

COURT FILE NUMBER 1501-00955

COURT COURT OF QUEEN'S BENCH OF ALBERTA IN
BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, R.S.C. 1985,
c. C-36, as amended

APPLICANTS LUTHERAN CHURCH – CANADA, THE ALBERTA
– BRITISH COLUMBIA DISTRICT, ENCHARIS
COMMUNITY HOUSING AND SERVICES,
ENCHARIS MANAGEMENT AND SUPPORT
SERVICES, AND LUTHERAN CHURCH –
CANADA, THE ALBERTA – BRITISH COLUMBIA
DISTRICT INVESTMENTS LTD.

MANAGEMENT'S REPORT ON CASH FLOW STATEMENT
PURSUANT TO PARAGRAPH 10(2)(B) OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, as amended

1. The Management of the Applicants has developed the assumptions and prepared the attached statements of projected cash flow for each of the Applicants as of the 20 day of March 2015 for the fifteen week period (the "Forecast Period") ending June 27, 2015 (the "Forecasts").
2. The Forecasts have been prepared for the purpose of determining the liquidity requirements of the Applicants during the Forecast Period.
3. The hypothetical assumptions are reasonable and consistent with the purpose of the projections described in the notes to the Forecast, and the probable assumptions are suitably supported and consistent with the plans of the Applicants and provide a reasonable basis for the Forecasts.
4. Since the Forecasts are based on assumptions regarding future events, actual results will vary from the information presented and variations may be material.
5. The Forecasts have been prepared solely for the purposes described in the notes to the Forecasts. Consequently, readers are cautioned that the Forecasts may not be appropriate for other purposes.

6. The Applicants confirm that the Forecasts and the underlying assumptions are the responsibility of the Applicants, and that all material information relevant to the Forecasts and to the underlying assumptions has been made available to Deloitte Restructuring Inc., in its capacity as the Monitor for the Applicants.

Dated at Calgary, Alberta this 20th day of March 2015.

LUTHERAN CHURCH – CANADA, THE ALBERTA
– BRITISH COLUMBIA DISTRICT, ENCHARIS
COMMUNITY HOUSING AND SERVICES,
ENCHARIS MANAGEMENT AND SUPPORT
SERVICES AND LUTHERAN CHURCH -
CANADA, THE ALBERTA – BRITISH COLUMBIA
DISTRICT INVESTMENTS LTD.

Per: 

Kurtis Robinson

The Lutheran Church - Canada, The Alberta - British Columbia District (the "District") including the Church Extension Fund ("CEF")

