



FY 2020
Performance and
Accountability Report

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November 23, 2020

Message from the Chair of the Board of Trustees

FY 2020 Performance and Accountability Report

I am pleased to submit the Morris K. Udall and Stewart L. Udall Foundation's (Udall Foundation) Performance and Accountability Report (PAR) for FY 2020. This report presents financial and performance information that demonstrates the Udall Foundation's commitment to preserving the legacies of Morris K. Udall and Stewart L. Udall as described in its enabling legislation.

The Udall Foundation operates with a clear vision and mission, effective stewardship of its appropriated and fee-based funds, and full accountability to its Board of Trustees. The Udall Foundation maintains high standards for transparency and ethics while embodying the values of integrity, civility, consensus, public service, and non-partisanship that were lived by Morris K. Udall and Stewart L. Udall. The Board extends its thanks to those who have provided support to the Udall Foundation in FY 2020 and believes the accomplishments reported here justify continued investment in its activities.

The enclosed external audit affirms that the financial reporting included in the FY 2020 PAR accurately reflects the operations of the Udall Foundation. The Board of Trustees continues to be fully engaged in fiduciary oversight and strengthening of the Udall Foundation's organizational structure and internal controls.

I know that I speak for the entire Board when I say that I am very proud of the work of the Udall Foundation staff in FY 2020.



Eric D. Eberhard
Chair of the Board of Trustees

November 23, 2020

Message from the Executive Director

FY 2020 Performance and Accountability Report

I am pleased to submit the Morris K. Udall and Stewart L. Udall Foundation's (Udall Foundation) Performance and Accountability Report (PAR) for FY 2020. The management, performance, and financial information reported here demonstrates our commitment to maintaining the legacies of Morris K. Udall and Stewart L. Udall, consistent with the Udall Foundation's enabling legislation and organizational values of integrity, civility, consensus, public service, and non-partisanship.

The FY 2020 PAR affirms the Udall Foundation's compliance with applicable legal and regulatory requirements and provides evidence of strong internal financial performance and management. It includes the Udall Foundation's 19th consecutive unqualified audit opinion, a reflection of our continuing efforts to ensure good financial stewardship and alignment with our strategic plan.

The FY 2020 PAR also includes measurable results from our suite of environmental, educational, and public policy programs. These results are a testament to the impact the Udall Foundation makes across the Nation, and a tribute to the dedicated and talented Udall Foundation staff who deliver these programs.

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

A handwritten signature in black ink, appearing to read 'D. P. Brown', with a stylized flourish at the end.

David P. Brown, Ph.D.
Executive Director

Section I – Management’s Discussion and Analysis

Introduction

The Government Performance and Results Modernization Act of 2010 requires each Federal agency to report annually on its progress in meeting the goals and objectives established by its Strategic Plan. The Morris K. Udall and Stewart L. Udall Foundation’s (Udall Foundation) Fiscal Year (FY) 2020 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 and achieving its performance objectives and related measures.

The Udall Foundation’s Strategic Plan establishes overall long-term priorities and goals by which the Udall Foundation implements its mission. The Udall Foundation’s Board of Trustees, working closely with Udall Foundation leadership and staff, aligned the current FY 2018-2022 Strategic Plan with the Udall Foundation’s enabling legislation.

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

The Udall Foundation has chosen to produce a combined PAR for FY 2020, which provides both performance information on progress towards meeting the goals of its FY 2018-2022 Strategic Plan and financial information that enables Congress and the public to assess its performance relative to resources appropriated and used. This PAR satisfies the reporting requirements as outlined in OMB Circulars No. A-11 and A-136 and meets Government Performance and Results Act requirements.

Agency and Mission Information

The Morris K. Udall Foundation (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. In 2019, Congress enacted legislation to reauthorize the Udall Foundation and to amend the enabling legislation by renaming the U.S. Institute for Environmental Conflict Resolution as the John S. McCain III National Center for Environmental Conflict Resolution, and to include the Stewart L. Udall Parks in Focus® Program and the Native Nations Institute for Leadership, Management, and Policy as formal elements of the Udall Foundation’s Education Programs (P.L. 116-94). The Udall Foundation’s enabling legislation is

codified at 20 U.S.C. 5601-5609. The agency is headquartered in Tucson, Arizona, and maintains an additional office in 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 the Stewart L. Udall Parks in Focus® Program; provides funding to the Native Nations Institute for Leadership, Management, and Policy 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; provides funding to The University of Arizona Libraries, Special Collections (from the proceeds of the Trust Fund to the Udall Center) to maintain the current site of the repository for the papers of Morris K. Udall and Stewart L. Udall and other such public papers as may be appropriate and assure such papers' availability to the public; and 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 through the John S. McCain III National Center for Environmental Conflict Resolution. The Udall Foundation continually seeks new partnerships and relationships with Federal and State agencies, Tribes, and other stakeholders that help deliver important programs and initiatives.

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 Udall Foundation accomplishes its mission through five programs:

- ***John S. McCain III National Center for Environmental Conflict Resolution*** (National Center), 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 National Center’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.
- ***Education Programs***, including *Morris K. Udall and John S. McCain III Native American Graduate Fellowships in Tribal Policy* (Graduate Fellowship), which are awarded annually 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; *Native American Congressional Internships* (Internship), which are awarded 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; *Stewart L. Udall Parks in Focus® Program* (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 and underrepresented communities to nature through photography, positive outdoor experiences, and environmental education; and *Udall Undergraduate Scholarships* (Scholarship), which are awarded annually to outstanding students who intend to pursue careers related to the environment, Tribal public policy, or Native American health care.
- ***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. Areas of particular focus include 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.
- ***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.

- ***Political Affairs Collections*** (Udall Archives) at The University of Arizona Libraries, Special Collections, which provides primary research materials and holds multiple collections relating to political and legislative figures including the papers of Morris K. Udall and Stewart L. Udall. The collections include professional and personal papers and correspondence, legislative and administrative files, media, and memorabilia. The Political Affairs Collections play a leading role honoring the dual legacies of Morris Udall and Stewart Udall in partnership and ongoing collaboration with the Udall Foundation and Udall Center.

The Udall Foundation Strategic Plan for fiscal years 2018–2022 establishes an agency-wide vision, direction, and priorities for operations and programs. The Strategic Plan facilitates the integration of the Udall Foundation’s five programs and the allocation of resources to achieve key goals. Development of the Strategic Plan included consultation with the Udall Foundation’s Board of Trustees and other stakeholders to incorporate their direction.

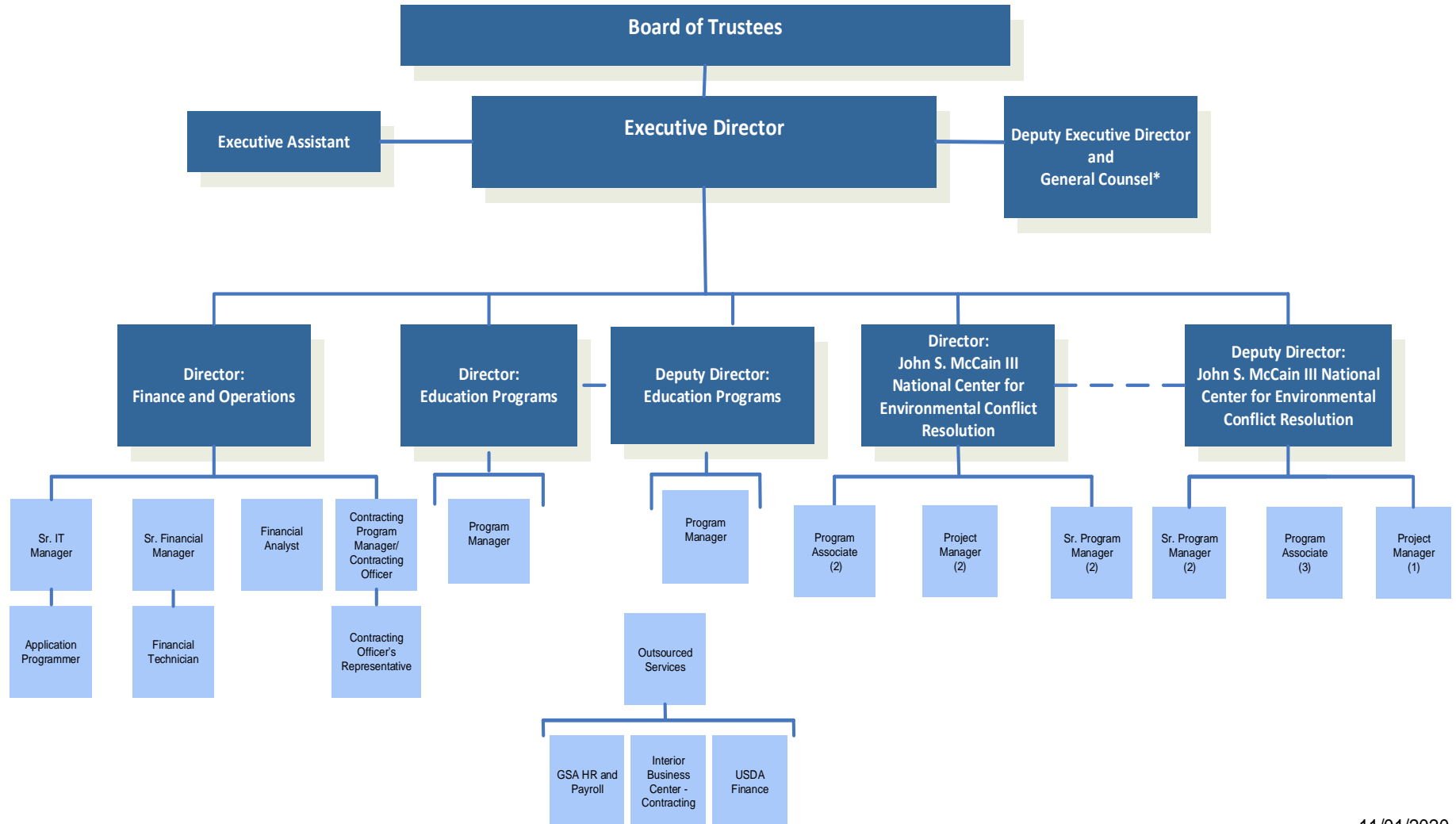
Organizational Structure

The Udall Foundation has 29 full-time equivalent (FTE) positions of which 28 are currently filled. During FY 2020, the Udall Foundation created and filled an FTE Contracting Program Manager/Contracting Officer position. The advantages of an in-house contracting program include direct control over funds and liquidity, elimination of contracting fee payments, and streamlined contracting processes resulting in more timely contracting actions. The Contracting Program Manager/Contracting Officer will ultimately have responsibility for performing all contracting actions for the Udall Foundation, drafting and reviewing interagency agreements with Federal agencies and other organizations, and developing protocols for contracting and agreement services consistent with the Udall Foundation’s

