



Notice of 2021 Annual General Meeting & Information Circular

CRANSTON RESIDENTS ASSOCIATION NOTICE OF ANNUAL GENERAL MEETING OF MEMBERS

TAKE NOTICE, that the Annual Meeting of the Voting Members of the CRANSTON RESIDENTS ASSOCIATION (the "Company") will be held virtually through Zoom, on Tuesday, October 19th, 2021, at 7:00 P.M. (MST) for the following purposes:

- 1) To receive the Meeting Minutes of the AGM held on November 12th, 2020;
- 2) To receive the Report of the Directors of the Company;
- 3) To receive the Audited Financial Statements for the fiscal year ended March 31st, 2021;
- 4) To establish the number of Directors to hold office until the next Annual General Meeting, and elect such Directors;
- 5) To appoint MNP LLP as Auditor for the fiscal year ending March 31st, 2022;
- 6) To transact such other business as may properly come before the Meeting or any adjournment thereof.

THIS NOTICE SHOULD BE READ IN CONJUNCTION WITH THE INFORMATION CIRCULAR ACCOMPANYING THIS NOTICE.

Dated at Calgary, Alberta this 19th day of September, 2021

BY ORDER OF THE BOARD OF DIRECTORS

KAREN SHOPLAND, Secretary

TO ALL VOTING MEMBERS:

IF YOU ARE NOT ABLE TO BE PRESENT AT THE ABOVE MEETING, PLEASE DATE, SIGN AND RETURN THE ACCOMPANYING PROXY IN PERSON or BY EMAIL TO CENTURY HALL:

11 CRANARCH ROAD S.E.
CALGARY, ALBERTA, T3M 0S8
"ATTENTION: General Manager"

Email: info@cranstonra.ca

PROXIES ARE TO BE RECEIVED AT CENTURY HALL NO LATER THAN 5:00 P.M. ON SUNDAY, OCTOBER 17TH, 2021. ALL PROXIES MUST BE IN WRITING AND SIGNED BY THE VOTING MEMBER.



**CRANSTON RESIDENTS ASSOCIATION
2020 ANNUAL GENERAL MEETING OF MEMBERS
MEETING MINUTES**

Place: Virtual through Zoom

Date: November 12, 2020

Time: 7:00 P.M.

1. Duane Popplewell acted as Chairperson of the meeting. The Annual General Meeting was called to Order at 7:00 p.m.
2. The Chairperson asked Karen Shopland to act as Secretary of the meeting.
3. The Chairperson requested Mike Bannister to act as Scrutineer for the meeting, with the consent of the Voting Members. As there was no objection, the Chairperson appointed Mike Bannister as Scrutineer.
4. The Chairperson stated that the Cranston Residents Association applied to the Court of the Queen's Bench of Alberta to obtain permission to host the 2020 Annual General Meeting virtually, due to the COVID-19 global pandemic. The Chairperson asked the Secretary to provide proper proof granting permission for the Cranston Residents Association to host the 2020 Annual General Meeting virtually. Karen Shopland confirmed she had copy of the Ex-Parte Order stamped with approval by the Court of the Queen's Bench of Alberta on October 5, 2020 granting permission for the Cranston Residents Association to host the 2020 Annual General Meeting, virtually.
5. The Chairperson stated that all items to be approved by the Voting Members are by way of ordinary resolution, which requires at least 50% of the Voting Members present in person or by proxy, voting in favour. The chairman stated that votes are to be by show of voting cards, or by poll if demanded by 10% of the Voting Members.
6. The Chairperson asked for a motion dispensing with reading of the Notice calling the meeting. Andrew Burns so moved. Michael Smith seconded the motion. The Chairperson declared the motion carried.
7. The Chairperson asked the Secretary to provide proper proof of mailing the Notice of the Meeting to the Members. Karen Shopland confirmed he had a Certificate signed by Jenny Miron, Cranston Residents Association General Manager, proving proper emailing and mailing of the Notice of the Meeting to the Members.
8. The Chairperson then stated that pursuant to the Association's articles, the lesser of fifty (50) voting members or ten percent (10%) of the Voting Members either personally present or represented by proxy constitutes a quorum, and that at least ten (10) Voting Members either present or represented by proxy would constitute a quorum. The Chairperson asked the Scrutineer for his report. The Scrutineer reported that there were 273 Voting Members either present at the meeting, or represented by proxy.
9. The Chairperson declared the meeting to be duly called and properly constituted for business.
10. The Chairperson asked for a motion to approve the Minutes of the Annual General Meeting, held on September 24, 2019. Andrew Burns motioned to approve the Minutes of the Annual General Meeting held on September 24, 2019, as presented. Jason Gordon seconded. The Chairperson declared the motion carried.
11. The Chairman asked for a motion to dispense with reading of the Directors' Report for the fiscal year of April 1, 2019 through March 31, 2020, also appended to the Notice of Meeting and Information Circular. Michael Smith moved that the reading of the Director's Report be dispensed with. Andrew Burns seconded the motion. The Chairperson declared the motion carried.
12. The Chairperson then proposed to receive, as information, the Auditor's Report and Financial Statements of the Association for the year ended March 31st, 2020. Mike Bannister then reviewed the Financial Statements and the Board answered related questions.
13. The Chairperson indicated that the next item of business was the election of Directors. The Chairperson stated that a maximum of ten (10) Directors be elected and serve until the next Annual General Meeting of the Association. The

