		1,243,657.79
<b>Cumulative Results of Operations</b>		<b>57,658,818.56</b>		<b>57,658,818.56</b>
<b>Unexpended Appropriations:</b>				
Beginning Balance		709,396.88		709,396.88
Beginning Balance, as adjusted		709,396.88		709,396.88
<b>Budgetary Financing Sources:</b>				
Appropriations received		5,395,000.00		5,395,000.00
Appropriations transferred-in/out		(200,000.00)		(200,000.00)
Appropriations used		(4,519,033.88)		(4,519,033.88)
Total Budgetary Financing Sources		675,966.12		675,966.12
Total Unexpended Appropriations		1,385,363.00		1,385,363.00
Net Position		\$ 59,044,181.56		\$ 59,044,181.56

The accompanying notes are an integral part of these statements.

**THE MORRIS K. UDALL AND STEWART L. UDALL FOUNDATION**  
**STATEMENT OF BUDGETARY RESOURCES**

For The Years Ended September 30, 2017 and 2016

	2017 Budgetary	2016 Budgetary
<b>BUDGETARY RESOURCES</b>		
Unobligated balance brought forward, Oct 1	\$ 7,312,791.54	\$ 6,995,135.69
Unobligated balance brought forward, Oct 1, as adjusted	7,312,791.54	6,995,135.69
Recoveries of prior year unpaid obligations	801,144.40	765,745.51
Other changes in unobligated balance	201.33	
Unobligated balance from prior year budget authority, net	8,114,137.27	7,760,881.20
Appropriations (discretionary and mandatory)	7,391,230.11	7,973,619.98
Spending authority from offsetting collections (discretionary and mandatory)	3,071,253.97	3,168,574.98
<b>Total budgetary resources</b>	<b>\$ 18,576,621.35</b>	<b>\$ 18,903,076.16</b>
 <b>STATUS OF BUDGETARY RESOURCES</b>		
New obligations and upward adjustments (total)	\$ 9,944,547.18	\$ 11,590,284.62
Unobligated balance, end of year:		
Apportioned, unexpired account	7,466,526.66	7,110,434.85
Unapportioned, unexpired account	1,165,547.51	202,356.69
Unexpired unobligated balance, end of year	8,632,074.17	7,312,791.54
Unobligated balance, end of year (total)	8,632,074.17	7,312,791.54
<b>Total budgetary resources</b>	<b>\$ 18,576,621.35</b>	<b>\$ 18,903,076.16</b>
 <b>CHANGE IN OBLIGATED BALANCE</b>		
<b>Unpaid Obligations</b>		
Unpaid obligations, brought forward, October 1 (gross)	\$ 4,251,576.91	\$ 3,795,441.96
New obligations and upward adjustments	(Note 9) 9,944,547.18	11,590,284.62
Outlays (gross) (-)	(10,677,981.39)	(10,368,404.16)
Recoveries of prior year unpaid obligations (-)	(801,144.40)	(765,745.51)
Unpaid obligations, end of year	(Note 10) 2,716,998.30	4,251,576.91
<b>Uncollected payments</b>		
Uncollected pymts, Fed sources, brought forward, Oct 1 (-)	(526,719.94)	(496,138.42)
Change in uncollected pymts, Fed sources (net) (+ or-)	(543,910.48)	(526,719.94)
Uncollected pymts, Fed sources, end of year (-)	(543,910.48)	(526,719.94)
Obligated balance, start of year (net)	3,724,856.97	3,299,303.54
Obligated balance, end of year (net)	\$ 2,173,087.82	\$ 3,724,856.97
 <b>BUDGET AUTHORITY AND OUTLAYS, NET</b>		
Budget authority, gross (discretionary and mandatory)	\$ 10,462,484.08	\$ 11,142,194.96
Actual offsetting collections (discretionary and mandatory) (-)	(3,054,063.43)	(3,137,993.46)
Change in uncollected payments from Federal Sources (discretionary and mandatory)	(17,190.54)	(30,581.52)
Budget authority, net (total) (discretionary and mandatory)	7,391,028.78	7,973,619.98
Outlays, gross (discretionary and mandatory)	10,677,981.39	10,368,404.16
Actual offsetting collections (discretionary and mandatory) (-)	(3,054,264.76)	(3,137,993.46)
Outlays, net (total) (discretionary and mandatory)	\$ 7,623,716.63	\$ 7,230,410.70
Distributed offsetting receipts (-)	2,025,000.00	3,727,869.92
Agency outlays, net (discretionary and mandatory)	\$ 5,598,716.63	\$ 3,502,540.78

The accompanying notes are an integral part of these statements.

