

# **THE EARTH RANGERS FOUNDATION**

FINANCIAL STATEMENTS

DECEMBER 31, 2024

## 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, 2024, 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, 2024, 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.

### *Other Matter*

The financial statements of The Earth Rangers Foundation for the year ended December 31, 2023, were audited by MacGillivray Brampton who expressed an unmodified opinion on those statements on March 20, 2024. The partners and staff of MacGillivray Brampton joined Doane Grant Thornton LLP on February 1, 2025.

### *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  
May 30, 2025

CHARTERED PROFESSIONAL ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS

**THE EARTH RANGERS FOUNDATION**

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

|  | 2024                        | 2023                        |
|--|-----------------------------|-----------------------------|
| <b>ASSETS</b>  |                             |                             |
| <b>Current</b>                                       |                             |                             |
| Cash   | \$ 1,228,231                | \$ 760,361                  |
| Short-term investments (Note 6)                      | 3,181,603                   | 2,929,257                   |
| Accounts receivable (Note 10)                        | 279,284                     | 269,937                     |
| HST rebate recoverable                               | 75,212                      | 80,096                      |
| Prepaid expenses                                     | 126,184                     | 127,802                     |
| Due from The Earth Rangers USA Foundation (Note 10)  | 199,074                     | 27,047                      |
|  | <u>5,089,588</u>            | <u>4,194,500</u>            |
| <b>Capital assets (Note 3)</b>                       | <b>14,738,451</b>           | <b>15,358,772</b>           |
| <b>Prepaid lease (Note 5)</b>                        | <b>490,314</b>              | <b>522,990</b>              |
|  | <u><b>\$ 20,318,353</b></u> | <u><b>\$ 20,076,262</b></u> |
| <b>LIABILITIES</b>                                   |                             |                             |
| <b>Current</b>                                       |                             |                             |
| Accounts payable and accrued liabilities (Note 6)    | \$ 290,907                  | \$ 243,179                  |
| Deferred contributions (Note 8)                      | 3,661,604                   | 3,014,659                   |
|  | <u>3,952,511</u>            | <u>3,257,838</u>            |
| <b>Contributions to fund capital assets (Note 7)</b> | <b>14,738,451</b>           | <b>15,358,772</b>           |
|  | <u><b>18,690,962</b></u>    | <u><b>18,616,610</b></u>    |
| <b>COMMITMENTS (Note 12)</b>                         |                             |                             |
| <b>UNRESTRICTED NET ASSETS</b>                       | <b>1,627,391</b>            | <b>1,459,652</b>            |
|  | <u><b>\$ 20,318,353</b></u> | <u><b>\$ 20,076,262</b></u> |

Approved on behalf of the board

Director \_\_\_\_\_

Director \_\_\_\_\_

See accompanying notes to the financial statements

# THE EARTH RANGERS FOUNDATION

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2024

|  | <b>Programs<br/>2024<br/>(Note 2g)</b> | <b>Other<br/>2024<br/>(Note 2g)</b> | <b>Total<br/>2024</b> | <b>Programs<br/>2023<br/>(Note 2g)</b> | <b>Other<br/>2023<br/>(Note 2g)</b> | <b>Total<br/>2023</b> |
|--|--|-------------------------------------|-----------------------|--|-------------------------------------|-----------------------|
| <b>Revenue</b>   |  |                                     |                       |  |                                     |                       |
| Donations (Note 9)   | \$ 1,692,900                           | \$ -                                | \$ 1,692,900          | \$ 1,265,949                           | \$ -                                | \$ 1,265,949          |
| The Schad Foundation donation<br>(Notes 8 & 10)                  | 85,067                                 | 1,403,271                           | 1,488,338             | 621,986                                | 1,442,548                           | 2,064,534             |
| Government and other grants                                      | 1,003,391                              | -                                   | 1,003,391             | 916,016                                | -                                   | 916,016               |
| Other (Notes 10 & 13)  | 365,463                                | 67,691                              | 433,154               | 355,243                                | 70,827                              | 426,070               |
| Sponsorship  | 1,521,526                              | -                                   | 1,521,526             | 1,897,097                              | -                                   | 1,897,097             |
| Amortization of contributions to fund capital<br>assets (Note 7) | 3,432                                  | 713,150                             | 716,583               | 1,193                                  | 716,839                             | 718,032               |
| Interest   | -                                      | 130,048                             | 130,048               | -                                      | 133,618                             | 133,618               |
|  | <u>4,671,779</u>                       | <u>2,314,160</u>                    | <u>6,985,940</u>      | <u>5,057,484</u>                       | <u>2,363,832</u>                    | <u>7,421,316</u>      |
| <b>Expenses</b>  |  |                                     |                       |  |                                     |                       |
| Operating  | 4,517,339                              | 1,433,271                           | 5,950,610             | 4,424,789                              | 1,472,548                           | 5,897,337             |
| Depreciation of capital assets                                   | 3,432                                  | 713,150                             | 716,583               | 1,193                                  | 716,839                             | 718,032               |
| External program costs (Note 10)                                 | 151,008                                | -                                   | 151,008               | 631,502                                | -                                   | 631,502               |
|  | <u>4,671,779</u>                       | <u>2,146,421</u>                    | <u>6,818,201</u>      | <u>5,057,484</u>                       | <u>2,189,387</u>                    | <u>7,246,871</u>      |
| <b>Excess of revenue over expenses for<br/>the year</b>          | -                                      | 167,739                             | 167,739               | -                                      | 174,445                             | 174,445               |
| <b>Net assets, beginning of year</b>                             | -                                      | 1,459,652                           | 1,459,652             | -                                      | 1,285,207                           | 1,285,207             |
| <b>Net assets, end of year</b>                                   | <u>\$ -</u>                            | <u>\$ 1,627,391</u>                 | <u>\$ 1,627,391</u>   | <u>\$ -</u>                            | <u>\$ 1,459,652</u>                 | <u>\$ 1,459,652</u>   |

