

THE EARTH RANGERS FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2022



INDEPENDENT AUDITOR'S REPORT

To the Members of The Earth Rangers Foundation

Opinion

We have audited the financial statements of The Earth Rangers Foundation, which comprise the statement of financial position as at December 31, 2022, and the statements of operations and changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Earth Rangers Foundation as at December 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of The Earth Rangers Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing The Earth Rangers Foundation's financial reporting process.

INDEPENDENT AUDITOR'S REPORT, CONTINUED

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Earth Rangers Foundation's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on The Earth Rangers Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause The Earth Rangers Foundation to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Mississauga, Ontario
April 4, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS



THE EARTH RANGERS FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

	2022	2021 (Note 15)
ASSETS		
Current		
Cash	\$ 710,174	\$ 3,870,380
Short-term investments (Note 6)	3,103,481	101,702
Accounts receivable	218,336	262,416
HST rebate recoverable	76,671	71,294
Prepaid expenses	<u>218,967</u>	<u>122,833</u>
	4,327,629	4,428,625
Capital assets (Note 4)	15,930,726	16,722,245
Prepaid lease (Note 5)	555,666	588,342
	<u>\$ 20,814,021</u>	<u>\$ 21,739,212</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 6)	\$ 271,945	\$ 246,833
Deferred revenue (Note 8)	<u>3,326,143</u>	<u>3,573,440</u>
	3,598,088	3,820,273
Contributions to fund capital assets (Note 7)	<u>15,930,726</u>	<u>16,722,245</u>
	19,528,814	20,542,518
COMMITMENTS (Note 12)		
NET ASSETS		
	<u>1,285,207</u>	1,196,694
	<u>\$ 20,814,021</u>	<u>\$ 21,739,212</u>

Approved on behalf of the board

Director _____

Director _____



THE EARTH RANGERS FOUNDATION

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2022

	<i>Programs 2022 (Note 2g)</i>	<i>Other 2022 (Note 2g)</i>	<i>Total 2022</i>	<i>Programs 2021 (Note 2g)</i>	<i>Other 2021 (Note 2g)</i>	<i>Total 2021</i>
Revenue						
Donations (Note 9)	\$ 1,543,677	\$ -	\$ 1,543,677	\$ 1,240,712	\$ -	\$ 1,240,712
The Schad Foundation donation	77,505	1,483,841	1,561,346	-	896,704	896,704
Government and other grants	915,494	-	915,494	945,133	-	945,133
Other (Note 13)	197,457	40,476	237,933	-	200,234	200,234
Sponsorship	1,515,335	-	1,515,335	1,541,053	-	1,541,053
Amortization of contributions to fund capital assets (Note 7)	-	830,197	830,197	-	872,802	872,802
Interest	-	48,037	48,037	-	7,147	7,147
	<u>4,249,468</u>	<u>2,402,551</u>	<u>6,652,019</u>	<u>3,726,898</u>	<u>1,976,887</u>	<u>5,703,785</u>
Government Assistance (Note 3)	-	-	-	49,702	303,883	353,585
	<u>4,249,468</u>	<u>2,402,551</u>	<u>6,652,019</u>	<u>3,776,600</u>	<u>2,280,770</u>	<u>6,057,370</u>
Expenses						
Operating (Note 10)	4,229,765	1,483,841	5,713,606	3,710,817	1,367,896	5,078,713
Depreciation of capital assets	-	830,197	830,197	-	872,802	872,802
External program costs	19,703	-	19,703	65,783	-	65,783
	<u>4,249,468</u>	<u>2,314,038</u>	<u>6,563,506</u>	<u>3,776,600</u>	<u>2,240,698</u>	<u>6,017,298</u>
Excess of revenue over expenses for the year	-	88,513	88,513	-	40,072	40,072
Net assets, beginning of year	-	1,196,694	1,196,694	-	1,156,622	1,156,622
Net assets, end of year	<u>\$ -</u>	<u>\$ 1,285,207</u>	<u>\$ 1,285,207</u>	<u>\$ -</u>	<u>\$ 1,196,694</u>	<u>\$ 1,196,694</u>