Statement of Projected Cash Flow

For the Fifteen Week Period Ending June 27, 2015

Week ending	21-Mar-15	28-Mar-15	4-Apr-15	11-Apr-15	18-Apr-15	25-Apr-15	2-May-15	9-May-15	16-May-15	23-May-15	30-May-15	6-Jun-15	13-Jun-15	20-Jun-15	27-Jun-15	Total	Notes
Cash flow from CEF operations																	
Receipts																	
Lease payments			\$ 29,017				\$ 29,017					\$ 29,017				\$ 87,051	1
Management fees		24,000				\$ 24,000					\$ 24,000				\$ 24,000	96,000	2
Loan interest and principal payments	16,737	245	1,000	\$ 3,500	\$ 16,737	245	1,000	\$ 3,500	\$ 16,737	\$ 1,000	245	1,000	\$ 3,500	\$ 16,737	245	82,428	3
Total Receipts	16,737	24,246	30,017	3,500	16,737	24,246	30,017	3,500	16,737	1,000	24,246	30,017	3,500	16,737	24,246	265,479	
Disbursements																	
Mortgage payments			(28,188)				(28,188)					(28,188)				(84,564)	4
CEF salaries and benefits	(10,000)		(2,100)		(37,000)		(2,100)		(37,000)			(2,100)		(37,000)		(127,300)	
Operating expenses	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)					(60,000)	
Emergency fund	(1,513)	(860)	(37,105)	(500)	(500)	(500)	(38,605)	(500)	(500)	(500)	(500)	(39,105)				(120,888)	5
Restructuring fees				(12,000)	(12,000)	(52,500)					(45,000)					(154,500)	6
Communications							(3,500)								(14,000)	(12,000)	7
CRO											(14,000)					(31,500)	8
Total disbursements	(17,513)	(6,860)	(73,393)	(6,500)	(67,500)	(59,000)	(78,393)	(6,500)	(43,500)	(51,500)	(14,500)	(69,393)		(82,000)	(14,000)	(690,552)	
Net cash flow from CEF operations	(776)	17,386	(43,376)	(3,000)	(50,763)	(34,756)	(48,376)	(3,000)	(26,763)	(50,500)	9,745	(39,376)	3,500	(65,263)	10,245	(325,073)	
Cash flow from other District operations																	
Receipts																	
Wage recovery	12,000		2,500		17,450		2,500		12,000			2,500		12,000		60,950	9
Mission remittances	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	195,000	10
Rental income			1,500				1,500					1,500				4,500	11
Total receipts	25,000	13,000	17,000	13,000	30,450	13,000	17,000	13,000	25,000	13,000	13,000	17,000	13,000	25,000	13,000	260,450	
Disbursements																	
Salaries and benefits	(10,000)		(2,100)		(42,240)		(2,100)		(37,240)			(2,100)		(32,240)		(128,020)	12
Administrative expenses, travel and utilities	(1,850)	(1,850)	(1,850)	(1,850)	(1,850)	(1,850)	(1,850)	(1,850)	(1,850)	(1,850)						(18,500)	13
Outreach operating expenses	(6,000)	(1,500)	(500)	(500)	(6,000)	(15,000)	(500)	(500)	(1,500)	(6,000)	(500)	(500)	(1,500)	(6,000)	(500)	(47,000)	14
Parish and school services operating expenses	(450)	(450)	(450)	(450)	(450)	(450)	(450)	(450)	(450)	(450)	(450)	(450)	(450)	(450)	(450)	(6,750)	15
Department of Stewardship and Financial Ministries operating expenses	(1,000)				(1,000)				(1,000)					(1,000)		(4,000)	16
President's expenses	(180)	(180)	(180)	(180)	(180)	(180)	(180)	(180)	(180)	(180)	(180)	(180)	(180)	(180)	(180)	(2,700)	17
Plant fund expenses	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(7,500)	
Total disbursements	(19,980)	(4,480)	(5,580)	(3,480)	(62,220)	(17,980)	(5,580)	(3,480)	(42,720)	(8,980)	(1,630)	(3,730)	(2,630)	(40,370)	(1,630)	(214,470)	
Net cash flow from other District operations	5,020	8,520	11,420	9,520	(21,770)	(4,980)	11,420	9,520	(17,720)	4,020	11,370	13,270	10,370	(15,370)	11,370	45,980	
Total net cash flow	\$ 4,244	\$ 25,905	\$ (31,956)	\$ 6,520	\$ (72,533)	\$ (39,735)	\$ (36,956)	\$ 6,520	\$ (44,483)	\$ (46,480)	\$ 21,115	\$ (26,106)	\$ 13,870	\$ (80,633)	\$ 21,615	\$ (279,093)	
Cash and marketable securities on hand																	
Beginning balance	\$ 6,211,093	\$ 6,215,337	\$ 6,241,242	\$ 6,209,286	\$ 6,215,806	\$ 6,143,273	\$ 6,103,538	\$ 6,066,582	\$ 6,073,102	\$ 6,028,619	\$ 5,982,139	\$ 6,003,254	\$ 5,977,148	\$ 5,991,018	\$ 5,910,385	\$ 6,211,093	18
Total net cash flow	4,244	25,905	(31,956)	6,520	(72,533)	(39,735)	(36,956)	6,520	(44,483)	(46,480)	21,115	(26,106)	13,870	(80,633)	21,615	(279,093)	
Ending balance	\$ 6,215,337	\$ 6,241,242	\$ 6,209,286	\$ 6,215,806	\$ 6,143,273	\$ 6,103,538	\$ 6,066,582	\$ 6,073,102	\$ 6,028,619	\$ 5,982,139	\$ 6,003,254	\$ 5,977,148	\$ 5,991,018	\$ 5,910,385	\$ 5,932,000	\$ 5,932,000	

