



Clearfield, Utah

Financial Statements

Year Ended September 30, 2023

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PINNACLE

Accountancy Group of Utah

Certified Public Accountants

a dba of Heaton & Company, PLLC

Independent Auditors' Report

To the Board of Directors
Mule Deer Foundation
Clearfield, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of Mule Deer Foundation (the Foundation), which comprise the statement of financial position as of September 30, 2023, and the related statements of activities and changes in net assets and cash flows for the year then ended and the related notes to the financial statements (collectively, referred to as the financial statements).

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Foundation as of September 30, 2023 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Pinnacle Accountancy Group of Utah

Pinnacle Accountancy Group of Utah
Farmington, Utah
January 31, 2024

Mule Deer Foundation
Statement of Financial Position
September 30, 2023

ASSETS

Current Assets:

Cash and cash equivalents	\$	2,869,193
Accounts receivable		1,036,286
Inventories		20,923
Restricted cash		1,633,931
Other current assets		9,083
		<hr/>
Total current assets		5,569,416

Property and equipment:

Land held for investment		25,000
Furniture and equipment		154,687
Leasehold improvements		10,352
		<hr/>
Total fixed assets		190,039
Less: Accumulated depreciation		(128,415)
		<hr/>
Net fixed assets		61,624

Other Assets

Permanently restricted cash - endowment		1,664,805
Operating lease right-of-use assets, net		245,342
		<hr/>
Total other assets		1,910,147
		<hr/>
Total assets	\$	<u><u>7,541,187</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$	863,002
Accrued expenses		23,976
Deferred revenue		1,344,517
Operating lease liability, current portion		52,672
Notes payable, current portion		3,697
		<hr/>
Total current liabilities		2,287,864

Long-term liabilities:

Operating lease liability, current portion		192,670
Notes payable, net of current portion		114,703
		<hr/>
Total long-term liabilities		307,373
		<hr/>
Total liabilities		2,595,237

Net Assets:

Without donor restrictions		1,650,254
With donor restrictions		3,295,696
		<hr/>
Total net assets		4,945,950
		<hr/>
Total liabilities and net assets	\$	<u><u>7,541,187</u></u>

See accompanying notes to financial statements

Mule Deer Foundation
Statement of Activities and Changes in Net Assets
September 30, 2023

Revenue:	Without Donor Restrictions	With Donor Restrictions	Total
Memberships	\$ 637,248	\$ -	\$ 637,248
Banquet	5,406,996	-	5,406,996
Merchandise	16,999	-	16,999
Cash Donations	257,466	-	257,466
Endowment	62,550	-	62,550
Project Revenue	3,881,015	882,157	4,763,172
Program	12,920	-	12,920
Tags	403,465	2,186,548	2,590,013
Convention	4,908,651	-	4,908,651
Conservation Partnerships	52,267	21,140	73,407
Other	1,288,681	-	1,288,681
Net assets released from restrictions	3,652,440	(3,652,440)	-
Total support and revenue	<u>20,580,698</u>	<u>(562,595)</u>	<u>20,018,103</u>
Operating Expenses:			
Cost of goods sold	8,822	-	8,822
Tags	354,191	-	354,191
Salaries, wages and benefits	3,487,092	-	3,487,092
Convention	3,597,361	-	3,597,361
Magazine	184,556	-	184,556
Professional fees	500,887	-	500,887
Projects	6,353,811	-	6,353,811
Marketing	115,146	-	115,146
Membership	41,740	-	41,740
Corporate	402,721	-	402,721
Program	6,959	-	6,959
Banquet	3,904,070	-	3,904,070
Rent	69,670	-	69,670
Utilities	24,828	-	24,828
Miscellaneous	524,817	-	524,817
Depreciation	8,847	-	8,847
Total operating expenses	<u>19,585,518</u>	<u>-</u>	<u>19,585,518</u>
Operating income (loss)	995,180	(562,595)	432,585
Non-Operating Revenue and Expense			
Interest income	9,460	33,289	42,749
Unrealized gain on investments	-	120,662	120,662
Interest expense	(16,066)	-	(16,066)
Total non-operating expenses	<u>(6,606)</u>	<u>153,951</u>	<u>147,345</u>
Change in net assets	988,574	(408,644)	579,930
Net assets at beginning of period	<u>661,680</u>	<u>3,704,340</u>	<u>4,366,020</u>
Net assets at end of period	<u>\$ 1,650,254</u>	<u>\$ 3,295,696</u>	<u>\$ 4,945,950</u>

