

**TROUT UNLIMITED CANADA  
TRUITE ILLIMITÉE CANADA**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

**TROUT UNLIMITED CANADA**  
**TRUITE ILLIMITÉE CANADA**  
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**DECEMBER 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

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### **To the Members of TROUT UNLIMITED CANADA - TRUITE ILLIMITÉE CANADA**

#### *Opinion*

We have audited the financial statements of Trout Unlimited Canada - Truite Illimitée Canada (the "Organization"), which comprise the statement of financial position as at December 31, 2023, and the statement of operations, statement of changes in fund balances and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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## INDEPENDENT AUDITOR'S REPORT, continued

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### *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 a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- ♦ 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 Organization's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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**INDEPENDENT AUDITOR'S REPORT, continued**

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Baker Tilly Catalyst LLP*

**CALGARY, ALBERTA  
APRIL 23, 2024**

**CHARTERED PROFESSIONAL  
ACCOUNTANTS**

**TROUT UNLIMITED CANADA**  
**TRUITE ILLIMITÉE CANADA**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2023**

|   | <b>2023</b>         | <b>2022</b>         |
|---|---------------------|---------------------|
| <b>Assets</b>                                     |                     |                     |
| <b>Current assets</b>                             |                     |                     |
| Cash  | \$ -                | \$ 627,928          |
| Accounts receivable                               | 551,403             | 253,390             |
| Prepaid expenditures                              | 22,348              | 42,304              |
| Inventory   | 234,532             | 189,047             |
|   | 808,283             | 1,112,669           |
| <b>Capital assets (Notes 4 and 7)</b>             | <b>373,465</b>      | <b>353,452</b>      |
|   | <b>\$ 1,181,748</b> | <b>\$ 1,466,121</b> |
| <b>Liabilities and fund balances</b>              |                     |                     |
| <b>Current liabilities</b>                        |                     |                     |
| Cheques issued in excess of deposits              | \$ 23,089           | \$ -                |
| Accounts payable and accrued liabilities (Note 8) | 115,532             | 61,203              |
| Deferred revenue (Note 6)                         | 948,809             | 1,140,646           |
| Current portion of CEBA loan payable              | -                   | 40,000              |
|   | 1,087,430           | 1,241,849           |
| <b>Fund balances</b>                              |                     |                     |
| Deferred land contributions (Note 7)              | 228,000             | 228,000             |
| Internally restricted (Note 7)                    | 70,000              | 70,000              |
| Unrestricted surplus                              | (203,682)           | (73,728)            |
|   | 94,318              | 224,272             |
|   | <b>\$ 1,181,748</b> | <b>\$ 1,466,121</b> |

**Commitments (Note 9)**

**Change in accounting policy (Note 2)**

**Subsequent event (Note 5)**

Approved on behalf of the Board

*Silvia D'Amelio*  
 \_\_\_\_\_ C.E.O.

*David M Williamson FCPA FCA*  
 \_\_\_\_\_ Chairman of the Board

**TROUT UNLIMITED CANADA**  
**TRUITE ILLIMITÉE CANADA**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

|  | <b>2023</b>         | <b>2022</b>       |
|--|---------------------|-------------------|
| <b>Revenues</b>  |                     |                   |
| Donation, grant and contract revenue (Note 11)                         | \$ 2,052,307        | \$ 1,826,094      |
| Casino and other revenue (Note 11)                                     | 43,969              | 70,851            |
| Merchandise sales and auctions (Note 11)                               | 34,094              | 17,754            |
|  | 2,130,370           | 1,914,699         |
| <b>Expenditures</b>  |                     |                   |
| Project expenditures   | 1,659,483           | 1,282,334         |
| Administration salaries and related benefits                           | 288,915             | 188,814           |
| Fundraising expenditures (Note 11)                                     | 96,178              | 66,147            |
| Telephone and utilities (Note 8)                                       | 46,869              | 40,146            |
| Professional fees  | 45,786              | 57,483            |
| Rent   | 29,378              | 22,516            |
| Office and administration  | 25,409              | 41,319            |
| Insurance  | 17,274              | 17,270            |
| Advertising and promotion  | 15,381              | 24,827            |
| Event costs  | 14,987              | 29,465            |
| Interest and bank charges  | 5,833               | 6,751             |
| Travel and automotive  | 5,371               | 4,047             |
| Amortization   | 9,460               | 4,241             |
|  | 2,260,324           | 1,785,360         |
| Excess (deficiencies) of revenue over expenditures before other income | (129,954)           | 129,339           |
| <b>Other income</b>  |                     |                   |
| Government assistance  | -                   | 20,159            |
| <b>Excess (deficiencies) of revenue over expenditures</b>              | <b>\$ (129,954)</b> | <b>\$ 149,498</b> |

