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COURT FILE NUMBER	**1501-00955**
COURT	**COURT OF QUEEN'S BENCH OF ALBERTA**
JUDICIAL CENTRE	**CALGARY**
DOCUMENT	**THIRTY-FIRST 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 30, 2017

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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SCHEDULES

Introduction and Notice to Reader

Introduction

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

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

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

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 following reports:

4.1. the First Report of the Monitor dated February 17, 2015;

4.2. the Second Report of the Monitor dated March 23, 2015 (the "Second Report");

4.3. the Third Report of the Monitor dated June 16, 2015;

4.4. the Fourth Report of the Monitor dated June 24, 2015 (the "Fourth Report");

4.5. the Fifth Report of the Monitor dated August 24, 2015 (the "Fifth Report');

4.6. the Sixth Report of the Monitor dated September 9, 2015;

4.7. the Seventh Report of the Monitor dated October 20, 2015;

4.8. the Eighth Report of the Monitor dated October 30, 2015;

4.9. the Ninth Report of the Monitor dated November 26, 2015;

4.10. the Tenth Report of the Monitor dated December 22, 2015;

4.11. the Eleventh Report of the Monitor dated January 11, 2016;

4.12. the Twelfth Report of the Monitor dated January 27, 2016;

4.13. the Thirteenth Report of the Monitor dated February 4, 2016;

4.14. the Fourteenth Report of the Monitor dated February 18, 2016;

4.15. the Fifteenth Report of the Monitor dated February 25, 2016 (the "Fifteenth Report");

4.16. the Sixteenth Report of the Monitor dated March 14, 2016;

4.17. the Seventeenth Report of the Monitor dated March 18, 2016 (the "Seventeenth Report");

4.18. the Eighteenth Report of the Monitor dated April 25, 2016;

4.19. the Nineteenth Report of the Monitor dated May 27, 2016;

4.20. the Twentieth Report of the Monitor dated June 14, 2016;

4.21. the Twenty-First Report of the Monitor dated July 7, 2016;

4.22. the Twenty-Second Report of the Monitor dated July 12, 2016;

4.23. the Twenty-Third Report of the Monitor dated August 22, 2016;

4.24. the Twenty-Fourth Report of the Monitor dated October 17, 2016;

4.25. the Twenty-Fifth Report of the Monitor dated December 12, 2016;

4.26. the Twenty-Sixth Report of the Monitor dated March 2, 2017;

4.27. the Twenty-Seventh Report of the Monitor dated April 17, 2017;

4.28. the Twenty-Eighth Report of the Monitor dated May 24, 2017 (the "Twenty-Eighth Report");

4.29. the Twenty-Ninth Report of the Monitor dated June 16, 2017 (the "Twenty-Ninth Report"); and

4.30. The Thirtieth Report of the Monitor dated July 4, 2017 (together with the Pre-Filing Report and the reports listed in 4.1 to 4.29 will collectively be referred to as the "Reports").

5. The Monitor also filed a confidential supplement to the Second Report dated March 25, 2015, a confidential supplement to the Fourth Report dated June 25, 2015, a confidential supplement to the Fifth Report dated August 26, 2015, a confidential supplement to the Fifteenth Report dated February 26, 2016, a confidential supplement to the Seventeenth Report dated March 18, 2016 and a confidential supplement to the Twenty-Eighth Report dated May 24, 2017 (collectively the "Supplements"). The Supplements have been sealed by the Court.

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

7. The Thirtieth Report contained an update on the status of the Applicants' Plans, including an update on the results of a Court application held on October 27, 2016 (the "October 27, 2016 Hearing"). The Court granted an Order in respect of the October 27, 2016 Hearing on May 2, 2017 (the "May 2, 2017 Order"). The May 2, 2017 Order sets out that upon the Shepherd of the Valley Lutheran Church in Canmore, Alberta (the "Canmore Congregation") paying the balance of their outstanding loan to the District, the District would effect the transfer of title for the corresponding lands (the "Canmore Lands") from the District to the Canmore Congregation. Accordingly, the Canmore Congregation would become the registered owner of the Canmore Lands. To clarify the comments made in the Thirtieth Report, the Monitor has been advised that the Canmore Congregation intends to continue to operate its congregation on the Canmore Lands and does not intend to sell the Canmore Lands.

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

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

Notice to Reader

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

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

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

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

Court Applications

14. At a hearing on July 6, 2017, the Court granted Orders including the following relief:

    14.1. Approving a settlement between the District and Lutheran Church Canada ("LCC") in respect of a claim filed by LCC (the "LCC Claim") related to an unfunded pension liability (the "LCC Settlement"). The Court gave the following specific directions related to the LCC Settlement:

        14.1.1. The LCC Claim shall be allowed as an unsecured claim in the amount of approximately $703,942;

        14.1.2. In full and final settlement of the LCC Claim, LCC shall:

            14.1.2.1. Receive the amount of $164,000 on account of the Convenience Payment (as subsequently defined) and its pro-rata share of all other cash distributions (including estimated future cash distributions) pursuant to the District Plan; and

            14.1.2.2. Not receive any shares (the "Sage Shares") in Sage Properties Corp. ("Sage"), which is defined as "NewCo" in the District Plan.

        14.1.3. The 400,373 Sage Shares held in trust pending the resolution of the LCC Claim were to be administered as follows:

            14.1.3.1. 2,595 Sage Shares were to be transferred to Lutheran Women's Missionary League Canada, the Alberta – British Columbia District, who had a proven claim under the District Plan but had erroneously been excluded from the initial distributions made pursuant to the District Plan; and

            14.1.3.2. 397,778 Sage Shares were to be cancelled effective July 6, 2017.

        14.1.4. The District, the Monitor and Sage were authorized to take the required actions to give effect to the transfer and cancellation described above.

    14.2. Sealing the Affidavit of Cameron Sherban sworn on June 30, 2017.

15. This report represents the Thirty-First Report of the Monitor (the "Thirty-First Report"). The Thirty-First Report is being prepared to provide the Court with a general update on the CCAA proceedings as well as the Monitor's report on the Applicant's cash flow forecasts for the thirteen (13) week period ending November 11, 2017 (the "Forecast Period") and the Applicant's variance analysis for the thirteen (13) week period ended August 12, 2017 (the "Variance Period").

Status of Applicants' Plans

The District Plan

16. The Court granted an Order sanctioning the District Plan on August 2, 2016 and the District Plan became effective on August 23, 2016, immediately following the expiration of the appeal period. To date, the following distributions have been made pursuant to the District Plan:

16.1. A convenience payment for the lessor of the amount of each Eligible Affected Creditors' proven claim or $5,000 (the "Convenience Payment(s)") net of any payments made pursuant to an emergency fund that was approved by the Court as part of the Initial Order (the "Emergency Fund"). Approximately 1,654 Eligible Affected Creditors were paid in full by the Convenience Payment and 988 Eligible Affected Creditors continue to have outstanding proven claims (the "Remaining Affected Creditors");

16.2. A cash distribution from the proceeds of the sale of the District's assets outside of the mortgage granted in favour of ECHS (the "District – ECHS Mortgage") on properties within the development known as Prince of Peace (the "Non-Core Assets"). To date, the Remaining Affected Creditors have received distributions totalling approximately 12% of their proven claims after deducting the Convenience Payments (including payments made pursuant to the Emergency Fund); and

16.3. A distribution of the Sage Shares, which were valued based on the appraised or estimated value of the assets transferred to Sage pursuant to the Applicant's Plans, including the Harbour and Manor seniors' care facilities (the "Share Distribution"). The Remaining Affected Creditors received Sage Shares totaling approximately 57% of their proven claims after deducting the Convenience Payments. The Monitor notes that the cancellation of 397,778 Sage Shares pursuant to the LCC Settlement had the effect of increasing the value of the Sage Shares received by the Remaining Affected Creditors (excluding LCC) by approximately 0.8% as it reduced the total number of outstanding Sage Shares. Attached as "Schedule 1" is a notice that is being mailed to the Remaining Affected Creditors on August 29, 2017 advising them of the increase in the value of their Sage Shares at the date of issuance (the "Share Notice"). As noted therein, the Share Notice does not provide any representations or warranties, including as to any value that may be attributed to the Sage Shares since their issuance or in the future.

17. The following matters must be resolved prior to the Certificate being issued for the District Plan:

17.1. Pursuant to the District Plan, those Remaining Affected Creditors residing outside of Canada (the "Non-Resident Affected Creditors") were not eligible to participate in the Share Distribution. This was the result of the costs involved in complying with securities legislation outside of Canada and in structuring the transaction to make it tax effective both within and outside of Canada. Instead of receiving Sage Shares, the Non-Resident Affected Creditors will receive a cash distribution equal to the value of their pro-rata share of the Sage Shares less a 20% discount to reflect the fact that the Non-Resident Creditors will be receiving cash ahead of other Eligible Affected Creditors (the "Non-Resident Distribution"). The Non-Resident Distribution is anticipated to be released by August 31, 2017.

