THE QUEBEC-LABRADOR FOUNDATION, INC. AND QUEBEC-LABRADOR FOUNDATION (CANADA), INC.

Combined Financial Statements
and Supplementary Information

August 31, 2024 and 2023

(With Independent Auditors' Report Thereon)

THE QUEBEC-LABRADOR FOUNDATION, INC. AND
QUEBEC-LABRADOR FOUNDATION (CANADA), INC.

Combined Financial Statements and Supplementary Information

August 31, 2024 and 2023

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
The Quebec-Labrador Foundation, Inc. and
Quebec-Labrador Foundation (Canada), Inc.:

Opinion

We have audited the combined financial statements of The Quebec-Labrador Foundation, Inc. and Quebec-Labrador Foundation (Canada), Inc. (collectively "the Organizations"), which comprise the combined statements of financial position as of August 31, 2024 and 2023, and the related combined statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of the Organizations as of August 31, 2024 and 2023, and the changes in their net assets and their 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organizations, 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 combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organizations' ability to continue as a going concern for one year after the date that the combined financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS 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 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 combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 the Organizations' 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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organizations' 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 combined financial statements as a whole. The supplementary combining information on pages 30 to 33 for The Quebec-Labrador Foundation, Inc. and Quebec-Labrador Foundation (Canada), Inc., is presented for purposes of additional analysis of the combined financial statements rather than to present the financial position, net assets, and cash flows of the individual entities and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

Nardello + Taylor LLP

February 26, 2025

THE QUEBEC-LABRADOR FOUNDATION, INC. AND
QUEBEC-LABRADOR FOUNDATION (CANADA), INC.

Combined Statements of Financial Position

August 31, 2024 and 2023

	2024	2023
Assets		
Cash and cash equivalents	$ 40,524	$ 116,847
Cash - endowment and reserves	92,403	-
Short-term investments	10,740	10,740
Contributions receivable, net	256,153	309,715
Accounts receivable	96,550	228,608
Prepaid expenses and other assets	4,935	6,099
Investments - endowment and reserves	5,937,435	5,515,088
Property and equipment, net	35,883	8,974
Operating lease right-of-use asset, net	138,305	101,005
Total assets	**$ 6,612,928**	**$ 6,297,076**
Liabilities and Net Assets		
Liabilities:		
Line of credit	$ 378,936	$ 301,558
Accounts payable	32,012	62,870
Notes payable, current portion	2,870	-
Operating lease liability, current portion	51,465	49,184
Accrued expenses and other liabilities	50,991	67,115
Notes payable, net of current portion	14,697	22,164
Operating lease liability, net of current portion	88,843	52,279
Total liabilities	**619,814**	**555,170**
Net assets:		
Undesignated	(232,855)	(208,725)
Designated by the Board	3,688,463	3,406,685
Without donor restrictions	3,455,608	3,197,960
With donor restrictions	2,537,506	2,543,946
Total net assets	**5,993,114**	**5,741,906**
Total liabilities and net assets	**$ 6,612,928**	**$ 6,297,076**

The accompanying notes are an integral part of these financial statements.

THE QUEBEC-LABRADOR FOUNDATION, INC. AND
QUEBEC-LABRADOR FOUNDATION (CANADA), INC.

Combined Statements of Activities and Changes in Net Assets

For the Year Ended August 31, 2024 (with Comparative Totals for 2023)

	2024			2023
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Total**
Public support, revenue and transfers:				
Public support:				
Contributions	$ 684,251	$ 68,750	$ 753,001	$ 988,923
Bequests	135,567	-	135,567	-
Grants and contracts	231,298	-	231,298	276,346
Program and intern sponsorships	37,926	-	37,926	4,844
Total public support	**1,089,042**	**68,750**	**1,157,792**	**1,270,113**
Revenue and transfers:				
Other (expenses) income	(1,396)	-	(1,396)	113,369
Appropriations from endowment and reserves	316,244	-	316,244	541,901
Net assets released from restrictions	293,160	-	293,160	149,046
Total revenue and transfers	**608,008**	-	**608,008**	**804,316**
Total public support, revenue and transfers	**1,697,050**	**68,750**	**1,765,800**	**2,074,429**
Operating expenses:				
Conservation and stewardship	873,237	-	873,237	773,915
Leadership programs	260,995	-	260,995	142,650
Special projects	-	-	-	174,913
Communications	148,328	-	148,328	257,763
Total programs	**1,282,560**	-	**1,282,560**	**1,349,241**
Management and general	270,504	-	270,504	234,644
Development	188,917	-	188,917	133,671
Total support services	**459,421**	-	**459,421**	**368,315**
Total operating expenses	**1,741,981**	-	**1,741,981**	**1,717,556**
Change in net assets from operations	**(44,931)**	**68,750**	**23,819**	**356,873**
Other income (expenses):				
Investment income, net	115,655	72,804	188,459	162,730
Net realized and unrealized gains on investments	360,352	226,918	587,270	177,633
Appropriations from endowment and reserves	(194,492)	(121,752)	(316,244)	(541,902)
Endowment contributions	300	40,000	40,300	15,000
Net assets released from restrictions	-	(293,160)	(293,160)	(149,046)
Exchange gain	8,255	-	8,255	-
Gain on disposal of fixed assets	12,509	-	12,509	-
Total other income (expenses), net	**302,579**	**(75,190)**	**227,389**	**(335,585)**
Increase in net assets before foreign currency translation	**257,648**	**(6,440)**	**251,208**	**21,288**
Loss on foreign currency translations	-	-	-	(6,474)
Increase in net assets after foreign currency translation	**257,648**	**(6,440)**	**251,208**	**14,814**
Net assets, beginning of the year	3,197,960	2,543,946	5,741,906	5,727,092
Net assets, end of the year	**$ 3,455,608**	**$ 2,537,506**	**$ 5,993,114**	**$ 5,741,906**

The accompanying notes are an integral part of these financial statements.

THE QUEBEC-LABRADOR FOUNDATION, INC. AND
QUEBEC-LABRADOR FOUNDATION (CANADA), INC.

Combined Statement of Activities and Changes in Net Assets

For the Year Ended August 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Public support, revenue and transfers:			
Public support:			
Contributions	$ 600,738	$ 388,185	$ 988,923
Grants and contracts	276,346	-	276,346
Program and intern sponsorships	4,844	-	4,844
Total public support	**881,928**	**388,185**	**1,270,113**
Revenue and transfers:			
Other income	113,369	-	113,369
Appropriations from endowment and reserves	541,901	-	541,901
Net assets released from restrictions	149,046	-	149,046
Total revenue and transfers	**804,316**	-	**804,316**
Total public support, revenue and transfers	**1,686,244**	**388,185**	**2,074,429**
Operating expenses:			
Conservation and stewardship	773,915	-	773,915
Leadership programs	142,650	-	142,650
Special projects	174,913	-	174,913
Communications	257,763	-	257,763
Total programs	**1,349,241**	-	**1,349,241**
Management and general	234,644	-	234,644
Development	133,671	-	133,671
Total support services	**368,315**	-	**368,315**
Total operating expenses	**1,717,556**	-	**1,717,556**
Change in net assets from operations	**(31,312)**	**388,185**	**356,873**
Other income (expenses):			
Investment income, net	103,189	59,541	162,730
Net realized and unrealized gain on investments	112,723	64,910	177,633
Appropriations from endowment and reserves	(421,286)	(120,616)	(541,902)
Endowment contributions	-	15,000	15,000
Net assets released from restrictions	-	(149,046)	(149,046)
Total other income (expense), net	**(205,374)**	**(130,211)**	**(335,585)**
Decrease (increase) in net assets before foreign currency translations	**(236,686)**	**257,974**	**21,288**
Loss on foreign currency translations	(4,894)	(1,580)	(6,474)
Decrease (increase) in net assets after foreign currency translations	**(241,580)**	**256,394**	**14,814**
Net assets, beginning of the year	3,439,540	2,287,552	5,727,092
Net assets, end of the year	**$ 3,197,960**	**$ 2,543,946**	**$ 5,741,906**

The accompanying notes are an integral part of these financial statements.

