variety
the children's charity
of the National Capital Region

REPORT ON
FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2025
WITH SUMMARIZED
FINANCIAL INFORMATION FOR 2024

VARIETY DC

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Variety – The Children's Charity of the
National Capital Region

1705 N Street NW
Washington, DC 20036

Opinion

I have audited the accompanying financial statements of Variety – The Children's Charity of the National Capital Region ("Variety DC", a nonprofit organization), which comprise the statement of assets, liabilities, and net assets—cash basis as of September 30, 2025, the related statement of support, revenue, and expenses and change in net assets—cash basis, and the Statement of Functional Expenses – cash basis for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Variety DC as of September 30, 2025, and its support, revenue, and expenses for the year then ended in accordance with the cash basis of accounting as described in Note 2.

Basis for Opinion

I have conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Variety DC and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of Accounting

I draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

My objective is 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 my opinion.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Variety DC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Variety DC's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Washington, DC
January 23, 2026

VARIETY-THE CHILDREN'S CHARITY OF THE NATIONAL CAPITAL REGION
Dba VARIETY DC

STATEMENT OF ASSETS AND LIABIILITIES AND NET ASSETS - CASH BASIS

AS OF SEPTEMBER 30, 2025
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2024

ASSETS

	2025	2024
CURRENT ASSETS		
Cash and cash equivalents (note 2)	$ 6,377	$ 25,432
Certificates of deposits (note 2 & 6)	41,999	40,000
Total Current Assets	48,376	65,432
TOTAL ASSETS	**$ 48,376**	**$ 65,432**

LIABILITIES AND NET ASSETS

	2025	2024
Liabilities	$ -	$ -
Commitments (note 5)	-	-
NET ASSETS		
Without donor restrictions	48,376	65,432
Total Net Assets	48,376	65,432
TOTAL LIABILITIES AND NET ASSETS	**$ 48,376**	**$ 65,432**

VARIETY-THE CHILDREN'S CHARITY OF THE NATIONAL CAPITAL REGION
Dba VARIETY DC

STATEMENT OF SUPPORT, REVENUE AND EXPENSES AND CHANGES IN NET ASSETS - CASH BASIS

FOR THE YEAR ENDED SEPTEMBER 30, 2025 WITH SUMMARIZED FINANCIAL INFORMATION FOR 2024

	WITHOUT DONOR RESTRICTIONS	
	2025	**2024**
REVENUE AND OTHER SUPPORT:		
Sponsorship and registration	$ 1,895	$ 6,135
Pin sales revenue	29,977	32,896
Direct contribution	57,935	92,251
Royalty income	-	39
Interest Income	2,231	-
In Kind donations	10,800	12,600
Miscellaneous	-	241
Total Revenue and Other Support	**102,838**	**144,162**
EXPENSES:		
Program Service Expenses		
Program Expenses	79,155	86,948
Total Program Expenses	79,155	86,948
General Support Expenses		
General and Management Expenses	21,882	22,051
Fundraising	18,857	19,030
Total Support Expenses	40,739	41,081
Total Expenses	**119,894**	**128,029**
Change in net assets	**(17,056)**	**16,133**
Net Assets, Beginning of year	65,432	49,299
NET ASSETS, END OF YEAR	**$ 48,376**	**$ 65,432**

See accompanying notes to the financial statements

VARIETY-THE CHILDREN'S CHARITY OF THE NATIONAL CAPITAL REGION
Dba VARIETY DC

STATEMENT OF FUNCTIONAL EXPENSES - CASH BASIS

FOR THE YEAR ENDED SEPTEMBER 30, 2025
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2024

