

Financial Statements of

**ATLANTIC SALMON
FEDERATION (U.S.), INC.**

And Independent Auditor's Report thereon

Year ended September 30, 2023



KPMG LLP

Frederick Square
77 Westmorland Street, Suite 700
Fredericton, NB E3B 6Z3
Canada
Telephone 506 452 8000
Fax 506 450 0072

INDEPENDENT AUDITOR'S REPORT

To the Directors of Atlantic Salmon Federation (U.S.), Inc.

Opinion

We have audited the financial statements of Atlantic Salmon Federation (U.S.), Inc. (the Entity), which comprise:

- the financial position as at September 30, 2023
- the statement of activities for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at end of September 30, 2023, its results of activities and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditor’s Responsibilities for the Audit of the Financial Statements***” section of our auditor’s report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.



Page 3

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and extends to the right, ending under the 'P'.

Chartered Professional Accountants

Fredericton, Canada

April 3, 2024

ATLANTIC SALMON FEDERATION (U.S.), INC.

Statement of Financial Position

September 30, 2023, with comparative information for 2022

	2023	2022
Assets		
Current assets:		
Cash	\$ 1,124,680	\$ 1,645,209
Accounts receivable	848,291	-
Unconditional promises to give (note 3)	1,168,500	25,750
Prepaid expenses	94,372	76,620
	<u>3,235,843</u>	<u>1,747,579</u>
Long-term unconditional promises to give (note 3)	522,800	8,173
Investments (note 4)	18,664,467	16,425,206
Property, plant and equipment, net (note 5)	195,273	215,704
	<u>\$ 22,618,383</u>	<u>\$ 18,396,662</u>

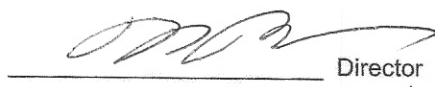
Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 862,271	\$ 242,367
Payable to ASF (Canada)	870,233	137,427
Deferred revenue (note 7)	371,500	245,224
	<u>2,104,004</u>	<u>625,018</u>
Net assets:		
Unrestricted:		
Operating	941,940	919,526
Board designated	9,949,811	9,371,864
Property, plant and equipment	195,273	215,704
Total unrestricted	<u>11,087,024</u>	<u>10,507,094</u>
Temporarily restricted net assets (note 9)	6,022,643	4,310,027
Permanently restricted net assets (note 10)	3,404,712	2,954,523
	<u>20,514,379</u>	<u>17,771,644</u>
	<u>\$ 22,618,383</u>	<u>\$ 18,396,662</u>

See accompanying notes to the financial statements.

On behalf of the Board:

 Director

 Director
M Bonczek
5/15/24

ATLANTIC SALMON FEDERATION (U.S.), INC.

Statement of Activities

Year ended September 30, 2023, with comparative information for 2022

	Unrestricted	Temporarily restricted	Permanently restricted	2023 Total	2022 Total
Revenues:					
Membership	\$ 60,674	\$ -	\$ -	\$ 60,674	\$ 62,130
Development and annual giving	1,008,517	-	-	1,008,517	1,035,471
Other contributions	-	7,366,826	450,189	7,817,015	3,060,511
Dinners and raffles	960,036	-	-	960,036	862,868
Investment income (note 4)	355,731	74,888	-	430,619	438,128
Realized gain (loss) on sale of investments (note 4)	(38,703)	(893)	-	(39,596)	518,818
Unrealized gain (loss) on investments (note 4)	967,818	23,555	-	991,373	(2,542,153)
Gain (loss) on foreign exchange fluctuation	(4,527)	-	-	(4,527)	9,444
Miscellaneous	280,386	-	-	280,386	121,672
Net assets released in satisfaction of restrictions (note 9)	5,751,760	(5,751,760)	-	-	-
	9,341,692	1,712,616	450,189	11,504,497	3,566,889
Expenses and other deductions:					
Conservation programs:					
General	497,832	-	-	497,832	347,630
Regional programs	185,851	-	-	185,851	100,224
US Operations	5,067,148	-	-	5,067,148	1,361,444
	5,750,831	-	-	5,750,831	1,809,298
Education program:					
Public information	100,765	-	-	100,765	41,311
Development programs					
Dinners and raffles	381,112	-	-	381,112	261,091
Administration	270,054	-	-	270,054	150,318
Facilities	23,076	-	-	23,076	24,114
Contributions to ASF (Canada) (note 8)	60,924	-	-	60,924	72,025
	2,175,000	-	-	2,175,000	2,070,900
	8,761,762	-	-	8,761,762	4,429,057
Excess (deficiency) of revenues over expenses	579,930	1,712,616	450,189	2,742,735	(862,168)
Net assets, beginning of year	10,507,094	4,310,027	2,954,523	17,771,644	18,633,812
Net assets, end of year	\$ 11,087,024	\$ 6,022,643	\$ 3,404,712	\$ 20,514,379	\$ 17,771,644

See accompanying notes to financial statements.