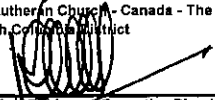
Prepared as at the 20 day of March 2015

The Lutheran Church - Canada, The Alberta - British Columbia District (the "District") including the Church Extension Fund ("CEF")
Statement of Projected Cash Flow
For the Fifteen Week Period Ending June 27, 2015

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: Kull Robinson, Executive Director of
Stewardship and Finance

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 depositors redemptions effective January 2, 2015.

Notes & Assumptions - Specific:

1. Monthly lease payments made from Golden Hills School Division for lease of a portion of a property located in Strathmore, Alberta. The loan on Strathmore Property is held in the Lutheran Church - Canada, The Alberta - British Columbia District Investments Ltd. ("DIL"); therefore payments are transferred to DIL from CEF on a monthly basis (the "Golden Hill Payment").
2. Management fee paid from DIL.
3. Includes loan payments from various churches in the District. The other mortgages and lines of credit left in the CEF pay on inconsistent dates and are not always kept current.
4. Represents the Golden Hill Payment.
5. Represents payments made pursuant to an emergency fund whereby high need individuals would still be able to access funds on a monthly basis during the CCAA proceedings.
6. Represents anticipated amounts payable to the District's legal counsel, the CCAA Monitor and other restructuring professionals providing assistance during the CCAA proceedings.
7. Represents amounts payable to Hill & Knowlton Strategies to assist in communications throughout the restructuring. Following the appointment of the Chief Restructuring Officer (the "CRO"), this function will be taken over by the CRO.
8. Includes amounts payable to Klumbe and Partners as CRO.
9. Encharis Management and Support Services makes monthly payments to the District for the use of selected management employees. In addition, the District processes payroll on behalf of the Lutheran Historical Society, which is prepaid.
10. Represents the anticipated weekly amount of mission commitments received from the churches throughout the District.
11. Includes \$1,500 per month for rent on a condominium in Richmond, BC.
12. Includes monthly salary, benefits and pension amounts. The District is WCB exempt.
13. Includes information technology, general office expenses and travel.
14. Program funding given to churches within the District. Churches have accessed 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.
15. Program funding given to churches within the District. Churches have accessed this program by applying for specific funding with all amounts being reviewed by the Parish and School Services Department and approved by the District's board of directors.
16. Monthly amount sent to the Lutheran Church Canada for use of the services of the LCC gift planner, who is assigned to the District.
17. Regular operating expenses such as grounds keeping and maintenance on District owned properties.
18. Includes marketable securities held with FI Capital with a fair market value of approximately \$5,545,608 as at March 13, 2015. \$1,382 was held in a US account, which has been converted at an exchange rate of \$1.000 US: \$1.26 CDN.

Lutheran Church - Canada, The Alberta - British Columbia District Investments Ltd. ("DIL")

Statement of Projected Cash Flow
For the Fifteen Week Period Ending June 27, 2015

