

**Variety - The Children's Charity
(Ontario)**

Non-consolidated Financial Statements

For the Year Ended September 30, 2022

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Variety - The Children's Charity (Ontario)

Opinion

We have audited the non-consolidated financial statements of Variety - The Children's Charity (Ontario), (the Organization), which comprise the non-consolidated statement of financial position as at September 30, 2022 and the non-consolidated statements of changes in net assets, operations and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Organization as at September 30, 2022, and the results of its non-consolidated operations and its non-consolidated 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 Non-consolidated Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the non-consolidated 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 Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 non-consolidated financial statements.

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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 non-consolidated 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 Organization'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 Organization'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 non-consolidated 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 Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated 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.


RSM Canada LLP

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


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

	2022	2021
Assets		
Current		
Cash	\$ 1,230,318	\$ 1,314,783
Accounts receivable (Note 3)	47,213	58,895
Investments (Note 4)	17,083	52,083
Prepaid expenses	100,708	8,247
Due from related parties (Note 7)	-	150
	1,395,322	1,434,158
Endowment investments (Note 4)	382,537	431,751
Tangible capital assets (Note 5)	6,947,179	6,072,947
Intangible assets (Note 6)	28,427	38,874
	\$ 8,753,465	\$ 7,977,730
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 358,851	\$ 112,359
Current portion of long-term debt (Note 8)	137,261	126,500
Due to related parties (Note 7)	16,039	-
	512,151	238,859
Long-term debt (Note 8)	687,973	852,821
	1,200,124	1,091,680
Deferred contributions (Note 9)	191,189	220,938
Deferred contributions related to capital assets (Note 10)	4,844,606	4,247,435
	6,235,919	5,560,053
Net assets		
Endowments (Note 4)	389,006	389,006
Invested in capital assets	1,305,766	915,065
Operating	822,774	1,113,606
	2,517,546	2,417,677
	\$ 8,753,465	\$ 7,977,730

Approved by the Board

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Chair

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Treasurer

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

	Endowments	Invested in Capital Assets	Operating	Total 2022	Total 2021
	(Note 4)				
Net assets, beginning of year	\$ 389,006	\$ 915,065	\$ 1,113,606	\$ 2,417,677	\$ 2,524,519
Excess (deficiency) of revenue over expenses	-	(229,658)	329,527	99,869	(106,842)
Repayment of debt	-	124,087	(124,087)	-	-
Deferred contributions received related to capital assets (Note 10)	-	(1,010,163)	1,010,163	-	-
Purchase of tangible capital assets	-	1,488,349	(1,488,349)	-	-
Purchase of intangible assets	-	18,086	(18,086)	-	-
Net assets, end of the year	\$ 389,006	\$ 1,305,766	\$ 822,774	\$ 2,517,546	\$ 2,417,677

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

	2022	2021
Revenue		
Fundraising, net (Schedule 1)	\$ 810,096	\$ 1,000,708
Government COVID-19 subsidies	103,449	343,894
Program fees and contributions	70,763	171,448
Gaming operations, net (Schedule 2)	63,236	81,297
Investment income	34,835	18,854
Endowment investments unrealized (loss) gain	(61,257)	18,981
	1,021,122	1,635,182
Expenses		
Salaries and benefits	167,626	198,133
Professional fees	79,915	61,531
Programs (Schedule 3)	52,382	337,149
Amortization - program related	51,445	45,125
Insurance	42,876	38,990
Office and general	27,367	25,209
Interest on long-term debt (Note 8)	25,253	42,728
Interest and bank charges	14,906	36,001
	461,770	784,866
Excess of revenue over expenses before the undernoted	559,352	850,316
Allocation of charitable activities (Notes 5, 6 and 7)	159,483	657,158
Program funding (Note 7)	300,000	300,000
Excess (deficiency) of revenue over expenses	\$ 99,869	\$ (106,842)

