COURT FILE NUMBER	**1501-00955**
COURT	**COURT OF QUEEN'S BENCH OF ALBERTA**
JUDICIAL CENTRE	**CALGARY**
DOCUMENT	**THIRTY-FIFTH REPORT OF THE MONITOR**

IN THE MATTER OF THE COMPANIES CREDITORS' ARRANGEMENT ACT, R.S.C. 1985 c. C-36 AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT, LUTHERAN CHURCH-CANADA, THE ALBERTA-BRITISH COLUMBIA DISTRICT INVESTMENTS LTD., ENCHARIS COMMUNITY HOUSING AND SERVICES AND ENCHARIS MANAGEMENT AND SUPPORT SERVICES

DATED APRIL 17, 2018

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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Introduction and Notice to Reader

Introduction

1. On January 23, 2015 (the "Filing Date"), Lutheran Church – Canada, the Alberta – British Columbia District (the "District"), Encharis Community Housing and Services ("ECHS"), Encharis Management and Support Services ("EMSS") and Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd. ("DIL") (collectively the "Applicants" or the "District Group") obtained an Initial Order (the "Initial Order") from the Court of Queen's Bench of Alberta (the "Court") under the *Companies' Creditors Arrangement Act*, *R.S.C. 1985, c. C-36,* as amended (the "CCAA"). Deloitte Restructuring Inc. ("Deloitte") was appointed as Monitor (the "Monitor") in the CCAA proceedings.

2. For clarity, the District includes the Church Extension Fund ("CEF"), which was originally created to allow District members to loan their money and earn interest in faith-based developments. CEF was operated under the purview of the District's Department of Stewardship and Financial Ministries and was not created as a separate legal entity. As such, depositors to CEF are creditors of the District. Depositors to DIL will be referred to as the "DIL Depositors".

3. The Initial Order provided for an initial stay of proceedings (the "Stay") until February 20, 2015. The Court subsequently granted nine (9) extensions of the Stay. The most recent Order was granted at an application on September 2, 2016 and extended the Stay until the earlier of December 31, 2016, or the date on which Certificates of Plan Termination (the "Certificate(s)") were filed signaling the completion of the plans of compromise and arrangement for all of the District (the "District Plan"), DIL (the "DIL Plan"), ECHS (the "ECHS Plan") and EMSS (the "EMSS Plan"), all as subsequently amended (collectively the "Applicants' Plans"). On November 15, 2016, the Applicants' legal counsel wrote a letter to the Court (the "Stay Letter") noting that the Monitor would not be in a position to file the Certificates by December 31, 2016. The Stay Letter also noted that the Sanction Orders granted in respect of the Applicants' Plans extended the Stay until the Certificates were filed and that, as a result, another Court application was not necessary to extend the Stay. On October 25, 2017, the Court granted two Orders partially lifting the Stay (the "Stay Orders") to allow the legal actions undertaken on behalf of participating District and DIL Depositors (the "Representative Actions") to proceed.

4. Prior to the Initial Order being granted, Deloitte prepared a Pre-Filing Report of the Proposed Monitor dated January 22, 2015 (the "Pre-Filing Report"). The Monitor subsequently prepared thirty-four reports dated between February 17, 2015 and March 3, 2018 (collectively, the "Reports"). The Monitor's Thirty-Fourth Report was dated March 3, 2018 (the "Thirty-Fourth Report"). The Thirty-Fourth Report was prepared to provide the Court with the following:

4.1. A general update on the CCAA proceedings;

4.2. The Monitor's report on the Applicants' variance analysis for the District and DIL for the thirteen (13) week period ended February 10, 2018 (defined below as the "Variance Period"); and

4.3. Information regarding a hearing on March 8, 2018 (the "March 8 Hearing"), as further described below.

5. The Monitor also filed confidential supplements to the Second Report of the Monitor, dated March 23, 2015, the Fourth Report of the Monitor dated June 24, 2015, the Fifth Report of the Monitor dated August 24, 2015, the Fifteenth Report of the Monitor dated February 25, 2016, the Seventeenth Report of the Monitor dated March 18, 2016 and the Twenty-Eighth Report of the Monitor dated May 24, 2017 (collectively the "Supplements"). The Supplements have been sealed by the Court.

6. In addition to the Reports and the Supplements, the Monitor prepared a First Report to the Creditors of ECHS and EMSS dated November 10, 2015 (the "Encharis Report"), a First Report to the Creditors of DIL dated December 8, 2015 (the "DIL Report") and a First Report to the Creditors of the District dated March 28, 2016 (the "District Report"). The Encharis, DIL and District Reports were prepared to provide creditors of the corresponding entities with specific information related to the Applicants' Plans.