ATLANTIC SALMON FEDERATION (U.S.), INC.

Statement of Cash Flows

Year ended September 30, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenues over expenses	\$ 2,742,735	\$ (862,168)
Adjustments to reconcile excess of revenues over expenses to net cash used by operating activities:		
Realized gain on sale of investments	39,596	(518,818)
Unrealized (gain)/loss on investments	(991,373)	2,542,153
Loss on sale of property, plant and equipment	-	-
Depreciation	22,270	47,759
(Increase) decrease in accounts receivable	(848,291)	173,714
(Increase) Decrease in net unconditional promises to give	(1,657,377)	194,020
Contributions restricted for long-term investments	(450,189)	(126,035)
(Increase) decrease in prepaid expenses	(17,752)	(6,725)
Interest on temporarily restricted long-term investments	-	(12,845)
Increase in accounts payable and accrued liabilities	619,904	163,548
Increase in accounts payable to ASF Canada	732,806	137,427
Increase (decrease) in deferred revenue	126,276	(84,438)
Decrease in accounts receivable from ASF Canada	-	151,787
	318,605	1,799,379
Financing activities:		
Contributions restricted for long-term investments	450,189	126,035
Interest on temporarily restricted long-term investments	-	12,845
	450,189	138,880
Investing activities		
Acquisition of investments	(2,239,261)	(7,143,054)
Proceeds from sale of investments	951,777	3,519,965
Purchase of property, plant and equipment	(1,839)	-
	(1,289,323)	(3,623,089)
Decrease in cash position	(520,529)	(1,684,830)
Cash position, beginning of year	1,645,209	3,330,039
Cash position, end of year	\$ 1,124,680	\$ 1,645,209

See accompanying notes to financial statements.

ATLANTIC SALMON FEDERATION (U.S.), INC.

Notes to Financial Statements

Year ended September 30, 2023

Atlantic Salmon Federation (U.S.), Inc. (the "Federation") is incorporated in New York and promotes the conservation of the wild Atlantic salmon through scientific research, public awareness programs and other activities. The Federation is generally exempt from Federal income taxes under Section 501(a) as an organization described in Section 501 (c)(3) of the U.S. Internal Revenue Code, and is also generally exempt from state and local income taxes.

1. Significant accounting policies:

(a) Basis of presentation and reporting currency:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

All amounts in the financial statements are expressed in U.S. dollars. Because the Federation carries on much of its activity in U.S. dollars, its functional currency has been determined to be the U.S. dollar.

(b) Foreign currency:

All accounts in the statement of financial position are translated into U.S. dollars at the year-end rate of exchange with any gain or loss reported in the statement of activities and all accounts in the statement of activities are translated at the exchange rate at the dates on which those items are recorded.

(c) Revenue recognition:

Unrestricted contributions of revenue and support are recognized as revenue when received. Contributions of assets other than cash are recorded at their fair values at the date of contribution. Contributions of revenue and support with donor-imposed restrictions that are met in the same year as received or earned are reported as unrestricted revenues.

Grants and contributions restricted by the donor, grantor or other outside party for particular purposes or are time restricted are reported as temporarily restricted revenues and are reclassified to unrestricted net assets when expenses are incurred that satisfy the donor-imposed restrictions or time restrictions are met.

Endowment contributions are those permanently restricted by the donor. Investment income available for distribution is recorded as unrestricted or temporarily restricted revenue depending on the terms specified by the donor.

Contribution of services is recognized when the services received create or enhance non financial assets or require specialized skills.

Revenue from fees for service is recognized when the services are provided and collection is probable.

(d) Unconditional promises to give:

Unconditional promises to give due in the next year are reflected as current assets and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises and are recorded at the present value of their net realizable value using risk-free interest rates when the pledge is recorded.

Collectability of unconditional promises to give is determined based on the history of collections for each donor.

ATLANTIC SALMON FEDERATION (U.S.), INC.