The accompanying notes are an integral part of the financial statements

**TROUT UNLIMITED CANADA**  
**TRUITE ILLIMITÉE CANADA**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

|   | Deferred land<br>contributions | Internally<br>restricted | Unrestricted        | December<br>31, 2023 | December<br>31, 2022 |
|---|--------------------------------|--------------------------|---------------------|----------------------|----------------------|
| <b>Balance, beginning<br/>of year, as<br/>previously stated</b> | \$ 228,000                     | \$ 70,000                | \$ 911,832          | \$ 1,209,832         | \$ 778,217           |
| Change in<br>accounting policy<br>(Note 2)                      | -                              | -                        | (985,559)           | (985,560)            | (703,443)            |
| <b>Balance, restated</b>  | 228,000                        | 70,000                   | (73,727)            | 224,272              | 74,774               |
| Excess<br>(deficiencies) of<br>revenues over<br>expenditures    | -                              | -                        | (129,954)           | (129,954)            | 149,498              |
| <b>Balance, ending of<br/>year</b>                              | <b>\$ 228,000</b>              | <b>\$ 70,000</b>         | <b>\$ (203,681)</b> | <b>\$ 94,318</b>     | <b>\$ 224,272</b>    |

The accompanying notes are an integral part of the financial statements



**TROUT UNLIMITED CANADA**  
**TRUITE ILLIMITÉE CANADA**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

|   | <b>2023</b>  | <b>2022</b> |
|---|--------------|-------------|
| <b>Cash flows from operating activities</b>                     |              |             |
| Excess (deficiency) of revenues over expenditures               | \$ (129,954) | \$ 149,498  |
| Adjustment for  |              |             |
| Amortization  | 9,460        | 4,241       |
|   | (120,494)    | 153,739     |
| Change in non-cash working capital items                        |              |             |
| Accounts receivable   | (298,013)    | (230,318)   |
| Prepaid expenditures  | 19,956       | (20,447)    |
| Inventory   | (45,485)     | (52,449)    |
| Accounts payable and accrued liabilities                        | 54,329       | (3,865)     |
| Deferred revenue  | (191,837)    | 354,961     |
|   | (581,544)    | 201,621     |
| <b>Cash flows from investing activities</b>                     |              |             |
| Purchase of capital assets                                      | (29,473)     | (7,039)     |
| Proceeds from short-term investment                             | -            | 40,000      |
|   | (29,473)     | 32,961      |
| <b>Cash flows from financing activities</b>                     |              |             |
| Repayment of CEBA loan  | (40,000)     | -           |
|   | (40,000)     | -           |
| <b>(Decrease) increase in cash</b>                              | (651,017)    | 234,582     |
| <b>Cash, beginning of year</b>                                  | 627,928      | 393,346     |
| <b>Cash (cheques issued in excess of deposits), end of year</b> | \$ (23,089)  | \$ 627,928  |
| <b>Cash consists of:</b>  |              |             |
| Restricted casino funds (Note 6)                                | \$ 77,846    | \$ 39,895   |
| Cheques issued in excess of deposits                            | (100,935)    | 316,404     |
|   | \$ (23,089)  | \$ 356,299  |

The accompanying notes are an integral part of the financial statements

**TROUT UNLIMITED CANADA  
TRUITE ILLIMITÉE CANADA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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**1. Nature of operations**

Trout Unlimited Canada - Truite Illimitée Canada (the "Organization") is a not-for-profit organization dedicated to conserving, protecting and restoring Canada's fresh water ecosystems and their coldwater resources for current and future generations. The Organization is incorporated under the Canada Business Corporations Act as a not-for-profit organization and is a registered charitable organization under Section 149(1)(f) of the Income Tax Act and, accordingly, is exempt from income taxes. Therefore, no provision for income taxes is recorded in the financial statements.

