



COURT FILE NUMBER 1501-00955

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

DOCUMENT 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 AUGUST 24, 2015

**ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
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SCHEDULES

Schedule 1	Notice to the Depositors and Creditors of of the 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 July 8, 2015
Schedule 2	Statement of Projected Cash Flow for the Fifteen Week Period Ending November 28, 2015 for the Lutheran Church – Canada, the Alberta – British Columbia District
Schedule 3	Statement of Projected Cash Flow for the Fifteen Week Period Ending November 28, 2015 for the Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd.
Schedule 4	Statement of Projected Cash Flow for the Fifteen Week Period Ending November 28, 2015 for Encharis Community Housing and Services
Schedule 5	Statement of Projected Cash Flow for the Fifteen Week Period Ending November 28, 2015 for Encharis Management and Support Services
Schedule 6	Variance Analysis for the Nine Week Period Ended August 15, 2015 for the Lutheran Church – Canada, the Alberta – British Columbia District
Schedule 7	Variance Analysis for the Nine Week Period Ended August 15, 2015 for the Lutheran Church – Canada, the Alberta British Columbia District Investments Ltd.
Schedule 8	Variance Analysis for the Nine Week Period Ended August 15, 2015 for Encharis Community Housing and Services
Schedule 9	Variance Analysis for the Nine Week Period Ended August 15, 2015 for Encharis Management and Support Services

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” or “District Investments”, collectively the “Applicants” or the “District Group”) obtained an Initial Order from the Court of Queen’s Bench of Alberta (the “Court”) for an Order (the “Initial Order”) 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 invest 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 (the “District Depositors”). Depositors to both the District and DIL will be collectively be referred to as the “Depositors”.
3. The Initial Order provided for an initial stay of proceedings (the “Stay”) until February 20, 2015. The Court has now granted three extensions of the stay of proceedings with the most recent Order being granted at an application on June 26, 2015 (the “June 26 Hearing”), which extended the Stay until August 31, 2015.
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 filed the First Report of the Monitor dated February 17, 2015 (the “First Report”), the second report of the Monitor dated March 23, 2015 (the “Second Report”), the Third Report of the Monitor dated June 16, 2015 (the “Third Report”) and the Fourth Report of the Monitor dated June 24, 2015 (the “Fourth Report”). The Monitor also filed a confidential supplement to the Second Report dated March 25, 2015 (the “First Supplement”) and a confidential supplement to the Fourth Report dated June 25, 2015 (the “Second Supplement”, collectively, the “Supplements”). The Supplements provided the Court with additional detail with respect to the District Group’s applications for approval of the following five parcels of land (the “Sale Lands”):
 - 4.1. Lands located in Chestermere, Alberta (the “Chestermere Lands”);

- 4.2. Lands located in St. Albert, Alberta (the “St. Albert Lands”);
 - 4.3. Vacant school lands located in Edmonton, Alberta (the “Faith Lands”);
 - 4.4. A condominium located at 223 Dayspring Bay within the Prince of Peace Village, which is subject to a life lease with ECHS (the “Village Condo”); and
 - 4.5. A condominium located in Richmond, British Columbia (the “Richmond Condo”).
5. The Supplements were sealed by the Court in order to avoid tainting any future sale process that may be required should any of the transactions involving the Sale Lands fail to be completed.
 6. The Pre-Filing Report, the First Report, the Second Report, the Third Report, the Fourth Report and the Supplements will collectively be referred to as the “Reports”. Capitalized terms not otherwise defined herein shall have the meanings given to them in the Reports.
 7. Information on the CCAA proceedings can be accessed on Deloitte’s website at www.insolvencies.deloitte.ca under the link entitled “Lutheran Church – Canada, the Alberta – British Columbia District et. al.” (the “Monitor’s Website”).

Notice to Reader

8. 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, interested parties and stakeholders. The Monitor has not performed an independent review or audit of the information provided.
9. Certain of the information referred to herein consists of financial forecasts and/or projections. The financial forecasts included in this report are the responsibility of management for the Applicants (“Management”). Management’s responsibility extends beyond ensuring that the individual assumptions used to prepare the financial forecasts are appropriate in the circumstances to ensuring that the assumptions as a whole are appropriate. While the Monitor has reviewed the information, the Monitor has not performed an audit or other verification of such information. Future oriented financial information included in this report is based on Management’s assumptions regarding future events. Actual results achieved may vary and these variations may be material.
10. 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.
11. All amounts included herein are in Canadian dollars unless otherwise stated.

Court Applications

12. The Pre-Filing Report was filed in support of the January 23, 2015 application at which the Initial Order was granted. The Pre-Filing Report provided this Honourable Court with information regarding Deloitte's qualifications to act as Monitor, the Applicants' statements of projected cash flow, the proposed funding of the CCAA proceedings and the Emergency Fund (as defined herein).
13. The First Report provided additional information with respect to the following:
 - 13.1. The Monitor's activities up to the date of the First Report;
 - 13.2. Background and the reasons for the insolvency of the District Group;
 - 13.3. Various matters that may impact the CCAA proceedings;
 - 13.4. Statements of projected cash flow and variance analysis for each of the Applicants; and
 - 13.5. The relief sought by both the District Group and the Monitor at a hearing held on February 20, 2015 (the "February 20 Hearing").
14. At the February 20 Hearing the Court granted two Orders, with the first Order (the "February 20 Order") including the following relief:
 - 14.1. Extending the initial stay of proceedings from February 20, 2015 until March 27, 2015;
 - 14.2. Approving a claims process (the "Claims Process");
 - 14.3. Authorizing the appointment of a chief restructuring officer (the "CRO") for the District and DIL, subject to the approval of the Court and the Monitor as to the qualifications of the prospective CRO and the financial terms of the prospective CRO's engagement, and setting the general powers and duties of the CRO;
 - 14.4. Extending the Directors' and Officers' ("D&O(s)") indemnification and charge granted in the Initial Order to a joint restructuring committee (the "Joint Committee") being established by the Applicants;
 - 14.5. Authorizing ECHS to pay pre-filing invoices to Shannon's Services Management Corp. and to pay Encon Group Inc. for the premium to extend the D&O insurance coverage, a portion of which related to the pre-filing period;
 - 14.6. Appointing Pure Elements Environmental Solutions as a critical supplier to ECHS and declaring that it be subject to the terms of the Initial Order; and

- 14.7. Authorizing the subdivision of selected lands within the Prince of Peace development located just east of the City of Calgary which includes two seniors' care facilities, known as the Harbour and the Manor, as well as surrounding development lands (the "Prince of Peace Development").
15. The second Order (the "Committee Order") granted at the February 20 Hearing approved a creditors' committee selection process (the "Committee Process") to appoint creditors' committees for each of the District and DIL (respectively, the "District Committee" and the "DIL Committee" and collectively, the "Committees").
16. The District also made an application at the February 20 Hearing for authorization to make payments to the Lutheran Church – Canada ("LCC") for 35% of the total mission remittances received by the District (the "LCC Portion") for the pre-filing period up to January 23, 2015 and on a go-forward basis and setting the terms for the payment of the LCC Portion (the "LCC Application"). The LCC Application was adjourned *sine die*, and the District was directed to record the mission remittances it received but was ordered not to disburse the LCC Portion until it was otherwise directed to do so.
17. The Second Report provided additional information with respect to the following:
 - 17.1. The Monitor's activities from the date of the First Report to the date of the Second Report;
 - 17.2. An update on the Claims Process, the Committee Process and various matters that may impact the CCAA proceedings;
 - 17.3. Statements of projected cash flow and variance analysis for each of the Applicants; and
 - 17.4. The relief sought by both the District Group and the Monitor at the March 27 Hearing.
18. At the March 27 Hearing, the Court granted Orders, which included the following relief:
 - 18.1. Approving an extension of the Stay from March 27, 2015 to June 26, 2015;
 - 18.2. Appointing Kluane Financial Services Inc. as the CRO for the District and DIL, approving the terms of engagement of the CRO, and extending the D&O indemnification and charge and the administration charge (the "Administration Charge") granted in the Initial Order to the CRO;
 - 18.3. Approving the transactions involving the Chestermere Lands, the St. Albert Lands, the Faith Lands and the Village Condo, save and except for the following issues:
 - 18.3.1. The realtor commission payable for the Faith Lands (the "Faith Commissions"), which was to be held in trust pending further Order of the Court; and
 - 18.3.2. A portion of the realtor commission payable for the Chestermere Lands, which is being held in trust pending further Order of the Court.
 - 18.4. Subject to the approval of the District Committee, upon receiving a request from a pastor or church worker, the Court authorized the District to set-off funds respecting that pastor or

church worker in the mileage reserve fund against the car loan owed by that pastor or church worker to the District; and

- 18.5. Sealing the confidential affidavit of Mr. Kurtis Robinson and the First Supplement, both of which were provided to the Court in advance of the March 27 Hearing to provide additional information related to the transactions involving the Sale Lands.
19. The following applications to be heard at the March 27 Hearing were adjourned to the hearing to be held on June 26, 2015 (the "June 26 Hearing"):
 - 19.1. Confirming that legal costs incurred by the District and DIL in dealing with the Alberta Securities Commission (the "ASC") and the British Columbia Securities Commission (the "BCSC") are included as part of the Administration Charge;
 - 19.2. Authorizing the District to pay the LCC Portion to LCC for amounts collected for the pre-filing period up to January 23, 2015 and on a go-forward basis; and
 - 19.3. Authorizing the future sale of lands owned by ECHS within the Prince of Peace Development which are subject to life leases (the "Life Leases") in the event that the life lease resident(s) are to terminate or surrender their interest in the life lease (collectively the "Adjourned Matters").
20. The Third Report was filed in order to provide the Court with additional information in respect of an application by Mr. Randy Kellen scheduled to be heard on June 18, 2015 (the "Kellen Application") seeking the following relief:
 - 20.1. Lifting the Stay as against the officers and directors of the Applicants in order to permit the commencement of proceedings as against them for alleged breaches of their fiduciary duties and negligence in the performance of their duties to Mr. Kellen and other investors, Depositors and creditors of the Applicants; and
 - 20.2. Varying paragraph 46 of the Initial Order to disclose the contact information of the investors and creditors of the Applicants.
21. The Kellen Application was adjourned with the consent of all parties. On June 18, 2015, the Court granted an Order for the Preservation of Records (the "Preservation Order"). The Preservation Order included the following relief:
 - 21.1. All of the Applicants and their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders and all other persons acting on their instructions (collectively, the "Preservation Order Recipients") are to advise the Monitor of the location of their records, as further described in the Preservation Order, in relation to the Applicants, excluding any personal records held by an individual (the "Records"), and are to refrain from destroying or altering in any manner the Records. Any third party being served with the Preservation Order shall make reasonable commercial efforts to assist the Applicants in preserving the Records in a format that can be accessed by the Applicants; and

- 21.2. If the Records are stored or otherwise contained on a computer or other electronic system, whether by an independent service provider or otherwise, the District Group shall not alter, erase or destroy the Records and the Monitor shall be provided with all access codes, account names and account numbers as may be required (collectively the "Access Information").
22. The Fourth Report provided additional information with respect to the following:
 - 22.1. The Monitor's activities since the date of the Second Report;
 - 22.2. Updates on the Claims Process, the Committee Process, the activities of the Committees and various matters that impacted the CCAA Proceedings;
 - 22.3. Statements of projected cash flow and variance analysis for each of the Applicants; and
 - 22.4. The relief sought by both the District Group and the Monitor at the June 26 Hearing.
 23. At the June 26 Hearing, the Court granted Orders which included the following relief:
 - 23.1. Extending the Stay from June 26, 2015 until August 31, 2015;
 - 23.2. Approving the sale of the Richmond Condo;
 - 23.3. Approving the Adjourned Matters;
 - 23.4. Sealing the Confidential Affidavit of Kurtis Robinson, sworn on June 22, 2015, and the Second Supplement, both of which were provided to the Court in advance of the June 26 Hearing to provide additional information related to the transaction involving the sale of the Richmond Condo;
 - 23.5. Amending the Committee Order on a *nunc pro tunc* basis to increase the maximum number of positions on the District Committee (as defined below) from five to six members; and
 - 23.6. Securing the remuneration of the representative legal counsel of both the District Committee and the DIL Committee (the "Representative Counsel") as part of the Administration Charge.
 24. At the June 26 Hearing, the District originally intended to make an application to compel ARS Collection Agency of Canada Inc. operating as Fiserv and Fiserv Solutions ("Fiserv"), and any of its related corporations, to permit the District and DIL to access, view and retrieve all records and information of the District and DIL that is in the possession or control of Fiserv, and to use any and all computer programs offered by Fiserv and currently used by the District or DIL in order to access, view and retrieve such records and information for the District and DIL (the "Fiserv Application"). The Fiserv Application was adjourned to a hearing scheduled for August 28, 2015 (the August 28 Hearing").
 25. At the August 28 Hearing, the District Group will be seeking an Order of this Honourable Court including the following relief:
 - 25.1. Extending the Stay from August 28 to October 30, 2015 (the "Extension");

