

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

Consolidated Financial Information

For the Year Ended September 30, 2025



COMPIILATION 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, 2025, 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 consolidated 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 consolidated 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 18, 2025
Toronto, Ontario

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Variety - The Children's Charity (Ontario)
Consolidated Statement of Financial Position
As at September 30, 2025

	2025	2024
Assets		
Current		
Cash	\$ 1,170,576	\$ 1,623,918
Accounts receivable	274,652	290,621
Investments	588,204	913,495
Prepaid expenses	79,610	79,738
	2,113,042	2,907,772
Endowment investments	523,642	575,577
Capital assets	6,844,705	7,351,019
Cloud computing implementation costs	550,801	184,031
Intangible assets	1,044	6,146
	\$ 10,033,234	\$ 11,024,545
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 579,448	\$ 383,051
Deferred revenue	524,204	425,943
Current portion of long-term debt	151,262	146,443
	1,254,914	955,437
Long-term debt	248,491	399,753
Deferred contributions	925,870	880,775
Deferred contributions related to capital assets	5,319,326	5,800,992
	7,748,601	8,036,957
Net assets		
Endowments	494,206	494,119
Invested in capital assets	1,677,471	1,194,008
Operating	112,956	1,299,461
	2,284,633	2,987,588
	\$ 10,033,234	\$ 11,024,545

Approved by the Board

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Jordan Assaraf

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Chair

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John Willson

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Treasurer

Variety - The Children's Charity (Ontario)
Consolidated Statement of Changes in Net Assets
Year Ended September 30, 2025

	Endowments	Invested in Capital Assets	Operating	Total 2025	Total 2024
Net assets, beginning of year	\$ 494,119	\$ 1,194,008	\$ 1,299,461	\$ 2,987,588	\$ 3,052,208
Deficiency of revenue over expenses	-	(290,659)	(412,383)	(703,042)	(64,635)
Deferred contributions received	-	(130,599)	130,599	-	-
Endowment income	587	-	-	587	515
Award granted	(500)	-	-	(500)	(500)
Repayment of debt	-	146,443	(146,443)	-	-
Purchase of capital assets	-	352,166	(352,166)	-	-
Purchase of cloud computing implementation costs	-	406,112	(406,112)	-	-
Net assets, end of the year	\$ 494,206	\$ 1,677,471	\$ 112,956	\$ 2,284,633	\$ 2,987,588

Variety - The Children's Charity (Ontario)
Consolidated Statement of Operations
Year Ended September 30, 2025

	2025	2024
Revenue		
Fitness club membership	\$ 2,517,204	\$ 2,504,691
Program fees and contributions	2,182,906	1,911,563
Fundraising, net (Schedule 1)	1,128,903	1,182,757
Provincial grant	1,000,000	1,000,000
Team fees and contributions	342,677	427,295
Rentals	248,575	310,684
Investment income	226,860	151,458
Access and Awareness	106,279	147,705
Other	74,539	70,608
Investments and endowment investments unrealized gain	-	173,952
Government COVID-19 subsidies	-	12,971
	7,827,943	7,893,684
Expenses		
Administration (Schedule 6)	1,938,683	1,648,040
Programs (Schedule 3)	1,879,266	1,726,167
Fitness club (Schedule 2)	1,840,599	1,757,337
Building services (Schedule 7)	1,377,546	1,295,844
Teams (Schedule 4)	397,455	423,795
Access and Awareness (Schedule 5)	123,390	175,777
Investments and endowment investments unrealized loss	47,756	-
Gaming operations, net (Schedule 8)	516	38,418
	7,605,211	7,065,378
Excess of revenue over expenses before the undernoted	222,732	828,306
Interest expense	24,347	28,731
Amortization of capital and intangible assets	901,427	864,210
	925,774	892,941
Deficiency of revenue over expenses	\$ (703,042)	\$ (64,635)

Variety - The Children's Charity (Ontario)

Consolidated Statement of Cash Flows

Year Ended September 30, 2025

	2025	2024
Operating activities		
Deficiency of revenue over expenses	\$ (703,042)	\$ (64,635)
Non-cash items:		
Amortization of cloud computing costs	39,343	-
Amortization of capital and intangible assets	862,084	864,210
Amortization of deferred contributions	(1,728,613)	(1,708,902)
Amortization of deferred contributions related to capital assets	(612,265)	(612,855)
Proceeds from sale of endowment investments	277	-
Deferred contributions received	1,773,708	1,571,477
Deferred contributions received related to capital assets	130,599	256,388
Change in non-cash operating balances	310,755	273,866
Investments and endowment investments unrealized (gain) loss	47,756	(173,952)
Loss on write off of tangible capital assets	1,497	-
	122,099	405,597
Investing activities		
Proceeds from sale of investments	449,842	-
Purchase of investments	(157,010)	(4,415)
Purchase of capital assets	(352,166)	(865,603)
Purchase of cloud computing implementation costs	(406,112)	(184,031)
Distributions from mutual funds characterized as return of capital	36,448	23,770
	(428,998)	(1,030,279)
Financing activities		
Repayment of long-term debt	(146,443)	(141,777)
Unspent deferred capital contributions transferred to restricted cash	-	613,555
	(146,443)	471,778
Net change in cash	(453,342)	(152,904)
Cash, beginning of year	1,623,918	1,776,822
Cash, end of year	\$ 1,170,576	\$ 1,623,918