existing internal controls and policies. The Udall Foundation currently maintains an interagency agreement with the U.S. Department of the Interior Business Center for all contracting except for small goods and services procurements such as hotel and meeting room agreements; this agreement will be phased out during FY 2021.

The Morris K. Udall and Stewart L. Udall Foundation

Organizational Chart



* Also a direct report to the Board

11/01/2020

Section II - Performance

Trust Fund Programs – Education, Udall Center, and NNI

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

The Graduate Fellowship Program supports outstanding Native American and Alaska Native graduate students who intend to pursue advanced degrees in Tribal public policy and health care, including law and medicine. Because of unfavorable interest rates on long-term Treasury instruments, the Udall Foundation's previous Fellowship Program, which focused on environmental policy, was suspended in FY 2012. The return of more favorable rates in recent years allowed the Udall Foundation to plan for development of a reconstituted Fellowship program beginning in FY 2021 with the awarding of at least one Fellowship.

The Internship Program identifies future leaders in Indian country and places them in Congressional and Federal agency offices in Washington, D.C., to learn firsthand how the Federal Government impacts Tribes and Tribal communities. The Internship provides professional development for up to 12 deserving and qualified students annually, connecting them to a network of leaders and policy makers in Indian affairs. Although 12 Interns were selected in February 2020, the COVID-19 pandemic prevented the Udall Foundation from conducting its planned summer Internship programming in Washington, D.C. All 12 Interns will therefore be offered spots in the FY 2021 class, the total size of which may be larger than in past years. The Internship Program is funded through annual appropriations via the set-aside for NNI.

Parks in Focus® fosters appreciation for the environment and natural resources for underserved and underrepresented youth through photography-centered visits to public lands. Participants learn the fundamentals of photography, ecology, and conservation. Prior to the COVID-19 pandemic, Parks in Focus® had reached 296 youth through more than 200 hours of in-person programming with its partner schools and youth-serving organizations (e.g., Boys & Girls Clubs) in FY 2020. Subsequently and in response to the COVID-19 pandemic, the program has developed new digital curricula and hosted virtual learning experiences for area youth. Tucson-based Parks in Focus® Programs are primarily funded by interest revenue earned on the Trust Fund, while Parks in Focus® activities outside of Arizona are primarily funded by external grants, donations, and program partners. Parks in Focus® also benefits from a Memorandum of Understanding entered into in FY 2016 between the Udall Foundation and the Western National Parks Association (WNPA) that designated WNPA as its official nonprofit partner, and by which WNPA conducts fundraising activities and provides financial and logistical support to Parks in Focus® activities.

The Scholarship Program identifies future leaders in environmental, Tribal public policy, and health care fields. It is highly competitive; in FY 2020, 429 students, many of whom had already participated in their schools' internal competitions with a larger pool of applicants, competed for 55 Scholarship awards. Scholars typically attend a five-day orientation experience in Tucson, Arizona; however, the FY 2020

event was moved to a virtual format in response to the COVID-19 pandemic. Scholarships are funded by interest revenue earned on the Trust Fund by investing in Treasury obligations.

The Udall Center supports policy-relevant interdisciplinary research, science-policy dialogues, and other endeavors that link scholarship and education with decision-making. Areas of particular focus include 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 Udall Foundation's enabling legislation mandates that not less than 20% of annual interest revenues from the Trust Fund be allocated to the Udall Center to fund such programs and initiatives as well as activities specific to the Udall Archives. In FY 2020, the National Center made two additional, strategic investments in the Udall Center's work totaling \$83k: awarding the first Udall Center Faculty Fellowship in Environment Collaboration and Conflict Resolution (ECCR), and initiating recruitment for a University of Arizona-based postdoctoral scientist to examine impacts on the ECCR field from the COVID-19 pandemic beginning in FY 2021.

NNI is a self-determination, governance, and development resource for Native Nations that assists Tribes engaged in constitutional and governance reforms and provides education to Tribal leaders. NNI also conducts policy research and analysis in the areas of intergovernmental relations, natural resources management, development strategy, health care, law enforcement, and social services. Since FY 2001, Congress has authorized the Udall Foundation to set aside up to \$1 million of its annual Trust Fund appropriation for reimbursement of NNI programming expenses, at the discretion of the Board of Trustees. The total of such reimbursements to NNI from FY 2001 through FY 2020 is \$16.15 million.

Treasury interest rates are closely monitored as investments mature to determine if market returns merit additional long-term investments within the Trust Fund.

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

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

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

The National Center's services produce cost savings across the Federal government by reducing litigation and appeals, minimizing inefficiencies and the waste of agency resources that result from conflict, reducing instances of stalled or delayed environmental projects, avoiding lost economic opportunities, minimizing unnecessary and costly remediation when environmental issues are not dealt with in a timely manner, and avoiding public frustration and lost confidence in the Federal Government. ECCR processes have also been shown to create better and more durable solutions; enhance relationships between Federal agencies, their partners, and the public; and increase agencies' capacity to serve citizens. Furthermore, the National Center leverages its annual appropriation, via Congressionally approved cost recovery from service fees and the use of contracted private-sector providers to augment service capacity, to facilitate many additional positive conflict resolution outcomes for the Nation than would be possible solely from appropriated funding.

Strategic Goals, Strategic Objectives, and Performance Goals

The Udall Foundation's FY 2018-2022 Strategic Plan articulates long-term priorities and goals by which the Udall Foundation implements its mission. Three specific strategic goals, with attendant objectives and performance goals, currently guide the Udall Foundation's activities. These strategic goals are shown on pages 14-16.

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 towards meeting the goals of its FY 2018-2022 Strategic Plan. The visual summary on pages 14 through 16 illustrates the alignment of strategic goals, strategic objectives, and performance goals, and the associated funding sources for each performance goal.

Performance data for the Udall Foundation are collected using output measures such as 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, National Center services, and participants in the various Education programs. NNI also solicits performance feedback for its programs and the results are shown in this report. All of this performance feedback represents an independent external source of evaluation. In designing data collections, the Udall Foundation balances the desire for and value of in-depth feedback with the burden such requests place on the public, as well as the associated administrative costs of such collections.

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

Summary of Performance Evaluations Conducted During FY 2020

To obtain performance data, the National Center administered surveys to recipients of services for completed FY 2020 processes, as allowed and when appropriate. Respondents were surveyed at the conclusion of services or at the end of a significant phase of a process or service (e.g., the end of a training, 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 interviews to assess the value to and satisfaction of Scholarship and Internship recipients as well as Parks in Focus® participants.

NNI utilizes several methods to evaluate its services and enhance participant experience and engagement. These include written surveys at the conclusion of education seminars, debrief meetings with clients/sponsors plus internal debriefs among project staff, maintenance of a service delivery metrics database, and Google Analytic reports on the use of NNI's Indigenous Governance Database and related communications (e.g., listservs, social media).

External Factors Affecting Progress and Future Actions

The Education Programs, which are funded by the interest revenue on the Trust Fund, were adversely affected by declining Treasury rates in recent years. With the return of more favorable Treasury interest rates in FY 2019, the Udall Foundation invested a total of \$18 million in two longer-term Treasury instruments that mature in December of 2020. The additional interest revenue generated from these investments allowed for the awarding of five additional Scholarships in FY 2019 and FY 2020 and will tentatively fund a Native American Graduate Fellowship in FY 2021. Projected decreases in Treasury rates in FY 2021 and beyond would once again have an adverse impact on Education programming.

If Federal appropriations decrease, a corresponding decrease in the budgets of Federal agencies that use the National Center's environmental collaboration and conflict resolution (ECCR) services could result in reduced funding for ECCR services, including facilitation support, trainings, and forums. In addition, periodic fluctuations in National Center program staffing levels can affect revenue generation and create unsustainable workloads for extended periods of time.

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 and payroll 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 but is transitioning contracting capabilities to a more cost-effective in-house platform during FY 2021.

Overall, the Udall Foundation must continue to develop new Federal and non-Federal partnerships to diversify its funding sources. The National Center, which collects fees for its work, is strengthening and expanding its marketing outreach to a more diverse group of Federal agencies. In addition, the Parks in Focus® Program benefits from a Memorandum of Understanding entered into in FY 2016 between the Udall Foundation and the Western National Parks Association (WNPA) that designated WNPA as its official nonprofit partner, and by which WNPA conducts fundraising activities and provides financial and logistical support to Parks in Focus®. The Udall Foundation will continue to increase awareness of its programs through similar efforts and outreach to research and educational institutions as well as to private foundations and other potential funding partners.

