Financial Statements

Mariner's Co-operative Homes (Leamington) Inc.

Leamington, Ontario

October 31, 2025

Contents

PRENTICE YATES & CLARK
CHARTERED PROFESSIONAL ACCOUNTANTS
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Independent Auditors' Report

To the Members of Mariner's Co-operative Homes (Leamington) Inc. and to The Corporation of the City of Windsor:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mariner's Co-operative Homes (Leamington) Inc. (the Co-operative), which comprise the statement of financial position as at October 31, 2025 and the statements of replacement reserve, accumulated surplus (deficit), operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Mariner's Co-operative Homes (Leamington) Inc. as at October 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with the financial reporting requirements of the Housing Services Act (HSA).

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Mariner's Co-operative Homes (Leamington) Inc. in accordance with the ethical requirements that are relevant to our audit of the 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.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist Mariner's Co-operative Homes (Leamington) Inc. to meet the financial reporting requirements of the HSA. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for members of Mariner's Co-operative Homes (Leamington) Inc. and The Corporation of the City of Windsor and should not be distributed to parties other than the members of Mariner's Co-operative Homes (Leamington) Inc. and The Corporation of the City of Windsor. Our opinion is not modified in respect of this matter.

Other Matter

The financial statements of Mariner's Co-operative Homes (Leamington) Inc. for the year ended October 31, 2024 were audited by another auditor who expressed an unmodified opinion on those statements on February 11, 2025.

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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting requirements of the HSA, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Mariner's Co-operative Homes (Leamington) Inc.'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Mariner's Co-operative Homes (Leamington) Inc.'s financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are 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 auditors' 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 financial statements.

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 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 Mariner's Co-operative Homes (Leamington) Inc.'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 Mariner's Co-operative Homes (Leamington) Inc.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

Toronto, Ontario
February 19, 2026

Prentice Yates & Clark

Chartered Professional Accountants, Licensed Public Accountants

Mariner's Co-operative Homes (Leamington) Inc.

October 31, 2025

Statement of Financial Position		2025		2024
				Note 14
Current Assets				
Cash, Note 3	$	36,660	$	149,669
Accounts receivable				
Members (net of allowance 2025 $0, 2024 $0)		186		928
HST		42,245		36,332
Subsidy		23,650		22,607
Miscellaneous		565		0
Prepaid expenses		7,074		6,983
Total Current		110,380		216,519
Capital Assets, Note 5		452,780		662,751
Reserve Funds, Note 3		486,117		225,465
		1,049,277		1,104,735

Approved by The Board

Director: Amy Lord

Director: Crystal McComb

Statement of Financial Position

	2025	2024
		Note 14
Current Liabilities		
Accounts payable and accrued liabilities	$ 18,411	$ 12,337
Due to The Corporation of the City of Windsor, Note 4	25,771	4,438
Accrued mortgage interest	1,444	2,093
Members' deposits	20,095	20,070
Prepaid housing charges	15,119	12,684
Total Current	80,840	51,622
Mortgage Payable, Note 6	462,906	672,877
Total Liabilities	543,746	724,499
Contingencies, Note 7		
Net Assets		
Restricted		
Replacement reserve, per statement, Note 8	486,117	397,226
Unrestricted		
Contributed surplus	3,882	3,877
Accumulated surplus (deficit), per statement	15,532	(20,867)
	505,531	380,236
	1,049,277	1,104,735

The notes on pages 12 through 19 form an integral part of these financial statements.

Statement of Replacement Reserve

	2025	2024
		Note 14
Balance beginning	$ 397,226	$ 333,092
Add (deduct)		
Appropriated from operations	43,806	42,481
Investment income, Note 3	60,001	57,504
Ontario Renovates - Social Housing Repair Program (OR-SHRP)	0	30,000
Expenditures, Note 9	(14,916)	(65,851)
Balance October 31	486,117	397,226

Statement of Accumulated Surplus (Deficit)

Balance beginning	(20,867)	(60,891)
Add		
Surplus	36,399	40,024
Balance October 31	15,532	(20,867)

