

Financial Statements of

**ATLANTIC SALMON FEDERATION
(CANADA)**

And Independent Auditor's Report thereon

Year ended September 30, 2025



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Atlantic Salmon Federation (Canada)

Opinion

We have audited the financial statements of Atlantic Salmon Federation (Canada) (the Entity), which comprise:

- the statement of financial position as at September 30, 2025
- the statement of operations for the year then ended
- the statement of changes in net assets 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 September 30, 2025, its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for non-for-profit organizations.

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 Canadian accounting standards for non-for-profit organizations, and for such



internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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.
- 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



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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. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants

Fredericton, Canada

January 30, 2026

ATLANTIC SALMON FEDERATION (CANADA)

Statement of Financial Position

September 30, 2025, with comparative information for 2024

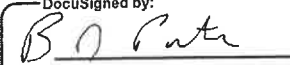
	2025	2024
Assets		
Current assets:		
Cash	\$ 5,045,477	5,014,801
Accounts receivable	148,422	78,589
Receivable from ASF (U.S.), Inc. (note 2)	700,212	295,157
Unconditional promises to give (note 4)	1,003,710	763,603
Inventory	32,762	43,096
Prepaid expenses	111,421	156,749
Currency forward exchange contracts	-	5,504
	<u>7,042,004</u>	<u>6,357,499</u>
Investments (note 3)	2,381,000	1,978,713
Long-term unconditional promises to give (note 4)	972,397	840,687
Capital assets (note 5)	621,290	332,169
	<u>\$ 11,016,691</u>	<u>\$ 9,509,068</u>


Liabilities, Deferred Contributions and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 763,866	854,985
Currency forward exchange contracts	48,533	-
Deferred revenue	118,661	195,081
	<u>931,060</u>	<u>1,050,066</u>
Deferred contributions (note 6):		
Related to Wild Salmon Nature Centre	105,908	132,382
For expenses of future periods	6,629,986	5,586,289
	<u>6,735,894</u>	<u>5,718,671</u>
Net assets:		
Invested in capital assets (note 7)	515,382	199,787
Externally restricted for endowments (note 8)	1,776,618	1,468,768
Internally restricted (note 9)	1,079,446	815,646
Unrestricted	(21,709)	256,130
	<u>3,349,737</u>	<u>2,740,331</u>
	<u>\$ 11,016,691</u>	<u>\$ 9,509,068</u>

See accompanying notes to financial statements.

On behalf of the Board:

DocuSigned by:

 B. D. Pater Director
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Signed by:

 Stephen Lloyd Director
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ATLANTIC SALMON FEDERATION (CANADA)

Statement of Operations

Year ended September 30, 2025, with comparative information for 2024

	2025	2024
Revenues:		
Contributions	\$ 3,981,864	\$ 2,007,775
Dinners and raffles	680,040	701,845
Contributions from ASF (U.S.), Inc. (note 9)	4,651,695	3,477,950
Advertising	46,570	35,419
Interest	53,732	44,599
Realized gain on sale of investments	368,821	41,368
Unrealized gain (loss) on investments	(182,820)	172,693
Unrealized losses on financial derivative	(54,036)	55,912
Gain on foreign exchange	183,260	24,532
Amortization of deferred capital contributions related to Wild Salmon Nature Centre	26,474	26,474
Miscellaneous	280,650	208,451
	10,036,250	6,797,018
Expenses:		
Conservation Programs:		
General	10,243	19,109
Advocacy	1,898,859	998,437
Regional Programs	1,001,631	772,800
Wild Salmon Watersheds	1,099,298	433,915
Community Outreach and Engagement	47,131	4,619
	4,057,162	2,228,880
Education Programs:		
Publications	309,014	323,619
Communications & Marketing	1,519,179	724,299
Wild Salmon Nature Centre	27,930	38,601
	1,856,123	1,086,519
Research Programs	1,409,776	1,425,225
Administration	744,712	451,605
Facilities	377,216	352,502
Development	1,063,880	708,532
Dinners and raffles	225,825	288,762
	9,734,694	6,542,025
Excess of revenues over expenses	\$ 301,556	\$ 254,993

See accompanying notes to financial statements.