Annual Performance

This PAR focuses on FY 2020 performance towards the goals of the Udall Foundation's 2018-2022 Strategic Plan.

Strategic Goal 1: Environmental Dispute Resolution Fund Program – the John S. McCain III National Center for Environmental Conflict Resolution (National Center)

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

Strategic Objective 1.1: 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.

Performance Goal 1.1.1: Provide a training program to further the use of environmental conflict resolution, collaborative decision-making, and consensus building.	Fiscal Year	Annual Target	Actual Performance
Measure 1: Number of trainings provided.	FY 2018	9	14
	FY 2019		12
	FY 2020		12
	FY 2021		
	FY 2022		

During FY 2020, the National Center delivered a total of 12 trainings in collaborative problem solving and conflict resolution.

Performance Goal 1.1.1: Provide a training program to further the use of environmental conflict resolution, collaborative decision-making, and consensus building.	Fiscal Year	Annual Target	Actual Performance
Measure 2: Percent of ECCR training participants who report what they take away from the training will have a very positive impact on their effectiveness in the future.	FY 2018	87%	98%
	FY 2019		96%
	FY 2020		97%
	FY 2021		
	FY 2022		

The National Center solicited feedback from training participants through an end-of-session evaluation questionnaire. Evaluation feedback indicated the National Center exceeded its performance target, with 97% of respondents indicating that the training will have a very positive impact on their effectiveness in the future.

Performance Goal 1.1.2: 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 2018	At least 3	4
	FY 2019		3
	FY 2020		5
	FY 2021		
	FY 2022		

The National Center continued its efforts to provide services that further awareness and use of environmental collaboration and conflict resolution within the Federal Government. This included facilitation of the Federal Forum on Environmental Collaboration and Conflict Resolution in collaboration with the Council for Environmental Quality; convening and organizing the Leaders of ECCR Organizations group among Federal and private entities; an assessment of the National Center’s Native American and Alaska Native service area; and conducting presentations and facilitating discussions of how ECCR can help Federal agencies to Bureau of Land Management (BLM) personnel in collaboration with the BLM Collaborative Action and Dispute Resolution Office and the Missouri River Basin Interagency Roundtable, which includes Federal executives from the basin.

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

Performance Goal 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.	Fiscal Year	Annual Target	Actual Performance
Measure 1: Number of case consultations.	FY 2018	30	36
	FY 2019		39
	FY 2020		59
	FY 2021		
	FY 2022		

The National Center’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. Case consultations often result in an ECCR project or training.

Performance Goal 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.	Fiscal Year	Annual Target	Actual Performance
Measure 2: Number of ECCR Roster searches	FY 2018	370	423
	FY 2019	370	300
	FY 2020	370	330
	FY 2021	325	
	FY 2022	N/A	

The National Center did not meet its target for ECCR Roster searches in FY 2020, and performance against this measure has fallen below the target level since FY 2018. Accordingly, the performance target has been lowered for FY 2021. Currently, a team of National Center staff is assessing the Roster’s value and strategic options to improve it, including plans to migrate administrative management of the Roster to an external third party. Consequently, the National Center does not expect to report against this Performance Measure in FY 2022.

Performance Goal 1.2.2: 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 2018	35	36
	FY 2019		33
	FY 2020		32
	FY 2021		
	FY 2022		

The COVID-19 pandemic had significant impacts across the National Center’s FY 2020 project portfolio. Many projects were delayed due to agency reprioritization of COVID-19 response efforts and limitations on travel and in-person meetings, which are requirements of some projects. Despite this, National Center staff were able to quickly adapt and provide many assessment, mediation, and facilitation services through virtual platforms.

Performance Goal 1.2.2: 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 2: Percent of assessments for which the majority of responding stakeholders strongly agree that the National Center helped them determine how best to proceed to resolve their conflict.	FY 2018	88%	100%
	FY 2019		67%
	FY 2020		100%
	FY 2021		
	FY 2022		

Performance Goal 1.2.2: 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 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 2018	91%	98%
	FY 2019		83%
	FY 2020		100%
	FY 2021		
	FY 2022		

The National Center is the Federal Government leader in environmental collaboration and conflict resolution services.

Strategic Goal 2: Environmental Dispute Resolution Fund Program - the John S. McCain III National Center for Environmental Conflict Resolution (National Center)

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

Strategic Objective 2.2: 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 Goal 2.2.1: 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 2018	15	15
	FY 2019		17
	FY 2020		17
	FY 2021		
	FY 2022		

The National Center continues to expand its provision of ECCR services in the Native American and Alaska Native (NAAN) service area.

Performance Goal 2.2.1: Provide assessment, mediation, facilitation, and related services on issues that concern Native Nations.	Fiscal Year	Annual Target	Actual Performance
Measure 2: Percent of assessments for which the majority of responding stakeholders strongly agree that the National Center helped them determine how best to proceed to resolve their conflict.	FY 2018	88%	100%
	FY 2019		100%
	FY 2020		*
	FY 2021		
	FY 2022		

*No assessment evaluations of this type were received in FY 2020. Of seven total assessments performed in FY 2020 that related to services on issues that concern Native Nations, three did not require an evaluation and four are either ongoing or recently finished and will be evaluated in the coming weeks.

Performance Goal 2.2.1: Provide assessment, mediation, facilitation, and related services on issues that concern Native Nations.	Fiscal Year	Annual Target	Actual Performance
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 2018	91%	98%
	FY 2019		75%
	FY 2020		100%
	FY 2021		
	FY 2022		

The National Center is the Federal Government leader in environmental collaboration and conflict resolution services.

Performance Goal 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.	Fiscal Year	Annual Target	Actual Performance
Measure 1: Number of trainings, presentations, webinars, facilitated forums, and other initiatives that build capacity and enhance collaboration and conflict resolution between Federal agencies and Native Nations.	FY 2018	N/A*	N/A
	FY 2019		
	FY 2020		
	FY 2021		
	FY 2022	3	

*Data for the Native American Alaska Native (NAAN) service area is anticipated in FY 2022. A Senior Program Manager for the NAAN service area was hired in October 2018 and initiated a programmatic assessment, which will be concluded in FY 2021. The initial performance target for FY 2022 was established based on the current assessment results.

Strategic Goal 1: Trust Fund Programs - Education and Udall Center

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.

Performance Goal 1.1.3: 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 2018	40	43
	FY 2019		69
	FY 2020		35
	FY 2021		
	FY 2022		

Following past reporting procedures, the number of environmental presentations and briefings includes 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. Because of the COVID-19 pandemic, many such presentations and briefings scheduled for FY 2020 were cancelled.

Performance Goal 1.1.3: Conduct research that informs environmental policy and natural resources management.	Fiscal Year	Annual Target	Actual Performance
Measure 2: Number of collaborating agencies and institutions (not including internal institutions at University of Arizona).	FY 2018	30	39
	FY 2019		57
	FY 2020		64
	FY 2021		
	FY 2022		40

Performance Goal 1.1.3: Conduct research that informs environmental policy and natural resources management.	Fiscal Year	Annual Target	Actual Performance
Measure 3: Number of environmental policy publications.	FY 2018	30	37
	FY 2019		46
	FY 2020		55
	FY 2021		
	FY 2022		40

Not less than 20% of the annual interest revenue for the Trust Fund is allocated to the Udall Center, which is used in large measure to support the Udall Center’s Environmental Policy Programs.

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

Performance Goal 1.3.1: 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 2018	50	50
	FY 2019		55
	FY 2020		55
	FY 2021	55	
	FY 2022		

An increase in interest revenue on the Trust Fund enabled the Udall Foundation to increase the number of Scholarships awarded from 50 to 55 in both FY 2019 and FY 2020. This target has been updated accordingly for FY 2021 and FY 2022. Since 1996, 1,733 Scholarships and 1,114 Honorable Mentions have been awarded.

Performance Goal 1.3.1: Award Scholarships to outstanding undergraduate students who intend to pursue careers related to the environment.	Fiscal Year	Annual Target	Actual Performance
Measure 2: Percent of recipients who report they received a quality educational experience in their interactions and program activities with the Udall Foundation.	FY 2018	95%	100%
	FY 2019	96%	96%
	FY 2020		98%
	FY 2021		
	FY 2022		

Udall Undergraduate Scholarship recipients participate in a five-day Scholar Orientation program each August, the FY 2020 version of which was held virtually.

Performance Goal 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.	Fiscal Year	Annual Target	Actual Performance
Measure 1: Number of youth reached through direct programs.	FY 2018	300	516
	FY 2019		540
	FY 2020		312
	FY 2021		
	FY 2022		

Parks in Focus® program activities were dramatically impacted by the COVID-19 pandemic starting at the midway point of FY 2020.

Performance Goal 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.	Fiscal Year	Annual Target	Actual Performance
Measure 2: Number of individuals trained.	FY 2018	30	55
	FY 2019		23
	FY 2020		34
	FY 2021		
	FY 2022		

Parks in Focus® training activities were dramatically impacted by the COVID-19 pandemic starting at the midway point of FY 2020, including several planned in-person trainings. The intention is to reschedule these for FY 2021.