Chairperson asked for a motion to this effect. Andrew Burns moved that ten (10) Directors be elected to serve until the next Annual General Meeting of the Association. Dave Warner seconded the motion. The Chairperson declared the motion carried.

14. The Chairperson announced that Brookfield is entitled to appoint up to three directors and has appointed Duane Popplewell, to act as President; Mike Bannister to act as Treasurer; and Karen Shopland to act as Secretary.
15. The Chairperson stated that Andrew Burns, Jason Gordon, Michael Smith and Vincent Chow have indicated that they will complete the second year of their two-year term as Resident Directors on the Board, as elected in 2019.
16. The Chairperson announced there are three (3) vacant positions on the Board. The following members in good standing have indicated an interest in being nominated as Directors of the Association, to hold office until the next Annual General Meeting or until their successors are elected or appointed: Lee Thompson, Dave Warner, and Wendy MacIsaac.

The Chairperson then asked for a motion to nominate these individuals. Andrew Burns moved to nominate the above persons as Directors of the Association, to hold office until the next Annual General Meeting or until their successors are elected or appointed. Jason Gordon seconded the motion. The Chairperson declared the motion carried.

17. The Chairperson announced the following members in good standing have also put their name forward to be nominated as Directors of the Association: Kevin Angus, Marlo Bughao, Dennis Lemon and Lars Fredborg.
18. The Chairperson asked if there were any further nominations. No further nominations were presented. The Chairperson then asked for a motion that nominations be closed. Andrew Burns so moved. Vincent Chow seconded the motion. The Chairperson declared the motion carried.
19. The Chairperson stated that as seven (7) persons have been nominated and three (3) Resident Directors are required, an election is necessary. The Chairperson provided instructions on voting through Zoom and instructed voting members to mark in favor of three (3) Resident Directors.
20. The Scrutineer reported that Dave Warner, Wendy MacIsaac and Kevin Angus received the most votes to be elected and serve as Directors on the Cranston Residents Association Board until the next Annual General Meeting or until their successors are elected or appointed.
21. The Chairperson then asked for a motion to elect as Directors, the persons nominated, to hold office for a two-year term or until their successors are elected or appointed. Andrew Burns so moved. Jason Gordon seconded the motion. The Chairperson declared the motion carried.
22. The Chairperson then stated that the next item on the Agenda was the appointment of the Auditor. The Chairperson asked for a motion to allow the Board to appoint BDO Canada as auditor of the Association for the fiscal period ending March 31st, 2021, and that the Directors are authorized to fix their remuneration. Andrew Burns so moved. Vincent Chow seconded. Questions regarding the selection of the Auditor were asked and answered. The Chairperson declared the motion carried.
23. The Chairperson then asked for a motion to destroy the ballots from this year's Annual General Meeting immediately following the conclusion of the meeting. Wendy MacIsaac moved that the ballots be destroyed. Dave Warner seconded the motion. The Chairperson declared the motion carried.
24. The Chairperson then asked if there was any further business to transact at the Annual General Meeting of the Association. There was none.
25. The Chairperson then asked for a motion to terminate the 2019 Annual General Meeting of the Association as there was no further business to transact. Andrew Burns so moved. Wendy MacIsaac seconded. The Chairperson declared the motion carried.
26. At 7:48 p.m., the 2019 Annual General Meeting was terminated.