- 25.2. Approving the sale of lands in Revelstoke, British Columbia (the “Revelstoke Lands”), which are legally described as follows:
- Lot 1, Section 23, Township 23, Range 2 West of the 6th Meridian Kootenay District Plan 16318;
- 25.3. Authorizing DIL to transfer up to \$15.0 million from the registered retirement savings plans (the “Registered Plans”) currently held by DIL to new registered retirement savings plans (the “New Registered Plans”) held by Great-West Life Assurance Company (“GWL”). The New Registered Plans will include the same types of accounts as the Registered Plans, including Tax Free Savings Accounts (“TFSA”), accounts in Registered Retirement Savings Plans (“RRSP”) and accounts in Registered Retirement Income Funds (“RRIF”);
- 25.4. Authorizing DIL to release personal information respecting depositors to DIL (the “DIL Depositors”) to GWL and its agent, Yellow Raincoat Benefit Consultants (“Yellow Raincoat”); and
- 25.5. Sealing the Confidential Affidavit of Kurtis Robinson, sworn on August 17, 2015 (the “August 17 Affidavit”), which provides additional information related to the transactions involving the Revelstoke Lands.
26. The Monitor understands that the District will also be seeking advice and direction at the August 28 Hearing regarding the Faith Commission, which was to be held in trust pending further Order of the Court but, which we are advised was erroneously released to the realtors involved in the sale of the Faith Lands.
27. The Monitor has been advised that Fiserv and the District have now reached a settlement whereby Fiserv has agreed to provide the Applicants with a useable electronic copy of their records (the “E-Records”), which may be accessed and stored on the District Group’s existing server. The District has agreed to pay Fiserv approximately \$16,000 to develop, test, install and run the E-Records and also to abandon the Fiserv Application.
28. Fiserv recently provided the Monitor with an unsecured claim for approximately \$268,199 against the District (the “Fiserv Claim”). The Monitor is advised that the District was not aware of Fiserv having an unsecured claim against the District. As such, Fiserv was not originally notified of the CCAA Proceedings or the subsequent Claims Process. At the August 28 Hearing, Fiserv is making an application to extend the Claims Bar Date, set out in the Claims Process Order to allow Fiserv to submit the Fiserv Claim pursuant to the Claims Process Order. The Monitor is supportive of the relief sought by Fiserv and, should they be successful in their application, the Monitor will review the Fiserv Claim in conjunction with the Applicants.
29. The Monitor will provide the Court with a Confidential Supplement to the Fifth Report (the “Third Supplement”) in advance of the August 28 Hearing. The Third Supplement will provide additional detail with respect to the transaction involving the Revelstoke Lands. The Monitor will be making an

application to have the Third Supplement sealed by the Court in order to avoid tainting any future sale process that may be required should the transaction involving the Revelstoke Lands fail to be completed.

Monitor's Activities

30. The Monitor has and will continue to make regular updates to the Monitor's Website to ensure that creditors and interested parties have access to all available information in these proceedings.
31. The Monitor's activities since the Fourth Report have included the following:
 - 31.1. Preparing an update as to recent events in the CCAA Proceedings, which was mailed to Depositors on July 8, 2015 and a copy of which is attached as "Schedule 1".
 - 31.2. Attending various meetings and calls with Management, the Joint Committee, the CRO and the Applicant's legal counsel to advance the restructuring efforts;
 - 31.3. Attending numerous meetings with each of the Committees and their Representative Counsel and coordinating and attending meetings between each of the Committees, the CRO and the Joint Committee;
 - 31.4. Monitoring the District Group's cash flow projections and the District Group's business and financial affairs during the Stay;
 - 31.5. Assisting the District Group in the development of plans of arrangement (the "Plan(s)") and reviewing drafts of the Plans (the "Draft Plans");
 - 31.6. Continuing to review various matters that may impact the restructuring; and
 - 31.7. Responding to general inquiries from the Depositors and from other stakeholders.

The Plans

Formulation of the Plans

32. The Monitor is continuing to support the District Group in their efforts to formulate their Plans in the CCAA proceedings. The Monitor has worked with the District Group in developing four Draft Plans, one for each of the Applicants, which have been circulated among the Monitor, the Monitor's legal counsel, the Applicants, the CRO, the Applicant's legal counsel, the Committees and the Representative Counsel. Several meetings have been held between variations of these parties related to the content of the Draft Plans and, although discussions are progressing, several matters remain outstanding.

33. The following items must be resolved prior to the Plans being finalized:

33.1. The District Committee and the DIL Committee are currently attempting to negotiate settlements with respect to the following two issues, the disposition of which will impact the realization to the District Depositors and the DIL Depositors (the "Potential Settlements"):

33.1.1. The District's potential challenge of a mortgage held by DIL on a property located in Strathmore, Alberta (the "Strathmore Property"), which currently houses the Trinity Christian Academy. The District is the registered owner of the Strathmore Property. DIL granted a loan to the District in the amount of \$6.2 million related to the Strathmore Property (the "Strathmore Loan"). Management has advised that it was their original intention to secure the Strathmore Loan via a registered mortgage on the Strathmore Property; however, no such mortgage was executed or registered until December 2014; and

33.1.2. DIL's potential challenge of the priority of two mortgages registered against properties in the Prince of Peace Development (the "DIL – ECHS Mortgages"). The DIL – ECHS Mortgages were registered in second position behind a mortgage held by the District (the "District – ECHS Mortgage") and are not estimated to have any realizable values. Management has indicated that the original intention was that the District – ECHS Mortgage would be postponed to the DIL – ECHS Mortgages; however, no postponement was ever executed.

33.2. The Representative Counsel are reviewing potential claims against the current and former D&Os of the District Group (the "D&O Claims") as well as known third party claims (the "Third Party Claims") and are considering the available options to realize on the D&O Claims and

the Third Party Claims in order to provide additional recovery to Depositors pursuant to the Plans.

34. While the Plans are being formulated, the District is making ongoing efforts to realize on assets, where such realizations are consistent with the intention and proposed course of action set out in the Draft Plans. The following District-owned real estate properties are currently listed for sale, subject to District Committee and Court approval of any proposed transactions:
 - 34.1. The District's former head office, which is municipally described as 7100 Ada Boulevard in Edmonton, Alberta (the "Head Office"). The Head Office was listed for sale in June 2015 for \$2.25 million;
 - 34.2. Lands in Elkford, Alberta, which are municipally described as 2700 Balmer Drive (the "Elkford Lands"). The Elkford Lands were listed for sale on May 4, 2015 for \$375,000; and
 - 34.3. The St. Albert Lands, the sale of which was approved by the Court on March 27, 2015 but for which the corresponding transaction failed to be completed. The District is currently reviewing its options with respect to the St. Albert Lands.
35. The Applicants are also working with those congregations who hold loans and mortgages to facilitate the repayment of those loans and mortgages.

Process and timeline

36. The Monitor anticipates that, on or prior to the expiry of the Extension, the Applicants will be making an application to the Court for an Order (the "Meeting Order") including the following relief:
 - 36.1. Accepting the Plans for filing; and
 - 36.2. Authorizing the District Group to present the Plans to the creditors of each of the Applicants and to seek approval by the creditors of each of the Applicants for the Plans in conjunction with the terms of the Meeting Order and the Plans.

37. In consultation with the Applicants, the Monitor has developed the following action items and proposed timeline from when the Plans are filed until such time as they are approved by the Court.

Action	Timing
Meeting Order is granted.	As soon as practicable as and no later than October 30, 2015.
Information packages for the creditors/ depositors of the Applicants (the "Creditor Packages") will be posted to the website.	Within 2 business days following the Meeting Order being granted.
<p>The Creditor Packages will be mailed to all known creditors/ depositors of the Applicants, whose claims have not been disallowed pursuant to the Claims Process. The Creditor Packages will include the following:</p> <ul style="list-style-type: none"> • The Plan for the relevant Applicant; • The Monitor's report on the Plan for the relevant Applicant; • The Meeting Order; • An information summary describing the key elements of the Plan for the relevant Applicant; • An information summary describing how depositors/ creditors can participate in the process set out in the Meeting Order; • For the District, an election form for creditors/ depositors to elect to participate in one of two available options, which are anticipated to be available under the Plan; and • A voting letter and proxy. 	Within 14 days following the Meeting Order being granted.
CRO to hold various information sessions with creditors/ depositors.	Between 19 and 45 days after the Meeting Order being granted.
<p>Meetings for the purpose of voting on the Plan (the "Meetings") to be held as follows:</p> <ul style="list-style-type: none"> • Two meetings for the creditors/ depositors of the District to be held simultaneously in Edmonton, AB and Kelowna, BC, which are anticipated to be linked via video conference; • Two meetings for the creditors/ depositors of DIL to be held simultaneously in Edmonton, AB and Kelowna, BC, which are anticipated to be linked via video conference; and • Two concurrent meetings for ECHS and EMSS. 	45 to 55 days following the Meeting Order being granted.
Assuming the Plans are approved at the Meetings, the Applicants will apply for Court approval of the Plans.	Within 15 days following the Plans being approved at the Meeting or, if the Courts are not available, as soon as practicable thereafter.

Claims being advanced by various congregations

38. The Monitor has been asked by the Applicants to review and to provide their position with respect to the following actual and/or anticipated claims by congregations which relate to outstanding loans due to the District and properties owned by the District:

Shepherd of the Valley Lutheran Church

39. The Monitor, in conjunction with their legal counsel, was asked to review a claim by Shepherd of the Valley Lutheran Church (“Shepherd”) for adverse possession or other interest in the lands, which currently house their congregation (the “Canmore Property”). In addition, the Monitor reviewed whether the sale of the Canmore Property should discharge Shepherd’s indebtedness to the District, in the amount of approximately \$246,200 (including interest).

40. Shepherd was the original owner of the Canmore Property. Based upon information currently available to the Monitor, the Monitor is advised that sometime in 1993 or 1994, Shepherd decided to build a new church on the Canmore Property and needed funds to do so. Shepherd and the District reached an undocumented agreement whereby title to the Canmore Property was transferred from Shepherd to the District and a loan was advanced to Shepherd by the District for approximately \$220,000 (the “Shepherd Loan”). The Monitor is advised that the Shepherd Loan was used by Shepherd to construct their new church; however, the District appears to have been responsible for servicing the Shepherd Loan. The District and Shepherd subsequently entered into an agreement whereby Shepherd was granted the right to lease the Canmore property. The most recent lease agreement provided to the Monitor expired in January 2004.

41. Based on the original information provided by Shepherd, the Monitor’s legal counsel was of the view that Shepherd may have a claim against the Canmore Property on the basis of unjust enrichment and/or proprietary estoppel and, if successful in establishing such a claim, Shepherd could be entitled to a constructive trust (likely for the use of the Church or for title to the portion of the property on which the Church is located) or for monetary damages. However, insufficient information was available to the Monitor for a definitive conclusion to be reached.

42. Based on the potential merits of such a claim, the Monitor had originally communicated their view that a settlement whereby the Shepherd Loan would be considered as paid in full upon the sale of the Canmore Property may be appropriate. The Monitor’s position was based on the fact that the District

is the registered owner of the Canmore Property and has been for some time. In addition, the Monitor was advised that no payments had been made in relation to the Shepherd Loan for some period of time, which could constitute events of default that would permit the District to retain title to the Canmore Property.

43. On August 19, 2015, the Monitor was provided with correspondence from legal counsel for Shepherd (dated August 17 2015), which provided further information in support of Shepherd's position that the loan/lease arrangement between Shepherd and District may be a mortgage and that the relationship between District and Shepherd may be one of mortgagee / mortgagor. As such, additional information has been requested in order to further assess Shepherd's claim.

