

THE EARTH RANGERS FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2023



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, 2023, 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, 2023, 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
March 20, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS



THE EARTH RANGERS FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

	2023	2022
ASSETS		
Current		
Cash	\$ 760,361	\$ 710,174
Short-term investments (Note 5)	2,929,257	3,103,481
Accounts receivable	269,937	218,336
HST rebate recoverable	80,096	76,671
Prepaid expenses	127,802	218,967
Due from The Earth Rangers USA Foundation (Note 9)	27,047	-
	<u>4,194,500</u>	<u>4,327,629</u>
Capital assets (Note 3)	15,358,772	15,930,726
Prepaid lease (Note 4)	522,990	555,666
	<u>\$ 20,076,262</u>	<u>\$ 20,814,021</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 5)	\$ 243,179	\$ 271,945
Deferred revenue (Note 7)	3,014,659	3,326,143
	<u>3,257,838</u>	<u>3,598,088</u>
Contributions to fund capital assets (Note 6)	15,358,772	15,930,726
	<u>18,616,610</u>	<u>19,528,814</u>
COMMITMENTS (Note 11)		
NET ASSETS	1,459,652	1,285,207
	<u>\$ 20,076,262</u>	<u>\$ 20,814,021</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, 2023

	Programs 2023 (Note 2g)	Other 2023 (Note 2g)	Total 2023	Programs 2022 (Note 2g)	Other 2022 (Note 2g)	Total 2022
Revenue						
Donations (Note 8)	\$ 1,265,949	\$ -	\$ 1,265,949	\$ 1,543,677	\$ -	\$ 1,543,677
The Schad Foundation donation (Notes 7 & 9)	621,986	1,442,548	2,064,534	77,505	1,483,841	1,561,346
Government and other grants	916,016	-	916,016	915,494	-	915,494
Other (Notes 9 & 12)	355,243	70,827	426,070	197,457	40,476	237,933
Sponsorship	1,897,097	-	1,897,097	1,515,335	-	1,515,335
Amortization of contributions to fund capital assets (Note 6)	1,193	716,839	718,032	-	830,197	830,197
Interest	-	133,618	133,618	-	48,037	48,037
	<u>5,057,484</u>	<u>2,363,832</u>	<u>7,421,316</u>	<u>4,249,468</u>	<u>2,402,551</u>	<u>6,652,019</u>
Expenses						
Operating (Note 9)	4,424,789	1,472,548	5,897,337	4,229,765	1,483,841	5,713,606
Depreciation of capital assets	1,193	716,839	718,032	-	830,197	830,197
External program costs (Note 9)	631,502	-	631,502	19,703	-	19,703
	<u>5,057,484</u>	<u>2,189,387</u>	<u>7,246,871</u>	<u>4,249,468</u>	<u>2,314,038</u>	<u>6,563,506</u>
Excess of revenue over expenses for the year	-	174,445	174,445	-	88,513	88,513
Net assets, beginning of year	-	1,285,207	1,285,207	-	1,196,694	1,196,694
Net assets, end of year	<u>\$ -</u>	<u>\$ 1,459,652</u>	<u>\$ 1,459,652</u>	<u>\$ -</u>	<u>\$ 1,285,207</u>	<u>\$ 1,285,207</u>

See accompanying notes to the financial statements



THE EARTH RANGERS FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
Cash flows from operating activities		
Excess of revenue over expenses	\$ 174,445	\$ 88,513
Adjustments for items not affecting cash		
Depreciation of capital assets	718,032	830,197
Amortization of prepaid lease	32,676	32,676
Amortization of contributions to fund capital assets	(718,032)	(830,197)
Gain on disposal of capital assets	(1,254)	-
Recognition of unamortized deferred contributions	(246)	-
Change in non-cash working capital items (Note 10)	(331,158)	(279,616)
	<u>(125,537)</u>	<u>(158,427)</u>
Cash flows from investing activities		
Purchase of capital assets	(146,324)	(29,678)
Proceeds on disposal of capital assets	1,500	-
Maturity (purchase) of short-term investments, net	174,224	(3,001,779)
	<u>29,400</u>	<u>(3,031,457)</u>
Cash flows from financing activities		
Contributions restricted for capital purposes	<u>146,324</u>	<u>29,678</u>
Increase (decrease) in cash	50,187	(3,160,206)
Cash, beginning of year	<u>710,174</u>	<u>3,870,380</u>
Cash, end of year	<u>\$ 760,361</u>	<u>\$ 710,174</u>

See accompanying notes to the financial statements



THE EARTH RANGERS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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, 2023

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, 2023

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 changes in 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, amounts owing from related parties, 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, 2023

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. CAPITAL ASSETS

	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>2023 Net</i>
Building	\$ 26,674,285	\$ 11,590,745	\$ 15,083,540
Automotive equipment	124,914	74,918	49,996
Furniture, fixtures, tools and equipment	2,192,869	2,118,860	74,009
Land improvements	1,662,387	1,648,436	13,951
Application software	314,995	314,995	-
Website	3,800,847	3,800,847	-
Data and AV equipment	1,863,747	1,806,017	57,730
Shows	52,404	45,573	6,831
Construction in progress	72,715	-	72,715
	<u>\$ 36,759,163</u>	<u>\$ 21,400,391</u>	<u>\$ 15,358,772</u>
	<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>

Included in furniture, fixtures, tools and equipment is \$39,229 (2022 - \$39,229) worth of artwork that is not subject to depreciation. Construction in progress is also not subject to depreciation. In the prior year, Earth Rangers received a donation of a tractor which was recorded at a fair value of \$9,000.