**THE MORRIS K. UDALL AND  
STEWART L. UDALL FOUNDATION**

**Note 1 – Significant Accounting Policies**

**Reporting Entity**

The financial reporting entity consists of the Morris K. Udall and Stewart L. Udall Foundation and the U.S. Institute for Environmental Conflict Resolution which collectively are referred to as the Morris K. Udall and Stewart L. Udall Foundation.

The Morris K. Udall and Stewart L. Udall Foundation (the Foundation) was established by the U.S. Congress in 1992 as The Morris K. Udall Foundation and is an executive branch agency. During fiscal year 2009-10 the name was changed to The Morris K. Udall and Stewart L. Udall Foundation. The President of the United States appoints its board of trustees with the advice and consent of the U.S. Senate. The Foundation is committed to educating a new generation of Americans to preserve and protect their national heritage through studies in the environment, Native American health and tribal policy, and effective public policy conflict resolution.

The U.S. Institute for Environmental Conflict Resolution (the Institute) was created by the 1998 Environmental Policy and Conflict Resolution Act to assist parties in resolving environmental conflicts around the country that involve federal agencies or interests. The Institute was established as part of the Foundation to provide a neutral place inside the federal government, but “outside the Beltway” where public and private interests can reach common ground.

**Basis of Presentation**

These financial statements of the 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.

The 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

## **Note 1 – Significant Accounting Policies (Continued)**

based on budget terminology definition and guidance in OMB Circular No. A-11, *Preparation, Submission and Execution of the Budget*, dated July 2016.

### **Annual Appropriations**

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

	<u>2017</u>	<u>2016</u>
Morris K. Udall Scholarship and Excellence in National Environmental Policy Trust Fund	\$ 1,695,000.00	\$ 1,795,000.00
Environmental Dispute Resolution Fund	\$ 3,249,000.00	\$ 3,400,000.00

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

### **Accounts and Interest Receivables**

Accounts receivable, including interest receivable, consists of amounts owed to the Foundation by other federal agencies and the public. These balances are presented net of any direct write-offs made.

### **Investments**

Investments that consist of the U.S. Government securities 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.

## **Note 1 – Significant Accounting Policies (Continued)**

### **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.

### **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 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 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 Foundation has a trust fund, where the primary financing source consists of interest revenue from investments. Other financing sources for The Foundation consist of imputed financing sources which are costs financed by other Federal entities on behalf of The Foundation, as required by Statement of Federal Financial Accounting Standard (SFFAS) No. 5, *Accounting for Liabilities of the Federal Government*. The Foundation may also accept private donations for educational activities. Private donations for the work of the Institute and the Native Nations Institute are expressly excluded by 20 U.S.C. 5608 (b). The activities of the U.S. Environmental Conflict Resolution are supported by annual appropriations and fees charged for services.

Financing sources are provided through Congressional appropriations on an annual, multi-year, and no-year basis, or through reimbursable agreements. Annual appropriations are available for incurring obligations during a specified year; multi-year appropriations are generally available for two years or more. 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.

## **Note 1 – Significant Accounting Policies (Continued)**

Reimbursable service agreements generally recognize revenues when goods are delivered or services rendered between the 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 Foundation were established by Public Law 102-259, codified at 20 U.S.C.2601 and following.

The Foundation enabling legislation specifically authorizes scholarships, fellowships, internships and grants in the area of the environment and Native American health or tribal policy. The enabling legislation authorized \$40 million for a Trust Fund and directed that the Fund be invested in Treasury obligations, with only the income from the Fund available to operate the education programs. The Foundation is also authorized to accept, hold, administer and utilize gifts. 20 U.S.C. 5608(a)(4).

The annual income is specifically allocated by the law, as follows: at least 50 percent for scholarships, internships and fellowships; at least 20 percent for grants to the Udall Center; and a maximum of 15 percent for administrative costs. Parks in Focus and other activities are funded from the remaining 15 percent of Trust Fund income. Since fiscal year 2001, transfers from appropriations have been made for the purposes of the Native Nations Institute, pursuant to Congressional authorization.