Performance Goal 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.	Fiscal Year	Annual Target	Actual Performance
Measure 3: Number of hours of direct programming provided.	FY 2018	500	799
	FY 2019		794
	FY 2020		210
	FY 2021		
	FY 2022		

Parks in Focus® program activities were dramatically impacted by the COVID-19 pandemic starting at the midway point of FY 2020. The cancellation of in-person programs, particularly the multiday programs held during the summer, significantly reduced the number of hours of direct programming in FY 2020. New tools and curriculum are being developed that will allow Parks in Focus® programming to be delivered both in-person and virtually in future years.

Performance Goal 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.	Fiscal Year	Annual Target	Actual Performance
Measure 4: Number of hours of training services provided.	FY 2018	50	63
	FY 2019		58
	FY 2020		28
	FY 2021		
	FY 2022		

Parks in Focus® program activities were dramatically impacted by the COVID-19 pandemic starting at the midway point of FY 2020, including several planned in-person trainings. The intention is to reschedule

these trainings for FY 2021.

Performance Goal 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.	Fiscal Year	Annual Target	Actual Performance
Measure 5: Percent of youth participants who report they received a quality educational experience during Parks in Focus® activities.	FY 2018	90%	95%
	FY 2019		95%
	FY 2020		95%
	FY 2021		
	FY 2022		

In FY 2020, Parks in Focus® worked with middle school youth from Boys and Girls Clubs, Big Brothers Big Sisters, schools, and other youth organizations in Arizona. Those activities ranged from after-school photography lessons and outdoor activities to Saturday field trips and weekend camping trips, and took place in nearby parks and scenic areas, monuments, wilderness areas, and other national public lands. Additional virtual activities and outreach efforts were coordinated in response to the COVID-19 pandemic.

Performance Goal 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.	Fiscal Year	Annual Target	Actual Performance
Measure 6: Percent of training participants who report they received a quality educational experience during Parks in Focus® training activities.	FY 2018	90%	100%
	FY 2019		100%
	FY 2020		100%
	FY 2021		
	FY 2022		

In FY 2020, the Udall Foundation hosted Parks in Focus® activities with 312 middle school youth from Boys and Girls Clubs, Big Brothers Big Sisters, schools, and other youth organizations in Arizona and California, and Parks in Focus®-trained partners reached hundreds of additional youth in California, Montana, Michigan, and elsewhere via funding primarily provided through external sources including grants; individual donations; and partnerships with National Parks, “friends of” organizations, and private foundations. Virtual outreach tools and activities were also created in FY 2020 to provide limited engagement throughout the pandemic.

Strategic Goal 2: Trust Fund Programs –Education and NNI

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.

Performance Goal 2.1.1: 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 2018	86%	99%
	FY 2019	86%	93%
	FY 2020	85%	85%
	FY 2021		
	FY 2022		

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.

Performance Goal 2.1.1: 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 2: Number of Rebuilding Native Nations distance-learning course modules completed.	FY 2018	130	80
	FY 2019	85	74
	FY 2020	75	103
	FY 2021		
	FY 2022		

NNI's Rebuilding Native Nations distance-learning course series was established in September 2012. The curriculum is available online and on DVD.

Performance Goal 2.1.1: 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 3: Number of visitors to the Indigenous Governance Database website.	FY 2018*	800	1,974
	FY 2019	6,000	14,417
	FY 2020	10,000	22,387
	FY 2021	15,000	
	FY 2022	17,000	

*Effective July 1, 2018, due to software platform restrictions including access barriers, the metric was changed to the number of visitors to the Indigenous Governance Database website. The Indigenous Governance Database provides online resources on nation building in video, text, and audio formats.

Performance Goal 2.1.2: Provide policy analysis and research to support Native Nations.	Fiscal Year	Annual Target	Actual Performance
Measure 1: Number of NNI presentations or briefings.	FY 2018	25	24
	FY 2019		29
	FY 2020		53
	FY 2021	30	
	FY 2022	35	

Performance Goal 2.1.2: Provide policy analysis and research to support Native Nations.	Fiscal Year	Annual Target	Actual Performance
Measure 2: Number of collaborating agencies and institutions (not including internal institutions at University of Arizona).	FY 2018	25	24
	FY 2019		28
	FY 2020		46
	FY 2021		
	FY 2022	40	

Performance Goal 2.1.2: Provide policy analysis and research to support Native Nations.	Fiscal Year	Annual Target	Actual Performance
Measure 3: Number of NNI publications and/or case studies.	FY 2018	5	4
	FY 2019		4
	FY 2020		22
	FY 2021	10	
	FY 2022		

Performance Goal 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.	Fiscal Year	Annual Target	Actual Performance
Measure 1: Number of Scholarships.	FY 2018	12	11
	FY 2019	16	17
	FY 2020		18
	FY 2021	17	
	FY 2022		

Since 1996, 1,733 Scholarships and 1,114 Honorable Mentions have been awarded.

Performance Goal 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.	Fiscal Year	Annual Target	Actual Performance
Measure 2: Percent of recipients who report they received a quality educational experience in their interactions and program activities with the Udall Foundation.	FY 2018	95%	100%
	FY 2019	96%	96%
	FY 2020		98%
	FY 2021		
	FY 2022		

Udall Undergraduate Scholarship recipients participate in a five-day Scholar Orientation program each August, the FY 2020 version of which was held virtually.

Performance Goal 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.	Fiscal Year	Annual Target	Actual Performance
Measure 1: Number of Internships.	FY 2018	12	11
	FY 2019		12
	FY 2020		12*
	FY 2021		
	FY 2022		

Performance Goal 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.	Fiscal Year	Annual Target	Actual Performance
Measure 2: Percent of recipients who report they received a quality educational experience through the Native American Congressional Internship Program.	FY 2018	92%	100%
	FY 2019		100%
	FY 2020		*
	FY 2021		
	FY 2022		

*The Native American Congressional Internship Program offers up to 12 Internships annually to outstanding 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.

Although 12 Interns were selected in FY 2020, the COVID-19 pandemic prevented the Udall Foundation from conducting its planned summer Internship programming in Washington, D.C. Therefore, evaluation data were not collected in FY 2020. All of the selected Interns will be offered spots in the FY 2021 class, the total size of which may be larger than in past years. FY 2020 reporting for Performance Goal 2.1.4 Measure 2 will be combined with FY 2021.

Performance Goal 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.	Fiscal Year	Annual Target	Actual Performance
Measure 1: Number of Fellowships.	FY 2018	N/A	N/A
	FY 2019	N/A	
	FY 2020	N/A	
	FY 2021	1	
	FY 2022	1	

Performance Goal 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.	Fiscal Year	Annual Target	Actual Performance
Measure 2: Percent of recipients who report they received a quality educational experience in their interactions and program activities with the Udall Foundation.	FY 2018	N/A	N/A
	FY 2019		
	FY 2020		
	FY 2021	100%	
	FY 2022	100%	

The Udall Foundation’s previous Ph.D. Fellowship was suspended in FY 2012 in anticipation of reduced Trust Fund interest revenues. The 2018-2022 strategic plan envisioned reinstating the Fellowship with the intent of increasing the program’s impact by focusing on Native American and Alaska Native graduate students who intend to pursue advanced degrees in Tribal public policy and health care, including law and medicine. The Udall Foundation is planning to launch the Morris K. Udall and John S. McCain III Native American Graduate Fellowship in Tribal Policy in FY 2021 with the awarding of at least one Fellowship.

Section III – Financial

FY 2020 Assurance Statement

As the Executive Director of the Morris K. Udall and Stewart L Udall Foundation (Udall Foundation), I recognize our responsibility to establish and maintain effective internal controls to meet the objectives of the Federal Managers' Financial Integrity Act of 1982 (FMFIA).

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

I am pleased to report that management controls in effect from October 1, 2019, through September 30, 2020, 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.



David P. Brown, Ph.D.
Executive Director

Other Information

Management Reviews

During FY 2015, the Udall Foundation undertook a comprehensive effort to better align employee and organizational performance. This included moving to a consolidated PAR, reviewing position descriptions and performance plans for consistency and support of the strategic plan, and conducting annual analyses 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 36).

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 include furnishing receipt and disbursement of funds, financial reporting and related accounting functions, and execution of all investments in Treasury obligations. 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 information presented in its 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 of 1982 (FMFIA) requires agencies to provide an annual statement of assurance regarding internal accounting and administrative controls including program, operational, and administrative areas as well as accounting and financial management and reporting. The Udall Foundation maintains a standard of continuous process improvement under the framework of enterprise risk management. This includes review of standard operating procedures and also updating of policies under the direction and guidance of its General Counsel. The assurance statement provided on page 33 is based on compliance with the below policies and guidelines.

Federal Managers' Financial Integrity Act of 1982 (FMFIA)

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

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

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

The Udall Foundation's internal 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 2020 Annual FMFIA Assurance Statement are based on improved internal controls resulting from

- A 2012 review by the Department of the 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 2018 follow-up review by the Department of the Interior Office of Inspector General (OIG);
- An ongoing Udall Foundation Control Environment risk assessment of internal controls;
- The annual financial audit conducted in FY 2020 by independent CPA firm Rocha and Company, PC; and
- An audit by the Office of Inspector General of the Department of the Interior that is currently being conducted.

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, 2020.

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 Auditor's Report. The Independent Auditor's Report found the Udall Foundation in substantial compliance with FFMIA requirements.

Major Management Challenges Confronting the Udall Foundation

A decade-long reduction in appropriations to the Trust Fund (from \$2.5 million in FY 2010 to \$1.8 million in FY 2020) has impacted those programs which are funded by interest earned on Trust Fund Treasury investments. The National Center has also seen a reduction in appropriations to its Environmental Dispute Resolution Fund (from \$3.8 million in FY 2010 to \$3.2 million in FY 2020). The Udall Foundation seeks to improve program delivery despite these challenges and has continued to operate effectively despite reduced budgetary resources. In particular, the Udall Foundation has continued to provide support for mission critical objectives and prompt attention to items identified as higher risk.