Week ending	21-Mar-15	28-Mar-15	4-Apr-15	11-Apr-15	18-Apr-15	25-Apr-15	2-May-15	9-May-15	16-May-15	23-May-15	30-May-15	6-Jun-15	13-Jun-15	20-Jun-15	27-Jun-15	Total	Notes
Receipts																	
Loan payments	\$ 3,400	\$ 12,500	\$ 48,518	\$ 5,000	\$ 3,400	\$ 12,500	\$ 45,518	\$ 5,000	\$ 3,400	\$ 12,500	\$ 5,000	\$ 48,518	\$ 5,000	\$ 3,400	\$ 12,500	\$ 226,154	1
Total receipts	3,400	12,500	48,518	5,000	3,400	12,500	45,518	5,000	3,400	12,500	5,000	48,518	5,000	3,400	12,500	226,154	
Disbursements																	
Management fee			(24,000)								(24,000)				(24,000)	(96,000)	2
Restructuring fees					(8,000)	(45,750)				(40,500)				(40,500)		(134,750)	3
Communication fees					(8,000)											(8,000)	4
CRO							(3,500)					(14,000)				(31,500)	5
Emergency fund			(931)					(931)								(1,862)	6
Annual minimum RRIF payments			(12,255)			(1,411)		(23,601)			(450,050)					(487,317)	7
Total disbursements			(37,186)		(16,000)	(71,161)	(3,500)	(24,532)		(490,550)	(38,000)			(40,500)	(38,000)	(759,428)	
Net cash flow	\$ 3,400	\$ 12,500	\$ 11,332	\$ 5,000	\$ (12,600)	\$ (58,661)	\$ 42,018	\$ (19,532)	\$ 3,400	\$ (478,050)	\$ (33,000)	\$ 48,518	\$ 5,000	\$ (37,100)	\$ (25,500)	\$ (533,275)	
Cash and marketable securities on hand																	
Beginning balance	\$ 18,321,521	\$ 18,324,921	\$ 18,337,421	\$ 18,348,753	\$ 18,353,753	\$ 18,341,153	\$ 18,282,492	\$ 18,324,510	\$ 18,304,978	\$ 18,308,378	\$ 17,830,328	\$ 17,797,328	\$ 17,845,846	\$ 17,850,846	\$ 17,813,746	\$ 18,321,521	8
Net cash flow	3,400	12,500	11,332	5,000	(12,600)	(58,661)	42,018	(19,532)	3,400	(478,050)	(33,000)	48,518	5,000	(37,100)	(25,500)	(533,275)	
Ending balance	\$ 18,324,921	\$ 18,337,421	\$ 18,348,753	\$ 18,353,753	\$ 18,341,153	\$ 18,282,492	\$ 18,324,510	\$ 18,304,978	\$ 18,308,378	\$ 17,830,328	\$ 17,797,328	\$ 17,845,846	\$ 17,850,846	\$ 17,813,746	\$ 17,788,246	\$ 17,788,246	

Prepared as at the 20 day of March, 2015

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
Investments Ltd.

Per: Kurt Robinson, Executive Director of
Stewardship and Finance

Notes & Assumptions - General:

1. Unless otherwise stated, amounts are based on historical data and management estimates.
2. All amounts include applicable GST.
3. DIL has not processed any depositors redemptions since January 2, 2015.

Notes & Assumptions - Specific:

1. Includes loan payments from various churches within Lutheran Church - Canada, the Alberta - British Columbia District for mortgages held by DIL.
2. Monthly management fees payable to CEF and quarterly portfolio fees paid to DIL's investment advisor at FI Capital.
3. Represents anticipated amounts payable to DIL's legal counsel, the CCAA Monitor and other restructuring professionals providing assistance during the CCAA proceedings.
4. Represents amounts payable to Hill & Knowlton Strategies to assist in communications throughout the restructuring. Following the appointment of the Chief Restructuring Officer (the "CRO"), this function will be taken over by the CRO.
5. Includes amounts payable to Kluzne Partners as CRO.
6. Represents payments made pursuant to an emergency fund whereby high need individuals can access funds on a monthly basis during the CCAA proceedings.
7. Represents required statutory annual minimum payments (the "Minimum Payments") to be issued to depositors pursuant to their RRIFs. All Minimum Payments are expected to be paid out on May 15, 2015 in order to facilitate tax reporting due to the current software system being decommissioned. As such, no further Minimum Payments would be required for the remainder of 2015.
8. DIL held marketable securities with a fair market value of approximately \$18,006,941 with FI capital as at March 13, 2015.