	Program Expenses	Management and General	Fundraising	2025	2024
Accounting fees	$ 3,300	$ 1,650	$ 1,650	$ 6,600	$ 6,600
Bank and credit card fees	124	62	62	249	747
Consultant - Executive Director	26,800	13,400	13,400	53,600	50,400
Corporate, business tax & licences	-	221	-	221	914
Dues, subscriptions and publications	1,635	817	817	3,268	5,309
Emergency/small grants	4,800	-	-	4,800	5,000
Variety compassion funds	10,750	-	-	10,750	6,950
Insurance	337	169	169	674	2,172
Office expense	1,431	770	-	2,201	543
Meeting expense	356	-	-	356	480
Miscellaneous	-	257	59	316	128
Mobility equipment	25,202	-	-	25,202	31,186
Mobility partners	-	-	-	-	5,000
Pin expense	581	-	-	581	-
Website expenses	275	-	-	275	-
Total Expenses, before In-Kind	**$ 75,591**	**$ 17,346**	**$ 16,157**	**$ 109,094**	**$ 115,428**
Office space	3,564	4,536	2,700	10,800	10,800
Bikes	-	-	-	-	1,800
TOTAL EXPENSES	**$ 79,155**	**$ 21,882**	**$ 18,857**	**$ 119,894**	**$ 128,028**

See accompanying notes to the financial statements

1. ORGANIZATION AND ACTIVITIES

Organization:

Variety – the Children's Charity of the National Capital Region ("Variety DC", "Organization") was incorporated in 2015, and is located in the District of Columbia. The Organization's principal purpose is to serve children who are less fortunate – children who live and grow up with a serious illness, disability or disadvantage. These are extra special children who require a special kind of help.

Activities:

Under four core programs Variety DC delivers on its promise to provide a future without limits for every child, regardless of their background or ability. After ten years in operations, we have ambitious plans to grow rapidly and support many children, their families, and communities, in Washington, DC, Maryland, and Virginia.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of Variety DC have been prepared using the cash basis of accounting. Under the cash basis of accounting, revenue is recognized when received rather than when earned and expenses are recognized when paid rather than when the obligation is incurred. Consequently, the Organization has not recognized receivables from donors, accounts payable to vendors, deferred revenue, or accrued expenses and their related effects on the change in net assets in the accompanying financial statements. Property and equipment and website development are not capitalized, and no depreciation is recognized in the financial statements.

Financial Statement Presentation

Financial statement presentation follows the standards of the FASB ASC 958, Not-for-Profit Entities. As a result of issuance of ASU 2016-14, Accounting Standards Update, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

> <u>Without Donor Restrictions</u> – Those resources not subject to donor-imposed restrictions. The board of directors has discretionary control over these resources. Designated amounts represent those net assets that the board has set aside for a particular purpose. No net assets have been designated by the board of directors for a specific purpose.
>
> <u>With Donor Restrictions</u> – Those resources subject to donor-imposed restrictions that will be satisfied by action of Variety DC or by passage of time. Variety DC has no donor imposed restrictions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition
All contributions are considered to be without donor restrictions. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions. When the restriction expires, net assets with donor restrictions are reclassified as net assets released from restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents
The Organization defines cash to include cash on deposit and a small amount of petty cash on hand. For purposes of the statement of cash flows, Variety DC considers cash on hand and cash in the bank with less than three-months maturity to be cash equivalents.

Uncertain Tax Position
The Financial Accounting Standard Board (FASB) released FASB ASC 740-10, Income Taxes, that provide guidance for reporting uncertainty in income taxes. For the year ended September 30, 2025, Variety DC has documented its consideration of FASB ASC 740-10 and determined that no material uncertain tax provisions qualify for either recognition or disclosure in the financial statements. The Organization is subject to potential examination by applicable tax jurisdictions for the periods 2023 through current.

Certificates of Deposit
Variety DC's investments in certificates of deposit, with original maturities greater than ninety days, are valued at cost. These investments do not qualify as securities as defined in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 320, Investments—Debt and Equity Securities, thus fair value disclosures required by ASC 820, Fair Value Measurements and Disclosures, for the certificates of deposit are not provided.

Income Taxes
The Organization has qualified as a non-profit organization under Internal Revenue Code Section 501(c) (3) and consequently pays no taxes on its exempt function income.

Functional Expenses
The costs of providing various program and supporting services have been allocated between program and supporting services benefited.

