THE REGINA LUTHERAN HOUSING CORPORATION

Financial Statements

Eight Month Period Ended November 26, 2024

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of The Regina Lutheran Housing Corporation have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations (ASNPO). 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 The Regina Lutheran Housing Corporation'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 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 Board of Directors approve the financial statements and considers 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

INDEPENDENT AUDITOR'S REPORT

To the Members of The Regina Lutheran Housing Corporation

Opinion

We have audited the financial statements of The Regina Lutheran Housing Corporation (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 eight month period 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 Group as at November 26, 2024, and the results of its operations and cash flows for the eight month period then ended in accordance with Canadian public sector accounting standards for government not-for-profit organizations (ASNPO).

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 Group 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 1 to the financial statements which provides information on the Corporation's dissolution effective November 26, 2024.

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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 Group'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 Group'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 Group 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

THE REGINA LUTHERAN HOUSING CORPORATION

Statement of Financial Position

November 26, 2024

	November 26 2024	March 31 2024
ASSETS		
CURRENT		
Cash	$ -	$ 929,392
Accounts receivable	-	95,740
Inventory	-	59,166
Prepaid expenses	-	7,100
GST receivable	-	22,840
	-	1,114,238
DUE FROM RELATED PARTY *(Note 3)*	-	2,257,197
	$ -	$ 3,371,435
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	$ -	$ 144,836
Wages payable	-	600,084
Employee deductions payable	-	52,869
Deferred revenue and deposits	-	87,920
Accumulated sick benefits payable	-	238,700
	-	1,124,409
NET ASSETS	-	2,247,026
	$ -	$ 3,371,435

ON BEHALF OF THE BOARD

_________________________________ *Director*

_________________________________ *Director*

See accompanying notes to financial statements

THE REGINA LUTHERAN HOUSING CORPORATION

Statement of Operations

Eight Month Period Ended November 26, 2024

	November 26 **2024**	*March 31* 2024
REVENUES		
SHA funding	**$ 95,936**	$ 5,387,109
Expense recoveries	**24,350**	173,072
Resident fees	**23,086**	1,196,927
Occupancy recovery	**2,012**	36,709
Misc income	**163**	30,447
Dietary recoveries	**113**	1,648
CMHC mortgage subsidy	**-**	15,195
	145,660	6,841,107
EXPENSES		
Payroll and administrative costs *(Note 3)*	**101,211**	453,162
Salaries	**75,163**	4,594,629
General and office	**36,411**	92,687
Employee benefits	**28,024**	891,673
Medical supplies	**15,401**	178,055
Food	**13,835**	239,449
Professional fees	**9,641**	28,731
Insurance	**4,175**	17,561
Supplies	**1,544**	70,628
Repairs and maintenance	**776**	62,156
Interest on long term debt	**-**	81,003
Amortization of property and equipment	**-**	94,190
Travel	**-**	121
Utilities	**-**	146,648
	286,181	6,950,693
EXCESS OF REVENUES (EXPENSES) FROM OPERATIONS	**(140,521)**	(109,586)
OTHER INCOME (EXPENSES)		
Forgiveness of related party loans *(Note 3)*	**(2,345,205)**	-
Gain on disposal of property, plant and equipment	**-**	2,621,227
Accumulated sick pay recovery	**238,700**	-
	(2,106,505)	2,621,227
EXCESS OF REVENUES (EXPENSES)	**$ (2,247,026)**	$ 2,511,641

See accompanying notes to financial statements

THE REGINA LUTHERAN HOUSING CORPORATION

Statement of Changes in Net Assets

Eight Month Period Ended November 26, 2024

	***November 26* 2024**	*March 31* 2024
NET ASSETS (DEFICIT) - BEGINNING OF YEAR	**$ 2,247,026**	$ (264,615)
EXCESS OF REVENUES (EXPENSES)	**(2,247,026)**	2,511,641
NET ASSETS - END OF PERIOD	**$ -**	$ 2,247,026