Supporting Financial System Strategies

Project Management Database (PMD) is a multiuser application that helps manage agency-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 are 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, and 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. These 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 John S. McCain III National Center for Environmental Conflict Resolution Program. Although both funds invest available balances in Treasury obligations, they differ in how they may be spent; EDRF (National Center) appropriations remain available until expended and are used for annual operations, while appropriations for the Trust Fund are added to principal and invested, and only the interest 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 2020, in excess of \$50 million was appropriated by Congress, of which \$16.15 million has been transferred to the Native Nations Institute (NNI) and \$1.2 million has been transferred to the Office of Inspector General of the Department of the Interior for internal control oversight. By law, the Trust Fund is invested in U.S. Treasury obligations.

The National Center has received annual operating appropriations since FY 1999. Through FY 2020, the National Center has received in excess of \$45 million in appropriations. The National Center also received a one-time start-up appropriation of \$3 million in FY 1999.

Overall Significant Trends

Trust Fund: During FY 2020 interest rates declined substantially. Should this trend continue, interest earnings in FY 2021 may be less than budgeted with a corresponding decrease to funding provided to

the Udall Center. Udall Foundation leadership will continue to monitor rates and shift investments from short-term obligations to long-term obligations when appropriate.

John S. McCain III National Center for Environmental Conflict Resolution: During FY 2020, the National Center filled three vacancies and is now fully staffed. The National Center appropriation remained constant at \$3.2 million in FYs 2019 and 2020. The FY 2020 annual financial statements reflect a decrease in earned revenue from FY 2019 to FY 2020 of 14.56% from \$3.02 million to \$2.58 million.

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. Because annual appropriations to the Trust Fund may not be spent, but must be invested, these appropriations increased the fund balance in FY 2020. Overall, assets grew by over \$2.9 million (4.6%).

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

Statement of Net Cost (SNC)

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

Statement of Changes in Net Position (SCNP)

Overall, the ending balance in the consolidated financial statements increased by 1.92%, 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 increased by \$668,628 or 3.28%.

Controls, Systems, and Legal Compliance Financial Audit

In FY 2020, the Udall Foundation had its 19th independent audit of its financial statements. The audit provides additional assurance to the Udall Foundation leadership, its constituents, and Congress that the Udall Foundation's financial transactions and management practices are in keeping with established

laws, regulations, and practices. The Udall Foundation has received unqualified ("clean") opinions in all 19 audits.

Independent Auditor's Report (FY 2020)

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

Possible Future Effects of Existing Events and Conditions

Future Effects and Trend Data

Education Programs and Udall Center: Projected decreases in Treasury rates in FY 2021 and beyond will have an adverse impact on the Education Programs and Udall Center. The Udall Foundation will continue to monitor the Treasury market for buying opportunities for long-term investments that would further increase earned interest revenues on its Trust Fund.

John S. McCain III National Center for Environmental Conflict Resolution: Although the National Center typically charges fees for all ECCR cases and projects that develop beyond the initial consultation stage, it relies upon a baseline appropriation to support its operations. The baseline appropriation allows the National Center to develop partnerships with Federal agencies and develop new projects and trainings and creates a foundation to leverage the use of contracted service professionals. The National Center often uses contracted service providers to expand its support to Federal agencies and to leverage the effort of the staff. This enables the National Center to work on a greater number of cases and projects while providing work to private sector practitioners. A reduction in the baseline appropriation could have negative impacts on operations, overall service delivery, and revenue generation.

Another factor that could affect operations is a reduction in reimbursable fees due to the inability of agencies to utilize the National Center's services. The National Center primarily provides support on Federal environmental decision-making processes; consequently, most project funding is provided by Federal agencies. Reductions in Federal agency budgets could impact either the scale or scope of Federal ECCR efforts which could in turn impact project revenues generated by the National Center. The National Center is continuing efforts to expand and diversify its customer base in order to reduce the likelihood of downward swings in its overall earned revenue. Such diversification may mitigate the potential impact of sudden drops in earned revenue from any one source.

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

John S. McCain III National Center for Environmental Conflict Resolution

Since FY 2002, the National Center has received OMB approval to administer a suite of questionnaires to evaluate environmental collaboration and conflict resolution services. Using these questionnaires, the National Center solicits performance feedback from members of the public and agency representatives who are participants in, and users of, National Center services. Respondents are surveyed at the conclusion of services or at the end of a significant phase of a process or service (e.g., the end of a training or the completion of an assessment or mediation). To obtain performance data, the National Center administered surveys to service recipients for completed FY 2020 processes and services as allowed and when appropriate. In terms of data reliability, validation, and verification, the National Center has processes in place to ensure the accurate recording, processing, and summarizing of performance information.

The evaluative information collected by the National Center is used to promote improved outcomes. Project-level evaluation reports are generated that summarize respondents' feedback in a detailed, transparent manner. These reports provide program managers and others in-depth feedback on performance as well as insights into why performance was met, exceeded, or fell short of expectations. Such feedback is designed to promote reflective practice so that future processes and applications of ECCR are improved. The evaluation information also supports a macro-level evaluation of ECCR processes. Federal ECCR data are collected across Federal agencies and consolidated in an annual report developed by the Council for Environmental Quality and the National Center. Over a decade of data were recently evaluated in the *Environmental Collaboration and Conflict Resolution (ECCR): Enhancing Agency Efficiency and Making Government Accountable to the People* report (https://ceq.doe.gov/docs/nepa-practice/ECCR_Benefits_Recommendations_Report_%2015-02-018.pdf).

Education Programs

The Udall Foundation's Education Programs use both quantitative and qualitative data collections to assess performance and measure success. To enhance the performance measures for the suite of Education Programs, the Udall Foundation plans to work with the Office of Information and Regulatory Affairs (OIRA) for approval of updated evaluation tools.

Quantitative data consists of numbers of awards and participants and statistical data such as types of majors and fields of study. The data are entered manually through the Scholarship online application

and in the Udall Foundation's Scholar and Alumni Tracking database. Data are verified through staff quality control review and programming robustness.

Qualitative data are collected using the following methods:

- Direct observation of participants' behavior and interactions;
- Staff conversations and interactions with individual participants;
- Informal feedback from participants;
- 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. Independent Auditors Report, FY 2020 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, 2020 and 2019

Independent Auditor's Report

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

In our audits of the fiscal years 2020 and 2019 financial statements of The Morris K. Udall and Stewart L. Udall Foundation (the Foundation), we found:

- a) The Foundation's financial statements as of and for the fiscal years ended September 30, 2020, and 2019, are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- b) no material weaknesses in internal control over financial reporting based on the limited procedures we performed; and
- c) no reportable noncompliance for fiscal year 2020 with provisions of applicable laws, regulations, contracts and grant agreements we tested.

The following sections discuss in more detail (1) our report on the financial statements, which includes required supplementary information (RSI), such as "Management's Discussion and Analysis"; (2) our report on internal control over financial reporting; and (3) our report on compliance with laws, regulations, contracts, and grant agreements.

Report on the Financial Statements

In accordance with Generally Accepted Government Auditing Standards (GAGAS) and Office of Management and Budget (OMB) Bulletin No. 19-03, *Audit Requirements for Federal Financial Statements*, we have audited the Foundation's financial statements. The Foundation's financial statements comprise the balance sheets as of September 30, 2020, and 2019; the related statements of net cost, changes in net position, and budgetary resources for the fiscal years then ended; and the related notes to the financial statements.

We conducted our audits in accordance with U.S. generally accepted government auditing standards. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinions.

Management's Responsibility for the Financial Statements

The Foundation's management is responsible for (1) the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; (2) preparing, measuring, and presenting the RSI in accordance with U.S. generally accepted accounting principles; (3) preparing and presenting other information included in documents containing the audited financial statements and auditor's report, and ensuring the consistency of that information with the audited financial statements and the RSI; and (4) maintaining effective internal control over financial reporting, including the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. U.S. generally accepted government auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We are also responsible for applying certain limited procedures to RSI and other information included with the financial statements.

An audit of financial statements 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 auditor's 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit of financial statements also involves evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audits also included performing such other procedures as we considered necessary in the circumstances.

Opinion on Financial Statements

In our opinion, the Foundation's financial statements present fairly, in all material respects, the Foundation's financial position as of September 30, 2020 and 2019, and its net costs of operations, changes in net position, and budgetary resources for the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) require that the RSI be presented to supplement the financial statements. Although the RSI is not a part of the financial statements, FASAB considers this information to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with U.S. generally accepted government auditing standards, which consisted of inquiries of management about the methods of preparing the RSI and comparing the information for consistency with management's responses to the auditor's

inquiries, the financial statements, and other knowledge we obtained during the audit of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

The Foundation's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. We read the other information included with the financial statements in order to identify material inconsistencies, if any, with the audited financial statements. Our audit was conducted for the purpose of forming an opinion on the Foundation's financial statements. We did not audit and do not express an opinion or provide any assurance on the other information.

Report on Internal Control over Financial Reporting

In connection with our audits of the Foundation's financial statements, we considered the Foundation's internal control over financial reporting, consistent with our auditor's responsibility discussed below. We performed our procedures related to the Foundation's internal control over financial reporting in accordance with U.S. generally accepted government auditing standards.