See accompanying notes to financial statements

Mule Deer Foundation
Statement of Cash Flows
September 30, 2023

Cash flows from operating activities:

Change in net assets	\$	579,930
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Adjustments to reconcile change in net assets
to net cash provided by operating activities:

Depreciation and amortization		8,847
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(Increase) decrease:

Accounts receivable, net		(1,036,286)
Inventories		63,133
Other assets		(7,178)

Increase (decrease):

Accounts payable		765,454
Accrued expenses		23,583
Deferred revenue and other liabilities		433,573
Net cash provided by operating activities		831,056

Cash flows from investing activities:

Purchase of property and equipment		(14,609)
Net cash used in investing activities		(14,609)

Cash flows from financing activities:

Principal payments on notes payable		(25,500)
Net cash used in financing activities		(25,500)

Net increase in cash, cash equivalents and restricted cash		790,947
Cash, cash equivalents and restricted cash at beginning of period		5,376,982
Cash, cash equivalents and restricted cash at end of period	\$	6,167,929

Supplemental disclosure of cash flow information:

Cash paid during the year for interest	\$	16,066
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See accompanying notes to financial statements

Mule Deer Foundation
Notes to Financial Statements
For the Year Ended September 30, 2023

1. Organization and summary of significant accounting policies

Organization

Mule Deer Foundation (the “Foundation”) was formed in 1988 in Redding, California. In 2006, the Foundation moved to Salt Lake City, Utah and became a nonprofit institution subject to the nonprofit corporation laws of the State of Utah. The Foundation was organized by Emmett Burroughs and the original Board of Directors developed the mission statement. The mission statement of the Mule Deer Foundation is to ensure the conservation of mule deer, black-tailed deer and their habitat. The financial year end of the Foundation was changed from 30 June to 30 September.

Cash and Cash Equivalents

The Foundation considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for, nor restricted, by donors for short or long-term purposes, to be cash and cash equivalents.

Restricted Cash

The Foundation has restricted cash that is both temporarily and permanently restricted. These restrictions are put in place by various outside agencies as a result of various types of donations and agreements. Temporarily restricted cash consists of funds related to conservation partnerships, wildlife tags and project grants. Permanently restricted cash consists of an endowment fund held by the Foundation. At September 30, 2023, the Foundation had \$1,633,931 and \$1,664,805 in temporarily and permanently restricted cash, respectively. Restrictions on temporarily restricted cash are usually released within the short-term, generally defined as one year or less. Cash and highly liquid financial instruments restricted to capital expenditures, permanent endowment or with donor restriction uses (longer than 90 days) are included in this definition.

Total cash, cash equivalents, and restricted cash shown in the statement of cash flows:

	<u>September 30, 2023</u>
Cash and cash equivalents	\$ 2,869,193
Restricted cash	1,633,931
Restricted cash included in other long-term assets	<u>1,664,805</u>
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	<u>\$ 6,167,929</u>

Receivables and Credit Policies

Accounts receivable consist primarily of noninterest-bearing amounts due for project reimbursements, magazine/advertising fees, membership fees, and miscellaneous operating income. Management determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. At September 30, 2023, management has determined all receivables will be collected so no provision for allowance for doubtful accounts has been reported.

Inventory

Inventory comprises program-related merchandise held for sale and is stated at the lower of cost or net realizable value determined by the first-in first-out method. Management has determined that reserves for obsolescence are nominal at September 30, 2023.

Mule Deer Foundation
Notes to Financial Statements
For the Year Ended September 30, 2023

1. Organization and summary of significant accounting policies (continued)

Property and Equipment

Property and equipment additions over \$5,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 39 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Foundation reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended September 30, 2023.

Land held for investments classified as other assets on the balance sheet was evaluated and there were no indicators of asset impairment during the year ended September 30, 2023.

Leases

The Foundation follows the guidance of ASC 842, Leases, which requires an entity to recognize a right-of-use asset and a lease liability for virtually all leases. The Foundation has elected to exclude from its Statement of Financial Position recognition of leases having a term of 12 months or less “short-term leases”. Lease expense is recognized on a straight-line basis over the lease term. See Note 9 for further information regarding the Foundation’s leases.