7. Capitalized terms not otherwise defined herein shall have the meanings given to them in the Reports and in the Supplements.

8. Information on the CCAA proceedings can be accessed on Deloitte's website (the "Monitor's Website") at www.insolvencies.deloitte.ca under the link entitled "Lutheran Church – Canada, the Alberta – British Columbia District et. al."

Notice to Reader

9. In preparing this report, the Monitor has relied on unaudited financial information, the books and records of the Applicants, and discussions with the Applicant's employees, the Applicant's Chief Restructuring Officer (the "CRO"), interested parties and stakeholders.

10. The financial information of the Applicants has not been audited, reviewed or otherwise verified by the Monitor as to its accuracy or completeness, nor has it necessarily been prepared in accordance with generally accepted accounting principles and the reader is cautioned that this report may not disclose all significant matters about the Applicants. Additionally, none of the Monitor's procedures were intended to disclose defalcations or other irregularities. If the Monitor were to perform additional procedures or to undertake an audit examination of the financial statements in accordance with generally accepted auditing standards, additional matters may have come to the Monitor's attention. Accordingly, the Monitor does not express an opinion nor does it provide any other form of assurance on the financial or other information presented herein. The Monitor may refine or alter its observations as further information is obtained or brought to its attention after the date of this report.

11. The Monitor assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction, or use of this report. Any use, which any party makes of this report, or any reliance or decision to be made based on this report, is the sole responsibility of such party.

12. All amounts included herein are in Canadian dollars unless otherwise stated.

Court Applications

13. At the March 8 Hearing, the Court granted Orders approving the following:

13.1. A settlement between the District and the Prince of Peace church and school as further described in the Thirty-Fourth Report (the "Church and School Settlement"); and

13.2. The sale of a vacant lot owned by ECHS located at 285011 Luther Rose Boulevard in the Prince of Peace Village (the "Parsonage Lot").

14. This report represents the Thirty-Fifth Report of the Monitor (the "Thirty-Fifth Report"). The Thirty-Fifth Report is being prepared to provide the Court with the following:

14.1. A general update on the CCAA proceedings;

14.2. The Monitor's report on the statement of projected cash flows for the District for the thirteen week period ending July 7, 2018 (the "District Forecast"), including actuals for the period from February 11 to April 7, 2018 (the "Forecast Period");

14.3. The Monitor's report on the variance analysis for ECHS and EMSS for the thirteen (13) week period ended February 10, 2018 (the "Variance Period"); and

14.4. Information regarding an application by Sage Properties Corp. ("Sage"), which was originally scheduled to be heard on April 17, 2018 but is now being adjourned on terms (the "Sage Application"), as further described below.

Status of the Applicants' Plans

15. The following is a summary of activities undertaken to implement the Applicants' Plans since the date of the Thirty-Fourth Report.

The District Plan

16. The District's legal counsel has received the $40,000 payment due to the District pursuant to the Church and School Settlement.

17. The District is continuing its efforts to realize on its remaining assets, the most significant of which is the District's interest in approximately 4.08 acres of land in the community of Tuscany in Northwest Calgary (the "Tuscany Lands"). As previously reported, the Tuscany Lands are currently listed by Colliers International ("Colliers") with a purchase price of $4.0 million. Colliers is actively marketing the Tuscany Lands, including through their online database of over 1,160 targets.

18. Upon the sale of the Tuscany Lands, a final distribution is anticipated to be made to the District's creditors pursuant to the District Plan.

The Future of the District

19. The Lutheran Church – Canada ("LCC") previously established a Commission on Constitutional Matters and Structure to develop a new structure for LCC. The Monitor understands that the corresponding amendments to LCC's statutory bylaws (the "LCC Amendments") were adopted at the Eleventh (11th) Convention of LCC held in October 2017 and that LCC's member congregations are currently voting to ratify an amended constitution. The LCC Amendments contemplate, among other things that LCC will interact through regions with member congregations on ecclesiastical matters and carry out the ecclesiastical activities currently undertaken by the District. As such, once implemented, the LCC Amendments would effectively eliminate the need for the District to exist in its current form. The Monitor understands that the District will consider both the LCC Amendments and the corresponding impact on the District at its annual convention in the fall of 2018. As additional information becomes available, the Monitor will report further as to the District's future operations and any corresponding impact on the District Plan and the Representative Actions.