Management's Responsibility for Internal Controls

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

Auditor's Responsibility

In planning and performing our audit of the Foundation's financial statements as of and for the year ended September 30, 2020, in accordance with U.S. generally accepted government auditing standards, we considered the Foundation's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the Foundation's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

Definition and Inherent Limitations of Internal Control over Financial Reporting

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

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

Results of Our Consideration of Internal Control over Financial Reporting

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

During our 2020 audit, we identified deficiencies in the Foundation's internal control over financial reporting that we do not consider to be material weaknesses. Nonetheless, these deficiencies warrant the attention of the Foundation's management. We have communicated these matters to the Foundation's management and, where appropriate, will report on them separately.

Intended Purpose of Report on Internal Control over Financial Reporting

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

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

In connection with our audits of the Foundation's financial statements, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our auditor's responsibility discussed below. We caution that noncompliance may occur and not be detected by these tests. We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards.

Management's Responsibility for Compliance with Laws, Regulations, Contracts and Grant Agreements

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

Auditor's Responsibility

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

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

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements was to determine if there were instances of noncompliance for fiscal year 2020 that would be reportable under U.S. generally accepted government auditing standards. The objective of our tests was not to provide an opinion with laws, regulations, contracts, and grant agreements applicable to the Foundation. Accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or OMB audit guidance. However, instances of noncompliance may exist that have not been identified.

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

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

Rocha & Company, PC

*Gaithersburg, Maryland
November 23, 2020*

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

As of and For The Years Ended September 30, 2020 and 2019

	2020	2019
Assets:		
Intragovernmental:		
Fund Balance With Treasury (Note 2)	\$ 9,114,934.77	\$ 7,271,086.33
Investments (Note 3)	55,996,584.71	56,036,368.11
Accounts Receivable (Note 4)	72,292.90	214,923.72
Advances and Prepayments (Note 6)	2,105,821.92	1,050,855.13
Total Intragovernmental	67,289,634.30	64,573,233.29
Cash, Foreign Currency and Other Monetary Assets	111,042.96	
Accounts Receivable, net (Note 4)	65,202.91	43,201.53
General Property, Plant and Equipment (Note 5)	10,309.44	14,865.69
Total Assets	\$ 67,476,189.61	\$ 64,631,300.51
Liabilities:		
Intragovernmental:		
Other: (Note 8)		
Employer Contributions and Payroll Taxes Payable	\$ 41,691.31	\$ 30,169.88
Liability for Advances and Prepayments	1,323,577.01	
Total Intragovernmental	1,365,268.32	30,169.88
Accounts Payable	583,056.33	412,198.35
Other: (Note 8)		
Accrued Funded Payroll and Leave	138,796.32	109,931.12
Employer Contributions and Payroll Taxes Payable	6,090.78	4,567.46
Unfunded Leave	242,111.94	163,254.42
Other Liabilities Without Related Budgetary Obligations	410.00	410.00
Total Liabilities	\$ 2,335,733.69	\$ 720,531.23
Net Position:		
Unexpended Appropriations - All Other Funds (Consolidated Totals)	2,960,752.78	3,379,925.06
Cumulative Results of Operations - All Other Funds (Consolidated Totals)	62,179,703.14	60,530,844.22
Total Net Position - All Other Funds (Consolidated Totals)	65,140,455.92	63,910,769.28
Total Net Position	65,140,455.92	63,910,769.28
Total Liabilities and Net Position	\$ 67,476,189.61	\$ 64,631,300.51

The accompanying notes are an integral part of these statements.

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

As of and For The Years Ended September 30, 2020 and 2019

	2020	2019
Program Costs:		
Trust: Strategic Goal 1		
Gross Costs	\$ 2,740,185.59	\$ 2,470,863.08
Less: Earned Revenue	3,062.17	
Net Program Costs	\$ 2,737,123.42	\$ 2,470,863.08
Institute: Strategic Goal 2		
Gross Costs	\$ 5,832,209.11	\$ 5,696,656.63
Less: Earned Revenue	2,579,307.08	3,018,946.92
Net Program Costs	3,252,902.03	2,677,709.71
Net Cost of Operations (Note 9)	\$ 5,990,025.45	\$ 5,148,572.79

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
As of and For The Years Ended September 30, 2020 and 2019

FY 2020 (CY)

	Funds From Dedicated Collections (Consolidated Totals)	All Other Funds (Consolidated Totals)	Eliminations	Consolidated Total
Unexpended Appropriations:				
Beginning Balances		\$ 3,379,925.06		\$ 3,379,925.06
Beginning balance, as adjusted		3,379,925.06		3,379,925.06
Budgetary Financing Sources:				
Appropriations received		5,000,000.00		5,000,000.00
Appropriations used		(5,419,172.28)		(5,419,172.28)
Total Budgetary Financing Sources		(419,172.28)		(419,172.28)
Total Unexpended Appropriations		2,960,752.78		2,960,752.78
Cumulative Results from Operations				
Beginning Balances		60,530,844.22		60,530,844.22
Beginning balances, as adjusted		60,530,844.22		60,530,844.22
Budgetary Financing Sources:				
Appropriations Used		5,419,172.28		5,419,172.28
Nonexchange Revenue		2,030,845.97		2,030,845.97
Other Financing Sources (Nonexchange):				
Imputed Financing		188,866.12		188,866.12
Total Financing Sources		7,638,884.37		7,638,884.37
Net Cost of Operations (+/-)		5,990,025.45		5,990,025.45
Net Change		1,648,858.92		1,648,858.92
Cumulative Results of Operations		62,179,703.14		62,179,703.14
Net Position		\$ 65,140,455.92		\$ 65,140,455.92

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 As of and For The Years Ended September 30, 2020 and 2019

FY 2019 (PY)

	Funds From Dedicated Collections (Consolidated Totals)	All Other Funds (Consolidated Totals)	Eliminations	Consolidated Total
Unexpended Appropriations:				
Beginning Balances		\$ 2,592,397.99		\$ 2,592,397.99
Beginning balance, as adjusted		2,592,397.99		2,592,397.99
Budgetary Financing Sources:				
Appropriations received		5,075,000.00		5,075,000.00
Appropriations transferred-in/out (+/-)		(200,000.00)		(200,000.00)
Appropriations used		(4,087,472.93)		(4,087,472.93)
Total Budgetary Financing Sources		787,527.07		787,527.07
Total Unexpended Appropriations		3,379,925.06		3,379,925.06
Cumulative Results from Operations				
Beginning Balances		59,417,484.39		59,417,484.39
Beginning balances, as adjusted		59,417,484.39		59,417,484.39
Budgetary Financing Sources:				
Appropriations Used		4,087,472.93		4,087,472.93
Nonexchange Revenue		1,950,265.88		1,950,265.88
Donations and forfeitures of cash and cash equivalents		600.00		600.00
Imputed Financing		223,593.81		223,593.81
Total Financing Sources		6,261,932.62		6,261,932.62
Net Cost of Operations (+/-)		5,148,572.79		5,148,572.79
Net Change		1,113,359.83		1,113,359.83
Cumulative Results of Operations		60,530,844.22		60,530,844.22
Net Position		\$ 63,910,769.28		\$ 63,910,769.28

The accompanying notes are an integral part of these statements.

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

As of and For The Years Ended September 30, 2020 and 2019

	<u>2020</u> <u>Budgetary</u>	<u>2019</u> <u>Budgetary</u>
Budgetary resources:		
Unobligated balance from prior year budget authority, net (discretionary and mandatory)	\$ 9,288,133.03	\$ 9,678,505.10
Appropriations (discretionary and mandatory)	7,721,331.73	7,319,935.94
Spending authority from offsetting collections (discretionary and mandatory)	3,921,136.29	3,361,600.13
Total budgetary resources	<u>\$ 20,930,601.05</u>	<u>\$ 20,360,041.17</u>
Status of budgetary resources:		
New obligations and upward adjustments (total)	(Note 10) \$ 10,182,226.96	\$ 10,765,162.03
Unobligated balance, end of year:		
Apportioned, unexpired account	8,873,819.69	8,172,876.10
Unapportioned, unexpired accounts	1,874,554.40	1,422,003.04
Unexpired unobligated balance, end of year	<u>10,748,374.09</u>	<u>9,594,879.14</u>
Unobligated balance, end of year (total)	<u>10,748,374.09</u>	<u>9,594,879.14</u>
Total budgetary resources	<u>\$ 20,930,601.05</u>	<u>\$ 20,360,041.17</u>
Outlay, net:		
Outlays, net (total) (discretionary and mandatory)	\$ 6,877,483.29	\$ 7,273,853.23
Distributed offsetting receipts (-)	<u>(1,800,000.00)</u>	<u>(1,675,600.00)</u>
Agency outlays, net (discretionary and mandatory)	<u>\$ 5,077,483.29</u>	<u>\$ 5,598,253.23</u>

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 John S. McCain National Center for Environmental Conflict Resolution (National Center) 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 National Center was established as the U.S. Institute for Environmental Conflict Resolution (the Institute) 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. The name was officially changed to honor the late Senator John McCain by amendment of the enabling legislation in FY 2020.

Basis of Presentation

The 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 (AICPA).

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

Note 1 – Significant Accounting Policies (Continued)

resources were made available as well as their status at the end of the period. Recognition and measurement of budgetary information reported on this statement is based on budget terminology definition and guidance in OMB Circular No. A-11, *Preparation, Submission and Execution of the Budget*, dated July 2020.