ATLANTIC SALMON FEDERATION (CANADA)

Statement of Changes in Net Assets

Year ended September 30, 2025

September 30, 2025	Invested in capital assets	Externally restricted for endowments	Internally restricted	Unrestricted	Total
Balance, beginning of year	\$ 199,787	\$ 1,468,768	\$ 815,646	\$ 256,130	\$ 2,740,331
Excess (deficiency) of revenues over expenses (note 8)	(125,756)	-	-	427,312	301,556
Endowment contributions	-	305,800	-	-	305,800
Interest allocated to endowments (note 9)	-	2,050	-	-	2,050
Net change in investment in capital assets	441,351	-	-	(441,351)	-
Transfers (note 10)	-	-	263,800	(263,800)	-
Balance, end of year	\$ 515,382	\$ 1,776,618	\$ 1,079,446	\$ (21,709)	\$ 3,349,737

September 30, 2024	Invested in capital assets	Externally restricted for endowments	Internally restricted	Unrestricted	Total
Balance, beginning of year	\$ 172,014	\$ 1,362,423	\$ 587,550	\$ 257,006	\$ 2,378,993
Excess (deficiency) of revenues over expenses (note 8)	(48,952)	-	-	303,945	254,993
Endowment contributions	-	105,000	-	-	105,000
Interest allocated to endowments (note 9)	-	1,345	-	-	1,345
Net change in investment in capital assets	76,725	-	-	(76,725)	-
Transfers (note 10)	-	-	228,096	(228,096)	-
Balance, end of year	\$ 199,787	\$ 1,468,768	\$ 815,646	\$ 256,130	\$ 2,740,331

See accompanying notes to the financial statements.

ATLANTIC SALMON FEDERATION (CANADA)

Statement of Cash Flows

Year ended September 30, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Excess of revenues over expenses	\$ 301,556	\$ 254,993
Items not involving cash:		
Unrealized losses (gains) on investments	182,820	(172,693)
Amortization of capital assets	152,230	75,426
Amortization of deferred capital contributions related to Wild Salmon Nature Centre	(26,474)	(26,474)
Realized gain on sale of investments	(368,821)	(41,368)
Decrease (increase) in accounts receivable	(69,833)	78,683
Decrease (increase) in accounts receivable from ASF US	(405,055)	879,657
Decrease in inventory	10,334	25,000
Increase in prepaid expenses	45,328	11,213
Decrease (increase) in net unconditional promises to give	(371,817)	(125,639)
Increase (decrease) in accounts payable and accrued liabilities	(91,119)	106,849
Increase (decrease) in deferred revenue	(76,420)	74,224
Unrealized losses (gains) on financial derivative	54,036	(55,912)
Increase in deferred contributions for expenses of future periods	1,043,697	1,111,921
	380,462	2,195,880
Financing and investing activities:		
Acquisition of investments	(1,922,830)	(1,894,584)
Proceeds from sale of investments	1,706,545	1,925,379
Capital assets acquired	(441,351)	(76,725)
Endowment contributions and interest	307,850	106,345
	(349,786)	60,415
Increase in cash position	30,676	2,256,295
Cash position, beginning of year	5,014,801	2,758,506
Cash position, end of year	\$ 5,045,477	\$ 5,014,801

See accompanying notes to the financial statements.

ATLANTIC SALMON FEDERATION (CANADA)

Notes to Financial Statements

Year ended September 30, 2025

Atlantic Salmon Federation (Canada) (the Federation) is incorporated under the Quebec Companies Act and its principal activities include the promotion and conservation of the wild Atlantic salmon through education, enhancement, restoration, research and international cooperation. The Federation is a registered charity under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

1. Significant accounting policies:

(a) General:

The financial statements have been prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CPA Handbook.

(b) Revenue recognition:

The Federation follows the deferral method of accounting for restricted contributions.

Restricted contributions are subject to externally imposed donor stipulations specifying the purpose for which they must be used. Externally restricted contributions, other than endowment contributions, are recognized as revenue in the year in which the related expenses are recognized.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

Endowment contributions are a special type of restricted contribution where the externally imposed restriction is that the resources contributed must be maintained permanently. Endowment contributions from external parties are recognized as direct increases in endowment net assets.

All contributions that do not meet the definition of either a restricted or an endowment contribution are unrestricted contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Investment income available for distribution is recorded as unrestricted or as a direct increase in net assets for endowment purposes depending on the terms specified by the donor.

Revenue from memberships, Wild Salmon Nature Centre, dinners and raffles, advertising and miscellaneous are recognized when the services are provided or goods are sold and collection is probable.