**2. Change in accounting policy**

During the year, the Organization changed its method of accounting to the deferral method which had previously been accounted for under the restricted fund method. This change was applied retroactively. As a result, as at December 31, 2022 excess of revenue over expenditures have decreased by \$282,117, deferred revenue increased by \$985,560 and fund balances have decreased by \$703,443.

|                                     | <b>2022 as<br/>stated</b> | <b>Adjustments</b> | <b>2022 as<br/>restated</b> |
|-------------------------------------|---------------------------|--------------------|-----------------------------|
| Deferred revenue                    | \$ 155,086                | \$ 985,560         | \$ 1,140,646                |
| Excess of revenue over expenditures | 431,615                   | (282,117)          | 149,498                     |
| Revenue                             | 2,196,816                 | (282,117)          | 1,914,699                   |
| Unrestricted surplus - opening      | 778,217                   | (703,443)          | 74,774                      |
| Unrestricted surplus - closing      | 1,209,832                 | (985,560)          | 224,272                     |

**3. Significant accounting policies**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

**(a) Cash**

Cash consists of balances with financial institutions, net of cheques not cashed.

**TROUT UNLIMITED CANADA**  
**TRUITE ILLIMITÉE CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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3. **Significant accounting policies, continued**

(b) **Financial instruments**

(i) **Measurement of financial instruments**

The Organization initially measures its financial assets and liabilities at fair value.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and operating lease commitments.

The Organization has not designated any financial asset or financial liability to be measured at fair value.

(ii) **Impairment**

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

(c) **Measurement uncertainty**

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Significant areas requiring the use of estimates include: estimated useful lives of capital assets and inventory valuation. Actual results may differ from management's best estimates as additional information becomes available in the future.

**TROUT UNLIMITED CANADA**  
**TRUITE ILLIMITÉE CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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3. **Significant accounting policies, continued**

(d) **Expenditure allocation**

The Organization allocates certain amounts of its expenditures to project expenditures by identifying the appropriate basis for the allocation and applies that basis consistently each year.

(e) **Capital assets**

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over the assets' estimated useful lives, being five years.

(f) **Impairment of long-lived assets**

The Organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

(g) **Deferred contributions related to capital assets**

Contributed capital assets and amounts externally restricted for capital purposes are credited to deferred contributions related to capital assets when received or receivable and taken into income each year in proportion to the annual amortization of the related assets for which the capital contributions were expended.

(h) **Inventory**

Purchased inventory is valued at the lower of cost or net realizable value, with cost being the specific item method. Net realizable value is the estimated selling price in the ordinary course of operations, less any applicable selling costs.

Contributed materials are recorded at the estimated fair value at the date of contribution. Inventory value is immediately adjusted as follows:

Appraised items; appraised value discounted by 75%  
Retail value exceeds \$250; item discounted by 50%  
Retail value less than \$250; item discounted by 35% - 75%

**TROUT UNLIMITED CANADA  
TRUITE ILLIMITÉE CANADA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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3. **Significant accounting policies, continued**

(i) **Revenue recognition**

The Organization follows the deferral method of accounting for contributions. Restricted contributions for donations, sponsorships, grants and casino are recognized as revenue in the year in which the related expenditure occurs.

Unrestricted contributions are recognized as revenue in the year received or when receivable in the amount can be reasonable assured.

(j) **Contributed services**

A substantial number of volunteers contribute a significant amount of time each year. Due to the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

(k) **Affiliates**

Chapters operate under bylaws and affiliation agreements of the Organization.

The Organization issues all income tax receipts and provides certain umbrella insurance coverage for, and on behalf of, all chapters.

Chapters maintain their own Executive Directors and are responsible for their own finances, management and projects. Accordingly, the chapters' assets, liabilities, revenues and expenditures are not included in these financial statements.

