



The Atlantic Salmon Conservation Foundation  
La fondation pour la conservation du saumon atlantique

2007 ANNUAL REPORT  
*Making a Difference in Salmon Conservation*



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Cover: Pinware River, Labrador  
Photo: L. Felt



## ASCF History and Overview

The Atlantic Salmon Conservation Foundation is a non-profit, charitable organization dedicated to improving and strengthening the conservation of wild Atlantic salmon and their habitat in Atlantic Canada and Quebec. It is a volunteer-based organization created in response to the federal Budget announcement that year of intent to create the Atlantic Salmon Endowment Fund. The Board of Directors of the Foundation are volunteers, along with many others who have come together to ensure the wise use of the trust fund for the conservation purposes for which it is intended.

The Foundation has the dual mandate of prudently investing the trust funds to generate income while preserving capital, and ensuring that the organization is well managed so it can distribute the generated income to help fund eligible salmon conservation initiatives in Atlantic Canada and Quebec.

A key feature of the Foundation's structure is active involvement of expert and representative volunteers in all processes. This includes a Central Advisory Committee that recommends overall policies, processes and priorities to the Board. The structure also provides for advisory committees in each province comprised of technical experts, representatives of Aboriginal groups, and representatives of community conservation organizations. The provincial committees have the mandate to receive proposals for projects, then evaluate and prioritize and then recommend to the Board of Directors proposals that should be funded based on the Foundation's conservation-based criteria.

This annual report reflects the Foundation's first eleven months of existence. Its focus for 2007 was organizational; developing policies and putting structures including its volunteer committees in place, readying the Foundation to understand its mission and preparing itself to seek proposals for funding during its second fiscal year of operation.



Miramichi River at Blackville, NB  
Photo: S. Chase



## Message from the Chair



The wild Atlantic salmon is a natural resource precious to all of Atlantic Canada and Québec

I would like to commend the Government of Canada for taking the steps to make this long awaited Atlantic Salmon Endowment Fund a reality for wild Atlantic salmon across Atlantic Canada and Québec.

We are very appreciative of the support and encouragement of the Minister of Fisheries and Oceans, Honourable Loyola Hearn, who is a firm believer in the importance of community action in improving wild salmon conservation.

Realization of the goal of a salmon conservation endowment fund in Atlantic Canada and Québec is the work of many people. It would not have been possible without the leadership of the Atlantic Salmon Federation and the tireless efforts of the many local, grassroots, salmon conservation organizations. The dedication of these groups in writing countless letters and in arranging dozens of meetings with MPs underscores the broad support and tremendous need for this program in all five provinces.

It is important also to recognize the officials of the Department of Fisheries and Oceans in Fisheries and Aquaculture Branch, Ottawa and in Maritimes, Gulf and Newfoundland & Labrador Regions for their support and hard work in pursuit of all the approvals that went into this making major federal initiative a reality.

The Board of Directors of the Atlantic Salmon Conservation Foundation are all volunteers dedicated to helping improve conservation of wild Atlantic salmon. We represent the diverse skills necessary to ensuring the success of this important trust. Our goal is to work in support of the many volunteers at the watershed level who spend countless hours working to improve salmon conservation. Strong working partnerships among community groups, First Nations and government agencies in rivers and watershed are what it will take to improve salmon conservation. In short, we have risen to the Minister's challenge to foster such partnerships.

The \$30 million ASEF conditional grant is now well invested by the Atlantic Salmon Conservation Foundation. The income earned on the investment will be a permanent source of funds for wild Atlantic salmon restoration and conservation. Beginning in 2008 we will begin to distribute funding with the assistance and advice of our volunteer advisory committees in each province. We have been very inclusive of various interests and necessary expertise in establishing the provincial and central advisory committees. We firmly believe this is a good way to ensure that the right conservation priorities are addressed.

We believe we now have the foundation on which to build to truly *make a difference in salmon conservation*.