Through FY 2017, approximately \$47.5 million in appropriations has been deposited in the Trust Fund. In addition to the Trust Fund corpus, \$14 million has been appropriated and transferred for the purposes of the Native Nations Institute (NNI), pursuant to Congressional authorization. Transfers to NNI during fiscal year 2017 totaled \$1.0 million.

In FY 2017, the Foundation had three sources of income, donations, interest from investments and grants. All would be considered inflow of resources to the Government.

### **Institute**

The Institute was established by Congress through the Environmental Policy and Conflict Resolution Act of 1998 (Public Law 105-156).

The Institute received appropriations of approximately \$1.3 million a year for operating expenses from fiscal year 1999 through 2005; \$1.9 million for fiscal year 2006 and fiscal year 2007; \$2.1 million for fiscal year 2009; \$3.8 million for fiscal year 2010 through 2013 and \$3.4 million for fiscal year 2014 through 2017. In fiscal year 1999, Congress

## **Note 1 – Significant Accounting Policies (Continued)**

also appropriated \$3 million as a capitalization fund for the Institute, from which the Institute had drawn for program development expenses.

Congress authorized the U.S. Institute to accept and retain fees for conflict resolution services, in addition to its appropriations. All available balances are invested in Treasury obligations.

Of the \$3,074,117.04 being reported as fiscal year 2017 revenue for services provided, \$2,929,065.28 is from federal sources and is the result of Intragovernmental flows. The remaining \$145,051.76 is from non-federal sources and should be considered inflows or resources to the Government.

Of the \$3,124,757.81 being reported as fiscal year 2016 revenue for services provided, \$2,881,330.58 is from federal sources and is the result of Intragovernmental flows. The remaining \$243,427.23 is from non-federal sources and should be considered inflows or resources to the 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. For employees covered by the Civil Service Retirement System (CSRS), credit toward the annuity computation will be based on the full sick leave balance at retirement or death. 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.

## **Note 1 – Significant Accounting Policies (Continued)**

### **Retirement Plans**

All of the Foundation's employees participate in one of two retirement programs, either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS). Under CSRS, the Foundation contributes an amount equal to seven percent of the employees' basic pay to the plan. Under FERS, the 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 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 Foundation had no canceled appropriations as of September 30, 2017 and 2016.

### **Contingencies**

A contingency is an existing condition, situation, or set of circumstances involving uncertainty as to possible gain or loss to the 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

All of the Foundation’s fund balance with treasury comes from investment interest revenue, appropriations, fees charged for services and donations. The Trust Fund appropriation is unavailable to the Foundation for general use and can be used only for investments.

	2017	2016
A. Fund Balance with Treasury		
Trust Fund	\$ 18,497,252.34	\$ 23,966,546.52
Institute	9,056,670.42	8,750,410.99
Total	<u>\$ 27,553,922.76</u>	<u>\$ 32,716,957.51</u>
B. Status of Fund Balance with Treasury		
1) Unobligated Balance		
a) Available	\$ 7,466,526.66	\$ 7,110,434.85
b) Unavailable	1,448,447.51	460,756.69
2) Obligated Balance not yet Disbursed	2,173,087.82	3,724,856.97
3) Non-Budgetary FBWT	16,465,860.77	21,420,909.00
Total	<u>\$ 27,553,922.76</u>	<u>\$ 32,716,957.51</u>

## Note 3 – Investments

As of September 30, 2017, 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	31,462,272.25	Interest-Yield	883,268.95	276,861.70	32,622,402.90	31,477,955.55

As of September 30, 2016, 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	25,507,000.00	Interest-Yield	912,922.06	231,548.13	26,651,470.19	25,507,000.00

#### **Note 4 – Accounts Receivable**

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

Accounts Receivable	<u>2017</u>	<u>2016</u>
Associate Claims:		
Non-federal	1,901.36	2,185.91
Other:		
Federal	543,910.48	526,719.94
Non-federal	36,361.46	30,008.31
Total Receivables	<u><u>\$ 582,173.30</u></u>	<u><u>\$ 558,914.16</u></u>

#### **Note 5 - General Property, Plant and Equipment, Net**

As of September 30, 2017 general property, plant and equipment were comprised of the following:

<u>2017</u>	<u>Furniture &amp; Fixtures</u>	<u>Computers</u>	<u>Telephone Systems</u>	<u>Operating Equipment</u>	<u>Assets Under Capital Lease</u>	<u>Total</u>
Cost	145,202.83	216,396.69	21,685.00	17,313.34	36,480.82	437,078.68
Accum. Depr.	(145,201.60)	(216,396.69)	(21,685.00)	(1,532.76)	(36,480.82)	(421,296.87)
Net Book Value	<u>1.23</u>	<u>-</u>	<u>-</u>	<u>15,780.58</u>	<u>-</u>	<u>15,781.81</u>

<u>2016</u>	<u>Furniture &amp; Fixtures</u>	<u>Computers</u>	<u>Telephone Systems</u>	<u>Operating Equipment</u>	<u>Assets Under Capital Lease</u>	<u>Total</u>
Cost	145,202.83	216,396.69	21,685.00	-	36,480.82	419,765.34
Accum. Depr.	(142,992.76)	(216,396.69)	(21,685.00)	-	(36,480.82)	(417,555.27)
Net Book Value	<u>2,210.07</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,210.07</u>

**Note 6 – Liabilities Not Covered by Budgetary Resources**

Liabilities of the Foundation are classified as liabilities covered or not covered by budgetary resources. As of September 30, 2017, the Foundation showed liabilities covered by budgetary resources of \$642,108.20 and liabilities not covered by budgetary resources of \$152,789.79. As of September 30, 2016, the Foundation showed liabilities covered by budgetary resources of \$720,812.42 and liabilities not covered by budgetary resources of \$164,557.95.

	<u>2017</u>	<u>2016</u>
Intragovernmental		
Employee Contributions & Payroll Taxes	25,166.73	24,802.39
Total Intragovernmental	<u>25,166.73</u>	<u>24,802.39</u>
With the Public		
Accounts Payable	525,407.25	606,220.62
Accrued Funded Payroll & Leave	87,921.60	86,213.60
Unfunded Leave	152,379.79	164,147.95
Employee Contributions & Payroll Taxes	3,612.62	3,575.81
Other Liabilities	410.00	410.00
Total With the Public	<u>769,731.26</u>	<u>860,567.98</u>
Total Liabilities	<u><u>794,897.99</u></u>	<u><u>885,370.37</u></u>
Total liabilities not covered by budgetary resources	152,789.79	164,557.95
Total liabilities covered by budgetary resources	<u>642,108.20</u>	<u>720,812.42</u>
Total Liabilities	<u><u>794,897.99</u></u>	<u><u>885,370.37</u></u>

## Note 7 – Other Liabilities

Other liabilities with the public for the year ended September 30, 2017 and 2016 consist of Accounts Payable, Accrued Funded Payroll and Leave, Employer Contributions and Payroll Taxes Payable, Unfunded Leave and Other Liabilities in the amounts shown below. Other Intragovernmental liabilities consist of Employer Contributions and Payroll Taxes Payable.

	<b>2017</b>		
	<b>Non-Current</b>	<b>Current</b>	<b>Total</b>
Intragovernmental			
Employer Contributions and Payroll Taxes	-	25,166.73	25,166.73
Total Intragovernmental	-	25,166.73	25,166.73
Liabilities with the Public			
Accounts Payable	-	525,407.25	525,407.25
Employer Contributions and Payroll Taxes	-	3,612.62	3,612.62
Other Liabilities Without Related Budgetary			
Obligations	-	410.00	410.00
Total Liabilities with the Public	-	529,429.87	529,429.87
Unfunded Leave	152,379.79	-	152,379.79
Accrued Funded Payroll & Leave	-	87,921.60	87,921.60
Total Other Liabilities	152,379.79	642,518.20	794,897.99
	<b>2016</b>		
	<b>Non-Current</b>	<b>Current</b>	<b>Total</b>
Intragovernmental			
Employer Contributions and Payroll Taxes	-	24,802.39	24,802.39
Total Intragovernmental	-	24,802.39	24,802.39
Liabilities with the Public			
Accounts Payable	-	606,220.62	606,220.62
Employer Contributions and Payroll Taxes	-	3,575.81	3,575.81
Other Liabilities Without Related Budgetary			
Obligations	-	410.00	410.00
Total Liabilities with the Public	-	610,206.43	610,206.43
Unfunded Leave	164,147.95	-	164,147.95
Accrued Funded Payroll & Leave	-	86,213.60	86,213.60
Total Other Liabilities	164,147.95	721,222.42	885,370.37