See accompanying notes to the financial statements



THE EARTH RANGERS FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
Cash flows from operating activities		
Excess of revenue over expenses	\$ 88,513	\$ 40,072
Adjustments for items not affecting cash		
Depreciation of capital assets	830,197	872,802
Amortization of prepaid lease	32,676	32,676
Amortization of contributions to fund capital assets	(830,197)	(872,802)
Change in non-cash working capital items (Note 11)	<u>(279,616)</u>	<u>502,226</u>
	<u>(158,427)</u>	<u>574,974</u>
Cash flows from investing activities		
Purchase of capital assets	(29,678)	(31,031)
Purchase of short-term investments, net of maturities	<u>(3,001,779)</u>	<u>(102)</u>
	<u>(3,031,457)</u>	<u>(31,133)</u>
Cash flows from financing activities		
Contributions restricted for capital purposes	<u>29,678</u>	<u>31,031</u>
(Decrease) Increase in cash	(3,160,206)	574,872
Cash, beginning of year	<u>3,870,380</u>	<u>3,295,508</u>
Cash, end of year	<u>\$ 710,174</u>	<u>\$ 3,870,380</u>

See accompanying notes to the financial statements



THE EARTH RANGERS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

1. DESCRIPTION

The Earth Rangers Foundation ("Earth Rangers") was incorporated under Letters Patent on June 10, 1999 and its objectives were amended by Supplementary Letters Patent on March 2, 2011. Charitable status was received retroactive to November 1, 2000. On April 9, 2014, Earth Rangers approved its Articles of Continuance to continue from the Canada Corporations Act to the Canada Not-for-profit Corporations Act.

Earth Rangers is a registered charity and is exempt from income taxes. Earth Rangers' registration number is 89220 0528 RR0001.

The objectives of Earth Rangers are summarized as follows:

- (a) To preserve, protect, restore and improve the natural resources and environment.
- (b) To educate and increase the public's understanding of natural ecosystems by:
 - (i) establishing, providing, promoting, operating, maintaining, assisting or supporting qualified donees that have as their charitable purposes the protection, conservation or restoration of natural ecosystems;
 - (ii) educating young people about natural ecosystems, biodiversity and preservation activities and conserving natural ecosystems through programming including seminars, conferences, public forums, television programming, live shows and internet programs.
- (c) To receive and maintain a fund or funds and to apply all or part of the principal and income therefrom, from time to time:
 - (i) to and for the benefit of other qualified donees as the Board of Directors may determine, having charitable purposes and objects similar to Earth Rangers, and/or;
 - (ii) for charitable purposes of an educational nature, and in particular, to provide scholarships, fellowships, bursaries, prizes and financial assistance to young Canadians, and to provide equipment, furnishings, teaching aids, and supplies to educational institutions in Canada and to educational institutions outside Canada who are qualified donees under the provisions of the Income Tax Act (Canada).
- (d) To do all such other things as are incidental and ancillary to the above listed objects of Earth Rangers.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

(a) Cash and cash equivalents

Cash equivalents consist principally of money market funds and other highly liquid interest-bearing instruments with original maturities of three months or less.



THE EARTH RANGERS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

(b) Financial instruments

Financial instruments are initially measured and recorded in the financial statements at fair value. Short-term investments are subsequently measured at fair value, and all other financial assets are subsequently measured at cost. Financial liabilities are subsequently measured at amortized cost. For this purpose, cost is deemed to be the amount of the financial liability at the time it was originally recognized.