The Beinert Affidavit

20. The Monitor is in receipt of an affidavit filed by Georg Beinert on March 22, 2018 (the "Beinert Affidavit"). Mr. Beinert appears to have filed the Beinert Affidavit to address what he perceives as outstanding allegations against him. The Monitor is not aware of any application(s) having been filed in conjunction with the Beinert Affidavit.

21. In paragraph 5 of the Beinert Affidavit, Mr. Beinert references paragraph 46.4 ("Paragraph 46.4") of the Twenty-Eighth Report of the Monitor dated May 24, 2017 (the "Twenty-Eighth Report"). The Beinert Affidavit indicates that the Monitor has made the statement that "Mr. Beinert has contacted Shareholders and fraudulently impersonated Sage representatives…". The Monitor notes that Paragraph 46.4 describes the contents of correspondence from Sage's legal counsel dated May 23, 2017, a copy of which is attached as "Appendix J" to the Twenty-Eight Report and does not reflect a statement made by the Monitor.

The DIL Plan

22. All of DIL's assets have been realized and all funds have been distributed to the DIL Depositors. The final distribution of approximately $179,900 and was released to DIL Depositors in March 2018 (the "Final DIL Distribution").

23. As previously reported, payments made to DIL Depositors, including those made pursuant to the emergency fund (as established in the Initial Order) and required annual minimum payments (the "AMPs") to holders of registered retirement income funds and locked-in income funds, total approximately $30.7 million and represent approximately 81% of DIL Depositors' original investments as recorded in DIL's books and records on the Filing Date.

24. Once all payments to DIL Depositors have been processed and DIL's bank account has been closed, the Monitor will issue the Certificate evidencing that the DIL Plan has been completed.

The ECHS Plan

25. As detailed in the Thirty-Fourth Report, the sale of the Parsonage Lot was scheduled to close on March 30, 2018 (the "Closing Date"). Subsequent to the March 8 Hearing, legal counsel for the purchaser of the Parsonage Lot raised a concern surrounding the characterization of the Parsonage Lot as common property in the bylaws of the condominium corporation for the Prince of Peace Village (the "Condo Corp"). The Monitor understands that the Closing Date was extended to April 20, 2018 while ECHS' legal counsel reviews this issue and any corresponding impact on the sale of the Parsonage Lot. As previously reported, once the sale of the Parsonage Lot has closed, ECHS' CCAA proceedings will be complete and the Monitor will be in position to issue the Certificate for ECHS.

The EMSS Plan

26. As previously reported, EMSS' CCAA proceedings are complete and the Certificate for EMSS will be issued upon completion of the Sequence of Events set out in Section 7.1 of the District Plan.

The Sage Application

27. As noted above, Sage has filed an application seeking the following relief (defined above as the Sage Application):

    27.1. A direction that easements bearing registration numbers 001 042 374 and 981 274 372 be discharged from certain lands owned by Sage that are described and defined in the affidavit of Scott McCorquodale sworn on March 29, 2018 (the "McCorquodale Affidavit") as the "Sage Lands" and certain lands owned by residents within the retirement community known as the Prince of Peace Village (the "Condo Owners") that are described and defined in the McCorquodale Affidavit as "Parcel C". Sage is proposing that the Easements are to be replaced with a Mutual Access Easement Agreement or a substantively similar agreement, registered against the common property of the Condo Corp; and

    27.2. Advice, declaratory relief and directions as to the ownership of the Utilities (also as described and defined in the McCorquodale Affidavit) to which the Easements relate.

28. The Monitor notes the following with respect to the Sage Application:

    28.1. The Sage Lands comprise the lands that were transferred to Sage pursuant to the Applicants' Plans and include the Harbour and Manor's seniors care facilities and the surrounding development and expansion lands. A primary objective of the Applicants' Plans was the transfer of the Sage Lands to Sage to be dealt with as instructed by Sage's shareholders (the District's creditors). As the presence of the Easements appears to be hindering Sage's ability to deal with the Sage Lands, it would appear that the Sage Application would serve to fulfill a stated objective of the Applicants' Plans, which were previously approved by the required majority of each Applicants' creditors and sanctioned by the Court.

    28.2. The Monitor understands that there are approximately 198 titles registered against Parcel C and that there are over 250 registered owners whose titles are affected by the Easements. The Monitor notes that the ECHS Plan affected approximately 60 registered owners of properties within Parcel C (the "Life Lease Residents"). The Life Lease Residents each had their interest in a condominium within the Prince of Peace Village converted from a leasehold to a fee simple interest pursuant to the ECHS Plan. Unless they were creditors of any of the Applicants, the remaining owners of properties within Parcel C would not have been affected by the Applicants' Plans and would not have had the opportunity to participate in or consider the impact of the CCAA proceedings; and

    28.3. The Monitor has not been provided with and therefore cannot comment on any draft wording for the proposed Mutual Access Easement Agreement.

