



AUDIT REPORT

**FINANCIAL AND FEDERAL AWARD
COMPLIANCE EXAMINATION**

FOR THE YEAR ENDED MARCH 31, 2023

TROUT UNLIMITED, INC.

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FINANCIAL STATEMENTS



**FOR THE YEARS ENDED
MARCH 31, 2023 AND 2022**

TROUT UNLIMITED, INC.

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Trout Unlimited, Inc.
Arlington, Virginia

Opinion

We have audited the accompanying financial statements of Trout Unlimited, Inc. (TU), which comprise the statements of financial position as of March 31, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TU as of March 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 TU and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 TU's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

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 and *Government 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, including omissions, 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, 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 TU'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 TU'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards on pages I-(28 - 46), 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 (Uniform Guidance)*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2023, on our consideration of TU's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of TU's 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 TU's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Freedman".

November 28, 2023

TROUT UNLIMITED, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2023 AND 2022

ASSETS		<u>2023</u>	<u>2022</u>
CURRENT ASSETS			
Cash and cash equivalents	\$	11,285,698	\$ 10,910,843
Receivables, net		18,362,547	23,982,682
Inventory		913,484	1,013,972
Prepaid expenses and other assets		<u>486,854</u>	<u>540,467</u>
Total current assets		<u>31,048,583</u>	<u>36,447,964</u>
PROPERTY AND EQUIPMENT, NET		<u>539,580</u>	<u>190,756</u>
OTHER ASSETS			
Investments		14,380,881	14,902,601
Right-of-use asset, net		390,898	-
Beneficial interest in charitable remainder unitrust		54,125	54,125
Receivables, net of current portion		<u>100,000</u>	<u>-</u>
Total other assets		<u>14,925,904</u>	<u>14,956,726</u>
TOTAL ASSETS	\$	<u>46,514,067</u>	\$ <u>51,595,446</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	\$	5,720,034	\$ 6,186,103
Deferred membership fees		293,753	317,843
Refundable advances - Federal grants		66,993	47,350
Operating lease liability		<u>360,459</u>	<u>-</u>
Total current liabilities		<u>6,441,239</u>	<u>6,551,296</u>
LONG-TERM LIABILITIES			
Operating lease liability, net of current portion		<u>30,439</u>	<u>-</u>
Total liabilities		<u>6,471,678</u>	<u>6,551,296</u>
NET ASSETS			
Without donor restrictions		3,896,165	11,666,421
With donor restrictions		<u>36,146,224</u>	<u>33,377,729</u>
Total net assets		<u>40,042,389</u>	<u>45,044,150</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>46,514,067</u>	\$ <u>51,595,446</u>

TROUT UNLIMITED, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Grants and contributions:			
U.S. Government	\$ 20,695,794	\$ -	\$ 20,695,794
Individual contributions	6,252,532	5,556,595	11,809,127
Foundation grants	236,458	9,903,448	10,139,906
State and local grants	8,950,728	102,434	9,053,162
Other grants and contributions	1,420,243	3,297,421	4,717,664
Bequests	444,083	417,581	861,664
Membership contributions	5,294,319	-	5,294,319
Landowner projects	564,117	39,346	603,463
In-kind revenue	356,842	-	356,842
Membership fees	317,625	-	317,625
Other income	222,637	-	222,637
Investment income (loss), net	89,347	(534,882)	(445,535)
Net assets released from donor restrictions	<u>17,033,117</u>	<u>(17,033,117)</u>	<u>-</u>
Total revenue and support	<u>61,877,842</u>	<u>1,748,826</u>	<u>63,626,668</u>
EXPENSES			
Program Services:			
Conservation Operations	46,254,113	-	46,254,113
Volunteer Operations and Chapter Support	3,679,004	-	3,679,004
Communications	2,676,064	-	2,676,064
Government Affairs	<u>637,458</u>	<u>-</u>	<u>637,458</u>
Total program services	<u>53,246,639</u>	<u>-</u>	<u>53,246,639</u>
Supporting Services:			
Management and General	8,210,616	-	8,210,616
Fundraising	2,588,500	-	2,588,500
Membership Development	<u>4,582,674</u>	<u>-</u>	<u>4,582,674</u>
Total supporting services	<u>15,381,790</u>	<u>-</u>	<u>15,381,790</u>
Total expenses	<u>68,628,429</u>	<u>-</u>	<u>68,628,429</u>
Changes in net assets	(6,750,587)	1,748,826	(5,001,761)
OTHER ITEM			
Transfer of grant categories	<u>(1,019,669)</u>	<u>1,019,669</u>	<u>-</u>
Changes in net assets after other item	(7,770,256)	2,768,495	(5,001,761)
Net assets at beginning of year	<u>11,666,421</u>	<u>33,377,729</u>	<u>45,044,150</u>
NET ASSETS AT END OF YEAR	<u>\$ 3,896,165</u>	<u>\$ 36,146,224</u>	<u>\$ 40,042,389</u>

TROUT UNLIMITED, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Grants and contributions:			
U.S. Government	\$ 19,295,244	\$ -	\$ 19,295,244
Individual contributions	6,761,369	4,448,876	11,210,245
Foundation grants	996,868	9,224,579	10,221,447
State and local grants	10,892,823	164,961	11,057,784
Other grants and contributions	1,760,689	4,780,109	6,540,798
Bequests	5,650,418	36,000	5,686,418
Membership contributions	5,275,822	-	5,275,822
Landowner projects	1,344,328	-	1,344,328
In-kind revenue	41,325	-	41,325
Membership fees	334,441	-	334,441
Other income	282,630	-	282,630
Investment (loss) income, net	(46,734)	53,125	6,391
Net assets released from donor restrictions	<u>15,610,918</u>	<u>(15,610,918)</u>	<u>-</u>
Total revenue and support	<u>68,200,141</u>	<u>3,096,732</u>	<u>71,296,873</u>
EXPENSES			
Program Services:			
Conservation Operations	45,673,451	-	45,673,451
Volunteer Operations and Chapter Support	2,945,825	-	2,945,825
Communications	2,111,449	-	2,111,449
Government Affairs	<u>666,510</u>	<u>-</u>	<u>666,510</u>
Total program services	<u>51,397,235</u>	<u>-</u>	<u>51,397,235</u>
Supporting Services:			
Management and General	5,934,578	-	5,934,578
Fundraising	2,688,458	-	2,688,458
Membership Development	<u>3,788,722</u>	<u>-</u>	<u>3,788,722</u>
Total supporting services	<u>12,411,758</u>	<u>-</u>	<u>12,411,758</u>
Total expenses	<u>63,808,993</u>	<u>-</u>	<u>63,808,993</u>
Changes in net assets before other item	4,391,148	3,096,732	7,487,880
OTHER ITEM			
Extinguishment of debt	<u>3,337,300</u>	<u>-</u>	<u>3,337,300</u>
Changes in net assets after other item	7,728,448	3,096,732	10,825,180
Net assets at beginning of year	<u>3,937,973</u>	<u>30,280,997</u>	<u>34,218,970</u>
NET ASSETS AT END OF YEAR	<u>\$ 11,666,421</u>	<u>\$ 33,377,729</u>	<u>\$ 45,044,150</u>

TROUT UNLIMITED, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2023

	Program Services					Supporting Services				
	Conservation Operations	Volunteer Operations and Chapter Support	Communications	Government Affairs	Total Program Services	Management and General	Fundraising	Membership Development	Total Supporting Services	Total Expenses
Salaries	\$ 11,074,003	\$ 1,517,655	\$ 918,014	\$ 339,481	\$ 13,849,153	\$ 3,825,261	\$ 712,497	\$ 400,691	\$ 4,938,449	\$ 18,787,602
Employee benefits and payroll taxes	5,443,319	777,010	480,872	173,942	6,875,143	1,686,351	368,250	208,104	2,262,705	9,137,848
Contractors	11,652,656	24,648	-	-	11,677,304	-	-	-	-	11,677,304
Consulting	8,907,891	152,167	203,777	41,657	9,305,492	439,288	15,008	163,456	617,752	9,923,244
Water leases	2,158,782	20	-	-	2,158,802	-	-	-	-	2,158,802
Printing and publishing	115,730	13,830	203,549	189	333,298	17,637	409,716	997,203	1,424,556	1,757,854
Premiums	9,267	2,528	3,060	-	14,855	21,869	616,954	1,006,818	1,645,641	1,660,496
Travel	1,162,206	235,371	61,183	13,002	1,471,762	45,554	117,823	6,383	169,760	1,641,522
Grants and chapter rebates	900,676	507,944	-	-	1,408,620	(38,869)	-	18,295	(20,574)	1,388,046
Postage, shipping, and handling	36,944	3,879	282,530	113	323,466	33,199	138,558	839,374	1,011,131	1,334,597
Information technology	739,982	109,746	61,381	22,232	933,341	266,732	46,660	26,240	339,632	1,272,973
Other expenses	217,007	11,714	4,640	1,716	235,077	773,656	8,638	99,088	881,382	1,116,459
Small equipment and equipment lease	1,032,993	15,033	12,106	3,217	1,063,349	37,103	6,752	3,797	47,652	1,111,001
Materials	1,021,388	5,190	1,380	-	1,027,958	-	-	-	-	1,027,958
Supplies, maintenance, and telephony	633,532	70,239	256,616	4,096	964,483	34,955	10,544	3,202	48,701	1,013,184
Lease expense	672,556	44,579	21,705	7,858	746,698	84,787	21,291	9,048	115,126	861,824
Fulfillment, caging, and contact center	1,428	961	-	-	2,389	110,731	25,654	717,131	853,516	855,905
Professional fees	72,396	24,958	774	286	98,414	694,668	601	338	695,607	794,021
Meetings and conferences	124,684	140,221	6,832	55	271,792	130,679	70,687	9	201,375	473,167
Advertising and promotion	91,575	4,364	117,876	88	213,903	1,923	184	1,603	3,710	217,613
Dues and subscriptions	124,116	6,321	35,313	27,886	193,636	18,177	4,530	203	22,910	216,546
Bank and credit card fees	7,594	3,309	30	3	10,936	5,398	10,718	79,759	95,875	106,811
Depreciation and amortization	53,388	7,317	4,426	1,637	66,768	18,442	3,435	1,932	23,809	90,577
Bad debt expense	-	-	-	-	-	3,075	-	-	3,075	3,075
TOTAL	\$ 46,254,113	\$ 3,679,004	\$ 2,676,064	\$ 637,458	\$ 53,246,639	\$ 8,210,616	\$ 2,588,500	\$ 4,582,674	\$ 15,381,790	\$ 68,628,429

See accompanying notes to financial statements.