17.2. The District continues to hold the following assets, which are being realized for the benefit of the Remaining Affected Creditors:

17.2.1. Two unsecured loans (the "Church and School Loans") from the Prince of Peace Church and School (the "PoP Church and School"), which have a combined outstanding balance of approximately $10.6 million. The Church and School Loans are comprised of two unsecured loans, the first in the amount of $1.9 million and the second, which the Monitor understands was used to construct the buildings that house the PoP Church and School (the "Church and School Buildings"), in the amount of $8.7 million. The Church and School Buildings were transferred to Sage pursuant to the District Plan (the "Church and School Transfer"). The PoP Church and School previously indicated that they were claiming an interest in the Church and School Buildings by way of a trust or other mechanism. As such, the Monitor anticipates that the PoP Church and School will claim that a portion of the Church and School Loans were discharged by the Church and School Transfer. Based on the information provided to the Monitor to date, following the Church and School Transfer, the PoP Church and School has a limited ability to repay the Church and School Loans;

17.2.2. A guarantee (the "SVML Guarantee") from Shepherd of the Valley Ministries Ltd. ("SVML"), with respect to the shortfall in the repayment of the District – ECHS Mortgage. Pursuant to an Order granted in different legal proceedings on June 8, 2017, KPMG was appointed as the liquidator of all of the properties, assets and undertakings of SVML.(the "Liquidator") The Liquidator's First Report, dated July 31, 2017, describes SVML's known assets, which include seven (7) apartment-type rental units, thirty-six (36) condominium type units that are subject to life leases, four (4) vacant building lots, improved and unimproved common property and approximately 4.18 acres of undeveloped raw land (the "SVML Properties"). The Liquidator has commissioned an updated appraisal for the SVML Properties and is currently considering liquidation approaches with respect to the SVML Properties. Any recovery from the SVML Guarantee will be dependent on the liquidator's ability to sell the SVML Properties; and

17.2.3. The District's interest in approximately 7.81 acres of land in the community of Tuscany in Northwest Calgary (the "FLC Lands") owned by Foothills Lutheran Church ("FLC"). The District is currently negotiating a settlement with FLC with respect to the FLC Lands (the "FLC Settlement").

17.3. The subcommittee (the "District Subcommittee"), to be established pursuant to the District Plan to represent those District Depositors, who elected to participate in a legal action or actions (the "District Representative Action") to be undertaken as a class proceeding or otherwise (the "District Representative Class") needs to be re-formed and legal counsel (the "District Representative Counsel") needs to be retained to represent the District Representative Class. The Monitor notes the following with respect to the re-formation of the District Subcommittee:

17.3.1. Upon its formation, the District Subcommittee included five (5) individuals. The District Subcommittee retained Alan Garber of Alan Garber Professional Corporation as District Representative Counsel;

17.3.2. One member of the District Subcommittee, Mr. Wiley Hertlein, resigned shortly after the formation of the District Subcommittee, leaving four (4) remaining members of the District Subcommittee;

17.3.3. As detailed in the Twenty-Ninth Report, on or about May 30, 2017, three (3) of the four (4) remaining members of the District Subcommittee resigned. Mr. Laurie Schutz was the sole remaining member of the District Subcommittee. Mr. Garber also resigned as Representative Counsel for the District Subcommittee;

17.3.4. Also as detailed in the Thirtieth Report, in consultation with the creditors' committee for the District (the "District Committee"), the Monitor undertook a process to re-form the District Subcommittee (the "Subcommittee Re-formation Process") whereby members of the District Representative Class were invited to submit expressions of interest to participate on the District Subcommittee (the "EOI(s)");

17.3.5. The Monitor understands that only one EOI was generated by the Subcommittee Re-formation Process. This EOI was received from Mr. Wiley Hertlein, who was subsequently re-appointed to the District Subcommittee;

17.3.6. The Order granted on August 2, 2016 whereby the District Subcommittee was established (the "District Subcommittee Order") sets out that the District Subcommittee shall have between three (3) and five (5) members. The District Committee shall determine the size of the District Subcommittee by majority vote of its members and can, thereafter vary the size of the District Subcommittee if they determine, acting reasonably, that such a change is necessary or desirable. The District Committee does not wish to reduce the size of the District Subcommittee to fewer than three individuals, however as; they are of the view that, such a small District Subcommittee may not adequately represent the District Representative Class or be able to function effectively. As such, without additional member(s) of the District Representative Class being willing to step forward to participate on the District Subcommittee, the District Subcommittee may not be reconstituted and the District Representative Action may not be able to proceed;

17.3.7. The Monitor has consulted with the District Committee regarding the re-formation of the District Subcommittee and, is of the view that a further notice (the "Subcommittee Notice") should be mailed to the District Representative Class, which will once again invite members of the Representative Class to submit EOIs to participate on the District Subcommittee (the "Second Subcommittee Mail-Out"). The Second Subcommittee Mail-Out will be released on August 29, 2017 and the deadline for the District Representative Class to submit EOIs is the close of business on September 22, 2017 (the "Deadline");

17.3.8. A copy of the Subcommittee Notice is attached as "Schedule 2". The Subcommittee Notice clearly states that the District Representative Action may not be able to proceed unless and until other member(s) of the District Representative Class step forward to participate on the District Subcommittee, such that the District Subcommittee can be reconstituted;

17.3.9. Following the receipt of EOIs, the District Committee will conduct interviews of prospective members of the District Subcommittee and will, by no later than October 4, 2017, select the individuals who will act as the new members of the District Subcommittee; and

17.3.10. Once the District Subcommittee has been re-formed, it will as soon as practicable, retain new District Representative Counsel.

17.4. The Monitor notes that the sequence of events set out in Section 7.1 of the District Plan currently contemplates that the District Representative Action will have been completed and the pool of funds generated by the District Representative Action (the "Representative Action Pool") will have been distributed to the District Representative Class prior to the Certificate for the District being issued. As the District Representative Action cannot proceed until the Certificate has been issued for the District, this section of the District Plan will require an amendment. The Monitor and its legal counsel are currently having discussions with the District and its legal counsel regarding the required amendment.

18. Attached as "Schedule 3" is the Statement of Projected Cash Flow for the District for the thirteen (13) week period ended November 11, 2017 (the "District Forecast"). As set out therein, the District is anticipated to have cash on hand of approximately $1.3 million at the end of the Forecast Period. In addition, legal counsel for the District is currently holding approximately $2.6 million in trust from the sale of the Non-Core Assets. The Monitor has estimated a restructuring holdback of approximately $400,000 to address the estimated fees to the conclusion of the CCAA proceedings for the Monitor, the

Monitor's legal counsel, the District's legal counsel, the legal counsel for the District Creditors' Committee, and the CRO (the "Restructuring Holdback").

19. Net of the Restructuring Holdback, approximately $3.5 million is currently available for distribution to the Remaining Affected Creditors. As further described herein, the District is close to finalizing the FLC Settlement. The District intends to make a further distribution to the Remaining Affected Creditors within thirty (30) days of the FLC Settlement being completed, which can then include the corresponding proceeds.

The DIL Plan

20. The Court granted an Order sanctioning the DIL Plan on August 2, 2016 and the DIL Plan became effective on August 23, 2016, immediately following the expiration of the appeal period. Pursuant to an Order granted on August 28, 2015 and amended on November 5, 2015 and an Order granted on April 27, 2016, interim distributions totalling $22.0 million (the "Interim Distributions") were released to DIL Depositors (the "DIL Distributions"). These distributions include payments made to DIL Depositors pursuant to the Emergency Fund and required annual minimum payments (the "AMPs") to holders of registered retirement income funds ("RRIF(s)") and locked-in income funds ("LIF(s)"). The Interim Distributions represent 61% of the DIL Depositors' original investments as recorded in DIL's books and records on the Filing Date. Required AMPs for the year ended in 2016 were also subsequently issued in the amount of approximately $117,000.

21. The following matters must be resolved prior to the Certificate being issued for DIL:

    21.1. DIL is currently finalizing a settlement (the "Kelowna Settlement") with respect to a loan (the "Kelowna Loan") granted to First Lutheran Church in Kelowna, B.C. (the "Kelowna Congregation"). The Kelowna Loan is secured by way of a registered mortgage on the church and school, which are currently in use by the Kelowna Congregation (the "Kelowna Property"). The Kelowna Loan has a principal balance of approximately $5.6 million and an outstanding balance (including accrued interest) of $5.8 million. The Monitor notes the following with respect to the Kelowna Loan:

        21.1.1. DIL had previously initiated foreclosure proceedings with respect to the Kelowna Property (the "Foreclosure Proceedings"). Should the Kelowna Settlement proceed, the Foreclosure Proceedings, and the associated time and expense could be avoided; and

        21.1.2. Should the Kelowna Settlement be finalized, a significant distribution will be made available to DIL Depositors shortly thereafter.