Honourable Rémi Bujold, P.C., C.M.  
Chairman of the Board of Directors



## Executive Director's Report



2007 was quite a year for the Foundation. Amid reports that salmon returns were late and irregular, the Foundation took its first steps toward becoming established. In our first year preparing for business was foremost on the minds of the many people who worked so hard to help put the Foundation in place. The spirit of conservation that guided our formative steps will ensure the Foundation develops into a positive and permanent supporter of community action in strengthening and improving populations of wild Atlantic salmon.

Creation of the Atlantic Salmon Conservation Foundation by the Government of Canada comes in recognition of how important the wild Atlantic salmon is to the people of Atlantic Canada and Quebec. The wild salmon is important for symbolic, environmental, cultural and economic reasons and is tightly intertwined with the identities of Aboriginal and non-Aboriginal people throughout these regions. The image of the salmon adorns official coats of arms, appears on signs in many communities, and is the focal point of many festivals.

The recreational fishery for wild salmon is a major industry in Atlantic Canada and Quebec. It employs thousands of people and contributes over \$200 million each year, largely in rural areas of these five provinces. This is an environmentally friendly and irreplaceable industry that has existed for generations.

We shall have to work hard and work together to protect and enhance the wild Atlantic salmon. The Foundation's Board of Directors, staff and many volunteers understand the needs and importance of our mission, and will be working hard to build and sustain the partnerships among community groups, First Nations and governments necessary to improving salmon conservation.

Achieving the goals that the Foundation has been given by government and stakeholders will be challenging and dependent on wise investment, hard work and good decision-making. However, the involvement of volunteers at all levels in our processes will go a long way to helping meet the challenges.

Together, we shall make a difference in salmon conservation.

Stephen Chase  
Executive Director



# Objectives

*The overall program objectives for the Atlantic Salmon Conservation Foundation are:*

- To fund priority projects and help watershed and community organizations working on a range of wild Atlantic salmon habitat, enhancement, monitoring and conservation initiatives;
- To encourage cooperation among governments, Aboriginal groups and volunteer groups;
- To encourage the engagement of and participation by stakeholders;
- To increase awareness of the habitat requirements of salmon; and
- To provide a balanced allocation of funding that reflects geographical areas and priorities.

## **The objectives for 2007 included:**

The Foundation commenced operations on 1 February 2007, therefore, the first eleven months of operation was a very ambitious period during which organization structure, policy, administrative processes and working relationships had to be developed and implemented to make the Foundation a reality.

**Implementation of the Foundation administration:** Staffing of the Executive-Director position was completed in January 2007 with the selection of Stephen Chase as Executive Director. Mr. Chase commenced employment on 1 February 2007. Office space was arranged in Fredericton, NB, as a central location within Atlantic Canada and Quebec. During the period February to June office set-up, and implementation of administrative processes was completed.

### **Receipt and Investment of the Atlantic Salmon Endowment Fund (ASEF) Funds:**

In accordance with the Funding Agreement the ASEF funds were deposited with the Bank of Nova Scotia upon receipt in a high interest bearing bank account. The Foundation's Investment Strategy and the Investment Policy were drafted and approved in February 2007.

A search and selection of investment management firms was completed in February 2007 following a search conducted by our Investment Committee assisted by the investment advisory firm, Morneau-Sobeco. Two excellent national investment management firms were selected by the Board: Beutel-Goodman, PLC and Sheer-Rowlett, PLC. Following the selection process a custodian agreement was reached with CIBC Mellon. Investment of the funds was completed in early May 2007.

**Development of Foundation operating policies:** The operating policies of the Foundation are under development. As of 1 May 2007, the Conflict of Interest Policy and Code of Conduct had been completed as priorities. The text of the Travel Policy and Purchasing Policy are ready for Board approval. Other policies may be considered and developed as necessary.

**Contracting of professional services:** The several professional services necessary to support the work of the Foundation were contracted in 2007. These include: accounting & audit services, legal services, communications services, translation services and website design and maintenance services.



**Developing relations with partners:** Throughout 2007 several meetings with national, regional and community salmon conservation NGOs and wildlife groups were held. Meetings were held with all federal and provincial government agencies involved with salmon conservation matters and several First Nations. In addition meetings were held with other granting organizations to explain the program and review potential for cooperative arrangements.