(c) Capital assets

Purchased capital assets are recorded at historical cost and donated capital assets are recorded at fair value at the date of contribution. Earth Rangers provides for depreciation using the straight-line method at rates designed to depreciate the cost of the capital assets over their estimated useful lives. The annual depreciation rates are as follows:

Building	Straight-line	40 years
Automotive equipment	Straight-line	10 years
Furniture, fixtures, tools and equipment	Straight-line	10 years
Land improvements	Straight-line	10 years
Website and application software	Straight-line	3 years
Data and AV equipment	Straight-line	5 years
Shows	Straight-line	3 years

Costs directly related to the development of shows are included in capital assets when Earth Rangers can reliably demonstrate that there is a future economic benefit associated with these costs. These costs are expensed over their estimated useful lives which is the number of years the shows are expected to be presented. Such costs are expensed immediately when there is insufficient evidence that the costs are recoverable.

Earth Rangers allocates salary and benefit costs related to personnel who work directly on the development of capital assets, including the website and application software.

(d) Prepaid lease payments

Prepaid lease payments are amortized over the initial term of the lease.



THE EARTH RANGERS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Revenue recognition

Earth Rangers follows the deferral method of accounting for contributions, which include donations and grants. 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. Pledges are recorded when received since they are not legally enforceable claims. Externally restricted contributions are deferred and recognized as revenue in the year in which the related expenses are recognized. Contributions used to fund capital assets are also deferred and amortized, and therefore recognized as income in the statement of operations and net assets on a straight-line basis over the estimated useful lives of the capital assets financed by those contributions.

Interest and dividend income is recorded on the accrual basis.

Government assistance is recognized when there is reasonable assurance that Earth Rangers will comply with the conditions required to qualify for the assistance and collection is reasonably assured. Earth Rangers recognizes government assistance as revenue.

Other revenue is recognized when earned and collection is reasonably assured.

(f) Contributed services and materials

Contributed services are not recognized in the financial statements. Contributed materials are recognized in the financial statements at the fair market value when acquired.

(g) Segmented information shown on the statement of operations and changes in net assets

"Programs" represent expenses related to program activities that are funded by corporations and other third parties, as well as by The Schad Foundation in the event of a deficit.

"Other" represents non-program expenses that are primarily funded by The Schad Foundation. Non-program expenses include development, finance, information technology and administration. The Schad Foundation also funds all capital assets purchased by Earth Rangers, if not otherwise funded by another external source.

Operating expenses are recognized between "programs" and "other" based on the function to which the expenses are directly related.

(h) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are accounts receivable, capital assets, government assistance, accounts payable and accrued liabilities, deferred revenue, and contributions used to fund capital assets.



THE EARTH RANGERS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

(i) Reporting of controlled entities

Earth Rangers reports its financial results on a non-consolidated basis from the results of The Earth Rangers USA Foundation, a controlled not-for-profit organization incorporated in the United States.

3. GOVERNMENT ASSISTANCE

In the prior year, Earth Rangers was eligible to receive funding from the Federal government under the Canada Emergency Wage Subsidy (CEWS) program. Under the CEWS program, Earth Rangers was entitled to receive up to 75% of an employee's wages up to a set amount per week. The amount claimed under the CEWS program during the year ended December 31, 2021 amounted to \$353,585.

4. CAPITAL ASSETS

	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>2022 Net</i>
Building	\$ 26,669,778	\$ 10,923,779	\$ 15,745,999
Automotive equipment	115,994	82,676	33,318
Furniture, fixtures, tools and equipment	2,190,359	2,108,303	82,056
Land improvements	1,662,387	1,641,243	21,144
Application software	314,995	306,215	8,780
Website	3,800,847	3,800,847	-
Data and AV equipment	1,811,772	1,789,086	22,686
Shows	44,980	44,798	182
Construction in progress	16,561	-	16,561
	<u>\$ 36,627,673</u>	<u>\$ 20,696,947</u>	<u>\$ 15,930,726</u>
	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>2021 Net</i>
Building	\$ 26,664,399	\$ 10,256,958	\$ 16,407,441
Automotive equipment	106,994	76,424	30,570
Furniture, fixtures, tools and equipment	2,188,612	2,096,380	92,232
Land improvements	1,662,387	1,630,947	31,440
Application Software	314,995	201,227	113,768
Website	3,800,847	3,799,464	1,383
Data and AV equipment	1,805,782	1,762,773	43,009
Shows	44,980	42,578	2,402
	<u>\$ 36,588,996</u>	<u>\$ 19,866,751</u>	<u>\$ 16,722,245</u>