Encharis Community Housing and Services ("ECHS")
Statement of Projected Cash Flow
For the Fifteen Week Period Ending June 27, 2015

Week ending	21-Mar-15	28-Mar-15	4-Apr-15	11-Apr-15	18-Apr-15	25-Apr-15	2-May-15	9-May-15	16-May-15	23-May-15	30-May-15	6-Jun-15	13-Jun-15	20-Jun-15	27-Jun-15	Total	Notes
Receipts																	
Lease revenue			\$ 125,000				\$ 125,000					\$ 125,000				\$ 375,000	1
Water and sewage revenue			36,000	\$ 6,175			36,000	\$ 6,175				36,000	\$ 6,175			126,525	2
RV lot rental			1,000				1,000					1,000				3,000	3
Total receipts			162,000	6,175			162,000	6,175				162,000	6,175			504,525	
Disbursements																	
Operating expenses	(49,000)	(10,000)	(3,000)	(15,000)	(45,000)	(85,000)	(3,000)	(15,000)	(10,000)	(35,000)	(75,000)	(3,000)	(50,000)	(10,000)	(22,000)	(430,000)	4
Restructuring fees						(15,500)				(14,250)					(14,250)	(44,000)	5
Contingency	(5,000)		(5,000)		(5,000)		(5,000)		(5,000)		(5,000)		(5,000)		(5,000)	(40,000)	6
Total disbursements	(54,000)	(10,000)	(8,000)	(15,000)	(50,000)	(100,500)	(8,000)	(15,000)	(15,000)	(49,250)	(80,000)	(3,000)	(55,000)	(10,000)	(41,250)	(514,000)	
Net cash flow	\$ (54,000)	\$ (10,000)	\$ 154,000	\$ (8,825)	\$ (50,000)	\$ (100,500)	\$ 154,000	\$ (8,825)	\$ (15,000)	\$ (49,250)	\$ (80,000)	\$ 159,000	\$ (48,825)	\$ (10,000)	\$ (41,250)	\$ (9,475)	
Cash on hand																	
Beginning balance	\$ 313,589	\$ 259,589	\$ 249,589	\$ 403,589	\$ 394,764	\$ 344,764	\$ 244,264	\$ 398,264	\$ 389,439	\$ 374,439	\$ 325,189	\$ 245,189	\$ 404,189	\$ 355,364	\$ 345,364	\$ 313,589	
Net cash flow	(54,000)	(10,000)	154,000	(8,825)	(50,000)	(100,500)	154,000	(8,825)	(15,000)	(49,250)	(80,000)	159,000	(48,825)	(10,000)	(41,250)	(9,475)	
Ending balance	\$ 259,589	\$ 249,589	\$ 403,589	\$ 394,764	\$ 344,764	\$ 244,264	\$ 398,264	\$ 389,439	\$ 374,439	\$ 325,189	\$ 245,189	\$ 404,189	\$ 355,364	\$ 345,364	\$ 304,114	\$ 304,114	

Prepared as at the 20 day of March, 2015

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.

Encharis Community Housing and Services

Per: Kurt Robinson, Executive Director of Stewardship and Finance

Notes & Assumptions - General:

1. Unless otherwise stated, amounts are based on historical data and management estimates.
2. All amounts include applicable GST.