Annual Appropriations

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

	<u>2020</u>	<u>2019</u>
Morris K. Udall Scholarship and Excellence in National Environmental Policy Trust Fund	\$ 1,800,000.00	\$ 1,875,000.00
Environmental Dispute Resolution Fund	\$ 3,200,000.00	\$ 3,200,000.00

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

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 and environmental conflict resolution activities. Private donations for the work of the National Center are expressly permitted by an amendment to the enabling legislation passed by Congress in FY 2020. The activities of the National Center are supported by annual appropriations and fees charged for services.

Financing sources are provided through Congressional appropriations on a no-year basis, or through reimbursable agreements. No-year or "X-year" appropriations are available for obligations until the purpose for which they are provided is carried out and, therefore, for an indefinite period.

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 17.5 percent for administrative costs. Parks in Focus and other activities are funded from the remaining 12.5 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 2020, more than \$50 million in appropriations has been deposited in the Trust Fund. In addition to the Trust Fund corpus, \$16.15 million has been set-aside and paid as expense reimbursements for the purposes of the Native Nations Institute (NNI), pursuant to Congressional authorization. The set-aside of funds for reimbursements to NNI during fiscal year 2020 totaled \$150 thousand.

In FY 2020, the Foundation had three sources of income, donations, interest from investments and grants. All would be considered inflow of resources to the Government.

National Center

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

Through FY 2020, more than \$45 million in appropriations has been deposited in the Environmental Dispute Resolution Fund.

Note 1 – Significant Accounting Policies (Continued)

In fiscal year 1999, Congress also appropriated \$3 million as a capitalization fund for the National Center, from which the National Center had drawn for program development expenses.

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

Of the \$2,582,369.25 being reported as fiscal year 2020 revenue for services provided, \$2,179,510.11 is from federal sources and is the result of Intragovernmental flows. The remaining \$402,859.14 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, 2020 and 2019.

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.

	2020	2019
A. Fund Balance with Treasury		
Trust Fund	\$ 4,104,273.01	\$ 2,950,474.20
Institute	5,010,661.76	4,320,612.13
Total	<u>\$ 9,114,934.77</u>	<u>\$ 7,271,086.33</u>
B. Status of Fund Balance with Treasury		
1) Unobligated Balance		
a) Available	\$ 8,971,887.65	\$ 8,172,876.10
b) Unavailable	1,874,554.40	1,423,214.04
2) Obligated Balance not yet Disbursed	2,182,621.20	2,590,666.67
3) Non-Budgetary FBWT	(3,914,128.48)	(4,915,670.48)
Total	<u>\$ 9,114,934.77</u>	<u>\$ 7,271,086.33</u>

Note 3 – Investments

As of September 30, 2020, 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	54,843,579.48	Interest-Yield	752,081.03	400,924.20	55,996,584.71	69,284,487.47

As of September 30, 2019, 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	54,843,579.48	Interest-Yield	791,864.43	400,924.20	56,036,368.11	65,717,676.07

Note 4 – Accounts Receivable

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

Accounts Receivable	<u>2020</u>	<u>2019</u>
Associate Claims:		
Non-federal		
Other:		
Federal	72,292.90	214,923.72
Non-federal	<u>65,202.91</u>	<u>43,201.53</u>
Total Receivables	<u><u>\$ 137,495.81</u></u>	<u><u>\$ 258,125.25</u></u>

Note 5- General Property, Plant and Equipment, Net

As of September 30, 2020, and September 30, 2019 general property, plant and equipment were comprised of the following:

<u>2020</u>	<u>Furniture & Fixtures</u>	<u>Computers</u>	<u>Telephone Systems</u>	<u>Operating Equipment</u>	<u>Assets Under Capital Lease</u>	<u>Total</u>
Cost	109,615.58	38,722.37	21,685.00	9,954.87		179,977.82
Accum. Depr.	(109,614.35)	(30,526.48)	(21,685.00)	(7,842.55)		(169,668.38)
Net Book Value	<u>1.23</u>	<u>8,195.89</u>	<u>-</u>	<u>2,112.32</u>	<u>-</u>	<u>10,309.44</u>

<u>2019</u>	<u>Furniture & Fixtures</u>	<u>Computers</u>	<u>Telephone Systems</u>	<u>Operating Equipment</u>	<u>Assets Under Capital Lease</u>	<u>Total</u>
Cost	109,615.58	38,722.37	21,685.00	9,954.87		179,977.82
Accum. Depr.	(109,614.35)	(28,105.92)	(21,685.00)	(5,706.86)		(165,112.13)
Net Book Value	<u>1.23</u>	<u>10,616.45</u>	<u>-</u>	<u>4,248.01</u>	<u>-</u>	<u>14,865.69</u>

Note 6 – Advances and Prepayments

Advances and Prepayments is entirely comprised of funds that have been deposited with the Department of Interior Business Center. The Business Center currently performs the contracting function for the Foundation and according to procurement regulations must hold the full amount of the contract along with their contracting fee before they can solicit the contract for the Foundation. The Foundation hired a full-time contracting officer in FY 2020 who will take over contracting work starting in FY 2021 as contracts expire or new ones are put into place.

Note 7 – 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, 2020, the Foundation showed liabilities covered by budgetary resources of \$2,093,211.75 and liabilities not covered by budgetary resources of \$242,521.94. As of September 30, 2019, the Foundation showed liabilities covered by budgetary resources of \$556,866.81 and liabilities not covered by budgetary resources of \$163,664.42.

	<u>2020</u>	<u>2019</u>
Intragovernmental		
Employee Contributions & Payroll Taxes	41,691.31	30,169.88
Liability for Advances and Prepayments	1,323,577.01	
Total Intragovernmental	<u>1,365,268.32</u>	<u>30,169.88</u>
With the Public		
Accounts Payable	583,056.33	412,198.35
Accrued Funded Payroll & Leave	138,796.32	109,931.12
Unfunded Leave	242,111.94	163,254.42
Employee Contributions & Payroll Taxes	6,090.78	4,567.46
Other Liabilities	410.00	410.00
Total With the Public	<u>970,465.37</u>	<u>690,361.35</u>
Total Liabilities	<u><u>2,335,733.69</u></u>	<u><u>720,531.23</u></u>
Total liabilities not covered by budgetary resources	242,521.94	163,664.42
Total liabilities covered by budgetary resources	<u>2,093,211.75</u>	<u>556,866.81</u>
Total Liabilities	<u><u>2,335,733.69</u></u>	<u><u>720,531.23</u></u>

Note 8 – Other Liabilities

Other liabilities with the public for the year ended September 30, 2020 and 2019 consist of 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.

	2020		
	Non-Current	Current	Total
Intragovernmental			
Employer Contributions and Payroll Taxes	-	41,691.31	41,691.31
Liability for Advances and Prepayments	-	1,323,577.01	1,323,577.01
Total Intragovernmental	-	1,365,268.32	1,365,268.32
Liabilities with the Public			
Employer Contributions and Payroll Taxes	-	6,090.78	6,090.78
Other Liabilities Without Related Budgetary			
Obligations	-	410.00	410.00
Total Liabilities with the Public	-	6,500.78	6,500.78
Unfunded Leave	242,111.94	-	242,111.94
Accrued Funded Payroll & Leave	-	138,796.32	138,796.32
Total Other Liabilities	242,111.94	1,510,565.42	1,752,677.36
	2019		
	Non-Current	Current	Total
Intragovernmental			
Employer Contributions and Payroll Taxes	-	30,169.88	30,169.88
Total Intragovernmental	-	30,169.88	30,169.88
Liabilities with the Public			
Employer Contributions and Payroll Taxes	-	4,567.46	4,567.46
Other Liabilities Without Related Budgetary			
Obligations	-	410.00	410.00
Total Liabilities with the Public	-	4,977.46	4,977.46
Unfunded Leave	163,254.42	-	163,254.42
Accrued Funded Payroll & Leave	-	109,931.12	109,931.12
Total Other Liabilities	163,254.42	145,078.46	308,332.88

Note 9 – Costs and Exchange Revenue

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

	<u>Total 2020</u>	<u>Total 2019</u>
Program A		
Intragovernmental costs	\$ 2,923,140.34	\$ 3,234,044.09
Public costs	5,649,254.36	4,933,475.62
Total Program A costs	<u>\$ 8,572,394.70</u>	<u>\$ 8,167,519.71</u>
Intragovernmental earned revenue	2,179,510.11	2,897,067.40
Public earned revenue	402,859.14	121,879.52
Total earned revenue	<u>\$ 2,582,369.25</u>	<u>\$ 3,018,946.92</u>
Total Program A	<u><u>\$ 5,990,025.45</u></u>	<u><u>\$ 5,148,572.79</u></u>

Note 10 – 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.

	<u>Total 2020</u>	<u>Total 2019</u>
Direct		
Category B	<u>10,182,226.96</u>	<u>10,765,162.03</u>
Total Obligations	<u><u>10,182,226.96</u></u>	<u><u>10,765,162.03</u></u>

Note 11 – Undelivered Orders at the End of the Period

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

	<u>Unpaid Undelivered Orders</u>	<u>Paid Undelivered Orders</u>	<u>Total Undelivered Orders</u>
2020	\$ 1,583,347.32	\$ 2,105,821.92	\$ 3,689,169.24
2019	\$ 2,248,723.58	\$ 1,050,855.13	\$ 3,299,578.71

Note 12 – Leases

The Foundation maintains leased office space in Tucson under an operating lease expiring in Fiscal Year 2023. The Tucson office lease may be renewed under a five-year option until 2028. The District of Columbia lease was renewed in FY 2018 and expires in FY 2021. The rent payment for the office space in the District of Columbia escalates from year to year as outlined in the terms of the lease. Options are currently under review for office space for both locations as the lease terms expire.

