BROADWAY TERRACE INC.

Financial Statements

Year Ended March 31, 2025

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Broadway Terrace Inc. have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Broadway Terrace Inc.'s reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit and Finance Committee. The Committee is appointed by the Board and meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Committee reports to the Board of Directors prior to its approval of the financial statements. The Committee also considers, for review by the Board and approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by MWC Chartered Professional Accountants LLP, in accordance with Canadian generally accepted auditing standards.

Chief Executive Officer

Chair

Regina, SK
September 30, 2025

Chartered Professional
Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Broadway Terrace Inc.

Opinion

We have audited the financial statements of Broadway Terrace Inc. (the "Corporation"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw your attention to Note 2 of the financial statements which provides information on the basis of presentation. The financial statements have been prepared on the going concern basis, however conditions are present that cast a material uncertainty as to the appropriateness of the use of the going concern assumption unless significant changes are made to the current course of business. Our opinion is not modified in respect of this matter.

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

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

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

MWC LLP

Chartered Professional Accountants

Regina, Saskatchewan
September 30, 2025

BROADWAY TERRACE INC.

Statement of Financial Position

March 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash	**$ 282,151**	$ -
Accounts receivable	**2,242**	51,724
Goods and services tax recoverable	**47,849**	38,028
Prepaid expenses	**19,469**	39,215
	351,711	128,967
DUE FROM RELATED PARTIES *(Note 6)*	**14,970,423**	14,991,930
PROPERTY AND EQUIPMENT *(Note 4)*	**11,440,621**	12,031,157
INVESTMENTS *(Note 5)*	**791,441**	747,136
	$ 27,554,196	$ 27,899,190
LIABILITIES AND NET ASSETS		
CURRENT		
Bank indebtedness *(Note 7)*	**$ -**	$ 46,078
Accounts payable and accrued liabilities	**422,485**	271,749
Deposits received	**217,874**	174,023
Current portion of long term debt *(Note 8)*	**-**	404,613
Wages payable	**97,718**	107,395
Employee deductions payable	**9,797**	13,295
Deferred fees	**22,584**	14,731
Life lease tenant deposits *(Note 9)*	**1,346,281**	-
	2,116,739	1,031,884
LONG TERM DEBT *(Note 8)*	**18,612,998**	18,343,642
LIFE LEASE TENANT DEPOSITS *(Note 9)*	**3,407,486**	4,967,135
	24,137,223	24,342,661
NET ASSETS		
General fund	**2,625,532**	2,809,393
Restricted fund *(Note 10)*	**791,441**	747,136
	3,416,973	3,556,529
	$ 27,554,196	$ 27,899,190

ON BEHALF OF THE BOARD

_________________________________ *Director*

_________________________________ *Director*

See accompanying notes to financial statements

BROADWAY TERRACE INC.

Statement of Operations

Year Ended March 31, 2025

	2025	2024
REVENUES		
Life lease fees	**$ 4,688,403**	$ 4,291,491
Personal care home fees	**658,285**	653,270
Dietary recoveries	**80,694**	81,617
Parking fees	**48,884**	41,615
Expense recoveries	**45,106**	33,615
Restricted - investment earnings	**29,301**	21,861
Miscellaneous	**27,604**	46,565
Lease fees	**27,050**	25,200
	5,605,327	5,195,234
EXPENSES		
Salaries and benefits	**1,363,621**	1,481,700
Interest on long term debt	**1,236,073**	984,762
Payroll and administrative services *(Note 6)*	**959,370**	731,359
Amortization	**608,485**	610,713
Utilities	**488,223**	438,210
Repairs and maintenance	**332,322**	463,696
Property taxes	**277,020**	268,295
Food	**212,102**	239,330
General and office	**79,672**	208,877
Insurance	**68,159**	48,104
Professional fees	**56,315**	40,866
Supplies	**37,476**	38,881
Medical supplies	**25,354**	29,285
Travel	**691**	2,311
	5,744,883	5,586,389
EXCESS OF REVENUES (EXPENSES)	**$ (139,556)**	$ (391,155)

See accompanying notes to financial statements

BROADWAY TERRACE INC.

Statement of Changes in Net Assets

Year Ended March 31, 2025

	General Fund	Restricted Fund	**2025**	2024
NET ASSETS - BEGINNING OF YEAR	$ 2,809,393	$ 747,136	**$ 3,556,529**	$ 3,947,684
EXCESS OF REVENUES (EXPENSES)	(168,857)	29,301	**(139,556)**	(391,155)
TRANSFERS *(Note 10)*	(15,004)	15,004	**-**	-
NET ASSETS - END OF YEAR	$ 2,625,532	$ 791,441	**$ 3,416,973**	$ 3,556,529

See accompanying notes to financial statements

BROADWAY TERRACE INC.