Notes & Assumptions - Specific:

1. ECHS leases land and buildings that they own within the development known as Prince of Peace to Encharis Management and Support Services ("EMSS"), a related entity. EMSS operates as the Prince of Peace Manor and Harbour, providing integrated supportive living services to seniors based on their assessed care needs. Monthly lease payments increased from \$88,500 to \$125,000 in April 2015. Monthly payments are due on the 1st of each month from EMSS to ECHS with respect to this lease.
2. ECHS provides water and sewer services to EMSS, to the elementary school located in the POP Development and to residents of a condominium complex known as the "POP Village". All POP Village residents have their water payments paid by EFT on the first of the month. EMSS transfers the funds to ECHS during the first week of each month. The elementary school makes payments each month as funds are available.
3. The RV lot rentals are for POP Village residents only and are paid by EFT on the first of each month.
4. Monthly accounts payable average approximately \$62,500 per month. A one-time capital expenditure totaling approximately \$198,500 is required to repair woodpecker damage at the Harbour and the Manor; however, this repair is anticipated to enhance the future resale value of the Harbour and the Manor and prevent future damage (the "Woodpecker Repair"). The Woodpecker Repair was originally included in EMSS' forecast but is payable by ECHS as the owner of the assets.
5. Represents anticipated amounts payable to ECHS' legal counsel, the CCAA Monitor and other restructuring professionals providing assistance during the CCAA proceedings.
6. Includes payments related to the repair of roadways and the master-site plan approval process.

**Encharis Management and Support Services ("EMSS")
Statement of Projected Cash Flow
For the Fifteen Week Period Ending June 27, 2015**

Week ending	21-Mar-15	28-Mar-15	4-Apr-15	11-Apr-15	18-Apr-15	25-Apr-15	2-May-15	9-May-15	16-May-15	23-May-15	30-May-15	6-Jun-15	13-Jun-15	20-Jun-15	27-Jun-15	Total	Notes
Receipts																	
Rent	\$ 1,000	\$ 1,000	\$ 432,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 434,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 436,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,314,000	1
Alberta Health Services ("AHS") funding			388,844				388,844					388,844				1,166,532	2
Wage recoveries		3,400				3,400					3,400				3,400	13,600	3
Miscellaneous revenue	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	30,000	4
Total receipts	3,000	6,400	822,844	3,000	3,000	6,400	824,844	3,000	3,000	3,000	6,400	826,844	3,000	3,000	6,400	2,524,132	
Disbursements																	
Payroll	(192,000)		(192,000)		(205,000)	(203,000)	(205,000)	(192,000)	(192,000)	(192,000)	(192,000)	(192,000)	(13,000)	(203,000)	(1,597,000)	5	
RRSP's	(10,900)		(10,900)		(10,900)	(10,900)	(10,900)	(10,900)	(10,900)	(10,900)	(10,900)	(10,900)		(10,900)	(87,200)		
Health Benefits				(27,250)				(27,250)					(27,250)		(81,750)		
Administrative expenses	(4,500)	(20,000)	(4,500)	(25,000)	(4,500)	(20,000)	(4,500)	(10,000)	(25,000)	(4,500)	(20,000)	(4,500)	(20,000)	(4,500)	(31,500)	(203,000)	6
Food services expenses	(9,250)	(9,250)	(9,250)	(9,250)	(9,250)	(9,250)	(9,250)	(9,250)	(9,250)	(9,250)	(9,250)	(9,250)	(9,250)	(9,250)	(9,250)	(138,750)	
Housekeeping expenses	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(30,000)	
Healthcare expenses	(350)	(350)	(350)	(350)	(350)	(350)	(350)	(350)	(350)	(350)	(350)	(350)	(350)	(350)	(350)	(5,250)	
Maintenance expenses	(6,250)	(12,000)	(6,250)	(6,250)	(21,250)	(6,250)	(6,250)	(11,250)	(6,250)	(6,250)	(6,250)	(6,250)	(6,250)	(6,250)	(6,250)	(139,500)	
Utility expenses		(12,000)	(37,017)		(17,750)	(12,000)	(1,500)	(35,517)	(17,750)			(37,017)	(2,500)	(15,250)	(12,000)	(200,301)	7
Diversicare			(22,000)					(22,000)								(66,000)	8
Lease payments			(125,000)					(125,000)								(375,000)	9
Restructuring fees						(15,500)				(12,000)					(12,000)	(39,500)	10
Contingency	(5,000)		(5,000)		(5,000)		(5,000)		(5,000)		(5,000)		(5,000)		(5,000)	(40,000)	
Total disbursements	(230,250)	(55,600)	(414,267)	(70,100)	(276,000)	(65,350)	(242,750)	(215,367)	(308,750)	(34,350)	(245,750)	(228,367)	(275,500)	(50,600)	(292,250)	(3,003,251)	
Net cash flow	\$ (227,250)	\$ (49,200)	\$ 408,577	\$ (67,100)	\$ (273,000)	\$ (58,950)	\$ 582,094	\$ (212,367)	\$ (305,750)	\$ (31,350)	\$ (239,350)	\$ 600,477	\$ (272,500)	\$ (47,600)	\$ (285,850)	\$ (479,119)	
Cash on hand																	
Beginning balance	\$ 1,075,513	\$ 848,263	\$ 799,063	\$ 1,207,640	\$ 1,140,540	\$ 867,540	\$ 808,590	\$ 1,390,684	\$ 1,178,317	\$ 872,567	\$ 841,217	\$ 601,667	\$ 1,202,344	\$ 929,844	\$ 882,244	\$ 1,075,513	
Net cash flow	(227,250)	(49,200)	408,577	(67,100)	(273,000)	(58,950)	582,094	(212,367)	(305,750)	(31,350)	(239,350)	600,477	(272,500)	(47,600)	(285,850)	(479,119)	
Ending balance	\$ 848,263	\$ 799,063	\$ 1,207,640	\$ 1,140,540	\$ 867,540	\$ 808,590	\$ 1,390,684	\$ 1,178,317	\$ 872,567	\$ 841,217	\$ 601,667	\$ 1,202,344	\$ 929,844	\$ 882,244	\$ 596,394	\$ 596,394	

