

Variety - The Children's Charity (Ontario)

Consolidated Financial Information

For the Year Ended September 30, 2022

COMPILATION ENGAGEMENT REPORT

To Management of Variety - The Children's Charity (Ontario)

On the basis of information provided by management, we have compiled the consolidated statement of financial position of Variety - The Children's Charity (Ontario) as at September 30, 2022, and the consolidated statements of operations and changes in net assets and cash flows for the year then ended, and Note 2, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

RSM Canada LLP


Chartered Professional Accountants
Licensed Public Accountants
December 15, 2022
Toronto, Ontario

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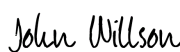
Variety - The Children's Charity (Ontario)
Consolidated Statement of Financial Position
As at September 30, 2022

	2022	2021
Assets		
Current		
Cash	\$ 1,947,939	\$ 1,649,614
Accounts receivable	173,471	299,914
Investments	17,083	52,083
Prepaid expenses	134,220	26,192
	2,272,713	2,027,803
Endowment investments	493,640	550,923
Capital assets	7,082,511	6,213,534
Intangible assets	28,427	38,874
	\$ 9,877,291	\$ 8,831,134
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 709,934	\$ 422,705
Deferred revenue	335,944	378,060
Current portion of long-term debt	137,261	126,500
	1,183,139	927,265
Long-term debt	687,973	852,821
	1,871,112	1,780,086
Deferred contributions	889,619	658,996
Deferred contributions related to capital assets	4,968,466	4,381,469
	7,729,197	6,820,551
Net assets		
Endowments	494,938	494,782
Invested in capital assets	1,317,238	921,618
Operating	335,918	594,183
	2,148,094	2,010,583
	\$ 9,877,291	\$ 8,831,134

Approved by the Board

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Chair

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Treasurer

Variety - The Children's Charity (Ontario)
Consolidated Statement of Changes in Net Assets
Year Ended September 30, 2022

	Endowments	Invested in Capital Assets	Operating	Total 2022	Total 2021
Net assets, beginning of year	\$ 494,782	\$ 921,618	\$ 594,183	\$ 2,010,583	\$ 2,109,503
Excess (deficiency) of revenue over expenses	-	(233,629)	370,984	137,355	(99,203)
Deferred contributions received	-	(1,041,410)	1,041,410	-	-
Endowment income	156	-	-	156	283
Repayment of debt	-	124,087	(124,087)	-	-
Purchase of capital assets	-	1,528,486	(1,528,486)	-	-
Purchase of intangible assets	-	18,086	(18,086)	-	-
Net assets, end of the year	\$ 494,938	\$ 1,317,238	\$ 335,918	\$ 2,148,094	\$ 2,010,583

Variety - The Children's Charity (Ontario)**Consolidated Statement of Operations****Year Ended September 30, 2022**

	2022	2021
Revenue		
Fitness club membership	\$ 1,453,322	\$ 316,713
Program fees and contributions	1,306,336	945,365
Fundraising, net (Schedule 1)	1,006,033	1,074,910
Provincial grant	1,000,000	1,000,000
Government COVID-19 subsidies	425,206	1,097,407
Team fees and contributions	253,642	175,178
Rentals	224,084	85,278
Gaming operations, net (Schedule 8)	63,236	81,297
Other	53,568	12,732
Education	40,578	121,601
Investment income	34,835	18,854
Endowment investments unrealized (loss) gain	(74,467)	26,891
	5,786,373	4,956,226
Expenses		
Administration (Schedule 6)	1,372,147	1,276,345
Fitness club (Schedule 2)	1,218,679	776,066
Building services (Schedule 7)	964,765	817,629
Programs (Schedule 3)	927,033	991,623
Teams (Schedule 4)	319,958	196,737
Education (Schedule 5)	118,235	126,908
	4,920,817	4,185,308
Excess of revenue over expenses before the undernoted	865,556	770,918
Interest expense	40,159	78,729
Amortization of capital and intangible assets	688,042	791,392
	728,201	870,121
Excess (deficiency) of revenue over expenses	\$ 137,355	\$ (99,203)