29. The Monitor has been provided with a letter dated April 10, 2018 written by McLeod Law (the McLeod Law Letter") who acts as legal counsel to the Condo Corp and certain of the Condo Owners as well as the Affidavit of Vivian Drysdale filed on April 12, 2018 (the "Drysdale Affidavit"). Both the McLeod Law Letter and the Drysdale Affidavit set out certain background information as well as the preliminary concerns of the Condo Corp and the Condo Owners related to the Sage Application. The McLeod Letter and the Drysdale Affidavit further express a desire to negotiate or mediate the matters to be addressed at the Sage Application.

30. The Monitor understands that the Sage Application is now being adjourned on terms to enable further discussions to take place between Sage and the Condo Owners.

Cash Flow and Variance Analysis

Actual Cash Flow

31. Attached as "Schedule 1" is the District Forecast that, as noted above, includes actual results (the "Actuals") for the eight-week period from February 11 to April 7, 2018 (the "Reported Period"). There was no cash flow forecast finalized for the Reported Period. The Monitor has reviewed the Actuals for the Reported Period, which are largely consistent with results reported during prior periods.

32. The Monitor specifically notes the following with respect to the Actuals:

    32.1. Approximately $57,700 was paid to employees and contractors of the District for CEF related activities, which included severance obligations of approximately $40,000;

    32.2. Approximately $38,500 was distributed pursuant to the District Plan over the Reported Period;

    32.3. Approximately $27,200 was paid for restructuring fees, including payments to the Applicant's legal counsel, the Monitor, the Monitor's legal counsel, and legal counsel for the District Committee (the "District Restructuring Fees");

    32.4. The District paid fees to the CRO of approximately $19,300 over the Reported Period;

    32.5. The District reported mission remittances (the "Donations") from the District's 127 member congregations of $59,500 over the Reported Period. Pursuant to an Order granted on June 26, 2015, a portion of the Donations are payable to LCC (the "LCC Portion"). For the Reported Period, the LCC Portion was $35,400, which includes amounts related to Donations received prior to the Reported Period; and

    32.6. Salaries and benefits of $19,200, including applicable CRA remittances, were paid during the Reported Period related to the District's operations.

33. The District, including CEF, had a total net cash outflow of approximately $157,100 over the Reported Period and had cash on hand of approximately $910,800 (including marketable securities) at the end of the Reported Period (the beginning of the Forecast Period). The Monitor notes that, of this cash on hand, approximately $465,000 is comprised of the Donations and other restricted donations (the "District Cash"). The District Cash is not available to District Depositors pursuant to the District Plan.

The District Forecast

34. The District Forecast has been broken down to distinguish between cash flow related to CEF and that related to other District operations. The District, including CEF, estimates a total net cash outflow of approximately $234,600 over the Forecast Period and projects that it will have cash on hand of approximately $676,200 (including marketable securities) at the end of the Forecast Period. In addition,

as of the date of this report, the District's legal counsel is currently holding approximately $601,800 in trust from the realization of the District's assets, which is not reflected in the District Forecast.

35. A summary of the District Forecast is included below:

The District, including CEF
Statement of Projected Cash Flow
For the Thirteen Week Period Ending July 7, 2018

		Total
Cash flow from CEF operations		
Receipts		
Bank interest income	$	600
DIL Management Fees		-
Total Receipts		600
Disbursements		
CEF salaries and benefits		(30,600)
Distributions pursuant to the District Plan		(1,476)
Operating expenses		(4,325)
Restructuring fees		(196,475)
CRO		(10,353)
Total disbursements		(243,229)
Net cash flow from CEF operations		**(242,629)**

The District, including CEF
Statement of Projected Cash Flow (cont'd)
For the Thirteen Week Period Ending July 7, 2018

Cash flow from other District operations	
Receipts	
Mission remittances	104,000
Total receipts	104,000
Disbursements	
Salaries and benefits	(27,633)
Administrative expenses, travel and utilities	(9,000)
Outreach operating expenses	(24,500)
Department of Stewardship and Financial Ministries operating expenses	(9,000)
President's expenses	(8,400)
Mission Payments to LCC	(17,400)
Total disbursements	(95,933)
Net cash flow from other District operations	**8,067**
Total net cash flow	**$ (234,562)**
Cash and marketable securities on hand	
Beginning balance	$ 910,790
Total net cash flow	(234,562)
Ending balance	**$ 676,228**

Cash Flow Related to CEF Operations

36. The District is forecasting receipts of approximately $600 over the Forecast Period related to CEF, which consists of interest on their bank account.