**Note 8 – Costs and Exchange Revenue**

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

	<u>Total 2017</u>	<u>Total 2016</u>
Program A		
Intragovernmental costs	\$ 3,847,487.80	\$ 3,186,162.18
Public costs	<u>5,195,792.37</u>	<u>5,339,823.61</u>
Total Program A costs	<u>\$ 9,043,280.17</u>	<u>\$ 8,525,985.79</u>
Intragovernmental earned revenue	2,929,065.28	2,888,830.58
Public earned revenue	<u>145,051.76</u>	<u>243,427.23</u>
Total earned revenue	<u>\$ 3,074,117.04</u>	<u>\$ 3,132,257.81</u>
Total Program A	<u><u>\$ 5,969,163.13</u></u>	<u><u>\$ 5,393,727.98</u></u>

### **Note 9 – Apportionment Categories of Obligations Incurred**

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

	Total 2017	Total 2016
Direct		
Category B	9,944,547.18	11,590,284.62
Total Obligations	<u>9,944,547.18</u>	<u>11,590,284.62</u>

### **Note 10 – 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
2017	\$ 2,716,998.30	\$ -	\$ 2,716,998.30
2016	\$ 4,251,576.91	\$ -	\$ 4,251,576.91

### **Note 11 – Leases**

The Foundation maintains leased office space in Tucson under an operating lease expiring in 2022 and in the District of Columbia expiring in 2018. The rent payment for the office space in the District of Columbia escalates from year to year based on the terms of the lease. The lease may be renewed under a five year option.

Future lease payments are summarized as follows:

2018	367,956.00
2019	308,553.00
<b>Total</b>	<u>\$ 676,509.00</u>

**Note 12 – 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 to the related actual balances published in the *Budget of the United States Government* (Budget). The Budget that will include FY 2017 actual budgetary execution information is scheduled for publication in February 2018, 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 2016 SBR and the related President’s Budget reflected the following:

FY2016	Budgetary Resources	New Obligations & Upward Adjustments (Total)	Distributed Offsetting Receipts	Net Outlays
Statement of Budgetary Resources	\$ 18,903,076.16	\$ 11,590,284.62	\$ -	\$ 3,502,540.78
<i>Budget of the U.S. Government</i>	16,000,000.00	10,000,000.00	-	6,000,000.00
<b>Difference</b>	<u>\$ 2,903,076.16</u>	<u>\$ 1,590,284.62</u>	<u>\$ -</u>	<u>\$ (2,497,459.22)</u>

The difference between the Statement of Budgetary Resources and the *Budget of the United States Government* for budgetary resources, obligations incurred and net outlays are primarily due to rounding. A portion of the difference in the budgetary resources is due to expired unobligated balances being reported in the Statement of Budgetary Resources but not in the Budget of the United States Government

**Note 13 – Reconciliation of Net Cost of Operations to Budget (formerly the Statement of Finance)**

Liabilities not covered by budgetary resources total \$152,379.79 for FY 2017 and \$164,557.95 for FY2016, and the change in components requiring or generating resources in future periods show (\$11,768.16) for FY2017 and \$9,945.88 for FY 2016. The (\$11,768.16) is the net decrease of future funded expenses – leave between fiscal 2016 and fiscal 2017. Accrued funded payroll liability is covered by budgetary resources and is included in the net cost of operations. Whereas, the unfunded leave liability includes the expense related to the increase in annual leave liability for which the budgetary resources will be provided in a subsequent period.

	2017	2016
Budgetary Resources Obligated	\$ 9,944,547.18	\$ 11,590,284.62
Spending Authority from Recoveries and Offsetting Collections	(3,869,109.62)	(3,934,320.49)
Distributed Offsetting Receipts	(2,025,000.00)	(3,727,869.92)
Donations and Forfeitures of Property	330,000.00	603,112.11
Imputed Financing from Costs Absorbed by Others	164,259.68	201,941.87
Changes in Budgetary Resources Obligated for Goods, Services, and Benefits Ordered but Not Yet Provided	1,455,874.39	(719,601.60)
Other	(6,608.15)	3,161,074.98
Resources that fund expenses recognized in prior periods	456.33	(981.75)
Other Resources or Adjustments to Net Obligated Resources That Do Not Affect Net Cost of Operations	(17,230.12)	1,795,000.00
Increase in Annual Leave Liability	(11,768.16)	9,945.88
Financing Sources Yet to be Provided	3,741.60	5,142.28
Net Cost of Operations	\$ (5,969,163.13)	\$ (5,393,727.98)