- ***Program Services***: Variety DC operates exclusively for the purpose of improving the quality of life for children with mobility challenges and their families by providing funding for services, equipment and/or recreational experiences for these children.

- ***Supporting Services***: Supporting services include the activities necessary for the administrative processes of Variety DC such as managing its operations and financial responsibilities as well as expenses related to fundraising.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Comparative Totals
The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles (GAAP). Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2024, from which the summarized information was derived

3. DONATED FACILITIES AND SERVICES

Variety DC receives donated office space from Cinema United formerly the National Association of Theater Owners to assist in running its operations. The office space is being donated on a complimentary basis until either party terminates.

The value of the donated office is $10,800. The amount is reflected as donated revenue and donated rent expense in the statement revenue and expenses – cash basis, and statement of functional expenses – cash basis.

4. LIQUIDITY AND AVAILABILITY

The following reflects Variety DC's financial assets available within one year of the balance sheet date.

	2025	2024
Cash and cash equivalents	$ 6,377	$ 24,432
Certificates of deposit	41,999	40,000
Financial Assets to Meet Cash Needs for General Expenditures Within One Year	$ 48,376	$ 65,432

As part of Variety DC's liquidity management, the Organization maintains enough operating funds in a checking account to meet immediate expenses, and purchases certificates of deposits with excess funds for interest income. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

5. COMMITMENTS AND CONTINGENCIES

At present, the only contracted service position for the Organization is the long-standing service position for the Executive Director of the Organization. On May 2025, the Organization signed a new ongoing contract unless terminated by either party starting effective on June 1, 2025 for $5,000 a month. The total amount paid for these services for the year 2025 was $53,600.

5. COMMITMENTS AND CONTINGENCIES (continued)

Variety DC signed gift agreements with two nonprofit organizations. Below is a brief descriptions of Variety DC commitments:

- On December 9, 2022, Variety DC signed a gift agreement with Children National in support of Children's Hospital for a total gift amount of $17,250. The purpose of the gift is to establish the "Variety Compassion Fund" to support patients and families within the division of Physical Center and Rehabilitation.
    - The agreement calls for Variety DC to make annual contributions of $5,750 in the Decembers of 2023, 2024 and 2025, for a total of $17,250. Variety DC satisfied this commitment in December 2025.
- On December 12, 2022, Variety DC signed a gift agreement of $15,000 with Kennedy Krieger Institute (Institute) to create "Variety Compassion Fund" at the Institute. The purpose of the gift is to provide emergency/small grant support for children served by the Social Work and or Physical Therapy Departments at the Institute.
    - The first gift was made in February 2023 for $5,000. In subsequent years, $5,000 was disbursed in January 2024 and December 2024, for a total commitment of $15,000.

6. CERTIFICATES OF DEPOSIT

During the year, The Variety DC acquired certificates of deposit at Eagle Bank. Below is a schedule of certificates of deposit held at September 30, 2025:

	Trade Date	Maturity Date	Face Value	Current Rate
Eagle Bank	08/14/2024	08/10/2026	15,719	4.307%
Eagle Bank	07/31/2024	10/30/2026	26,280	3.875%
		TOTAL	**$ 41,999**	

7. METHODS OF ALLOCATING GENERAL AND ADMINISTRATIVE EXPENSES

The Organization reports its expenses both by nature and by function in its Schedule of Functional Expenses – Cash Basis Statement. Functional expenses are charged directly to program, management and fundraising based on specific identifications. The cost of joint activities that is not identifiable with a particular component of the activity (called joint costs) is charged to management and general activities. Joint costs that were charged to management and general are Consultant-Executive Director, insurance, accounting and auditing fees, and bank and credit card fees. Expenses are allocated based on level of effort of Executive Director.

8. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through January 23, 2026, the date on which the financial statements were available for issue, and has determined that there are no additional adjustments required.

9. EMERGENCY FUND

During the course of fiscal year 2025, the Organization continued its efforts to raise funds to support families of children in need. For fiscal year 2025, the Organization disbursed $4,800 through direct requests to their office, and $10,750 through their Variety Compassion Fund.