21.2. The only other remaining asset held by DIL is the mortgage on a vacant lot within the Prince of Peace Village, which has a current list price of approximately $119,000 (the "Parsonage Lot"). Pursuant to the DIL Plan, all of the assets of DIL, including the mortgage on the Parsonage Lot need to be realized prior to the Certificate for DIL being issued. Due to the relatively small value of the Parsonage Lot and uncertainty as to the timing to complete the sale of the Parsonage Lot, the Monitor is currently reviewing the DIL Plan to determine whether the Certificate for DIL could be issued ahead of the sale of the Parsonage Lot being completed.

22. Attached as "Schedule 4" is the Projected Statement of Cash Flow for DIL for the thirteen (13) week period ended November 11, 2017 (the "DIL Forecast"). As set out in the DIL Forecast, DIL is anticipated to have cash on hand of approximately $92,000 at the end of the Forecast Period. In addition, DIL's legal counsel is currently holding approximately $1.8 million in trust from the realization of DIL's assets.

23. The Monitor has estimated a Restructuring Holdback for DIL of approximately $200,000.

24. Should the Kelowna Settlement be finalized as anticipated, a further cash distribution could be made to DIL Depositors following the receipt of the corresponding proceeds (the "Future DIL Distribution"). As with previous distributions, amounts payable to DIL Depositors with the exception of holders of RRIFs and LLIFs would be transferred into the accounts established for DIL Depositors at Great-West Life Assurance Company. Amounts payable to holders of RRIFs and LIFs would be transferred to registered accounts with a financial institution or investment advisor of the corresponding DIL Depositor's choosing.

The ECHS Plan

25. The District has implemented the tax structured transaction contemplated in the Applicants' Plans whereby certain assets and contracts of ECHS and EMSS, including the Harbour and Manor seniors' care facilities and the PoP Church and School were transferred to Sage and the Sage Shares were issued to the Remaining Affected Creditors (the "Sage Transaction").

26. The following matters need to be resolved prior to the Certificate being issued for ECHS:

26.1. The Parsonage Lot needs to be sold and the corresponding proceeds paid to DIL;

26.2. An account receivable in the amount of approximately $2.0 million (the "SVML Receivable") due to ECHS from SVML needs to be settled. As stated above, a Liquidation Order has been granted in respect of SVML and any recovery of the SVML Receivable is uncertain; and

26.3. Any remaining cash on hand upon completion of the ECHS Plan needs to be transferred to Sage.

27. Attached as "Schedule 5" is the Statement of Projected Cash Flow for ECHS for the Forecast Period. As reflected therein, ECHS is anticipated to have cash on hand of approximately $37,000 at the end of the Forecast Period (the "ECHS Cash"). The ECHS Forecast includes the payment of professional fees for ECHS' legal counsel, the CCAA Monitor and the CCAA Monitor's legal counsel up to September 30, 2017 (the "ECHS Restructuring Fees"). The Monitor anticipates that the ECHS Cash will continue to be held by ECHS until the Certificate for ECHS has been issued and no further ECHS Restructuring Fees will be incurred.

The EMSS Plan

28. As noted above, the Sage Transaction has been completed, following which EMSS does not have any remaining assets or operations.

29. There are no outstanding matters to be completed for EMSS, however, the Monitor notes that the sequence of events set out in Section 6.1 of the EMSS Plan contemplates that the Sequence of Events set out in Section 7.1 of the District Plan will have been completed prior to the Certificate being issued for EMSS. The Monitor is currently in discussions with their legal counsel and legal counsel for the Applicants to determine whether minor amendments could be made to either the District Plan or the EMSS Plan such that the Certificate could be issued for EMSS ahead of the District Plan being completed.

Conclusion

30. The Monitor continues to be of the view that the District is making reasonable progress in completing the required steps under the Applicant's Plans.

The FLC Settlement

31. As further detailed in the Twenty-Ninth Report, the FLC Lands were transferred from the District to FLC in February 2008 at no cost pursuant to a land partnership agreement (the “FLC Agreement”), which included a time requirement for FLC to commence construction of an approved mission development and an option for the District to repurchase the FLC Lands for one dollar if this condition was not met (the “Repurchase Condition”). Pursuant to the Repurchase Condition, it was agreed that the District would pay FLC 25.61% of the net sale proceeds from any future sale of the FLC Lands. The District registered a caveat against the FLC Lands (the “FLC Caveat”) as part of the FLC Agreement and to secure the Repurchase Condition.

32. FLC undertook, at its cost, a lengthy subdivision process (the “FLC Subdivision”) pursuant to which the FLC Lands were divided into two parcels, one being 3.73 acres (the “FLC Sale Lands”) and one being 4.08 acres (the “FLC Remaining Lands”).

33. On August 11, 2016, FLC finalized a purchase and sale agreement with respect to the FLC Sale Lands (the “FLC PSA”). The FLC PSA reflected a purchase price of approximately $3.8 million. The sale of the FLC Lands has now been completed and net sale proceeds of approximately $3.5 million (the “FLC Sale Proceeds”) are being held in trust by FLC’s legal counsel.

34. In order to complete the transaction contemplated in the FLC PSA, FLC requested that the District consent to the sale of the FLC Sale Lands by releasing the FLC Caveat and allowing FLC to be reimbursed for its out-of-pocket costs related to the FLC Subdivision, holding costs associated with the FLC Lands, property taxes, maintenance expenses, consulting fees and various other expenses (collectively, the “Subdivision Costs”). FLC further requested that the District execute an assumption agreement whereby the District would assume an agreement between FLC and the City of Calgary related to the construction of an emergency access road (the “Access Road”) that was required pursuant to the FLC Subdivision (the “Access Road Agreement”). The purchaser of the FLC Sale Lands is currently holding $300,000 from the FLC Sale Proceeds as a holdback pending the District assuming and fulfilling the Access Road Agreement.

35. The District and FLC are currently finalizing a settlement in respect of the FLC Lands, subject to required third party approvals (defined above as the FLC Settlement). The FLC Settlement is anticipated to include the following terms:

    35.1. FLC will be reimbursed for the Subdivision Costs and out-of-pocket costs associated with the Access Road (the “Access Road Costs”);

    35.2. The FLC Sale Proceeds net of the Subdivision Costs and the Access Road Costs will be split with approximately 25.64% being paid to FLC and 74.36% being paid to the District (the “FLC Split”); The Monitor currently anticipates that the FLC Settlement will generate approximately $2.1 million for the District;

35.3. The Monitor, as well as the District Committee support the FLC Settlement on the basis that it appears fair and reasonable given the various agreements, supporting documentation and the history between FLC and the District (as was detailed in the Twenty-Ninth Report). The District Committee has approved the set-off of the Subdivision Costs and the Access Road Costs up to a maximum of $750,000; and

35.4. The Remaining FLC Lands will be listed for sale with the net sale proceeds to be paid according to the FLC Split.

Cash Flow Forecast

District

36. Attached as "Schedule 3" is the District Forecast. The District Forecast has been broken down to distinguish between cash flow related to CEF and that related to other District operations. The District, including CEF, estimates a total net cash outflow of approximately $346,000 over the Forecast Period and projects that it will have cash on hand of approximately $1.3 million (including marketable securities) at the end of the Forecast Period.

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

The District, including CEF
Statement of Projected Cash Flow
For the Thirteen Week Period Ending November 11, 2017

		Total
Cash flow from CEF operations		
Receipts		
Bank interest income	$	300
Management fees		14,137
Total Receipts		14,437
Disbursements		
CEF salaries and benefits		(50,100)
Distributions pursuant to the District Plan		(155,376)
Operating expenses		(3,750)
Restructuring fees		(135,000)
CRO		(30,870)
Total disbursements		(375,096)
Net cash flow from CEF operations	**$**	**(360,659)**

The District, including CEF
Statement of Projected Cash Flow
For the Thirteen Week Period Ending November 11, 2017

	Total
Cash flow from other District operations	
Receipts	
Mission remittances	$ 110,500
Total receipts	110,500
Disbursements	
Salaries and benefits	(21,645)
Administrative expenses, travel and utilities	(20,250)
Outreach operating expenses	(23,001)
Department of Stewardship and Financial Ministries operating expenses	(1,000)
President's expenses	(6,000)
Mission payments to LCC	(24,000)
Total disbursements	(95,896)
Net cash flow from other District operations	**14,604**
Total net cash flow	**$ (346,055)**
Cash and marketable securities on hand	
Beginning balance	$ 1,662,982
Total net cash flow	(346,055)
Ending balance	**$ 1,316,927**

Cash Flow Related to CEF Operations

38. The District is forecasting receipts of approximately $14,000 over the Forecast Period related to CEF, primarily for management fees related to administrative assistance provided to DIL by the District.