Net Assets

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

Net assets without donor restrictions– Net assets are not subject to donor-imposed restrictions and are available for use in general operations. These net assets may be used at the discretion of the Foundation’s management and the Board of Directors.

Net assets with donor restrictions – Net assets subject to donor restrictions that may or will be met by expenditures or actions of the Foundation and/or the passage of time, and certain income earned on permanently restricted net assets that has not yet been appropriated for expenditure by the Foundation’s Board of Directors.

The Foundation reports contributions as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by action of the Foundation. The restrictions stipulate that resources be maintained permanently but permit the Foundation to expend the income generated in accordance with the provisions of the agreements.

Mule Deer Foundation
Notes to Financial Statements
For the Year Ended September 30, 2023

1. Organization and summary of significant accounting policies (continued)

Functional Expenses

A statement of functional expenses is not presented since the detail and classification is included in sufficient detail on the statement of activities. Fundraising revenues and expenses for the year ended September 30, 2023 are \$1,081,399 and \$780,814 respectively.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Event revenues are recognized when received and constitute funds received as a direct result of organized events. Conservation partner and project revenue is recognized when received and results from funds being given to the Foundation for the purpose of completing conservation projects. Convention revenues are recognized when received and are related to funds received from the Western Hunting and Conservation Expo for general sales and merchandise. Tag revenues are recognized when received and are generated from the sale of specific big game hunting permits. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Contributions and Donated Services - Unrestricted contributions are recognized as revenue when received. Contributions of goods are recorded at fair value. Volunteers contribute significant amounts of time to the Foundation's program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet the recognition criteria prescribed by generally accepted accounting principles. Contributions of services are recorded at fair value as revenue at the time the service is rendered when specialized skills are required and when the Foundation would otherwise purchase the services. The Foundation records donated professional services at the respective fair values of the services received. No amounts have been reflected in the accompanying financial statements for contributed goods or services during the year ended September 30, 2023, because items did not meet the definition above. Memberships are treated as contributions per ASC Topic 958 and revenue is recognized when membership fees are received.

Restricted contributions received are recorded as increases in net assets with donor restrictions depending on the nature of the restriction. Temporarily restricted net assets are recognized as without donor restrictions revenue when the terms of the restrictions are met. With donor restrictions net assets represent the cumulative amount of endowment contributions received. Endowment contributions are principal amounts donated with the agreement that only future earnings on the principal be available for the operations of the Foundation. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Advertising Costs

Advertising costs are expensed as incurred and approximated \$115,146 for the year ended September 30, 2023.

Mule Deer Foundation
Notes to Financial Statements
For the Year Ended September 30, 2023

1. Organization and summary of significant accounting policies (continued)

Income Taxes

The Foundation is organized as a California nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(c) of the Internal Revenue Code as an organization described in Section 501(c)(3), which qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and (viii), and has been determined not to be a private foundation under Sections 509(a)(1) and (3), respectively. The Foundation is required annually to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Foundation is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. The Foundation has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Foundation believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Foundation would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Financial Instruments and Credit Risk

The Foundation manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Foundation has not experienced losses in any of these accounts. Credit risk associated with accounts receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and partners supportive of the Foundation's mission.

Recently Issued and Adopted Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02 Leases (Topic 842) intended to improve financial reporting for leasing transactions. The ASU will require organizations that lease assets – referred to as “lessees”- to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases. For nonpublic companies, ASU 2020-05 deferred the effective date for fiscal years beginning after December 15, 2021 and interim periods therein. The Foundation has adopted ASU No. 2016-02 Leases for the year ended September 30, 2023.

The Foundation has reviewed all other recently issued FASB Codification Updates (ASU's) for the year ended September 30, 2023, and has determined that none of the recently issued accounting pronouncements will have a material effect on the fair presentation of these financial statements.

Mule Deer Foundation
Notes to Financial Statements
For the Year Ended September 30, 2023

1. Organization and summary of significant accounting policies (continued)

Subsequent Events

The Foundation has evaluated subsequent events through January 31, 2024, the date the financial statements were available to be issued. All of the information that has become available prior to the issuance of the financial statements has been used by management in its assessment of the conditions on which the Foundation's estimates were based. The evaluation of the subsequent events has led the foundation to believe that any estimates used to prepare these financial statements remain accurate and have not been materially affected by recent events.