Future lease payments are summarized as follows:

FY 2021	\$	367,447
FY 2022	\$	306,800
FY 2023	\$	76,700
FY 2024	\$	-
	\$	<u>750,947</u>

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

SFFAS No. 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*, requires an explanation of material differences between budgetary resources available, the status of those resources and outlays as presented in the Statement of Budgetary Resources to the related actual balances published in the *Budget of the United States Government* (Budget). The Budget that will include FY 2020 actual budgetary execution information is scheduled for publication in February 2021, 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 2019 SBR and the related President's Budget reflected the following:

FY2019	Budgetary Resources	New Obligations & Upward Adjustments (Total)	Distributed Offsetting Receipts	Net Outlays
Statement of Budgetary Resources	\$ 20,360,041.17	\$ 10,765,162.03	\$ -	\$ 4,507,093.47
<i>Budget of the U.S. Government</i>	<u>16,000,000.00</u>	<u>10,000,000.00</u>	<u>\$ -</u>	<u>6,000,000.00</u>
Difference	<u>\$ 4,360,041.17</u>	<u>\$ 765,162.03</u>	<u>\$ -</u>	<u>\$ (1,492,906.53)</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 the Budget of the U.S. Government rounding to the nearest millionth.

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 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 2019 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 2019 SBR and the related President's Budget.

Note 14 – Reconciliation of Net Cost of Operations to Outlays

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

	Intragovernmental	With the Public	Total
Net Operating Cost (SNC)			6,101,068.41
Components of Net Operating Cost Not Part of the Budgetary Outlays			
Property, plant, and equipment depreciation		(4,556.25)	(4,556.25)
		-	
Increase/(Decrease) in Assets not affecting Budget Outlays:			
Accounts receivable	(142,630.82)	22,001.38	(120,629.44)
Other assets	1,054,966.79	-	1,054,966.79
Investments	(149,297.64)	-	(149,297.64)
(Increase)/Decrease in Liabilities not affecting Budget Outlays:			
Accounts payable	(1,323,577.01)	(170,857.98)	(1,494,434.99)
Salaries and benefits	(11,521.43)	(30,388.52)	(41,909.95)
Other liabilities (Unfunded leave, unfunded FECA, actuarial FECA)	-	(78,857.52)	(78,857.52)
Other financing sources			
Federal employee retirement benefit	(188,866.12)		(188,866.12)
Total Components of Net Operating Cost Not Part of the Budget Outlays	(760,926.23)	(262,658.89)	(1,023,585.12)
Net Outlays (Calculated Total)	5,340,142.18	(262,658.89)	5,077,483.29
Related Amounts on the Statement of Budgetary Resources			
Outlays, net (SBR Line 4190)			6,877,483.29
Distributed offsetting receipts (SBR Line 4200)			(1,800,000.00)
Agency Outlays, Net (SBR Line 4210)			5,077,483.29

Note 15 – 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 16 – Subsequent Events

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through November 23, 2020 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, 2020

	850	897	898	Eliminations	Consolidated Total
Assets:					
Intragovernmental:					
Fund Balance With Treasury	\$ 5,010,661.76		\$ 4,104,273.01		\$ 9,114,934.77
Investments			50,570,693.36		55,996,584.71
Accounts Receivable	72,292.90				72,292.90
Advances and Prepayments	2,105,821.92				2,105,821.92
Total Intragovernmental	12,614,667.93		54,674,966.37		67,289,634.30
Cash, Foreign Currency and Other Monetary Assets	111,042.96				111,042.96
Accounts Receivable, net	64,953.43		249.48		65,202.91
General Property, Plant and Equipment	10,309.44				10,309.44
Total Assets	\$ 12,800,973.76		\$ 54,675,215.85		\$ 67,476,189.61
Liabilities:					
Intragovernmental:					
Other:					
Employer Contributions and Payroll Taxes Payable	\$ 36,871.81		\$ 4,819.50		\$ 41,691.31
Liability for Advances and Prepayments	1,323,577.01				1,323,577.01
Total Intragovernmental	1,360,448.82		4,819.50		1,365,268.32
Accounts Payable	317,483.02		265,573.31		583,056.33
Other:					
Accrued Funded Payroll and Leave	122,229.12		16,567.20		138,796.32
Employer Contributions and Payroll Taxes Payable	5,332.98		757.80		6,090.78
Unfunded Leave	214,718.97		27,392.97		242,111.94
Other Liabilities Without Related Budgetary Obligations	410.00				410.00
Total Liabilities	\$ 2,020,622.91		\$ 315,110.78		\$ 2,335,733.69
Net Position:					
Unexpended Appropriations - All Other Funds (Consolidated Totals)	2,960,752.78				2,960,752.78
Cumulative Results of Operations - All Other Funds (Consolidated Totals)	7,819,598.07		54,360,105.07		62,179,703.14
Total Net Position - All Other Funds (Consolidated Totals)	10,780,350.85		54,360,105.07		65,140,455.92
Total Net Position	10,780,350.85		54,360,105.07		65,140,455.92
Total Liabilities and Net Position	\$ 12,800,973.76		\$ 54,675,215.85		\$ 67,476,189.61

THE MORRIS K. UDALL AND STEWART L. UDALL FOUNDATION

STATEMENT OF NET COST

As Of And For The Year Ended September 30, 2020

	850	897	898	Eliminations	Consolidated
Program Costs:					
Trust: Statagic Goal 1					
Gross Costs			\$ 2,740,185.59		\$ 2,740,185.59
Less: Earned Revenue			3,062.17		3,062.17
Net Program Costs			2,737,123.42		2,737,123.42
Institute: Statagic Goal 2					
Gross Costs	\$ 5,832,209.11				\$ 5,832,209.11
Less: Earned Revenue	2,579,307.08				2,579,307.08
Net Program Costs	3,252,902.03				3,252,902.03
Net Cost of Operations	<u>\$ 3,252,902.03</u>		<u>\$ 2,737,123.42</u>		<u>\$ 5,990,025.45</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, 2020

FY 2020 (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
Unexpended Appropriations:								
Beginning Balances		\$ 3,379,925.06						\$ 3,379,925.06
Beginning balance, as adjusted		3,379,925.06						3,379,925.06
Budgetary Financing Sources:								
Appropriations received		3,200,000.00		1,800,000.00				5,000,000.00
Appropriations used		(3,619,172.28)		(1,800,000.00)				(5,419,172.28)
Total Budgetary Financing Sources		(419,172.28)						(419,172.28)
Total Unexpended Appropriations		2,960,752.78						2,960,752.78
Cumulative Results from Operations								
Beginning Balances		7,146,620.91			53,384,223.31			60,530,844.22
Beginning balance, as adjusted		7,146,620.91			53,384,223.31			60,530,844.22
Budgetary Financing Sources:								
Appropriations Used		3,619,172.28		1,800,000.00				5,419,172.28
Nonexchange Revenue		150,712.06			1,880,133.91			2,030,845.97
Donations and forfeitures of cash and cash equivalents								
Other Financing Sources (Nonexchange):								
Imputed Financing		155,994.85			32,871.27			188,866.12
Total Financing Sources		3,925,879.19			3,713,005.18			7,638,884.37
Net Cost of Operations (+/-)		3,252,902.03			2,737,123.42			5,990,025.45
Net Change		672,977.16			975,881.76			1,648,858.92
Cumulative Results of Operations		7,819,598.07			54,360,105.07			62,179,703.14
Net Position		\$ 10,780,350.85			\$ 54,360,105.07			\$ 65,140,455.92

THE MORRIS K. UDALL AND STEWART L. UDALL FOUNDATION

STATEMENT OF BUDGETARY RESOURCES
As Of And For The Year Ended September 30, 2020

	850 Budgetary	897 Budgetary	898 Budgetary	Eliminations Budgetary	Consolidated Total Budgetary
Budgetary resources:					
Unobligated balance from prior year budget authority, net (discretionary and mandatory)	\$ 8,486,895.32	\$	\$ 801,237.71		\$ 9,288,133.03
Appropriations (discretionary and mandatory)	3,200,000.00	1,800,000.00	2,721,331.73		7,721,331.73
Spending authority from offsetting collections (discretionary and mandatory)	3,918,074.12				3,921,136.29
Total budgetary resources	\$ 15,604,969.44	\$ 1,800,000.00	\$ 3,525,631.61		\$ 20,930,601.05
Status of budgetary resources:					
New obligations and upward adjustments (total)	\$ 6,177,165.58	\$ 1,800,000.00	\$ 2,205,061.38		\$ 10,182,226.96
Unobligated balance, end of year:					
Apportioned, unexpired account	8,080,514.07		793,305.62		8,873,819.69
Unapportioned, unexpired accounts	1,347,289.79		527,264.61		1,874,554.40
Unexpired unobligated balance, end of year	9,427,803.86		1,320,570.23		10,748,374.09
Unobligated balance, end of year (total)	9,427,803.86		1,320,570.23		10,748,374.09
Total budgetary resources	\$ 15,604,969.44	\$ 1,800,000.00	\$ 3,525,631.61		\$ 20,930,601.05
Outlay, net:					
Outlays, net (total) (discretionary and mandatory)	\$ 2,509,950.37	\$ 1,800,000.00	\$ 2,567,532.92		\$ 6,877,483.29
Distributed offsetting receipts (-)			(1,800,000.00)		(1,800,000.00)
Agency outlays, net (discretionary and mandatory)	\$ 2,509,950.37	\$ 1,800,000.00	\$ 767,532.92		\$ 5,077,483.29