2025-26 Q2 Financial Review

RODS SUMMARIZED INCOME STATEMENT

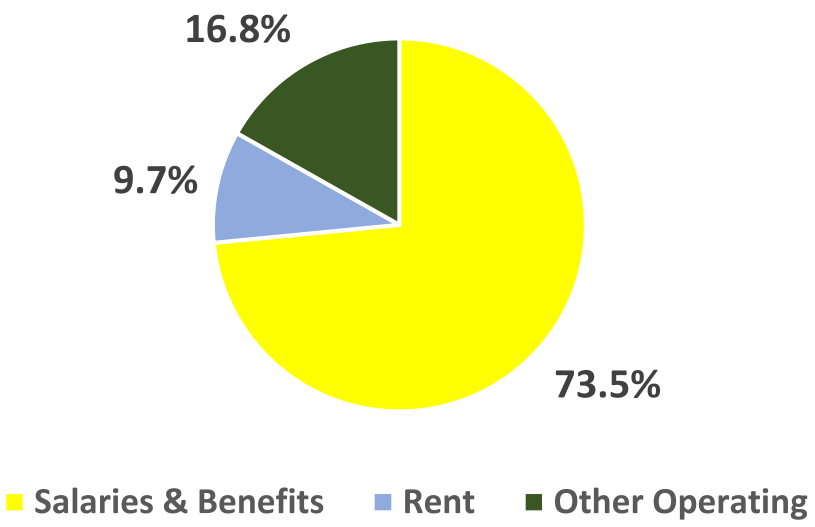
For the Six Months Ended September 30, 2025

(in thousands of dollars)

	2025-26 To Sept. 30	2024-25 To Sept. 30	FY25 Budgt To Sept. 30	Variance to Last Yr.	Variance Budget
REVENUE					
Federal Gov't	3,528	4,064	3,570	-536	-42
Provincial Gov't	1,181	1,295	1,100	-114	81
Daycare	669	541	543	128	126
Other funding	317	514	264	-197	53
Donations	12	31	30	-19	-18
Interest	73	38	25	35	48
Miscellaneous	293	367	288	-74	5
	6,073	6,850	5,820	-777	253
EXPENSES					
Wages	4,348	4,738	4,110	-390	238
Rent	697	674	661	23	36
Operations	989	1,395	1,010	-406	-21
	6,034	6,807	5,780	-773	254
ACCOUNTING SURPLUS	**39**	**43**	**40**	**-4**	**-1**
Add: Reception House op costs to 9/30	**26**	**0**	**0**	**26**	**26**
ADJUSTED ACCOUNTING SURPLUS	**65**	**43**	**40**	**22**	**25**
Add: AMORTIZATION	68	144	71	-76	-3
CASH SURPLUS	**133**	**187**	**111**	**-54**	**22**

Overview of Expenses

RODS: Average Expenses (net of amortization) by Category: 2018-2025



Largest other operating expenses:

- Office supplies
- Travel and in-town transportation
- Repairs and maintenance
- Staff development

The above items account for roughly 11% of all expenses.

RODS SUMMARIZED INCOME STATEMENT

For the Six Months Ended September 30, 2025

(in thousands of dollars)

	2025-26 To Sept. 30	2024-25 To Sept. 30	FY25 Budgt To Sept. 30	Variance to Last Yr.	Variance Budget
CAPITAL SPENDING	**65**	**15**		**50**	
Key cap ex components, 2025-26:					
Computer Equipment	65				
Furniture	0				
Key cap ex components, 2024-25:					
Computer Equipment		11			
Automotive -write off		0			
Furniture		4			

Key revenue and expense variances:

Revenue

- Federal Gov Revenue dropped $536K, due to OSN down $161K, RAP down $90k, LINC down 325K,
- Provincial funds dropped $114K, primary KidsFirst drop 75K, Readiness down 31K.
- Daycare grant up $126K by using provincial funds to covere its rent, staff salary top-up and renovation.

Non-cash accounting gain of $221 to be recorded in Q3 re: Reception House sale

Expense

Total Revenue down 10%, Total expense down 10% accordingly.

	2025-26	2024-25	FY25 Budgt	Variance to Last Yr.	Variance Budget
FULL-TIME STAFF, MARCH 31 (est.)	**146**	**159**		**-13**	**0**
FULL-TIME STAFF, SEPTEMBER 30 (est.)	**131**	**154**		**-23**	**0**
VACANCIES TO BE STAFFED	**0**	**0**		**0**	**0**
VACANCIES TO BE STAFFED	**0**	**0**		**0**	**0**

Staff down by 28 (18%) since Mar 31/24

IRCC Funding

	Sept. 30 2025	Sept. 30 2024	Difference
Cash	**$3,322,451**	**$5,820,602**	**-$2,498,151**
Accounts receivable	**$1,000,537**	**-$1,534,407**	**$2,534,944**
	$4,322,988	**$4,286,195**	**$36,793**

The annual cost of ‘lending’ $2,500,000 to the federal government:

1. At current GIC rates: $2,500,000 x 2.45% = $61,250

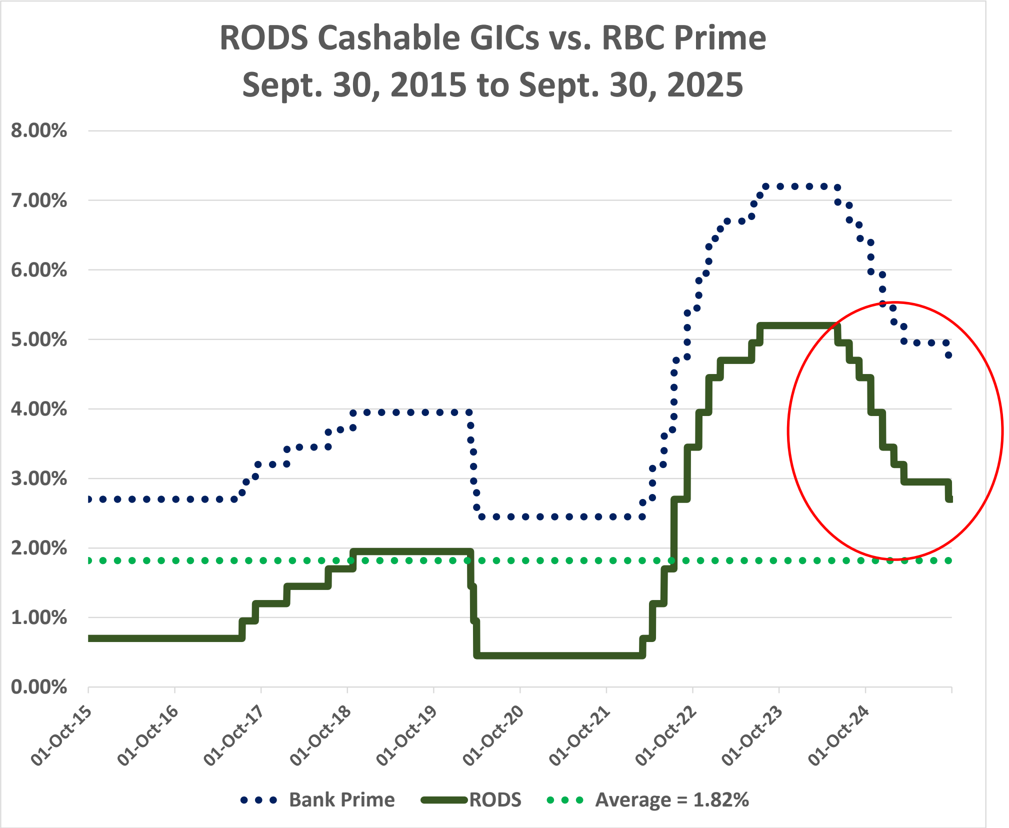
2. At expected long run return on a balanced fund: $2,500,000 x 5.00% = $125,000

RODS Q2 Comparative Balance Sheets

	At 09/30/2025	At 09/30/2024	Difference
ASSETS			
CURRENT ASSETS			
Cash	**3,322**	**5,821**	**-2,499**
Accounts Receivable	**1,001**	**-1,534**	**2,535**
Other Current Assets	-136	-271	135
TOTAL CURRENT ASSETS	4,187	4,016	171
FIXED ASSETS			
Computer Equp. Net	136	129	7
Automative: Net	7	21	-14
Equipment: Net	36	33	3
Furniture - Net	23	41	-18
Total Fixed Assets	**202**	**224**	**-22**
Fixed Assets held for sale			
1610 Toronto St Land & Building: Net	79	80	-1
Land - Sub-total	1,060	1,060	0
Building - Net	972	1,028	-56
Total Fixed Assets Held for Sale	2,111	2,168	-57
TOTAL FIXED ASSETS	2,313	2,392	-79
TOTAL ASSETS	**6,500**	**6,408**	**92**

	At 09/30/2025	At 09/30/2024	Difference
LIABILITIES			
CURRENT LIABILITIES	191	194	-3
Deferred Revenue - Capital Donation			
Deferred Revenue - Building	596	634	-38
Deferred Contribution - KidsFirst Veh	6	20	-14
Deferred Revenue - Captial Donation	602	654	-52
TOTAL LIABILITIES	**793**	**848**	-55
NET ASSETS			
Invested in Capital Assets	1,723	1,860	-137
Reserves:			
Unappropriated surplus	881	594	287
Current Earnings	**39**	43	-4
Internally Restricted - Newcomer Emergency	50	50	0
Internally Restricted - Capital Reserve	200	500	-300
Internally Restricted - Operating Reserve	2,814	2,513	301
Total Reserves	3,984	3,700	284
TOTAL NET ASSETS	**5,707**	**5,560**	147
TOTAL LIABILITIES AND NET ASSETS	**6,500**	**6,408**	**92**

Overview of Investment Portfolio



- At September 30, 2025, RODS has $2,000,000 at RBC in a cashable floating rate (RBC prime minus 2.00%) GIC earning 2.70%. As of November 26, 2025, the rate is 2.45%
- Interest rates have declined by 275 basis points (2.75%) since May 2024, which has resulted in a corresponding reduction to the rates being earned by RODS on its savings.

Key takeaways at Q2:

- Variances in revenue are offset by variance in expenses. This makes sense given RODS’ business model of only spending funds that it can recover from funders.

- Surplus from operations anticipated for current year. Final surplus or deficit figure will be determined by: a) whether the Smith Street property sells by March 31, and b) the amount of proceeds realized from the sale.

- RODS will realize permanent savings in operating expenses when the Reception House sale closes.

- Delayed funding from IRCC carries a significant cost to RODS. It is possible that this issue can be resolved by moving RODS’ self-generated funds into a foundation.

- The development of a strategy for the utilization of reserves continues to be a **critical unaddressed priority** for the Board. This will be a key focus of the January 16-17 Board retreat.

Q3 report to be presented at February 25 meeting