39. No receipts from the realization of other District assets have been included in the District Forecast, as the timing of the remaining realizations was uncertain at the time that the District Forecast was prepared. If the FLC Settlement is finalized and the corresponding proceeds from the FLC Sale Lands are received during the Forecast Period, a distribution to the Remaining Affected Creditors will occur shortly thereafter.

40. The District is forecasting disbursements of approximately $375,000 over the Forecast Period related to CEF. We highlight the following with respect to these disbursements:

    40.1. Payments totalling approximately $50,000 are due for salaries and benefits payable to employees of the District for CEF related activities;

    40.2. As at May 13, 2017, the District had issued distributions totalling approximately $17.1 million. As previously discussed, the Non-Resident Distribution is in the process of being released. In addition, selected distributions to minors (the “Minor Distributions”) have not yet been released due to the fact that the required forms allowing the release of funds to the guardians of the affected minors have not yet been received. The Non-Resident Distributions and the Minor Distributions total approximately $155,000 and are anticipated to be paid-out during the Forecast Period;

40.3. The District estimates disbursements of approximately $135,000 to pay restructuring fees, including payments to the Applicant's legal counsel, the Monitor, the Monitor's legal counsel, and legal counsel for the District Committee (the "District Restructuring Fees"). Where appropriate, restructuring fees are allocated between the Applicants; and

40.4. The District estimates fees for the CRO of approximately $31,000 over the Forecast Period. The fees of the CRO are allocated between the Applicants.

Cash Flow Related to Other District Operations

41. The District is forecasting receipts of approximately $111,000 over the Forecast Period for mission remittances (the "Donations") from the District's 127 member congregations. Pursuant to an Order granted on June 26, 2015, a portion of the Donations are payable to LCC (the "LCC Portion"). For the Forecast Period, the LCC Portion is estimated to be $24,000.

42. The District is forecasting disbursements of approximately $96,000 over the Forecast Period. We highlight the following with respect to these disbursements:

42.1. 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 $22,000 over the Forecast Period;

42.2. Administrative expenses including those for information technology, general office expenses and travel total approximately $20,000 over the Forecast Period; and

42.3. Operating expenses for outreach services are anticipated to total approximately $23,000 over the Forecast Period.

43. The District had an opening cash balance of approximately $1.7 million consisting of a cash balance (the "District Cash") of approximately $1.5 million held in bank accounts with the Bank of Montreal ("BMO"), bonds of approximately $31,000 as at June 30, 2017 held with FI Capital Ltd. ("FI Capital"), and an investment of approximately $151,000 as at June 30, 2017 held with Richardson GMP. We note that the value of the bonds held by FI Capital decreased by approximately $12,000 since May 14, 2017 as certain investments matured. As discussed above, the District, including CEF, is projected to have a net cash outflow of approximately $346,000 over the Forecast Period. In addition, the District's legal counsel is holding approximately $2.6 million in trust for future distributions to District Depositors. Based on its opening cash balance, the District appears to have sufficient liquidity to sustain its ongoing operations during the Forecast Period and to fund the District's Restructuring Holdback.

DIL

44. Attached as "Schedule 4" is the DIL Forecast. DIL estimates a net cash outflow of approximately $104,000 over the Forecast Period and projects that it will have cash on hand of approximately $92,000 at the end of the Forecast Period. A summary of the DIL Forecast is included below:

DIL
Statement of Projected Cash Flow
For the Thirteen Week Period Ending November 11, 2017

		Total
Receipts		
Bank interest	$	15
Total receipts		15
Disbursements		
Management fees		(18,707)
Operating expenses		(60)
Restructuring fees		(70,000)
CRO		(15,290)
Total disbursements		(104,057)
Net cash flow		**(104,042)**
Cash and marketable securities on hand		
Beginning balance	$	195,827
Net cash flow		(104,042)
Ending balance	**$**	**91,785**

45. DIL is forecasting receipts of approximately $15 over the Forecast Period for interest received from accounts that it holds with BMO.

46. No receipts from the realization of the remaining DIL Assets are included as the timing of these realizations was uncertain at the time that the DIL Forecast was prepared. If the Kelowna Settlement is finalized during the Forecast period and the corresponding proceeds are received by DIL, a distribution to DIL Depositors will occur shortly thereafter.

47. DIL is forecasting disbursements of approximately $104,000 over the Forecast Period. We highlight the following with respect to these disbursements:

47.1. DIL is estimating disbursements of $19,000 for management fees payable to the District, who assists in administering the investment fund and to Concentra Trust, who acts as the bare trustee of the investment fund (the "DIL Management Fees");

47.2. DIL estimates disbursements of approximately $70,000 to pay restructuring fees, including payments to the Applicant's legal counsel, the Monitor, the Monitor's legal counsel, and the DIL Committee's legal counsel over the Forecast Period (the "DIL Restructuring Fees"). Where appropriate, restructuring fees are allocated between the Applicants; and

47.3. DIL estimates fees for the CRO of approximately $15,000 over the Forecast Period. The fees of the CRO are allocated between the Applicants. The Monitor notes that the CRO has indicated that, beginning in August 2017, they will be capping their fees at $5,000 for DIL during months where DIL does not have any Court applications.

48. DIL had an opening cash balance of approximately $196,000 in various BMO bank accounts. As noted above, DIL is projected to have a net outflow of cash of approximately $104,000 over the Forecast Period. In addition, DIL's legal counsel is holding approximately $1.8 million in trust for future distributions to DIL Depositors (the "DIL Trust Funds"). Based on its opening cash balance and the DIL Trust Funds, DIL appears to have sufficient liquidity to sustain its ongoing operations during the Forecast Period and to fund DIL's Restructuring Holdback.

ECHS

49. Attached as "Schedule 5" is the ECHS Forecast. ECHS estimates that it will have cash on hand of approximately $37,000 at the end of the Forecast Period. A summary of the ECHS Forecast is included below:

ECHS
Statement of Projected Cash Flow
For the Thirteen Week Period Ending November 11, 2017

		Total
Disbursements		
Operating expenses	$	(3,000)
Restructuring fees		(15,000)
CRO		(8,820)
Contingency		(3,000)
Total disbursements		(29,820)
Net cash flow		**(29,820)**
Cash on hand		
Beginning balance	$	66,774
Net cash flow		(29,820)
Ending balance	**$**	**36,954**

50. ECHS is projecting disbursements of approximately $30,000 over the Forecast Period, which includes approximately $15,000 to pay the ECHS Restructuring Fees.

51. ECHS had an opening cash balance of approximately $67,000. As discussed above, ECHS is projected to have a net cash outflow of approximately $30,000 over the Forecast Period. In addition, ECHS's legal counsel is holding approximately $68,000 in trust from the transfer of life leases, which will be transferred to DIL pursuant to the Applicant Plans. Based on its opening cash balance, ECHS appears to have sufficient liquidity to sustain its ongoing operations during the Forecast Period.

EMSS

52. EMSS currently has a cash balance of approximately $364,000 in an account at BMO (the "EMSS Balance"), which includes EMSS' Restructuring Holdback. EMSS is in the process of transferring the EMSS Balance to Sage, who has provided an undertaking that they will pay outstanding operational expenses, restructuring fees or other expenses from the EMSS Balance. Following the transfer of the EMSS Balance, all bank accounts held by EMSS will be closed.

Monitor's Report on Cash Flow

53. The District Forecast, the DIL Forecast, the ECHS Forecast and the EMSS Forecast will collectively be referred to as the "Applicants' Forecasts".

54. The Monitor reports as follows with respect to the Applicants' Forecasts:

    54.1. 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;

    54.2. 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;

    54.3. Based on our review, nothing has come to the attention of the Monitor that causes us to believe that, in all material respects:

        54.3.1. The hypothetical assumptions are not consistent with the purpose of each of the Applicants' Forecasts;

        54.3.2. As at the date of the Thirty-First 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

        54.3.3. Each of the Applicants' Forecasts does not reflect the probable and hypothetical assumptions.

    54.4. 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

54.5. 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

55. Attached as "Schedule 6" is a variance analysis (the "Variance Analysis") for the District for the thirteen (13) week period ended August 12, 2017 (the "Variance Period"). The Variance Analysis for the District reflects an overall net negative variance of approximately $29,000. The Variance Analysis is based on the Statement of Projected Cash Flow for the Thirteen (13) Week Period Ending August 12, 2017 for the District, which was dated May 23, 2017. The actual results reflected in the Variance Analysis for the District includes receipts for CEF for the DIL Management Fees and receipts for the District for the Donations as well as other miscellaneous receipts. The Variance Analysis for the District includes disbursements for CEF for distributions made pursuant to the District Plan as well as for salaries and benefits, operating expenses, District Restructuring Fees and fees payable to the CRO. The Variance Analysis for the District includes disbursements for the District for salaries and benefits, administrative expenses, legal fees related to the District Representative Action, operating expenses for outreach, parish and school services and the department of stewardship and financial ministries, expenses for LCC's president and the LCC Portion.