37. The District is forecasting disbursements of approximately $243,200 over the Forecast Period related to CEF. We highlight the following with respect to these disbursements:

37.1. Approximately $30,600 is due for amounts payable to contractors of the District for CEF related activities. The District no longer has any employees related to CEF;

37.2. The District estimates disbursements of approximately $196,500 for the District Restructuring Fees over the Forecast Period. The District Restructuring Fees reflect the payment of invoices going back to December 2017, which were either not invoiced or not paid during the Reported Period; and

37.3. The District estimates fees for the CRO of approximately $10,400 over the Forecast Period.

Cash Flow Related to Other District Operations

38. The District is forecasting receipts of approximately $104,000 for the Donations. For the Forecast Period, the LCC Portion is estimated to be $17,400. The Monitor understands that the LCC Amendments are not anticipated to impact Donations in the short-term.

39. The District is forecasting disbursements of approximately $95,900 over the Forecast Period. We highlight the following with respect to these disbursements:

    39.1. The District has one remaining employee who is being paid on a bi-weekly basis. Payroll and the corresponding CRA payroll source deduction remittances are anticipated to total approximately $27,600 over the Forecast Period; and

    39.2. Operating expenses for outreach services are anticipated to total approximately $24,000 over the Forecast Period.

40. The District had an opening cash balance of approximately $910,800 consisting of a cash balance of approximately $739,400 held in bank accounts with the Bank of Montreal (“BMO”), bonds of approximately $42,500 as at January 31 30, 2018 held with FI Capital Ltd. (“FI Capital”), and an investment of approximately $128,900 as at January 31, 2018 held with Richardson GMP. As discussed above, the District, including CEF, is projected to have a net cash outflow of approximately $234,600 over the Forecast Period. In addition, the District’s legal counsel is holding approximately $601,800 in trust for future distributions to District Depositors. Based on the above, the District appears to have sufficient liquidity to sustain its ongoing operations during the Forecast Period and to fund the District’s Restructuring Holdback (as defined in the District Plan). As previously noted, the District’s opening cash balance includes the District Cash, which is not available for the District’s creditors pursuant to the District Plan.

Monitor’s Report on the District Forecast

41. The Monitor reports as follows with respect to the District Forecast:

    41.1. The District Forecast has been prepared by Management for the purposes described in the notes contained therein (the “Notes”) using the probable and hypothetical assumptions set out in the Notes;

    41.2. The Monitor’s review consisted of inquiries, analytical procedures and discussion related to information supplied to it by Management and selected employees of the Applicants. Since hypothetical assumptions need not be supported, the Monitor’s procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the District Forecast. The Monitor has also reviewed the support provided by Management for the probable assumptions, and the preparation and presentation of the District Forecast;

    41.3. Based on the Monitor’s review, nothing has come to its attention that causes it to believe that, in all material respects:

41.3.1. The hypothetical assumptions are not consistent with the purpose of the District Forecast;

41.3.2. As at the date of the Thirty-Fifth Report, the probable assumptions developed by Management are not suitably supported and consistent with the District Plan or do not provide a reasonable basis for the District Forecast, given the hypothetical assumptions; or

41.3.3. The District Forecast does not reflect the probable and hypothetical assumptions.

41.4. Since the District Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur and the variations may be material. Accordingly, the Monitor expresses no assurance as to whether the District Forecast will be achieved. The Monitor further expresses no opinion or other form of assurance with respect to the accuracy of any financial information reported with respect to the District Forecast, or relied upon by it in reporting on the District Forecast; and

41.5. The District Forecast has been prepared solely for the purpose described in the Notes, and readers are cautioned that it may not be appropriate for other purposes.

Variance Analysis for ECHS

42. Attached as “Schedule 2” is the variance analysis for ECHS for the Variance Period. The variance analysis for ECHS is based on the Statement of Projected Cash Flow for the Thirteen (13) Week Period Ending February 10, 2018 for ECHS, which was dated November 28, 2017 (the “ECHS Forecast”).The variance analysis for ECHS includes information as to timing and permanent variances reported by ECHS over the Variance Period. The Monitor notes as follows with respect to the variance analysis for ECHS:

42.1. The ECHS Forecast erroneously excluded operating expenses for accounting support (including the preparation of 2017 tax returns) and the payment of an outstanding invoice due to the CRO (the “ECHS CRO Fees”), the payment of which resulted in permanent negative variances of approximately $10,400 and $4,200 respectively.