**Implementation of the technical advisory committees:** The Foundation is supported in adoption of policy and priorities by a technical advisory committee structure. This structure consists of a central advisory committee and five provincially-based advisory committees, one in each province.

As part of the partnership approach that characterizes the Foundation, nominations to the six advisory committees were solicited in consultation with regional non-government organizations. This inclusive approach to securing representation will help ensure that the Foundation is constantly aware of the needs, issues and priorities facing wild salmon in each province.

## Selection of the Projects for Funding

No projects were selected for funding in 2007, as the focus for the first year of operation for the Foundation was organizational. Nevertheless, during the year the Foundation prepared all processes, procedures and criteria for the solicitation, assessment and funding approval of projects. The Central Advisory Committee and each provincial advisory committee are integral to the process and made the recommendations adopted by the Board for this important task.

The Central Advisory Committee drafted the funding proposal application form which outlines all application requirements, selection and evaluation criteria. This committee also recommended the global priorities that could be addressed by the Foundation and the process by which the provincial advisory committees shall assess and make recommendations to the Board on which project proposals should be funded.

Significantly, the selection process depends on the provincial advisory committee first recommending to the Board the salmon conservation priorities unique to each province. The provincial advisory committee then relies on these priorities to guide its recommendations to the Board of projects that should ultimately receive funding.

### *Report on Investments*

Early in 2007 the Board of Directors adopted the Statement of Investment Policy and the Investment Strategy that guide the Foundation's investments.

From an investment perspective 2007 was both a short year and a difficult start for the Foundation. The funds were invested with the two investment management firms in May. Very shortly after the funds were invested the financial markets entered into a period of overall poor performance. This fact, together with 2007 being the start-up year for the Foundation, contributed to less revenue being available to allocate to conservation projects.



## Auditors' Report

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To the Directors of  
The Atlantic Salmon Conservation Foundation

We have audited the statement of financial position of The Atlantic Salmon Conservation Foundation as at December 31, 2007 and the statements of operations and changes in fund balances and cash flows for the eleven months then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2007, and the results of its operations and its cash flows for the eleven months then ended in accordance with Canadian generally accepted accounting principles.

Fredericton, NB  
March 19, 2008

*Grant Thornton LLP*

Chartered Accountants

Audit • Tax • Advisory

Grant Thornton LLP, A Canadian Member of Grant Thornton International Ltd



# Audited Financial Statements

## The Atlantic Salmon Conservation Foundation Statement of Operations and Changes in Fund Balances

Eleven Months Ended December 31, 2007

	General Fund	Endowment Fund	2007 Total
<b>Revenue</b>			
Investment income			
Bank interest	\$ —	\$ 296,931	\$ 296,931
Investment returns			
Dividends	—	774,724	774,724
Interest	—	8,650	8,650
Realized gain on investments (net)	—	1,083,247	1,083,247
Unrealized loss on investments	—	(2,811,369)	(2,811,369)
	—	(944,748)	(944,748)
Grant for operations	30,000	—	30,000
	30,000	(647,817)	(617,817)
<b>Expenses</b>			
Fund management			
Investment management fees		83,228	83,228
Investment advisor fees		9,844	9,844
Custodian fees		11,259	11,259
Administration			
Salaries and employee benefits	106,297	—	106,297
Meetings and travel	50,652	—	50,652
Professional fees	47,763	—	47,763
Rent	11,565	—	11,565
Public relations and communications	14,757	—	14,757
Office equipment	13,168	—	13,168
Communications	9,413	—	9,413
Insurance	3,981	—	3,981
Office supplies	9,468	—	9,468
Miscellaneous	4,292	—	4,292
	271,356	104,331	375,687
Excess of expenses over revenue	\$ (241,356)	(752,148)	(993,504)
Interfund transfers	241,356	(241,356)	—
Government of Canada Contribution	—	30,000,000	30,000,000
Fund balance, end of period	\$ —	\$ 29,006,496	\$ 29,006,496

See accompanying notes to the financial statements.