Notes to Financial Statements

Year ended September 30, 2023

1. Significant accounting policies (continued):

(d) Unconditional promises to give (continued):

The Federation has classified its financial instruments as follows:

- Cash and investments are classified as held-for-trading and carried at fair value. Gains and losses on changes in fair value are recognized in the statement of activities in the period in which they are incurred.
- Accounts receivables and unconditional promises to give are classified as trade and other receivables and are carried at amortized cost.
- Financial liabilities: accounts payable and accrued liabilities are classified as other payables and recorded at amortized costs.

(e) Property, plant and equipment:

Property, plant and equipment are stated at cost. Depreciation is provided using the straight-line method at the following annual rates:

Asset	Rate
Buildings and research facilities	30 years
Office furniture and fixtures	10 years
Motor vehicles	7 years

(f) Use of estimates:

The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the useful lives of fixed property, plant, and equipment, allowance for doubtful accounts and the valuation of unconditional promises to give, investments and currency forward exchange contracts.

2. Concentrations of risk:

(a) Credit and market risk:

The Federation is exposed to credit risk on financial assets, such as cash balances, investments, accounts receivable and unconditional promises to give. Cash balances are maintained at high quality financial institutions. The collectability of accounts receivable and unconditional promises is assessed on an individual basis and written off in the statement of activities when deemed irrecoverable. Investments are subject to both credit and market risk which is managed by holding a diverse portfolio.

ATLANTIC SALMON FEDERATION (U.S.), INC.

Notes to Financial Statements

Year ended September 30, 2023

3. Unconditional promises to give:

	Temporarily restricted	Permanently restricted	2023	2022
Total unconditional promises to give	\$ 1,818,500	\$ -	\$ 1,818,500	\$ 34,250
Receivables in less than one year	1,168,500	-	1,168,500	25,750
Receivable in one to three years	650,000	-	650,000	8,500
Less discounts to net present value	127,200	-	127,200	327
Net receivable in one to three years	\$ 522,800	\$ -	\$ 522,800	\$ 8,173

4. Investments:

	2023		2022	
	Cost	Fair value	Cost	Fair value
Cash and equivalents	\$ 929,010	\$ 929,010	\$ 328,624	\$ 328,624
Governmental securities	6,223,767	6,090,215	4,996,412	4,850,744
Corporate bonds	1,863,827	1,693,401	2,342,091	2,087,805
Mutual funds	1,038,961	1,071,334	1,088,449	790,264
Equities	6,847,466	8,880,507	6,896,775	8,367,769
	\$ 16,903,031	\$ 18,664,467	\$ 15,652,351	\$ 16,425,206

2023	Unrestricted Unrestricted	Temporarily restricted	Permanently restricted	Total
Investment income (interest and dividend)	\$ 355,731	\$ 74,888	\$ -	\$ 430,619
Realized gain/(loss) on sale of investments	(38,703)	(893)	-	(39,596)
Unrealized gain/(loss) on investments	967,818	23,555	-	991,373
Total investment return	\$ 1,284,846	\$ 97,550	\$ -	\$ 1,382,396

2022	Unrestricted	Temporarily restricted	Permanently restricted	Total
Investment income (interest and dividend)	\$ 425,248	\$ 12,845	\$ 35	\$ 438,128
Realized gain on sale of investments	519,215	(397)	-	518,818
Unrealized gain on investments	(2,520,439)	(21,714)	-	(2,542,153)
Total investment return	\$ (1,575,976)	\$ (9,266)	\$ 35	\$ (1,585,207)

As part of the organization's investment strategies to ensure that its investment funds (considered by the board as the Endowment) are managed efficiently there is a policy in place that allows the organization to have a set percentage of funds available for operations in any one given year. This calculation is based on the net assets of the organization over the last three fiscal periods by taking 4.5% of this average as available to the organization for operations but no withdrawal would occur that would put the organization's investment portfolio below a threshold of \$11,500,000.

ATLANTIC SALMON FEDERATION (U.S.), INC.

Notes to Financial Statements

Year ended September 30, 2023

5. Property, plant and equipment:

	2023		2022	
	Cost	Accumulated depreciation	Net book value	Net book value
Land and land improvements	\$ 51,887	\$ -	\$ 51,887	\$ 51,887
Buildings and research facilities	2,926,009	2,788,523	137,486	153,917
Office furniture and fixtures	212,378	206,478	5,900	6,704
Motor vehicles	72,066	72,066	-	3,196
	\$ 3,262,340	\$ 3,067,067	\$ 195,273	\$ 215,704

6. Accounts payable and accrued liabilities:

	2023		2022	
Accounts payable		\$ 803,096	\$ 196,811	
Accrued liabilities		59,175	45,556	
		\$ 862,271	\$ 242,367	

7. Deferred revenue:

Deferred revenue is comprised of deposits on dinners to be held subsequent to year end.