42.2. Professional fees for the Monitor, the Monitor’s legal counsel and the Applicant’s legal counsel (the “ECHS Restructuring Fees”) were approximately $13,000 lower than originally reflected in the ECHS Forecast.

43. The Monitor is advised that the variance analysis for ECHS reflects the payment of all ECHS CRO Fees and ECHS Restructuring Fees. The Monitor has requested but has not yet received confirmation as to any additional operating expenses payable by ECHS. Should ECHS have any residual cash following the payment of all operating expenses, it will be transferred to Sage as contemplated in the ECHS Plan.

Variance Analysis for EMSS

44. Attached as “Schedule 3” is the variance analysis for EMSS for the Variance Period. The variance analysis for EMSS is based on the Statement of Projected Cash Flow for the Thirteen (13) Week Period Ending February 10, 2018 for EMSS, which was dated November 28, 2017 (the “EMSS Forecast”). The variance analysis for EMSS includes information as to timing and permanent variances reported by EMSS over the Variance Period. The Monitor notes as follows with respect to the variance analysis for EMSS:

    44.1. EMSS received a WCB refund of approximately $20,300 related to the period prior to the Harbour and Manor seniors’ care facilities having been transferred to Sage, which had been erroneously excluded from the EMSS Forecast; and

    44.2. As previously reported, EMSS previously transferred $300,000 to Sage pursuant to the EMSS Plan (the “Sage Transfer”). The Sage Transfer was issued subject to Sage providing an undertaking that they would pay any remaining expenses for EMSS from the Sage Transfer (the “Sage Undertaking”). The EMSS Forecast was prepared on the basis that EMSS would need to rely on the Sage Undertaking to pay approximately $16,000 of professional fees for the Monitor, the Monitor’s legal counsel and the Applicant’s legal counsel (the “EMSS Restructuring Fees”). As a result of the receipt of the WCB Refund, EMSS did not need to rely on the Sage Undertaking and was able to pay operating expenses and the EMSS Restructuring Fees from cash on hand.

45. The Monitor has requested but has not yet received confirmation as to any additional operating expenses payable by EMSS. Should EMSS have any residual cash following the payment of all operating expenses, it will be transferred to Sage as contemplated in the EMSS Plan.

Conclusion

46. The Thirty-Fifth Report has been prepared to provide the Court with a general update on the CCAA proceedings, the Monitor's report on the District Forecast and the variance analysis for ECHS and EMSS and information regarding the Sage Application. As noted above, the Monitor understands that the Sage Application is now being adjourned on terms.

DELOITTE RESTRUCTURING INC.,
In its capacity as Court-appointed Monitor of The Lutheran Church – Canada, The Alberta – British Columbia District, Encharis Community Housing and Services, Encharis Management and Support Services and The Lutheran Church – Canada, The Alberta – British Columbia District Investments Ltd. and not in its personal or corporate capacity

Vanessa Allen, B. Comm, CIRP, LIT
Senior Vice-President

Schedules

Schedule 1

The Lutheran Church - Canada, The Alberta - British Columbia District (the "District") including the Church Extension Fund ("CEF")
Statement of Projected Cash Flow
For the Thirteen Week Period Ending July 7, 2018 (showing actual results for the eight week period ended April 7, 2018)

