

Management and the Audit Committee

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April 25, 2025

In connection with our audit of the financial statements of Toronto Atmospheric Fund (the "Organization") as of December 31, 2024 and for the year then ended, we considered internal control over financial reporting ("internal control") as a basis for designing appropriate audit procedures. The purpose of our audit was to express an opinion on the financial statements, not to identify internal control matters. Therefore, we express no opinion on the effectiveness of internal control and it would be inappropriate to conclude that no internal control matters, including significant control deficiencies, exist beyond those included in this communication.

A deficiency in internal control exists where the design, implementation, operation or absence of a control means that internal controls are unable to prevent, or detect and correct, misstatements in the financial statements on a timely basis. The Canadian Auditing Standards require that, where we identify internal control deficiencies during an audit, we assess their importance and severity and communicate them to management and those charged with governance, as appropriate. Deficiencies that are of sufficient importance to merit the attention of those charged with governance are described as "significant deficiencies".

## Significant control deficiencies

### Segregation of duties

In common with other organizations with a small accounting team, we noted an issue surrounding segregation of duties. Whereby, the Director of Finance, Accounting Manager and accounting clerk have the ability to post entries without formal review or approval. The Director of Finance may take a top-level review of the accounting team's entries but does not conduct a detailed review of each entry. A mitigating control exists whereby quarterly financial results are presented to the Board of Directors which provides a high level of oversight over the entries recorded.

As the achievement of high degree of segregation of duties may not be practical for organizations with a small accounting team, we do recommend that the Board of Directors take a proactive role in monitoring and reviewing financial results. Ongoing involvement and review of budgets and interim financial information is important to the control environment.

### *Management Response*

Management believes that the current controls in place are sufficient given the size and complexity of the entity. The Board of Directors and management review the interim financial reports quarterly which mitigates this matter. The Director of Finance also reviews reconciliations prepared by the accounting team which provides some level of oversight.

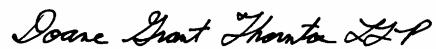
## Conclusion

The matters reported in this communication are limited to those deficiencies we identified during the audit that we considered to be of sufficient importance to communicate to management and, in the case of significant deficiencies, those charged with governance. Had we performed more extensive procedures on internal control, including procedures subsequent to April 29, 2025, we might have identified more deficiencies or reached different conclusions about the deficiencies included in this communication.

This communication is intended solely for the information and use of management, those charged with governance, and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.

Yours sincerely,

Doane Grant Thornton LLP

A handwritten signature in black ink that reads "Doane Grant Thornton LLP".

David Fioretti, CPA, CA  
Principal