KAREN SHOPLAND, Secretary



Report of the Cranston Residents Association Board of Directors April 1, 2020 – March 31, 2021

The Cranston Residents Association (Cranston RA) is a not-for-profit company incorporated under the Alberta Companies Act. All homeowners in Cranston (including members of their family and tenants) are consequently members of the Association. The purpose of the Association is to own and operate, for the exclusive use of the members, the Century Hall facility and park, as well as various amenities and subdivision features within.

Board of Directors

The Board of Directors currently consists of six (6) members in good standing of the community and three (3) representatives of Brookfield Residential (Brookfield). The Board recommends a maximum of ten (10) Board members, made up of seven (7) resident members of the community and three (3) members from Brookfield. The Board meets on a regular basis to: ensure policies are properly set and Rules & Regulations are legislated; review the annual operating budget; be the voice of their fellow residents for Cranston RA-related issues, and; participate in community events. During Brookfield's term of management, the power of the Board is limited.

Community Facilities

Century Hall is a 22,000 square foot building that sits on an eight (8) acre site and contains:

- Hockey Rink w/ Ice Chiller Unit
- Water Park / Pleasure Skating Rink
- Tennis Courts & Skate Park
- Toboggan Hill
- Basketball Courts
- Large Banquet Hall
- Multipurpose & Meeting Rooms
- Heat-and-Serve Kitchen
- Office Space for CRA staff
- Community Association Office
- Full-Sized Gymnasium
- Skate Change Area
- Daycare & Out of School Care
- Zamboni
- Storage for Maintenance

Century Hall is currently operating with seven (6) full time staff which consists of the General Manager, the Administrative Coordinator, the Program Coordinator, the Facilities & Amenities Manager, the Maintenance Foreman and a Lead Hand. In addition, there are eight (8) part time Customer Service Representatives and four (4) part time Maintenance employees. The Cranston RA staff are responsible for the day-to-day operations of the Century Hall facility and park, and various Cranston amenities and community features.

Facility Updates

In March 2020 the world was hit by the COVID-19 pandemic. The Century Hall Facility was initially mandated to close both our facility and park spaces from mid-March to mid- June 2020, then again, our indoor facility was closed in early December to February 2021, opening to household gymnasium bookings only for the remainder of March 2021. During this time, we were fortunate to still offer residents our outdoor rink and toboggan hill amenities. Employees and residents were quick to adapt to AHS restrictions, which impacted regular operations, such as programming, events and amenity availability. In light of the pandemic and changing restrictions, the Century Hall facility and park continued to be frequented throughout the year by Cranston residents and guests alike.

The Splash Park opened on June 22, 2020, and remained open until September 13th, 2020. The Hockey Rink opened November 16th, 2020 and remained open until early March 2021. This year, Century Hall was honored to be selected to help host Hockey Day in Canada at our rink. Our community Christmas lights were installed in November and offered beautiful light displays throughout Cranston until January 2021.

In spite of COVID-19, and adhering to all AHS restrictions, Century Hall continued to draw rentals of the banquet hall, multipurpose rooms and the gymnasium with bookings for religious groups, community meetings, and celebration of life events. Although decreased from previous years, 154 events were booked over the course of the year April 2020- March 2021. For further information on rentals, please contact rentals@cranstonra.ca or visit www.cranstonra.ca.

Due to COVID-19 restrictions, programs were adapted to online virtual opportunities or a reduced in-person capacity. Century Hall continued to offer a wide variety of programs for all ages throughout the entire year. Adult programming included fitness classes, tennis classes and workshops. Children programming included art classes, dance classes, sport programs, tennis and skating lessons. Century Hall was also able to offer Day Camps for Summer of 2020. The full Program Guide can be viewed at www.cranstonra.ca.