2. Property and Equipment

Property and equipment consists of the following at September 30, 2023:

Leashold improvements	\$ 10,352
Land	25,000
Office equipment	11,558
Equipment and tools	92,623
Computers	21,226
Software	8,916
Furniture and fixtures	<u>20,364</u>
	190,039
 Less accumulated depreciation	 <u>(128,415)</u>
	 <u><u>\$ 61,624</u></u>

For the year ended September 30, 2023, depreciation expense totaled \$8,847.

3. Endowment Fund

The Foundation has an endowment fund that consists of permanently restricted cash. The corpus of the endowment is permanently restricted until it reaches an amount of \$2 million. Any earnings or donations to the fund that exceed the designated corpus may be used for program-related expenses to further the mission of the Foundation. At September 30, 2023, the endowment totaled \$1,664,805.

The composition of endowment net assets for this fund and the changes in endowment net assets as of September 30, 2023 are as follows:

	Net Assets with Donor Restrictions
Endowment net assets, October 1, 2022	\$ 1,415,293
Contributions	100,000
Investment return (net)	149,512
Amounts appropriated for expenditure	-
Endowment net assets, September 30, 2023	<u><u>\$ 1,664,805</u></u>

Mule Deer Foundation
Notes to Financial Statements
For the Year Ended September 30, 2023

4. Deferred Revenue

Deferred revenues consist of revenues and payments received by the Foundation for services yet to be performed, including registration and booth sales income. At September 30, 2023 deferred revenues totaled \$1,344,517.

5. Line of Credit

The Foundation has a \$500,000 revolving line of credit with a bank, secured by accounts receivable and a certificate of deposit held at U.S. Bank in the amount of \$500,000. Borrowings under the line bear interest at the bank's prime rate minus .98% (8.25% at September 30, 2023). Accrued interest and principal are due at maturity January 14, 2024. The certificate of deposit was renewed in the subsequent period. The agreement requires the Foundation to comply with certain non-financial covenants. At September 30, 2023 the outstanding balance was \$0.

6. Notes Payable

In May 2020, the Foundation received a Small Business Administration ("SBA") Loan pursuant to the Economic Injury Disaster Loan. The Foundation received a loan in the amount of \$150,000 from the SBA. The SBA Loan is in the form of a Note dated May 24, 2020, issued by the Foundation, which matures on May 24, 2050. The SBA Loan bears interest at a rate of 2.75% per annum and is payable monthly commencing on May 24, 2022. The monthly principal and interest payment for the SBA Loan is \$641. All proceeds from this Loan will be used solely as working capital to alleviate economic injury caused by the Economic Injury Disaster. At September 30, 2023 the outstanding balance was \$118,400.

Future maturities of notes payable are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 3,697	\$ 3,995
2025	3,800	3,892
2026	3,906	3,786
2027	4,015	3,677
2028	4,127	3,565
Thereafter	98,855	42,814
	<u>\$ 118,400</u>	<u>\$ 61,729</u>

7. Related Party Transactions

During the year ended September 30, 2023, the Foundation purchased inventory totaling \$305,461 from companies associated with members of its Board of Directors.

Mule Deer Foundation
Notes to Financial Statements
For the Year Ended September 30, 2023

8. Net Assets With Donor Restrictions

With donor restrictions on net assets at September 30, 2023:

Restricted by donors for:	
Conservation Partnerships	\$ 14,618
Wildlife Tags	1,585,634
Endowment Operations	30,639
Cumulative Endowment Fund Contributions	1,664,805
	\$ 3,295,696

9. Commitments

Lease Commitments

The Foundation occupied its office facilities according to a non-cancellable operation lease agreement on January 1, 2023 through February 2028.

Operating lease right-of-use (“ROU”) assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Generally, the implicit rate of interest in arrangements is not readily determinable and the Foundation utilizes its incremental borrowing rate in determining the present value of lease payments. The Foundation’s incremental borrowing rate is a hypothetical rate based on its understanding of what its credit rating would be. The operating lease ROU asset includes any lease payments made and excludes lease incentives.