TROUT UNLIMITED, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2022

	Program Services				Supporting Services					
	Conservation Operations	Volunteer Operations and Chapter Support	Communications	Government Affairs	Total Program Services	Management and General	Fundraising	Membership Development	Total Supporting Services	Total Expenses
Salaries	\$ 9,620,726	\$ 1,226,283	\$ 750,840	\$ 357,686	\$ 11,955,535	\$ 2,645,984	\$ 581,959	\$ 387,140	\$ 3,615,083	\$ 15,570,618
Employee benefits and payroll taxes	5,340,662	703,265	433,292	190,735	6,667,954	1,308,226	334,311	223,905	1,866,442	8,534,396
Contractors	14,729,736	3,769	23	11	14,733,539	81	18	12	111	14,733,650
Consulting	7,747,813	236,885	76,439	46,814	8,107,951	362,185	19,365	148,762	530,312	8,638,263
Grants and chapter rebates	1,206,788	441,671	-	8,986	1,657,445	122,818	12,265	16,305	151,388	1,808,833
Premiums	40,709	5,641	2,462	-	48,812	1,189	626,161	942,094	1,569,444	1,618,256
Materials	1,578,495	2,800	3,778	-	1,585,073	-	-	-	-	1,585,073
Printing and publishing	506,128	8,555	179,732	667	695,082	2,403	254,341	582,134	838,878	1,533,960
Postage, shipping, and handling	77,631	13,689	254,268	17	345,605	(2,909)	428,310	657,804	1,083,205	1,428,810
Supplies, maintenance, and telephony	860,673	35,430	182,250	4,112	1,082,465	24,598	9,800	3,826	38,224	1,120,689
Water leases	1,088,735	1,319	-	-	1,090,054	-	-	-	-	1,090,054
Other expenses	210,471	28,274	26,982	19,831	285,558	418,189	59,068	241,212	718,469	1,004,027
Travel	756,815	61,257	14,014	1,805	833,891	48,800	44,428	1,180	94,408	928,299
Information technology	536,601	72,197	41,147	19,601	669,546	149,248	31,892	21,216	202,356	871,902
Lease expense	643,814	39,479	18,571	9,423	711,287	70,401	19,949	9,958	100,308	811,595
Fulfillment, caging, and contact center	2,261	(1,355)	-	-	906	105	202,610	542,273	744,988	745,894
Professional fees	40,558	5,253	299	142	46,252	535,144	232	154	535,530	581,782
Small equipment and equipment lease	475,339	16,655	8,564	4,080	504,638	30,928	6,638	4,416	41,982	546,620
Meetings and conferences	77,666	33,847	959	7	112,479	43,191	52,892	525	96,608	209,087
Advertising and promotion	63,211	2,165	112,474	42	177,892	1,322	68	3,045	4,435	182,327
Bad debt expense	-	-	-	-	-	149,990	-	-	149,990	149,990
Depreciation and amortization	68,619	8,746	5,355	2,551	85,271	18,872	4,151	2,761	25,784	111,055
Interest expense	-	-	-	-	-	3,813	-	-	3,813	3,813
TOTAL	\$ 45,673,451	\$ 2,945,825	\$ 2,111,449	\$ 666,510	\$ 51,397,235	\$ 5,934,578	\$ 2,688,458	\$ 3,788,722	\$ 12,411,758	\$ 63,808,993

See accompanying notes to financial statements.

TROUT UNLIMITED, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (5,001,761)	\$ 10,825,180
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	90,577	111,055
Unrealized and realized loss on investments	985,219	429,226
Extinguishment of debt	-	(3,337,300)
Receipt of contributed securities	(685,241)	(1,066,463)
Proceeds from sale of contributed securities	690,180	1,071,410
Amortization of right-of-use asset	351,729	-
Change in allowance for doubtful accounts	2,277	(2,477)
Decrease (increase) in:		
Accounts receivable	5,517,858	(4,667,831)
Inventory	100,488	(464,807)
Prepaid expenses and other assets	53,613	118,558
(Decrease) increase in:		
Accounts payable and accrued liabilities	(466,069)	177,850
Deferred membership fees	(24,090)	(55,596)
Refundable advances - Federal grants	19,643	(262,815)
Operating lease liability	<u>(351,729)</u>	<u>-</u>
Net cash provided by operating activities	<u>1,282,694</u>	<u>2,875,990</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(439,401)	(115,477)
Purchase of investments	(523,600)	(5,109,446)
Proceeds from sale of investments	<u>55,162</u>	<u>2,132,087</u>
Net cash used by investing activities	<u>(907,839)</u>	<u>(3,092,836)</u>
Net increase (decrease) in cash and cash equivalents	374,855	(216,846)
Cash and cash equivalents at beginning of year	<u>10,910,843</u>	<u>11,127,689</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 11,285,698</u>	<u>\$ 10,910,843</u>
SUPPLEMENTAL INFORMATION:		
Interest Paid	<u>\$ -</u>	<u>\$ 3,813</u>
SCHEDULE OF NONCASH TRANSACTIONS		
Right-of-Use Asset in Connection with Operating Lease	<u>\$ 742,627</u>	<u>\$ -</u>
Operating Lease Liability	<u>\$ 742,627</u>	<u>\$ -</u>

TROUT UNLIMITED, INC.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Trout Unlimited, Inc., (TU) brings together diverse interests to care for and recover rivers and streams, so our children can experience the joy of wild and native trout and salmon. TU is a not-for-profit organization with approximately 340,000 members and supporters in over 400 chapters and councils nationwide. TU also receives U.S. Government grants that are subject to audit by its oversight agency (largest U.S. Government funder), the U.S. Department of Interior.

The following programs and supporting services are included in the accompanying statements of activities:

Conservation Operations: Conservation operations include TU's network of regional offices that conduct regionally-based conservation initiatives and TU's Science Team which promotes science-based policies, guides where and how the organization conducts its conservation efforts, provides tools for more effective conservation planning and ground-work, and conducts original research with a host of collaborators.

Volunteer Operations and Chapter Support: Volunteer operations is the department responsible for coordinating the activities of chapter operations; providing leadership training and guidance to state councils; and identifying, assessing and responding to the needs of the various states' volunteer conservation efforts.

Communications: The communications department is responsible for educating the public on the importance of trout and salmon watershed conservation. It publishes the quarterly TROUT magazine, the monthly Lines to Leaders newsletter and TU's annual report. The communications department is also responsible for other publications, maintaining TU's website, generating press releases, conducting press conferences and other public relations.

Government Affairs: Government affairs deals with legislative and regulatory affairs directly relating to the mission of Trout Unlimited, Inc. on both the Federal and state levels.

Management and General: This supporting service category includes the functions necessary to secure the proper administrative functioning of TU's governing board, maintain an appropriate working environment, provide information technology tools and support, and manage the financial responsibilities of TU.

Fundraising: This supporting service category includes expenditures that provide the structure necessary to encourage and secure private financial support.

Membership Development: Membership Development manages the campaigns that solicit for prospective members and membership dues and the retention of current members. This department also provides support to membership. This support takes the form of member/chapter database maintenance, responding to member queries, providing rosters, and fulfilling premiums.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions.

TROUT UNLIMITED, INC.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023 AND 2022

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**
(Continued)

Basis of presentation (continued) -

Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are more restrictive than TU's mission and purpose. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

New accounting pronouncement adopted -

During the year ended March 31, 2023, TU adopted ASU 2019-01, *Leases* (Topic 842), which changed the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Statement of Financial Position and disclosure of key information about leasing arrangements. TU applied the new standard using the modified retrospective approach and adopted the practical expedient package to not reassess at adoption (i) expired or existing contracts for whether they are or contain a lease, (ii) the lease classification of any existing leases or (iii) initial indirect costs for existing leases. See Note 6 for further details.

Cash and cash equivalents -

TU considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents with the exception of cash held in the investment portfolio.

The total amount of cash and cash equivalents included in the investment portfolios for the years ended March 31, 2023 and 2022 were \$2,778,819 and \$2,745,646, respectively.

TU maintains its cash in bank deposit accounts that are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, TU maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment (loss) income, net of management fees in the Statements of Activities and Changes in Net Assets. TU invests in a professionally managed portfolio that contains various securities that are exposed to risks such as interest, market and credit.

TROUT UNLIMITED, INC.

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023 AND 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Receivables -

Receivables include pledges, contributions and other receivables carried at original amount less an estimate for doubtful accounts based on a review of all outstanding amounts on a quarterly basis which approximates fair value. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using the historical experience applied to an aging of accounts. Receivables are allowed for and recorded as bad debt expense when deemed doubtful of collection, and written off when deemed uncollectable. Recoveries of receivables previously written off are recorded when received.

A discount is considered for receivables that are expected to be collected in future years. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in grants and contribution revenue. The discount on long-term receivables has not been recorded due to immateriality to the financial statements as a whole.

The provision for doubtful accounts totaled \$276,309 and \$274,032 as of March 31, 2023 and 2022, respectively.

Inventory -

Inventory consists of merchandise and is recorded under FASB ASU 2015-11 *Simplifying the Measurement of Inventory*, and as such, inventory is measured at the lower of cost and net realizable value using the average cost method.

Property and equipment -

Property and equipment in excess of \$2,500 are capitalized and stated at cost. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally five to ten years. Leasehold improvements are amortized over the remaining life of the lease. The cost of maintenance and repairs is recorded as expenses are incurred.

Depreciation and amortization expense for the years ended March 31, 2023 and 2022 totaled \$90,577 and \$111,055, respectively.

Impairment of long-lived assets -

Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the assets is reduced, by a charge to Statements of Activities and Changes in Net Assets, to its current fair value.

Income taxes -

TU is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. TU is not a private foundation.

Uncertain tax positions -

For the years ended March 31, 2023 and 2022, TU documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

TROUT UNLIMITED, INC.

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023 AND 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Revenue recognition -

Contributions and grants -

The majority of TU's revenue is received through contributions and grants from the U.S. Government, and other non Federal entities. Contributions and grants are recognized in the appropriate category of net assets in the period received. TU performs an analysis of the individual contribution, grant and contract to determine if the revenue streams follow the contribution rules, or if they are considered exchange transactions, depending on whether the transaction is reciprocal or nonreciprocal under ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

For contributions and grants qualifying under the contribution rule, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions and grants qualifying as contributions that are unconditional and have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

Grants and contributions qualifying as conditional contributions contain a right of return from obligation provision that limits TU on how funds transferred should be spent. Additionally, a barrier is present that is related to the purpose of the agreement. Revenue is recognized when the condition or conditions on which they depend are substantially met. Most grant awards from the United States Government and other entities are for direct and indirect program costs. These transactions are nonreciprocal and are classified as conditional and are therefore recognized as contributions when the revenue becomes unconditional. TU recognizes revenue for these conditional contributions when the related barrier has been overcome (generally, when qualifying expenditures are incurred). Funds received in advance of the incurrence of qualifying expenditures are recorded as refundable advances. For contributions and grants treated as contributions, TU had approximately \$92,945,874 and \$36,129,688 in unrecognized conditional awards as of March 31, 2023 and 2022, respectively.

Funding from the United States Government received in advance of incurring the related expenses are recorded as refundable advances in the Statements of Financial Position.

Exchange transactions -

Contracts and other revenue classified as exchange transactions follow ASU 2014-09, *Revenue from Contracts With Customers*, and are recorded as revenue at a point in time when the performance obligations are met. TU has elected to opt out of all (or certain) disclosures not required for nonpublic entities. The revenue is recorded directly to without donor restrictions and the transaction price is based on expenses incurred in compliance with the criteria stipulated in the contract agreements. Contracts receivable represents amounts due from funding organizations for reimbursable expenses incurred in accordance with the contract agreements.

TROUT UNLIMITED, INC.

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023 AND 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Revenue recognition (continued) -

Funding received in advance of incurring the related expenses for non Federal sources are recorded as deferred revenue in the Statements of Financial Position. Receivables from exchange transactions, included in other accounts receivable in Note 2, totaled \$4,708,214 as of March 31, 2021.

Membership dues includes a contribution component and general member benefits component that is based on a series of distinct obligations. Membership contributions are recognized in full at time of payment and membership benefit fees are recognized ratably over the membership period. Deferred membership dues revenue was \$373,439 as of March 31, 2021.

Revenue received from landowner projects are recorded once the project is complete. Transaction price is determined based on cost/and/or sales price.