THE QUEBEC-LABRADOR FOUNDATION, INC. AND
QUEBEC-LABRADOR FOUNDATION (CANADA), INC.

Combined Statements of Cash Flows

For the Years Ended August 31, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets after foreign currency translation	$ 251,208	$ 14,814
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	10,606	9,342
Net realized and unrealized gains on investments	(587,270)	(177,633)
Changes in operating assets and liabilities:		
Contributions receivable, net	53,562	(166,416)
Accounts receivable	132,058	(22,115)
Prepaid expenses and other assets	1,164	9,048
Operating lease right-of-use assets and liabilities	1,545	458
Accounts payable and accrued expenses	(46,982)	(46,560)
Net cash used in operating activities	**(184,109)**	**(379,062)**
Cash flows from investing activities:		
Proceeds from sale of long-term investments	2,816,172	2,503,397
Purchases of long-term investments	(2,651,249)	(1,971,859)
Proceeds from sale of short-term investments	-	606
Purchases of property and equipment	(37,515)	(2,368)
Net cash provided by investing activities	**127,408**	**529,776**
Cash flows from financing activities:		
Net borrowings (payments) on line of credit	77,378	(95,442)
Proceeds from notes payable	19,592	-
Repayments on notes payable	(24,189)	(1,172)
Net cash provided by (used in) financing activities	**72,781**	**(96,614)**
Effect of exchange rate changes on cash and cash equivalents	-	6,235
Net increase in cash and cash equivalents	**16,080**	**60,335**
Cash and cash equivalents, beginning of the year	116,847	56,512
Cash and cash equivalents, end of the year	**$ 132,927**	**$ 116,847**

(continued)

The accompanying notes are an integral part of these financial statements.

THE QUEBEC-LABRADOR FOUNDATION, INC. AND
QUEBEC-LABRADOR FOUNDATION (CANADA), INC.

Combined Statements of Cash Flows

For the Years Ended August 31, 2024 and 2023

	2024	2023
The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statements of financial position that sum to the totals of the same such amounts as shown above:		
Cash and cash equivalents	$ 40,524	$ 116,847
Cash - endowment and reserves	92,403	-
	$ 132,927	$ 116,847
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 21,590	$ 24,930

Supplemental non-cash transactions:
In 2024 and 2023, the Organizations recorded right-of-use assets and related lease liabilities in connection with operating leases in the amount of $74,394 and $158,969, respectively.

The accompanying notes are an integral part of these financial statements.

THE QUEBEC-LABRADOR FOUNDATION, INC. AND
QUEBEC-LABRADOR FOUNDATION (CANADA), INC.

Combined Statement of Functional Expenses

For the Year Ended August 31, 2024

	Conservation and Stewardship	Leadership Programs	Communications	Total Programs	Management and General	Development	Total Support Services	Total
Salaries, taxes, and fringe benefits	$ 370,244	$ 118,669	$ 68,050	$ 556,963	$ 109,803	$ 79,690	$ 189,493	$ 746,456
Contracted services	144,312	46,254	26,524	217,090	42,727	31,038	73,765	290,855
Professional fees and services	133,553	47,603	23,502	204,658	36,277	29,357	65,634	270,292
Travel, food, and lodging	71,312	2,759	1,740	75,811	22,249	12,337	34,586	110,397
Occupancy	36,400	11,628	6,668	54,696	10,988	7,824	18,812	73,508
Insurance	31,173	9,992	5,731	46,896	9,229	6,705	15,934	62,830
Telecommunications	13,678	4,384	2,514	20,576	4,049	2,941	6,990	27,566
Awards and small grants	22,784	2,911	-	25,695	25	-	25	25,720
Other expenses	4,216	3,243	488	7,947	13,264	436	13,700	21,647
Interest	10,727	3,438	1,972	16,137	3,177	2,307	5,484	21,621
Printing and publications	300	457	3,692	4,449	5,787	7,366	13,153	17,602
Dues and subscriptions	8,021	2,571	1,475	12,067	2,375	1,725	4,100	16,167
Repairs and maintenance	6,070	1,945	1,116	9,131	1,797	1,305	3,102	12,233
Office supplies and equipment	5,777	1,851	1,062	8,690	1,710	1,242	2,952	11,642
Depreciation and amortization	5,262	1,687	967	7,916	1,558	1,132	2,690	10,606
Software	5,004	1,603	920	7,527	1,482	1,076	2,558	10,085
Postage and shipping	3	-	1,823	1,826	2,666	2,286	4,952	6,778
Permits and fees	3,648	-	84	3,732	1,341	150	1,491	5,223
Stipends	753	-	-	753	-	-	-	753
Total	**$ 873,237**	**$ 260,995**	**$ 148,328**	**$ 1,282,560**	**$ 270,504**	**$ 188,917**	**$ 459,421**	**$ 1,741,981**

The accompanying notes are an integral part of these financial statements.

THE QUEBEC-LABRADOR FOUNDATION, INC. AND
QUEBEC-LABRADOR FOUNDATION (CANADA), INC.

Combined Statement of Functional Expenses

For the Year Ended August 31, 2023

	Conservation and Stewardship	Leadership Programs	Special Projects	Communications	Total Programs	Management and General	Development	Total Support Services	Total
Salaries, taxes, and fringe benefits	$ 393,442	$ 78,342	$ 70,279	$ 86,260	$ 628,323	$ 141,023	$ 49,848	$ 190,871	$ 819,194
Professional fees and services	216,398	30,393	60,786	99,689	407,266	41,723	48,629	90,352	497,618
Travel, food, and lodging	35,983	5,054	10,107	16,576	67,720	5,054	8,087	13,141	80,861
Occupancy	30,834	4,330	8,661	14,204	58,029	4,330	6,929	11,259	69,288
Insurance	28,865	4,055	8,108	13,297	54,325	4,055	6,486	10,541	64,866
Office supplies and equipment	19,298	2,711	5,421	8,890	36,320	2,711	4,337	7,048	43,368
Interest	-	-	100	-	100	25,263	-	25,263	25,363
Dues and subscriptions	9,134	1,283	2,565	4,207	17,189	1,283	2,053	3,336	20,525
Telecommunications	7,721	1,084	2,169	3,557	14,531	1,084	1,735	2,819	17,350
Awards and small grants	3,383	11,883	-	-	15,266	75	-	75	15,341
Printing and publications	6,412	900	1,801	2,954	12,067	900	1,441	2,341	14,408
Repairs and maintenance	5,746	807	1,614	2,647	10,814	807	1,291	2,098	12,912
Other expenses	4,411	578	1,157	1,897	8,043	1,269	926	2,195	10,238
Depreciation and amortization	4,157	584	1,168	1,915	7,824	584	934	1,518	9,342
Postage and shipping	3,480	489	977	1,603	6,549	489	782	1,271	7,820
Stipends	4,584	-	-	-	4,584	-	-	-	4,584
Permits and fees	67	157	-	67	291	3,994	193	4,187	4,478
Total	**$ 773,915**	**$ 142,650**	**$ 174,913**	**$ 257,763**	**$ 1,349,241**	**$ 234,644**	**$ 133,671**	**$ 368,315**	**$ 1,717,556**

The accompanying notes are an integral part of these financial statements.