Unfortunately, like many others, the pandemic restricted our ability to offer traditional community events. Many of our traditional events were adapted and offered in a drive-by or virtual option to the community. We saw a fantastic turn out for our drive-by pictures with Santa event, as well as received hundreds of letters to Santa through our North Pole Express Mailbox. For further information on programs and events, please contact the Program and Events Coordinator at programs@cranstonra.ca or visit www.cranstonra.ca.

Financial

The annual operating costs of the CRA are the responsibility of the Members through the payment of annual fees, pursuant to a Rent Charge Encumbrance registered on each lot title in Cranston (the amount is subject to an annual adjustment for inflation and GST). As approved by the Cranston Board of Directors, the 2021-22 fee structure is as follows: \$159.05+GST Upper Cranston; \$448.00+GST Riverstone.

The annual fees are used to: service the debt; offer quality programs, events, and services; and maintain Century Hall, Century Hall Park, and various subdivision features/amenities, in addition to the enhanced maintenance program provided to the Riverstone area. A copy of the 2021-22 Operating Budget is available for review online at www.cranstonra.ca or upon request at Century Hall.

The enclosed Audited Financial Statements are prepared up to March 31st, 2021.

Appointment of Auditor

The Board of Directors proposes to appoint MNP LLP Auditor for the company for the 2021-22 Fiscal Year.

Summary/Management Transition

With build out of the community approaching, Brookfield, with the Resident Board of Directors, has started the process of working towards a seamless transition of the turnover of the management of the Cranston Residents Association to the Residents Association at the AGM in the fall of 2022. In anticipation of the turnover, Brookfield has prepared and implemented an exit strategy that consists of Board development training, staff training, and moving all accounting functions to Century Hall. The administrative and accounting systems that are currently in place have been carefully applied to ensure a seamless transition of full management duties to the Cranston RA. As well, the Resident Directors have established an Executive Committee that will work closely with the Brookfield Directors. Brookfield is committed and dedicated to leaving behind a successful legacy in Cranston.

Board of Directors, Cranston Residents Association

Dated this 19th day of September, 2021

BY ORDER OF THE BOARD OF DIRECTORS



KAREN SHOPLAND, Secretary

ANDREW BURNS Resident Director	JASON GORDON Resident Director	KEVIN ANGUS Resident Director	WENDY MACISAAC Resident Director	MICHAEL SMITH Resident Director
VINCENT CHOW Resident Director	DUANE POPPLEWELL President & Brookfield Director	KAREN SHOPLAND Secretary & Brookfield Director	MIKE BANNISTER Treasurer & Brookfield Director	

CRANSTON RESIDENTS ASSOCIATION

FINANCIAL STATEMENTS

March 31, 2021



Tel: 403-266-5608
Fax: 403-233-7833
Toll-free: 1-888-444-4840
www.bdo.ca

BDO Canada LLP
903 - 8th Avenue SW, Suite 620
Calgary, Alberta
T2P 0P7

Independent Auditor's Report

To the Board of Directors of Cranston Residents Association

Opinion

We have audited the financial statements of Cranston Residents Association (the "Association"), which comprise the statement of financial position as at March 31, 2021, 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 Association as at March 31, 2021, and its results of operations and its 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 Association in accordance with the 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.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

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.



Tel: 403-266-5608
Fax: 403-233-7833
Toll-free: 1-888-444-4840
www.bdo.ca

BDO Canada LLP
903 - 8th Avenue SW, Suite 620
Calgary, Alberta
T2P 0P7

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 Association'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 Association'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 Association 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.