See accompanying notes to the financial statements

**THE EARTH RANGERS FOUNDATION**

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

|  | 2024                | 2023              |
|--|---------------------|-------------------|
| <b>Cash flows from operating activities</b>          |                     |                   |
| Excess of revenue over expenses                      | \$ 167,739          | \$ 174,445        |
| Adjustments for items not affecting cash             |                     |                   |
| Depreciation of capital assets                       | 716,583             | 718,032           |
| Amortization of prepaid lease                        | 32,676              | 32,676            |
| Amortization of contributions to fund capital assets | (716,583)           | (718,032)         |
| Gain on disposal of capital assets                   | -                   | (1,254)           |
| Recognition of unamortized deferred contributions    | -                   | (246)             |
| Change in non-cash working capital items (Note 11)   | 519,801             | (331,158)         |
|  | <u>720,216</u>      | <u>(125,537)</u>  |
| <b>Cash flows from investing activities</b>          |                     |                   |
| Purchase of capital assets                           | (96,262)            | (146,324)         |
| Proceeds on disposal of capital assets               | -                   | 1,500             |
| (Purchase) maturity of short-term investments, net   | (252,346)           | 174,224           |
|  | <u>(348,608)</u>    | <u>29,400</u>     |
| <b>Cash flows from financing activities</b>          |                     |                   |
| Contributions restricted for capital purposes        | 96,262              | 146,324           |
| <b>Increase in cash</b>                              | <b>467,870</b>      | <b>50,187</b>     |
| <b>Cash, beginning of year</b>                       | <b>760,361</b>      | <b>710,174</b>    |
| <b>Cash, end of year</b>                             | <b>\$ 1,228,231</b> | <b>\$ 760,361</b> |

See accompanying notes to the financial statements

# THE EARTH RANGERS FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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### 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:

# THE EARTH RANGERS FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

#### (a) Financial instruments

Earth Rangers considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. Earth Rangers accounts for the following as financial instruments:

- cash
- short-term investments
- accounts receivable
- accounts payable

#### Financial instruments in arm's length transactions

##### *Initial measurement*

Earth Rangers initially measures financial assets and financial liabilities originating, acquired, issued or assumed in arm's length transactions at fair value.

##### *Subsequent measurement*

Earth Rangers subsequently measures these financial assets and financial liabilities at amortized cost, except for short-term investments which are measured at fair value. Changes in financial instruments measured at fair value are recognized in excess of revenue over expenses for the year.

##### *Financing fees and transaction costs*

At initial recognition, the value of financial assets and financial liabilities in arm's length transactions that are subsequently measured at cost or amortized cost are adjusted for financing fees and transaction costs that are directly attributable to their origination, acquisition, issuance or assumption. The fees and costs are subsequently amortized into excess of revenue over expenses for the year on a straight-line basis over the term of the related debt. All other transaction costs are recognized in excess of revenue over expenses in the period incurred.

##### *Derecognition*

Earth Rangers removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

##### *Impairment*

Financial assets measured at cost or amortized cost are tested for impairment when indicators of impairment exist at the end of the reporting period. Previously recognized impairment losses are reversed to the extent of the improvement provided the financial asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in excess of revenue over expenses for the year.



THE EARTH RANGERS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

(a) Financial instruments, continued

Financial instruments in related party transactions

*Initial measurement*

Financial assets and financial liabilities in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value. Earth Rangers does not have any financial assets or financial liabilities in related party transactions which are initially measured at fair value.

Gains or losses arising on initial measurement differences are generally recognized in excess of revenue over expenses for the year when the transaction is in the normal course of operations, and in equity when the transaction is not in the normal course of operations, subject to certain exceptions.