Included in furniture, fixtures, tools and equipment is \$39,229 (2021 - \$39,229) worth of artwork that is not subject to depreciation. Construction in progress is also not subject to depreciation. During the year, Earth Rangers received a donation of a tractor which has been recorded at a fair value of \$9,000.



THE EARTH RANGERS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

5. PREPAID LEASE AND LEASE OBLIGATION

In 2002, Earth Rangers entered into a lease agreement with the Toronto Region Conservation Authority for the rental of land within the Kortright Centre for Conservation. Earth Rangers currently operates out of a building constructed on the rented land. The lease was fully paid in a prior year for a period that covers up to July 31, 2042. The lease can be extended for a minimum of another 40 years at no cost. The lease payments have been recorded as a prepaid lease on the statement of financial position and are being amortized over the initial lease term on a straight-line basis.

6. CREDIT FACILITY

Earth Rangers has a revolving demand facility of \$500,000 that is due on demand and bears interest at the bank's prime rate + 0.74%, in addition to a \$100,000 credit card facility. The facilities are secured by a general security agreement constituting a first ranking security interest in all personal property of Earth Rangers, including a guaranteed investment certificate held in the amount of \$103,481 as collateral (2021 - \$101,702). As at December 31, 2022, Earth Rangers has not used its demand facility (2021 - nil) and has accessed \$41,774 of its available credit card facility (2021 - \$41,406), included in accounts payable and accrued liabilities.

7. CONTRIBUTIONS TO FUND CAPITAL ASSETS

These contributions represent the unamortized amount of contributions received for the purchase of capital assets. The amortization of these deferred contributions is recorded as revenue in the statement of operations and net assets. The change in this balance is as follows:

	2022	2021
Balance, beginning of year	\$ 16,722,245	\$ 17,564,016
Restricted contributions transferred from deferred contributions	29,678	31,031
In-kind contributions (Notes 4 & 10)	9,000	-
Amortization	(830,197)	(872,802)
	<u>\$ 15,930,726</u>	<u>\$ 16,722,245</u>



THE EARTH RANGERS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

8. DEFERRED REVENUE

Deferred revenue represents unspent externally restricted donations and grants. These amounts are expected to be used for operating expenses in the next fiscal year and therefore are classified as current liabilities.

Deferred revenue at year-end is as follows:

	2022	2021
The Schad Foundation	\$ 2,718,557	\$ 2,809,580
Foundations and other registered charities	308,086	315,167
Government	-	24,615
Other private sources	<u>299,500</u>	<u>424,078</u>
	<u>\$ 3,326,143</u>	<u>\$ 3,573,440</u>

The changes in the deferred revenue balance are as follows:

	2022	2021
Balance, beginning of year	\$ 3,573,440	\$ 2,996,169
Externally restricted donations received		
The Schad Foundation (Note 10)	1,500,000	1,500,000
Foundations and other registered charities	308,087	315,167
Government	-	24,615
Other private sources	<u>299,500</u>	<u>424,078</u>
	<u>2,107,587</u>	<u>2,263,860</u>
Deferred revenue recognized		
The Schad Foundation	(1,561,346)	(896,704)
Foundations and other registered charities	(315,167)	(201,942)
Government	(24,615)	(7,280)
Other private sources	<u>(424,078)</u>	<u>(549,632)</u>
	<u>(2,325,206)</u>	<u>(1,655,558)</u>
Transfer of deferred contributions to fund capital assets	<u>(29,678)</u>	<u>(31,031)</u>
	<u>\$ 3,326,143</u>	<u>\$ 3,573,440</u>