In-kind revenue -

In-kind revenue consists of donated software, supplies IT services and facility space. The software is recorded based upon the fair value of the licenses from the provider. The donated supplies, space and IT services are valued based on the cost for these goods and services that would be charged to the public. There are no donor restrictions on any of the donated goods and services. In-kind revenue is recorded at fair value as of the date of the gift. In addition, volunteers have donated significant amounts of their time to TU; these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services.

To properly reflect total program expenses, the following donations have been included in revenue and expense for the years ended March 31, 2023.

	2023	2022
Donated Supplies	\$ 259,042	\$ -
Donated IT services	59,200	-
Other donations	38,600	-
Donated software	-	41,325
TOTAL	\$ 356,842	\$ 41,325

The following programs have benefited from these donated goods and services:

	2023	2022
Conservation Operations	\$ 97,800	\$ 41,325
Membership Development	259,042	-
TOTAL	\$ 356,842	\$ 41,325

TROUT UNLIMITED, INC.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)

Risks and uncertainties -

TU invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Use of estimates -

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Advertising -

TU expenses advertising costs as incurred. Advertising expense was \$217,613 and \$182,327 for the years ended March 31, 2023 and 2022, respectively.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These costs include depreciation and amortization, headquarters rent, information technology, and website. Expenses directly attributed to a specific functional area of TU are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort.

Joint cost allocation -

TU regularly communicates to the public and TU members via mailings regarding key issues critical to conserving, protecting and restoring coldwater fishery habitats. These mailings also include requests for contributions.

Included in the costs of the packages that were mailed during the years ended March 31, 2023 and 2022, were joint costs in the amount of \$1,534,275 and \$1,302,912, respectively. Those joint costs are allocated as follows:

	<u>2023</u>	<u>2022</u>
Program	\$ 455,507	\$ 397,740
Fundraising	<u>1,078,768</u>	<u>905,172</u>
TOTAL	<u>\$ 1,534,275</u>	<u>\$ 1,302,912</u>

TROUT UNLIMITED, INC.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)

Fair value measurement -

TU adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. TU accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

In accordance with FASB ASC 820, *Fair Value Measurement*, TU has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Statements of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market TU has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

For disclosure of inputs and valuation techniques, see Note 4.

New accounting pronouncement, not yet adopted -

Accounting Standard Update (ASU) 2016-13, *Financial Instruments – Credit Losses* (Topic 326), replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The ASU is effective for TU for the year ending March 31, 2024. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach.

TU plans to adopt the new ASU at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying financial statements.

TROUT UNLIMITED, INC.

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023 AND 2022**

2. RECEIVABLES, NET

Receivables consisted of the following as of March 31, 2023 and 2022:

	2023	2022
Federal grants - billed	\$ 6,791,144	\$ 5,514,791
Federal grants - unbilled	1,537,421	1,901,615
State grants - billed	4,836,812	4,487,599
State grants - unbilled	2,542,773	4,033,847
Pledges receivable, current	508,930	6,588,340
Other	<u>2,421,776</u>	<u>1,730,522</u>
	18,638,856	24,256,714
Less: Provision for doubtful accounts	<u>(276,309)</u>	<u>(274,032)</u>
Total current receivables	18,362,547	23,982,682
Pledges receivable, long-term	<u>100,000</u>	<u>-</u>
RECEIVABLES, NET	<u>\$ 18,462,547</u>	<u>\$ 23,982,682</u>

3. PROPERTY AND EQUIPMENT

Property and equipment as of March 31, 2023 is as follows:

Asset Category	Estimated Lives	Cost	Accumulated Depreciation and Amortization	Net	Depreciation/Amortization Expense
Furniture and equipment	5-10 years	\$ 5,622,669	\$ (5,095,858)	\$ 526,811	\$ 89,270
Leasehold improvements	10 years	65,566	(60,598)	4,968	1,307
Land	-	<u>7,801</u>	<u>-</u>	<u>7,801</u>	<u>-</u>
TOTAL		<u>\$ 5,696,036</u>	<u>\$ (5,156,456)</u>	<u>\$ 539,580</u>	<u>\$ 90,577</u>

Property and equipment as of March 31, 2022 is as follows:

Asset Category	Estimated Lives	Cost	Accumulated Depreciation and Amortization	Net	Depreciation/Amortization Expense
Furniture and equipment	5-10 years	\$ 5,183,268	\$ (5,006,588)	\$ 176,680	\$ 108,058
Leasehold improvements	10 years	65,566	(59,291)	6,275	2,997
Land	-	<u>7,801</u>	<u>-</u>	<u>7,801</u>	<u>-</u>
TOTAL		<u>\$ 5,256,635</u>	<u>\$ (5,065,879)</u>	<u>\$ 190,756</u>	<u>\$ 111,055</u>

TROUT UNLIMITED, INC.

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023 AND 2022**

4. INVESTMENTS

The table below summarizes, by level within the fair value hierarchy, TU's investments as of March 31, 2023:

Asset Class:	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and money market funds	\$ 2,778,819	\$ -	\$ -	\$ 2,778,819
Equity mutual funds	6,724,070	-	-	6,724,070
Fixed income mutual funds	3,747,061	-	-	3,747,061
Alternative investments	<u>-</u>	<u>-</u>	<u>1,130,931</u>	<u>1,130,931</u>
TOTAL	<u>\$ 13,249,950</u>	<u>\$ -</u>	<u>\$ 1,130,931</u>	<u>\$ 14,380,881</u>

The table below summarizes, by level within the fair value hierarchy, TU's investments as of March 31, 2022:

Asset Class:	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and money market funds	\$ 2,745,646	\$ -	\$ -	\$ 2,745,646
Fixed income mutual funds	6,795,341	-	-	6,795,341
Equity mutual funds	4,275,674	-	-	4,275,674
Alternative investments	<u>-</u>	<u>-</u>	<u>1,085,940</u>	<u>1,085,940</u>
TOTAL	<u>\$ 13,816,661</u>	<u>\$ -</u>	<u>\$ 1,085,940</u>	<u>\$ 14,902,601</u>

The following table provides a summary of changes in fair value of TU's Level 3 financial assets for the years ended March 31, 2023 and 2022:

	<u>Alternative Investments</u>
Beginning balance as of April 1, 2021	\$ -
Unrealized and realized gains	41,926
Earned income	1,036
Purchases/distributions	<u>1,042,978</u>
BALANCE AS OF MARCH 31, 2022	<u>1,085,940</u>
Unrealized and realized gains	32,069
Earned income	<u>12,922</u>
BALANCE AS OF MARCH 31, 2023	<u>\$ 1,130,931</u>

TROUT UNLIMITED, INC.

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023 AND 2022**

4. INVESTMENTS (Continued)

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the valuation methodologies used and there were no transfers between levels in the fair value hierarchy during the year ended March 31, 2023 and 2022. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money Market Funds* - The fair value is equal to the reported net asset value of the fund.
- *Mutual Funds* - The fair value is equal to the reported net asset value of the fund, which is the price at which additional shares can be obtained.
- *Interests in Hedge Funds, Limited Partnerships, Private Equity Funds* - These instruments do not have a readily determinable fair value. The fair values used are generally determined by the general partner or management of the entity and are based on appraisals or other estimates that require varying degrees of judgment. Inputs used in determining fair value may include the cost and recent activity concerning the underlying investments in the funds or partnerships.

Included in the investment portfolio as of March 31, 2023 and 2022 is contributions to be invested in perpetuity in the amount of \$7,505,767. Also included in the investment portfolio are donor restricted investments in the amount of \$60,266 and \$60,073 for the North Carolina River Course Fund as well as \$427,247 and \$446,186 for the Michigan Council of Trout Unlimited as March 31, 2023 and 2022, respectively. These two donor restricted funds are included in the volunteer operations and chapter support as noted in Note 8.

Included in net investment (loss) income, as of March 31, 2023 and 2022 are the following:

	2023	2022
Interest and dividends	\$ 595,020	\$ 490,995
Unrealized and realized loss	(985,219)	(429,226)
Management fees	(55,336)	(55,378)
TOTAL INVESTMENT (LOSS) INCOME, NET	\$ (445,535)	\$ 6,391

5. BENEFICIAL INTEREST IN CHARITABLE REMAINDER UNITRUST

During fiscal year 2021, TU became the beneficiary of a charitable remainder unitrust created by a donor, the assets of which are not in the possession of TU. TU has legally enforceable rights and claims to such assets, including the sole right to income therefrom. TU is a remainder beneficiary of 5% of the trust assets and there is a lifetime income distribution of 5% to a designated beneficiary. At the date TU received notice of a beneficial interest, a contribution with donor restrictions was recorded in the accompanying Statements of Activities and Changes in Net Assets, and a beneficial interest in charitable remainder unitrust was recorded in the Statements of Financial Position at the fair value of the underlying trust assets. Thereafter, the beneficial interest in the trust is reported at the fair value of the trust's assets in the Statements of Financial Position, with trust distributions recognized as investment income and changes in fair value recognized as unrealized gains (losses) related to the beneficial interest. Both are reported as changes net assets with donor restrictions based on explicit donor stipulations.

TROUT UNLIMITED, INC.

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023 AND 2022**

5. BENEFICIAL INTEREST IN CHARITABLE REMAINDER UNITRUST (Continued)

The fair value as of March 31, 2023 and 2022 of the beneficial interest which is included in the accompanying Statements of Financial Position was as follows:

	Balance at March 31, 2023	Balance at March 31, 2022
Charitable Remainder Unitrust	\$ <u>54,125</u>	\$ <u>54,125</u>

6. LEASE COMMITMENTS

TU has commitments under operating leases for office space and equipment expiring at various times through 2025. TU has a lease for office space that will expire in April 2024.

ASU 2019-01, *Leases* (Topic 842), changes the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Statement of Financial Position and disclosure of key information about leasing arrangements. TU implemented the ASU during the year ended March 31, 2023 and elected the practical expedient package to not reassess at adoption (i) expired or existing contracts for whether they are or contain a lease, (ii) the lease classification of any existing leases or (iii) initial indirect costs for existing leases. TU also elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and are applying this expedient to all relevant asset classes. TU adopted the package of practical expedients to not perform any lease reclassification, did not reevaluate embedded leases and did not reassess initial direct costs. As a result, TU recorded a right-of-use asset in the amount of \$742,627. TU recorded an operating lease liability in the amount of \$742,627 by calculating the present value using the discount rate of 2.454%. The adoption of ASU 2019-01 only impacted one of TU's leases, as the others are either short-term or immaterial to the financial statements as a whole.

Lease expense for the years ended March 31, 2023 and 2022, was \$861,824 and \$811,595.

Future minimum lease payments for all leases at March 31, 2023 are as follows:

<u>Year Ending March 31.</u>		
2024	\$	540,393
2025		111,045
2026		20,045
	\$	<u>671,483</u>

7. LINE OF CREDIT

TU has a \$5,000,000 revolving line of credit with a bank. The line matures on February 28, 2024. The line accrues interest at a variable rate equal to the Secured Overnight Financing Rate (SOFR) plus 2.00%. The rate was 6.87% at March 31, 2023 and 2.27% at March 31, 2022.

TROUT UNLIMITED, INC.

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023 AND 2022**

7. LINE OF CREDIT (Continued)

The line of credit is secured by the deposits and investments of TU maintained by the bank. There was no outstanding balance at March 31, 2023 and 2022. There are no financial covenants related to the line of credit. The agreement requires certain financial reporting to be made within 180 days after fiscal year-end.