*Subsequent measurement*

Financial assets and financial liabilities recognized in related party transactions are subsequently measured based on how Earth Rangers initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets. Financial instruments initially measured at fair value, of which Earth Rangers has none, would be subsequently measured at amortized cost or fair value based on certain conditions.

(b) 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 |
| 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.

When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the tangible capital asset shall be written down to the lesser of the asset's fair value or replacement cost.

THE EARTH RANGERS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Intangible assets

Intangible assets are recorded at cost. Earth Rangers allocates salary and benefit costs related to personnel who work directly on the development of intangible assets, including the website and application software.

The Earth Rangers provides for amortization using the straight-line method at rates designed to amortize the cost of the intangible assets over their estimated useful lives. The annual amortization rates are as follows:

|                      |         |
|----------------------|---------|
| Application software | 3 years |
| Website              | 3 years |

(d) Prepaid lease payments

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

(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.

# THE EARTH RANGERS FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

#### (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 allowance for doubtful accounts, useful lives of capital assets, accrued liabilities, deferred contributions, and contributions used to fund capital assets.

#### (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.

#### (j) Cloud computing arrangements

Earth Rangers applies the simplification approach to account for expenditures in cloud computing arrangements, and recognizes the expenditure as an expense when it receives the services. During the year, Earth Rangers expensed \$4,381 (2023 - nil) of implementation costs relating to cloud computing arrangements in operating expenses.

# THE EARTH RANGERS FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

### 3. CAPITAL ASSETS

|  | <i>Cost</i>          | <i>Accumulated<br/>Depreciation</i> | <i>2024<br/>Net</i>  |
|--|----------------------|-------------------------------------|----------------------|
| Building                                 | \$ 26,747,001        | \$ 12,259,089                       | \$ 14,487,912        |
| Automotive equipment                     | 171,730              | 82,223                              | 89,507               |
| Furniture, fixtures, tools and equipment | 2,192,869            | 2,128,217                           | 64,652               |
| Land improvements                        | 1,662,387            | 1,654,424                           | 7,963                |
| Data and AV equipment                    | 1,913,193            | 1,829,137                           | 84,056               |
| Shows                                    | 52,404               | 48,043                              | 4,361                |
|  | <u>\$ 32,739,584</u> | <u>\$ 18,001,133</u>                | <u>\$ 14,738,451</u> |
|  | <i>Cost</i>          | <i>Accumulated<br/>Depreciation</i> | <i>2023<br/>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               |
| 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>\$ 32,643,321</u> | <u>\$ 17,284,549</u>                | <u>\$ 15,358,772</u> |

Included in furniture, fixtures, tools and equipment is \$39,229 (2023 - \$39,229) worth of artwork that is not subject to depreciation. Construction in progress is also not subject to depreciation.

### 4. INTANGIBLE ASSETS

|                      | <i>Cost</i>         | <i>Accumulated<br/>Amortization</i> | <i>2024<br/>Net</i> | <i>2023<br/>Net</i> |
|----------------------|---------------------|-------------------------------------|---------------------|---------------------|
| Application software | \$ 3,800,847        | \$ 3,800,847                        | \$ -                | \$ -                |
| Website              | 314,995             | 314,995                             | -                   | -                   |
|                      | <u>\$ 4,115,842</u> | <u>\$ 4,115,842</u>                 | <u>\$ -</u>         | <u>\$ -</u>         |

### 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.

# THE EARTH RANGERS FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

### 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 \$106,603 as collateral (2023 - \$104,257). As at December 31, 2024, Earth Rangers has not used its demand facility (2023 - nil) and has accessed \$34,687 of its available credit card facility (2023 - \$40,607), 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:

|  | 2024                 | 2023                 |
|--|----------------------|----------------------|
| Balance, beginning of year                             | \$ 15,358,772        | \$ 15,930,726        |
| Restricted contributions received for capital purposes | 96,262               | 146,324              |
| Recognized in revenue on asset disposal                | -                    | (246)                |
| Amortization   | (716,583)            | (718,032)            |
|  | <u>\$ 14,738,451</u> | <u>\$ 15,358,772</u> |

### 8. DEFERRED CONTRIBUTIONS

Deferred contributions 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 contributions at year-end is as follows:

|  | 2024                | 2023                |
|--|---------------------|---------------------|
| The Schad Foundation                       | \$ 1,948,346        | \$ 2,017,267        |
| Foundations and other registered charities | 1,345,833           | 602,958             |
| Government                                 | 124,513             | 52,691              |
| Other private sources                      | <u>242,912</u>      | <u>341,743</u>      |
|  | <u>\$ 3,661,604</u> | <u>\$ 3,014,659</u> |