**Note 13 – Explanation of Differences between the Statement of Budgetary Resources and the Budget of the United States Government**

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, status of those resources and outlays as presented in the Statements of Budgetary Resources (SBR) to the related actual balances published in the *Budget of the United States Government* (President's Budget). However, the President's Budget that will include fiscal year 2016 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 Foundation's fiscal year 2016 SBR and the related President's Budget.

**Note 14 – Commitments and Contingencies**

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

**Note 15 – Subsequent Events**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through December 4, 2017 which is the date the financial statements were available to be issued.

**THE MORRIS K. UDALL AND STEWART L. UDALL FOUNDATION**  
BALANCE SHEET  
As Of September 30, 2017

	850	897	898	Eliminations	Consolidated Total
<b>Assets:</b>					
<b>Intragovernmental:</b>					
Fund Balance With Treasury	\$ 9,056,670.42	\$ -	\$ 18,497,252.34	\$ -	\$ 27,553,922.76
Investments	-	-	32,622,402.90	-	32,622,402.90
Accounts Receivable	543,910.48	-	-	-	543,910.48
<b>Total Intragovernmental</b>	<b>9,600,580.90</b>	<b>-</b>	<b>51,119,655.24</b>	<b>-</b>	<b>60,720,236.14</b>
<b>Assets With The Public:</b>					
Accounts Receivable, net	37,281.07	-	981.75	-	38,262.82
General Property, Plant and Equipment	15,781.81	-	-	-	15,781.81
<b>Total Assets</b>	<b>\$ 9,653,643.78</b>	<b>\$ -</b>	<b>\$ 51,120,636.99</b>	<b>\$ -</b>	<b>\$ 60,774,280.77</b>
<b>Liabilities:</b>					
<b>Intragovernmental:</b>					
<b>Other:</b>					
Employer Contributions and Payroll Taxes Payable	\$ 21,467.47	\$ -	\$ 3,699.26	\$ -	\$ 25,166.73
<b>Total Intragovernmental</b>	<b>21,467.47</b>	<b>-</b>	<b>3,699.26</b>	<b>-</b>	<b>25,166.73</b>
<b>Liabilities With the Public:</b>					
Accounts Payable	392,659.59	-	132,747.66	-	525,407.25
<b>Other:</b>					
Accrued Funded Payroll and Leave	74,540.80	-	13,380.80	-	87,921.60
Employer Contributions and Payroll Taxes Payable	2,968.05	-	644.57	-	3,612.62
Unfunded Leave	135,623.33	-	16,756.46	-	152,379.79
Other Liabilities Without Related Budgetary Obligations	410.00	-	-	-	410.00
<b>Total Liabilities</b>	<b>\$ 627,669.24</b>	<b>\$ -</b>	<b>\$ 167,228.75</b>	<b>\$ -</b>	<b>\$ 794,897.99</b>
<b>Net Position:</b>					
Unexpended Appropriations - All Other Funds (Consolidated Totals)	1,771,151.72	-	-	-	1,771,151.72
Cumulative Results of Operations - All Other Funds (Consolidated Totals)	7,254,822.82	-	50,953,408.24	-	58,208,231.06
<b>Total Net Position - All Other Funds (Consolidated Totals)</b>	<b>9,025,974.54</b>	<b>-</b>	<b>50,953,408.24</b>	<b>-</b>	<b>59,979,382.78</b>
<b>Total Net Position</b>	<b>9,025,974.54</b>	<b>-</b>	<b>50,953,408.24</b>	<b>-</b>	<b>59,979,382.78</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 9,653,643.78</b>	<b>\$ -</b>	<b>\$ 51,120,636.99</b>	<b>\$ -</b>	<b>\$ 60,774,280.77</b>