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

	2022	2021
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenses	\$ 99,869	\$ (106,842)
Non-cash items		
CEBA loan forgivable portion	-	(10,000)
Amortization of tangible capital and intangible assets	642,650	742,966
Amortization of deferred contributions related to capital assets (Note 10)	(412,992)	(410,350)
Amortization of deferred contributions (Note 9)	(120,413)	(491,767)
Change in non-cash operating balances (Note 11)	181,902	(335,558)
Deferred contributions received (Note 9)	90,664	510,060
Deferred contributions related to capital assets received (Note 10)	1,010,163	331,791
Endowment investments distributions received	(12,043)	(8,901)
Endowment investments unrealized loss (gain)	61,257	(18,980)
	1,541,057	202,419
Investing activities		
Proceeds from sale of investments	35,000	-
Purchase of tangible capital assets	(1,488,349)	(221,090)
Purchase of intangible assets	(18,086)	(20,082)
	(1,471,435)	(241,172)
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	(84,465)	(183,845)
Cash, beginning of year	1,314,783	1,498,628
Cash, end of year	\$ 1,230,318	\$ 1,314,783

1. NATURE OF THE ORGANIZATION

Variety - The Children's Charity (Ontario) (the "Organization") is incorporated under the laws of Ontario without share capital. 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 (the Facilities) and throughout communities across Ontario. In addition to delivering programs for the Organization, Variety Village operates a number of social enterprises to support the charitable mission of the Organization; including, a Fitness Club, the Rehabilitation to Community Program, an Active Aging Club, and an Adult Day Program.

The Organization exercises control over Variety Village and Variety Club of Ontario - Tent 28 ("Tent 28") by virtue of a common Board of Directors and through the Organization's control and direction of resources. These non-consolidated financial statements do not include the financial results of these two entities. The total assets, liabilities, revenue and expenses and cash flows from operating, financing and investing activities of the non-consolidated controlled entities as well as the entities' intended purpose is disclosed in Note 12.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue Recognition

The Organization follows the deferral method of accounting for contributions, which include donations, bequests, government grants and other revenue from special events and fundraising activities. 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. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding to the amortization rate of the related capital assets.

Endowment contributions are recognized as direct increases in endowment net assets, and are required to be maintained on a permanent basis. Income derived therefrom is available to support the Organization's activities and is recorded in interest income on the statement of operations.

Revenue from gaming operations and interest is recognized as earned.

The value of donated materials and services (gifts in kind) is recorded in the financial statements when a fair value can be reasonably estimated, the materials and services are used in the normal course of operations, and would otherwise have been purchased. Donated materials and services in the amount of \$67,355 (2021 - \$8,759) were recorded in the accounts.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Fund Accounting

The accounts of the Organization are maintained in accordance with the principles of fund accounting in order to observe the limitations and restrictions placed on the use of available resources. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into separate funds in accordance with specified activities or objectives. The Organization has combined funds with similar characteristics into two major fund groups as follows:

- i) Endowments – consists of donations received that are permanent in nature (Note 4);
- ii) Operating – funds received primarily through the efforts of fundraising and are not restricted for any specific purpose except for restricted contributions accounted for using the deferral method of accounting.

Tangible Capital Assets

Tangible capital assets of the Organization are stated at cost less accumulated amortization. Contributed tangible capital assets are recorded at the fair value at the date of the gift.

The Organization amortizes its tangible capital assets over their estimated useful lives as follows:

Building	40 years
Building improvements	20-30 years
Equipment	5 to 25 years
VOLT Equipment	5 years

When conditions indicate a tangible capital asset's carrying value is impaired, it will be written down to its fair value or replacement cost, with the write-down recorded as an expense. Write-downs will not be reversed.

Intangible Assets

Intangible assets of the Organization are stated at cost less accumulated amortization. Contributed property is recorded at the fair value at the date of the gift.

The Organization amortizes its intangible assets over its estimated useful life of 3 years.

When conditions indicate an intangible asset's carrying value is impaired, it will be written down to its fair value or replacement cost, with the write-down recorded as an expense. Write-downs will not be reversed.

Volunteer Services

The efforts of volunteer workers are not reflected in the accompanying financial statements as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time to the Organization.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments

The Organization initially measures its financial assets and liabilities at fair value, except for non-arm's length transactions, which are measured at the exchange amount. The Organization subsequently measures its financial assets and financial liabilities at amortized cost, except for equity investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the excess (deficiency) of revenue over expenses.