(1) Nature of Operations

The Quebec-Labrador Foundation operates as two separate organizations in the United States and Canada, Quebec-Labrador Foundation, Inc. ("QLF U.S."), a charitable organization in the U.S., and Quebec-Labrador Foundation (Canada), Inc. ("QLF Canada"), a Registered Charity in Canada, (collectively referred to as "the Organizations").

With their roots in the Atlantic Region of North America, the Organizations engage environmental leaders worldwide to advance community-based and larger-scale conservation and stewardship of natural resources and cultural heritage.

The Organizations envision a world in which nature and human societies thrive together and people of good will collaborate to solve the global issues of our time – climate change, depletion of natural resources, biodiversity loss and planetary health.

Building on their decades-long legacy of engaging a worldwide network of conservation and community leaders, the Organizations seek innovative solutions and share knowledge across generations, cultures and borders. The Organizations address pressing global environmental challenges through impactful programs in three focus areas: environmental leadership, biodiversity conservation, and stewardship of natural resources and cultural heritage. Through their work, the Organizations nurture and train current and future conservation leaders while fostering diversity, equity, and inclusion in all of their programs. In these ways, the Organizations strive to be highly relevant and effective non-profit conservation organizations that contribute to a vibrant future for humanity and our planet.

The Organizations' guiding principles are to create and cultivate enduring relationships within the Atlantic Region and worldwide; invest in the talent, energy, and optimism of current and future conservation leaders; contribute to and share knowledge, strategies, and innovation across cultures and borders; uphold a commitment to serve people, places, and the environment; lead with boldness, creativity, and conviction; and act with humility, respect, and integrity.

In summary, the Organizations' programs demonstrate a commitment and focus on leadership development through the model of community-based conservation and the stewardship of natural resources and cultural heritage that is shared worldwide. The Organizations' contributions and grants revenue is primarily from the general public, private foundations, and government agencies in the United States and Canada.

(2) Summary of Significant Accounting Policies

A summary of significant accounting policies consistently applied in the preparation of the accompanying combined financial statements follows:

Financial Statement Preparation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of grantor or donor-imposed restrictions. Accordingly, net assets of the Organizations and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets available for use in general operations and not subject to restrictions imposed by donors or certain grantors.

Net assets with donor restrictions - Net assets subject to restrictions imposed by donors or certain grantors. 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a 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.

Principles of Combination

The combined financial statements include the accounts of QLF U.S. and QLF Canada. Inter-Organization balances have been eliminated in combination.

Basis of Accounting

The accompanying combined financial statements have been prepared using accounting principles generally accepted in the United States of America.

Fair Value Measurements

The Organizations report certain assets and liabilities at fair value on a recurring and nonrecurring basis depending on the underlying accounting policy for the item. Recurring fair value measures include the Organizations' investment accounts. Nonrecurring measures include contributions receivable. Fair value standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. In addition, the Organizations report certain investments using the net asset value per share as determined by their investment managers under the so-called "practical expedient." The practical expedient allows net asset value per share to represent fair value for reporting purposes when criteria for using the method are met. Fair value standards also require the Organizations to classify financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

(Continued)

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments which are generally included in this category include listed equity and debt securities publicly traded on a stock exchange.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined using models or other valuation methodologies.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such instances, an instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at August 31, 2024 and 2023.

Money market funds: The fair value of money market funds is based on quoted net asset values at the end of the business day. Due to the short-term nature of the investments, the fair value is expected to approximate cost.

Mutual funds and exchange-traded funds: The fair value of these funds is valued at the daily closing price as reported by the funds. Mutual funds and exchange-traded funds held by the Organizations are open-end funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds and exchange-traded funds held by the Organizations are deemed to be actively traded.

U.S. Treasury/agency securities: The fair value of these securities is based on the closing prices reported in the active market in which the individual securities are traded. These securities are classified as Level 1 financial instruments as they are valued on an active exchange using prices provided by broker/dealers who actively make markets in these securities.

Market price is affected by many factors, including the type of instrument and the characteristics specific to the instrument, as well as the effects of market, interest, and credit risks. Instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lower degree of judgment used in measuring fair value. It is reasonably possible changes in the values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the Organizations' financial instruments, see Note 5 - Investments and Fair Value of Financial Instruments.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid instruments with a maturity of three months or less at the date of purchase. The Organizations maintain their cash balances in several financial institutions, which management believes are of high credit quality. The Federal Deposit Insurance Corporation (FDIC) insures deposits up to $250,000 per bank for interest-bearing deposits. The Canadian Deposit Insurance Company (CDIC) insures deposits up to C$100,000. Financial instruments which potentially subject the Organizations to credit risk include cash balances at banks, which may at times exceed the related FDIC or CDIC deposit limits. The Organizations monitor their exposure associated with cash and cash equivalents and have not experienced any losses in such accounts.

Short-term Investments

Short-term investments include instruments with a maturity greater than three months at the date of purchase and are comprised of a Guaranteed Investment Certificate (GIC) held at a bank by the Canadian Organization.

Revenue Recognition and Reporting

Contributions and grants are recognized in accordance with FASB ASC 958-605, *Not-for-Profit Entities: Revenue Recognition*. Contributions are recognized as revenue when assets are unconditionally promised to the Organizations, or if not previously unconditionally promised, when the assets are received, and all conditions have been met.

The Organizations report gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statement of activities and changes in net assets as net assets released from restrictions. The Organizations' policy is to report as unrestricted support contributions with donor-imposed restrictions when these restrictions are met in the same year that the contribution was received. Contributions are recognized as revenue when they are received or unconditionally pledged.

The Organizations receive contributed services in the form of volunteer labor and donations of goods and services to conduct certain programs funded by government contracts. In accordance with accounting principles generally accepted in the United States of America, contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Services of volunteers which do not meet these criteria are not recorded in the financial statements. No contributed goods or services were recognized as revenue for the years ended August 31, 2024 and 2023.

Contributions and Contributions Receivable

Contributions of assets other than cash are recorded at their estimated fair value at the date received. The initially recorded fair value is considered a Level 2 fair value approach. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using a risk-free rate of return as a starting point and then increasing that rate to account for the inherent risk associated with the expected future cash flows of these unconditional promises to give. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Unconditional promises to give with payments due in future periods are recorded as support with donor restrictions unless explicit donor stipulations or circumstances surrounding the receipt of the promise to give make clear that the donor intended it to be used to support activities of the current period.

