

Mule Deer Foundation

Independent Auditors' Reports and Supplemental Information

For the Year Ended September 30, 2025

Mule Deer Foundation

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**Independent Auditors' Report on
Financial Statements**

To the Board of Directors
Mule Deer Foundation
Clearfield, Utah

Opinion

We have audited the financial statements of Mule Deer Foundation (the Foundation), which comprise the statement of financial position as of September 30, 2025, and the related statements of activities, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of September 30, 2025, 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 the 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 the 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 for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to 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.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Foundation's basic financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards on pages 18 through 19 is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

Board of Directors
Mule Deer Foundation

Report on Supplemental Information (continued)

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated February 12, 2026, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Foundation's internal control over financial reporting and compliance.



FJ & Associates, PLLC
Kaysville, Utah
February 12, 2026

Mule Deer Foundation
Statement of Financial Position
September 30, 2025

ASSETS

Current assets:

Cash and cash equivalents	\$ 3,874,276
Accounts receivable	2,735,976
Inventories	157,393
Other current assets	8,202
Total current assets	<u>6,775,847</u>

Restricted assets:

Restricted Cash	1,605,265
Endowment Operations	1,880
Cumulative Endowment Funds	2,329,813
Total restricted assets	<u>3,936,958</u>

Property and equipment:

Land held for investment	25,000
Furniture and equipment	146,633
Total fixed assets	<u>171,633</u>
Less: Accumulated Depreciation	<u>(84,062)</u>
Net fixed assets	87,571

Other assets:

Operating lease right-of-use assets, net	<u>150,820</u>
Total other assets	<u>150,820</u>

Total assets \$ 10,951,196

See accompanying notes to basic financial statements

Mule Deer Foundation
Statement of Financial Position (Continued)
September 30, 2025

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 3,471,184
Accrued expenses	55,369
Deferred revenue	1,694,641
Operating lease liability, current portion	52,684
Notes payable, current portion	<u>4,611</u>
Total current liabilities	5,278,489

Non-current liabilities:

Operating lease liability, net of current portion	86,887
Notes payable, net of current portion	<u>109,519</u>
Total long-term liabilities	196,406

Total liabilities 5,474,895

Net assets:

Without donor restrictions	1,539,343
With donor restrictions	<u>3,936,958</u>
Total net assets	<u>5,476,301</u>

Total liabilities and net assets \$ 10,951,196

See accompanying notes to basic financial statements

Mule Deer Foundation
Statement of Activities and Changes in Net Assets
Year Ended September 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Memberships	\$ 700,141	\$ -	\$ 700,141
Banquet	6,020,653	-	6,020,653
Merchandise	7,315	-	7,315
Cash Donations	180,349	-	180,349
Endowment	350	202,850	203,200
Project Revenue	17,784,882	-	17,784,882
Tags	292,070	2,301,537	2,593,607
Convention	6,141,906	-	6,141,906
Conservation Partnerships	37,760	-	37,760
Other	800,097	-	800,097
Net assets released from restrictions	2,894,276	(2,894,276)	-
Total revenue	34,859,799	(389,889)	34,469,910
Operating Expenses:			
Tags	337,535	-	337,535
Salaries, wages and benefits	5,606,175	-	5,606,175
Convention	4,100,603	-	4,100,603
Magazine	276,052	-	276,052
Professional fees	318,523	-	318,523
Projects	17,259,208	-	17,259,208
Marketing	321,715	-	321,715
Memberships	55,624	-	55,624
Corporate	654,424	-	654,424
Program	18,539	-	18,539
Banquets	4,395,209	-	4,395,209
Rent	51,242	-	51,242
Utilities	70,789	-	70,789
Cost of goods sold	74,149	-	74,149
Taxes, insurance, and licenses	257,174	-	257,174
Maintenance and operating	10,000	-	10,000
Administrative	233,840	-	233,840
Miscellaneous	400,426	-	400,426
Depreciation	16,388	-	16,388
Total operating expenses	34,457,615	-	34,457,615
Operating income (loss)	402,184	(389,889)	12,295

See accompanying notes to basic financial statements

Mule Deer Foundation
Statement of Activities and Changes in Net Assets (continued)
Year Ended September 30, 2025

Non-Operating Revenue and Expense			
Interest income	40,183	9,732	49,915
Realized gain on investments	-	151,822	151,822
Interest expense	(24,943)	-	(24,943)
Gain (loss) on disposal of fixed assets	(3,603)	-	(3,603)
Total non-operating income (loss)	<u>11,637</u>	<u>161,554</u>	<u>173,191</u>
Change in net assets	413,821	(228,335)	185,486
Net assets at beginning of year	<u>1,125,522</u>	<u>4,165,293</u>	<u>5,290,815</u>
Net assets at end of year	<u>\$ 1,539,343</u>	<u>\$ 3,936,958</u>	<u>\$ 5,476,301</u>