THE EARTH RANGERS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

4. 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.

5. 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 \$104,257 as collateral (2022 - \$103,481). As at December 31, 2023, Earth Rangers has not used its demand facility (2022 - nil) and has accessed \$40,607 of its available credit card facility (2022 - \$41,774), included in accounts payable and accrued liabilities.

6. 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:

	2023	2022
Balance, beginning of year	\$ 15,930,726	\$ 16,722,245
Restricted contributions transferred from deferred contributions	146,324	29,678
Recognized in revenue on asset disposal	(246)	-
In-kind contributions (Notes 3 & 9)	-	9,000
Amortization	(718,032)	(830,197)
	<u>\$ 15,358,772</u>	<u>\$ 15,930,726</u>



THE EARTH RANGERS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

7. 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:

	2023	2022
The Schad Foundation	\$ 2,017,267	\$ 2,718,557
Foundations and other registered charities	602,958	308,086
Government	52,691	-
Other private sources	341,743	299,500
	<u>\$ 3,014,659</u>	<u>\$ 3,326,143</u>

The changes in the deferred revenue balance are as follows:

	2023	2022
Balance, beginning of year	\$ 3,326,143	\$ 3,573,440
Externally restricted donations received		
The Schad Foundation (Note 9)	1,500,000	1,500,000
Foundations and other registered charities	602,958	308,087
Government	52,691	-
Other private sources	341,743	299,500
	<u>2,497,392</u>	<u>2,107,587</u>
Deferred revenue recognized		
The Schad Foundation	(2,064,534)	(1,561,346)
Foundations and other registered charities	(308,086)	(315,167)
Government	-	(24,615)
Other private sources	(299,500)	(424,078)
	<u>(2,672,120)</u>	<u>(2,325,206)</u>
Transfer of deferred contributions to fund capital assets	<u>(136,756)</u>	<u>(29,678)</u>
	<u>\$ 3,014,659</u>	<u>\$ 3,326,143</u>

8. DONATIONS

	2023	2022
Foundations and other registered charities	\$ 933,564	\$ 1,236,855
Individuals	129,746	159,644
Other private sources	202,639	147,178
	<u>\$ 1,265,949</u>	<u>\$ 1,543,677</u>



THE EARTH RANGERS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

9. 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 (2022 - \$1,500,000) from The Schad Foundation which were recorded as deferred revenue (Note 7).

Earth Rangers provides administrative services to The Schad Foundation. For the year ended December 31, 2023, Earth Rangers invoiced \$30,000 (2022 - \$30,000) for services performed for The Schad Foundation which was recorded as other revenue within non-program activities.

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 \$130,156 (2022 - \$61,219), liabilities of \$97,839 (2022 - \$61,219), and net assets of \$32,317 (2022 - nil) as at December 31, 2023. Revenues for the year ended December 31, 2023 are \$830,856 (2022 - nil). Expenses for the year ended December 31, 2023 are \$796,997 (2022 - nil). Cash flows from operations for the year ended December 31, 2023 are \$40,005 (2022 - \$61,219).

The amount receivable from The Earth Rangers USA Foundation is non-interest bearing and without specific terms of repayment.

Earth Rangers provided a funding grant of \$620,862 to The Earth Rangers USA Foundation to support the expansion of The Earth Rangers USA Foundation in 2023 which was recorded as part of external program costs within program activities.

Earth Rangers provides administrative services to The Earth Rangers USA Foundation. For the year ended December 31, 2023, Earth Rangers invoiced \$188,000 (2022 - nil) for services performed for The Earth Rangers USA Foundation which was recorded as other revenue within program activities.

In the prior year, Earth Rangers paid consulting and professional fees of \$292,137 to incorporate, organize, and fund the start-up of The Earth Rangers USA Foundation. These amounts have been recorded in Earth Rangers as operating expenses within program activities.

In the prior 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.



THE EARTH RANGERS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

10. CHANGE IN NON-CASH WORKING CAPITAL

	2023	2022
Accounts receivable	\$ (51,601)	\$ 44,080
Prepaid expenses	91,165	(96,134)
Due from The Earth Rangers USA Foundation	(27,047)	-
Accounts payable and accrued liabilities	(28,766)	25,112
HST rebate recoverable	(3,425)	(5,377)
Deferred revenue	(311,484)	(247,297)
	<u>\$ (331,158)</u>	<u>\$ (279,616)</u>

11. COMMITMENTS

As at December 31, 2023, the Earth Rangers has the following outstanding commitments with respect to leased office equipment:

2024	\$ 2,305
2025	2,305
2026	1,729
	<u>\$ 6,339</u>

12. OTHER REVENUE

	2023	2022
Conference and events	\$ 13,800	\$ 2,650
Community programs	23,000	8,650
Feed-in Tariff	46,582	45,295
Rent	83,862	83,862
Facility rental	-	27,000
Gear sales	17,037	15,582
Shared services revenue	218,000	30,000
Miscellaneous	23,789	24,894
	<u>\$ 426,070</u>	<u>\$ 237,933</u>



THE EARTH RANGERS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

13. 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 credit, interest rate or liquidity risks.

During the year, Earth Rangers' exposure to currency risk changed from the previous year as a result of its commitment to provide funding to Earth Rangers USA Foundation which is denominated in US dollars. Additionally, as at December 31, 2023, accounts receivable of \$27,302 owing from Earth Rangers USA Foundation is denominated in US dollars and converted into Canadian dollars within the financial statements.

Other than the change in exposure to currency risk noted above, there have been no changes to management's assessment of their exposure to the above risks from the prior year.