4. **Capital assets**

|                    | <b>Cost</b>       | <b>Accumulated<br/>Amortization</b> | <b>2023<br/>Net Book<br/>Value</b> | <b>2022<br/>Net Book<br/>Value</b> |
|--------------------|-------------------|-------------------------------------|------------------------------------|------------------------------------|
| Land               | \$ 342,000        | \$ -                                | \$ 342,000                         | \$ 342,000                         |
| Computer equipment | 45,849            | 14,384                              | 31,465                             | 11,452                             |
|                    | <u>\$ 387,849</u> | <u>\$ 14,384</u>                    | <u>\$ 373,465</u>                  | <u>\$ 353,452</u>                  |

**TROUT UNLIMITED CANADA**  
**TRUITE ILLIMITÉE CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**5. Operating loan**

The Organization has a revolving demand loan authorized to a maximum of \$250,000, bearing interest at a rate of prime plus 2%. The loan is secured by a general security agreement detailing a first ranking security interest in all property of the Organization. There are no financial covenants. As at December 31, 2023, the Organization has no amount on this credit facility (2022 - nil).

Subsequent to year end the Organization advanced \$125,000 from the revolving demand loan.

**6. Deferred revenue**

|                     | <b>Opening<br/>balance</b> | <b>Contributions</b> | <b>Contributions<br/>utilized</b> | <b>Ending<br/>balance</b> |
|---------------------|----------------------------|----------------------|-----------------------------------|---------------------------|
| Grants/Sponsorships | \$ 985,560                 | \$ 889,814           | \$(1,244,574)                     | \$ 630,800                |
| Services            | -                          | 394,331              | (157,418)                         | 236,913                   |
| Casino              | 115,461                    | -                    | (37,615)                          | 77,846                    |
| Events              | 39,625                     | -                    | (36,375)                          | 3,250                     |
|                     | <b>\$ 1,140,646</b>        | <b>\$ 1,284,145</b>  | <b>\$(1,475,982)</b>              | <b>\$ 948,809</b>         |

**7. Deferred land contributions and internally restricted**

Contributions relate to money raised from government and community donors for the purchase of the deferred land contributions in 2007. The deferred land contributions has a carrying value of \$298,000.

Internally restricted funds consist of \$70,000 related to the deferred land contributions.

**8. Related party transactions**

During the year, the Organization incurred Information Technology contract services expenditures from a company owned by a director in the amount of \$34,368 (2022 - \$39,117) and also purchased a new IT server from them for \$30,209. These transactions are in the normal course of operations and are recorded at the exchange amount which is the amount of consideration established and agreed to by the related parties and there is \$2,315 included in accounts payable.

**TROUT UNLIMITED CANADA**  
**TRUITE ILLIMITÉE CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**9. Commitments**

The Organization is committed under their premises leases for future minimum rental payments exclusive of occupancy costs, as well as monthly payments for two vehicles and equipment, as follows:

|      |    |         |
|------|----|---------|
| 2024 | \$ | 88,843  |
| 2025 |    | 45,157  |
| 2026 |    | 42,074  |
| 2027 |    | 41,037  |
| 2028 |    | 36,288  |
|      | \$ | 253,399 |

**10. Financial instruments**

The Organization is exposed to various financial risks through transactions in financial instruments. The following provides helpful information in assessing the extent of the Organization's exposure to these risks.

**(a) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risk relates to its accounts receivable.

**(b) Liquidity risk**

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, and operating lease commitments.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant currency risk or other price risks arising from these financial instruments.

**11. Additional information to comply with the Charitable Foundation Act and Regulations**

Gross contributions received of \$2,130,370 (2022 - \$1,914,699) were used in accordance with the internal and external restrictions imposed by the donor's request and the Organization's disbursement policies. Undesignated donations are allocated for use by the board of directors of the Organization.

**TROUT UNLIMITED CANADA**  
**TRUITE ILLIMITÉE CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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11. **Additional information to comply with the Charitable Foundation Act and Regulations, continued**

|                   | <u>2023</u> | <u>2022</u> |
|-------------------|-------------|-------------|
| Fundraising costs | \$ 96,178   | \$ 66,147   |

All expenditures incurred, direct and indirectly, for the purpose of soliciting contributions are included above. Remuneration of \$38,925 (2022 - \$26,611) was paid for fundraising activities.