Concordia Lutheran Church

44. Concordia Lutheran Church ("Concordia") is claiming a leasehold interest in the building out of which they operate (the "Building"), whether by way of a trust or other mechanism. The Monitor was asked to review whether the sale of the leasehold interest should discharge Concordia's outstanding debt (the "Concordia Loan") to the District, in the amount of approximately \$210,800. The Monitor has been advised that Concordia is making regular required payments on the Concordia Loan and that the Concordia Loan is in good standing.
45. Based on the preliminary review of the information provided to the Monitor's legal counsel, it appeared that Concordia may have a claim against the District on the basis of unjust enrichment and/or proprietary estoppel. If Concordia was successful in establishing either of these claims, they could be entitled to a constructive trust (likely for the use of the Building) or for monetary damages. Based on the merits of such a claim, the Monitor was of the view that a settlement whereby the Concordia Loan would be discharged upon the sale of the Building and the assignment of the lease on the corresponding lands may be appropriate. The Monitor was then asked to re-visit this issue by the District, based on a letter that was provided by Concordia to the District dated February 2015, which asserted that the loan and leasehold arrangement between Concordia and the District was, in effect, a mortgage and that the relationship between Concordia and the District was one of mortgagor / mortgagee.
46. The Monitor currently does not have sufficient evidence to suggest that the intention was to establish a mortgagor / mortgagee relationship. The Monitor's legal counsel has not found any relevant case law to suggest that a Court would uphold Concordia's claim on the basis of the information currently before it. The Monitor has advised that they may reconsider their position should additional information be provided by Concordia and/or the District. The Monitor has suggested to the Applicants that an appraisal of the Building and/or evaluation of the marketability of the lease could also be useful in determining what would constitute an appropriate settlement of Concordia's claim.

Prince of Peace Lutheran Church and School

47. As at the Filing Date, the Prince of Peace Church and School (the “Church and School”) was indebted to the District as follows:
- 47.1. Two unsecured loans totalling approximately \$1.9 million, which are continuing to be paid in the ordinary course; and
 - 47.2. An unsecured loan totaling approximately \$8.5 million (\$6.0 million plus accrued interest), which will be referred to as the “Church and School Loan”.
48. The Church and School are located on lands within the Prince of Peace Development, which are part of approximately 60 acres of development land that has not yet been subdivided. The Monitor has been advised by the District that the Church and School may be claiming an interest in the Development Lands by way of a trust or other mechanism. The Monitor, in conjunction with their legal counsel, reviewed this issue as well as whether the sale of the Development Lands should discharge the Church and School’s requirement to repay the Church and School Loan. Based on their review of the information provided to date, the Monitor is generally supportive of a course of action whereby the Church and School Loan would be discharged upon the sale of the Development Lands, or the transfer of ownership of the Development Lands pursuant to a Plan, in the event that it can be demonstrated that the Church and School Loan was used for the purpose of directly improving the value of the Development Lands. The Monitor has advised the District that they require additional information to further consider this claim.

Preservation Order

49. The Monitor is advised that counsel for the Applicants served the Preservation Order on the approximately 107 Preservation Order Recipients by email or registered mail on July 30, 2015. The Monitor is further advised that the Preservation Order Recipients include those individuals who acted as directors of the Applicants since the 1990s. As noted above, the Preservation Order Recipients were to advise the Monitor of the location of any records related to the Applicants, as further described in the Preservation Order, excluding any personal records held by an individual (the "Records") and were to refrain from destroying or altering in any manner the Records. In addition, the Preservation Order recipients were to provide the Access Information to the Monitor.
50. A response to the Preservation Order was received from Mr. Kurtis Robinson of the District Group who provided the physical location of the Applicant's records and has indicated that they are in the process of compiling the Access Information. The Monitor has been directly provided with eight additional responses to the Preservation Order with four individuals providing the location for the records in their possession, one individual providing the location for records that may be in storage in their possession and two individuals indicating that they do not have any Records in their possession.
51. Three email responses were forwarded by the Applicant's legal counsel, each of which was from an individual, who indicated that they did not have any Records in their possession.
52. The Monitor has been advised that the Applicants are following up with the Preservation Order Recipients regarding any outstanding responses. The Monitor notes that the Preservation Order does not require the Preservation Order Recipients to notify the Monitor if they do not have any Records in their possession.

Stay of Proceedings

53. As previously reported, at the August 28 Hearing, the District Group will be making an application to extend the stay of proceedings from August 31, 2015 to October 30, 2015 (previously defined as the “Extension”).
54. Based on the Monitor’s dealings with Management and the Monitor’s review of the District Group’s operations and restructuring efforts to date, we can advise that:
 - 54.1. The District Group appears to be acting in good faith and with due diligence;
 - 54.2. The District Group is cooperating with the Monitor and is making efforts to formulate the Plans. As reported above, the Draft Plans have been circulated to both the Monitor, the Monitor’s legal counsel, the Representative Counsel and the Committees, who are still providing feedback on selected portions of the Draft Plans; and
 - 54.3. The Monitor is of the view that the creditors of the District Group will not be materially prejudiced by the Extension.
55. Based on the above, the Monitor supports the Extension.

Matters Related to the Prince of Peace Development

56. As previously reported, both the District and DIL invested significant depositor funds in the Prince of Peace Development and its related properties and lands. As such, Deloitte sought to conduct a preliminary review of the use of funds advanced (the “Advances”) to acquire and build-out the Prince of Peace Development. The purpose of this review was to report further on the causes of the Applicants’ insolvency and to provide Depositors with preliminary findings and potential areas for further review related to the Advances.

Outstanding Loans related to the Prince of Peace Development

57. At the Filing Date, ECHS was indebted to the District for four loans (the “ECHS Loans”) totaling approximately \$82.1 million (including accrued interest). The ECHS Loans were secured by the District – ECHS Mortgage, which has a registered value of \$45.0 million and an assignment of rents and leases. The District – ECHS Mortgage is secured against lands within the Prince of Peace Development as well as the sale proceeds from the Chestermere Lands. A proof of claim related to the ECHS Loans was filed by the District pursuant to the Claims Process and has been admitted by the Monitor in the amount of \$45.0 million plus accrued interest.

58. The ECHS Loans represent the most significant investment of Depositor funds made by District. In addition, two loans, totaling approximately \$7.7 million, which were advanced to ECHS by District Investments also related to the build out of the Prince of Peace Development (the “DIL – ECHS Loans”). The DIL – ECHS Loans were secured by the DIL – ECHS Mortgages.

Preliminary Review of the Use of Funds Related to the Prince of Peace Development

59. Due to the significance of the ECHS Loans and the DIL – ECHS Loans, Deloitte conducted a preliminary review of expenditures related to the Prince of Peace Development (the “Review”) which were paid between January 1994 and January 2015. At the time of the Fourth Report, the Monitor had been provided with statements of account for the loans, screenshots of the loan accounts, an Excel spreadsheet summarizing activity for various loan accounts and a box and binder of documents supporting selected loan advances. Subsequent to the Fourth Report, the Monitor was provided with invoices and vendor accounts payable files, the ECHS general ledger and trial balance

60. The following is a summary of the results of Deloitte's review of loan advances and supporting documentation to date:

Summary of review of loan advances and supporting documentation				
Category	Pre-2006	Post-2006	Total	% of CEF Funds Advanced
No supporting documentation available (includes email requests for funds without supporting documentation)	\$71,660,414	\$11,985,316	\$83,645,730	73.64%
Supporting documentation received but unable to link to specific loan advances	-	3,238,469	3,238,469	2.85%
Supporting documentation received and reviewed by Deloitte	-	26,433,998	26,433,998	23.27%
Loan administration & third party banking fees	124,396	149,186	273,582	0.24%
Total Advances	\$71,784,810	\$41,806,969	\$113,591,779	100.00%

Pre-2006 Advances

61. Total advances related to the acquisition and build out of the Prince of Peace Development are reported by the District to total approximately \$113.6 million (net of approximately \$25.4 million in accrued interest). As previously reported, the Applicants have indicated that no supporting documentation is available for the period prior to June 2006 by which time advances made pursuant to the ECHS Loans totaled approximately \$71.8 million (the "Pre-2006 Advances"). The only documentation provided to the Monitor related to the Pre-2006 advances was the corresponding loan statements.
62. The District has indicated that they are of the view that the Pre-2006 Advances are overstated as certain advances relate to the sale and repurchase of life lease condominiums within the Prince of Peace Village (the "Life Lease Transactions") and do not relate to loan draws to build out the Prince of Peace Development. As the loan statements provided do not clearly differentiate the Life Lease Transactions from other transactions and, as supporting documentation was not provided to clearly link loan transactions to Life Lease Transactions, the Monitor is unable to comment upon the District Group's assertion.

Post-2006 Advances

63. For the period from June 2006 to February 2015, approximately \$41.8 million appears to have been advanced pursuant to the District – ECHS Loans (the "Post-2006 Advances"). Of the \$41.8 million in Post-2006 Advances, the Monitor has confirmed that there is supporting documentation (e.g. invoices, contracts, work orders) for approximately \$26.4 million of corresponding expenditures.
64. Many of the records provided by the District were either co-mingled, including both operational expenses and capital expenses, or were incomplete (the "Co-Mingled Records"). The Monitor attempted to identify additional expenditures related to the Post-2006 Advances based on the information available regarding those vendors who had assisted in the build-out of the Prince of

Peace Development. By doing so, the Monitor was able to identify supporting documentation for an additional \$3.2 million in expenditures that may relate to the Post-2006 Advances; however, these expenditures could not be linked back to the loan documentation provided. It is possible that additional review of the Co-Mingled Records may uncover additional expenditures related to the Post-2006 Advances; however, such a review would represent a significant undertaking and would be inconclusive in the absence of the District being able to provide information that would allow these expenditures to be linked back to the loan documentation.

65. The District has indicated that approximately \$4.3 million of the Post 2006 Advances relates to Life Lease Transactions; however, no information has been provided to support that assertion.

Repayments and Credits

66. Repayments and credits applied to these advances totaled approximately \$65.1 million during the Review Period (the "Repayments and Credits"), however no documentation has been provided to support the source of funds used for the Repayments and Credits to the District – ECHS Loans. The District has indicated that approximately \$4.8 million of the Repayments and Credits relate to Life Lease Transactions; however, no information has been provided to support this assertion.
67. In addition to the Repayments and Credits, payments totalling \$8.5 million were made to the District – ECHS Loan from a Bank of Montreal loan provided to ECHS in June of 2009 (the "BMO Loan"). The outstanding balance of the BMO Loan was subsequently fully assumed by DIL in December of 2011 in the total amount of \$8.1 million and became the DIL – ECHS Loan. The repayments and loan draws associated with the BMO Loan were not included in the numbers presented in the preceding paragraph.
68. In December of 2004, a total of approximately \$1.8 million was transferred from a loan of approximately \$1.0 million and a line of credit of approximately \$770,000 both granted by the District to the Church and School (the "2004 Church and School Loans"). Loan statements provided by the District made reference to a resolution by the District's board of directors to assist the Church and School with its loan payments. Discussion with the District confirmed that these transactions represent forgiveness of debt by the District in the total amount of \$1.8 million. With the exception of the \$1.8 million in debt forgiveness, loan advances and repayments associated with the Church and School have not been included in the Monitor's analysis since the Church and School is not an entity included in the CCAA Proceedings.

Other Matters

69. Several issues were identified by the Monitor in the limited documents provided by the District. These issues include references in selected emails from the spring of 2009 to cost overruns, poor project controls and poor record keeping by ECHS related to the Prince of Peace Development.

Next Steps

70. As outlined above, the Monitor has completed the Review with respect to the additional documentation provided by the District to support the Post-2006 Advances. If, prior to the next Court application, additional information is provided by the District or any other parties, the Monitor will report further on its review of that additional information. As previously reported, the Monitor is of the view that a comprehensive forensic review is likely not appropriate in the context of the CCAA as the professional fees would likely have a net overall negative impact on the recovery for the Applicant's creditors. Further reporting could potentially be provided in the event that the Committees wish to undertake a more comprehensive review as part of future litigation or class action proceedings related to claims against the D&Os or third parties. As previously reported; however, the District has been unable to locate a significant amount of supporting books and records, which suggest that any further review would continue to suffer from the lack of available information.