Grants and Contracts

The Organizations expend resources under government and private sector contracts and grants for specific purposes that are subject to review and audit by grantors or their representatives. Such audits could result in requests for reimbursement to the grantor by the Organizations if expenditures are disallowed. Management does not anticipate such an event. However, management believes that such requests for reimbursement, if made, would not have a significant impact on the financial positions of the Organizations. Revenue from cost reimbursement contracts and grants is recognized as related costs are incurred on the projects.

Revenue is deferred when it is collected but not earned as of the year end and is primarily composed of advance payments on government contracts. Deferred revenue is recorded as a liability until it is earned. Once earned, the liability is reduced, and revenue is recorded. The Organizations have no deferred revenue as of August 31, 2024 and 2023.

Accounts Receivable

Accounts receivable are carried at their net realizable value. Accounts receivable balances are comprised of amounts due from government agencies for the reimbursement of services provided and taxes paid. Revenue is recognized when the work has been performed or when the expense has been incurred. Collectability and the aging of accounts receivable are based on contractual terms. Management estimates the allowance for credit losses by identifying troubled accounts and by using historical experiences applied to an aging of accounts. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as a reduction of bad debt expense when received. Accounts receivable are considered past due if any portion of the receivable is outstanding more than 90 days. Interest is not charged on receivables. Management has reviewed accounts receivable as of August 31, 2024 and 2023, and considers accounts receivable to be fully collectible and, accordingly, no allowance for credit losses is recorded.

Endowment Investments

The Organizations record investments at fair value. Fair value is determined as per the fair value policies described above.

Realized gains and losses on sales of securities are calculated on a security-by-security basis using the cost of the security as of the date of sale. Interest, dividends and realized capital gains which occur within investment funds are reported as investment income when these events occur, regardless of whether the proceeds of such transactions and events are received in cash or in-kind. In the case of limited partnership interests held for investment and other alternative investment vehicles, the Organizations report the net effects of transactions and other events affecting the fair value of these investments as unrealized gains and losses until funds are withdrawn or holdings are liquidated.

Investment returns are reported as increases or decreases in net assets without donor restrictions in the statement of activities unless their use has been restricted by donor or state law. Investment returns are reported as increases or decreases in net assets with donor restrictions if:

- the terms of the gift require that they be added to the principal of an endowment fund designated by the donor to be held in perpetuity; or
- the terms of the gift or state law impose restrictions on the current use of the income or net gains or as decreases, up to any existing unrealized appreciation.

Risks and Uncertainties

Financial instruments that potentially subject the Organizations to concentrations of credit risk consist principally of temporary cash investments, contributions receivable, accounts receivable, and marketable securities. The carrying amounts of these financial instruments approximate their fair value.

The Organizations' investment securities are held by a brokerage firm that is a member of the Securities Investment Protection Corporation (SIPC). Securities held by member brokerage firms, including up to $250,000 of cash equivalents, are insured by the SIPC up to $500,000 per customer, per brokerage firm. SIPC protection would be triggered only in the event of a financial failure and liquidation of a participating brokerage firm or if the customer's securities are not returned. This protection does not cover investment losses in customer accounts due to market fluctuations or other claims for losses incurred while the brokerage firm remains in business.

Investment securities are exposed to various risks, such as changes in interest rates or credit ratings and market fluctuations. Due to the level of risk associated with certain investment securities and changes in the market value of investment securities, it is possible that the value of the Organizations' investments and total net assets balances could fluctuate materially.

Property and Equipment

Property and equipment are stated at cost at the date of acquisition or fair value at the date of donation in the case of gifts. The fair value of donated fixed assets is effectively recorded using a Level 3 market approach. Expenditures that significantly add to the productivity or extend the economic life of the assets are capitalized. Other expenditures for repairs and maintenance are charged to operations in the year the costs are incurred. Property and equipment are depreciated on the straight-line basis over the following estimated useful lives.

Furniture, fixtures, equipment, and vehicles	3-5 years
Capitalized website costs	3 years
Leasehold improvements	Lesser of term of lease or 5-20 years

Website Costs

The costs of website development during the planning stage are expensed as incurred. Website development costs incurred during the application and infrastructure development phase including external direct costs of materials and services consumed in developing the software and creating graphics and website content are capitalized and amortized over the estimated useful lives beginning after all substantial testing is complete and the website is operational.

Income Tax Status

The Organizations are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and the tax laws of Canada on income directly related to the Organizations' purposes and also are exempt from state income taxes. Accordingly, no provision for income taxes is made in the financial statements.

Given the limited taxable activities of the Organizations, management has concluded that disclosure relative to tax provisions is not necessary.

Uncertain Tax Positions

The Organizations account for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for all uncertain tax positions.

The Organizations have identified their tax status as tax-exempt entities and their determination as to income being related or unrelated as their only significant tax positions; however, the Organizations have determined that such tax positions do not result in an uncertainty requiring recognition. The Organizations are not currently under examination by any taxing jurisdiction.

(Continued)

The Organizations' United States Federal and state tax returns, and Canadian tax returns, are generally open for examination for three years following the date filed.

Operations

The combined statement of activities and changes in net assets reports the change in net assets from operating and non-operating activities. Non-operating activities consist of: contributions designated for future use to operating support; endowment earnings including amounts transferred without donor restrictions in accordance with the Organizations' spending policy; reclassifications of endowment funds; additional endowment spending appropriations; pending draws from investments; gains (losses) on foreign currency translation; contributions with donor restrictions; releases from restrictions; and bequests. All other activities are reported as operating.

Foreign Operations

Certain of the Organizations' operations are conducted in Canada through the Canadian Organization. Net assets of QLF Canada amounting to $1,248,932 and $1,268,239 are included in total net assets in the Organizations' combined statement of financial position as of August 31, 2024 and 2023, respectively.

Foreign Currency Translation

The functional currency of the Organizations' Canadian operation was its local currency ("CAD"), which differed from its reporting currency in the combined financial statements. Accordingly, monetary assets and liabilities were translated to U.S. dollars ("USD") at current rates. Revenue and expense items were translated at average annual rates. Endowment investments are invested in U.S. currency financial instruments and translation gains or losses are allocated to the Canadian Organization. Effective from September 1, 2023, the Organizations changed the functional currency of its Canadian operation to USD. Net losses from foreign currency translations totaling $0 and $6,474 during the years ended August 31, 2024 and 2023, respectively, are included in the combined statement of activities and changes in net assets.

Use of Estimates

The preparation of 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, liabilities 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. Accordingly, actual results could differ from these estimates and assumptions. Significant management estimates included in the financial statements relate to the allowance for credit losses, useful lives of depreciable assets, fair value of alternative investments, periodic cost for government grants, intercompany management fee, functional allocation of expenses and the validity and completeness of satisfaction of donor restrictions.

Publication and Advertising Costs

The Organizations recognize publication and advertising costs the first time the publication is issued, or the advertising takes place. Publication and advertising costs of $17,602 and $14,408 were incurred during the years ended August 31, 2024 and 2023, respectively.