12. **Comparative amounts**

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. Other than the changes to update the accounting policy, the changes do not affect prior year earnings.



**TROUT UNLIMITED CANADA TRUITE ILLIMITÉE CANADA**

5C

Year End: December 31, 2023

Adjusting Journal Entries

Date: 01/01/23 To 12/31/23

|                             |                             |                         |
|-----------------------------|-----------------------------|-------------------------|
| Prepared by<br>CCC 04/01/24 | Reviewed by<br>SMM 04/01/24 | Partner<br>MLB 04/02/24 |
| FQR                         | QC                          | Reviewed by             |

| Number                   | Date     | Name   | Account No          | Debit               | Credit              | Recurrence | Misstatement |
|--------------------------|----------|--|---------------------|---------------------|---------------------|------------|--------------|
| 1                        | 12/31/23 | Equipment >\$500                                       | 1501 GF             | 29,472.65           |                     |            |              |
| 1                        | 12/31/23 | Accum. Amort. Equipment                                | 1565 GF             |                     | 5,894.53            |            |              |
| 1                        | 12/31/23 | Amortization   | 6650 GF             | 5,894.53            |                     |            |              |
| 1                        | 12/31/23 | Technology:IT/Computer/Software                        | 6250.6251 GF        |                     | 29,472.65           |            |              |
|                          |          | To capitalize IT server and record amortization on it. |                     |                     |                     |            |              |
| 2                        | 12/31/23 | Deferred revenue                                       | 2500 PF             |                     | 867,713.00          |            |              |
| 2                        | 12/31/23 | Accounts Receivable                                    | 1200P PF            | 164,350.00          |                     |            |              |
| 2                        | 12/31/23 | Retained Earnings                                      | 3900P PF            | 985,560.00          |                     |            |              |
| 2                        | 12/31/23 | Fund Raising: Donations                                | 4060P PF            | 867,713.00          |                     |            |              |
| 2                        | 12/31/23 | Fund Raising: Donations                                | 4060P PF            |                     | 164,350.00          |            |              |
| 2                        | 12/31/23 | Fund Raising: Donations                                | 4060P PF            |                     | 985,560.00          |            |              |
|                          |          | To adjust to deferral method.                          |                     |                     |                     |            |              |
|                          |          |  |                     | <b>2,052,990.18</b> | <b>2,052,990.18</b> |            |              |
| <b>Net Income (Loss)</b> |          |  | <b>(129,952.57)</b> |                     |                     |            |              |

I have read and understood the Adjusting Journal Entries as prepared by Baker Tilly Catalyst LLP:

*Silvia D'Amelio*

*David M Williamson FCPA FC*

**TROUT UNLIMITED CANADA TRUITE ILLIMITÉE CANADA**  
**6020 2nd Street SE #8**  
**Calgary, AB T2H 2L8**

April 23, 2024

Baker Tilly Catalyst LLP  
330 - 205 Quarry Park Blvd. SE  
Calgary, Alberta  
T2C 3E7

Dear Sirs:

We confirm our understanding that the examination you made was directed to the expression of an opinion as to whether the financial statements of TROUT UNLIMITED CANADA TRUITE ILLIMITÉE CANADA as of December 31, 2023 present fairly, in all material respects, the financial position, results of operations and cash flows of TROUT UNLIMITED CANADA TRUITE ILLIMITÉE CANADA in accordance with Canadian accounting standards for not-for-profit organizations.

We acknowledge that we are responsible for the fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for the design and implementation of internal control to prevent and detect fraud and error. We have assessed the risk that the financial statements may be materially misstated as a result of fraud, and have determined such risk to be low. Further, we acknowledge that your examination was planned and conducted in accordance with Canadian generally accepted auditing standards so as to enable you to express an opinion on the financial statements. We understand that while your work includes an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, it is not designed to identify, nor can it necessarily be expected to disclose fraud, shortages, errors and other irregularities, should any exist.