56. The Variance Analysis includes information as to timing and permanent variances reported by the District over the Variance Period. The following permanent variance over $25,000 was reported during the Forecast Period:

    56.1. A negative variance of $164,000, which represents the payment due pursuant to the LCC Settlement (the "LCC Settlement Funds"). The Monitor notes that the LCC Settlement Funds were paid into trust with the District's legal counsel and then provided to LCC upon the execution of agreed upon releases, as contemplated by the LCC Settlement.

DIL

57. Attached as "Schedule 7" is the Variance Analysis for DIL for the Variance Period. The Variance Analysis for DIL reflects an overall net positive variance of approximately $900. The Variance Analysis for DIL is based on the Statement of Projected Cash Flow for the Thirteen (13) Week Period Ending August 12, 2017 for DIL, which was dated May 23, 2017. The actual results reflected in the Variance Analysis for DIL include receipts for bank interest and disbursements for DIL Management Fees, DIL Restructuring Fees, nominal operating expenses, fees payable to the CRO and distributions made pursuant to the DIL Plan.

58. The Variance Analysis includes information as to timing and permanent variances reported by DIL over the Variance Period. There were no permanent variances over $25,000 reported during the Forecast Period.

ECHS

59. Attached as "Schedule 8" is the Variance Analysis for ECHS for the Variance Period. The Variance Analysis for ECHS reflects an overall net negative variance of approximately $13,000. The Variance Analysis is based on the Statement of Projected Cash Flow for the Thirteen (13) Week Period Ending August 12, 2017 for ECHS, which was dated May 23, 2017. The actual results reflected in the Variance Analysis for ECHS includes disbursements for operating expenses, the ECHS Restructuring Fees and fees payable to the CRO.

60. The Variance Analysis includes information as to timing and permanent variances reported by ECHS over the Variance Period. There were no permanent variances over $25,000 reported during the Forecast Period.

EMSS

61. Attached as "Schedule 9" is the Variance Analysis for EMSS for the Variance Period. The Variance Analysis for EMSS reflects an overall net positive variance of approximately $49,000. The Variance Analysis is based on the Statement of Projected Cash Flow for the Thirteen (13) Week Period Ending August 12, 2017 for EMSS, which was dated May 23, 2017. The actual results reflected in the Variance Analysis for EMSS include disbursements for operating expenses, directors' and officers' liability insurance premiums, payments to the Applicants' legal counsel, the Monitor and the Monitor's legal counsel and fees payable to the CRO.

62. The Variance Analysis includes information as to timing and permanent variances reported by EMSS over the Variance Period. The following permanent variance over $25,000 was reported during the Forecast Period:

    62.1. A positive variance of approximately $39,000, which was the amount forecast for contingencies. No expenses arose for contingencies during the Forecast Period.

Conclusion

63. The Thirty-First Report has been prepared to provide the Court with a general update on the CCAA proceedings as well as the Monitor's report on the Applicant Forecasts and the Applicant's Variance Analysis.

64. The Monitor is of the view that the District continues to make reasonable progress in completing the required steps under the Applicant's Plans.

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

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

Schedules

Schedule 1

Deloitte.

Deloitte Restructuring Inc.
700, 850 - 2 Street SW
Calgary AB T2P 0R8
Canada

Tel: +14032985955
Fax: +14037183681
www.deloitte.ca

August 29, 2017

To the creditors of Lutheran Church – Canada, the Alberta – British Columbia District (the "District")

Re: The shares held in Sage Properties Corp.

As you are aware, the District 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. 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."

On August 2, 2016, the Court granted an Order sanctioning the District's plan of compromise and arrangement filed on February 16, 2016, as subsequently amended (the "District Plan").

A new company (referred to in the District Plan as "NewCo") known as Sage Properties Corp. ("Sage"), was formed pursuant to the District Plan and shares in Sage (the "Sage Shares") were distributed to Eligible Affected Creditors on October 31, 2016 (the "Share Distribution").

In conjunction with the Share Distribution, you received a statement indicating the value, at issuance, of the Sage Shares distributed to you or your designee (the "Statement"). As set out in the District Plan, the total value of Sage, at the time of the issuance of the Sage Shares, was calculated based on the appraised or estimated value of the assets transferred to Sage pursuant to the Applicants' Plan (including the Harbour and Manor seniors' care facilities) and was reviewed by a third-party accounting firm. Upon issuance, the Sage Shares each had a value of $1.00. The Sage Shares were distributed to Eligible Affected Creditors (as such term is defined in the District Plan) pro-rata based on the amount of each Eligible Affected Creditor's proven claim and the total proven claims of all Eligible Affected Creditors.

At the time of the Sage Share Distribution, Lutheran Church – Canada ("LCC") had filed a claim in respect of an unfunded pension liability (the "LCC Claim"). The Monitor disallowed the LCC Claim and LCC filed a corresponding dispute notice. Pending a final determination of the LCC Claim, the Sage Shares that would have been payable to LCC, in the event that the LCC Claim was admitted, were held in trust. On July 6, 2017, the Court approved a settlement between the District and LCC (the "LCC Settlement"), the details of which are outlined in the Monitor's Twenty-Ninth Report dated June 16, 2017 and the Monitor's Thirtieth Report dated July 4, 2017. Pursuant to the LCC Settlement, LCC agreed not to receive any Sage Shares and 397,778 of the Sage Shares that were held in trust for LCC (the "LCC Shares") were cancelled. The cancellation of the LCC Shares decreases the total number of Sage

Shares, thereby, increasing the value of the Sage Shares that were previously issued to Eligible Affected Creditors by approximately 0.8%.

We note that, neither the Statement nor this correspondence provide any representations or warranties whatsoever, including but not limited to, the amount that will ultimately be payable to Eligible Affected Creditors pursuant to the District Plan. In addition, the value of the Sage Shares reflected in the Statement (as amended by this correspondence) represents the value of the Sage Shares as at the date of issuance and does not provide any representations or warranties, including but not limited to, the following:

1. The realizable value of the Sage Shares or any value that may be attributed to the Sage Shares at any point in the future. The value of all investments are subject to various risk factors, including general business risks, and may change over time;

2. Any cash recoveries that may be generated by the Sage Shares over time through the payment of dividends, the redemption or resale of Sage Shares or otherwise; and

3. The ability of Eligible Affected Creditors to dispose of the Sage Shares now or in the future. As noted in the Monitor’s First Report to the Creditors of the District, dated March 28, 2016 any future sales or transfers of the Sage Shares would be subject to trading restrictions under applicable securities legislation.

Additional cash distribution(s) will be payable to Eligible Affected Creditors pursuant to the District Plan from the sale of the District’s assets outside of the mortgage on properties owned by ECHS within the development known as the Prince of Peace (the “Non-Core Assets”). The most significant Non-Core Asset is the District’s interest in approximately 7.81 acres of land in Calgary, Alberta (the “Foothills Property”), which is currently the subject of settlement negotiations between the District and the Foothills Lutheran Church. The timing of future cash distribution(s) will be dependent on the time to realize on the remaining Non-Core Assets, including the Foothills Property, which the District currently anticipates will be completed prior to December 31, 2017.

If you have any questions, please contact the undersigned or Joseph Sithole at 1-587-293-3203.

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

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

Schedule 2

Deloitte.

Deloitte Restructuring Inc.
700, 850 - 2 Street SW
Calgary AB T2P 0R8
Canada

Tel: +14032985955
Fax: +14037183681
www.deloitte.ca

August 29, 2017

To the creditors of the Lutheran Church – Canada, the Alberta – British Columbia District (the "District")

Re: Notice of the re-formation of the District Subcommittee

Background

As you are aware, the District 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 (the "Monitor") in the CCAA proceedings. All terms, not otherwise defined in this document, are as defined in the District's plan of compromise and arrangement filed on February 16, 2016, as subsequently amended (the "District Plan").

On August 2, 2016, the Court granted an Order sanctioning the District Plan. The District Plan established a process (the "District Representative Action Process") whereby a future legal action or actions, which may be undertaken as a class proceeding or otherwise (the "District Representative Action") can be undertaken for the benefit of those depositors of the District who are deemed to elect or elect to participate (the "District Representative Class"). Pursuant to the District Representative Action Process, a subcommittee (the "District Subcommittee") was established to choose legal counsel for the District Representative Class (the "Representative Counsel") and to provide direction and instructions to the District Representative Counsel in the District Representative Action.

The Formation of the District Subcommittee

Also on August 2, 2016, the Court granted an Order approving the appointment of the District Subcommittee (the "District Subcommittee Order") by the creditors' committee for the District (the "District Committee"). As set out in the District Subcommittee Order, the size of the District Subcommittee shall be between three and five members. The District Committee shall determine the size of the District Subcommittee by majority vote of its members and may, thereafter vary the size of the District Subcommittee if they determine, acting reasonably, that such a change is necessary or desirable.