Statement of Cash Flows

Year Ended March 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess of revenues (expenses)	$ (139,556)	$ (391,155)
Item not affecting cash:		
Amortization of property and equipment	608,485	610,713
	468,929	219,558
Changes in non-cash working capital:		
Accounts receivable	49,482	(43,159)
Accounts payable and accrued liabilities	150,735	(215,835)
Prepaid expenses	19,746	1,710
Goods and services tax payable	(9,821)	(25,200)
Wages payable	(9,677)	2,941
Employee deductions payable	(3,498)	2,775
Deposits received	43,851	93,028
Deferred fees	7,853	1,504
	248,671	(182,236)
Cash flow from operating activities	717,600	37,322
INVESTING ACTIVITIES		
Purchase of property and equipment	(17,948)	-
Net investment activity	(44,305)	(81,865)
Advances from (to) related parties	21,507	1,526,268
Cash flow from (used by) investing activities	(40,746)	1,444,403
FINANCING ACTIVITIES		
Life lease tenant deposits repaid	(213,368)	(756,877)
Repayment of long term debt	(135,257)	(392,237)
Cash flow used by financing activities	(348,625)	(1,149,114)
INCREASE IN CASH FLOW	328,229	332,611
DEFICIENCY - BEGINNING OF YEAR	(46,078)	(378,689)
CASH (DEFICIENCY) - END OF YEAR	$ 282,151	$ (46,078)

See accompanying notes to financial statements

1. PURPOSE OF THE CORPORATION

Broadway Terrace Inc. (the "Corporation") was incorporated under the Non-Profit Corporations Act of Saskatchewan and became a registered charity in September 2016. As a registered charity the Corporation is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Corporation's purpose to relieve conditions attributable to being aged by providing specially adapted residential accommodation, personal care, housekeeping, meals and nursing to people 55 years and older and to undertake activities ancillary and incidental to the attainment of the above charitable purpose.

2. MATERIAL UNCERTAINTY RELATING TO GOING CONCERN

The accompanying financial statements have been prepared on the going concern basis, which takes into account the realization of assets and payment of liabilities in the ordinary course of business. Should the Corporation be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they come due. If the going concern basis was not appropriate, adjustments would be necessary to the carrying values of assets, the reported revenues and expenses, and the classifications used in the Statement of Financial Position.

The Corporation original plans was to begin the process of dissolution through the sale of the property. The property was listed but a sale was not successful. The Corporation has since began negotiations for refinancing with Addenda Capital to provide for continued operations under a new financing arrangement which is to include the settlement of existing long term debt and the life lease obligations.

The Corporation's ability to continue as a going concern is contingent on the terms of the new financing arrangement which presents a material uncertainty as to the appropriateness of the going concern basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements are presented in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Revenue recognition

Fees and recoveries are recognized in the period the service is provided. Investment income and miscellaneous revenue are recognized when earned in the appropriate fund.

The Corporation follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue of the Unrestricted Fund in the year in which the related expenses are incurred. Restricted contributions are recognized as revenue of the Restricted fund in the year received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Fund accounting

The Corporation records its activities in the following funds:

The General fund reports the day-to-day operations of the Corporation.

The Restricted fund includes the following:

a) Operating reserve - internally restricted fund to support ventures and opportunities that meet the purpose of the organization.

b) Capital replacement - externally restricted fund to provide for the future maintenance. The Corporation's lending agreement requires monthly contributions to the fund and restricts the use to the stated purpose.

c) Life lease tenant deposit - internally restricted to fund the expiry of life lease deposits in order to settle repayment. The Corporation's lending agreement no longer requires a minimum amount of $4,000 per unit be maintained in the fund because of the settlement of the life lease deposits.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in Bank of Montreal High Interest Savings and are valued at cost.

Property and equipment

Property and equipment are recorded at cost. Amortization on property and equipment is calculated at rates designed to charge operations with the cost of property and equipment, over their estimated useful lives, as follows:

Buildings	40 years	straight-line method
Equipment	10 years	straight-line method
Land improvements	10 years	straight-line method

In the year of acquisition one half years amortization is taken. Management regularly reviews assets for obsolescence.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets including cash and accounts receivable are reported at amortized cost. All investments are reported at fair market value.

Financial liabilities including accounts payable, bank indebtedness, accrued liabilities, long term debt and life lease tenant deposits are measured at amortized cost.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Measurement uncertainty

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from the estimates made by the Corporation as additional information becomes available in the future.

Employee future benefits

The employees of the Corporation participate in several multi-employer pension plans. The Corporation's obligation is limited to making the required employer contributions and not for managing the plans themselves, accordingly, the contributions are expensed in the year.

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	**2025 Net book value**	2024 Net book value
Land	$ 313,090	$ -	**$ 313,090**	$ 313,090
Buildings	22,516,134	11,637,594	**10,878,540**	11,441,443
Equipment	1,144,376	895,703	**248,673**	275,668
Land improvements	44,013	43,695	**318**	956
	$ 24,017,613	$ 12,576,992	**$ 11,440,621**	$ 12,031,157

5. INVESTMENTS

	Operating reserve	Capital replacement	Life lease tenant deposit	**2025**	2024
Cash and cash equivalents	$ 12	$ 791,193	$ 236	**$ 791,441**	$ 747,136

Cash and cash equivalents include high interest savings accounts.