Maturities of the Foundation's undiscounted lease liabilities are as follows:

Year Ending September 30,	Operating Leases
2024	\$ 55,789
2025	57,463
2026	59,187
2027	60,962
2028	25,587
Total lease payments	258,988
Less: Imputed interest/present value discount	\$ 13,646
Present value of lease liabilities	\$ 245,342

Mule Deer Foundation
Notes to Financial Statements
For the Year Ended September 30, 2023

9. Commitments (continued)

	<u>Year Ended</u> <u>September 30, 2023</u>
<u>Lease Cost</u>	
Operating lease cost (included in operating expenses on the Foundation's statements of activities)	\$ 75,670
 <u>Other Information</u>	
Cash paid for amounts included in the measurement of lease liabilities for the year ended September 30, 2023	\$ 75,670
Weighted average remaining lease term – operating leases (in years)	4.42 years
Average discount rate – operating leases	5.76%

The supplemental statement of financial position information related to the leases for the period is as follows:

	<u>At September 30, 2023</u>
<u>Operating leases</u>	
Long-term right-of-use assets	\$ 245,342
Short-term operating lease liabilities	52,672
Long-term operating lease liabilities	192,670
Total operating lease liabilities	\$ <u>245,342</u>

Lease expense for the year ended September 30, 2023 was \$75,670.

10. Liquidity and Availability of Financial Assets

The following reflects the Foundation's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions.

Financial assets at year-end	\$ 7,234,221
Less those unavailable for general within one year, due to:	
Restricted cash	1,633,931
Restricted cash included in other long-term assets	<u>1,664,805</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,935,485</u>

Mule Deer Foundation
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023

<u>Federal Assistance Programs Agency/Program Grant Title</u>	<u>Assistance Listing Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>		
Direct Programs:		
Stewardship Agreements	10.701	\$ 2,956,203
National Fish and Wildlife Foundation	10.683	241,353
Inflation Reduction Act- National Forest System	10.729	402,567
Soil and Water Conservation	10.902	55,343
Partnership Agreements	10.699	182,900
Infrastructure Investment and Jobs Act Prescribed Fire/Fire Recovery	10.716	<u>78,350</u>
Total U.S Department of Agriculture		<u>3,916,716</u>
 <u>U.S. Department of the Interior</u> <u>Bureau of Land Management</u>		
Direct Programs:		
Wildlife Resource Management	15.247	<u>\$ 314,867</u>
Total U.S Department of the Interior		<u>314,867</u>
 Total expenditures of federal awards		 <u>\$ 4,231,583</u>

Mule Deer Foundation
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023

1. Scope of Audit Pursuant to OMB Circular A-133

The Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal award programs of the Foundation. All federal awards received directly from federal agencies as well as federal awards passed through other governmental agencies or other entities are included in the Schedule.

2. Basis of Presentation

The Foundation's Schedule of Expenditures of Federal Awards has been prepared using the same basis of accounting as the September 30, 2023 financial statements of the Foundation. A complete description of the basis of accounting is included in Note 1 to those financial statements.

3. Contingencies

In connection with various federal grant programs, the Foundation is obligated to administer related programs and spend the funds in accordance with regulatory restrictions and is subject to audit by grantor agencies and other auditors. In cases of noncompliance, the agencies involved may require the Foundation to refund program funds.



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Mule Deer Foundation
Clearfield, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Mule Deer Foundation (the Foundation), which comprise the statement of financial position as of and for the year ended September 30, 2023, and the related statements of activities, and cash flows for the year ended, and the related notes to the financial statements, which collectively comprise the Foundation's financial statements, and have issued our report thereon dated January 31, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Pinnacle Accountancy Group of Utah

Pinnacle Accountancy Group of Utah
Farmington, Utah
January 31, 2024



PINNACLE

Accountancy Group of Utah

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Mule Deer Foundation
Clearfield, Utah

Report on Compliance for Each Major Federal Program

We have audited Mule Deer Foundation's (the Foundation), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Foundation's major federal programs for the year ended September 30, 2023. The Foundation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Mule Deer Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Foundation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Foundation's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Foundation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance

resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Foundation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Foundation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Pinnacle Accountancy Group of Utah

Pinnacle Accountancy Group of Utah
Farmington, Utah
January 31, 2024

Mule Deer Foundation
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2023

SECTION I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No

- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X No

Non compliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No

- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X No

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

_____ Yes X No

Identification of major programs?

CFDA Number(s)	Name of Federal Program or Cluster
10.701	Stewardship Agreements

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

_____ Yes X No

Mule Deer Foundation
Schedule of Findings and Questioned Costs (continued)
For the Year Ended September 30, 2023

Section II-Federal Award Findings and Questioned Costs

None