THE MORRIS K. UDALL AND STEWART L. UDALL FOUNDATION

STATEMENT OF NET COST

As Of And For The Year Ended September 30, 2017

	<u>850</u>	<u>897</u>	<u>898</u>	<u>Eliminations</u>	<u>Consolidated</u>
Program Costs:					
Gross Costs	\$ 6,044,794.11	\$ -	\$ 2,998,486.06	\$ -	\$ 9,043,280.17
Less: Earned Revenue	<u>3,074,117.04</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,074,117.04</u>
Net Program Costs	<u>2,970,677.07</u>	<u>-</u>	<u>2,998,486.06</u>	<u>-</u>	<u>5,969,163.13</u>
Net Cost of Operations	<u>\$ 2,970,677.07</u>	<u>\$ -</u>	<u>\$ 2,998,486.06</u>	<u>\$ -</u>	<u>\$ 5,969,163.13</u>

**THE MORRIS K. UDALL AND STEWART L. UDALL FOUNDATION**

**STATEMENT OF CHANGES IN NET POSITION**  
As Of And For The Year Ended September 30, 2017

FY 2017 (CY)

	850 Funds from Dedicated Collections	850 All Other Funds	897 Funds from Dedicated Collections	897 All Other Funds	898 Funds from Dedicated Collections	898 All Other Funds	Eliminations	Consolidated Total
<b>Cumulative Results from Operations:</b>								
Beginning Balances	\$ -	\$ 7,218,585.33	\$ -	\$ -	\$ -	\$ 50,440,233.23	-	\$ 57,658,818.56
Beginning balance, as adjusted	-	7,218,585.33	-	-	-	50,440,233.23	-	57,658,818.56
<b>Budgetary Financing Sources:</b>								
Appropriations used	-	2,863,211.28	-	1,695,000.00	-	-	-	4,558,211.28
Nonexchange revenue	-	3,490.08	-	-	-	1,462,685.43	-	1,466,175.51
Donations and forfeitures of cash and cash equivalents	-	-	-	-	-	330,000.00	-	330,000.00
Transfers-in/out without reimbursement	-	-	-	(1,695,000.00)	-	1,695,000.00	-	-
Other	-	-	-	-	-	(70.84)	-	(70.84)
<b>Other Financing Sources (Non-Exchange):</b>								
Imputed financing	-	140,213.20	-	-	-	24,046.48	-	164,259.68
Total Financing Sources	-	3,006,914.56	-	-	-	3,511,661.07	-	6,518,575.63
Net Cost of Operations	-	2,970,677.07	-	-	-	2,998,486.06	-	5,969,163.13
Net Change	-	36,237.49	-	-	-	513,175.01	-	549,412.50
<b>Cumulative Results of Operations</b>	-	7,254,822.82	-	-	-	50,953,408.24	-	58,208,231.06
<b>Unexpended Appropriations:</b>								
Beginning Balance	-	1,385,363.00	-	-	-	-	-	1,385,363.00
Beginning Balance, as adjusted	-	1,385,363.00	-	-	-	-	-	1,385,363.00
<b>Budgetary Financing Sources:</b>								
Appropriations received	-	3,249,000.00	-	1,895,000.00	-	-	-	5,144,000.00
Appropriations transferred-in/out	-	-	-	(200,000.00)	-	-	-	(200,000.00)
Appropriations used	-	(2,863,211.28)	-	(1,695,000.00)	-	-	-	(4,558,211.28)
Total Budgetary Financing Sources	-	385,788.72	-	-	-	-	-	385,788.72
Total Unexpended Appropriations	-	1,771,151.72	-	-	-	-	-	1,771,151.72
Net Position	\$ -	\$ 9,025,974.54	\$ -	\$ -	\$ -	\$ 50,953,408.24	-	\$ 59,979,382.78