Financial assets measured at amortized cost include cash, accounts receivable, endowment investments and investments. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, due to related parties and long-term debt.

Transaction costs and financing fees are expensed as incurred for financial instruments measured at fair value and capitalized for financial instruments that are subsequently measured at cost or amortized cost.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down, if any, is recognized in the excess (deficiency) of revenue over expenses. Reversals of impairment are recorded to the extent that the value has increased, up to the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the excess (deficiency) of revenue over expenses.

Management Estimates

The preparation of these non-consolidated 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 as at the reporting date and the revenue and expenses reported for the year then ended. Significant estimates include the allocation of shared expenses with Variety Village. Actual results could differ from those estimates.

3. GOVERNMENT REMITTANCES AND REBATES

HST government rebates of \$45,268 (2021 - \$18,507) are included in accounts receivable.

4. INVESTMENTS AND ENDOWMENT INVESTMENTS

Investments and endowment investments are comprised of the following:

	2022	2021
Investments		
Guaranteed investment certificate	\$ -	\$ 35,000
Time share - at cost	17,083	17,083
	\$ 17,083	\$ 52,083

4. INVESTMENTS AND ENDOWMENT INVESTMENTS (Cont'd)

	2022	2021
Endowment investments		
Mutual funds	\$ 382,537	\$ 431,751

In adherence to the Organization's investment policy the endowment investments are held in various mutual funds and segregated by endowment fund.

All of the net assets restricted for endowment purposes are subject to externally imposed restrictions stipulating that the principal be maintained intact. Investment income on the assets is used by the Organization for general purposes.

The balance of the endowment fund is \$389,006 (2021 - \$389,006).

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2022	Net 2021
Land	\$ 2	\$ -	\$ 2	\$ 2
Building	2,852,869	2,839,578	13,291	13,934
Building improvements	18,337,052	12,317,747	6,019,305	5,108,517
Equipment	2,890,644	2,078,296	812,348	796,816
VOLT Equipment	240,462	138,229	102,233	153,678
	\$ 24,321,029	\$ 17,373,850	\$ 6,947,179	\$ 6,072,947

Specific capital assets including land and building at 3701 Danforth Avenue are nominally owned by Variety Club of Ontario – Tent 28 ("Tent 28"). Tent 28 has no beneficial interest in the properties and is acting only as an agent for the Organization.

Building improvements include cost of \$714,691 for track replacement project, which represents 90% of completion as of September 30, 2022. The project will be completed in fiscal year 2023.

Amortization of \$614,117 (2021 - \$663,473) is included in allocation to charitable activities.

6. INTANGIBLE ASSETS

	Cost	Accumulated Amortization	Net 2022	Net 2021
Software	\$ 432,307	\$ 403,880	\$ 28,427	\$ 38,874

Amortization of \$28,533 (2021 - \$34,368) is included in allocation to charitable activities.

7. DUE (TO) FROM RELATED PARTY AND RELATED PARTY TRANSACTIONS

Due (to) from related parties consists of the following:

	2022	2021
Variety Village	\$ (16,189)	\$ -
Variety Club of Ontario - Tent 28	150	150
	\$ (16,039)	\$ 150

Amounts due (to) from related parties are due on demand, unsecured and non-interest bearing.

All related party transactions are carried out in the normal course of operations and are recorded at the exchange value which is the amount agreed to by the parties.

The Organization funds approximately 9% (2021 - 22%) of Variety Village's revenue. The grant provided by the Organization to Variety Village for the year ended September 30, 2022 totalled \$159,483 (2021 - \$657,158), \$16,189 was outstanding as payable to Variety Village as of September 30, 2022.

Included in the grant are the following transactions -

- The facilities and other capital assets are held by the Organization for use by Variety Village. Variety Village recognizes the benefit in an amount equal to the amortization expense of the capital assets and intangible assets in the accounts of the Organization. The benefit allocated to Variety Village during the year was \$591,205 (2021 - \$697,841).
- Shared expenses with the Organization are recognized as related party transactions, including administration, fundraising, salaries and benefits, and office and general expenses. Variety Village has allocated fundraising salaries and benefits of \$458,258 (2021 - \$165,720) to the Organization.
- During the year, the Organization received \$63,632 from Variety Village (2021 - advanced \$19,353 to Variety Village).
- Other miscellaneous transfers of revenues and reimbursements of expenses totalled \$90,168 from the Charity (2021 - \$121,311 from the Organization).