See accompanying notes to financial statements

THE REGINA LUTHERAN HOUSING CORPORATION

Statement of Cash Flows

Eight Month Period Ended November 26, 2024

	November 26 **2024**	*March 31* 2024
OPERATING ACTIVITIES		
Excess of revenues (expenses)	**$ (2,247,026)**	$ 2,511,641
Items not affecting cash:		
Amortization of capital assets	**-**	94,190
Gain on disposal of property, plant and equipment	**-**	(2,621,227)
Forgiveness of related party loans	**2,345,205**	-
	98,179	(15,396)
Changes in non-cash working capital:		
Accounts receivable	**95,740**	(75,437)
Inventory	**59,166**	(1,466)
Accounts payable	**(144,835)**	(249,385)
Deferred revenue and deposits	**(87,920)**	(150,496)
Prepaid expenses	**7,100**	8,894
GST receivable	**22,840**	(16,833)
Wages payable	**(600,084)**	45,861
Employee deductions payable	**(52,869)**	(36,916)
Accumulated sick benefits payable	**(238,700)**	-
	(939,562)	(475,778)
Cash flow used by operating activities	**(841,383)**	(491,174)
INVESTING ACTIVITIES		
Proceeds on disposal of capital assets	**-**	4,249,815
Advances (repayments) to related parties	**(88,009)**	(2,417,988)
Cash flow from (used by) investing activities	**(88,009)**	1,831,827
FINANCING ACTIVITY		
Repayment of long term debt	**-**	(416,326)
Cash flow from (used by) financing activity	**-**	(416,326)
INCREASE (DECREASE) IN CASH FLOW	**(929,392)**	924,327
CASH - BEGINNING OF PERIOD	**929,392**	5,065
CASH - END OF PERIOD	**$ -**	$ 929,392

See accompanying notes to financial statements

1. PURPOSE OF THE CORPORATION

The Regina Lutheran Housing Corporation (the "Corporation") operated a 62 bed care facility in Regina, Saskatchewan under an affiliate agreement with Saskatchewan Health Authority (SHA) until April 30, 2024. The Corporation is a registered charitable organization and is exempt from income taxes under section 149 of the Canadian Income Tax Act.

Upon transfer of all operations and assets the Corporation was dissolved effective November 26, 2024.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations (ASNPO).

Fund accounting

A portion of the monies received by the company may be used for specific purposes and accordingly are accounted for in separate funds. Temporary transfers of monies between these funds are recorded as interfund balances. Permanent transfers are recorded as transfers in the net asset accounts.

Unrestricted Fund - reports the Corporation's day-to-day operations.

Restricted Funds - The SHA Capital Fund is externally restricted and is to provide for the future maintenance and replacement of the facility property and equipment. The net investment in capital assets reports the the net book value of property and equipment less any debts related to the assets.

Revenue recognition

The Regina Lutheran Housing Corporation utilized the restricted fund method of accounting which included an unrestricted fund for the day-to-day operations and a restricted fund, required by SHA for capital replacement. All funds were closed on the dissolution of the Corporation.

Unrestricted contributions are recognized as revenue of the General Fund in the year in which the related expense occur. Restricted contributions are recognized as revenue of the Restricted Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Resident fees, recoveries and other revenues are recorded when the services are provided or in the period earned.

Financial instruments

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.

Financial liabilities including accounts payable and accrued liabilities are measured at amortized cost.

3. RELATED PARTIES

The Corporation is a member 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 discontinued operations and were dissolved in the year.

	November 26 **2024**	*March 31* 2024
Due from (to) related party		
Eden Care Communities Management Inc.	**$ -**	$ 2,257,197

The payroll and administrative services are based on the Corporation's utilization of ECM employees and are recorded at cost. All other service are recorded at their fair exchange value. Transactions with related parties are recorded as follows:

Eden Care Communities Management Inc.		
Payroll and administrative costs	**$ 101,211**	$ 453,162
Broadway Terrace		
Salaries and benefits	**$ 16,951**	$ -

A balance of $2,345,205 due from ECM including residual operating assets and liabilities was forgiven as part of the dissolution process.