The purpose of this letter is to confirm information provided to you during your audit engagement. In connection with these financial statements we give you our assurance that to the best of our knowledge and belief:

- (a) The statement of financial position and the statements of operations, changes in fund balances and cash flows properly reflect the financial position of the Organization as at December 31, 2023 and the results of its operations and cash flows for the period from January 1, 2023 to December 31, 2023.
- (b) We have no knowledge of fraud, suspected fraud or allegations of fraud affecting the Organization involving management; employees who have significant roles in internal control; or others, where the fraud could have a non-trivial effect on the financial statements.
- (c) Significant accounting policies are disclosed in the financial statements and there have been no changes to these policies.
- (d) There are no material transactions that have not been properly reflected in the financial statements. The effects of the uncorrected financial statement misstatements summarized in the accompanying schedule are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

- (e) We believe that the significant assumptions used in arriving at the fair values of financial instruments as measured and disclosed in the financial statements are reasonable and appropriate in the circumstances. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
- (f) The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements. The method used to determine estimates has been appropriately and consistently applied and reflects management's intent and ability.
- (g) Accounts receivable represent valid claims against customers for sales or services rendered prior to year end. Adequate allowance has been made for any losses for uncollectible accounts.
- (h) Capital assets are properly stated and no significant expenditures of a capital nature were expensed during the year. Assets sold, dismantled or otherwise disposed of have been properly accounted for in the records of the Organization. Assets not being used in the business have been segregated.
- (i) As at December 31, 2023, the Organization had:
  - (i) Satisfactory title to all assets, and these have been properly valued and recorded in the accounts and represent continuing benefit to the Organization. Any pledge or assignment of Organization assets as security for liabilities has been disclosed to you.
  - (ii) No material unrecorded assets.
  - (iii) No material unrecorded liabilities.
  - (iv) No material undisclosed contingent assets and liabilities or commitments.
- (j) There were no significant contractual obligations for construction and/or purchase of capital assets at December 31, 2023 that have not been properly disclosed.
- (k) There are no significant commitments or contractual obligations that have not been disclosed to you.
- (l) All related parties have been disclosed including:
  - (i) all transactions with such parties including sales, purchases, loans, transfer of assets, liabilities and guarantees.
  - (ii) all balances due to or from such parties at year end.

- (m) We have reviewed and approved all transactions recorded in, and the balances of, the shareholder accounts. At December 31, 2023 and this date, the terms of the accounts are properly disclosed and classification of these accounts is appropriate.
- (n) Since December 31, 2023 there have been no events or transactions other than those reflected or fully disclosed in the financial statements which have a material effect on those statements.
- (o) All claims which were outstanding and possible claims, whether or not discussed with a law firm, have been disclosed to you.
- (p) There are no violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, and there are no other material liabilities or gain or loss contingencies that are required to be accrued for disclosed.
- (q) There were no environmental matters that require disclosure in the financial statements.
- (r) We are not aware of any illegal or possibly illegal acts for which we have not disclosed to you all the facts related thereto.
- (s) Management has reviewed and has approved all journal entries prepared by Baker Tilly Catalyst LLP during preparation of the Organization's year-end financial statements.

Further, to the best of our knowledge and belief, all related parties, as detailed on the attached schedule, and transactions have been identified to you; all accounting and financial records and related data of the Organization have been made available to you and as far as we know none were withheld from you; unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence has been made available to you, no shortages or other irregularities have been discovered; there was no undisclosed economic dependence by the Organization on any other party; the minute books of the Organization contain a true and correct record of all the business transacted to date, and business transacted at those meetings does not require disclosure in these financial statements. No claims have arisen, no events have occurred and no matters have been discovered since December 31, 2023 that would require adjustments to or disclosures in the financial statements.

We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Baker Tilly Catalyst LLP  
April 23, 2024  
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We have fulfilled our responsibilities, as set out in the terms of the auditing engagement dated December 31, 2023 for the preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations; in particular, the financial statements are fairly presented in accordance therewith.

We have read and approve issue of the attached financial statements.

Yours very truly,

TROUT UNLIMITED CANADA TRUITE ILLIMITÉE CANADA

Per:

*Silvia D'Amelio*

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