Consistent with the direction of the Board and in support of the Organization's strategic plan, all donations, fundraising and bequests are now exclusively directed to the Organization. As such, commencing with the year ended September 30, 2020 and annually thereafter, the Board has determined to best support Variety Village programming is by contributing to administration and fixed costs not covered by programming grants.

The program funding provided by the Organization to Variety Village for the year ended September 30, 2022 in the amount of \$300,000 is approximately 30% of the program costs. The full payment to Variety Village of \$300,000 (2021 - \$300,000) was made during the year.

8. LONG-TERM DEBT

	2022	2021
RBC bank credit facility, bearing fixed interest at 3.85% per annum, with no prepayments permitted and due October 1, 2021, with monthly payments, including principal and interest, of \$13,588, based on 138 month amortization period. The debt was fully repaid using funds from the CIBC bank credit facility.	\$ -	\$ 949,321
CIBC bank credit facility, bearing fixed interest at 3.242% per annum, with no prepayments permitted and due December 1, 2026, with monthly payments, including principal and interest, of \$13,499, based on a 76-month amortization period. The debt is secured by a \$1,000,000 fixed charge mortgage over the real property located at 3701 Danforth Avenue, Toronto, Ontario, a first-priority General Service Agreement in all present and future personal property of the Borrowers and a guarantee by Variety Club of Ontario-Tent 28 of up to \$1,000,000.	825,234	-
CEBA (Canada Emergency Business Account) loan is an interest-free loan of \$40,000 of which \$10,000 is eligible for complete forgiveness if \$30,000 is fully repaid on or before December 31, 2023. The forgivable portion of \$10,000 was taken into income in the prior year and the remaining \$30,000 was repaid on August 16, 2022.	-	30,000
	825,234	979,321
Less: Current portion	137,261	126,500
	\$ 687,973	\$ 852,821

Future principal repayments are as follows:

2023	\$ 137,261
2024	141,777
2025	146,443
2026	151,262
2027	248,491
	\$ 825,234

Bank balances of the group entities including the Organization and Variety Village are assessed at a consolidated group level. The Group would be charged interest if there is an overdraft position at the group level. At the reporting date there is no overdraft position at the overall group level.

On July 3, 2022, the Organization secured a revolving line of credit with CIBC having a maximum facility of \$1,000,000, replacing the EDC (Export Development Canada) guaranteed \$1,000,000 revolving line of credit. The line bears interest at bank prime plus 0% on any drawn balances. During the fiscal year the credit line was not drawn on and as at September 30, 2022, there is no balance drawn or outstanding.

8. LONG-TERM DEBT (Cont'd)

The Organization also has an irrevocable standby letter of credit for \$35,000 (2021 - \$35,000) as a deposit held by Toronto Hydro. As of September 30, 2022 (and September 30, 2021), the letter of credit has not been drawn upon.

Security for the revolving line of credit and the standby letter of credit is provided by a first-priority General Service Agreement in all present and future personal property of the Borrower.

9. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent externally restricted donations related to expenses of future periods.

	2022	2021
Balance, beginning of year	\$ 220,938	\$ 202,645
Amounts received during the year	90,664	510,060
Amounts recognized as revenue in the year	(120,413)	(491,767)
Balance, end of year	\$ 191,189	\$ 220,938

10. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred capital contributions relate to contributions received (including government grants) for purchases of capital assets and are recognized as revenue on a straight-line basis based on the amortization rate of the related assets.