Week ending	Actuals - 11-Feb to 7-Apr-18	14-Apr-18	21-Apr-18	28-Apr-18	5-May-18	12-May-18	19-May-18	26-May-18	2-Jun-18	9-Jun-18	16-Jun-18	23-Jun-18	30-Jun-18	7-Jul-18	Total - 8-Apr to 7-Jul-18	Specific Notes
Cash flow from CEF operations																
Receipts																
Bank interest income	$ 1,354				$ 200				$ 200					$ 200	$ 600	1
DIL Management Fees	390														-	
Total Receipts	1,744	-	-	-	200	-	-	-	200	-	-	-	-	200	600	
Disbursements																
CEF salaries and benefits	(57,678)	(6,000)			(4,200)	(6,000)			(4,200)		(6,000)			(4,200)	(30,600)	2
Distributions pursuant to the District Plan	(38,462)	(1,476)													(1,476)	3
Operating expenses	(4,470)	(275)			(1,750)	(275)			(1,750)	(275)					(4,325)	4
Restructuring fees	(27,219)	(31,475)		(130,000)					(35,000)						(196,475)	5
CRO	(19,336)				(5,177)					(5,177)					(10,353)	6
Total disbursements	(147,165)	(39,226)	-	(130,000)	(11,127)	(6,275)	-	-	(40,950)	(5,452)	(6,000)	-	-	(4,200)	(243,229)	
Net cash flow from CEF operations	**(145,422)**	**(39,226)**	**-**	**(130,000)**	**(10,927)**	**(6,275)**	**-**	**-**	**(40,750)**	**(5,452)**	**(6,000)**	**-**	**-**	**(4,000)**	**(242,629)**	
Cash flow from other District operations																
Receipts																
Mission remittances	59,481	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	104,000	7
Agency funds/ donations/ miscellaneous	8,268														-	
Total receipts	67,749	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	104,000	
Disbursements																
Salaries and benefits	(19,243)	(9,211)					(9,211)				(9,211)				(27,633)	8
Administrative expenses, travel and utilities	(8,659)		(500)		(2,500)		(500)		(2,500)		(500)			(2,500)	(9,000)	9
Parish and School Services	(3,000)														-	
Outreach operating expenses	(8,463)		(7,500)	(500)				(7,500)	(500)			(7,500)	(500)	(500)	(24,500)	10
Department of Stewardship and Financial Ministries operating expenses	(500)		(8,000)							(1,000)					(9,000)	11
President's expenses	(4,179)		(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(8,400)	
Mission Payments to LCC	(35,396)		(5,800)					(5,800)				(5,800)			(17,400)	7
Total disbursements	(79,441)	(9,211)	(22,500)	(1,200)	(3,200)	(700)	(10,411)	(14,000)	(3,700)	(1,700)	(10,411)	(14,000)	(1,200)	(3,700)	(95,933)	
Net cash flow from other District operations	**(11,692)**	**(1,211)**	**(14,500)**	**6,800**	**4,800**	**7,300**	**(2,411)**	**(6,000)**	**4,300**	**6,300**	**(2,411)**	**(6,000)**	**6,800**	**4,300**	**8,067**	
Total net cash flow	**$ (157,114)**	**$ (40,437)**	**$ (14,500)**	**$ (123,200)**	**$ (6,127)**	**$ 1,025**	**$ (2,411)**	**$ (6,000)**	**$ (36,450)**	**$ 849**	**$ (8,411)**	**$ (6,000)**	**$ 6,800**	**$ 300**	**$ (234,562)**	
Cash and marketable securities on hand																
Beginning balance	1,068,272	$ 910,790	$ 870,353	$ 855,853	$ 732,653	$ 726,526	$ 727,551	$ 725,140	$ 719,140	$ 682,690	$ 683,539	$ 675,128	$ 669,128	$ 675,928	$ 910,790	
Net change (investments & US account)	(369)															
Total net cash flow	(157,114)	(40,437)	(14,500)	(123,200)	(6,127)	1,025	(2,411)	(6,000)	(36,450)	849	(8,411)	(6,000)	6,800	300	(234,562)	
Ending balance	**$ 910,790**	**$ 870,353**	**$ 855,853**	**$ 732,653**	**$ 726,526**	**$ 727,551**	**$ 725,140**	**$ 719,140**	**$ 682,690**	**$ 683,539**	**$ 675,128**	**$ 669,128**	**$ 675,928**	**$ 676,228**	**$ 676,228**	12 & 13

Prepared as at the 11th day of April, 2018.

The Lutheran Church - Canada, The Alberta - British Columbia District (the "District") including the Church Extension Fund ("CEF")
Statement of Projected Cash Flow
For the Thirteen Week Period Ending July 7, 2018 (showing actual results for the eight week period ended April 7, 2018)

Purpose:

This Statement of Projected Cash Flow (the "Cash Flow") has been prepared by management pursuant to section 10(2)(a) of the *Companies' Creditors' Arrangement Act* ("CCAA"). It is being filed specifically for the purposes contemplated in that section and readers are cautioned that it may not be appropriate for other purposes. The Cash Flow has been prepared based on the hypothetical and probable assumptions described in the general and specific notes. In addition the Cash Flow has been prepared based on assumptions regarding future events; therefore actual results may vary from the estimates presented herein and these variances may be material.

The Lutheran Church - Canada - The Alberta British Columbia District

Per: Cameron Sherban, Chief Restructuring Officer

Notes & Assumptions - General:

1. Unless otherwise stated, amounts are based on historical data and management estimates.
2. All amounts include applicable GST.
3. CEF placed a moratorium on depositor redemptions effective January 2, 2015.
4. The District filed a plan of compromise and arrangement (the "District Plan") in the CCAA proceedings, which was approved by the Court pursuant to an Order granted on August 2, 2016.