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of March 31, 2023 and 2022:

	<u>Balance at March 31, 2022</u>	<u>Additions/ Investment Income</u>	<u>Transfer of Grant Categories</u>	<u>Releases</u>	<u>Balance at March 31, 2023</u>
Subject to expenditure for specified purpose:					
Conservation operations	\$ 21,021,208	\$ 18,056,896	\$ 1,019,669	\$ (15,704,837)	\$ 24,392,936
Volunteer operations and chapter support	2,561,952	887,549	-	(681,771)	2,767,730
Government affairs	605,318	264,443	-	(306,718)	563,043
Accumulated endowment earnings not yet authorized for spending	1,629,359	(426,945)	-	(339,791)	862,623
Subject to passage of time	54,125	-	-	-	54,125
Endowment contributions to be invested in perpetuity	<u>7,505,767</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,505,767</u>
TOTAL	<u>\$ 33,377,729</u>	<u>\$ 18,781,943</u>	<u>\$ 1,019,669</u>	<u>\$ (17,033,117)</u>	<u>\$ 36,146,224</u>

	<u>Balance at March 31, 2021</u>	<u>Additions/ Investment Income</u>	<u>Releases</u>	<u>Balance at March 31, 2022</u>
Subject to expenditure for specified purpose:				
Conservation operations	\$ 17,690,939	\$ 17,544,566	\$ (14,214,297)	\$ 21,021,208
Volunteer operations and chapter support	2,493,462	786,096	(717,606)	2,561,952
Government affairs	625,051	342,251	(361,984)	605,318
Accumulated endowment earnings not yet authorized for spending	1,911,653	34,737	(317,031)	1,629,359
Subject to passage of time	54,125	-	-	54,125
Endowment contributions to be invested in perpetuity	<u>7,505,767</u>	<u>-</u>	<u>-</u>	<u>7,505,767</u>
TOTAL	<u>\$ 30,280,997</u>	<u>\$ 18,707,650</u>	<u>\$ (15,610,918)</u>	<u>\$ 33,377,729</u>

9. TRANSFER OF GRANT CATEGORIES

During the year under audit, TU determined certain grants previously included in net assets without donor restrictions were incorrectly reported and should be included with net assets with donor restrictions. The total transfer of grant categories resulted in a reduction of net assets without donor restrictions and a corresponding increase in net assets with donor restrictions of \$1,019,669.

TROUT UNLIMITED, INC.

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023 AND 2022**

10. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Statements of Financial Position date comprise the following:

	2023	2022
Cash and cash equivalents	\$ 11,285,698	\$ 10,910,843
Investments	14,380,881	14,902,601
Receivables, net	18,462,547	23,982,682
Subtotal financial assets available within one year	44,129,126	49,796,126
Less: Donor restricted funds	(36,146,224)	(33,377,729)
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	\$ 7,982,902	\$ 16,418,397

TU has a policy to structure its financial assets to be available and liquid as its obligations become due. In addition, TU has a line of credit agreement (as further discussed in Note 7) which allows for additional available borrowings up to \$5,000,000.

11. EMPLOYEE RETIREMENT PLAN AND SELF-INSURANCE PLAN

TU maintains a 403(b) plan (the Plan) for eligible employees. All employees with at least one-year of service are eligible for the Plan. TU is required to contribute 4% of each eligible employee's gross salary to the Plan. TU's pension expense for the years ended March 31, 2023 and 2022 totaled \$1,820,082 and \$1,512,994, respectively.

TU has a self-insured health benefit plan for its employees. Under the Plan, TU has a coverage maximum of \$50,000 per diagnosis. TU is insured for claims in excess of that coverage. As of March 31, 2023 and 2022, TU had accruals of \$179,316 and \$499,440 for health benefits payable under the Plan, which are included in accounts payable and accrued liabilities in the accompanying Statements of Financial Position.

12. CONTINGENCIES

TU receives grants from various agencies of the United States Government. For the years ended March 31, 2023 and 2022, such grants are subject to audit under the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The ultimate determination of amounts received under the United States Government grants is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits. Audits in accordance with the applicable provisions have been completed for all required fiscal years through 2023. Until such audits have been accepted by the United States Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

Various lawsuits and other contingent liabilities arise in the ordinary course of TU's activities. While the final outcome of these legal actions cannot be determined at this time, management is of the opinion that the ultimate liability, if any, from the final resolution of these matters will not have a material effect on TU's financial statements.

TROUT UNLIMITED, INC.

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023 AND 2022**

13. ENDOWMENT

TU's endowment consists of donor-restricted endowment funds and funds designated by the governing Board to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Directors is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those assets are time restricted until the governing Board appropriates such amounts for expenditures. Most of those net asset also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The governing Board has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, TU considers a fund to be underwater if the fair value of the fund is less than the sum the (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. TU has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with UPMIFA, TU considers the following factors in making a determination to appropriated or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the organization and the donor-restricted endowment fund;
- General economic conditions and the possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments; and
- Investment policies of the organization.

Endowment net asset composition by type of fund as of March 31, 2023:

Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 7,505,767
Accumulated investment earnings:	
CCF	721,143
Teller	104,539
Idaho	236,180
Talcott	<u>(199,239)</u>
TOTAL FUNDS	<u>\$ 8,368,390</u>

Endowment net asset composition by type of fund as of March 31, 2022:

Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 7,505,767
Accumulated investment earnings:	
CCF	1,247,887
Teller	170,611
Idaho	308,667
Talcott	<u>(97,806)</u>
TOTAL FUNDS	<u>\$ 9,135,126</u>

TROUT UNLIMITED, INC.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023 AND 2022

13. ENDOWMENT (Continued)

Changes in endowment net assets for the year ended March 31, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets as of March 31, 2022	\$ -	\$ 9,135,126	\$ 9,135,126
Investment return:			
Investment income	-	399,898	399,898
Net depreciation (realized and unrealized)	-	(826,843)	(826,843)
Total investment return	-	(426,945)	(426,945)
Appropriation of endowment assets for expenditure	-	(339,791)	(339,791)
ENDOWMENT NET ASSETS AS OF MARCH 31, 2023	\$ -	\$ 8,368,390	\$ 8,368,390

Changes in endowment net assets for the year ended March 31, 2022:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets as of March 31, 2021	\$ -	\$ 9,417,420	\$ 9,417,420
Investment return:			
Investment income	-	307,795	307,795
Net depreciation (realized and unrealized)	-	(273,058)	(273,058)
Total investment return	-	34,737	34,737
Appropriation of endowment assets for expenditure	-	(317,031)	(317,031)
ENDOWMENT NET ASSETS AS OF MARCH 31, 2022	\$ -	\$ 9,135,126	\$ 9,135,126

Funds with Deficiencies -

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the organization to retain as fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets without donor restrictions. Deficiencies of this nature exist in one donor-restricted endowment fund, which has an original gift value of \$2,500,000, and deficiencies of \$199,239 and \$97,806 as of March 31, 2023 and 2022, respectively. This deficiencies resulted from unfavorable market fluctuations that occurred after the investment of the donor-restricted endowment funds.

TROUT UNLIMITED, INC.

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023 AND 2022**

13. ENDOWMENT (Continued)

Return Objectives and Risk Parameters -

TU's objective is to earn a respectable, long-term, risk-adjusted total rate of return to support the designated programs. TU recognizes and accepts that pursuing a respectable rate of return involves risk and potential volatility. Over complete market cycles, the goal is to have TU's assets generate a return, net of fees, greater than the benchmark index consisting of a combination of appropriate capital market indexes weighted in the same proportions as TU's asset allocation. To minimize the administrative costs and burdens, TU is currently only invested in publicly- traded fixed income and equity mutual funds and money market funds.

Strategies Employed for Achieving Objectives -

To satisfy its long-term rate-of-return objectives, TU relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). TU targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy -

CCF Endowment: The fund was developed to support the scientific resource work of TU and was funded through the Russell Memorial Fund (\$569,375) and other individual contributions. Up to 15% of the original contribution revenue was allocated to be spent on overhead and administrative costs associated with the Coldwater Conservation Fund program. The remaining portion of the overhead and administrative allocation was spent in fiscal year 2016. A portion of the current investment income from the Endowment's funds are to be spent annually, in accordance with TU's spending policy. Spending rate of 4.5% was set for the years ended March 31, 2023 and 2022.

E.T. Teller Endowment: This fund was established in 1995 by the Teller family. Per request by the donor, up to 50% of the annual earnings are available for general operations of TU. The other 50% should be reinvested in the fund.

Idaho Water Fund: This endowment was established in 2008 with grant funds from the Ishiyama Family Foundation. The purpose of the endowment is to fund the Idaho Water Project. A portion of the funds can be spent annually, in accordance with TU's spending policy. Funds in the amount of \$36,663 and \$34,344 were spent during the years ending March 31, 2023 and 2022, respectively.

Talcott Endowment: The Talcott endowment was established in 2021 with a bequest in the amount of \$2,500,000 from Thayer Talcott, Jr. The funds were restricted to TU's perpetual endowment with the income to be used to support the general purposes of TU.

14. SUBSEQUENT EVENTS

In preparing these financial statements, TU has evaluated events and transactions for potential recognition or disclosure through November 28, 2023, the date the financial statements were issued.

SUPPLEMENTAL INFORMATION

TROUT UNLIMITED, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2023

Federal Grantor/Program or Cluster Title	Pass-Through Grantor	Pass-Through Entity Identifying Number	Assistance Listing Number	Passed- Through to Subrecipients	Total Reimbursable Costs
Department of Agriculture					
Enhancing Shoreline and Riparian Forests for Climate Resilience in West Michigan	N/A	N/A	10.664	\$ -	\$ 63,116
Stream and Riparian Restoration in NW MI	N/A	N/A	10.664	-	6,697
Improving Connectivity and Riparian Habitat in the Ontonagon River Watershed	N/A	N/A	10.664	-	9,389
Subtotal 10.664				-	79,202
Protecting and Restoring Brook Trout Habitat in the Savage River Watershed and Connectivity (MD)	National Fish and Wildlife Foundation	0603.21.071980	10.678	-	8,644
Bringing Back the Eklunta	National Fish and Wildlife Foundation	0801.20.067074	10.683	-	24,794
Colorado Rio Grande Cutthroat Trout Habitat Restoration	National Fish and Wildlife Foundation	2504.19.066519	10.683	-	48,133
Warner River Aquatic Engineering Project	National Fish and Wildlife Foundation	0405.21.072119	10.683	-	12,936
Reconnecting Coldwater Habitat in Brook Trout Streams MI	National Fish and Wildlife Foundation	0501.21.071895	10.683	-	5,815
Lahontan Cutthroat Trout Core Grant	National Fish and Wildlife Foundation	0122.19.066163	10.683	-	19,147
Ives Road Culvert Replacement Project	National Fish and Wildlife Foundation	0603.21.073262	10.683	-	2,499
Restoring, Enhancing, and Expanding Brook Trout Patch Strongholds in Thorn Creek (WV)	National Fish and Wildlife Foundation	0603.20.069792	10.683	-	14,988
Rio Chama San Antonio Rio Grande Cutthroat Trout Restoration	National Fish and Wildlife Foundation	2504.19.066469	10.683	-	5,831
Restoring Connectivity to Native Brook Trout Habitat	National Fish and Wildlife Foundation	0901.20.070193	10.683	-	28,760
San Juan Cutthroat NFWF Bring Back the Natives	National Fish and Wildlife Foundation	0901.19.066346	10.683	-	17,647
Clearwater Grande Ronde Habitat Restoration & Reconnection	National Fish and Wildlife Foundation	0901.18.061939	10.683	-	21,583
Reconnecting Cold-Water Habitat in the Western Upper Peninsula	National Fish and Wildlife Foundation	0501.20.068240	10.683	-	8,222