(c) Unconditional promises to give:

Pledged contributions due in the next year are reflected as current assets and are recorded at their net realizable value. Where there is sufficient certainty of collection, pledged contributions due in subsequent years are reflected as long-term contributions receivable and are recorded at the present value of their net realizable value, discounted using the risk-free interest rates applicable to the years in which the pledges are to be received.

ATLANTIC SALMON FEDERATION (CANADA)

Notes to Financial Statements

Year ended September 30, 2025

1. Significant accounting policies (continued):

(d) Contributed services:

A substantial number of volunteers contribute a significant amount of their time each year to assist in fundraising and special projects. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

(e) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided using the straight-line method as per the following:

Wild Salmon Nature Centre	30 years
Vehicles	7 years
Office furniture and equipment	3 and 5 years

(f) Inventory:

Inventory is recorded at the lower of cost and replacement cost. Cost is based on the average purchase price. It is management's assessment that inventory is properly valued at year end and no further adjustments are required.

(g) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Federation has elected to carry all other investments at fair value. Settlement date accounting is used.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Federation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Federation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value. There has been no impairment charges during the year recorded by the Federation.

ATLANTIC SALMON FEDERATION (CANADA)

Notes to Financial Statements

Year ended September 30, 2025

1. Significant accounting policies (continued):

(h) Use of estimates:

The preparation of the financial statements in conformity with the CPA Handbook for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of accounts receivable and unconditional promises to give, and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the report periods. Actual results could differ from those estimates.

(i) Asset impairment:

When a capital asset no longer has any long-term service potential to the Federation, the excess of its net carrying amount over and residual value is recognized as an expense in the statement of operations. There has been no impairment charges during the year recorded by the Federation.

(j) Foreign currency translation:

The market values of investments listed in foreign currencies are translated into Canadian dollars at the year-end exchange rate. In calculating unrealized gains or losses on foreign securities, cost values are translated into Canadian dollars at the rate of exchange on the transaction date.

2. Receivable from / payable to Atlantic Salmon Federation (U.S.), Inc.:

The amount is unsecured, interest-bearing with interest waived and has no set terms of repayment.

3. Investments:

September 30, 2025	Fair market value	Cost
Cash and investment certificate	\$ 22,595	\$ 22,338
Fixed income	491,988	480,000
Equities	1,866,417	1,618,286
	\$ 2,381,000	\$ 2,120,624

September 30, 2024	Fair market value	Cost
Cash and investment certificate	\$ 128,494	\$ 125,069
Fixed income	365,554	355,000
Equities	1,484,665	1,093,515
	\$ 1,978,713	\$ 1,573,584

The fixed income investments have an effective interest rate of 1.1% to 5.35% (2024 - 1.10% to 5.35%) and mature between 2026 and 2028.

ATLANTIC SALMON FEDERATION (CANADA)

Notes to Financial Statements

Year ended September 30, 2025

4. Unconditional promises to give:

	2025		2024	
	Temporarily restricted	Permanently restricted	Temporarily restricted	Permanently restricted
Total unconditional promises to give	\$ 2,023,804	\$ 4,250	\$ 1,701,050	\$ 4,250
Receivables in less than one year	999,460	4,250	759,353	4,250
Receivable in one to three years	1,024,344	-	941,697	-
Less discounts to net present value	51,947	-	101,010	-
Net receivable in one to three years	\$ 972,397	\$ -	\$ 840,687	\$ -

5. Capital assets:

September 30, 2025	Cost	Accumulated amortization	Net book value
Wild Salmon Nature Centre	\$ 1,103,372	\$ 975,301	\$ 128,071
Vehicles	209,980	117,711	92,269
Equipment	370,666	69,914	300,752
Office furniture and equipment	170,672	70,474	100,198
	\$ 1,854,690	\$ 1,233,400	\$ 621,290

September 30, 2024	Cost	Accumulated amortization	Net book value
Wild Salmon Nature Centre	\$ 1,103,372	\$ 947,700	\$ 155,672
Vehicles	174,697	87,716	86,981
Office furniture and equipment	185,507	95,991	89,516
	\$ 1,463,576	\$ 1,131,407	\$ 332,169

ATLANTIC SALMON FEDERATION (CANADA)

Notes to Financial Statements
Year ended September 30, 2025

6. Deferred contributions:

(a) For expenses of future periods:

Deferred contributions related to expenses of future periods and for future annual givings represent unspent externally restricted grants and donations for conservation, education and research purposes.