The DIL Distribution

71. As previously reported, at the August 28 Hearing District Investments is seeking Court approval to transfer funds from the registered retirement savings plans (defined above as the “Registered Plans”) currently held by DIL to new registered retirement savings plans (defined above as the “New Registered Plans”) held by GWL (the “DIL Distribution”). DIL is further seeking approval to release personal information respecting the DIL Depositors to GWL and its agent, Yellow Raincoat.
72. The Monitor is advised that, in conjunction with the CRO, Yellow Raincoat had contacted three potential fund managers (the “Fund Manager(s)”) regarding their interest in effecting the DIL Distribution. The Monitor is further advised that some Fund Managers were hesitant to proceed based on the following:
 - 72.1. Uncertainty surrounding the total dollar value of investments that would be transferred into the New Registered Plans pursuant to the CCAA Proceedings;
 - 72.2. Uncertainty surrounding the total dollar value of investments that would continue to be held by DIL Depositors in the New Registered Plans following the CCAA Proceedings; and
 - 72.3. The amount of work required to complete the set-up of new accounts between DIL Depositors and GWL (the “Account Set-up”).
73. The Monitor is advised that the CRO and Yellow Raincoat are recommending GWL as the Fund Manager and that they were the only Fund Manager who was willing to effect the DIL Distribution under terms acceptable to DIL.
74. The Monitor has had discussions with both the CRO and Yellow Raincoat with respect to the DIL Distribution and notes the following:
 - 74.1. The New Registered Plans will include the same types of accounts as the Registered Plans, including TFSAs, RRSPs and RRIFs. Funds transferred to DIL Depositors will be transferred into new accounts with GWL held in the same type of registered plan(s) as the one(s) they are currently invested in with DIL.
 - 74.2. The DIL Distributions will only be completed once the Account Set-up has been done for the respective DIL Depositor, which process will be facilitated by Yellow Raincoat. In order to facilitate the Account Set-up, DIL will provide Yellow Raincoat with available personal information for the DIL Depositors, including their name, address and other contact information, date of birth, social insurance number, marital status, language preference, gender and existing beneficiary information (the “Personal Information”);

- 74.3. In addition to the Personal Information, Yellow Raincoat has advised that new beneficiary designations will be required for all DIL Depositors as part of the Account Set-up. Yellow Raincoat has advised that they may use multiple means to contact DIL Depositors (phone, letter, in person etc.) in order to collect the required information to complete the Account Set-up.
- 74.4. The DIL Distribution will be paid to DIL Depositors on a pro-rata basis taking into account all required statutory minimum payments for RRIF holders and any emergency fund payments.
- 74.5. GWL will complete all required paperwork associated with the DIL Distribution, including all documentation required by Canada Revenue Agency. There is no charge associated with this service.
- 74.6. Pursuant to the Initial Order, statutory minimum annual payments due pursuant to RRIFs (the "Minimum Payments") held by DIL Depositors continue to be payable. DIL has issued almost all required Minimum Payments for 2015. However, the Monitor notes that it is possible that, depending on the timing of the go-forward CCAA Proceedings, DIL may still hold funds on behalf of Depositors following December 31, 2015. As such, it is likely that DIL Depositors may receive Minimum Payments from both DIL and GWL during 2016.
- 74.7. Yellow Raincoat has advised as follows with respect to the fees associated with the New Registered Accounts:
- 74.7.1. There are no fees associated with Account Set-up, transfer or termination fees;
- 74.7.2. There is a withdrawal fee of \$50 associated with partial withdrawals from New Registered Accounts; and
- 74.7.3. Monthly administration fees are calculated based on the rate of return associated with the New Registered Accounts (the "Administration Fees"). Should there be no return on an investment, no fees would be payable. The Administration Fees will vary depending on the total amount transferred into the New Registered Accounts. The Administration Fees are estimated to range between 0.863% and 1.874%.
75. Should they choose to do so, there are no restrictions on the ability of DIL Depositors to transfer funds held in the New Registered Accounts into other eligible registered investment vehicles following the DIL Distribution and the Account Set-up being completed.
76. The DIL Distribution was approved by the DIL Committee at a meeting held on August 20, 2015.

77. District Investments is seeking approval to release up to \$15.0 million pursuant to the DIL Distributions. The Monitor is satisfied that, following the payment of \$15.0 million pursuant to the DIL Distributions, there will be sufficient funds held in trust by DIL to satisfy the go-forward administration costs for the CCAA Proceedings; however, the Monitor will consult with both the Committees and Representative Counsel prior to releasing funds.
78. Should the DIL Distribution be approved, the Monitor intends to provide correspondence to DIL Depositors notifying DIL Depositors of the DIL Distribution and next steps and providing the DIL Depositors with contact information for Yellow Raincoat.
79. Based on the information provided, the Monitor is supportive of the DIL Distribution for the following reasons:
 - 79.1. The DIL Distribution provides a streamlined mechanism for releasing funds to DIL Depositors in advance of the Plans being finalized in order to help to minimize the impact of the CCAA Proceedings on DIL Depositors, many of whom rely on their investments in DIL as a source of retirement income;
 - 79.2. The funds held in DIL are held beneficially for the DIL Depositors. As such, the DIL Depositors are not creditors of District Investments with respect to any changes in the value of the investments they hold with DIL;
 - 79.3. Following the DIL Distribution and the Account Set-up, there is nothing to preclude DIL Depositors from withdrawing or transferring their funds at a later date should they desire to do so;
 - 79.4. We are advised that GWL's legal department has agreed to complete all required Canada Revenue Agency reporting, which will assist in minimizing the costs and staffing requirements, which may otherwise be associated with the DIL Distribution;
 - 79.5. Yellow Raincoat will assist in the transition of DIL Depositors from the Registered Accounts to the New Registered Accounts;
 - 79.6. The DIL Committee is supportive of the DIL Distributions; and
 - 79.7. As the DIL Distribution transfers funds from one registered account to another, there should not be any negative tax consequences for DIL Depositors.

Sale of Real Properties

The Sale Lands

80. The Monitor is advised that the transactions involving the following real properties, which were approved by the Court at the March 27 Hearing, have now been completed and the corresponding net sale proceeds have been paid into trust with legal counsel for the Applicants:

80.1. The Chestermere Lands, which generated net sale proceeds of approximately \$7.9 million;

80.2. The Faith Lands, which generated net sale proceeds of approximately \$3.6 million;

80.3. The Village Condo, which was subject to a life lease, generated a 5% transfer fee as set out in the corresponding life lease agreement in the amount of approximately \$19,500; and

80.4. The Richmond Condo, which generated net sale proceeds of approximately \$388,700.

The St. Albert Lands

81. Also at the March 27 Hearing, the Court approved the sale of the St. Albert Lands, which was subject to buyer's conditions (the "St. Albert Transaction"). The buyer was Landrex Hunter Ridge Inc. ("Landrex"), who holds a registered right of first refusal ("ROFR") in respect of the St. Albert Lands. Landrex failed to waive conditions on July 23, 2015 and, as such, the Transaction will not be completed as described in the Second Report and the Supplement.

82. The Monitor is advised that the District is currently reviewing their options with respect to the disposition of the St. Albert Lands.

The Revelstoke Lands

83. As reported above, the District is seeking Court approval at the August 28 Hearing for the sale of a property defined above as the Revelstoke Lands.

84. The Monitor will provide the Third Supplement to the Court in advance of the August 28 Hearing. The Third Supplement will provide further detail as to the sale of the Revelstoke Lands. The Monitor will be requesting that the Third Supplement be sealed by the Court in order to avoid tainting any future sale process that may be required should the sale of the Revelstoke Lands fail to close.

85. The Monitor understands that the proceeds from the Revelstoke Lands will be held in trust for the purpose of being included in any Plan that is filed by the District Group.

86. The Revelstoke Lands are municipally known as 1502 Mountainview Drive, Revelstoke, British Columbia. The Revelstoke Lands were originally listed for sale in December 2014 with Royal LePage Revelstoke acting as the listing agent.
87. An initial deposit has been paid with respect to the sale of the Revelstoke Lands and is being held in trust. The sale of the Revelstoke Lands is still subject to buyer's conditions, including financing and the buyer obtaining and approving an inspection report and approval for appropriate insurance coverage. The deadline for removal of the buyer's conditions is August 31, 2015. The sale of the Revelstoke Lands also remains subject to the approval of the District Committee and the Court. The Monitor will be seeking the District Committee's formal approval of the sale of the Revelstoke Lands at a meeting scheduled for August 25, 2015. The sale of the Revelstoke Lands has an anticipated closing date of October 1, 2015.
88. The Monitor has reviewed the documents associated with the sale of the Revelstoke Lands, including the listing agreement and the contract of purchase and sale, as further described in the Third Supplement. The Monitor has also consulted with Deloitte's real estate advisory group with respect to the sale of the Revelstoke Lands. Based on the Monitor's review, it is satisfied that the proposed sale of the Revelstoke Lands is commercially reasonable and would likely be more beneficial to the District Depositors than a sale or disposition in a liquidation scenario.

Cash Flow Forecast

District

89. Attached as “Schedule 2” is the Statement of Projected Cash Flow for the District for the fifteen week period ending November 28, 2015 (the “District Forecast”, the “Forecast Period”). 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 inflow of approximately \$118,700 over the Forecast Period and projects that it will have cash on hand of approximately \$5.6 million (including marketable securities) at the end of the Forecast Period.

The District, including CEF Statement of Projected Cash Flow For the Fifteen Week Period Ending November 28, 2015	
	Total
Cash flow from CEF operations	
Receipts	
Lease payments	\$ 87,053
Bank Interest Income	450
Management fees	101,000
Loan Payout	582,100
Loan interest and principal payments	72,793
Total Receipts	843,396
Disbursements	
Mortgage payments	(84,567)
CEF salaries and benefits	(50,293)
Operating expenses	(38,000)
Plant Fund	(15,250)
Emergency fund	(135,890)
Restructuring fees	(360,000)
CRO	(41,160)
Total disbursements	(725,160)
Net cash flow from CEF operations	118,236

The District, including CEF
Statement of Projected Cash Flow (Cont'd)
For the Fifteen Week Period Ending November 28, 2015

	Total
Cash flow from other District operations	
Receipts	
Wage recovery	10,000
Mission remittances	150,000
Total receipts	160,000
Disbursements	
Salaries and benefits	(64,000)
Administrative expenses, travel and utilities	(26,250)
Outreach operating expenses	(35,332)
Department of Stewardship and Financial Ministries operating expenses	(4,000)
President's expenses	(9,750)
Mission Payments to LCC	(11,000)
Contingency	(9,250)
Total disbursements	(159,582)
Net cash flow from other District operations	418
Total net cash flow	\$ 118,654
Cash and marketable securities on hand	
Beginning balance	\$ 5,457,356
Total net cash flow	118,654
Ending balance	\$ 5,576,011

Cash Flow Related to CEF

90. The District is forecasting receipts of approximately \$843,400 over the Forecast Period related to CEF. We highlight the following with respect to these receipts:

- 90.1. The District collects monthly lease payments of approximately \$29,000 per month, or approximately \$87,100 over the forecast period, from the Golden Hill School Division for a lease on the Strathmore Property. The District granted a mortgage on the Strathmore Property in favour of DIL and makes monthly mortgage payments to DIL in the amount of approximately \$28,200 per month, or approximately \$84,600 over the Forecast Period;
- 90.2. The District anticipates receiving approximately \$101,000 from DIL for a management fee related to administrative assistance provided by the District; and
- 90.3. Lord of Life Lutheran Church in Kamloops, British Columbia, Crew Ministries, Redeemer Lutheran Church in Victoria and Trinity Lutheran Church in Fort McMurray have indicated that they will be repaying their loans in full over the Forecast Period, which is anticipated to generate receipts of \$582,100 (the "District Pay-outs").

- 90.4. Loans and mortgages held within CEF are anticipated to generate cash receipts from loan interest and principal payments totalling approximately \$72,800 over the Forecast Period.
91. The District is forecasting disbursements of approximately \$725,200 over the Forecast Period related to CEF. We highlight the following with respect to these disbursements:
- 91.1. Operating expenses of \$38,000 and salaries and benefits of \$50,300 (including all corresponding CRA payroll source deduction remittances) are estimated to be payable over the Forecast Period. The Monitor notes as follows with respect to these disbursements:
- 91.1.1. The District has vacated its head office at 7100 Ada Boulevard in Edmonton, Alberta and has moved into a smaller office space in the Concordia Seminary at 7040 Ada Boulevard in Edmonton, Alberta. Rent of \$2,500 per month is payable on a go-forward basis and is allocated between CEF and other District Operations; and
- 91.1.2. The District's staff has been reduced with the District currently retaining three employees and two contractors, whose salaries and benefits are allocated between CEF and other District operations. One of the contractors' salaries is recoverable from ECHS.
- 91.2. Payments totalling approximately \$135,900 over the Forecast Period have been projected to satisfy obligations due pursuant to the Emergency Fund (as defined herein);
- 91.3. The District estimates disbursements of approximately \$360,000 to pay restructuring fees, including payments to the Applicant's legal counsel, the Monitor, the Monitor's legal counsel and the newly appointed Representative Counsel. Where appropriate, restructuring fees are allocated between the Applicants; and
- 91.4. The District estimates fees associated with retaining the CRO of approximately \$41,200 over the Forecast Period. The fees of the CRO are allocated between the Applicants.