TROUT UNLIMITED, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2023

Federal Grantor/Program or Cluster Title	Pass-Through Grantor	Pass-Through Entity Identifying Number	Assistance Listing Number	Passed-Through to Subrecipients	Total Reimbursable Costs
Department of Agriculture (Continued)					
Forests for Fish Expansion	National Fish and Wildlife Foundation	0405.20.069327	10.683	\$ -	\$ 15,166
Colville CBWTP 2023	National Fish and Wildlife Foundation	0201.22.073751	10.683	-	74,680
Subtotal 10.683				-	300,201
SPA Biological & Physical Resources Staff	N/A	N/A	10.717	-	507
SPA Biological & Physical Resources Staff	N/A	N/A	10.717	-	24,516
SPA Biological & Physical Resources Staff	N/A	N/A	10.717	-	32,303
SPA Biological & Physical Resources Staff	N/A	N/A	10.717	-	19,121
SPA Biological & Physical Resources Staff	N/A	N/A	10.717	-	20,004
SPA Biological & Physical Resources Staff	N/A	N/A	10.717	-	9,979
SPA Biological & Physical Resources Staff	N/A	N/A	10.717	-	43,199
SPA Biological & Physical Resources Staff	N/A	N/A	10.717	-	15,487
SPA Biological & Physical Resources Staff	N/A	N/A	10.717	-	241,358
SPA Biological & Physical Resources Staff	N/A	N/A	10.717	-	13,515
SPA Biological & Physical Resources Staff	N/A	N/A	10.717	-	33,096
Subtotal 10.717				-	453,085
Engaging Landowners in Water Quality and Wildlife Habitat	National Fish and Wildlife Foundation	2004.19.066546	10.902	-	112,917
Frost Gully Brook NFWF	National Fish and Wildlife Foundation	0405.19.065407	10.902	-	10,331
Salinity Program Project Green River	N/A	N/A	10.902	-	39,678
Eastern Hellbender and Freshwater Mussels in the Upper Casselman River (MD, PA)	National Fish and Wildlife Foundation	0407.22.073562	10.902	-	10,440
Maryland NFWF Small Watersheds Implementation Grant	National Fish and Wildlife Foundation	0603.19.065079	10.902	-	427
Providing Technical Assistance to Enhance Habitat and Reconnect Strongholds for Eastern Brook Trout (PA)	National Fish and Wildlife Foundation	0407.18.062005	10.902	-	3,254
Strengthening Stronghold Brook Trout Patches	National Fish and Wildlife Foundation	0603.20.069421	10.902	-	52,446

TROUT UNLIMITED, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2023

Federal Grantor/Program or Cluster Title	Pass-Through Grantor	Pass-Through Entity Identifying Number	Assistance Listing Number	Passed-Through to Subrecipients	Total Reimbursable Costs
Department of Agriculture (Continued)					
A Multiphased Restoration Approach to Form the North Fork of South Branch Potomac	National Fish and Wildlife Foundation	0603.21.073158	10.902	\$ -	\$ 19,935
RCPP 1620 Trout Unlimited	N/A	N/A	10.902	-	19,325
Upper South Branch in Virginia	National Fish and Wildlife Foundation	0407.18.061981	10.902	-	1,116
Restoring Enhancing and Expanding Brook Trout Patch	National Fish and Wildlife Foundation	0603.20.069792	10.902	-	46,839
Linking Private Lands with Habitat Restoration	National Fish and Wildlife Foundation	0407.19.066366	10.902	-	40,342
Forests for Fish Expansion	National Fish and Wildlife Foundation	0405.20.069327	10.902	-	45,499
Cost Share for Technical Assistance	N/A	N/A	10.902	-	75,390
Subtotal 10.902				-	477,939
Regional LoRa Networks to Improve High Elevation Flood Irrigation Water Management	Natural Resources Conservation Service	NR223A750013G003	10.912	-	14,697
Henrys Fork of the Green River	N/A	N/A	10.912	-	1,289
Maryland NFWF Small Watersheds Implementation Grant 2019	National Fish and Wildlife Foundation	0603.19.065079	10.912	-	427
Providing Technical Assistance to Enhance Habitat and Reconnect Strongholds for Eastern Brook Trout (PA)	National Fish and Wildlife Foundation	0407.18.062005	10.912	-	3,434
Upper South Branch in Virginia	National Fish and Wildlife Foundation	0407.18.061981	10.912	-	1,202
Rio Chama San Antonio Rio Grande Cutthroat Trout Restoration	National Fish and Wildlife Foundation	2504.19.066469	10.912	-	833
California Environmental Water Network	The National Conservancy	10132020 14566	10.912	-	3,286
Cost Share for Technical Assistance	N/A	N/A	10.912	-	75,389
Subtotal 10.912				-	100,557
Maryland NFWF Small Watersheds Implementation Grant 2019	National Fish and Wildlife Foundation	0603.19.065079	10.924	-	534
Providing Technical Assistance to Enhance Habitat and Reconnect Strongholds for Eastern Brook Trout (PA)	National Fish and Wildlife Foundation	0407.18.062005	10.924	-	3,977

TROUT UNLIMITED, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2023

Federal Grantor/Program or Cluster Title	Pass-Through Grantor	Pass-Through Entity Identifying Number	Assistance Listing Number	Passed- Through to Subrecipients	Total Reimbursable Costs
Department of Agriculture (Continued)					
Upper South Branch in Virginia	National Fish and Wildlife Foundation	0407.18.061981	10.924	\$ -	\$ 1,374
Subtotal 10.924				-	5,885
Northern Tier RCP TA	N/A	N/A	10.932	-	67,372
NRCS RCPP Tillamook Watersheds Cons Project	N/A	N/A	10.932	-	8,000
Subtotal 10.932				-	75,372
Total Department of Agriculture				-	1,500,885
Department of Commerce					
Coal Creek Fish Passage Restoration	Washington State Recreation and Conservation Office	22-1132R	11.438	-	689
Albion River Instream Coho Habitat Enhancement Design Project	California Department of Fish and Wildlife	Q1910514	11.438	-	74,073
Clark Colony Water Company Diversion Structure	California Department of Fish and Wildlife	Q1940406	11.438	-	121,585
Albion River and Tom Bell Creek Instream Habitat Enhancement	California Department of Fish and Wildlife	Q2110508	11.438	-	6,739
Bear Creek Instream Habitat Enhancement Project	CA Dept of Fish & Wildlife - Federal funds	Q2010520	11.438	-	26,716
Bear Creek Sediment Reduction and Salmonid Recovery Project	California Department of Fish and Wildlife	Q2010528	11.438	-	28,591
Big River Salmonid Rearing Habitat and Large Wood Enhancement	California Department of Fish and Wildlife	Q2010519	11.438	-	60,167
Barrier Removal Project Construction	California Department of Fish and Wildlife	P1740403	11.438	-	2,264
Potrero Creek Fish Passage Lower Culvert Project Carmel Valley	California Department of Fish and Wildlife	Q2140408	11.438	-	42,695
Potrero Creek Fish Passage Project - Carmel Valley Athletic	California Department of Fish and Wildlife	Q1940404	11.438	-	3,059
Dry Dock Gulch Alcove Habitat Enhancement and Fish Passage Project	California Department of Fish and Wildlife	Q2110512	11.438	-	38,805

TROUT UNLIMITED, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2023

Federal Grantor/Program or Cluster Title	Pass-Through Grantor	Pass-Through Entity Identifying Number	Assistance Listing Number	Passed-Through to Subrecipients	Total Reimbursable Costs
Department of Commerce (Continued)					
Gulch C Coho Salmon Fish Passage Improvement Project	California Department of Fish and Wildlife	P1810503	11.438	\$ -	\$ 7,818
Hare Creek Mainstem Instream Habitat Enhancement Project	CA Dept of Fish & Wildlife - Federal funds	Q2010511	11.438	-	207,509
Meyer Gulch Fish Passage Design Project	California Department of Fish and Wildlife	Q1910518	11.438	-	13,315
North Fork Elk River Salmonid Habitat Enhancement Project	California Department of Fish and Wildlife	Q2010503	11.438	-	93,873
Soda Creek Fish Passage and Winter Habitat Refugia Design Project	California Department of Fish and Wildlife	Q2110510	11.438	-	80,460
South Fork Usal Creek Instream Enhancement Design Project	CA Dept of Fish & Wildlife - Federal funds	Q2010524	11.438	-	119,689
Eastern OR Aquatic Restoration DST	Oregon Watershed Enhancement Board	220-9004-19821	11.438	-	67,740
Beyeler Ranch Upper Lemhi Enhancement Project PCSRF	Idaho Office of Species Conservation	015 19 SA	11.438	-	33,371
ID OSC Bonanza City Project PCSRF Phase 3	Idaho Office of Species Conservation	018 19 SA	11.438	-	45,893
Hayden Creek Hermits Habitat Improvement Project	Idaho Office of Species Conservation	016 19 SA	11.438	-	171,447
Sheep Creek Stream and Floodplain Restoration Phase 2	Oregon Watershed Enhancement Board	220-9004-22388	11.438	-	7,100
Snake River Beaver Relocation Framework	Washington State Recreation and Conservation Office	22-1023R	11.438	-	20,059
Panjab Creek Low-Tech Process-Based Restoration	Washington State Recreation and Conservation Office	22-1024R	11.438	-	70
Anton & Cedar Creeks Fish Passage Design	Washington State Recreation and Conservation Office	21- 1144P	11.438	-	150,061
Cassel Creek Derelict Culvert Removal	Washington State Recreation and Conservation Office	22-1336R	11.438	-	2,026
Donkey Creek Tributary Fish Passage Design	US Dept of Commerce - Salmon Recovery	21-1122P	11.438	-	33,860
Upper Wisen Creek Fish Passage Design- Phase 1	Washington State Recreation and Conservation Office	22-1334P	11.438	-	3,511
Samson Creek Priority Fish Passage	N/A	N/A	11.438	-	2,487

TROUT UNLIMITED, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2023

Federal Grantor/Program or Cluster Title	Pass-Through Grantor	Pass-Through Entity Identifying Number	Assistance Listing Number	Passed- Through to Subrecipients	Total Reimbursable Costs
Department of Commerce (Continued)					
Desolation Meadows Restoration Project	Oregon Watershed Enhancement Board	220-8208-17290	11.438	\$ -	\$ 210
North Fork John Day Resilience Project Engaging Hand Crews	Oregon Watershed Enhancement Board	220-8208-17291	11.438	-	1,015
Lower Wenatchee Instream Flow Enhancement Phase II	Washington State Recreation and Conservation Office	19-1489R	11.438	-	48,854
Yakima-Little Creek Channel Complexity	Washington State Recreation and Conservation Office	22-1575R	11.438	-	542
Swauk Creek Supplemental Flows	Washington State Recreation and Conservation Office	22.1614P	11.438	-	2,058
Tjossem Ditch-SRFB	Washington State Recreation and Conservation Office	19-1424R	11.438	-	11,039
Subtotal 11.438				-	1,529,390
Alaska Fish Habitat Mapping & Comm Science	Pacific States Marine Fisheries Commission	NA22NMF4540360	11.454	-	15,556
Lawrence Creek Hydrologic Reconnection of Critical Off Channel Salmonid Habitat	N/A	N/A	11.463	-	55,987
NOAA Restoring High Priority Habitat for Coastal Mendocino	N/A	N/A	11.463	-	101,067
NOAA Restoring High Priority Habitat for Coastal Mendocino	N/A	N/A	11.463	-	133,139
Enloe Dam Removal Project Planning & Feasibility Assessment	N/A	N/A	11.463	-	3,424
NOAA SSH Aquatic Organism Passage Stream Restoration	N/A	N/A	11.463	-	124,527
Subtotal 11.463				-	418,144
PSMFC Klamath Reservoir Reach 21 006G	Pacific States Marine Fisheries Commission	21-006G	11.472	-	16,692
Total Department of Commerce				-	1,979,782
Department of Energy					
Columbia Basin Water Transaction Program FY22	National Fish and Wildlife Foundation	0201.22.073770	81.000	-	130,478
BPA Bonanza Adaptive Management 2021	N/A	N/A	81.000	-	352