Variety - The Children's Charity (Ontario)**Consolidated Statement of Cash Flows****Year Ended September 30, 2022**

	2022	2021
Operating activities		
Excess (deficiency) of revenue over expenses	\$ 137,355	\$ (99,203)
Non-cash items:		
Amortization of capital and intangible assets	688,042	791,392
Amortization of deferred contributions	(867,291)	(1,495,621)
Amortization of deferred contributions related to capital assets	(454,413)	(456,021)
CEBA loan forgivable portion	-	(10,000)
Deferred contributions received	1,097,914	1,479,974
Deferred contributions received related to capital assets	1,041,410	375,907
Change in non-cash operating balances	263,528	(115,886)
Endowment investments unrealized loss (gain)	74,467	(26,889)
Endowment investments distributions received	(17,028)	(12,277)
	1,963,984	431,376
Investing activities		
Proceeds from sale of investments	35,000	-
Purchase of capital assets	(1,528,486)	(267,959)
Purchase of intangible assets	(18,086)	(20,082)
	(1,511,572)	(288,041)
Financing activities		
Repayment of long-term debt	(124,087)	(145,092)
Repayment of CEBA loan	(30,000)	-
	(154,087)	(145,092)
Net change in cash	298,325	(1,757)
Cash, beginning of year	1,649,614	1,651,371
Cash, end of year	\$ 1,947,939	\$ 1,649,614

Variety - The Children's Charity (Ontario)

Notes to Consolidated Financial Information

September 30, 2022

1. NATURE OF THE ORGANIZATION

Variety - The Children's Charity (Ontario) (the "Organization") is a unique charitable organization. The Organization is a registered charity under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements are met.

For over 70 years, the Organization has been breaking down barriers to accessibility for education, sport and fitness, and now throughout communities across Ontario. Through participation in sport, fitness and recreation, the Organization helps children with disabilities build their skills and confidence to become active and contributing members of the community, develop and learn physical as well as social skills, and have their emotional and social needs met.

The Organization delivers its programming at the Variety Village facilities and throughout communities across Ontario. In addition to delivering programs, the Organization operates a number of social enterprises to support the charitable mission; including, a Fitness Club, the Rehabilitation to Community Program, an Active Aging Club, and an Adult Day Program.

The Organization is a not-for-profit organization. The Organization exercises control over Variety Village and Variety Club of Ontario Tent 28 by virtue of a common Board of Directors and through the Organization's control and direction of resources. All entities are registered under the laws of Ontario as a corporation without share capital.

2. BASIS OF ACCOUNTING

The basis of accounting applied in the preparation of the financial information of Variety - The Children's Charity (Ontario) is the historical cost basis with accruals, reflecting cash transactions with the additions of:

- Accounts receivable less an allowance for doubtful accounts
- Investments recorded at fair market value
- Capital and intangible assets amortized over their useful life
- Accounts payable and accrued liabilities
- Deferred revenue and contributions

3. BASIS OF PRESENTATION

The consolidated financial information includes the accounts of Variety - The Children's Charity (Ontario), Variety Village and Variety Club of Ontario - Tent 28. Intercompany transactions and balances are eliminated on consolidation.