Cash Flow Related to Other District Operations

92. The District is forecasting receipts from non-CEF operations of approximately \$160,000 over the Forecast Period. We highlight the following with respect to these receipts:
- 92.1. The District anticipates receiving approximately \$10,000 from ECHS to reimburse the District for wages paid to District management employees that perform services for ECHS; and
- 92.2. The District anticipates receiving Donations of approximately \$150,000 from its 127 member congregations over the Forecast Period, including the LCC Portion, which is forecast to be \$11,000. Congregations submitting Donations, in some cases, pay the LCC Portion to LCC directly.
93. The District is forecasting disbursements of approximately \$159,600 over the Forecast Period. We highlight the following with respect to these disbursements:

- 93.1. The District's employees are paid on a bi-weekly basis. Payroll and the corresponding CRA payroll source deduction remittances are anticipated to total approximately \$64,000 over the Forecast Period.
 - 93.2. Administrative expenses, travel and utilities are estimated to total approximately \$26,300 over the Forecast Period; and
 - 93.3. Operating expenses for outreach services and the department of stewardship and financial ministries are anticipated to total approximately \$35,300 and \$4,000 respectively. As previously reported, there are no longer any costs attributed to parish and school services as that department has been discontinued.
94. The District had an opening cash balance of approximately \$5.5 million consisting of a cash balance of approximately \$520,500 and marketable securities of approximately \$4.9 million, as at August 14, 2015, which are held with FI Capital Ltd. ("FI Capital"). We note that the value of the marketable securities held by FI Capital increased in value by approximately \$45,000 between June 14, 2015 and August 15, 2015 as certain investments matured. As noted above, the District, including CEF, is projected to have a net cash inflow of approximately \$118,700 over the Forecast Period, largely due to the District Pay-outs. As such, the District appears to have sufficient liquidity to sustain its ongoing operations during the Forecast Period.

Lutheran Historical Institute

95. As previously reported, Lutheran Historical Institute ("LHI") maintained an archive for the District. Its operations have now been discontinued and the District is reviewing its options with respect to the disposal of the assets held by LHI. The Monitor has not yet been provided with the information required to complete its review of LHI's cash flow and operations since the Filing Date and LHI is not included in the District Forecast. The information received to date; however, suggests that LHI's cash flow was minimal during the CCAA Proceedings.

DIL

96. Attached as "Schedule 3" is the Statement of Projected Cash Flow for DIL for the fifteen week period ending November 28, 2015 (the "DIL Forecast"). DIL estimates a net inflow of cash of approximately \$2.0 million over the Forecast Period and projects that it will have cash on hand of \$20.5 million (including marketable securities) at the end of the Forecast Period. A summary of the DIL Forecast is included below.

District Investments	
Statement of Projected Cash Flow	
For the Fifteen Week Period Ending November 28, 2015	
	Total
Receipts	
Loan Payouts	\$ 2,245,500
Loan payments	169,936
Total receipts	2,415,436
Disbursements	
Management fee	(109,000)
Restructuring fees	(195,000)
CRO	(41,160)
Emergency fund	(9,388)
Annual minimum RRIF payments	(3,000)
Total disbursements	(357,548)
Net cash flow	\$ 2,057,888
Cash and marketable securities on hand	
Beginning balance	\$ 18,404,315
Net cash flow	2,057,888
Ending balance	\$ 20,462,203

97. Total projected receipts of approximately \$2.4 million for DIL include regular monthly payments received on lines of credit and mortgages, which are estimated to total approximately \$169,900 over the Forecast Period. The balance of approximately \$2.2 million consists of loan pay-outs, which include anticipated payments from Walnut Grove Lutheran Church, in Langley, Bethlehem Lutheran Church in Edmonton, Trinity Lutheran Church in Richmond, Zion Lutheran Church in Prince George, Faith Lutheran Church in Surrey and Good Shepherd Lutheran Church in Calgary (the "DIL Payouts").
98. DIL is forecasting disbursements of approximately \$357,600 over the Forecast Period. We highlight the following with respect to these disbursements:
- 98.1. DIL estimates disbursements of \$109,000 for management fees payable to the District, who assists in administering the investment fund and to FI Capital;
 - 98.2. DIL estimates disbursements of approximately \$195,000 to pay restructuring fees, including payments to the Applicant's legal counsel, the Monitor, the Monitor's legal counsel and the Representative Counsel over the Forecast Period. Where appropriate, these fees are allocated between the Applicants;
 - 98.3. DIL estimates fees associated with retaining the CRO of approximately \$41,160 over the Forecast Period. The fees of the CRO are allocated between the Applicants; and
 - 98.4. DIL estimates disbursements of \$3,000 over the Forecast Period related to the statutory annual minimum payments (the "Minimum Payments") due pursuant to RRIFs. The bulk of the Minimum Payments were paid in May 2015; however, a small number of individuals who

are currently receiving payments through the emergency fund are continuing to receive their Minimum Payments on a monthly basis.

99. DIL had an opening balance of approximately \$18.4 million including cash of \$1.5 million and market investments of approximately \$16.9 million as at August 15, 2015, which were held with FI Capital Ltd. We note that the value of the marketable securities held by FI Capital Ltd. decreased in value by approximately \$115,400 between June 14 and August 15, 2015 as certain investments matured. DIL is projected to have a net cash inflow of approximately \$2.1 million over the Forecast Period, including the DIL Payouts, and has sufficient liquidity to sustain its ongoing operations during the Forecast Period.

ECHS

100. Attached as “Schedule 4” is the Statement of Projected Cash Flow for ECHS for the fifteen week period ending November 28, 2015 (the “ECHS Forecast”). ECHS estimates a net increase in cash of approximately \$138,500 over the Forecast Period and projects that it will have cash on hand of approximately \$556,300 at the end of the Forecast Period. A summary of the ECHS Forecast is included below:

ECHS	
Statement of Projected Cash Flow	
For the Fifteen Week Period Ending November 28, 2015	
	Total
Receipts	
Lease revenue	\$ 360,000
Water and sewage revenue	126,700
RV lot rental	3,000
Total receipts	489,700
Disbursements	
Operating expenses	(181,196)
Restructuring fees	(122,360)
CRO	(17,640)
Contingency	(30,000)
Total disbursements	(351,196)
Net cash flow	\$ 138,504
Cash on hand	
Beginning balance	\$ 417,762
Net cash flow	138,504
Ending balance	\$ 556,266

101. ECHS is projecting receipts of approximately \$489,700 over the Forecast Period. We highlight the following with respect to these receipts:

- 101.1. ECHS leases land and buildings that they own within the Prince of Peace Development to EMSS. Monthly lease payments of \$120,000 are payable from EMSS to ECHS with respect to this lease. These monthly lease payments are estimated to total \$360,000 over the Forecast Period; and
 - 101.2. ECHS provides water and sewer services to EMSS and to the elementary and junior high school located in the Prince of Peace Development. Receipts for the provision of water and sewer services are estimated to total \$126,700 over the Forecast Period.
102. ECHS is projecting disbursements of approximately \$351,200 over the Forecast Period. We highlight the following with respect to these disbursements:
- 102.1. ECHS estimates disbursements of \$181,200 over the Forecast Period for ongoing operating expenses, which include payments to trade creditors such as for the provision of water and sewer services;
 - 102.2. Disbursements to pay restructuring fees, including payments to the Applicants' legal counsel, the Monitor and the Monitor's legal counsel are estimated to total approximately \$122,400 over the Forecast Period; and
 - 102.3. Contingency payments of approximately \$30,000 over the Forecast Period include payments related to the repair of roadways for the Prince of Peace Development.
103. ECHS has an opening cash balance of approximately \$417,800. As noted above, ECHS is projected to have a net cash inflow of approximately \$138,500 over the Forecast Period and has sufficient liquidity to sustain its ongoing operations during the Forecast Period.

EMSS

104. Attached as "Schedule 5" is the Statement of Projected Cash Flow for EMSS for the fifteen week period ending November 28, 2015 (the "EMSS Forecast"). EMSS estimates a net decrease in cash of approximately \$408,600 over the Forecast Period. EMSS projects that it will have cash on hand of approximately \$742,500 million at the end of the Forecast Period. A summary of the EMSS Forecast is included below:

EMSS
Statement of Projected Cash Flow
For the Fifteen Week Period Ending November 28, 2015

	Total
Receipts	
Rent	\$ 1,305,000
Alberta Health Services ("AHS") funding	1,166,532
Miscellaneous revenue	17,000
Total receipts	2,488,532
Disbursements	
Payroll	(1,560,000)
RRSP's	(80,000)
Health Benefits	(96,000)
Administrative expenses	(175,000)
Food services expenses	(126,000)
Housekeeping expenses	(17,500)
Healthcare expenses	(14,000)
Maintenance expenses	(84,000)
Utility expenses	(153,000)
Diversicare	(74,000)
Lease payments	(360,000)
Restructuring fees	(140,000)
CRO	(17,640)
Total disbursements	(2,897,140)
Net cash flow	\$ (408,608)
Cash on hand	
Beginning balance	\$ 1,151,062
Net cash flow	(408,608)
Ending balance	\$ 742,454

105. EMSS is projecting receipts of approximately \$2.5 million over the Forecast Period. We highlight the following with respect to these receipts:

105.1. EMSS is estimated to receive \$1.3 million from rental revenue collected over the Forecast Period. The rental revenue is paid by individual residents of the Harbour and the Manor senior's care facilities; and

105.2. EMSS' other main source of revenue is the Grant Agreements pursuant to which funding is received in monthly installments at the beginning of each month (the "AHS Payments"). The AHS Payments are anticipated to total approximately \$1.2 million over the Forecast Period.

106. EMSS is projecting disbursements of approximately \$2.9 million over the Forecast Period. We highlight the following with respect to these disbursements:

106.1. EMSS' employees are paid on a bi-weekly basis. Payroll for EMSS employees is estimated to total approximately \$1.6 million over the Forecast Period, including CRA payroll source

- deductions. Additional RRSP and health benefits for EMSS employees in the respective amounts of \$80,000 and \$96,000 are anticipated to be payable over the Forecast Period;
- 106.2. Administrative expenses, food expenses and maintenance expenses are anticipated to total \$175,000, \$126,000 and \$84,000 respectively over the Forecast Period;
- 106.3. As noted above, EMSS makes monthly lease payments to ECHS for use of the land and buildings from which the Harbour and the Manor operate and for water and sewage services. These payments are anticipated to total \$360,000 and \$153,000, respectively, over the Forecast Period; and
- 106.4. Disbursements to pay restructuring fees, including payments to the Applicants' legal counsel, the Monitor and the Monitor's legal counsel are estimated to total approximately \$140,000 over the Forecast Period.
107. EMSS has an opening cash balance of approximately \$1.2 million. As noted above, EMSS is projected to have a net cash outflow from operations of approximately \$408,600 over the Forecast Period; however, based on their opening cash balance, EMSS appears to have sufficient liquidity to sustain its ongoing operations during the Forecast Period. EMSS is further anticipated to have sufficient liquidity to sustain its ongoing operations during the CCAA Proceedings. The Monitor notes that the net cash outflow reflects disbursements for the last two weeks of August for which the corresponding revenue had already been received and is reflected in the opening cash balance for the Forecast Period.

Monitor's Report on Cash Flow Statements

108. The District Forecast, the DIL Forecast, the ECHS Forecast and the EMSS Forecast will collectively be referred to as the "Applicants' Forecasts".
109. The Monitor reports as follows with respect to the Applicants' Forecasts:
- 109.1. Each of the Applicants' Forecasts have 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;
- 109.2. 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 each of the Applicants' Forecasts. We have also reviewed the support provided by Management for the probable assumptions, and the preparation and presentation of the Applicants' Forecasts;
- 109.3. Based on our review, nothing has come to the attention of the Monitor that causes us to believe that, in all material respects:

- 109.3.1. The hypothetical assumptions are not consistent with the purpose of the each of the Applicants' Forecasts;
- 109.3.2. As at the date of the Fifth Report, the probable assumptions developed by Management are not suitably supported and consistent with the Plans of each of the Applicants or do not provide a reasonable basis for each of the Applicants' Forecasts, given the hypothetical assumptions; or
- 109.3.3. Each of the Applicants' Forecasts does not reflect the probable and hypothetical assumptions.
- 109.4. Since the Applicants' Forecasts are 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 Applicants' Forecasts will be achieved. We further express no opinion or other form of assurance with respect to the accuracy of any financial information reported with respect to the Applicants' Forecasts, or relied upon by it in reporting on the Applicants' Forecasts; and
- 109.5. The Applicants' Forecasts have been prepared solely for the purpose described in the Notes, and readers are cautioned that they may not be appropriate for other purposes.