8. Related party transactions:

The program of conservation activities in United States, complete with budgets that cover all costs to be incurred, including staffing and other direct and indirect components, is developed and approved for implementation by the Board of Directors of the Atlantic Salmon Federation (U.S.), Inc. ("ASF (US)").

ASF (US) receives requests for funding from Atlantic Salmon Federation (Canada) ("ASF (Canada)"), a separate but affiliated Canadian charity with a separate board of directors, to support certain conservation programs and activities implemented by ASF (Canada).

ASF (US) has entered into a lease agreement with ASF (Canada) for use of all real estate, improvements and equipment which ASF (US) owns in Canada. Under this lease agreement, ASF (Canada) pays all costs related to occupancy of the real estate and operation of the equipment; and pays ASF (US) an annual rental fee of \$1.

ASF (US) has entered into agreements with ASF (Canada), pursuant to which, the President of ASF (Canada) will provide services as President of ASF (US); and, the employees of ASF (Canada)'s Fundraising and Administration departments will provide fundraising and administration services to ASF (US). Under the terms of these agreements ASF (US) will pay ASF (Canada) amounts as determined during the annual budget process.

ATLANTIC SALMON FEDERATION (U.S.), INC.

Notes to Financial Statements

Year ended September 30, 2023

8. Related party transactions (continued):

During the fiscal Year ended September 30, 2023, ASF (US) contributed a total of \$2,175,000 (2022 - \$2,070,900) to ASF (Canada) relative to certain conservation programs and other activities, including agreements, as described in the paragraph immediately above.

These related party transactions are recorded at the exchange amount as agreed upon by the two parties.

9. Temporarily restricted net assets:

Temporarily restricted net assets are available for the following purposes:

	2023	2022
Conservation	\$ 1,516,129	\$ 692,890
Greenland Atlantic Salmon Conservation (note 13)	1,843,022	1,239,586
US Operations - Maine Headwaters	1,195,042	1,039,237
Research	130,076	157,080
Education	3,574	6,234
Time restricted	1,334,800	1,175,000
	<u>\$ 6,022,643</u>	<u>\$ 4,310,027</u>

Time restricted net assets represent funds whereby the donor has stipulated that the funds are to be spent for general operations in future periods.

Net assets were released from donor restrictions by incurring expenses satisfying the purpose and time restrictions specified by donors as follows:

	2023	2022
Conservation	\$ 844,846	\$ 417,927
US Operations - Maine Headwaters	4,904,692	1,173,011
Education	2,222	2,175
	<u>\$ 5,751,760</u>	<u>\$ 1,593,113</u>

ATLANTIC SALMON FEDERATION (U.S.), INC.

Notes to Financial Statements

Year ended September 30, 2023

10. Permanently restricted net assets:

Endowment contributions received or recorded as unconditional promises to give are recorded as permanently restricted net assets.

Investment income on \$3,189,581 (2022 - \$2,739,892) of endowment contributions is available for unrestricted program expenses. One endowment contribution of \$50,000 (2022 - \$50,000) carries the donor restriction that the investment income is temporarily restricted for educational scholarships. A second endowment contribution of \$10,908 (2022 - \$10,908) carries the donor stipulation that 15% of annual investment income be added to the endowment capital and the balance is available for unrestricted program expenses. A third endowment of \$154,224 (2022 - \$153,724) stipulates that all investment income be allocated to Greenland specific projects.

11. Contributed services:

The Federation receives a significant amount of donated services from unpaid volunteers who assist in fundraising and special projects. No amounts have been recognized in the statement of activities because the services provided by volunteers did not create or enhance non financial assets or require special skills.

12. Fair value measures:

(a) Fair value of financial instruments:

The following table presents the carrying amounts and estimated fair values of the Federation's financial instruments at September 30, 2023 and 2022. The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties.

	2023		2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Cash	\$ 1,124,680	\$ 1,124,680	\$ 1,645,209	\$ 1,645,209
Accounts receivable	848,291	848,291	-	-
Unconditional promises to give	1,691,300	1,691,300	33,923	33,923
Investments	18,664,467	18,664,467	16,425,206	16,425,206
Financial liabilities:				
Payable to ASF (Canada)	870,233	870,233	137,427	137,427
Accounts payable and accrued liabilities	862,271	862,271	242,366	242,366

Cash, accounts receivable, current unconditional promises to give, accounts payable, accrued liabilities and receivable from ASF (Canada): the carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of these instruments.