See accompanying notes to basic financial statements

Mule Deer Foundation
Statement of Cash Flows
Year Ended September 30, 2025

Cash flows from operating activities	
Change in net assets	\$ 185,486
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	16,388
Amortization of ROU asset	41,850
Loss on the disposal of fixed assets	3,603
Interest income	(49,915)
Interest expense	24,943
(Increase) decrease in operating assets:	
Accounts receivable, net	(488,913)
Inventories	(127,270)
Other assets	(1,102)
Increase (decrease) in operating liabilities:	
Accounts payable	91,937
Accrued liabilities	(58,241)
Deferred revenue	323,665
Net cash provided by operating activities	<u>(37,569)</u>
Cash flows from investing activities	
Purchase of capital assets	(16,000)
Interest received	49,915
Net cash provided by investing activities	<u>33,915</u>
Cash flows from financing activities	
Principal payments on long-term debt	(4,841)
Interest paid	(21,733)
Payments on lease liabilities	(53,099)
Net cash used in financing activities	<u>(79,673)</u>
Net decrease in cash and equivalents	(83,327)
Cash and equivalents at beginning of year	7,894,561
Cash and equivalents at end of year	<u><u>\$ 7,811,234</u></u>
Supplemental disclosure of cash flow information:	
Cash paid during the year for interest	\$ 24,943
Disposal of capital assets and accumulated depreciation	\$ 80,066

See accompanying notes to basic financial statements

Mule Deer Foundation
Notes to Financial Statements
Year Ended September 30, 2025

1. Summary of Significant Accounting Policies

Organization and History

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.

Basis of Accounting

The Foundation prepares its basic financial statements using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The accrual basis of accounting recognizes revenues at the time they are earned. Expenditures are recorded when incurred.

Cash and Cash Equivalents

For purposes of the statement of financial position, the Foundation considers all highly liquid financial instruments to be cash and cash equivalents when they are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents include bank deposits, insured sweep accounts, and other short-term liquid instruments with original maturities of three months or less.

The Foundation maintains an investment account, which includes an insured cash sweep component and other liquid investment positions. Although the account contains a diversified mix of securities—including equities, mutual funds, exchange-traded funds, corporate bonds, and certificates of deposit—the account is managed as a cash-management vehicle and is used by the Foundation primarily for short-term liquidity needs. The account allows for same-day or next-day access to funds, and all balances are available to meet operational cash requirements without restriction. The statement for this account shows an insured cash account balance embedded within the portfolio, as well as liquid investment products that can be readily converted to cash as needed.

Because the entire balance of the investment account is available for immediate withdrawal and functions as part of the Foundation's short-term liquidity management strategy, management has determined that the full account balance meets the Foundation's definition of cash and cash equivalents. Accordingly, the entire investment account is classified as cash and cash equivalents in the accompanying financial statements.

Restricted Cash

The Foundation has restricted cash that is put in place by various outside agencies as a result of various types of donations and agreements. Restricted cash consists of funds related to conservation partnerships, wildlife tags, and endowment funds held by the Foundation. Restrictions are usually released within the short-term, generally defined as one year or less. Cash and highly liquid financial instruments restricted to capital expenditures, endowment or with donor restriction uses are included in this definition.

Mule Deer Foundation
Notes to Financial Statements (continued)
Year Ended September 30, 2025

1. Summary of Significant Accounting Policies (continued)

The balance in cash, cash equivalents, restricted deposits and restricted deposit equivalents consists of the following:

Cash and cash equivalents	\$ 3,874,276
Restricted cash	3,936,958
Total cash, cash equivalents, and restricted cash	\$ 7,811,234

Receivables and Credit Policies

Accounts receivable consists primarily of noninterest-bearing amounts due for project reimbursements, magazine/advertising fees, membership fees, and miscellaneous operating income.

Receivables and Credit Policies (continued)

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, 2025, 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, 2025.

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 reflected 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, 2025.

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 as “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.

Mule Deer Foundation
Notes to Financial Statements (continued)
Year Ended September 30, 2025

1. Summary of Significant Accounting Policies (continued)

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-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 are subject to donor restrictions that may or will be met by expenditures or actions of the Foundation on the specified purpose or donor stipulation.

As of September 30, 2025, the Foundation had \$2,109,797 in net assets without donor restrictions and \$3,366,504 in net assets with donor restrictions.