	2022	2021
Balance, beginning of year	\$ 4,247,435	\$ 4,325,994
Contributions received	1,010,163	337,805
Contributions transferred from/(to) Variety Village	-	(6,014)
Amounts recognized as revenue in the year	(412,992)	(410,350)
Balance, end of year	\$ 4,844,606	\$ 4,247,435

11. CHANGES IN NON-CASH OPERATING BALANCES

	2022	2021
(Increase) decrease in accounts receivable	\$ 11,682	\$ (10,930)
(Increase) decrease in prepaid expenses	(92,461)	(4,778)
(Increase) decrease in due from related parties	150	(195,627)
Increase (decrease) in accounts payable and accrued liabilities	246,492	(124,223)
Increase (decrease) in due to related parties	16,039	-
	\$ 181,902	\$ (335,558)

12. NON-CONSOLIDATED CONTROLLED ENTITIES

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. Both entities are registered under the Laws of Ontario as corporations without share capital. Variety Village is a not-for-profit organization and is engaged in providing physically integrated activity programs for disabled and able-bodied participants to improve body function, fitness and social well-being. Variety Club of Ontario - Tent 28 is a not-for-profit organization, which coordinated the membership and general activities of the Variety Club. These functions have been transferred to the Organization. Variety Village is a registered charity under the Income Tax Act and, accordingly, is exempt from income taxes. Variety Club of Ontario - Tent 28 as a not-for-profit entity is also exempt from income taxes.

These non-consolidated financial statements do not include the financial results of these two entities.

Significant financial information is as follows:

	Variety Village	Variety Club of Ontario - Tent 28	Total 2022	Total 2021
Financial position				
Assets	\$ 1,139,924	\$ 91	\$ 1,140,015	\$ 853,554
Liabilities	1,509,317	150	1,509,467	1,260,648
Total net assets (deficiency)	\$ (369,393)	\$ (59)	\$ (369,452)	\$ (407,094)
			2022	2021
Total revenue	\$ 5,224,734	\$ -	\$ 5,224,734	\$ 4,278,202
Total expenses	5,187,248	-	5,187,248	4,270,563
Excess of revenue over expenses	\$ 37,486	\$ -	\$ 37,486	\$ 7,639
Cash from (used in)				
Operating activities	\$ 422,927	\$ -	\$ 422,927	\$ 228,957
Investing activities	(40,137)	-	(40,137)	(46,869)
Increase in cash	\$ 382,790	\$ -	\$ 382,790	\$ 182,088

13. FINANCIAL RISK MANAGEMENT

Credit Risk

The Organization's principal financial assets are cash and accounts receivable, all of which are subject to credit risk. The credit risk associated with cash is mitigated by depositing cash with major financial institutions. Accounts receivable is exposed to credit risk in the event of non-payment for their accounts receivable. Management has adopted credit policies in an effort to minimize those risks.

13. FINANCIAL INSTRUMENTS (Cont'd)

Interest Rate Risk and Market Risk

The Organization is subject to interest rate risk on its fixed rate long term debt with a rate of 3.242% (see Note 8) and to market risk on its investments (see Note 4). The Organization is also subject to interest rate risk on its revolving line of credit with a floating rate equal to bank prime (see Note 8). Interest rate and market risks result from changes in fair value due to market fluctuations in interest rates.

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

	Revenue	Expenses	2022 Net	2021 Net
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	29,584
	802,129	146,722	655,407	356,647
Annual campaigns				
General fundraising	9,781	-	9,781	-
Unsolicited contributions	110,018	18,405	91,613	233,741
Planned gifts	5,525	-	5,525	86,043
Direct mail	1,995	5,123	(3,128)	5,441
Corporate	22,730	-	22,730	-
Government grants	-	-	-	150,000
Grants	-	-	-	10,719
Amortization of deferred contributions related to capital assets	361,547	-	361,547	365,225
	511,596	23,528	488,068	851,169
	\$ 1,313,725	\$ 170,250	1,143,475	1,207,816
Expenses				
Salaries and benefits			324,539	203,688
Professional fees			2,018	1,804
Office and general			6,822	1,616
			333,379	207,108
Excess of fundraising revenue over expenses			\$ 810,096	\$ 1,000,708

Variety - The Children's Charity (Ontario)
Non-consolidated Schedule of Gaming Operations - Schedule 2
Year Ended September 30, 2022

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

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

	2022	2021
Program salaries	\$ 42,015	\$ 77,576
Program expenses	10,367	259,573
Total program expenses	\$ 52,382	\$ 337,149