Variety - The Children's Charity (Ontario)
Consolidated Schedule of Fundraising - Schedule 1
Year Ended September 30, 2022

	Revenue	Expenses	2022	2021
Events				
Golf tournaments	\$ 205,000	\$ 2,165	\$ 202,835	\$ 30,500
Pizza Nova day	203,402	7,258	196,144	197,202
In the Spotlight	-	865	(865)	-
Toronto Sun Fund	105,902	1,000	104,902	76,218
Gala	105,187	18,169	87,018	(333)
World's Greatest Holiday Party	20,194	6,112	14,082	19,667
Raffles	18,097	13,123	4,974	3,809
Other events	144,347	98,030	46,317	29,594
	802,129	146,722	655,407	356,657
Annual campaigns				
General fundraising	9,781	-	9,781	-
Unsolicited contributions	151,492	27,125	124,367	310,694
Planned gifts	164,649	-	164,649	86,043
Direct mail	1,995	5,123	(3,128)	5,472
Corporate	22,730	-	22,730	-
Government grants	4,434	-	4,434	156,013
Grants	-	-	-	13,943
Amortization of deferred contributions related to capital assets	366,530	-	366,530	370,208
	721,611	32,248	689,363	942,373
	\$ 1,523,740	\$ 178,970	1,344,770	1,299,030
Expenses				
Salaries and benefits			329,897	220,700
Professional fees			2,018	1,804
Office and general			6,822	1,616
			338,737	224,120
Excess of fundraising revenue over expenses			\$ 1,006,033	\$ 1,074,910

Variety - The Children's Charity (Ontario)
Consolidated Schedule of Fitness Club Expenses - Schedule 2
Year Ended September 30, 2022

	2022	2021
Salaries and benefits	\$ 1,075,821	\$ 735,606
Employee related expenses	2,191	2,831
Cost of sales	64,589	6,701
Equipment, repairs and supplies	10,076	6,640
Office and general	66,002	24,288
	\$ 1,218,679	\$ 776,066

Variety - The Children's Charity (Ontario)
Consolidated Schedule of Programs Expenses - Schedule 3
Year Ended September 30, 2022

	2022	2021
Salaries and benefits	\$ 853,942	\$ 687,658
Employee related expenses	9,761	4,340
Professional fees	1,991	132
Program expenses	18,159	264,253
Office and general	43,180	35,240
	\$ 927,033	\$ 991,623

Variety - The Children's Charity (Ontario)
Consolidated Schedule of Teams Expenses - Schedule 4
Year Ended September 30, 2022

	2022	2021
Salaries and benefits	\$ 220,506	\$ 163,892
Employee related expenses	869	-
Travel expenses	15,873	-
Tournament and registration costs	15,467	16,777
Equipment, repairs and maintenance	16,283	8,481
Office and general	50,960	7,587
	\$ 319,958	\$ 196,737

Variety - The Children's Charity (Ontario)
Consolidated Schedule of Education Expenses - Schedule 5
Year Ended September 30, 2022

	2022	2021
Salaries and benefits	\$ 114,252	\$ 86,709
Office and general	3,983	40,199
	\$ 118,235	\$ 126,908

Variety - The Children's Charity (Ontario)
Consolidated Schedule of Administration Expenses- Schedule 6
Year Ended September 30, 2022

	2022	2021
Salaries and benefits	\$ 793,287	\$ 817,314
Employee related expenses	759	1,584
Insurance	217,646	197,606
Professional fees	245,199	176,602
Office and general	115,256	83,239
	\$ 1,372,147	\$ 1,276,345

Variety - The Children's Charity (Ontario)
Consolidated Schedule of Building Services Expenses - Schedule 7
Year Ended September 30, 2022

	2022	2021
Salaries and benefits	\$ 115,271	\$ 201,782
Equipment, repairs and maintenance	165,004	134,598
Building supplies	60,620	19,192
Cleaning services	252,832	83,406
Utilities	368,710	375,246
Office and general	2,328	3,405
	\$ 964,765	\$ 817,629

Variety - The Children's Charity (Ontario)
Consolidated Schedule of Gaming Operations - Schedule 8
Year Ended September 30, 2022

	2022	2021
Gross revenue		
Nevada	\$ 100,649	\$ 138,876
Less: Licence and management fees	37,413	57,579
Excess of gaming revenue over expenses	\$ 63,236	\$ 81,297