The Monitor notes as follows with respect to the formation of the District Subcommittee:

1. Upon its formation, the District Subcommittee was comprised of five individuals. The District Subcommittee retained Mr. Alan Garber of Alan Garber Professional Corporation as District Representative Counsel;
2. One member of the District Subcommittee, Mr. Wiley Hertlein, resigned shortly after the formation of the District Subcommittee, leaving four remaining members on the District Subcommittee; and
3. On or prior to May 30, 2017, three of the four remaining members of the District Subcommittee resigned leaving Mr. Laurie Schutz as the sole remaining member of the District Subcommittee. Mr. Garber also resigned as District Representative Counsel.

The Subcommittee Re-formation Process

With the support of the District Committee, the Monitor issued correspondence to the District Representative Class dated June 23, 2017 (the "Re-formation Notice"), which set out a process to reconstitute the District Subcommittee (the "Subcommittee Re-formation Process"). The Subcommittee Re-formation Process consisted of the following:

1. The Monitor mailed the Re-formation Notice to all members of the District Representative Class inviting them to participate as a member of the District Subcommittee and, if they wished to do so, submit an expression of interest (the "EOI(s)") to the District Committee by June 21, 2017;
2. Following the receipt and review of EOIs by the District Committee, the District Committee was to select the individuals to replace the four members of the District Subcommittee that had resigned; and
3. Once the District Subcommittee was reconstituted, it was to, as soon as practicable, retain new Representative Counsel.

Mr. Wiley Hertlein (who had previously resigned from the District Subcommittee) submitted the only EOI received pursuant to the Subcommittee Re-formation Process. The District Committee re-appointed Mr. Hertlein to the District Subcommittee. As such, following the Subcommittee Re-formation Process, the District Subcommittee has two members, Mr. Laurie Schutz and Mr. Wiley Hertlein.

The District Subcommittee Order sets out that the District Subcommittee must have a minimum of three members. As noted above, the size of the District Subcommittee can be varied by a majority vote of the District Committee. The District Committee does not wish to reduce the size of the District Subcommittee to fewer than three individuals, however, as they are of the view that, such a small District Subcommittee may not adequately represent the District Representative Class or be able to function effectively.

Potential Repercussions of the District Subcommittee not being Re-formed

If no additional members of the Representative Class step forward to participate on the District Subcommittee, the District Subcommittee may not be re-constituted. The Monitor notes the following potential repercussions for the District Representative Class and the District Representative Action if the District Subcommittee cannot be re-constituted:

1. Without the District Subcommittee being re-constituted, there will be no process pursuant to which District Representative Counsel may be appointed and the District Representative Action may not be able to proceed; and
2. The DIL Subcommittee is fully constituted and has retained DIL Representative Counsel. Should the DIL Representative Action proceed ahead of the District Representative Action, it may prejudice the DIL Representative Class (as certain defendant parties may be hesitant to settle if the settlement does not include both the District and DIL Representative Actions) or it may prejudice the District Representative Class (as, in some cases, the DIL Representative Class may negotiate a more advantageous settlement as a result of being the first party at the negotiation table).

The Monitor does not intend to participate in any further efforts to re-constitute the District Subcommittee (beyond the Second Subcommittee Re-formation Process, as subsequently defined). If the Second Subcommittee Reformation Process is unsuccessful, the Monitor notes that the District Subcommittee could still be re-constituted by new individual(s) being appointed by its current members.

The Second Subcommittee Re-formation Process

The Monitor is sending this second notice (the "Second Re-formation Notice"), with the support of the District Committee to attempt to re-constitute the District Subcommittee through the process outlined below (the "Second Re-formation Process"). The Second Re-formation Process will include the following steps:

1. The Monitor is mailing this Second Re-formation Notice to all members of the District Representative Class to invite them to participate as a member of the District Subcommittee and, if they wish to do so, to submit an EOI to the District Committee (by its legal counsel Bennett Jones LLP) by no later than September 22, 2017 (the "Deadline");
2. Following the receipt and review of EOIs by the District Committee, the District Committee will, no later than October 4, 2017 select the individuals that will replace the three members of the District Subcommittee that have resigned and not been replaced; and
3. Once the District Subcommittee has been reconstituted, it will, as soon as practical, retain District Representative Counsel.

The mandate and duties of the District Subcommittee are outlined in the Re-formation Notice and in the District Subcommittee Order both of which are available on the Monitor’s website at www.insolvencies.deloitte.ca.

To Apply to act on the District Subcommittee

In order to be considered to act on the District Subcommittee, interested members of the District Representative Class must submit an application in the form attached hereto as “Schedule 1” (the “Application”). The Application must be submitted to legal counsel for the District Committee at Bennett Jones LLP, 4500 Bankers Hall East, 855 2nd Street SW, Calgary, AB T2P 4K7, via facsimile to 1-403-265-7219 or via email to simardc@bennettjones.com to the attention of Chris Simard on or before 5:00 p.m. Mountain Time on September 22, 2017. Successful applicants will be contacted on or before October 5, 2017. Please note that only the name(s) of successful applicants will be made publicly available.

<u>As noted above, should no other members of the District Representative Class step forward to act on the District Subcommittee, the District Subcommittee may not be able to be re-constituted and the District Representative Action may not be able to proceed. As such, the Monitor strongly encourages members of the District Representative Class to submit EOIs to act on the District Subcommittee.</u>

The results of the Second Subcommittee Re-formation Process will be reported on the Monitor’s Website and to the Court in future Monitor’s report(s). The Monitor does not anticipate mailing any further correspondence to the District Representative Class related to the Second Subcommittee Re-formation Process.

Should you have any questions regarding the Second Subcommittee Reformation Process, please contact Chris Simard at 1-403-298-4485. Should you have questions regarding the CCAA proceedings, please contact the undersigned or Joseph Sithole at 1-587-293-3203.

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

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

APPLICATION TO ACT ON THE SUBCOMMITTEE FOR THE DISTRICT

Personal and Contact Information

Name: ______________________________

Current Address: ______________________________

City: ____________________ Province: ____________________

Postal Code: ____________________

Phone numbers: Day ____________________ Evening ____________________

Cell ____________________

E-mail address: ______________________________

Relevant background / experience

Please describe your background and any relevant experience (such as previous litigation experience):

____

____

____

____

Other

Please describe any additional information you would like the District Committee to consider while voting on the composition of the District Subcommittee as described in the Subcommittee Order dated August 2, 2016:

____

____

____

____

I hereby confirm that I:

☐ am an individual who is a District Depositor; <u>or</u>

☐ am the committee, trustee or personal representative of a District Depositor; <u>and</u>

☐ do not and the congregation, corporation or other District Depositor, who I am applying as a representative of, do not have in any known conflict of interest with respect to the Representative Action (acting on the Subcommittee for DIL would be a conflict of interest);

☐ have not served a notice of Opting Out; and

☐ am not a Partially Released Party

Printed Name of Applicant	Signature of Applicant

Schedule 3

The Lutheran Church - Canada, The Alberta - British Columbia District (the "District") including the Church Extension Fund ("CEF")
Statement of Projected Cash Flow
For the Thirteen Week Period Ending November 11, 2017