Long-term unconditional promises to give: The value of promises to give that are due in more than one year is estimated by discounting the future cash flows using a current risk free rate of return over the expected collection period.

ATLANTIC SALMON FEDERATION (U.S.), INC.

Notes to Financial Statements

Year ended September 30, 2023

12. Fair value measures (continued):

(b) Fair value hierarchy:

The Federation utilized valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Federation determines the fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurement, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the Federation at the measurement date.
- Level 2 Inputs: Other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Such inputs may include prices for similar assets, observable inputs other than quoted prices (interest rates, yield curves, etc.) as inputs derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

2023	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Cash	\$ 1,124,680	\$ 1,124,680	\$ -	\$ -
Investments:				
Cash and equivalents	929,010	929,010	-	-
Governmental securities	6,090,215	-	6,090,215	-
Corporate bonds	1,693,401	-	1,693,401	-
Mutual and fixed income funds	1,071,334	1,071,334	-	-
Equities - energy	641,510	641,510	-	-
Equities - financials	1,233,579	1,233,579	-	-
Equities - materials	266,739	266,739	-	-
Equities - other	6,738,679	6,738,679	-	-
	\$ 19,789,147	\$ 12,005,531	\$ 7,783,616	\$ -

ATLANTIC SALMON FEDERATION (U.S.), INC.

Notes to Financial Statements

Year ended September 30, 2023

12. Fair value measures (continued):

(b) Fair value hierarchy (continued):

2022	Quoted prices in active markets for identical Total assets (Level 1)		Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Cash	\$ 1,645,209	\$ 1,645,209	\$ -	\$ -
Investments:				
Cash and equivalents	328,624	328,624	-	-
Governmental securities	4,850,744	-	4,850,744	-
Corporate bonds	2,087,805	-	2,087,805	-
Mutual and fixed income funds	790,264	790,264	-	-
Equities - energy	641,510	641,510	-	-
Equities - financials	1,233,579	1,233,579	-	-
Equities - materials	266,739	266,739	-	-
Equities - other	6,225,941	6,225,941	-	-
Limited partnership	-	-	-	-
	\$ 18,070,415	\$ 11,131,866	\$ 6,938,549	\$ -

The Federation's accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer. There were no significant transfer into or out of levels 1, 2, or 3 for the Year ended September 30, 2023.

13. Contingency:

In 2018, the Federation signed a 12-year agreement called the Greenland Atlantic Salmon Conservation Agreement. This agreement is between the Federation, The North Atlantic Salmon Fund and The Organization of Fishermen and Hunters in Greenland (KNAPK). The agreement stipulates that there will be no commercial export fishery for salmon, only a well-regulated subsistence fishery during the lifetime of the agreement. Each year there is a financial commitment of 2,050,000 Danish Kroner (approximately \$307,500 in United States dollars) for compliance of the agreement to which the Federation is responsible for 50% of this amount. The expected payout dates are in September and December of each year once the Greenland government has reported the previous year's harvest. There are penalties if the harvest goes over the 20-tonne target as well as incentives should the harvest come in below the established threshold. This incentive amounts to 50,000 Danish Kroner (approximately \$7,500 United States dollars) per tonne.

ASF and NASF worked closely with Greenland's Ministry of Fishing, Hunting and Agriculture in 2023 to improve the monitoring and reporting of the salmon fishery and to increase public awareness about the plight of the salmon and need for conservation. While these initiatives have significantly reduced Greenland's salmon harvest, the 20-tonne target was again exceeded in 2023. As a result, the only payments scheduled to be made for a project to improve reporting will be 50,000 DKK (\$7,500 US\$).

As at September 30, 2023, the Federation has \$1,440,126 (\$1,239,586 as at September 30, 2022) on hand which are restricted to use in support of this Agreement. This amount is included in the Temporarily Restricted Net Assets – Conservation amount shown in note 9.

ATLANTIC SALMON FEDERATION (U.S.), INC.

Notes to Financial Statements

Year ended September 30, 2023

13. Contingency (continued):

The agreement states that any violation of any term of the agreement allows any of the parties to declare the agreement null and void and as such due to the uncertainty of such agreement there has been no contingency recorded in these financial statements.