TROUT UNLIMITED, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2023

Federal Grantor/Program or Cluster Title	Pass-Through Grantor	Pass-Through Entity Identifying Number	Assistance Listing Number	Passed- Through to Subrecipients	Total Reimbursable Costs
Department of Energy (Continued)					
Lower Canyon Creek	Idaho Office of Species Conservation	LRR006-22	81.000	\$ -	\$ 32,753
Elmer Dam Final Design	N/A	N/A	81.000	-	14,000
199202601 EXP Wilson-Haun Wallowa River Restoration	N/A	N/A	81.000	-	1,139,606
1992 026-01 EXP Sheep Creek Stewardship	N/A	N/A	81.000	-	4,785
Elevating Instream Flow Enhancement in the Umatilla Tribal Geographies and Northeast Oregon (OR)	National Fish and Wildlife Foundation	0201.22.073796	81.000	-	988,117
Aquatic Ecosystem Restoration Projects w in the Lochsa River	N/A	N/A	81.000	-	7,720
Ben Canyon Aquatic Organism Passage Project- Construction	Colville Confederate Tribes	912021	81.000	-	101,129
Stonewater Ranch 2021	N/A	N/A	81.000	-	3,641
BPA Beavers	N/A	N/A	81.000	-	47,340
NFWF CBWTP	National Fish and Wildlife Foundation	0201.22.073769	81.000	-	590,967
CBWTP 2023	National Fish and Wildlife Foundation	0201.22.073769	81.000	-	116,647
NFWF CBWTP Colville	National Fish and Wildlife Foundation	0201.22.073751	81.000	-	62,808
Boulder Field Adaptive Management	N/A	N/A	81.000	-	58,315
Colville Johnson Creek	Colville Confederate Tribes	C21-424	81.000	-	210,000
Antoine Valley Ranch hydrogeo work	Colville Confederate Tribes	C18-413	81.000	-	110,823
Total Department of Energy				-	3,619,481
Department of Interior					
Lahontan Cutthroat Trout Core Grant 2019	National Fish and Wildlife Foundation	0102.18.061632	15.231	-	1,935
Lahontan Cutthroat Trout Core Grant 2020	National Fish and Wildlife Foundation	0122.19.066163	15.231	-	38,294
Subtotal 15.231				-	40,229
Bear Lank Tributaries Upland Restoration Phase 2	N/A	N/A	15.233	-	7,797

TROUT UNLIMITED, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2023

Federal Grantor/Program or Cluster Title	Pass-Through Grantor	Pass-Through Entity Identifying Number	Assistance Listing Number	Passed-Through to Subrecipients	Total Reimbursable Costs
Department of Interior (Continued)					
BLM Sycan Brownsprings Restoration and Monitoring	N/A	N/A	15.234	\$ -	\$ 2,565
BLM Annie Creek Fish Passage and Screening	N/A	N/A	15.234	-	3,846
BLM NF Sprague Fish Passage and Screening	N/A	N/A	15.234	-	2,287
BLM Redband Trout Working Group	N/A	N/A	15.234	-	457
BLM Threemile Crane Creek Bull Trout Habitat	N/A	N/A	15.234	-	41,727
Subtotal 15.234				-	50,882
Watershed Support through Abandoned Mine Reclamation and Characterization at the Tiger Mine Area	N/A	N/A	15.236	-	10,867
AK Reclamation and Restoration Community Engagement Project	N/A	N/A	15.244	-	310
BLM Agreement Oversight 2019 2024	N/A	N/A	15.244	-	53,632
A Co Developed Science Based Framework and Decision Support	N/A	N/A	15.244	-	2,021
Silver King Mine	N/A	N/A	15.244	-	11,268
BLM WY Watershed Restoration & Fisheries Improvement	N/A	N/A	15.244	-	82,336
Habitat and Riparian Restoration on Savery Creek and Muddy Creek	N/A	N/A	15.244	-	71,966
BLM Southwest Wyoming 2019-2024	N/A	N/A	15.244	-	22,073
Trout Creek Restoration Project BLM	N/A	N/A	15.244	-	24,995
Sheep Creek Stream and Floodplain Restoration Project Phase	N/A	N/A	15.244	-	2,741
Subtotal 15.244				-	271,342
Slinkard Creek Diversion Reconstruction	N/A	N/A	15.246	-	56,053
Green River Urban Restoration II	Bureau of Land Management	4907	15.247	-	8,538
Wet Meadow Restoration on the Luster Farm and Little Dolores River	Mountain Island Ranch	MIR-66456	15.247	-	9,761
Subtotal 15.247				-	18,299

TROUT UNLIMITED, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2023

Federal Grantor/Program or Cluster Title	Pass-Through Grantor	Pass-Through Entity Identifying Number	Assistance Listing Number	Passed-Through to Subrecipients	Total Reimbursable Costs
Department of Interior (Continued)					
Everhart AMD Refurbishment Project	N/A	N/A	15.253	\$ -	\$ 140,485
Morgan Run 7 Passive Treatment System	N/A	N/A	15.253	-	609
Subtotal 15.253				-	141,094
KRD -BOR- Water Marketing	Kittitas Reclamation District	R17AP00311	15.507	-	41,345
Lahontan Cutthroat Trout Core Grant 2019	National Fish and Wildlife Foundation	0102.18.061632	15.508	-	12,662
Lahontan Cutthroat Trout Core Grant 2020	National Fish and Wildlife Foundation	0122.19.066163	15.508	-	98,469
Subtotal 15.508				-	111,131
Reoriently to Recovery	Council	DSC-21015	15.512	-	49,390
Food for Fish Phase 2 Project TAC	N/A	N/A	15.512	-	344
Subtotal 15.512				-	49,734
Oconto River Watershed Aquatic Organism Passage	N/A	N/A	15.514	-	583
Upper Salmon Planning	N/A	N/A	15.517	-	268,679
Grande Ronde Wallowa Stream Restoration	N/A	N/A	15.517	-	152,991
Rockin Eleven Restoration	N/A	N/A	15.517	-	21,755
BOR- Grand Ronde	N/A	N/A	15.517	-	24,855
Buffalo Flats Restoration	N/A	N/A	15.517	-	24,177
Manastash Creek Habitat Restoration	N/A	N/A	15.517	-	8,558
BOR-Sheep Creek	N/A	N/A	15.517	-	21,207
Bureau Upper Columbia Restoration 2019 2024	N/A	N/A	15.517	-	18,160
BOR-Barkley Piping Fish Habitat	N/A	N/A	15.517	-	10,624
Subtotal 15.517				-	551,006

TROUT UNLIMITED, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2023

Federal Grantor/Program or Cluster Title	Pass-Through Grantor	Pass-Through Entity Identifying Number	Assistance Listing Number	Passed-Through to Subrecipients	Total Reimbursable Costs
Department of Interior (Continued)					
Building Trust Reducing Conflict Developing Projects	Bitter Root Water Forum	R19AP00260	15.554	\$ -	\$ 16,461
Flint Rock Cooperative Watershed Management Planning Grant	Granite Conservation District	CWMP-48	15.554	-	12,948
Salt River Watershed WY	N/A	N/A	15.554	-	43,945
Subtotal 15.554				-	73,354
Fish and Wildlife Cluster					
Uinta Basin Project Manager Utah	Utah Division of Wildlife Resources	212698	15.605	-	29,882
North Cottonwood Ryegrass Riparian	Wyoming Game and Fish Commission	4715	15.605	-	25,000
Subtotal 15.605 and Total Fish and Wildlife Cluster				-	54,882
Mod 2 Southeast Alaska Fish Habitat Partnership SEAKFHP Coordination	N/A	N/A	15.608	-	52,735
Mat su Salmon Partnership Outreach Coordination	N/A	N/A	15.608	-	103,641
Southeast Alaska Fish Habitat Partnership	N/A	N/A	15.608	-	44,744
Helper River Revitalization Phase 6	N/A	N/A	15.608	-	1,431,914
Wilson Creek at Stone Chimney Road Aquatic Organism	N/A	N/A	15.608	-	7,101
Jim Creek Fish Passage Phase II K Terry	N/A	N/A	15.608	-	10,461
Childs Brook Culvert and Restoration	N/A	N/A	15.608	-	831
Mohawk River Restoration Project	N/A	N/A	15.608	-	401
Driftless Water Quality Monitoring App	N/A	N/A	15.608	-	387
TUDARE Partnership Coordination, Planning & Monitoring	N/A	N/A	15.608	-	10,451
Driftless Staff Award	N/A	N/A	15.608	-	28,357
Partnering To Expand Fish Passage Capability in the NE Region	N/A	N/A	15.608	-	21,624
Fontelle Creek Fish Passage	Wyoming Game and Fish Commission	3100	15.608	-	19,769
Lawrence Creek Off Channel Habitat Connection Project	Pacific States Marine Fisheries Commission	2-036G	15.608	-	46,922
Strawberry Creek at Clam Beach Fish Passage Remediation Project	Pacific States Marine Fisheries Commission	21-020G	15.608	-	26,918
North Burnt Fork Creek Reconnect on Lee Metcalf NWR	N/A	N/A	15.608	-	13,323
Bull Trout Recovery Assistance	N/A	N/A	15.608	-	10,070

TROUT UNLIMITED, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2023

Federal Grantor/Program or Cluster Title	Pass-Through Grantor	Pass-Through Entity Identifying Number	Assistance Listing Number	Passed-Through to Subrecipients	Total Reimbursable Costs
Department of Interior (Continued)					
Removal of Lower Rattlesnake Creek Dam Restoration of Stream	N/A	N/A	15.608	\$ -	\$ 32,196
Strawberry Creek at Hwy 101 Fish Passage Implementation Project	N/A	N/A	15.608	-	147,599
RSX improvement on Peterson Creek	N/A	N/A	15.608	-	55,276
Peterson and Perkins Creek RSX Improvement	N/A	N/A	15.608	-	80,983
Fish Passage Inventory and Assessments on the Duchesne-Jordan River Basins	N/A	N/A	15.608	-	56,009
Blue Lick Run Tributary AOP Project (Maryland)	N/A	N/A	15.608	-	26,001
Blue Lick Run Tributary AOP Project Maryland	N/A	N/A	15.608	-	50,000
Middle Fork Rock Creek Fish Screen and Stream Restoration	N/A	N/A	15.608	-	9,135
North Fork Tincup Process Based Restoration Project Phase 1	N/A	N/A	15.608	-	27,322
Meadows Restoration Planning in the American and Pine Creek	American Rivers	CE21MLT087F	15.608	-	10,724
High Valley View Culvert Replacement Project	N/A	N/A	15.608	-	794
Wisem Creek Fish Passage Restoration x3	N/A	N/A	15.608	-	1,960
NFWF Crane Creek Construction	National Fish and Wildlife Foundation	0208.18.060098	15.608	-	1,654
NFWF Screening Wood River	National Fish and Wildlife Foundation	0208.18.060227	15.608	-	10,653
NFWF Wood	National Fish and Wildlife Foundation	0208.18.060333	15.608	-	791
USFWS Wood, Williamson Sprague River Riparian	N/A	N/A	15.608	-	33,863
USFWS NFPP (OR)	N/A	N/A	15.608	-	74,364
USFWS Stock Water Well 2021 Installation	N/A	N/A	15.608	-	35,180
USFWS NFPP Upper Sprague Bull Trout Passage Design	N/A	N/A	15.608	-	7,179
USFWS Salmon SHWY Tillamook Basin Fish Pass Restoration	N/A	N/A	15.608	-	60,944
USFWS WQ Monitoring and Restoration for Suckers	National Fish and Wildlife Foundation	0208.22.074153	15.608	-	63,524
USFWS BIL Sprague LTPBR Collaboration	N/A	N/A	15.608	-	763
Slamon SuperHwy FY22 BIL Fish Passage	N/A	N/A	15.608	-	3,228
Salmon SuperHwy Tillamook Basin Fish Passage Restoration	N/A	N/A	15.608	-	3,113
Passage Restoration	N/A	N/A	15.608	-	124,786
Halfmoon Run Aquatic Organism Passage Project	N/A	N/A	15.608	-	4,494
AOP Design & Assessment Greenbrier	N/A	N/A	15.608	-	4,886
Alarka Creek AOP Restoration Project	N/A	N/A	15.608	-	50,000