Variance Analysis

District

110. Attached as “Schedule 6” is a variance analysis (the “Variance Analysis”) for the District for the nine week period ended August 15, 2015 (the “Variance Period”). The Variance Analysis for the District reflects an overall net negative variance of approximately \$63,400. The Variance Analysis is based on the Statement of Projected Cash Flow for the Thirteen Week Period Ending September 12, 2015 for the District, which was dated June 18, 2015 (the “June District Forecast”).
111. The only permanent negative variance over \$25,000 reported during the Variance Period relates to the District releasing the LCC Payments to LCC pursuant to the Order granted on June 26, 2015. The LCC Payments were not included in the June District Forecast. The LCC Payments include amounts collected for the pre-filing period up to January 23, 2015 and following the Filing Date. Approximately \$84,600 was released to LCC for the LCC Payments, which funds had been held by the District in a separate trust account.

DIL

112. Attached as “Schedule 7” is a Variance Analysis for the Variance Period for DIL. The Variance Analysis reflects an overall net negative variance of \$610,000. The Variance Analysis is based on the Statement of Projected Cash Flow for the Thirteen Week Period Ending September 12, 2015 for DIL, which was dated June 18, 2015
113. There were no permanent variances over \$25,000 reported over the Variance Period. A significant negative timing variance of approximately \$683,100 was reported due to a delay in the receipt of an anticipated loan payments/ pay-outs, including an anticipated loan pay-out from Trinity Lutheran Church in Richmond, B.C., which is anticipated to be received during the Forecast Period.

ECHS

114. Attached as “Schedule 8” is a Variance Analysis for the Variance Period for ECHS. The Variance Analysis reflects an overall net negative variance of approximately \$10,900. The Variance Analysis is based on the Statement of Projected Cash Flow for the thirteen week period ending September 12, 2015 for ECHS, which was dated June 18, 2015 (the “June ECHS Forecast”).

115. The only permanent variance over \$25,000 reflected during the Variance Period was a negative variance of \$43,700 for operating expenses. Operating expenses were higher than anticipated due to annual audit fees and water maintenance fees being incurred, which were not reflected in the June ECHS Forecast.

EMSS

116. Attached as "Schedule 9" is a Variance Analysis for the Variance Period for EMSS. The Variance Analysis reflects an overall net positive variance of \$7,300. The Variance Analysis is based on the Statement of Projected Cash Flow for the thirteen week period ending September 12, 2015 for EMSS, which was dated June 18, 2015. There were no permanent negative variances over \$25,000 reported during the Variance Period.

Emergency Fund

117. As previously reported, prior to the Filing Date, an emergency fund was implemented in order to avoid a situation where Depositors, many of whom are seniors, would not have sufficient funds to cover their basic necessities (the “Emergency Fund”). The Emergency Fund was approved by the Court pursuant to the Initial Order.

118. Since the implementation of the Emergency Fund, the Monitor has approved 50 applications. Based on the Applicants’ Forecasts, approximately \$44,600 to \$45,600 per month for the District and approximately \$2,700 per month for DIL are expected to be paid pursuant to the Emergency Fund.

Conclusion

119. Based on the Monitor's dealings with Management and the Monitor's review of the District Group's operations and restructuring efforts to date, we can advise that:
- 119.1. The District Group appears to be acting in good faith and with due diligence;
 - 119.2. The District Group is cooperating with the Monitor and is making efforts to formulate Plans for each of the Applicants; and
 - 119.3. The Monitor is of the view that the District Group's creditors will not be materially prejudiced by the Extension.
120. The Monitor is supportive of the following relief being sought by the District Group at the August 28 Hearing:
- 120.1. Approving the Extension;
 - 120.2. Approving the sale of the Revelstoke Lands;
 - 120.3. Approving the DIL Distribution;
 - 120.4. Authorizing DIL to release personal information respecting the DIL Depositors to GWL and to Yellow Raincoat; and
 - 120.5. Sealing the August 17 Affidavit.
121. The Monitor is supportive of the application by Fiserv to extend the Claims Bar Date set out in the Claims Process Order for the purpose of allowing Fiserv to submit the Fiserv Claim pursuant to the Claims Process.

122. The Monitor is seeking an Order sealing the Third Supplement in order to avoid tainting any future sale process that may be required should the transaction involving the Revelstoke Lands fail to be completed.

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



Jeff Keeble CA, CIRP, CBV
Senior Vice-President

Schedules

Schedule 1

July 8, 2015

Notice to Depositors of the Lutheran Church – Canada, the Alberta – British Columbia District (the “District”), including the Church Extension Fund, Encharis Community Housing and Services (“ECHS”), Encharis Management and Support Services and the Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd. (“DIL”, collectively the “District Group” or the “Applicants”)

As you are aware, the District Group obtained an Initial order under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the “CCAA”) on January 23, 2015. Deloitte Restructuring Inc. acts as the Monitor in the CCAA proceedings (the “Monitor”). The purpose of this correspondence is to provide creditors with an update as to recent events in the CCAA proceedings for the District Group.

As previously reported, information on the CCAA proceedings can be accessed on the Monitor’s website at www.insolvencies.deloitte.ca under link entitled “Lutheran Church – Canada, the Alberta – British Columbia District et. al.” or can be requested from the undersigned via telephone at (403) 298-5955 or via email at vanallen@deloitte.ca.

Recent Court Proceedings

The most recent applications to the Court of Queen’s Bench of Alberta (the “Court”) were made on June 26, 2015 (the “June 26 Hearing”), at which time the Court approved the following relief:

- Extending the stay of proceedings (the “Stay”) until August 31, 2015;
- Approving the sale of a condominium unit located in Richmond, British Columbia (the “Richmond Condo”);
- Confirming that the legal costs incurred by the District and DIL in dealing with the Alberta Securities Commission and the British Columbia Securities Commission will be included in the administration charge (the “Administration Charge”) granted in the Initial Order (subject to certain restrictions);
- Authorizing the District to make payments to the Lutheran Church – Canada for 35% of the total mission remittances received by the District for the pre-filing period and on a go-forward basis;
- Authorizing the future sale of lands owned by ECHS within the Prince of Peace development, which are subject to life leases in the event that the life lease resident(s) are to terminate or surrender their interest in the life lease;
- Sealing the Confidential Supplement to the Fourth Report of the Monitor and the Confidential Affidavit of Kurtis Robinson, both provided to the Court in advance of the June 26 Hearing;
- Increasing the number of representatives on the creditors’ committee for the District (the “District Committee”) from 5 to 6; and
- Securing the remuneration of the legal counsel for the District Committee and the legal counsel for the creditors’ committee for DIL (the “DIL Committee”) as part of the Administration Charge.

Potential Class Action Claimants

Mr. Randy Kellen and a group of additional depositors (the “Kellen Group”) have indicated a desire to commence proceedings against the directors and officers of the Applicants (the “Directors”). The Kellen Group had originally scheduled an application to be heard on July 18, 2015 (the “Kellen Application”) seeking to lift the Stay as against the Directors in order to allow them to pursue claim(s) for alleged breaches of fiduciary duties and negligence in the performance of the Directors’ duties (the “Kellen Claim”). The Kellen Group also sought the disclosure of contact information for depositors.

The Monitor believed that the Kellen Application was premature as insufficient information had been provided to allow the Monitor to consider the impact of the Kellen Claim on the CCAA proceedings. In addition, the District Committee and the DIL Committee (the "Committees") had already been appointed and some of the activities being undertaken by the Committees could have been negatively impacted by the Kellen Application. The Monitor was also concerned that should the Kellen Claim be advanced during the CCAA proceedings, it may cause additional confusion for depositors and could negatively impact the ability of the District Group and the Monitor to communicate with Depositors regarding the plans of arrangement to be filed in the CCAA proceedings (the "Plan(s)"). The Kellen Application has now been adjourned, with the consent of all parties, to an unscheduled future date.

The Committees

The Court Order granted on February 20, 2015 (the "Committee Order") approved a process whereby individuals could be appointed to the District Committee and to the DIL Committee. The role of the individuals on the Committees is not to canvas depositors at large but to serve in a fiduciary capacity in representing all unsecured creditors of either the District or DIL with a mandate to maximize the amount of money that is available for distribution to creditors.

The Committees were formed pursuant to the Committee Order and, to date, each of the Committees has held several meetings. At present, the focus of the Committees is to negotiate settlements related to the potential challenge of a mortgage held by DIL on a property located in Strathmore, Alberta and the priority of two mortgages registered against various properties in the Prince of Peace development as well as to provide input into the Plans and other issues related to the CCAA proceedings.

Sale of the District's Assets

To date, the Court has approved the sale of four real estate properties, in addition to the Richmond Condo (collectively the "Sale Lands"). The details of the transactions involving the Sale Lands have been sealed by the Court until such time as they have closed in order to avoid tainting any future sale process that may be required should any of these sales not be completed. Each of the transactions involving the Sale Lands has been reviewed by the Monitor in conjunction with Deloitte's real estate advisory group. Since its formation, the District Committee has also approved the sale of the Richmond Condo. All proceeds from the transactions involving the Sale Lands are being held in trust to be included in a Plan. Future sales of real estate properties will be subject to Monitor, District Committee and Court approval.

The Plans of Arrangement (the "Plans")

The District Group's efforts to formulate their Plans are ongoing. Drafts of the Plans have been prepared by the Applicants and are currently being circulated amongst the Monitor, the Monitor's legal counsel, the Applicants, the CRO and the Applicant's legal counsel following which the Draft Plans for each of the District and DIL will be forwarded to the respective Committees for further review and comment. The Monitor anticipates that the Applicants should be able to file their Plans prior to the expiry of the Stay. The Fourth Report of the Monitor details the items that need to be resolved prior to the Plans being filed.

Should you have additional questions, please contact the undersigned at 403-298-5955.

Yours truly,

DELOITTE RESTRUCTURING INC.

In its capacity as the Court-appointed Monitor of 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. and not in its personal or corporate capacity