Related Party Expenses

QLF U.S. charges QLF Canada a management fee for management, bookkeeping and accounting services. The charge is recognized as operating revenues and expenses on the combining statement of activities and changes in net assets. Management fees in connection with these services totaled $76,731 and $184,675 for the years ended August 31, 2024 and 2023, respectively, and are eliminated on combination.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the combined statement of activities and changes in net assets. The combined statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that can be identified with a specific program or supporting service are allocated directly according to their natural expenditure classification. Expenses that are common to several programs or supporting services are allocated on a reasonable basis that is consistently applied. Salaries, employee benefits and payroll taxes are allocated based on estimated time and effort. Facility expenses, depreciation, office expenses, and insurance are all allocated using estimated percentages, based on estimated labor effort in each program or service.

Lessee Lease Accounting Policy

The Organizations adopted Accounting Standards Update ("ASU") 2016-02, *Leases* ("ASC 842") and subsequent amendments. ASC 842 affects all entities that enter into lease arrangements, with certain exclusions under limited scope limitations. Under ASC 842, an entity recognizes right-of-use assets and lease obligations on its balance sheets for all leases with a lease term of more than 12 months. Short-term rentals under year-to-year leases or remaining lease terms of 12 months or less are exempt from being capitalized. Leases that have a right-of-use asset and related lease liability that are not material to the financial statements are not recorded in the consolidated balance sheets, instead, rent on the leases is expensed as incurred.

The standard requires that leases with a lease term of more than 12 months be classified as either finance or operating leases by the lessee. Leases are classified as finance leases when the Organizations expect to consume a major part of the economic benefits of the leased assets over the remaining lease term. Conversely, the Organizations are not expected to consume a major part of the economic benefits of assets classified as operating leases. The lease classification affects both the pattern and presentation of expense recognized in the combined statements of activities and changes in net assets, the categorization of assets and liabilities in the combined statements of financial position, and classification of cash flows in the combined statements of cash flows.

Total lease cost consists of two components: amortization expense related to the write off of right-of-use assets, and interest expense from lease obligations. For operating leases, total lease cost is measured and recorded on a straight-line basis over the lease term as rent expense, which is included in occupancy in the statement of operations.

Lease obligations are measured and recorded at the present value of future lease payments using a discount rate. The Organizations have made an accounting policy election to use a risk-free rate as the discount rate in measuring its lease obligation. Under this election, the risk-free rate used is the rate for a United States Treasury instrument with a term consistent with the remaining lease term of an applicable lease.

Non-lease components, such as common area maintenance charges, are separated from lease components based on the terms of the related lease. Variable lease components consist of real estate taxes and insurance charges related to the real estate lease and are recorded as rent expense as incurred.

Lease obligations are measured and recorded at the present value of future lease payments using a discount rate.

Right-of-use assets are generally measured and recorded at the sum of the lease obligation, any initial direct costs to consummate the lease, and any lease payments made on or before the commencement date.

Adoption of New Accounting Guidance

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which was subsequently modified by several ASUs issued in 2018 and 2019. The Organizations adopted the new standard on September 1, 2023. The adoption of this ASU did not have a material impact on the Organizations' accounting policies nor these financial statements.

(3) Liquidity and Availability

The Organizations regularly monitor the availability of resources to meet their operating needs and other contractual commitments, while also striving to maximize the investment of their available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organizations consider all expenditures related to their ongoing activities of providing leadership development through community-based conservation and stewardship of natural resources and cultural heritage that is shared worldwide, as well as general and administrative and development costs.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, are comprised of the following at August 31:

		2024		2023
Cash and cash equivalents	$	40,524	$	116,847
Short-term investments		10,740		10,740
Contributions receivable within one year		256,153		209,199
Accounts receivable		96,550		228,608
Prepaid expenses and other current assets		4,935		6,099
Annual appropriation from endowment investments		308,412		316,244
	$	**717,314**	**$**	**887,737**

In addition to financial assets available to meet general expenditures within one year of the balance sheet date, the Organizations anticipate collecting enough revenue to cover general expenses.

QLF U.S.'s governing board makes an annual appropriation of 5% of the fair value of the investments, as described in the endowment spending policy section of Note 13. During the year ended August 31, 2024, the board approved quarterly draws of $77,103, for a total appropriation of $308,412, for the 2025 fiscal year. The first installment of $77,103 was paid prior to August 31, 2024 and is included in Cash - endowment and reserves in the Combined Statements of Financial Position. These funds will be used for program, general and development expenses during the next 12-month period. The board may, at its discretion, approve additional appropriations from investments during the year for specific program purposes or to meet the Organizations' operating needs.

QLF U.S. has an operating line of credit that can be used to meet cash requirements.

(4) Contributions Receivable

Contributions receivable consisted of the following at August 31:

		2024		2023
Gross amounts due in:				
Less than one year	$	256,153	$	209,199
One to five years		-		110,819
		256,153		320,018
Less: discount to present value		-		(10,303)
Contributions receivable, net	**$**	**256,153**	**$**	**309,715**

Contributions receivable that are expected to be collected after one year have been discounted at 5% and are reflected at their net present value. As of August 31, 2024, amounts due from four contributors totaled $188,849 and represented 74% of gross year-end receivables. As of August 31, 2023, amounts due from four contributors totaled $259,136 and represented 84% of gross year-end receivables.

(5) Investments and Fair Value of Financial Instruments

The valuation of the Organizations' investments according to the fair value hierarchy consisted of the following at August 31:

	2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Money market funds	$ 151,306	$ -	$ -	$ 151,306
Equity mutual funds	4,149,741	-	-	4,149,741
Fixed income mutual funds	554,522	-	-	554,522
Exchange-traded funds	1,081,866	-	-	1,081,866
Total investments	**$ 5,937,435**	**$ -**	**$ -**	**$ 5,937,435**

	2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Money market funds	$ 180,796	$ -	$ -	$ 180,796
U.S. Treasury/agency securities	328,832	-	-	328,832
Equity mutual funds	3,494,358	-	-	3,494,358
Fixed income mutual funds	598,776	-	-	598,776
Exchange-traded funds	912,326	-	-	912,326
Total investments	**$ 5,515,088**	**$ -**	**$ -**	**$ 5,515,088**

Some of the Organizations' investment funds contain clauses that, under certain circumstances, the fund managers may limit distributions from the related fund. The Organizations have not experienced such limitations over distributions from their funds during the years ended August 31, 2024 and 2023.

Investments with a fair value of $708,065 and $607,067 as of August 31, 2024 and 2023, respectively, are being held in a separate account and serve as collateral for the line of credit with a bank (see Note 7).

(6) Property and Equipment

Property and equipment consisted of the following at August 31:

		2024		2023
Furniture, fixtures and equipment	$	60,799	$	55,876
Vehicle		32,592		23,725
Capitalized website costs		55,737		55,737
Leasehold improvements		19,727		19,727
		168,855		155,065
Less: accumulated depreciation and amortization		(132,972)		(146,091)
	$	**35,883**	**$**	**8,974**

(7) Line of Credit

QLF U.S. maintains a working capital line of credit (the "Line") with a bank payable upon demand. Borrowings on the Line are limited to $400,000. The rate of interest on the Line is the Wall Street Journal prime rate plus 2%, with a floor of 4.50%. The interest rate on the Line was 8.5% per annum at August 31, 2024 and 2023. The Line is secured by marketable securities held at a brokerage firm, with a required minimum balance of $500,000 (see Note 5). The outstanding balance on borrowings from the bank was $378,936 and $301,558 at August 31, 2024 and 2023, respectively.