TROUT UNLIMITED, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2023

Federal Grantor/Program or Cluster Title	Pass-Through Grantor	Pass-Through Entity Identifying Number	Assistance Listing Number	Passed-Through to Subrecipients	Total Reimbursable Costs
Department of Interior (Continued)					
	Wyoming Game and Fish Commission (Federal Funds)	3097	15.608	\$ -	\$ 108,641
Spread Creek Fish Passage Phase II and WY	N/A	N/A	15.608	-	46,202
Peshtigo River Watershed Aquatic Organism Passage	N/A	N/A	15.608	-	30,000
Ben Canyon Creek Fish Passage and Habitat Restoration Program	N/A	N/A	15.608	-	70,505
Wolf Creek Joint Venture Funds	N/A	N/A	15.608	-	50,000
EBTJV Woodloading and Culvert Prioritization	N/A	N/A	15.608	-	73,354
USFWS Yakima R Floodplain (Anderson)	N/A	N/A	15.608	-	53,052
Leavnworth Hatchery Data Gathering	N/A	N/A	15.608	-	8,304
Leavenworth Hatchery Revegetation Project	N/A	N/A	15.608	-	425
Subtotal 15.608				-	3,247,553
	Association of Fish & Wildlife Agencies	F21AP00985	15.628	-	784
Driftless Michigan Engaging Landowners					
Wyoming Native Fish Passage and Habitat Restoration	N/A	N/A	15.631	-	10,000
Link Creek Wood Restoration Project	N/A	N/A	15.631	-	2,717
Habitat Reconnection and Restoration in the Saranac River Basin	N/A	N/A	15.631	-	90,836
USFWS UKB Gravel 17-534	N/A	N/A	15.631	-	397
USFWS Lower Annie Creek Fish Passage	N/A	N/A	15.631	-	3,332
USFWS Weed Road Fish Screen	N/A	N/A	15.631	-	3,646
USFWS North Fork Sprague Hydro	N/A	N/A	15.631	-	855
USFWS Upper Basin Instream Riparian Enhancement	N/A	N/A	15.631	-	52,339
USFWS Threemile Crane Crk Reconnect Phase 3	N/A	N/A	15.631	-	255,102
USFWS Partners for Fish & Wildlife Program Habitat Restoration Monitoring Plan	N/A	N/A	15.631	-	7,457
USFWS Lalo Springs 20 11174	N/A	N/A	15.631	-	3,107
USFWS Upper Basin Riparian Enhancement	N/A	N/A	15.631	-	142,184
USFWS SF Sprague LWD 20 11169	N/A	N/A	15.631	-	46,661
USFWS Running Y and Caledonia 20 11263	N/A	N/A	15.631	-	7,758
USFWS Upper Basin Planting 20 11224	N/A	N/A	15.631	-	29,074
USFWS Sycan Brown Springs 20 11228	N/A	N/A	15.631	-	161,609
USFWS Dairylands Salmon SuperHwy Partners for Fish and Wildlife	N/A	N/A	15.631	-	43,612
USFWS Annie Creek 2021	N/A	N/A	15.631	-	4,319
USFWS Harmony Preserve Bailey Flat	N/A	N/A	15.631	-	34,940
USFWS Sevenmile Channel at McQuiston	N/A	N/A	15.631	-	979
USFWS Threemile Crane 2021 Restoration and Monitoring	N/A	N/A	15.631	-	1,574

TROUT UNLIMITED, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2023

Federal Grantor/Program or Cluster Title	Pass-Through Grantor	Pass-Through Entity Identifying Number	Assistance Listing Number	Passed- Through to Subrecipients	Total Reimbursable Costs
Department of Interior (Continued)					
USFWS UKB 2021 Riparian Instream	N/A	N/A	15.631	\$ -	\$ 175,705
USFWS Upper Klamath Basin 2021 Riparian Planting	N/A	N/A	15.631	-	6,174
USFWS Sun Creek 2021 Channel Enhancement	N/A	N/A	15.631	-	100,395
USFWS Annie Creek Barrier Removal	N/A	N/A	15.631	-	91,261
Crane Creek Fish Passage Design	N/A	N/A	15.631	-	16,715
Snake Creek LTPBR and Adaptive Management	N/A	N/A	15.631	-	347
OKB 2022 Spawning Gravel	N/A	N/A	15.631	-	21,181
Increasing Communication and Outreach about Private Lands, Fisheries and Access	N/A	N/A	15.631	-	10,659
Partners for Fish & Wildlife USFWS TU Increasing Habitat Restoration and Angler Participation	N/A	N/A	15.631	-	29,965
FCCD Smith Draw BDA	N/A	N/A	15.631	-	9,102
Wenatchee Beaver Coexistence Landowner Assistance-2022	N/A	N/A	15.631	-	11,636
USFWS Rock Creek Beavers	N/A	N/A	15.631	-	11,718
Tjossem Ditch Retirement USFWS	N/A	N/A	15.631	-	10,483
Tucker Creek wood placement USFWS	N/A	N/A	15.631	-	1,290
Habitat Restrtration for Priority Species in WV	N/A	N/A	15.631	-	19,741
Wyoming Native Fish Passage and Habitat Restoration	N/A	N/A	15.631	-	68,750
Subtotal 15.631				-	1,487,620
Relationships of Habitat and Salmonid Life History-Yuba	N/A	N/A	15.648	-	40,328
Lake Sammish Urban Wildlife Refuge Partnership Stewardship Project	N/A	N/A	15.657	-	79,805
Continuation of Salmon Kill Restoration	N/A	N/A	15.658	-	68,301
Restore and Reconnect Improving Habitat in West Northwest Michigan Trout Streams	National Fish and Wildlife Foundation	0501.19.064549	15.662	-	69,031
Reconnecting Coldwater Habitat in Brook Trout Streams MI	N/A	N/A	15.662	-	30,530
Reconnecting Coldwater Habitat and Monitoring Brook Trout	National Fish and Wildlife Foundation	0501.20.067812	15.662	-	171,088
Reconnecting and Securing Climate Resilient Brook Trout	National Fish and Wildlife Foundation	0501.22.074690	15.662	-	12,533

TROUT UNLIMITED, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2023

Federal Grantor/Program or Cluster Title	Pass-Through Grantor	Pass-Through Entity Identifying Number	Assistance Listing Number	Passed- Through to Subrecipients	Total Reimbursable Costs
Department of Interior (Continued)					
Reconnecting Coldwater Habitat for Brook Trout and Culvert Assessments in Black River	National Fish and Wildlife Foundation	74811	15.662	\$ -	\$ 1,704
Reconnecting Cold-Water Habitat in the Western Upper Peninsula	National Fish and Wildlife Foundation	0501.20.068240	15.662	-	74,000
Subtotal 15.662				-	358,886
Bitterroot Native Trout Passage Habitat Restoration	National Fish and Wildlife Foundation	0901.20.070133	15.663	-	35,169
Colorado Rio Grande Cutthroat Trout Habitat Restoration	National Fish and Wildlife Foundation	2504.19.066519	15.663	-	4,185
Frost Gully Brook NFWF	National Fish and Wildlife Foundation	0405.19.065407	15.663	-	582
Restore and Reconnect Improving Habitat in West Northwest Michigan Trout Streams	National Fish and Wildlife Foundation	0501.19.064549	15.663	-	6,003
Lahontan Cutthroat Trout Core Grant 2019	National Fish and Wildlife Foundation	0102.18.061632	15.663	-	2,990
Lahontan Cutthroat Trout Core Grant 2020	National Fish and Wildlife Foundation	0122.19.066163	15.663	-	117,616
Maryland NFWF Small Watersheds Implementation Grant 2019	National Fish and Wildlife Foundation	0603.19.065079	15.663	-	2,084
Protecting and Restoring Brook Trout Habitat in the Savage River Watershed	National Fish and Wildlife Foundation	0603.21.071980	15.663	-	21,454
Meadows Restoration Planning in the American and Pine Creek	American Rivers Foundation	CE21MLT087F	15.663	-	4,380
NJ Delaware River Brook Trout Reintroductions & Restoration	National Fish and Wildlife Foundation	0901.17.058436	15.663	-	2,420
Neversink Management Plan	National Fish and Wildlife Foundation	72257	15.663	-	2,685
Ives Road Culvert Replacement Project	National Fish and Wildlife Foundation	0603.21.073262	15.663	-	7,273
Wylie Brook Culvert Replacement Project	National Fish and Wildlife Foundation	0603.20.069859	15.663	-	7,026
Conservation Planning and Restoration Response Monitoring for Cross Fork Watershed	National Fish and Wildlife Foundation	0407.19.066320	15.663	-	6,129
A Multiphased Restoration Approach to Form the North Fork of South Branch Potomac	National Fish and Wildlife Foundation	0603.21.073158	15.663	-	14,179

TROUT UNLIMITED, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2023

Federal Grantor/Program or Cluster Title	Pass-Through Grantor	Pass-Through Entity Identifying Number	Assistance Listing Number	Passed- Through to Subrecipients	Total Reimbursable Costs
Department of Interior (Continued)					
Upper South Branch in Virginia	National Fish and Wildlife Foundation	0407.18.061981	15.663	\$ -	\$ 601
Restoring Enhancing and Expanding Brook Trout Patch Strongholds in Thorn Creek (WV)	National Fish and Wildlife Foundation	0603.20.069792	15.663	-	20,609
Rio Chama San Antonio Rio Grande Cutthroat Trout Restoration	National Fish and Wildlife Foundation	2504.19.066469	15.663	-	7,219
Expanding Brook Trout Patch Size and Improving Water Quality	National Fish and Wildlife Foundation	0603.19.065931	15.663	-	10,574
Upper Delaware River Stream Implementation Plan	Friends of the Delaware River	0403.18.062755	15.663	-	37,733
Cadosia Creek Restoration Project	Friends of the Delaware River	65386	15.663	-	8,885
Shehawken Monitoring	Friends of the Delaware River	65403	15.663	-	651
Subtotal 15.663				-	320,447
Willowemoc Trout Habitat Improvement Project	National Fish and Wildlife Foundation	0403.21.072630	15.670	-	13,165
Neversink Watershed Management Plan	National Fish and Wildlife Foundation	72257	15.670	-	64,817
UDR Macro Studies	Friends of the Delaware River	960235	15.670	-	6
Improving Aquatic Habitat Connectivity in the Towns of Deposit and Colchester (NY)	National Fish and Wildlife Foundation	0403.19.065544	15.670	-	89,547
Improving Trout Habitat Connectivity in the Town of Delhi (NY)	National Fish and Wildlife Foundation	0403.19.065653	15.670	-	197,359
Implementing the Upper Delaware River Stream Corridor Management Plan	National Fish and Wildlife Foundation	0403.19.065178	15.670	-	157,094
Wilson Hollow Assessment and Restoration Planning	Friends of the Delaware River	68747	15.670	-	18,855
Subtotal 15.670				-	540,843
Identifying Thermal Refugia for Brook Trout Climate Adaptation	Minnesota	G22AC00540-00	15.820	-	5,441
Total Department of Interior				-	7,628,606