Statement of Operations

	2025 Note 12 Budget	2025 Actual	2024 Note 14 Actual
Revenues			
Occupancy charges, Note 10	$ 306,730	$ 333,828	$ 307,141
Government subsidies, Note 11	283,778	258,007	270,182
Parking	5,100	4,270	3,265
Investment income, Note 3	150	197	165
Water heater rental	20,400	20,400	12,000
Miscellaneous	400	268	436
Total Revenues	616,558	616,970	593,189
Expenses			
Materials and services, schedule 1	110,195	95,627	85,139
Utilities, schedule 2	50,245	48,755	49,478
Administrative overhead, schedule 3	59,043	62,075	49,630
Bad debts	1,000	0	0
Insurance	35,540	34,521	33,374
Mortgage interest	20,990	20,530	28,141
Amortization	207,871	207,871	200,348
Municipal taxes	67,572	67,113	64,524
HST not recoverable	4,977	4,173	4,026
Replacement reserve	43,806	43,806	42,481
Total Expenses	601,239	584,471	557,141
Shelter Surplus	15,319	32,499	36,048
Other			
Sector support revenue	6,000	6,000	6,000
Sector support amortization	(2,289)	(2,100)	(2,024)
Other Surplus	3,711	3,900	3,976
Surplus	19,030	36,399	40,024

Schedule of Expenses

	2025	2025	2024
	Note 12 Budget	Actual	Note 14 Actual
Schedule 1 - Materials and Services			
Building and equipment	$ 22,600	$ 27,174	$ 9,770
Electrical systems	13,475	8,391	16,265
Heating and plumbing	18,720	13,772	15,103
Grounds	16,500	13,604	11,820
Painting	2,000	625	730
Waste removal	9,000	9,296	8,687
Security	2,500	2,833	2,919
Hot water tank rentals	25,400	19,932	19,845
	110,195	95,627	85,139

Schedule 2 - Utilities			
Electricity	3,440	2,002	2,580
Fuel	1,350	869	828
Water and sewage	45,455	45,884	46,070
	50,245	48,755	49,478

Schedule 3 - Administrative Overhead			
Management fees, Note 15	38,008	36,950	35,820
Legal	1,500	3,090	0
Audit	4,890	7,368	4,795
Materials and services	10,050	10,012	4,510
Membership dues	4,595	4,655	4,505
	59,043	62,075	49,630

Statement of Cash Flows

	2025	2024
		Note 14
Operating Activities		
Surplus	$ 36,399	$ 40,024
Non-cash items		
Amortization	209,971	202,372
Appropriation to replacement reserve	43,806	42,481
	290,176	284,877
Net change in non-cash working capital	22,348	(12,950)
Cash Provided By Operating Activities	312,524	271,927
Investing Activities		
Capital expenditures	(14,916)	(65,851)
Increase in investments and restricted cash	(260,652)	(57,504)
Investment income earned in reserves	60,001	57,504
Cash Used In Investing Activities	(215,567)	(65,851)
Financing Activities		
Principal portion of mortgage payments	(209,971)	(202,371)
Increase in OR-SHRP funding	0	30,000
Increase in contributed surplus	5	20
Cash Used In Financing Activities	(209,966)	(172,351)
Net cash increase (decrease) during the year	(113,009)	33,725
Cash position beginning of year	149,669	115,944
Cash Position End Of Year	36,660	149,669

Notes to Financial Statements

Status and Nature of Activities

Mariner's Co-operative Homes (Leamington) Inc. (the Co-operative) was incorporated under the Co-operative Corporations Act on November 6, 1990, as a corporation without share capital to provide subsidized housing. The Co-operative became fully operational on its mortgage interest adjustment date of November 1, 1992. A Board of Directors is elected from the Co-operative's membership which is made up of residents.

The Co-operative claims an exemption from income tax under section 149(1)(*l*) of the Income Tax Act as a corporation operating exclusively for social welfare. No portion of the Co-operative's income is available for the personal benefit of any member.

In accordance with the Housing Services Act (HSA), the Co-operative receives funding from The Corporation of the City of Windsor and provides subsidized housing to its members and their families. The Co-operative is dependent on this funding for its continued operation.

Note 1 Significant Accounting Policies

Basis of Accounting

These financial statements have been prepared in accordance with the significant accounting policies set out below to comply with the financial reporting framework prescribed by the HSA and The Corporation of the City of Windsor. This framework requires the financial statements to be prepared in accordance with Canadian accounting standards for Not-for-Profit Organizations subject to the following significant exceptions:

(a) amortization of capital assets includes amortization of land and is equal to the principal repaid on the mortgage rather than on the useful lives of the related assets;

(b) capital expenditures may be charged to the replacement reserve rather than capitalized and amortized over their estimated useful lives;

(c) a replacement reserve is appropriated from operations;

(d) investment income earned on replacement reserve funds is credited directly to the reserve rather than to operations;

(e) long-term debt is not segregated between current and long-term on the statement of financial position;

(f) government grants received are recorded directly to the replacement reserve rather than recorded as deferred contributions related to capital assets and amortized over the estimated useful lives of the related capital assets.