(8) Notes Payable

Notes payable consisted of the following at August 31:

		2024		2023
Note payable to a company, due in monthly installments of $334, interest at 6.99% per annum through November 2029, secured by a vehicle.	$	17,567	$	-
Non-interest bearing loan provided by Canada Emergency Business Account, due December 31, 2023.		-		22,164
	$	**17,567**	**$**	**22,164**

In May 2020, QLF Canada was granted a loan from a bank in the amount of $30,679, pursuant to Canada Emergency Business Account (the "CEBA"). The loan matured on December 31, 2023 and bore no interest. Under the terms of the CEBA, repaying the outstanding balance on or before December 31, 2023 resulted in loan forgiveness of 25 percent. The board decided to pay the outstanding balance by due date, therefore, $7,670 of the loan was recognized as grants and contributions in the Statements of Activities and Changes in Net Assets for the year ended August 31, 2020. The remaining balance of the loan, $22,164, is recorded as notes payable in the Combined Statement of Financial Position as of August 31, 2023. The loan was paid and processed at the beginning of January 2024 under the terms of CEBA.

In December 2023, QLF U.S. entered into a note payable in the amount of $19,592. The note payable matures in November 2029 and bears an interest of 6.99%. The aggregate principal payments on the note are as follows for the years ending August 31:

2025	$	4,007
2026		4,007
2027		4,007
2028		4,007
2029		4,007
2030 and thereafter		1,002
Total payments		21,037
Less: imputed interest		(3,470)
Present value of total note payable payments		17,567
Less: current portion		(2,870)
Note payable, net of current portion	**$**	**14,697**

(9) Leases

The Organizations rent office spaces under non-cancelable operating leases. QLF U.S. has a sublease agreement for its office space in Ipswich, Massachusetts through December 31, 2025, and lease agreements for additional space through March 31, 2027. The Canadian Organization has a lease agreement for its office space in Montreal, Quebec through May 31, 2036.

Rental expense on a straight-line basis for the years ended August 31, 2024 and 2023 was $70,939 and $67,137, respectively.

The weighted average remaining lease terms for the years ended August 31, 2024 and 2023 were 6.53 and 2.32 years, respectively. The weighted average discount rates for the years ended August 31, 2024 and 2023 were 4.1% and 5.0%, respectively.

Total future minimum rentals under non-cancelable leases are as follows for the years ending August 31:

2025	$	56,252
2026		25,903
2027		11,669
2028		7,000
2029		7,232
2030 and thereafter		54,846
Total lease payments		162,902
Less: imputed interest		(22,594)
Present value of total lease payments		140,308
Less: current portion		(51,465)
Lease obligations, net of current portion	**$**	**88,843**

(10) Net Assets

Net assets with donor restrictions are available for the following purposes or in future periods at August 31:

		2024		2023
Contributions received or receivable that are restricted by donors for use in future years or for use in specific programs:				
Time restrictions:				
Net contributions receivable, due in future years	$	137,381	$	309,715
Purpose restrictions:				
Conservation and stewardship		58,750		110,822
		196,131		420,537
Subject to endowment spending policy and appropriation:				
Conservation and stewardship		1,554,442		1,396,527
Leadership programs		786,933		726,882
		2,341,375		2,123,409
Total net assets with donor restrictions	**$**	**2,537,506**	**$**	**2,543,946**

(11) Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions as specified by the donors as follows for the years ended August 31:

(Continued)

	2024	2023
Satisfaction of time restrictions	$ 182,302	$ 112,046
Satisfaction of purpose restrictions:		
Leadership	25,858	-
Conservation and stewardship	85,000	37,000
	110,858	37,000
Total net assets released from restrictions	**$ 293,160**	**$ 149,046**

(12) Board-Designated Net Assets

The Organizations' Board of Directors have determined from time to time that a portion of the Organizations' net income should be reserved and invested alongside the endowment. These funds are considered board designated net assets and do not have the same spending restrictions as the Organizations' endowment. The following is a summary of the board designated net assets as of August 31, 2024 and 2023:

	2024	2023
General purposes	$ 3,381,963	$ 3,123,574
Scholarships	306,500	283,111
Total Board designated net assets	**$ 3,688,463**	**$ 3,406,685**

(13) Endowment Assets and Reserve Fund

Endowment

The Organizations' endowment funds are comprised of approximately seven individual funds established by donors for a variety of purposes.

Reserve Fund

The Organizations' Board of Directors have a reserve fund from prior years' excess net income for use as needed in the future. The funds may be expended in any way and at any time the board approves of so doing. They are unrestricted in purpose or time of use. The board has elected to invest these funds alongside the endowment to maximize their investment return until they are expended.

The following is the composition of endowment assets and reserve fund by net asset class at August 31:

	2024		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Donor-restricted endowment funds	$ -	$ 2,341,375	$ 2,341,375
Reserve fund	3,688,463	-	3,688,463
Total endowment and reserve fund net assets	**$ 3,688,463**	**$ 2,341,375**	**$ 6,029,838**

	2023		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Donor-restricted endowment funds	$ -	$ 2,123,409	$ 2,123,409
Reserve fund	3,406,685	-	3,406,685
Total endowment and reserve fund net assets	**$ 3,406,685**	**$ 2,123,409**	**$ 5,530,094**

The following represents the required disclosure relative to the composition of endowment assets and those functioning as endowment assets at August 31:

	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Endowment and reserve fund net assets, September 1, 2022	$ 3,612,345	2,104,573	$ 5,716,918
Endowment contributions	-	15,000	15,000
Investment income, net of fees	102,903	59,541	162,444
Net realized and unrealized gains	112,723	64,911	177,634
Amount appropriated under endowment spending policy	(421,286)	(120,616)	(541,902)
Endowment and reserve fund net assets, August 31, 2023	3,406,685	2,123,409	5,530,094
Endowment contributions	300	40,000	40,300
Investment income, net of fees	115,850	72,568	188,418
Net realized and unrealized gains	360,118	227,152	587,270
Amount appropriated under endowment spending policy	(194,490)	(121,754)	(316,244)
Endowment and reserve fund net assets, August 31, 2024	**$ 3,688,463**	**$ 2,341,375**	**$ 6,029,838**

Interpretation of Relevant Law

The Organizations' Board of Directors follows the New York Prudent Management of Institutional Funds Act ("NYPMIFA") by preserving the value of the original donor-restricted gift to the endowment, absent explicit donor stipulations to the contrary or other extenuating circumstances. As a result, the Organizations classify as net assets with permanent donor restrictions (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulation to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of a donor-restricted gift that is not classified in net assets with permanent restrictions is classified as net assets with temporary restrictions until those amounts are appropriated for expenditure by the Organizations in a manner consistent with the standard of prudence prescribed by NYPMIFA. In accordance with NYPMIFA, the Organizations consider the following eight factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the funds, (2) the purposes of the institution and the endowment funds, (3) general economic conditions, (4) the possible effect of inflation or deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organizations, (7) where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the Organizations, and (8) the investment policy of the institution.