BDO Canada LLP

Chartered Professional Accountants

Calgary, Alberta


July 7, 2021

CRANSTON RESIDENTS ASSOCIATION
Statement of Financial Position
As at March 31

	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash	\$ 361,806	\$ 292,709
Accounts receivable (Note 5 and 11)	115,966	16,069
Prepaid expenses	26,061	23,197
	<u>503,833</u>	<u>331,975</u>
CAPITAL ASSETS NET (Note 2)	<u>13,864,207</u>	<u>14,105,385</u>
	<u>\$ 14,368,040</u>	<u>\$ 14,437,360</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 3)	\$ 73,495	\$ 55,832
Demand loan (Note 4)	3,976,630	4,281,286
Due to Brookfield Residential (Note 5)	-	406,441
Deferred revenue	538,545	391,311
Refund credit liability	41,977	34,989
Current portion of long-term debt (Note 6)	13,046	6,298
Current portion of capital lease obligation (Note 7)	2,556	-
	<u>4,646,249</u>	<u>5,176,157</u>
LONG-TERM DEBT (Note 6)	26,654	18,894
CAPITAL LEASE OBLIGATION (Note 7)	6,179	-
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 8)	<u>3,627,210</u>	<u>3,743,281</u>
	<u>8,306,292</u>	<u>8,938,332</u>
NET ASSETS INVESTED IN CAPITAL ASSETS UNRESTRICTED NET DEFICIENCY	6,211,932	6,056,765
	(150,184)	(557,737)
	<u>6,061,748</u>	<u>5,499,028</u>
	<u>\$ 14,368,040</u>	<u>\$ 14,437,360</u>

Commitments (Note 9)

Approved on behalf of the Association:

 Director

 Director

CRANSTON RESIDENTS ASSOCIATION
Statement of Operations
For the year ended March 31

	<u>2021</u>	<u>2020</u>
REVENUES		
Membership fees	\$ 1,419,301	\$ 1,329,778
Government assistance	352,196	-
Amortization of deferred contributions (Note 8)	141,072	143,155
Facility rental	94,076	210,624
Programming	77,296	257,692
Maintenance contracts (Note 5)	40,158	49,462
Interest and other (Note 5)	18,868	18,668
	<u>2,142,967</u>	<u>2,009,379</u>
EXPENSES		
Administration	133,992	130,520
Amenity maintenance	66,469	78,473
Amortization of capital assets		
Contributed (Note 8)	141,072	144,294
Purchased	183,045	174,104
Facility operations and maintenance	826,384	905,855
Interest (Note 5)	125,630	198,621
Maintenance contracts	48,365	52,342
Programming	55,290	182,333
	<u>1,580,247</u>	<u>1,866,542</u>
EXCESS OF REVENUES OVER EXPENSES BEFORE THE FOLLOWING ITEM	562,720	142,837
GAIN ON DISPOSAL OF CAPITAL ASSETS	<u>-</u>	<u>9,700</u>
EXCESS OF REVENUES OVER EXPENSES	<u><u>\$ 562,720</u></u>	<u><u>\$ 152,537</u></u>

CRANSTON RESIDENTS ASSOCIATION
Statement of Changes in Net Assets
For the year ended March 31

	Net Assets Invested in		2021	2020
	Capital	Unrestricted		
Net assets (deficiency), beginning of year	\$ 6,056,765	\$ (557,737)	\$ 5,499,028	\$ 5,346,491
Excess of revenues over expenses	(183,045)	745,765	562,720	152,537
Payment of debt on capital assets	281,413	(281,413)	-	-
Investment in capital assets	56,799	(56,799)	-	-
Net assets (deficiency), end of year	\$ 6,211,932	\$ (150,184)	\$ 6,061,748	\$ 5,499,028

CRANSTON RESIDENTS ASSOCIATION
Statement of Cash Flows
For the year ended March 31

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Cash received from membership fees and other	\$ 1,579,517	\$ 1,127,082
Cash received from facility rental	76,380	191,460
Cash received from programming	69,443	210,001
Cash received from maintenance contracts	40,158	49,462
Cash received from interest and other income	18,868	18,668
Cash received from government assistance (Note 11)	352,196	-
Cash spent on operations	(1,231,973)	(1,345,476)
Cash spent on interest payments	(132,071)	(199,204)
	<u>772,518</u>	<u>51,993</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Cash advance from Brookfield Residential (Note 5)	260,000	400,000
Cash repayments to Brookfield Residential (Note 5)	(660,000)	(50,000)
Cash advance on long-term debt	26,991	31,490
Cash repayments on long-term debt	(12,484)	(6,298)
Cash repayments on demand loan	(304,656)	(232,674)
Cash advance on capital lease	10,226	-
Cash repayments on capital lease	(1,491)	-
	<u>(681,414)</u>	<u>142,518</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Cash spent on acquisition of capital assets	(22,007)	(44,029)
Cash proceeds from the disposal of capital assets	-	9,700
	<u>(22,007)</u>	<u>(34,329)</u>
NET CHANGE IN CASH	69,097	160,182
CASH, BEGINNING OF YEAR	<u>292,709</u>	<u>132,527</u>
CASH, END OF YEAR	<u><u>\$ 361,806</u></u>	<u><u>\$ 292,709</u></u>