Note 1 **Significant Accounting Policies - continued**

Revenue Recognition

Occupancy charges are recognized when due at the beginning of each month. Government subsidies are recognized using the deferral method of accounting for contributions.

Parking revenue is recognized at the beginning of the period during which the right to use the space is provided.

Investment income includes interest from cash, reinvested distributions from mutual funds and realized gains and losses on the disposal of investments and unrealized gains and losses resulting from the changing value of investments. Revenue is recognized on an accrual basis. Interest from fixed income investments is recognized over the term of these investments using the effective interest method.

Sector support and water heater rental revenues are collected with occupancy charges and are recognized when due at the beginning of each month.

Financial Instruments

(a) Measurement of Financial Instruments

The Co-operative initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Co-operative subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in income.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable, amounts due to members and long-term debt.

(b) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in surplus. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than 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 income.

Note 1 **Significant Accounting Policies - continued**

Use of Estimates

The preparation of financial statements requires management to make assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Note 2 **Financial Instruments**

Risk Management Policy

The Co-operative is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at October 31, 2025:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a loss.

The Co-operative is subject to concentrations of credit risk through its cash accounts. The Co-operative maintains all of its cash at a single Canadian financial institution. The maximum credit risk is equivalent to the carrying value.

The Co-operative is also subject to concentrations of credit risk through its accounts receivable. Housing charges are due on the first day of the month. Accounts receivable represent housing charges that are at least one month past due. The credit risk associated with receivables from current members is offset somewhat by the Co-operative holding deposits for each member.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates. These fluctuations may be significant. The methods and assumptions management uses when assessing market risks have not changed substantially from the prior period and are summarized below:

Interest Rate Risk

The Co-operative does not have any interest bearing investments.

The mortgage bears a fixed interest rate.

Note 2 **Financial Instruments - continued**

Liquidity Risk

Liquidity risk is the risk that the Co-operative will encounter difficulty in meeting obligations associated with financial liabilities. The Co-operative is exposed to this risk mainly in respect of its long-term debt. This risk is reduced because of considerable sums invested in social housing investments.

There has been no change in risk from the prior year.

Note 3 **Cash, Investments and Reserve Funds**

	2025	2024 Note 14
Cash		
Petty cash	$ 300	$ 300
Operating current account	237,010	149,369
	237,310	149,669
Temporary Investments		
Credit union shares	40	40
Social housing Canadian equity fund	271,647	212,217
Social housing Canadian bond fund	13,780	13,208
	285,467	225,465
	522,777	375,134
Composed of:		
Cash	36,660	149,669
Amount required to fund reserve - restricted	486,117	225,465
	522,777	375,134
Investment income includes:		
Interest and income distributions	22,768	1,821
Unrealized gains	37,430	55,848
	60,198	57,669
Allocated as follows:		
Replacement reserve	60,001	57,504
Operations	197	165
	60,198	57,669

As at October 31, 2025 the replacement reserve was underfunded by $0 (2024 - $171,761).

The average rate of return during the year was 13.4% (2024, 17.5%).

Note 4 Due to The Corporation of the City of Windsor

The Co-operative receives subsidies based on formulae contained in the HSA. Subsidies are adjusted at year-end for variances between actual and estimated amounts. The difference is receivable from (or payable to) The Corporation of the City of Windsor. The current year payable is subject to adjustment.

All fiscal years up to and including the period ended October 31, 2024 have been reconciled.