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, 2025, are \$2,045,627 and \$2,034,101 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.

There are five types of revenue:

- **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.
- **Memberships** are recognized when membership fees are received. They are treated as contributions per ASC Topic 958.
- **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.

Mule Deer Foundation
Notes to Financial Statements (continued)
Year Ended September 30, 2025

1. Summary of Significant Accounting Policies (continued)

Revenue and Revenue Recognition (continued)

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, 2025.

Restricted contributions received are recorded as increases in net assets with donor restrictions depending on the nature of the restriction. Restricted net assets are recognized as without donor restrictions revenue when the terms of the restrictions are met. Net assets with donor restrictions 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 \$321,715 for the year ended September 30, 2025.

Income Taxes

The Foundation is organized as a California nonprofit corporation and has been recognized by the Internal Revenue Services (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 unrecognizable tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Mule Deer Foundation
Notes to Financial Statements (continued)
Year Ended September 30, 2025

1. Summary of Significant Accounting Policies (continued)

Use of 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 and disclosure 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 could differ from those estimates.

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 Accounting Pronouncements

The Foundation has reviewed the recently issued FASB Codification Updates (ASU's) for the year ended September 30, 2025, and has determined that none of the recently issued accounting updates will have a material effect on the fair presentation of these financial statements.

Subsequent Events

The Foundation has evaluated subsequent events through February 12, 2026, 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, 2025.

	Balance			Balance
	12/31/2024	Additions	Retirements	12/31/2025
Land held for investment	\$ 25,000	\$ -	\$ -	\$ 25,000
Furniture and equipment	200,346	16,000	(69,713)	146,633
Leasehold improvements	10,352	-	(10,352)	-
	<u>225,346</u>	<u>\$ 16,000</u>	<u>\$ (80,065)</u>	<u>171,633</u>
Accumulated depreciation	<u>(144,137)</u>	<u>\$ (16,388)</u>	<u>\$ 76,463</u>	<u>(84,062)</u>
Net book value	<u>\$ 81,209</u>			<u>\$ 87,571</u>

Mule Deer Foundation
Notes to Financial Statements (continued)
Year Ended September 30, 2025

3. Endowment Fund

The Foundation maintains an endowment fund consisting of restricted cash. Any contributions to the endowment fund are considered part of the endowment corpus and are restricted. Once the fund reaches a corpus of at least \$2 million any earnings generated from the designated corpus may be used for program related expenses to further the mission of the Foundation. At September 30, 2025, the endowment totaled \$2,329,813.

The composition of endowment net assets for this fund and the changes in endowment net assets as of September 30, 2025, are as follows:

Endowment net assets, October 1, 2024	\$ 1,924,825
Investment return (net)	404,988
Endowment net assets, September 30, 2025	<u>\$ 2,329,813</u>

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, 2025, deferred revenues totaled \$1,694,641.

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% (8.0% at September 30, 2025). Accrued interest and principal are due at maturity of January 14, 2026. The line of credit was renewed during the fiscal year ending September 30, 2025. The agreement requires the Foundation to comply with certain non-financial covenants. At September 30, 2025, 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 Act. 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 an Economic Injury Disaster, in connection with the effects of the COVID-19 emergency. At September 30, 2025, the outstanding balance was \$114,130.

Mule Deer Foundation
Notes to Financial Statements (continued)
Year Ended September 30, 2025

6. Notes Payable (continued)

Future maturities of notes payable are as follows:

Year Ending September 30,	Principal	Interest
2026	\$ 4,611	\$ 3,081
2027	4,740	2,952
2028	4,872	2,820
2029	5,007	2,685
2030	5,147	2,545
Thereafter	89,753	18,605
	<u>\$ 114,130</u>	<u>\$ 32,688</u>

7. Related Party Transactions

During the year ended September 30, 2025, the Foundation purchased inventory totaling \$231,154 and sold timber products from habitat projects totaling \$452,470 from companies associated with members of its Board of Directors.

8. Net Assets with Donor Restrictions

The Foundation engages in conservation partnerships with government agencies and other organizations to support habitat conservation and wildlife management efforts, with funds generally restricted for specific conservation purposes. Wildlife tags obtained through state agreements are used as a fundraising tool, with proceeds typically restricted for conservation programs.

Endowment funds are invested under Board-approved policies to provide long-term support for the mission, and cumulative endowment balances consist of donor contributions and accumulated investment earnings, net of amounts appropriated for use.