# The Atlantic Salmon Conservation Foundation

## Statement of Financial Position

December 31, 2007

	General Fund	Endowment Fund	2007 Total
<b>Assets</b>			
Current			
Cash and cash equivalents	\$ -	\$ 7,476	\$ 7,476
Receivables	28,696	-	28,696
Prepays	6,458	-	6,458
	35,154	7,476	42,630
Investments, stated at market value (Notes 3, 4 & Page 12)	-	29,051,890	29,051,890
	\$ 35,154	\$ 29,059,366	\$ 29,094,520
<b>Liabilities and fund balances</b>			
Current			
Payables and accruals	\$ 33,911	\$ 52,870	\$ 86,781
Deferred contributions	1,243	-	1,243
Fund balances	-	29,006,496	29,006,496
	\$ 35,154	\$ 29,059,366	\$ 29,094,520

On Behalf of the Board Laurie I. Felt Director Robert S. Bishop Director

See accompanying notes to the financial statements.



## The Atlantic Salmon Conservation Foundation

### Statement of Cash Flows

Eleven Months Ended December 31, 2007

	General Fund	Endowment Fund	2007 Total
Increase (decrease) in cash and cash equivalents			
<b>Operating</b>			
Excess of expenses over revenue	\$ (241,356)	\$ (752,148)	\$ (993,504)
Changes in			
Receivables	(28,696)	-	(28,696)
Prepays	(6,458)	-	(6,458)
Payables and accruals	33,911	52,870	86,781
	(242,599)	(699,278)	(941,877)
<b>Financing</b>			
Deferred contributions	1,243	-	1,243
Interfund transfers	241,356	(241,356)	-
Receipt of Government of Canada contributions	-	30,000,000	30,000,000
	242,599	29,758,644	30,001,243
<b>Investing</b>			
Net change in investments (Page 12)	-	(29,051,890)	(29,051,890)
Increase in cash and cash equivalents	-	7,476	7,476
Cash and cash equivalents, beginning of period	-	-	-
Cash and cash equivalents, end of period	\$ -	\$ 7,476	\$ 7,476

See accompanying notes to the financial statements.



# The Atlantic Salmon Conservation Foundation

## Notes to the Financial Statements

December 31, 2007

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### 1. Nature of operations

The Atlantic Salmon Conservation Foundation was established for the purpose of assisting community groups in the restoration and improved conservation of the Atlantic salmon resource in Atlantic Canada and Quebec. Funding for the operation of the Foundation comes from a onetime conditional grant of \$30 million from the Federal Department of Fisheries and Oceans.

The Foundation is a not-for-profit corporation exempt from income taxes, duly incorporated under the Canada Corporations Act, whose head offices are located in Fredericton, New Brunswick. Operations of the Foundation began in February 2007.

### 2. Significant accounting policies

#### *Fund accounting*

The Foundation follows the fund basis of accounting which provides for a separate self balancing group of accounts to enable separate accountability for assets that are to be used for certain designated purposes.

Revenues and expenses and fund balance relating to general activities are reported in the General Fund. The use of General Funds is at the discretion of the Board.

Endowment contributions and fund balances are reported in the Endowment Fund. Endowment Funds are those where the donor has stipulated that the contributed funds remain intact and the capital remain unspent.

The disbursement of annual income from the Endowment Fund is restricted to projects meeting certain criteria as set out under funding agreement between the Government of Canada and The Atlantic Salmon Conservation Foundation.

#### Revenue recognition

Revenue and expenses are recorded using the accrual basis of accounting. The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.



### *Investments*

The Foundation's funds are invested with and managed by two separate investment management firms, using balanced pooled investment funds. All investments were designated by the Foundation as held-for-trading in accordance with the new Canadian Institute of Chartered Accountants (CICA) handbook section 3855 and are recorded at fair value based on quoted market values. Interest and dividend income and realized gains and losses are included in investment income and recognized in the period earned. Unrealized gains and losses are included in investment income and recognized in the period in which they arise.