CRANSTON RESIDENTS ASSOCIATION
Notes to the Financial Statements
March 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES

a) Purpose

The Cranston Residents Association (the "Association") was incorporated as a not for profit corporation on May 20, 1999 under Section 9 of the Companies Act of the Province of Alberta, R.S.A. 1980. As such, the Association is exempt from income tax under Section 149 of the Income Tax Act. The Association owns and operates amenities for the use of its members, the residents of Cranston. The operations of the Association are governed by the Cranston Amenities Agreement (the "Amenities Agreement") dated May 20, 1999 between the Association and Brookfield Residential (Alberta) LP ("Brookfield Residential").

b) Basis of accounting

The financial statements of the Association have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

c) Revenue recognition

The Association uses the deferral method of accounting for contributions. Contributions of capital assets or funds for the purchase of capital assets which are subject to amortization are deferred and amortized on the same basis of those capital assets. Contributions of capital assets or for the purchase of assets which are not subject to amortization are recorded as a direct increase to net assets.

Membership, program, facility rental and maintenance fees are recognized as revenue in the year to which they relate. Restricted contributions are recognized as revenue in the year in which related expenses are incurred. Unrestricted contributions, such as grants and donations not designated for a specific purpose, are recognized as revenue when received, or if the amount can be reasonably estimated and collection is reasonably assured.

Interest and other revenue is recorded on an accrual basis.

Deferred revenue includes membership, rental and program fees that arises from receipt of payments in advance of the period in which they will be earned.

Government assistance is recognized on a monthly basis when it is earned, when the amount is estimable and collection is reasonably assured.

d) Use of estimates

In accordance with ASNPO, estimates and assumptions are made by management in the preparation of these financial statements. These estimates may impact the amounts included in the financial statements. The most significant of these estimates are related to amortization and the estimated useful life of the capital assets and accounts payable and accrued liabilities. Actual results could differ from these estimates.

e) Cash

Cash consists of balances with financial institutions.

CRANSTON RESIDENTS ASSOCIATION
Notes to the Financial Statements
March 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

f) Capital assets

Capital assets purchased by the Association are recorded at cost. Capital assets contributed to the Association are recorded at fair value on the date of contribution.

Amortization is based on estimated useful life calculated on a straight line basis as follows:

Century Hall	40 years
Windmill	40 years
Park Amenities	25 years
DC Corners/Association Sites	25 years
Vehicles	10 years
Furniture and Equipment	5 years

g) Impairment of long-lived assets

Capital assets are tested for impairment where impairment indicators are present. This would occur if an item no longer contributes to the Association's ability to provide services. Any excess of the item's carrying value, with no long-term service potential, over its residual value is recognized as an expense of the period.

h) Financial instruments

The Association's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, demand loan, long-term debt, capital lease obligation and refund credit liability. All financial instruments are initially measured at fair value and subsequently measured at amortized cost.

Financial assets are tested for impairment when changes in circumstances indicate that the asset could be impaired. Transaction costs on the acquisition and sale of financial instruments are expensed for those items re-measured at fair value at each balance sheet date and charged to the financial instrument for those measured at amortized cost.