Notes & Assumptions - Specific:

1. Represents the interest earned on the balance in CEF's account with Bank of Montreal.
2. Represents amounts payable to contractors retained to assist with CEF related matters.
3. Represents outstanding distributions to the District's creditors pursuant to the District Plan.
4. Represents operating expenses such as rent, general and administrative expenses and accounting services related to the preparation of annual tax returns.
5. Represents anticipated amounts payable to the District's legal counsel, the CCAA Monitor, the CCAA Monitor's legal counsel and representative counsel for the creditors' committee that was established for the District.
6. Includes amounts payable to Kluane Partners as the Chief Restructuring Officer.
7. Represents the anticipated weekly amount of mission commitments received from the churches throughout the District a portion of which is payable to Lutheran Church-Canada as set out in the Order granted by the Court of Queen's Bench of Alberta on June 26, 2015.
8. Includes monthly salary, benefits and pension amounts. The District is WCB exempt.
9. Includes information technology, general office expenses and travel.
10. Program funding given to churches within the District. Churches can access this program by applying for specific funding with all amounts being reviewed by the Outreach Department and approved by the District's board of directors.
11. Monthly amount sent to the Lutheran Church Canada for use of the services of the LCC gift planner, who is assigned to the District.

12. This amount includes cash held by the District in various accounts with Bank of Montreal, including approximately $3,400 held in a U.S. dollar account, which has been converted at an exchange rate of $1:00 US: 1.299 CDN. This amount also includes marketable securities held with FI Capital and Richardson GMP with a fair market value of approximately $171,500 as at January 31, 2018 as well as the Restructuring Holdback, as such term is defined in the District Plan. $465,000 of this amount comprises mission remittances and restricted donations received by the District during the CCAA proceedings and is not available to the District's creditors pursuant to the District Plan.

13. Fasken Martineau DuMoulin LLP , legal counsel to the District, is holding approximately $601,800 in trust generated by net realizations from the sale of the District's assets, which is not reflected herein.

Schedule 2

ECHS
Variance Analysis
For the period from November 12, 2017 to February 10, 2018

	Total Forecast	Total Actual	Variance (A-F)	Notes
Disbursements				
Operating expenses	$ (3,150)	$ (13,535)	$ (10,385)	1 & 2
Restructuring fees	(31,559)	(18,599)	12,959	1
Transfer to Sage	(6,798)	-	6,798	3
CRO	-	(4,200)	(4,200)	1
Total disbursements	(41,507)	(36,334)	5,173	
Net cash flow	**$ (41,507)**	**$ (36,334)**	**$ 5,173**	

	Total Forecast	Total Actual	Variance (A-F)
Cash on hand			
Beginning balance	$ 41,507	$ 41,507	-
Net cash flow	(41,507)	(36,334)	5,173
Ending balance	**$ (0)**	**$ 5,173**	**$ 5,173**

Notes:

1. Permanent variances as a result of expenses being higher/ lower than initially forecast.
2. Additional expenses were incurred for accounting support beyond what was originally forecast.
3. Timing related variances, which are expected to reverse themselves in future weeks.

Schedule 3

EMSS
Variance Analysis
For the period from November 12, 2017 to February 10, 2018

	Total Forecast	Total Actual	Variance (A-F)	Notes
Receipts				
WCB refund	$ -	$ 20,325	$ 20,325	1
Total Receipts	-	20,325	20,325	
Disbursements				
Operating expenses	(645)	(3,116)	(2,471)	2
Restructuring fees	(12,880)	(18,642)	(5,762)	2
Total disbursements	(13,525)	(21,759)	(8,234)	
Net cash flow	**$ (13,525)**	**$ (1,434)**	**$ 12,091**	

	Total Forecast	Total Actual	Variance (A-F)
Cash on hand			
Beginning balance	$ 13,525	$ 13,525	$ -
Net cash flow	(13,525)	(1,434)	12,091
Ending balance	**$ -**	**$ 12,091**	**$ 12,091**

Notes:

1. Permanent variance due to the receipt of a refund of 2016 premiums from the Workers' Compensation Board, which was not originally forecast.
2. Permanent variance due to EMSS having additional funds to pay expenses beyond what was originally forecast. These expenses were originally anticipated to be paid by Sage pursuant to an undertaking that they provided when EMSS' assets were transferred to Sage pursuant to the Applicants' Plans.