Per: Vanessa Allen, B. Comm, CIRP
Vice-President

Schedule 2

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 November 28, 2015

Week ending	22-Aug-15	29-Aug-15	5-Sep-15	12-Sep-15	19-Sep-15	26-Sep-15	3-Oct-15	10-Oct-15	17-Oct-15	24-Oct-15	31-Oct-15	7-Nov-15	14-Nov-15	21-Nov-15	28-Nov-15	Total	Notes
Cash flow from CEF operations																	
Receipts																	
Lease payments			\$ 29,018				\$ 29,018					\$ 29,018				\$ 87,053	1
Bank Interest Income			150				150					150				450	
Management fees	25,250					25,250					25,250				25,250	101,000	2
Loan Payout			40,500		79,500		10,600				451,500					582,100	3
Loan interest and principal payments	16,600		996	1,135	16,600		996		17,735			996	17,735			72,793	4
Total Receipts	41,850	-	70,664	1,135	96,100	25,250	40,764	-	17,735	-	476,750	30,164	17,735	-	25,250	843,398	
Disbursements																	
Mortgage payments			(28,189)				(28,189)					(28,189)				(84,567)	1
CEF salaries and benefits			(6,100)		(15,000)		(6,100)	7	(8,500)			(6,100)	(8,500)			(50,293)	
Operating expenses	(2,000)	(2,000)	(10,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(38,000)	
Plant Fund	(750)	(750)	(750)	(750)	(750)	(4,750)	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(15,250)	
Emergency fund	(1,000)		(44,630)				(44,630)					(45,630)				(135,890)	5
Restructuring fees		(90,000)				(90,000)					(90,000)				(90,000)	(360,000)	6
CRO	(10,290)					(10,290)					(10,290)				(10,290)	(41,160)	7
Total disbursements	(14,040)	(92,750)	(89,669)	(2,750)	(17,750)	(107,040)	(81,669)	(2,743)	(11,250)	(2,750)	(103,040)	(82,669)	(11,250)	(2,750)	(103,040)	(725,160)	
Net cash flow from CEF operations	27,810	(92,750)	(19,005)	(1,615)	78,350	(81,790)	(40,905)	(2,743)	6,485	(2,750)	373,710	(52,505)	6,485	(2,750)	(77,790)	118,236	
Cash flow from other District operations																	
Receipts																	
Wage recovery					10,000											10,000	8
Mission remittances	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	150,000	9
Total receipts	10,000	10,000	10,000	10,000	20,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	160,000	
Disbursements																	
Salaries and benefits					(38,000)				(13,000)							(84,000)	10
Administrative expenses, travel and utilities	(1,750)	(1,750)	(1,750)	(1,750)	(1,750)	(1,750)	(1,750)	(1,750)	(1,750)	(1,750)	(1,750)	(1,750)	(1,750)	(1,750)	(1,750)	(26,250)	11
Outreach operating expenses	(7,458)	(500)	(500)	(500)	(7,458)	(500)	(500)	(500)	(500)	(7,458)	(500)	(500)	(500)	(7,458)	(500)	(35,332)	12
Department of Stewardship and Financial Ministries operating expenses	(1,000)					(1,000)				(1,000)					(1,000)	(4,000)	13
President's expenses	(650)	(650)	(650)	(650)	(650)	(650)	(650)	(650)	(650)	(650)	(650)	(650)	(650)	(650)	(650)	(9,750)	9
Mission Payments to LCC		(2,750)				(2,750)				(2,750)					(2,750)	(11,000)	14
Contingency		(2,250)				(2,250)				(2,250)					(2,500)	(9,250)	
Total disbursements	(10,858)	(7,900)	(2,900)	(2,900)	(47,858)	(8,900)	(2,900)	(2,900)	(15,900)	(15,858)	(2,900)	(2,900)	(15,900)	(9,858)	(9,150)	(159,582)	
Net cash flow from other District operations	(858)	2,100	7,100	7,100	(27,858)	1,100	7,100	7,100	(5,900)	(5,858)	7,100	7,100	(5,900)	142	850	418	
Total net cash flow	\$ 26,952	\$ (90,650)	\$ (11,905)	\$ 5,485	\$ 50,492	\$ (80,690)	\$ (33,805)	\$ 4,357	\$ 585	\$ (8,608)	\$ 380,810	\$ (45,405)	\$ 585	\$ (2,608)	\$ (76,940)	\$ 118,654	
Cash and marketable securities on hand																	
Beginning balance	\$ 5,457,356	\$ 5,484,308	\$ 5,393,658	\$ 5,381,753	\$ 5,387,238	\$ 5,437,730	\$ 5,357,040	\$ 5,323,235	\$ 5,327,592	\$ 5,328,177	\$ 5,319,569	\$ 5,700,379	\$ 5,654,974	\$ 5,655,559	\$ 5,652,951	\$ 5,457,356	15
Total net cash flow	26,952	(90,650)	(11,905)	5,485	50,492	(80,690)	(33,805)	4,357	585	(8,608)	380,810	(45,405)	585	(2,608)	(76,940)	118,654	
Ending balance	\$ 5,484,308	\$ 5,393,658	\$ 5,381,753	\$ 5,387,238	\$ 5,437,730	\$ 5,357,040	\$ 5,323,235	\$ 5,327,592	\$ 5,328,177	\$ 5,319,569	\$ 5,700,379	\$ 5,654,974	\$ 5,655,559	\$ 5,652,951	\$ 5,576,011	\$ 5,576,011	16

Prepared as at the 21 day of August 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 November 28, 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: Kurt Routhier, 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. A monthly management fee is payable from DIL to District.
3. Includes anticipated loan pay-outs from Lord of Life Lutheran Church in Kamloops, Crew Ministries, Redeemer Lutheran Church in Victoria and Trinity Lutheran Church in Fort McMurray.
4. Includes payments on mortgages and lines of credit, which are sometimes paid on inconsistent dates and not always kept current.
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 DIL'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.
7. Includes amounts payable to Klwane Partners as CRO.
8. Encharis Community and Housing Services makes monthly payments to the District for use one management employee.
9. 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.
10. Includes monthly salary, benefits and pension amounts. The District is WCB exempt.
11. Includes information technology, general office expenses and travel.
12. 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.
13. Monthly amount sent to the Lutheran Church Canada for use of the services of the LCC gift planner, who is assigned to the District.
14. Unscheduled HVAC repairs due to age of system.
15. Includes marketable securities held with FI Capital with a fair market value of approximately \$4,936,874 as at August 14, 2015. \$1,281.93 was held in a US account, which has been converted at an exchange rate of \$1,000 US: \$1.32 CDN.
16. Bishop & McKenzie LLP, legal counsel to the District are holding amounts in trust related to the sale of various real estate properties that have now closed. These amounts include approximately \$3.6 million related to the sale of vacant school lands in Edmonton, Alberta and approximately \$406,000 related to the sale of a condominium in Richmond, B.C. (the "Sale Proceeds"). The Sale Proceeds are not reflected herein but are being held in trust for inclusion in a Plan of Arrangement to be filed by the District in the CCAA proceedings.

Schedule 3

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

Statement of Projected Cash Flow
For the Fifteen Week Period Ending November 28, 2015

Week ending	22-Aug-15	29-Aug-15	5-Sep-15	12-Sep-15	19-Sep-15	26-Sep-15	3-Oct-15	10-Oct-15	17-Oct-15	24-Oct-15	31-Oct-15	7-Nov-15	14-Nov-15	21-Nov-15	28-Nov-15	Total	Notes
Receipts																	
Loan Payouts					\$ 1,614,000						\$ 631,500					\$ 2,245,500	1
Loan payments			55,605		4,015		51,758		3,400			51,758		3,400		169,936	2
Total receipts			55,605		1,618,015		51,758		3,400		631,500	51,758		3,400		2,415,436	
Disbursements																	
Management fee	(25,250)		(8,000)			(25,250)				(25,250)					(25,250)	(109,000)	3
Restructuring fees					(65,000)					(65,000)					(65,000)	(195,000)	4
CRO	(10,290)					(10,290)				(10,290)					(10,290)	(41,160)	5
Emergency fund		(1,222)					(2,722)				(2,722)				(2,722)	(9,388)	6
Annual minimum RRIF payments		(750)					(750)				(750)				(750)	(3,000)	7
Total disbursements	(35,540)	(1,972)	(8,000)		(65,000)	(35,540)	(3,472)			(100,540)	(3,472)				(104,012)	(357,548)	
Net cash flow	\$ (35,540)	\$ (1,972)	\$ 47,605	\$ -	\$ 1,553,015	\$ (35,540)	\$ 48,286	\$ -	\$ 3,400	\$ (100,540)	\$ 628,028	\$ 51,758	\$ -	\$ 3,400	\$ (104,012)	\$ 2,057,888	
Cash and marketable securities on hand																	
Beginning balance	\$ 18,404,315	\$ 18,368,775	\$ 18,366,803	\$ 18,414,408	\$ 18,414,408	\$ 19,967,423	\$ 19,931,883	\$ 19,980,169	\$ 19,980,169	\$ 19,983,569	\$ 19,883,029	\$ 20,511,057	\$ 20,562,815	\$ 20,562,815	\$ 20,566,215	\$ 18,404,315	8
Net cash flow	(35,540)	(1,972)	47,605	-	1,553,015	(35,540)	48,286	-	3,400	(100,540)	628,028	51,758	-	3,400	(104,012)	2,057,888	
Ending balance	\$ 18,368,775	\$ 18,366,803	\$ 18,414,408	\$ 18,414,408	\$ 19,967,423	\$ 19,931,883	\$ 19,980,169	\$ 19,980,169	\$ 19,983,569	\$ 19,883,029	\$ 20,511,057	\$ 20,562,815	\$ 20,562,815	\$ 20,566,215	\$ 20,462,203	\$ 20,462,203	

Prepared as at the 21 day of August, 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:  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.
4. On August 28, DIL will be seeking Court approval to transfer funds from the registered retirement savings plans currently held by DIL to new registered retirement savings plans held by Great West Life Assurance Company (the "DIL Distributions"). The DIL Distributions are not reflected herein.

Notes & Assumptions - Specific:

1. Includes anticipated loan pay-outs for Walnut Grove Lutheran Church, in Langley, Bethlehem Lutheran Church in Edmonton, Trinity Lutheran Church in Richmond, Zion Lutheran Church in Prince George, Faith Lutheran Church in Surrey and Good Shepherd Lutheran Church in Calgary.
2. Includes loan payments from various churches within Lutheran Church - Canada, the Alberta - British Columbia District for mortgages held by DIL.
3. Monthly management fees payable to CEF and quarterly portfolio fees paid to DIL's investment advisor at FI Capital.
4. Represents anticipated amounts payable to DIL's legal counsel, the CCAA Monitor, the CCAA Monitor's legal counsel and representative counsel for the creditors' committee that was established for DIL.
5. Includes amounts payable to Kluae 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.
8. DIL held marketable securities with a fair market value of approximately \$16,941,488 with FI capital as at August 14, 2015.

Schedule 4

Encharis Community Housing and Services ("ECHS")
Statement of Projected Cash Flow
For the Fifteen Week Period Ending November 28, 2015

Week ending	22-Aug-15	29-Aug-15	5-Sep-15	12-Sep-15	19-Sep-15	26-Sep-15	3-Oct-15	10-Oct-15	17-Oct-15	24-Oct-15	31-Oct-15	7-Nov-15	14-Nov-15	21-Nov-15	28-Nov-15	Total	Notes
Receipts																	
Lease revenue			\$ 120,000				\$ 120,000					\$ 120,000				\$ 360,000	1
Water and sewage revenue			38,000	6,350			38,000		6,350			38,000				126,700	2
RV lot rental			1,000				1,000					1,000				3,000	3
Total receipts			159,000	6,350			159,000		6,350			159,000				489,700	
Disbursements																	
Operating expenses	(4,087)	(1,500)	(4,087)	(1,500)	(50,087)	(1,500)	(4,087)	(1,500)	(50,087)	(1,500)	(4,087)	(1,500)	(4,087)	(47,500)	(4,087)	(181,196)	4
Restructuring fees		(30,590)				(30,590)				(30,590)					(30,590)	(122,360)	5
CRO		(4,410)				(4,410)				(4,410)					(4,410)	(17,640)	
Contingency				(10,000)				(10,000)				(10,000)				(30,000)	6
Total disbursements	(4,087)	(36,500)	(4,087)	(11,500)	(50,087)	(36,500)	(4,087)	(11,500)	(50,087)	(36,500)	(4,087)	(11,500)	(4,087)	(47,500)	(39,087)	(351,196)	
Net cash flow	\$ (4,087)	\$ (36,500)	\$ 154,913	\$ (5,150)	\$ (50,087)	\$ (36,500)	\$ 154,913	\$ (11,500)	\$ (43,737)	\$ (36,500)	\$ (4,087)	\$ 147,500	\$ (4,087)	\$ (47,500)	\$ (39,087)	\$ 138,504	
Cash on hand																	
Beginning balance	\$ 417,762	\$ 413,675	\$ 377,175	\$ 532,088	\$ 526,938	\$ 476,851	\$ 440,351	\$ 595,264	\$ 583,764	\$ 540,027	\$ 503,527	\$ 499,440	\$ 646,940	\$ 642,853	\$ 595,353	\$ 417,762	7
Net cash flow	(4,087)	(36,500)	154,913	(5,150)	(50,087)	(36,500)	154,913	(11,500)	(43,737)	(36,500)	(4,087)	147,500	(4,087)	(47,500)	(39,087)	138,504	
Ending balance	\$ 413,675	\$ 377,175	\$ 532,088	\$ 526,938	\$ 476,851	\$ 440,351	\$ 595,264	\$ 583,764	\$ 540,027	\$ 503,527	\$ 499,440	\$ 646,940	\$ 642,853	\$ 595,353	\$ 556,266	\$ 556,266	

Prepared as at the 21 day of August, 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 \$86,500 to \$120,000 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 \$57,000 per month.
5. Represents anticipated amounts payable to ECHS' legal counsel, the CCAA Monitor and the CCAA Monitor's legal counsel.
6. Includes payments related to the repair of roadways and the master-site plan approval process.
7. Bishop & McKenzie LLP, legal counsel to ECHS are holding approximately \$8.2 million from the sale of lands in Chestermere, Alberta in trust (the "Sale Proceeds"). The Sale Proceeds are not reflected herein but are being held in trust for inclusion in a Plan of Arrangement to be filed by ECHS in the CCAA proceedings.