Note 5 Capital Assets

At cost	2025	2024
		Note 14
Land, building and equipment	$ 4,292,725	$ 4,292,725
Sector support	44,825	44,825
	4,337,550	4,337,550
Accumulated amortization	(3,884,770)	(3,674,799)
	452,780	662,751

Note 6 Mortgage Payable

The mortgage is held and insured by Canada Mortgage and Housing Corporation under Section 6 of the National Housing Act. Details of the mortgage at October 31 are:

Principal balance, at last renewal	- $1,038,357
Interest rate	- 3.700%
Term and amortization period	- 4 years and 11 months ending November 1, 2027
Monthly principal and interest payments	- $19,262

The status of the mortgage is as follows:

	2025	2024
		Note 14
Advances received	$ 4,347,676	$ 4,347,676
Principal repaid	(3,884,770)	(3,674,799)
	462,906	672,877

Remaining principal payments due are approximately as follows:

2026	$ 217,793
2027	225,926
2028	19,187

Note 7 Contingencies

The Co-operative received contributions from Ontario Renovates - Social Housing Repair Program (OR-SHRP) funding with The Corporation of the City of Windsor to cover the eligible cost of repairs, renovations and retrofit activities for social housing. The total funding received and spent by the Co-operative was $136,398, completed during the fiscal year ended October 31, 2023. The Co-operative is required to provide affordable social housing for 10 years after the completion of the expenditures, otherwise the funding is repayable to The Corporation of the City of Windsor on a pro-rated basis.

The Co-operative received contributions from OR-SHRP funding with The Corporation of the City of Windsor to cover the eligible cost of repairs, renovations and retrofit activities for social housing. The total funding received and spent by the Co-operative was $30,000, completed during the fiscal year ended October 31, 2024. The Co-operative is required to provide affordable social housing for 10 years after the completion of the expenditures, otherwise the funding is repayable to The Corporation of the City of Windsor on a pro-rated basis.

Note 8 Restrictions on Net Assets

The replacement reserve is externally restricted by The Corporation of the City of Windsor. These funds can only be used for capital expenditures approved by The Corporation of the City of Windsor.

Note 9 Reserve Expenditures

Expenditures charged to the replacement reserve are as follows:

	2025	2024
Appliances	$ 4,687	$ 10,994
Unit renovations	2,754	0
Carpet and flooring	2,388	917
Speed bumps	2,198	0
Heating and lighting	1,870	8,277
Playground equipment and fencing	1,019	5,159
Roofing - OR-SHRP	0	30,000
Patio doors	0	6,483
Tree removal	0	3,576
Plumbing	0	445
	14,916	65,851

Note 10 Occupancy Charges

	2025			2024		
	Market Units	RGI Units	Total	Market Units	RGI Units	Total
Gross	$ 214,380	$ 311,904	$ 526,284	$ 177,975	$ 333,117	$ 511,092
RGI subsidy	0	(182,772)	(182,772)	0	(195,090)	(195,090)
Vacancy loss	0	0	0	0	0	0
Internal subsidy	0	(9,684)	(9,684)	0	(8,861)	(8,861)
	214,380	119,448	333,828	177,975	129,166	307,141

Note 11 Government Subsidies

	2025		2024
	Note 12 Budget	Actual	Note 14 Actual
Operating	$ 8,582	$ 8,122	$ 10,568
RGI	207,624	182,772	195,090
Municipal taxes	67,572	67,113	64,524
	283,778	258,007	270,182

Note 12 Budget Figures

The unaudited budget figures are those approved by the Co-operative's membership. These figures are provided solely for comparative purposes.

Note 13 Transactions With Members

Over 80% of the Co-operative's revenue has been derived from or on behalf of members of the Co-operative.

Note 14 Classification

The prior year figures have been reclassified, where necessary, to conform to the current year's presentation. Surplus for the previous year is not affected by the reclassification.

Note 15 Management Fees

The Co-operative entered into an agreement with Homestarts Incorporated to receive personnel to perform administrative and community development functions necessary to the Co-operative's operating and the attainment of its objectives. The remaining terms of the contract are as follows:

Term	Amount
November 1, 2025 to December 31, 2025	$3,095 plus HST monthly

Subsequent to year-end, the Co-operative entered into a new agreement with Homestarts Incorporated. The terms of the contract extension are as follows:

Term	Amount
February 1, 2026 to January 31, 2027	$4,185 plus HST monthly
February 1, 2027 to January 31, 2028	$4,330 plus HST monthly
February 1, 2028 to January 31, 2029	$4,485 plus HST monthly

Note 16 Subsequent Event

Subsequent to year-end, The Corporation of the City of Windsor provided the Co-operative with a grant under OR-SHRP of up to $165,750 for roof replacement, installation of new sanitary and storm sewers and removal of septic tanks. As of year-end, the Co-operative has not incurred any expenses or received any funding.