	2025	2024
Balance, beginning of year	\$ 5,586,289	\$ 4,474,368
Add: Contributions received related to expenses of future periods	4,512,373	2,674,500
	10,098,662	7,148,868
Less: Recognized in revenue in the year	3,468,676	1,562,579
Balance, end of year	\$ 6,629,986	\$ 5,586,289

	2025	2024
Conservation	\$ 4,511,528	\$ 4,413,680
Wild Salmon Watersheds	1,924,656	778,655
Research	193,802	393,954
	\$ 6,629,986	\$ 5,586,289

Deferred contributions related to expenses of future periods were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors as follows:

	2025	2024
Conservation	\$ 2,512,567	\$ 580,622
Wild Salmon Watersheds	675,065	100,000
Research	281,044	881,957
	\$ 3,468,676	\$ 1,562,579

ATLANTIC SALMON FEDERATION (CANADA)

Notes to Financial Statements
Year ended September 30, 2025

6. Deferred contributions (continued):

(b) Deferred capital contributions related to Wild Salmon Nature Centre:

During 1996 and 1997 the Federation held a campaign to raise funds for capital and operating costs of a Wild Salmon Nature Centre. Deferred contributions related to the Wild Salmon Nature Centre represent the unamortized amount and unspent amount of contributions received for the capital and operating costs. The amortization of the expended contributions is recorded as revenue in the statement of operations.

	2025	2024
Balance, beginning of year	\$ 132,382	\$ 158,856
Less: Amortization for the year	26,474	26,474
Balance, end of year	\$ 105,908	\$ 132,382

7. Invested in capital assets:

(a) Investment in capital assets is calculated as follows:

	2025	2024
Capital assets	\$ 621,290	\$ 332,169
Amounts financed by deferred contributions	(105,908)	(132,382)
	\$ 515,382	\$ 199,787

(b) Change in net assets invested in capital assets is calculated as follows:

	2025	2024
Deficiency of revenues over expenses:		
Amortization of deferred contributions related to capital assets	\$ 26,474	\$ 26,474
Amortization of capital assets	(152,230)	(75,426)
	\$ (125,756)	\$ (48,952)

8. Net assets externally restricted for endowments:

All of the net assets externally restricted for endowment purposes are subject to restrictions stipulating that the principal be maintained intact. One endowment contribution of \$87,448 require that a specific percentage of the related investment income be recorded as a direct increase in net assets for endowment purposes. The amount for 2025 is \$2,050 (2024 - \$1,345). The balance of the investment income on the remaining endowment assets is unrestricted and included as investment income on the statement of operations.

ATLANTIC SALMON FEDERATION (CANADA)

Notes to Financial Statements

Year ended September 30, 2025

9. Net assets internally restricted:

The Board has restricted net assets for future purposes. Transfers to and from the net assets internally restricted for endowments are made at the discretion of the Board.

10. Related party transactions:

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

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

ASF (Canada) has entered into a lease agreement with ASF (US) 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 (Canada) has entered into agreements with ASF (US), 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.

During the fiscal year ended September 30, 2025, ASF (US) contributed a total of \$4,651,695 (2024 - \$3,477,950) 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.

11. Fair value of financial instruments:

The following methods and assumptions are used in estimating the fair value for financial instruments:

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

Investments: Investments are measured at fair value and are based on quoted market prices.

The fair value of the receivable and/or payable from Atlantic Salmon Federation (U.S.), Inc. is not determinable due to its special nature.

ATLANTIC SALMON FEDERATION (CANADA)

Notes to Financial Statements

Year ended September 30, 2025

11. Fair value of financial instruments (continued):

Long-term unconditional promises to give: The fair 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.

12. Concentrations of risk:

Credit and interest rate risk:

The Federation is exposed to credit risk on 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 operations when deemed irrecoverable. Investments are subject to both credit and interest rate risk which is managed by holding a diverse portfolio.

Foreign exchange:

The Federation is exposed to foreign exchange risk on investments listed in foreign currencies. The Federation manages this exposure by holding a diverse portfolio. The Federation has implemented a foreign exchange hedging program starting in the 2018-19 year in order to minimize risk related to foreign currency exchange transactions.