6. RELATED PARTIES

The Corporation is part of the Eden Care Group of Companies which are all under common governance and management through Eden Care Communities Management Inc. (ECM). The Group includes Eden Care Communities Management Inc., Milton Heights Inc., Broadway Terrace Inc., Eden Care Health Inc., Eden Care Village Inc., and Eden Care Communities Foundation Inc. The Regina Lutheran Housing Corporation and Eden Care Suites Inc. discontinued operations and were dissolved in the year.

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6. RELATED PARTIES *(continued)*

	2025	2024
Loan receivable		
Eden Care Communities Management Inc.	**$ 4,536,559**	$ 4,536,559
Other amounts due from related parties		
Eden Care Communities Management Inc.	**10,433,864**	10,455,371
	$ 14,970,423	$ 14,991,930

The loan to Eden Care Communities Management Inc. bears interest at 2% annually, is repayable over 25 years, beginning April 1, 2016 with no set principal repayment terms, and is unsecured. The loan is recorded at its normal exchange value.

Other amounts due from related parties arise from the temporary timing difference in settlement of intercompany transactions. The balance bears interest at 2%, has no set repayment terms and is unsecured.

The Board made the decision to discontinue charging and paying interest on the related party balances.

Related party balances included in yearend trade payables $Nil (2024 - $10,592).

Transactions with related parties are as follows:

Related party revenues (expenses) are recorded on the following basis: Payroll and administrative services are based on management's estimate of the Corporation's utilization of ECM employees and are recorded at cost, all administrative service costs incurred by ECM are allocated based on managements best estimate of services rendered and other service are recorded at the fair exchange value.

	2025	2024
Eden Care Communities Management Inc.		
Payroll and administrative services expense	**$ (959,544)**	$ (731,359)
Milton Heights Inc.		
Parking fees	**$ (21,120)**	$ (13,482)
Regina Lutheran Housing Corporation		
Salaries and benefits recoveries	**$ 16,951**	$ -

7. BANK INDEBTEDNESS

The Corporation has a temporary line of credit with the Bank of Montreal to a maximum of $600,000. The line of credit bears interest at prime plus 1.75% and is secured by an assignment of deposit instruments and corporate guarantees from Eden Care Management Inc., Eden Care Health Inc., and Milton Heights Inc. As of yearend, $Nil (2024 - $257,461) has been drawn on this facility.

8. LONG TERM DEBT

	2025	2024
Addenda Capital loan #1 bearing interest at 6.95% per annum, payments are interest only payments.	**$ 12,172,871**	$ 12,308,128
Addenda Capital loan #2 bearing interest at 6.95% per annum, payments are interest only payments.	**6,440,127**	6,440,127
	18,612,998	18,748,255
Amounts payable within one year	**-**	(404,613)
	$ 18,612,998	$ 18,343,642

The Addenda Capital loans are secured by a conventional first mortgage on the property with a net book value of $11,191,630 (2024 - $11,754,533), a general security agreement, general assignment of rents and leases and guarantees from Eden Care Management Inc.

As of the report date, the Corporation was not in compliance with the covenants of loan #2. The financial institution has granted an extension on the loans to October 2025 and continues its agreement for both loans to be interest only until the planned refinancing is completed. As such, the loan has not been reclassified to current and no amount has been recorded for the current portion of the principal payment until such time as the refinanced terms are known.

Included in yearend trade payables is accrued interest of $107,800 (2024 - $82,107).

9. LIFE LEASE TENANT DEPOSITS

The Corporation leases living accommodations to tenants on a life lease basis whereby tenants put on deposit with the Corporation an amount approximating the cost of the accommodation to the Corporation. The life leases expire upon death of the tenants or on termination of the lease and the deposit is returned to the tenant or their estate.

Commencing in the 2020 fiscal year, the Board of the Corporation approved the discontinuation of the requirement for life lease deposits and provided existing tenants with options to have the deposit refunded. In exchange for the life-lease model the Corporation has restructured their services and related fees.

Due to the uncertainty of payout only known amounts are shown as a current liability. During the year the Corporation received notice from tenants for settlement of their deposits and $1,346,281 is considered a current liability at year end.

10. RESTRICTED FUND AND INTERNAL TRANSFER

	Operating reserve	Capital replacement	Life lease tenant deposit	**Total**
Balance, beginning of year	$ 12	$ 746,887	$ 237	**$ 747,136**
Transfers in	-	185,004	-	**185,004**
Transfer out	-	(170,000)	-	**(170,000)**
Earnings on reserves	-	29,301	-	**29,301**
Balance, end of year	$ 12	$ 791,192	$ 237	**$ 791,441**

11. FINANCIAL INSTRUMENTS

The Corporation is exposed to various risks through its financial instruments and management is responsible to monitor, evaluate and manage these risks. The following analysis provides information about the Corporation's risk exposure and concentration as of March 31, 2025.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Corporation is exposed to credit risk from residents. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Corporation has a significant number of residents which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet a demand for cash or fund its obligations as they come due. Liquidity risk also includes the risk of the Corporation not being able to liquidate assets in a timely manner at the reasonable price.

The Corporation has identified the repayment of life lease deposits without having a replacement resident as a liquidity risk. This risk has been addressed through the establishment of the life lease reserve.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Corporation manages exposure through its normal operating and financing activities.