# THE EARTH RANGERS FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

### 8. DEFERRED CONTRIBUTIONS, continued

The changes in the deferred contributions balance are as follows:

|   | 2024                | 2023                |
|---|---------------------|---------------------|
| Balance, beginning of year                                | \$ 3,014,659        | \$ 3,326,143        |
| Externally restricted donations received                  |                     |                     |
| The Schad Foundation (Note 10)                            | 1,500,000           | 1,500,000           |
| Foundations and other registered charities                | 1,345,833           | 602,958             |
| Government  | 124,513             | 52,691              |
| Other private sources                                     | 242,912             | 341,743             |
|   | <u>3,213,258</u>    | <u>2,497,392</u>    |
| Deferred contributions recognized                         |                     |                     |
| The Schad Foundation                                      | (1,488,338)         | (2,064,534)         |
| Foundations and other registered charities                | (602,958)           | (308,086)           |
| Government  | (52,691)            | -                   |
| Other private sources                                     | (341,743)           | (299,500)           |
|   | <u>(2,485,730)</u>  | <u>(2,672,120)</u>  |
| Transfer of deferred contributions to fund capital assets | <u>(80,583)</u>     | <u>(136,756)</u>    |
|   | <u>\$ 3,661,604</u> | <u>\$ 3,014,659</u> |

### 9. DONATIONS

|  | 2024                | 2023                |
|--|---------------------|---------------------|
| Foundations and other registered charities | \$ 1,245,855        | \$ 933,564          |
| Individuals                                | 223,962             | 129,746             |
| Other private sources                      | 223,083             | 202,639             |
|  | <u>\$ 1,692,900</u> | <u>\$ 1,265,949</u> |

# THE EARTH RANGERS FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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### 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 (2023 - \$1,500,000) from The Schad Foundation which were recorded as deferred contributions (Note 8). Subsequent to year-end, Earth Rangers received a letter of intent from The Schad Foundation to donate a total of \$6,500,000 over the next four years.

Earth Rangers provides administrative services to The Schad Foundation. For the year ended December 31, 2024, Earth Rangers invoiced \$30,000 (2023 - \$30,000) for services performed for The Schad Foundation which was recorded as other revenue within non-program activities. As at December 31, 2024, there is \$2,500 (2023 - \$2,500) included in accounts receivable that is due from 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 \$262,409 (2023 - \$130,156), liabilities of \$219,905 (2023 - \$97,839), and net assets of \$42,504 (2023 - \$32,317) as at December 31, 2024. Revenues for the year ended December 31, 2024 are \$406,440 (2023 - \$830,856). Expenses for the year ended December 31, 2024 are \$406,440 (2023 - \$796,997). Cash flows from operations for the year ended December 31, 2024 are \$113,223 (2023 - \$40,005).

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 \$111,538 (2023 - \$620,862) to The Earth Rangers USA Foundation to support the expansion of The Earth Rangers USA Foundation 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, 2024, Earth Rangers invoiced \$188,000 (2023 - \$188,000) for services performed for The Earth Rangers USA Foundation which was recorded as other revenue within program activities.

# THE EARTH RANGERS FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

### 11. CHANGE IN NON-CASH WORKING CAPITAL

|   | 2024              | 2023                |
|---|-------------------|---------------------|
| Accounts receivable                       | \$ (9,347)        | \$ (51,601)         |
| Prepaid expenses                          | 1,618             | 91,165              |
| Due from The Earth Rangers USA Foundation | (172,027)         | (27,047)            |
| Accounts payable and accrued liabilities  | 47,728            | (28,766)            |
| HST rebate recoverable                    | 4,884             | (3,425)             |
| Deferred contributions                    | 646,945           | (311,484)           |
|   | <u>\$ 519,801</u> | <u>\$ (331,158)</u> |

### 12. COMMITMENTS

As at December 31, 2024, the Earth Rangers has the following outstanding commitments with respect to leased office equipment:

|      |                 |
|------|-----------------|
| 2025 | \$ 2,305        |
| 2026 | 1,729           |
|      | <u>\$ 4,034</u> |

### 13. OTHER REVENUE

|                         | 2024              | 2023              |
|-------------------------|-------------------|-------------------|
| Conference and events   | \$ 19,550         | \$ 13,800         |
| Community programs      | 17,000            | 23,000            |
| Feed-in Tariff          | 48,666            | 46,582            |
| Rent                    | 92,248            | 83,862            |
| Gear sales              | 9,074             | 17,037            |
| Shared services revenue | 218,000           | 218,000           |
| Miscellaneous           | 28,616            | 23,789            |
|                         | <u>\$ 433,154</u> | <u>\$ 426,070</u> |



# THE EARTH RANGERS FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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### 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 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.

In 2023, Earth Rangers' exposure to currency risk changed 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, 2024, accounts receivable of \$199,074 (2023 - \$27,047) owing from Earth Rangers USA Foundation is denominated in US dollars and converted into Canadian dollars within the financial statements.

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