9. DONATIONS

	2022	2021
Foundations and other registered charities	\$ 1,236,855	\$ 908,712
Individuals	159,644	258,965
Other private sources	<u>147,178</u>	<u>73,035</u>
	<u>\$ 1,543,677</u>	<u>\$ 1,240,712</u>



THE EARTH RANGERS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

10. RELATED PARTY TRANSACTIONS

Earth Rangers is related to The Schad Foundation by virtue of a common member. Transactions with The Schad Foundation occurred at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Earth Rangers received donations of \$1,500,000 (2021 - \$1,500,000) from The Schad Foundation which were recorded as deferred revenue (Note 8).

Earth Rangers provides administrative services to The Schad Foundation. For the year ended December 31, 2022, Earth Rangers invoiced \$30,000 (2021 - \$30,000) for services performed for The Schad Foundation.

Earth Rangers is related to The Earth Rangers USA Foundation by virtue of being its sole member and having the right to appoint all of The Earth Rangers USA's Board of Directors. The Earth Rangers USA Foundation shares the same purpose as Earth Rangers, with its intended community of service being the United States of America. The Earth Rangers USA Foundation was incorporated on September 13, 2021, and was approved as being exempt from federal income tax under Internal Revenue Code Section 501(c)(3) retroactive to the date of incorporation. There are no restrictions on the resources controlled by the entity, and there are no significant differences in accounting policies from the controlling entity.

The financial position of The Earth Rangers USA Foundation reflects assets of \$61,219, liabilities of \$61,219, and net assets of nil as at December 31, 2022. As at December 31, 2021, The Earth Rangers USA Foundation had assets, liabilities, and net assets of nil. Revenues and expenses for the year ended December 31, 2022 are nil (2021 - nil). Cash flow from operations for the year ended December 31, 2022 are \$61,219 (2021 - nil).

Earth Rangers paid consulting and professional fees of \$292,137 (2021 - \$12,139) to incorporate, organize, and fund the start-up of The Earth Rangers USA Foundation. These amounts have been expensed in Earth Rangers.

During the year, a past-chair of the Earth Rangers' Board of Directors donated a tractor in-kind to Earth Rangers. This transaction was valued in these financial statements at the fair market value of the asset received of \$9,000.

11. CHANGE IN NON-CASH WORKING CAPITAL

	2022	2021 (Note 15)
Accounts receivable	\$ 44,080	\$ (156,074)
Prepaid expenses	(96,134)	30,767
Accounts payable and accrued liabilities	25,112	48,430
HST rebate recoverable	(5,377)	1,832
Deferred revenue	(247,297)	577,271
	<u>\$ (279,616)</u>	<u>\$ 502,226</u>



THE EARTH RANGERS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

12. COMMITMENTS

As at December 31, 2022, the Earth Rangers has the following outstanding commitments with respect to leased vehicles and open purchase contracts:

2023	<u>\$ 30,350</u>
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13. OTHER REVENUE

	2022	2021
Conference and events	\$ 2,650	\$ -
Community programs	8,650	2,000
Feed-in Tariff	45,295	51,447
Rent	83,862	83,862
Facility rental	27,000	-
Gear sales	15,582	23,679
Shared services revenue	30,000	30,000
Miscellaneous	24,894	9,246
	<u>\$ 237,933</u>	<u>\$ 200,234</u>

14. FINANCIAL INSTRUMENTS

Financial instruments consist of recorded amounts of short-term investments and accounts receivable which will result in future cash receipts, as well as accounts payable and accrued liabilities which will result in future cash outlays. The carrying value of these instruments approximate their fair value due to their immediate or short-term liquidity.

It is management's opinion that Earth Rangers is not exposed to significant currency, credit, interest rate or liquidity risk.

There have been no changes to management's assessment of their exposure to the above risks from the prior year.

15. COMPARATIVE FIGURES

Certain comparative figures in the statement of financial position have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