Restricted by donors for:

Conservation Partnerships	\$ 4,507
Wildlife Tags	1,030,304
Endowment Operations	1,880
Cumulative Endowment Funds	<u>2,329,813</u>
	<u>\$ 3,366,504</u>

9. Lease Commitments

The Foundation occupied its office facilities according to a non-cancellable operating 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 the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease.

Mule Deer Foundation
Notes to Financial Statements (continued)
Year Ended September 30, 2025

9. Lease Commitments (continued)

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:

2026	\$ 52,684
2027	60,962
2028	<u>32,090</u>
Total lease payments	145,736
Less: Imputed interest/present value discount	<u>6,165</u>
Present value of lease liabilities	<u><u>\$ 139,571</u></u>
<u>Other Information</u>	
Cash paid for amounts included in the measurement of lease liabilities for the year ended September 30, 2025	\$ 51,242
Weighted average remaining lease term - operating leases (in years)	2.42 years
Average discount rate - operating leases	5.76%

The supplemental statement of financial position information related to the leases for the year ended September 30, 2025 is as follows:

<u>Operating leases</u>	
Long-term right-of-use assets, net of amortization	<u>\$ 150,820</u>
Short-term operating lease liabilities	52,684
Long-term operating lease liabilities	<u>86,887</u>
Total operating lease liabilities	<u><u>\$ 139,571</u></u>

Amortization expense of right-of-use (ROU) assets for the year ended September 30, 2025, was \$51,242.

Mule Deer Foundation
Notes to Financial Statements (continued)
Year Ended September 30, 2025

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.

Liquidity and Availability of Financial Assets	
Financial assets at year end	\$ 10,555,412
Less those unavailable for general expenditures within one year, due to:	
Restricted cash	<u>3,936,958</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 6,618,454</u></u>

Supplemental Information

Mule Deer Foundation
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2025



<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 *	\$ 5,965,168
Wildfire Crisis Strategy Landscapes	10.724	2,900,636
Inflation Reduction Act - National Forest System	10.729	1,023,864
Soil and Water Conservation	10.902	4,251
Partnership Agreements	10.699	236,106
Infrastructure Investment and Jobs Act Prescribed Fire/Fire Recovery	10.716	171,875
Infrastructure Investment and Jobs Act Restoration/Revegetation	10.717	<u>217,176</u>
Total U.S Department of Agriculture		10,519,076
<u>U.S. Department of the Interior Bureau of Land Management</u>		
Direct Programs:		
Wildlife Resource Management	15.247	\$ 580,235
Forest and Woodlands Resource Management	15.233	<u>465,259</u>
Total U.S Department of the Interior		<u>1,045,494</u>
Total expenditures of federal awards		<u><u>\$ 11,564,570</u></u>

*Major program

Mule Deer Foundation
Notes to Schedule of Expenditures of Federal Awards
Year Ended September 30, 2025

1. Scope of Audit Pursuant to Uniform Guidance

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

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, 2025, 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.

INDEPENDENT AUDITORS' 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

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) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated February 12, 2026.

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 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.

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 material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Board of Directors
Mule Deer Foundation

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.



FJ & Associates, PLLC
Kaysville, Utah
February 12, 2026

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
*UNIFORM GUIDANCE***

Board of Directors
Mule Deer Foundation
Clearfield, Utah

Report on Compliance for Each Major Program

Opinion on 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, 2025. 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, the 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, 2025.

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.

Board of Directors
Mule Deer Foundation

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.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance.

Board of Directors
Mule Deer Foundation

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 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.



FJ & Associates, PLLC
Kaysville, Utah
February 12, 2026

Mule Deer Foundation
Schedule of Findings and Questioned Costs
Year Ended September 30, 2025

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(s) identified that are not considered to be material weaknesses? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

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

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(s) identified that are not considered to be material weaknesses? _____ Yes X None reported

Any findings disclosed that are required to be reported in accordance with section 561(a) of Uniform Guidance? _____ Yes X No

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.701	Stewardship Agreements

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

 \$ 1,000,000

Auditee qualifies as low-risk auditee? X Yes _____ No

Mule Deer Foundation
Schedule of Findings and Questioned Costs
Year Ended September 30, 2025

Section II – Financial Statement Findings and Questioned Costs

No matters are reported for the fiscal year ended September 30, 2025

Section III – Federal Award Findings and Questioned Costs

No matters are reported for the fiscal year ended September 30, 2025

Mule Deer Foundation
Schedule of Findings and Questioned Costs – Prior Year
Year Ended September 30, 2025

Section II – Financial Statement Findings and Questioned Costs

No matters are reported for the fiscal year ended September 30, 2024.

Section III – Federal Award Findings and Questioned Costs

No matters are reported for the fiscal year ended September 30, 2024.