Return Objectives and Risk Parameters

The Organizations' investment portfolio is managed to provide long-term support of the Organizations. Accordingly, these funds are managed with disciplined longer-term investment objectives and strategies designed to meet cash flow and spending requirements. Management of the assets is designed to attain the maximum total return consistent with acceptable and agreed upon levels of risk. It is the goal of the aggregate long-term investments to generate an average annual real total return, net of inflation, of 5.0%, as measured over a 20-quarter trailing average.

Strategies Employed for Achieving Objectives

To satisfy their long-term rate-of-return objectives, the Organizations rely on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organizations target a diversified asset allocation of 85% equity securities and alternative investments and 15% fixed income securities and cash equivalents.

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

As approved by their Board of Directors, the Organizations have a policy of appropriating for distribution each year a percentage of their endowment funds' average fair value over the previous 20 quarters through June 30. The annual appropriation is based on a 20-quarter average of the fair market value at the end of each quarter. The Board of Directors approved a spending rate of 5.0% for both fiscal years ending August 31, 2024 and 2023, with a calculated endowment appropriation of approximately $316,000 and $332,000 in 2024 and 2023, respectively. In establishing this policy, the Organizations considered the long-term expected return on their endowments. Accordingly, over the long-term, the Organizations expect the current spending policy to allow their endowments to grow at the total return less the spending policy. This is consistent with the Organizations' objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. A portion of the Organizations' cumulative investment income and net appreciation is allocated to operations in accordance with the Organizations' investment policies and procedure.

In addition to the amounts appropriated under the spending policy, the Board of Directors approved one-time appropriations as necessary. The Board of Directors has approved a spending rate of 5.0% for 2025 (see Note 3).

The following summarizes the transfer of endowment earnings to operations for the years ended August 31:

		2024		2023
Spending policy	$	316,244	$	331,902
Additional board approved appropriations		-		210,000
	$	**316,244**	**$**	**541,902**

Underwater Endowment Funds

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 NYPMIFA requires the Organizations to retain as a fund of perpetual duration. The Organizations have a policy that follows NYPMIFA and permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations. There were no underwater funds with donor restrictions as of August 31, 2024 and 2023.

(14) Employee Retention Credit

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), a federal government stimulus program, provided an employee retention credit ("the credit"), a refundable tax credit against certain employment taxes of up to $5,000 per employee for eligible employers. The credit was equal to 50% of qualified wages paid to employees during a quarter, capped at $10,000 of qualified wages per employee through December 31, 2020. Additional relief provisions were passed by the United States government, which extended and slightly expanded the qualified wage caps on these credits through September 30, 2021. Based on these additional provisions, the credit was equal to 70% of qualified wages paid to employees during a quarter, and the limit on qualified wages per employee had been increased to $10,000 of qualified wages per quarter. QLF U.S. qualified for the credit for the quarters ended June 30, 2020, December 31, 2020, March 31, 2021 and June 30, 2021. QLF U.S. accounted for this credit under FASB ASC 958-605, *Not-for-Profit Entities - Revenue Recognition*, and recorded $116,019 related to the credit in "Other Income" on the Organizations' Combined Statements of Activities and Changes in Net Assets. As of August 31, 2023, the Organizations included a receivable of $116,019, which was recorded in "Accounts Receivable" on the Organizations' Combined Statements of Financial Position and the credit was received in year 2024.

(15) Retirement Plan

QLF U.S. sponsors a defined contribution retirement plan (the "Plan") for eligible employees. The Organization's contributions to the Plan were $17,911 and $30,110 for the years ended August 31, 2024 and 2023, respectively. $19,953 and $19,591 of the employer contributions to the Plan are included in accrued expenses and other liabilities at August 31, 2024 and 2023, respectively.

(16) Subsequent Events

The Organizations have evaluated all subsequent events through February 26, 2025, the date the financial statements were available to be issued.

Supplementary Information

THE QUEBEC-LABRADOR FOUNDATION, INC. AND
QUEBEC-LABRADOR FOUNDATION (CANADA), INC.

Combining Statement of Financial Position

August 31, 2024

	QLF U.S.	QLF Canada	Eliminating Entries	Total
Assets				
Cash and cash equivalents	$ 31,163	$ 9,361	$ -	$ 40,524
Cash - endowment and reserves	92,403	-	-	92,403
Short-term investments	-	10,740	-	10,740
Contributions receivable, net	123,608	132,545	-	256,153
Accounts receivable	17,000	79,550	-	96,550
Due from affiliated entity	-	151,982	(151,982)	-
Prepaid expenses and other assets	634	4,301	-	4,935
Investments - endowment and reserves	5,055,153	882,282	-	5,937,435
Property and equipment, net	35,883	-	-	35,883
Operating lease right-of-use asset, net	71,743	66,562	-	138,305
Total assets	**$ 5,427,587**	**$ 1,337,323**	**$ (151,982)**	**$ 6,612,928**
Liabilities and Net Assets				
Liabilities:				
Line of credit	$ 378,936	$ -	$ -	$ 378,936
Accounts payable	13,919	18,093	-	32,012
Notes payable, current portion	2,870	-	-	2,870
Operating lease liability, current portion	48,298	3,167	-	51,465
Accrued expenses and other liabilities	48,616	2,375	-	50,991
Notes payable, net of current portion	14,697	-	-	14,697
Due to affiliated entity	151,982	-	(151,982)	-
Operating lease liability, net of current portion	24,087	64,756	-	88,843
Total liabilities	**683,405**	**88,391**	**(151,982)**	**619,814**
Net assets:				
Undesignated	(462,920)	230,065	-	(232,855)
Designated by the Board	2,794,724	893,739	-	3,688,463
Without donor restrictions	2,331,804	1,123,804	-	3,455,608
With donor restrictions	2,412,378	125,128	-	2,537,506
Total net assets	**4,744,182**	**1,248,932**	**-**	**5,993,114**
Total liabilities and net assets	**$ 5,427,587**	**$ 1,337,323**	**$ (151,982)**	**$ 6,612,928**

See Independent Auditors' Report.

THE QUEBEC-LABRADOR FOUNDATION, INC. AND
QUEBEC-LABRADOR FOUNDATION (CANADA), INC.