TROUT UNLIMITED, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2023

Federal Grantor/Program or Cluster Title	Pass-Through Grantor	Pass-Through Entity Identifying Number	Assistance Listing Number	Passed- Through to Subrecipients	Total Reimbursable Costs
Environmental Protection Agency					
Muskegon River Management Plan Update	Muskegon River Watershed Assembly	2020-111	66.454	\$ -	\$ 23,853
Upper Ninemile Creek Placer Mine	Montana Department of Environmental Quality	221028	66.460	-	136,395
319 Grant for Tramway Creek	Montana Department of Environmental Quality	218014	66.460	-	62,831
Flint Creek Riparian Restoration	Montana Department of Environmental Quality	220111	66.460	-	7,386
Implementing RCPP in Indian Mill and Rogue River Watersheds	Kent Conservation District	2019-0037	66.460	-	200
Mud Creek EPA 319	Utah Division of Water Quality	220400	66.460	-	194,295
Wyoming Water & Habitat	Wyoming Dept of Environmental Quality	2022-1011	66.460	-	6,147
Middlebrook School Stormwater Project	Connecticut Dept. of Energy and Environmental Protection	DEPA00002025150	66.460	-	72,961
Watershed Implementation Plan Development Fishing Creek Watershed	PA-Dept of Environmental Protection	C990002338	66.460	-	32,241
Stauffer Creek Meadow Sream Restoration Project	Idaho Dept of Environmental Quality	S698	66.460	-	239,851
Increasing Riparian In Stream Restoration Delivery	West Virginia Department of Environmental Protection	NPS1753	66.460	-	8,101
Subtotal 66.460				-	760,408
Chesapeake GIT	Chesapeake Bay Trust	1520	66.466	-	20,848
Accelerating Water Quality Improvements and Supporting Conservation Collaboratives (MD, PA, VA, WV)	National Fish and Wildlife Foundation	0602.22.074141	66.466	-	20,132
Maryland NFWF Small Watersheds Implementation Grant 2019	National Fish and Wildlife Foundation	0603.19.065079	66.466	-	1,870
Protecting and Restoring Brook Trout Habitat in the Savage	National Fish and Wildlife Foundation	0603.21.071980	66.466	-	112,520

TROUT UNLIMITED, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2023

Federal Grantor/Program or Cluster Title	Pass-Through Grantor	Pass-Through Entity Identifying Number	Assistance Listing Number	Passed-Through to Subrecipients	Total Reimbursable Costs
Environmental Protection Agency (Continued)					
Securing Brook Trout Population Persistence in Sand Spring Run	Chesapeake Bay Trust	18663	66.466	\$ -	\$ 14,544
Ives Road Culvert Replacement Project	National Fish and Wildlife Foundation	0603.21.073262	66.466	-	10,715
Wylie Brook Culvert Replacement Project	National Fish and Wildlife Foundation	0603.20.069859	66.466	-	17,203
Strengthening Stronghold Brook Trout Patches	National Fish and Wildlife Foundation	0603.20.069421	66.466	-	66,750
Increasing Resilience of Priority Eastern Brook Trout Stronghold Patches in the Chesapeake Bay	National Fish and Wildlife Foundation	0603.22.075408	66.466	-	88
Collaborative Conservation and Brook Trout Restoration in the Cacapon Watershed	National Fish and Wildlife Foundation	69626	66.466	-	64,044
Filling the Data Gaps in Two Brook Trout Strongholds, South Branch of Potomac (VA, WV)	National Fish and Wildlife Foundation	75540	66.466	-	1,010
A Multiphased Restoration Approach to Form the North Fork of South Branch Potomac	National Fish and Wildlife Foundation	0603.21.073158	66.466	-	13,617
Restoring Enhancing and Expanding Brook Trout Patch Strongholds in Thorn Creek (WV)	National Fish and Wildlife Foundation	0603.20.069792	66.466	-	104,919
Expanding Brook Trout Patch Size and Improving Water Quality	National Fish and Wildlife Foundation	0603.19.065931	66.466	-	27,191
Accelerating Sediment Reductions Through Collaborative Technical Assistance in Virginia Headwaters	National Fish and Wildlife Foundation	0602.20.067738	66.466	-	247,328
Subtotal 66.466				-	722,779
Marble Wetland Reclamation Project – Marble, CO	Town of Marble (Colorado Dept Health) FED	09.22.22	66.817	-	94,996
A Watershed-Based Education and Service Learning Program	N/A	N/A	66.951	-	37,230
Total Environmental Protection Agency				-	1,639,266
Department of Transportation					
Marks Mountain Loop Road Trail Remediation	NC Dept of Natural and Cultural Resources	RTP2020-7828	20.219	-	44,753

TROUT UNLIMITED, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2023

Federal Grantor/Program or Cluster Title	Pass-Through Grantor	Pass-Through Entity Identifying Number	Assistance Listing Number	Passed- Through to Subrecipients	Total Reimbursable Costs
Department of Treasury					
East Gallatin Low Cost Process-Based Restoration Planning	Montana Department of Natural Resources and Conservation	WMG-22-0087A	21.027	\$ -	\$ 16,793
Ranch Creek Water Use Efficiency and Natural Storage Improve	Granite Conservation District	RGP-22-0685A	21.027	-	2,322
Total Department of Treasury				-	19,115
Federal Emergency Management Agency					
Ninemile Creek Mitigation Project Phases 5 and 6	Missoula Board of County Commissioners	PDMC08MT2018005	97.047	-	365,674
Rattlesnake Dam Failure Mitigation Project	City of Missoula	FEMA-DR-5194-MT	97.047	-	9,674
Total Federal Emergency Management Agency				-	375,348
TOTAL				\$ -	\$ 16,807,236

TROUT UNLIMITED, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2023

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal award activity of TU under programs of the Federal Government for the year ended March 31, 2023. The information in this Schedule is presented in accordance with the 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)*. Because the Schedule presents only a selected portion of the operations of TU, it is not intended to and does not present the financial position, changes in net assets or cash flows of TU.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. TU has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3. Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements

Expenditures per the Schedule of Expenditures of Federal Awards	\$ 16,807,236
Expenditures of Federal awards not subject to audit requirements under Uniform Guidance as noted by the grantor	<u>3,888,558</u>
U.S. GOVERNMENT GRANTS PER STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS	<u>\$ 20,695,794</u>

TROUT UNLIMITED, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2023

Section I - Summary of Auditor's Results

Financial Statements

1). Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP on the accrual basis of accounting: Unmodified

2). Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported

3). Noncompliance material to financial statements noted? Yes No

Federal Awards

4). Internal control over major Federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported

5). Type of auditor's report issued on compliance for major Federal programs: Unmodified

6). Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

7). Identification of major Federal programs:

Assistance Listing Number	Name of Federal Program or Cluster
15.608	Fish and Wildlife Management Assistance
15.517	Fish and Wildlife Coordination Act

8). Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

9). Auditee qualified as a low-risk auditee? Yes No

TROUT UNLIMITED, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2023

Section II - Financial Statement Findings

Finding 2023-001: Misclassification of Revenue

Criteria: Title 2 CFR 200 Section 200.303 "Internal Controls" requires recipients of Federal funds to establish internal controls that should be in compliance with guidance in the "Integral Control Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition: During the audit, it came to our attention that approximately \$1,000,000 in revenue with donor restrictions was erroneously classified as revenue without donor restrictions during fiscal year 2022.

Context: Failure to accurately identify donor-restricted funds may result in the mismanagement of these resources.

Effect: Approximately \$1,000,000 of donor-restricted funds was misclassified as without donor restrictions during fiscal year 2022. Ultimately management identified and rectified the situation during fiscal year 2023.

Cause: Adequate internal controls, including a comprehensive review of revenue classification, were not in place when the revenue was initially recognized, resulting in improper identification of donor-restricted funds

Recommendation: We recommend TU enhance the policies and procedures governing internal controls related to the identification and monitoring of donor-restricted funds. This entails the identification and tracking of donor-restricted funds, thereby ensuring they are used in accordance with the donors' intended purposes.

Section III - Federal Award Findings and Questioned Costs (2 CFR 200.516(a))

There were no reportable findings.

Section IV - Prior Year Findings and Questioned Costs With Current Year Status

Finding 2022-001: Unauthorized External Charges in Operating Account

Condition: During our audit, we noted excessive amounts of unauthorized external charges processed through TU's operating bank account. The unauthorized charges began during November 2021 and persisted through the end of the year. Based on our review of a selected sample of months, it appears the bank's control procedures (i.e. positive pay) caught and refunded TU for all of the unauthorized activities. However, there was no immediate action taken by management to address and prevent the continued unauthorized transactions from occurring through the end of the year ended March 31, 2022.

Recommendation: We recommend TU immediately close the compromised bank accounts and ensure a full reconciliation is completed to guarantee that all unauthorized funds were returned. Additionally, we recommend any and all unauthorized activity be immediately reported to management and the Board of Directors when necessary and action be taken to prevent the unauthorized activity from occurring in the future.

Current Year Status: Finding 2022-001 has been cleared during the FY2023 audit.

TROUT UNLIMITED, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2023

Section IV - Prior Year Findings and Questioned Costs With Current Year Status (Continued)

Finding 2022-002: Reconciliation of Asset and Liability Accounts

Condition: At the commencement of our audit fieldwork, we noted that several asset and liability accounts (i.e. receivables, prepaid expenses, fixed assets, accounts payable, net assets) were not properly reconciled as of March 31, 2022. As a result, a significant amount of time was spent by management during the audit process reconciling accounts.

Recommendation: We recommend TU establish policies and procedures to ensure reconciliation of account balances to the general ledger are performed timely. Any discrepancies noted during the process should be followed up and resolved immediately. We also recommend TU enhance their review and approval process to ensure the reconciliations are accurate and the financial data is properly stated throughout the year and at year-end.

Current Year Status: Finding 2022-002 has been cleared during the FY2023 audit.



CPAs & ADVISORS

**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 Trustees
Trout Unlimited, Inc.
Arlington, Virginia

We have audited, in accordance with the 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 Trout Unlimited, Inc. (TU), which comprise the statement of financial position as of March 31, 2023, and the related statements of activities, and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated November 28, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered TU's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances, for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of TU's internal control. Accordingly, we do not express an opinion on the effectiveness of TU'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 TU'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as Finding 2023-001 that we consider to be a significant deficiency.

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether TU's financial statements are free from 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 statements. 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as Finding 2023-001.

TU's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on TU's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. TU's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Gelman Rosenberg & Freedman". The signature is written in a cursive, flowing style.

November 28, 2023



CPAs & ADVISORS

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 Trustees
Trout Unlimited, Inc.
Arlington, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Trout Unlimited, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Trout Unlimited, Inc.'s major Federal programs for the year ended March 31, 2023. The TU'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 TU 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 March 31, 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 TU's 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 TU'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 TU's Federal programs.

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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 TU'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 TU'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 TU'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 TU'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 TU'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.

Gelman Rosenberg & Freedman

November 28, 2023