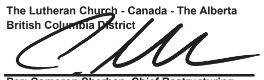
Week ending	19-Aug-17	26-Aug-17	2-Sep-17	9-Sep-17	16-Sep-17	23-Sep-17	30-Sep-17	7-Oct-17	14-Oct-17	21-Oct-17	28-Oct-17	4-Nov-17	11-Nov-17	Total	Specific Notes
Cash flow from CEF operations															
Receipts															
Bank interest income			$ 100					$ 100				$ 100		$ 300	
Management fees		4,764				4,764				4,610				14,137	1
Total Receipts	-	4,764	100	-	-	4,764	-	100	-	4,610	-	100	-	14,437	
Disbursements															
CEF salaries and benefits	(12,500)		(4,200)		(12,500)			(4,200)		(12,500)		(4,200)		(50,100)	
Distributions pursuant to the District Plan	(155,376)													(155,376)	2
Operating expenses			(1,250)					(1,250)				(1,250)		(3,750)	
Restructuring fees		(45,000)				(45,000)				(45,000)				(135,000)	3
CRO		(10,290)				(10,290)				(10,290)				(30,870)	4
Total disbursements	(167,876)	(55,290)	(5,450)	-	(12,500)	(55,290)	-	(5,450)	-	(67,790)	-	(5,450)	-	(375,096)	
Net cash flow from CEF operations	**(167,876)**	**(50,526)**	**(5,350)**	**-**	**(12,500)**	**(50,526)**	**-**	**(5,350)**	**-**	**(63,180)**	**-**	**(5,350)**	**-**	**(360,659)**	
Cash flow from other District operations															
Receipts															
Mission remittances	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	110,500	5
Total receipts	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	110,500	
Disbursements															
Salaries and benefits	(7,215)				(7,215)					(7,215)				(21,645)	6
Administrative expenses, travel and utilities	(1,000)	(1,000)	(2,250)	(1,000)	(1,000)	(1,000)	(1,000)	(2,250)	(1,000)	(1,500)	(1,000)	(2,250)	(4,000)	(20,250)	7
Outreach operating expenses	(7,667)				(7,667)					(7,667)				(23,001)	8
Department of Stewardship and Financial Ministries operating expenses				(500)					(500)					(1,000)	9
President's expenses		(1,000)		(1,000)		(1,000)		(1,000)		(1,000)		(1,000)		(6,000)	
Mission Payments to LCC		(8,000)				(8,000)				(8,000)				(24,000)	5
Total disbursements	(15,882)	(10,000)	(2,250)	(2,500)	(15,882)	(10,000)	(1,000)	(3,250)	(1,500)	(25,382)	(1,000)	(3,250)	(4,000)	(95,896)	
Net cash flow from other District operations	**(7,382)**	**(1,500)**	**6,250**	**6,000**	**(7,382)**	**(1,500)**	**7,500**	**5,250**	**7,000**	**(16,882)**	**7,500**	**5,250**	**4,500**	**14,604**	
Total net cash flow	**$ (175,258)**	**$ (52,026)**	**$ 900**	**$ 6,000**	**$ (19,882)**	**$ (52,026)**	**$ 7,500**	**$ (100)**	**$ 7,000**	**$ (80,062)**	**$ 7,500**	**$ (100)**	**$ 4,500**	**$ (346,055)**	
Cash and marketable securities on hand															
Beginning balance	$ 1,662,982	$ 1,487,724	$ 1,435,698	$ 1,436,598	$ 1,442,598	$ 1,422,716	$ 1,370,689	$ 1,378,189	$ 1,378,089	$ 1,385,089	$ 1,305,027	$ 1,312,527	$ 1,312,427	$ 1,662,982	
Total net cash flow	(175,258)	(52,026)	900	6,000	(19,882)	(52,026)	7,500	(100)	7,000	(80,062)	7,500	(100)	4,500	(346,055)	
Ending balance	**$ 1,487,724**	**$ 1,435,698**	**$ 1,436,598**	**$ 1,442,598**	**$ 1,422,716**	**$ 1,370,689**	**$ 1,378,189**	**$ 1,378,089**	**$ 1,385,089**	**$ 1,305,027**	**$ 1,312,527**	**$ 1,312,427**	**$ 1,316,927**	**$ 1,316,927**	10 & 11

Prepared as at the 18th day of August, 2017.

Purpose:

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

The Lutheran Church - Canada - The Alberta British Columbia District



Per: Cameron Sherban, Chief Restructuring Officer

Notes & Assumptions - General:

1. Unless otherwise stated, amounts are based on historical data and management estimates.

The Lutheran Church - Canada, The Alberta - British Columbia District (the "District") including the Church Extension Fund ("CEF")
Statement of Projected Cash Flow
For the Thirteen Week Period Ending November 11, 2017

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

Notes & Assumptions - Specific:

1. Represents a monthly management fee payable from DIL to the District, which is based on 1% of the assets under management.
2. Represents outstanding distributions to the District's creditors pursuant to the District Plan.
3. Represents anticipated amounts payable to the District's legal counsel, the CCAA Monitor, the CCAA Monitor's legal counsel and representative counsel for the creditors' committee that was established for the District.
4. Includes amounts payable to Kluane Partners as the Chief Restructuring Officer.
5. 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.
6. Includes monthly salary, benefits and pension amounts. The District is WCB exempt.
7. Includes information technology, general office expenses and travel.
8. Program funding given to churches within the District. Churches can access this program by applying for specific funding with all amounts being reviewed by the Outreach Department and approved by the District's board of directors.
9. Monthly amount sent to the Lutheran Church Canada for use of the services of the LCC gift planner, who is assigned to the District.
10. This amount includes cash held by the District in various accounts with Bank of Montreal, including approximately $2,921 held in a U.S. dollar account, which has been converted at an exchange rate of $1:00 US: 1.2685 CDN. This amount also includes marketable securities held with FI Capital and Richardson GMP with a fair market value of approximately $182,592 as at June 30, 2017 as well as the Restructuring Holdback, as such term is defined in the District Plan.
11. Bishop & McKenzie LLP, legal counsel to the District, is holding approximately $2.6 million in trust generated by net realizations from the sale of the District's assets, which is not reflected herein.

Schedule 4

Lutheran Church - Canada, The Alberta - British Columbia District Investments Ltd. ("DIL")
Statement of Projected Cash Flow
For the Thirteen Week Period Ending November 11, 2017

Week ending	19-Aug-17	26-Aug-17	2-Sep-17	9-Sep-17	16-Sep-17	23-Sep-17	30-Sep-17	7-Oct-17	14-Oct-17	21-Oct-17	28-Oct-17	4-Nov-17	11-Nov-17	Total	Specific Notes
Receipts															
Bank interest			$ 5					$ 5				$ 5		$ 15	
Total receipts	-	-	5	-	-	-	-	5	-	-	-	5	-	15	
Disbursements															
Management fees		(4,764)				(4,764)				(4,610)	(4,570)			(18,707)	1
Operating expenses			(20)					(20)				(20)		(60)	
Restructuring fees		(25,000)					(25,000)				(20,000)			(70,000)	2
CRO		(10,290)					(2,500)				(2,500)			(15,290)	3
Total disbursements	-	(40,054)	(20)	-	-	(4,764)	(27,500)	(20)	-	(4,610)	(27,070)	(20)	-	(104,057)	
Net cash flow	**$ -**	**$ (40,054)**	**(15)**	**-**	**-**	**(4,764)**	**(27,500)**	**(15)**	**-**	**(4,610)**	**(27,070)**	**(15)**	**-**	**(104,042)**	
Cash and marketable securities on hand															
Beginning balance	$ 195,827	$ 195,827	$ 155,773	$ 155,758	$ 155,758	$ 155,758	$ 150,995	$ 123,495	$ 123,480	$ 123,480	$ 118,870	$ 91,800	$ 91,785	$ 195,827	
Net cash flow	-	(40,054)	(15)	-	-	(4,764)	(27,500)	(15)	-	(4,610)	(27,070)	(15)	-	(104,042)	
Ending balance	**$ 195,827**	**$ 155,773**	**$ 155,758**	**$ 155,758**	**$ 155,758**	**$ 150,995**	**$ 123,495**	**$ 123,480**	**$ 123,480**	**$ 118,870**	**$ 91,800**	**$ 91,785**	**$ 91,785**	**$ 91,785**	4 & 5

Prepared as at the 18th day of August, 2017.

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: Cameron Sherban, Chief Restructuring Officer

Notes & Assumptions - General:

1. Unless otherwise stated, amounts are based on historical data and management estimates.
2. All amounts include applicable GST.
3. DIL has not processed any depositors redemptions since January 2, 2015.
4. DIL filed a plan of compromise and arrangement (the "DIL Plan") in the CCAA proceedings, which was approved by the Court pursuant to an Order granted on August 2, 2016.

Notes & Assumptions - Specific:

1. Represents a monthly management fee payable to the District, which is based on 1% of the assets under management as well as fees payable to Concentra Trust, the bare trustee for DIL.
2. 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.
3. Includes amounts payable to Kluane Partners as the Chief Restructuring Officer.
4. Includes amounts held by DIL in accounts with Bank of Montreal as well as the Restructuring Holdback, as such term is defined in the District Plan.
5. Bishop & McKenzie LLP, legal counsel to DIL, is holding approximately $1.8 million in trust generated by net realizations from the sale of DIL's assets and funds payable from ECHS pursuant to their plan of compromise and arrangement which is not reflected herein.

Schedule 5

Encharis Community Housing and Services ("ECHS")
Statement of Projected Cash Flow
For the Thirteen Week Period Ending November 11, 2017

Week ending	19-Aug-17	26-Aug-17	2-Sep-17	9-Sep-17	16-Sep-17	23-Sep-17	30-Sep-17	7-Oct-17	14-Oct-17	21-Oct-17	28-Oct-17	4-Nov-17	11-Nov-17	Total	Specific Notes
Disbursements															
Operating expenses		$ (1,000)				$ (1,000)					$ (1,000)			$ (3,000)	1
Restructuring fees		(5,000)				(5,000)					(5,000)			(15,000)	2
CRO		(4,410)				(4,410)								(8,820)	3
Contingency		(1,000)				(1,000)					(1,000)			(3,000)	
Total disbursements	-	(11,410)	-	-	-	(11,410)	-	-	-	-	(7,000)	-	-	(29,820)	
Net cash flow	**-**	**(11,410)**	**-**	**-**	**-**	**(11,410)**	**-**	**-**	**-**	**-**	**(7,000)**	**-**	**-**	**(29,820)**	
Cash on hand															
Beginning balance	$ 66,774	$ 66,774	$ 55,364	$ 55,364	$ 55,364	$ 55,364	$ 43,954	$ 43,954	$ 43,954	$ 43,954	$ 43,954	$ 36,954	$ 36,954	$ 66,774	
Net cash flow	-	(11,410)	-	-	-	(11,410)	-	-	-	-	(7,000)	-	-	(29,820)	
Ending balance	**$ 66,774**	**$ 55,364**	**$ 55,364**	**$ 55,364**	**$ 55,364**	**$ 43,954**	**$ 43,954**	**$ 43,954**	**$ 43,954**	**$ 43,954**	**$ 36,954**	**$ 36,954**	**$ 36,954**	**$ 36,954**	4

Prepared as at the 18th day of August, 2017.