Combining Statement of Activities and Changes in Net Assets

For the Year Ended August 31, 2024

	QLF U.S.			QLF Canada				
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**	**Eliminating Entries**	**Combined Total**
Public support, revenue and transfers:								
Public support:								
Contributions	$ 587,407	$ 68,750	$ 656,157	$ 96,844	$ -	$ 96,844	$ -	$ 753,001
Bequests	135,567	-	135,567	-	-	-	-	135,567
Grants and contracts	113,114	-	113,114	118,184	-	118,184	-	231,298
Program and intern sponsorships	37,926	-	37,926	-	-	-	-	37,926
Total public support	**874,014**	**68,750**	**942,764**	**215,028**	**-**	**215,028**	**-**	**1,157,792**
Revenue and transfers:								
Other income (expenses)	64,788	-	64,788	10,547	-	10,547	(76,731)	(1,396)
Appropriations from endowment and reserves	269,113	-	269,113	47,131	-	47,131	-	316,244
Net assets released from restrictions	153,500	-	153,500	139,660	-	139,660	-	293,160
Total revenue and transfers	**487,401**	**-**	**487,401**	**197,338**	**-**	**197,338**	**(76,731)**	**608,008**
Total public support, revenue and transfers	**1,361,415**	**68,750**	**1,430,165**	**412,366**	**-**	**412,366**	**(76,731)**	**1,765,800**
Operating expenses:								
Conservation and stewardship	704,391	-	704,391	213,249	-	213,249	(44,403)	873,237
Leadership programs	223,721	-	223,721	47,076	-	47,076	(9,802)	260,995
Communications	127,110	-	127,110	26,798	-	26,798	(5,580)	148,328
Total programs	**1,055,222**	**-**	**1,055,222**	**287,123**	**-**	**287,123**	**(59,785)**	**1,282,560**
Management and general	232,313	-	232,313	48,235	-	48,235	(10,044)	270,504
Development	162,671	-	162,671	33,148	-	33,148	(6,902)	188,917
Total support services	**394,984**	**-**	**394,984**	**81,383**	**-**	**81,383**	**(16,946)**	**459,421**
Total operating expenses	**1,450,206**	**-**	**1,450,206**	**368,506**	**-**	**368,506**	**(76,731)**	**1,741,981**
Change in net assets from operations	**(88,791)**	**68,750**	**(20,041)**	**43,860**	**-**	**43,860**	**-**	**23,819**
Other income (expenses):								
Investment income, net	87,440	72,804	160,244	28,215	-	28,215	-	188,459
Net realized and unrealized gains on investments	273,198	226,918	500,116	87,154	-	87,154	-	587,270
Appropriations from endowment and reserves	(147,361)	(121,752)	(269,113)	(47,131)	-	(47,131)	-	(316,244)
Endowment contributions	300	40,000	40,300	-	-	-	-	40,300
Net assets released from restrictions	-	(153,500)	(153,500)	-	(139,660)	(139,660)	-	(293,160)
Exchange gain	-	-	-	8,255	-	8,255	-	8,255
Gain on disposal of fixed assets	12,509	-	12,509	-	-	-	-	12,509
Total other income (expenses), net	**226,086**	**64,470**	**290,556**	**76,493**	**(139,660)**	**(63,167)**	**-**	**227,389**
Increase (decrease) in net assets	**137,295**	**133,220**	**270,515**	**120,353**	**(139,660)**	**(19,307)**	**-**	**251,208**
Net assets, beginning of the year	2,194,509	2,279,158	4,473,667	1,003,451	264,788	1,268,239	-	5,741,906
Net assets, end of the year	**$ 2,331,804**	**$ 2,412,378**	**$ 4,744,182**	**$ 1,123,804**	**$ 125,128**	**$ 1,248,932**	**$ -**	**$ 5,993,114**

See Independent Auditors' Report.

QUEBEC-LABRADOR FOUNDATION (CANADA), INC.

Statement of Financial Position (USD and CAD)

August 31, 2024

	USD	CAD
Assets		
Cash and cash equivalents	$ 9,361	$ 12,621
Short-term investments	10,740	14,480
Contributions receivable, net	132,545	178,700
Accounts receivable	79,550	107,251
Due from U.S. Foundation	151,982	204,905
Prepaid expenses and other assets	4,301	5,798
Investments - endowment and reserves	882,282	1,189,508
Operating lease right-of-use asset, net	66,562	89,740
Total assets	**$ 1,337,323**	**$ 1,803,003**
Liabilities and Net Assets		
Liabilities:		
Accounts payable	$ 18,093	$ 24,393
Operating lease liability, current portion	3,167	4,270
Accrued expenses and other liabilities	2,375	3,202
Operating lease liability, net of current portion	64,756	87,305
Total liabilities	**88,391**	**119,170**
Net assets:		
Undesignated	230,065	310,178
Designated by the Board	893,739	1,204,955
Without donor restrictions	1,123,804	1,515,133
With donor restrictions	125,128	168,700
Total net assets	**1,248,932**	**1,683,833**
Total liabilities and net assets	**$ 1,337,323**	**$ 1,803,003**

See Independent Auditors' Report.

QUEBEC-LABRADOR FOUNDATION (CANADA), INC.

Statement of Activities and Changes in Net Assets (USD and CAD)

For the Year Ended August 31, 2024

	USD			CAD		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Public support, revenue and transfers:						
Public support:						
Contributions	$ 96,844	$ -	$ 96,844	$ 131,673	$ -	$ 131,673
Grants and contracts	118,184	-	118,184	160,688	-	160,688
Program and intern sponsorships	-	-	-	-	-	-
Total public support	**215,028**	**-**	**215,028**	**292,361**	**-**	**292,361**
Revenue and transfers:						
Other income	10,547	-	10,547	14,340	-	14,340
Appropriations from endowment and reserves	47,131	-	47,131	64,081	-	64,081
Net assets released from restrictions	139,660	-	139,660	189,888	-	189,888
Total revenue and transfers	**197,338**	**-**	**197,338**	**268,309**	**-**	**268,309**
Total public support, revenue and transfers	**412,366**	**-**	**412,366**	**560,670**	**-**	**560,670**
Operating expenses:						
Conservation and stewardship	213,249	-	213,249	289,943	-	289,943
Leadership programs	47,076	-	47,076	64,007	-	64,007
Communications	26,798	-	26,798	36,436	-	36,436
Total programs	**287,123**	**-**	**287,123**	**390,386**	**-**	**390,386**
Management and general	48,235	-	48,235	65,582	-	65,582
Development	33,148	-	33,148	45,069	-	45,069
Total support services	**81,383**	**-**	**81,383**	**110,651**	**-**	**110,651**
Total operating expenses	**368,506**	**-**	**368,506**	**501,037**	**-**	**501,037**
Change in net assets from operations	**43,860**	**-**	**43,860**	**59,633**	**-**	**59,633**
Other income (expenses):						
Investment income, net	28,215	-	28,215	38,362	-	38,362
Net realized and unrealized losses on investments	87,154	-	87,154	118,498	-	118,498
Appropriations from endowment and reserves	(47,131)	-	(47,131)	(64,081)	-	(64,081)
Net assets released from restrictions	-	(139,660)	(139,660)	-	(189,888)	(189,888)
Exchange gain	8,255	-	8,255	11,225	-	11,225
Total other expenses, net	**76,493**	**(139,660)**	**(63,167)**	**104,004**	**(189,888)**	**(85,884)**
Increase (decrease) in net assets before foreign currency translation	**120,353**	**(139,660)**	**(19,307)**	**163,637**	**(189,888)**	**(26,251)**
Loss on foreign currency translations	-	-	-	2,543	(5,568)	(3,025)
Increase (decrease) in net assets after foreign currency translation	**120,353**	**(139,660)**	**(19,307)**	**166,180**	**(195,456)**	**(29,276)**
Net assets, beginning of the year	1,003,451	264,788	1,268,239	1,348,953	364,156	1,713,109
Net assets, end of the year	**$ 1,123,804**	**$ 125,128**	**$ 1,248,932**	**$ 1,515,133**	**$ 168,700**	**$ 1,683,833**

See Independent Auditors' Report.