**THE MORRIS K. UDALL AND STEWART L. UDALL FOUNDATION**

**STATEMENT OF BUDGETARY RESOURCES  
As Of And For The Year Ended September 30, 2017**

	<u>850</u> <u>Budgetary</u>	<u>897</u> <u>Budgetary</u>	<u>898</u> <u>Budgetary</u>	<u>Eliminations</u> <u>Budgetary</u>	<u>Consolidated</u> <u>Total</u> <u>Budgetary</u>
<b>BUDGETARY RESOURCES</b>					
Unobligated balance brought forward, Oct 1	\$ 5,954,512.76	\$ -	\$ 1,358,278.78	\$ -	\$ 7,312,791.54
Adjustment of unobligated balance brought forward, Oct 1 (+ or -)	5,604.00	-	(5,604.00)	-	-
Unobligated balance brought forward, Oct 1, as adjusted	5,960,116.76	-	1,352,674.78	-	7,312,791.54
Recoveries of prior year unpaid obligations	573,507.97	-	227,636.43	-	801,144.40
Other changes in unobligated balance	201.33	-	-	-	201.33
Unobligated balance from prior year budget authority, net	6,533,826.06	-	1,580,311.21	-	8,114,137.27
Appropriations (discretionary and mandatory)	3,218,896.00	1,695,000.00	2,477,334.11	-	7,391,230.11
Spending authority from offsetting collections (discretionary and mandatory)	3,071,253.97	-	-	-	3,071,253.97
<b>Total budgetary resources</b>	<b>\$ 12,823,976.03</b>	<b>\$ 1,695,000.00</b>	<b>\$ 4,057,645.32</b>	<b>\$ -</b>	<b>\$ 18,576,621.35</b>
<b>STATUS OF BUDGETARY RESOURCES</b>					
New obligations and upward adjustments (total)	\$ 6,014,709.16	\$ 1,695,000.00	\$ 2,234,838.02	\$ -	\$ 9,944,547.18
Exempt from apportionment, unexpired account	6,224,550.90	-	1,241,975.76	-	7,466,526.66
Unexpired unobligated balance, end of year	584,715.97	-	580,831.54	-	1,165,547.51
Expired unobligated balance, end of year	6,809,266.87	-	1,822,807.30	-	8,632,074.17
Unobligated balance, end of year (total)	\$ 12,823,976.03	\$ 1,695,000.00	\$ 4,057,645.32	\$ -	\$ 18,576,621.35
<b>CHANGE IN OBLIGATED BALANCE</b>					
<b>Unpaid Obligations</b>					
Unpaid obligations, brought forward, October 1 (gross)	\$ 3,069,822.17	\$ -	\$ 1,181,754.74	\$ -	\$ 4,251,576.91
New obligations and upward adjustments	6,014,709.16	1,695,000.00	2,234,838.02	-	9,944,547.18
Outlays (gross) (-)	(5,997,005.33)	(1,695,000.00)	(2,985,976.06)	-	(10,677,981.39)
Recoveries of prior year unpaid obligations (-)	(573,507.97)	-	(227,636.43)	-	(801,144.40)
Unpaid obligations, end of year	2,514,018.03	-	202,980.27	-	2,716,998.30
Uncollected pymts, Fed sources, brought forward, Oct 1 (-)	(526,719.94)	-	-	-	(526,719.94)
Change in uncollected pymts, Fed sources (net) (+ or-)	(543,910.48)	-	-	-	(543,910.48)
Uncollected pymts, Fed sources, end of year (-)	(543,910.48)	-	-	-	(543,910.48)
Obligated balance, start of year (net)	2,537,498.23	-	1,187,358.74	-	3,724,856.97
Obligated balance, end of year (net)	\$ 1,970,107.55	\$ -	\$ 202,980.27	\$ -	\$ 2,173,087.82
<b>BUDGET AUTHORITY AND OUTLAYS, NET</b>					
Budget authority, gross (discretionary and mandatory)	\$ 6,290,149.97	\$ 1,695,000.00	\$ 2,477,334.11	\$ -	\$ 10,462,484.08
Actual offsetting collections (discretionary and mandatory) (-)	(3,054,264.76)	-	-	-	(3,054,264.76)
Change in uncollected payments from Federal Sources (discretionary and mandatac	(17,190.54)	-	-	-	(17,190.54)
Budget authority, net (discretionary and mandatory)	3,218,694.67	1,695,000.00	2,477,334.11	-	7,391,028.78
Outlays, gross (discretionary and mandatory)	5,997,005.33	1,695,000.00	2,985,976.06	-	10,677,981.39
Actual offsetting collections (discretionary and mandatory) (-)	(3,054,264.76)	-	-	-	(3,054,264.76)
Outlays, net (total) (discretionary and mandatory)	\$ 2,942,740.57	\$ 1,695,000.00	\$ 2,985,976.06	\$ -	\$ 7,623,716.63
Distributed offsetting receipts (-)	-	-	2,025,000.00	-	2,025,000.00
Agency outlays, net (discretionary and mandatory)	\$ 2,942,740.57	\$ 1,695,000.00	\$ 960,976.06	\$ -	\$ 5,598,716.63