Schedule 5

Encharis Management and Support Services ("EMSS")
Statement of Projected Cash Flow
For the Fifteen Week Period Ending November 28, 2015

Week ending	22-Aug-15	29-Aug-15	5-Sep-15	12-Sep-15	19-Sep-15	26-Sep-15	3-Oct-15	10-Oct-15	17-Oct-15	24-Oct-15	31-Oct-15	7-Nov-15	14-Nov-15	21-Nov-15	28-Nov-15	Total	Notes
Receipts																	
Rent			\$ 435,000			\$ 435,000					\$ 435,000					\$ 1,305,000	1
Alberta Health Services ("AHS") funding			388,844			388,844					388,844					1,186,532	2
Miscellaneous revenue	2,000	2,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	17,000	3
Total receipts	2,000	2,000	824,844	1,000	1,000	1,000	824,844	1,000	1,000	1,000	1,000	824,844	1,000	1,000	1,000	2,488,532	
Disbursements																	
Payroll	(195,000)		(195,000)		(195,000)		(195,000)		(195,000)		(195,000)		(195,000)		(195,000)	(1,580,000)	4
RRSP's	(10,000)		(10,000)		(10,000)		(10,000)		(10,000)		(10,000)		(10,000)		(10,000)	(80,000)	
Health Benefits		(3,000)		(28,000)		(3,000)		(28,000)		(3,000)		(28,000)		(3,000)		(98,000)	
Administrative expenses		(25,000)		(25,000)		(25,000)		(25,000)		(25,000)		(25,000)		(25,000)		(175,000)	5
Food services expenses		(18,000)		(18,000)		(18,000)		(18,000)		(18,000)		(18,000)		(18,000)		(128,000)	
Housekeeping expenses		(2,500)		(2,500)		(2,500)		(2,500)		(2,500)		(2,500)		(2,500)		(17,500)	
Healthcare expenses		(2,000)		(2,000)		(2,000)		(2,000)		(2,000)		(2,000)		(2,000)		(14,000)	
Maintenance expenses		(12,000)		(12,000)		(12,000)		(12,000)		(12,000)		(12,000)		(12,000)		(84,000)	
Utility expenses			(38,000)		(15,000)		(38,000)		(15,000)		(38,000)		(15,000)		(15,000)	(153,000)	6
Diversicare	(15,000)					(15,000)							(22,000)			(74,000)	7
Lease payments			(120,000)				(120,000)					(120,000)				(380,000)	8
Restructuring fees		(35,000)				(35,000)				(35,000)					(35,000)	(140,000)	9
CRO		(4,410)				(4,410)				(4,410)					(4,410)	(17,840)	
Total disbursements	(220,000)	(101,910)	(381,000)	(87,500)	(220,000)	(118,910)	(381,000)	(81,500)	(248,000)	(101,910)	(205,000)	(215,500)	(255,000)	(74,500)	(247,410)	(2,897,140)	
Net cash flow	\$ (218,000)	\$ (99,910)	\$ 463,844	\$ (86,500)	\$ (219,000)	\$ (115,910)	\$ 463,844	\$ (80,500)	\$ (247,000)	\$ (100,910)	\$ (204,000)	\$ 609,344	\$ (254,000)	\$ (73,500)	\$ (246,410)	\$ (408,608)	

Cash on hand																	
Beginning balance	\$ 1,151,082	\$ 933,082	\$ 833,152	\$ 1,206,996	\$ 1,210,496	\$ 991,496	\$ 875,586	\$ 1,339,430	\$ 1,258,930	\$ 1,011,930	\$ 911,020	\$ 707,020	\$ 1,318,364	\$ 1,082,384	\$ 988,864	\$ 1,151,082	
Net cash flow	(218,000)	(99,910)	463,844	(86,500)	(219,000)	(115,910)	463,844	(80,500)	(247,000)	(100,910)	(204,000)	609,344	(254,000)	(73,500)	(246,410)	(408,608)	
Ending balance	\$ 933,082	\$ 833,152	\$ 1,296,996	\$ 1,210,496	\$ 991,496	\$ 875,586	\$ 1,339,430	\$ 1,258,930	\$ 1,011,930	\$ 911,020	\$ 707,020	\$ 1,316,364	\$ 1,062,364	\$ 988,864	\$ 742,454	\$ 742,454	

Prepared as at the 21 day of August, 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: Kurt 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 \$315,059.

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.
- Includes food services revenue, damage repair revenue and miscellaneous revenue (stamps, photocopying, etc.).
- Payroll is withdrawn every second Friday and includes Canada Revenue Agency payroll source deductions.
- Includes all administrative department expenses, contractors who provide accounting, management and pastoral services, 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 \$120,000 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 the CCAA Monitor's legal counsel.

Schedule 6

The District, including CEF
Variance Analysis
For the period from June 14, 2015 to August 15, 2015

	Forecast (F)	Actual (A)	Variance (A-F)	Notes
Cash flow from CEF operations				
Receipts				
Lease payments	\$ 58,036	\$ 58,536	\$ 500	1
Bank Interest Income	300	1,040	740	1
Management fees from DIL	50,500	75,705	25,205	2
Loan interest and principal payments	110,295	57,624	(52,671)	2
Total Receipts	219,131	192,904	(26,226)	
Disbursements				
Mortgage payments	(56,378)	(56,378)	-	
CEF salaries and benefits	(38,000)	(36,300)	1,700	1
Operating expenses	(27,000)	(13,782)	13,218	1
Plant Fund	(3,150)	(5,369)	(2,219)	1
Emergency fund	(83,830)	(90,245)	(6,415)	1
Restructuring Fees	(200,000)	(165,088)	34,912	2
CRO	(20,580)	(30,870)	(10,290)	1
Total disbursements	(428,938)	(398,032)	30,907	
Net cash flow from CEF operations	(209,807)	(205,127)	4,681	
Cash flow from other District operations				
Receipts				
Wage recovery	40,950	33,118	(7,832)	1
Mission remittances	76,500	85,639	9,139	1
Rental income	500	-	(500)	1
Total receipts	117,950	118,757	807	
Disbursements				
Salaries and benefits	(97,100)	(88,088)	9,012	2
Missions to LCC	-	(84,621)	(84,621)	3
Administrative expenses, travel and utilities	(11,250)	(11,580)	(330)	1
Outreach operating expenses	(22,666)	(16,901)	5,765	1
Department of Stewardship and Financial Ministries operating expenses	(2,000)	(1,000)	1,000	1
President's expenses	(5,850)	(5,606)	244	1
Total disbursements	(138,866)	(207,796)	(68,930)	
Net cash flow from other District operations	(20,916)	(89,039)	(68,123)	
Total net cash flow	\$ (230,723)	\$ (294,165)	\$ (63,442)	
Cash and marketable securities on hand				
Beginning balance as per Bank & FI Cap	\$ 5,706,360	\$ 5,706,360	\$ -	
Total net cash flow	(230,723)	(294,165)	(63,442)	
Net change in value of marketable securities/ adjustment to exchange rates		45,162	45,162	4
Ending Balance as per bank & FI Capital Ltd.	\$ 5,475,637	\$ 5,457,356	\$ (18,280)	

The District, including CEF
Variance Analysis
For the period from June 14, 2015 to August 15, 2015

Notes:

1. Permanent variances as a result of receipts / expenses being higher / lower than originally forecast.
2. Timing related variances, which are expected to reverse themselves in future weeks.
3. Permanent variance resulting from District releasing mission remittances, held in trust for Lutheran Church - Canada ("LCC") to LCC pursuant to the Order granted on June 26, 2015. The LCC Payments include amounts collected for the pre-filing period up to January 23, 2015 and following the Filing Date.
4. Represents an increase in the value of marketable securities held by FI Capital Ltd. during the period from June 14, 2015, to August 15, 2015.

Schedule 7

DIL
Variance Analysis
For the period from June 14, 2015 to August 15, 2015

Week ending	Forecast (F)	Actual (A)	Variance (A-F)	Notes
Receipts				
Bank Interest Income	\$ -	\$ 497	\$ 497	1
Loan payments	933,240	250,173	(683,067)	2
Total receipts	933,240	250,670	(682,570)	
Disbursements				
Management fee	(50,500)	(75,705)	(25,205)	3
Restructuring fees	(225,000)	(111,162)	113,838	3
Operating Expenses		(6,146)	(6,146)	1
CRO	(20,580)	(30,870)	(10,290)	3
Emergency fund	(2,444)	(2,044)	400	1
Annual Minimum RRIF payments	(1,500)	(1,496)	4	
Total disbursements	(300,024)	(227,422)	72,602	
Net cash flow	\$ 633,216	\$ 23,248	\$ (609,968)	
Cash and marketable securities on hand				
Beginning balance as per Bank & FI Cap	\$ 18,496,480	\$ 18,496,480	\$ -	
Total net cash flow	- 633,216	23,248	(609,968)	
Net change in value of marketable securities		(115,414)	(115,414)	4
Ending Balance as per bank & FI Capital Ltd.	\$ 19,129,696	\$ 18,404,314	\$ (725,381)	

Notes:

1. Permanent variances as a result of receipts / expenses being higher / lower than originally forecast.
2. Timing variance largely as a result of a delay in the receipt of a loan payment from Trinity Lutheran Church in Richmond, BC.
3. Timing related variance, which is expected to reverse itself in future weeks.
4. Represents a decrease in the value of marketable securities held by FI Capital Ltd. during the period from June 14, 2015 to August 15, 2015.

Schedule 8

ECHS
Variance Analysis
For the period from June 14, 2015 to August 15, 2015

Week ending	Forecast (F)	Actual (A)	Variance (A-F)	Notes
Receipts				
Lease revenue	\$ 240,000	\$ 240,000	\$ -	
Water and sewage revenue	86,700	89,147	2,447	1
Transfer fee income	-	5,741	5,741	2
RV lot rental	2,000	2,000	-	
Total receipts	328,700	336,888	8,188	
Disbursements				
Operating expenses	(126,848)	(170,537)	(43,689)	3
Restructuring fees	(55,000)	(60,434)	(5,434)	1 & 4
Contingency	(30,000)	-	30,000	5
Total disbursements	(211,848)	(230,971)	(19,123)	
Net cash flow	\$ 116,852	\$ 105,918	\$ (10,934)	
Cash on hand				
Beginning balance	\$ 311,844	\$ 311,844	\$ -	
Net cash flow	116,852	105,918	(10,934)	
Ending balance	\$ 428,696	\$ 417,762	\$ (10,934)	

Notes:

1. Timing related variance, which is expected to reverse itself in future weeks.
2. Permanent variance due to a receipt related to the surrender and resale of a life lease on a unit within the Prince of Peace Village.
3. Permanent variance due to higher than expected operating costs, primarily arising from an audit fee and a water maintenance fee, which were not originally forecast.
4. Includes fees paid to ECHS' Chief Restructuring Officer, which were originally included in forecast restructuring fees.
5. Permanent variances as a result of receipts / expenses being higher / lower than originally forecast.

Schedule 9

EMSS
Variance Analysis
For the period from June 14, 2015 to August 15, 2015

Week ending	Forecast (F)	Actual (A)	Variance (A-F)	Notes
Receipts				
Rent	\$ 871,000	\$ 871,852	\$ 852	1
Alberta Health Services funding	777,688	777,688	-	
Miscellaneous revenue	18,000	18,836	836	1
Total receipts	1,666,688	1,668,376	1,688	
Disbursements				
Payroll	(780,000)	(771,669)	8,331	1
RRSP's	(42,000)	(29,015)	12,985	2
Health Benefits	(62,000)	(65,149)	(3,149)	2
Administrative expenses	(100,000)	(125,991)	(25,991)	2
Food services expenses	(90,000)	(84,106)	5,894	2
Housekeeping expenses	(12,500)	(13,851)	(1,351)	1
Healthcare expenses	(10,000)	(12,216)	(2,216)	1
Maintenance expenses	(77,500)	(47,099)	30,401	1
Utility expenses	(117,000)	(106,527)	10,473	1
Diversicare	(30,000)	(56,595)	(26,595)	1
Lease payments	(240,000)	(240,000)	-	
Restructuring fees	(55,000)	(40,526)	14,474	2
CRO	-	(17,640)	(17,640)	3
Total disbursements	(1,616,000)	(1,610,384)	5,616	
Net cash flow	\$ 50,688	\$ 57,992	\$ 7,304	
Cash on hand				
Beginning Balance	\$ 1,093,070	\$ 1,093,070	\$ -	
Net cash flow	50,688	57,992	7,304	
Ending Balance	\$ 1,143,758	\$ 1,151,062	\$ 7,304	

Notes:

1. Permanent variances as a result of expenses being higher / lower than originally forecast.
2. Timing related variances, which are expected to reverse themselves in future weeks.
3. Permanent variance as allocation of CRO costs to EMSS, which was not originally forecast.