Variety - The Children's Charity (Ontario)

Notes to Consolidated Financial Information

September 30, 2025

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 consolidated 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 assets, intangible assets and cloud computing implementation costs 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, 2025

	Revenue	Expenses	2025	2024
Events				
Golf tournaments	\$ 130,175	\$ 3,848	\$ 126,327	\$ 163,995
Pizza Nova	241,420	6,681	234,739	206,983
LG Games	-	8,120	(8,120)	(10,851)
In the Spotlight	2,000	4,177	(2,177)	(3,686)
Toronto Sun Fund	133,104	11,404	121,700	107,619
Gala	53,552	21,954	31,598	60,906
Holiday Party	40,649	6,668	33,981	26,170
Raffles	3,870	4,460	(590)	4,031
Other events	241,363	187,878	53,485	39,949
	846,133	255,190	590,943	595,116
Annual campaigns				
General fundraising	3,112	-	3,112	1,500
Unsolicited contributions	359,167	8,929	350,238	163,200
Planned gifts	30,523	-	30,523	10,960
Community gaming revenue	-	-	-	159,848
Corporate	11,962	-	11,962	16,812
Grants	20,129	-	20,129	111,345
Amortization of deferred contributions related to capital assets	443,148	-	443,148	433,965
	868,041	8,929	859,112	897,630
	\$ 1,714,174	\$ 264,119	1,450,055	1,492,746
Expenses				
Salaries and benefits			313,261	294,361
Professional fees			3,349	2,855
Office and general			4,542	12,773
			321,152	309,989
Excess of fundraising revenue over expenses	\$ 1,128,903	\$ 1,182,757		

Variety - The Children's Charity (Ontario)
Consolidated Schedule of Fitness Club Expenses - Schedule 2
Year Ended September 30, 2025

	2025	2024
Salaries and benefits	\$ 1,569,779	\$ 1,474,033
Employee related expenses	6,753	2,076
Cost of sales	103,729	105,365
Equipment, repairs and supplies	21,867	28,145
Office and general	138,471	147,718
	<hr/> \$ 1,840,599	<hr/> \$ 1,757,337

Variety - The Children's Charity (Ontario)
Consolidated Schedule of Programs Expenses - Schedule 3
Year Ended September 30, 2025

	2025	2024
Salaries and benefits	\$ 1,656,953	\$ 1,439,007
Employee related expenses	17,080	20,701
Professional fees	3,804	1,800
Program expenses	143,990	204,325
Office and general	57,439	60,334
	<hr/> \$ 1,879,266	<hr/> \$ 1,726,167

Variety - The Children's Charity (Ontario)
Consolidated Schedule of Teams Expenses - Schedule 4
Year Ended September 30, 2025

	2025	2024
Salaries and benefits	\$ 309,251	\$ 267,536
Employee related expenses	924	1,203
Travel expenses	8,319	2,692
Tournament and registration costs	39,456	90,033
Equipment, repairs and maintenance	12,832	24,288
Office and general	26,673	38,043
	\$ 397,455	\$ 423,795

Variety - The Children's Charity (Ontario)
Consolidated Schedule of Access and Awareness Expenses - Schedule 5
Year Ended September 30, 2025

	2025	2024
Salaries and benefits	\$ 117,786	\$ 145,909
Office and general	5,604	29,868
	\$ 123,390	\$ 175,777

Variety - The Children's Charity (Ontario)
Consolidated Schedule of Administration Expenses- Schedule 6
Year Ended September 30, 2025

	2025	2024
Salaries and benefits	\$ 1,119,902	\$ 880,177
Employee related expenses	8,928	1,365
Insurance	252,019	266,104
Professional fees	177,979	268,378
Office and general	379,855	232,016
	<hr/> \$ 1,938,683	<hr/> \$ 1,648,040

Variety - The Children's Charity (Ontario)
Consolidated Schedule of Building Services Expenses - Schedule 7
Year Ended September 30, 2025

	2025	2024
Salaries and benefits	\$ 158,799	\$ 145,235
Employee related expenses	1,141	1,040
Equipment, repairs and maintenance	265,303	232,797
Building supplies	92,960	86,710
Cleaning services	355,181	355,628
Utilities	497,996	474,422
Professional fees	6,084	-
Office and general	82	12
	\$ 1,377,546	\$ 1,295,844

Variety - The Children's Charity (Ontario)
Consolidated Schedule of Gaming Operations - Schedule 8
Year Ended September 30, 2025

	2025	2024
Nevada revenues	\$ 53,143	\$ 66,883
Less: licence and management fees	(27,001)	(33,313)
Community gaming revenues	388,551	521,981
Less: Subsidy allocations	(388,551)	(545,130)
Less: Other expenses	(26,658)	(48,839)
Deficiency of gaming revenue over expenses	\$ (516)	\$ (38,418)