### *Government of Canada Endowment*

The one-time conditional grant for \$30 million from the Federal Department of Fisheries and Oceans to establish the Foundation is recorded as Government of Canada contribution in the Endowment Fund.

### *Contributed services*

The Foundation is dependent on the work of many volunteers to fulfil its mission. Due to the difficulty in determining their value, donated services are not recorded in these financial statements.

### *Cash and cash equivalents*

Cash and cash equivalents include cash on hand and balances with banks.

### *Use of estimates*

In preparing the Foundation's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results may differ from these estimates.

## **3. Investments**

**2007**

*Investments, stated at market value, consist of the following:*

Beutel Goodman Balanced Fund (cost: \$15,798,739)	\$14,616,819
Connor, Clark & Lunn SRA Balanced Fund (cost: \$16,064,520)	14,435,071
	<hr/>
	\$29,051,890

## **4. Financial instruments**

The Foundation's financial instruments consist of cash and cash equivalents, investments, receivables, payables and accruals.

As outlined in Note 2, investments have been designated as held-for-trading and are recorded at fair value based on quoted market values.



The fair value of the Foundation's cash and cash equivalents, receivables, payables and accruals approximate their market value due to the relatively short period to maturity of the instruments.

It is management's opinion that the Foundation is not subject to significant amounts of currency or credit risk arising from these instruments.

The Foundation's exposure to interest rate risk is limited to the portion of its investments that are subject to market price fluctuations based on changes in interest rates. The Foundation's interest earning investments are subject to fixed rates.

## The Atlantic Salmon Conservation Foundation Schedule of Investments

Eleven Months Ended December 31, 2007

Investments, stated at market value, beginning of period	\$ -
Purchase of investments in May 2007	30,200,000
Investment management fees paid from investments	(53,362)
Draw from investments for operations of the Foundation	(150,000)
Dividends	774,724
Interest	8,650
Realized gain on investments (net)	1,083,247
Unrealized loss on investments	(2,811,369)
Investments, stated at market value, end of period	<u>\$ 29,051,890</u>



## Board of Directors

Honourable Rémi Bujold, P.C., C.M.

Dr. Lawrence Felt

Paul D. Michael, Q.C.

Brenda Gideon Miller

Bruce H. Wildsmith, Q.C.

Denis Losier

John LeBoutillier, C.M.

Robert Bishop, C.A

James Lawley



Left to right: John LeBoutillier; Bruce Wildsmith; Dr. Larry Felt; Denis Losier; Robert Bishop; Hon. Remi Bujold; Brenda Miller; Paul Michael

## Staff



Left to right: Michelle Leger-Foreman; Marilyn MacDonald

Photos: ASCF



# Advisory Committees

## New Brunswick Advisory Committee



Left to right: Kathryn Collet, Robert Chiasson; Fred Wheaton; Tasha LaRoche; David Oxley; Tom Benjamin.

## Newfoundland & Labrador Advisory Committee



Left to right: David Reddin; Robert Perry; Fred Parsons; Tom Bursey; Ross Hinks; Stanley Oliver.  
Absent: Joan-Marie Aylward, Keith Piercey.

## Nova Scotia Advisory Committee



Left to right: Scott Cook; Alan McNeill; Shane O'Neill; Carl Purcell; Chuck Thompson; Danny Ripley; Charles MacInnes; Chief Charlie Dennis.

## Prince Edward Island Advisory Committee



Left to right: Daryl Guignon; Walter MacEwan; Lea Murphy; Mark Lanigan; Steve Chevarie; Rosie MacFarlane.

## Central Advisory Committee



Left to right: Dr. Larry Felt (Board of Directors); Peter Cronin; Stephen Chase (staff); Katharine Mott; Gilles Shooner; Dr. Fred Whoriskey; Dr. Allen Curry.  
Absent: Dr. Larry Marshall.

Photos: ASCF

## Quebec Advisory Committee

Bernard Landry; Jean-Marie (Jack) Picard; George Arsenault (Président); Normand Bergeron; Stan Georges; Claude Théberge