Prepared as at the 20 day of March, 2015

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.

Encharis Management and Support Services

Per:  Kung Robinson, Executive Director of Stewardship and Finance

Notes & Assumptions - General:

- Unless otherwise stated, amounts are based on historical data and management estimates.
- All amounts include applicable GST.
- EMSS holds security deposits for PAL and independent residents in a trust account. As at January 31, 2015, the balance held in that trust account was \$335,587.

Notes & Assumptions - Specific:

- Rents include all Alberta Health Services ("AHS") beds, independent beds and small rental amounts for the drug store and hair salon.
- Annual funding revenue taken from the funding advice received from AHS on July 23, 2014.
- Wage recovery to EMSS for EMSS employees who also provide services to Encharis Community Housing and Services ("ECHS") and Shepherd's Village Ministries Ltd.
- Includes food services revenue, damage repair revenue and miscellaneous revenue (stamps, photocopying, etc.).
- Payroll is withdrawn every second Friday by ADP and includes Canada Revenue Agency payroll source deductions.
- Includes all administrative department expenses, contract accounting, contracted general manager, contracted pastor, WCB, information technology and cable.
- EMSS obtains water and sewer services from ECHS.
- A contract with an outside management group has been concluded with Diversicare Canada Management Services Co., Inc. ("Diversicare"), and operations of the Manor and Harbour have been taken over by Diversicare as at January 5, 2015.
- ECHS, a related entity, leases land and buildings that they own within the development known as Prince of Peace to EMSS. EMSS operates as the Prince of Peace Manor and Harbour, providing integrated supportive living services to seniors based on their assessed care needs. Monthly lease payments increased from \$86,500 to \$125,000 in April 2015. Monthly payments are due on the 1st of each month from EMSS to ECHS with respect to this lease.
- Represents anticipated amounts payable to EMSS' legal counsel, the CCAA Monitor and other restructuring professionals providing assistance during the CCAA proceedings.