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: Cameron Sherban, Chief Restructuring Officer

Notes & Assumptions - General:

1. Unless otherwise stated, amounts are based on historical data and management estimates.
2. All amounts include applicable GST.
3. ECHS' plan of compromise and arrangement (the "ECHS Plan") was approved by the Court of Queen's Bench of Alberta on January 20, 2016.
4. The Lutheran Church - Canada, the Alberta - British Columbia District's (the "District") plan of compromise and arrangement (the "District Plan") was approved by the Court of Queen's Bench of Alberta on August 2, 2016. Upon the District Plan becoming effective, a new company, known as Sage Properties Corp., was formed into which ECHS' operations and assets were transferred.

Notes & Assumptions - Specific:

1. Includes fees for accounting support.
2. Represents anticipated amounts payable to ECHS' legal counsel, the CCAA Monitor and the CCAA Monitor's legal counsel.
3. Includes amounts payable to Kluane Partners as the Chief Restructuring Officer.
4. Includes amounts held by ECHS in their operating account with Bank of Montreal as well as the Restructuring Holdback, as such term is defined in the District Plan. Bishop & McKenzie LLP ("Bishop"), is holding approximately $67,534 in trust (the "Trust Funds") from the transfer of life leases to fee simple interests on properties within the Prince of Peace Village, which funds are payable to the creditors of Lutheran Church - Canada, the Alberta - British Columbia District Investments Ltd. ("DIL") pursuant to DIL's plan of compromise and arrangement. The Trust Funds are not reflected therein.

Schedule 6

The District, including CEF
Variance Analysis
For the period from May 14, 2017 to August 12, 2017

	Total Forecast	Total Actual	Variance (A-F)	Notes
Cash flow from CEF operations				
Receipts				
Bank interest	$ 300	$ 358	$ 58	1
Management fees from DIL	23,050	27,813	4,763	1
Total receipts	23,350	28,171	4,821	
Disbursements				
Distributions pursuant to the District Plan	(150,197)	(39,296)	110,901	1
Settlement with Lutheran Church Canada	-	(164,000)	(164,000)	2
CEF salaries and benefits	(37,600)	(32,917)	4,683	3
Operating expenses	(3,750)	(1,869)	1,881	3
Restructuring fees	(140,000)	(134,329)	5,671	1
CRO	(30,870)	(30,870)	-	
Total disbursements	(362,417)	(403,281)	(40,864)	
Net cash flow from CEF operations	(339,067)	(375,110)	(36,043)	
Cash flow from other District operations				
Receipts				
Miscellaneous receipts	-	5,657	5,657	4
Agency funds/restricted funds	-	1,645	1,645	1
Mission remittances	110,500	104,449	(6,051)	5
Total receipts	**110,500**	**111,751**	**1,251**	
Disbursements				
Salaries and benefits	(21,645)	(16,277)	5,368	3
Administrative expenses, travel and utilities	(26,750)	(12,941)	13,809	3
Legal fees (representative action)	-	(10,749)	(10,749)	6
Outreach operating expenses	(23,001)	(17,467)	5,534	3
Parish and school services operating expenses	-	(69)	(69)	1
Department of Stewardship and Financial Ministries operating expenses	(1,000)	-	1,000	3
President's expenses	(6,000)	(7,016)	(1,016)	1
Mission to LCC	(30,248)	(38,215)	(7,967)	5
Total disbursements	(108,644)	(102,733)	5,911	
	-	-	-	
Net cash flow from other District operations	1,856	9,018	7,162	
	-	-		
Total net cash flow	**$ (337,211)**	**$ (366,092)**	**$ (28,881)**	
Cash and marketable securities on hand				
Beginning balance	**$ 2,040,894**	**$ 2,040,894**	**$ -**	
Net cash flow	(337,211)	(366,092)	(28,881)	
Net change in value of marketable securities/ adjustment to exchange rate	-	(11,820)	(11,820)	
Ending balance	**$ 1,703,683**	**$ 1,662,982**	**$ (40,701)**	

Notes:

1. Permanent variances as a result of receipts/ disbursements being higher/ lower than originally forecast.
2. Permanent variance due to the payment of a settlement with Lutheran Church Canada, which was approved by the Court of Queen's Bench of Alberta (the "Court") on July 6, 2017 and was not included in the original forecast.
3. Timing related variances, which are expected to reverse themselves in future weeks.
4. Permanent variance due to the receipt of donations and the reimbursement of invoices paid by the District for third parties, which were not originally forecast.
5. Permanent variance due to mission remittances being higher than originally forecast. Pursuant to the Order granted on June 26, 2015, a portion of mission remittances are forwarded to Lutheran Church Canada.
6. Permanent variance due to the payment of legal costs associated with the representative action, which were not originally forecast.

Schedule 7

DIL
Variance Analysis
For the period from May 14, 2017 to August 12, 2017

	Total Forecast	Total Actual	Variance (A-F)	Notes
Receipts				
Bank interest	$ 105	$ 37	$ (68)	1
Total receipts	105	37	(68)	
Disbursements				
Management fees	(28,350)	(32,382)	(4,032)	2
Restructuring fees	(45,000)	(50,456)	(5,456)	1
Operating expenses	(60)	(60)	-	
CRO	(41,160)	(30,870)	10,290	2
DIL Distribution	(48,083)	(47,954)	129	2
Total disbursements	(162,653)	(161,722)	931	
Net cash flow	**$ (162,548)**	**(161,686)**	**$ 862**	
Cash and marketable securities on hand				
Beginning balance	**$ 357,513**	**$ 357,513**	**$ -**	
Net cash flow	(162,548)	(161,686)	862	
Ending balance	**$ 194,965**	**$ 195,827**	**$ 862**	

Notes:

1. Permanent variances as a result of receipts/ disbursements being higher/ lower than originally forecast.
2. Timing related variances, which are expected to reverse themselves in future weeks.

Schedule 8

ECHS
Variance Analysis
For the period from May 14, 2017 to August 12, 2017

	Total Forecast	Total Actual	Variance (A-F)	Notes
Disbursements				
Operating expenses	$ (28,000)	$ (27,776)	$ 224	1
Restructuring fees	(10,000)	(17,098)	(7,098)	1
CRO	(8,820)	(17,640)	(8,820)	2
Contingency	(3,000)	-	3,000	1
Total disbursements	(49,820)	(62,514)	(12,694)	
Net cash flow	**$ (49,820)**	**$ (62,514)**	**$ (12,694)**	
Cash on hand				
Beginning balance	$ 129,288	$ 129,288	$ -	
Net cash flow	(49,820)	(62,514)	(12,694)	
Ending balance	**$ 79,468**	**$ 66,774**	**$ (12,694)**	

Notes:

1. Permanent variances as a result of receipts/ disbursements being higher/ lower than originally forecast.
2. Timing related variances, which are expected to reverse themselves in future weeks.

Schedule 9

EMSS
Variance Analysis
For the period from May 14, 2017 to August 12, 2017

	Total Forecast	Total Actual	Variance (A-F)	Notes
Disbursements				
Transfer to Sage Properties Corp.	$ 5,000	$ -	$ (5,000)	1
Miscellaneous operating expenses	(41,640)	(22,052)	19,588	2
D&O insurance	(1,279)	(1,919)	(640)	
Restructuring fees	(10,000)	(9,560)	440	
CRO	(13,230)	(17,640)	(4,410)	3
Contingency	(39,000)	-	39,000	2
Total disbursements	(100,149)	(51,171)	48,978	
Net cash flow	**$ (100,149)**	**$ (51,171)**	**$ 48,978**	

Cash on hand			
Beginning balance	**$ 414,798**	**$ 414,798**	**$ -**
Net cash flow	(100,149)	(51,171)	48,978
Ending Balance	**$ 314,649**	**$ 363,627**	**$ 48,978**

Notes:

1. Certain amounts payable to Sage Properties Corp. ("Sage") were forecast to be received by EMSS and then transferred to Sage but were paid to Sage directly instead.
2. Permanent variances as a result of receipts/ disbursements being higher/ lower than originally forecast.
3. Timing related variances, which are expected to reverse themselves in future weeks.