CRANSTON RESIDENTS ASSOCIATION

Notes to the Financial Statements

March 31, 2021

2. CAPITAL ASSETS

	March 31, 2021		
	Cost	Accumulated Amortization	Net Book Value
Century Hall	\$ 8,586,189	\$ 2,410,600	\$ 6,175,589
Windmill	557,088	206,092	350,996
Park Amenities	1,270,959	581,620	689,339
DC Corners/Association site	38,269	26,788	11,481
Vehicles	122,771	53,694	69,077
Furniture and Equipment	381,906	339,891	42,015
	10,957,182	3,618,685	7,338,497
Land	6,525,710	-	6,525,710
Total	\$ 17,482,892	\$ 3,618,685	\$ 13,864,207

	March 31, 2020		
	Cost	Accumulated Amortization	Net Book Value
Century Hall	\$ 8,574,641	\$ 2,196,049	6,378,592
Windmill	557,088	192,166	364,922
Park Amenities	1,245,959	531,697	714,262
DC Corners/Association Sites	38,269	25,258	13,011
Vehicles	86,839	42,057	44,782
Furniture and Equipment	361,573	297,467	64,106
	10,864,369	3,284,694	7,579,675
Land	6,525,710	-	6,525,710
Total	\$ 17,390,079	\$ 3,284,694	\$ 14,105,385

Brookfield Residential transferred to the Association the title for land and park amenities on June 1, 2009 for a nominal amount. The land and additional assets were recorded at fair market value at the transfer date.

Included in Vehicles is an asset under capital lease with a cost of \$10,226 (2020 - \$nil) and accumulated amortization of \$597 (2020 - \$nil).

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities is a remittance due to the government for GST of \$24,461 (2020 - \$16,689).

CRANSTON RESIDENTS ASSOCIATION

Notes to the Financial Statements

March 31, 2021

4. DEMAND LOAN

In May 2013, ATB provided the Association a demand loan. This loan bears interest at the ATB prime rate plus 0.45% per annum (2020 - ATB prime rate plus 0.45% per annum), is due on demand and is payable in monthly blended interest and principal payments of \$35,400 (2020 - \$35,400), maturing August 31, 2021. The loan is secured by a general security agreement covering the Association's present and acquired property and proceeds, a first mortgage agreement registered against the property, postponement and assignment of claims from Brookfield Residential, and a comfort letter from Brookfield Residential covering all debt servicing shortfalls up to the Effective Date (defined in Note 5).

	<u>2021</u>	<u>2020</u>
ATB demand loan	<u>\$ 3,976,630</u>	<u>\$ 4,281,286</u>

The loan is expected to be renewed each year under similar terms. The principal payments estimated to be required in each of the next five years and thereafter are as follows:

2022	\$ 313,609
2023	322,826
2024	332,069
2025	342,072
2026	352,125
Thereafter	2,313,929
	<u>\$ 3,976,630</u>

5. RELATED PARTY TRANSACTIONS

The Amenities Agreement grants Brookfield Residential control of the management of the Association and construction and management of the Cranston amenities until the Effective Date (defined below). Until such time, the powers of the Officers and Directors to manage the business affairs of the Association are temporarily restrained.

The Effective Date is defined as the later of (i) the date upon which Brookfield Residential has sold its last lands within the Cranston development, or (ii) the date upon which all amounts owing to Brookfield Residential have been repaid. Brookfield Residential may, at an earlier date and at its discretion, transfer portions of the amenities or certain aspects of management to the Association.

During the year, the following transactions occurred with Brookfield Residential:

- a) Brookfield Residential agreed to lend funds to the Association to cover shortfalls in the operating budget, subject to certain conditions defined in the Amenities Agreement. During the year, Brookfield Residential advanced the Association an amount of \$260,000 (2020 - \$400,000) and the Association incurred interest of \$5,486 (2020 - \$6,515). During the year, the Association repaid all outstanding principle and interest of \$660,000 and \$11,927 respectively. The loan was repayable on demand, is unsecured and bears interest at the ATB prime rate plus 1% per annum.
- b) The Association received \$40,158 (2020 - \$49,462) for services provided to Brookfield Residential under a maintenance contract which requires the Association to maintain certain public areas within the community. The Association received \$1,000 (2020 - \$1,350) for sponsorship and other income provided to Brookfield Residential by the Association.
- c) Included in accounts receivable at year end are amounts outstanding from Brookfield Residential of \$5,154 (2020 - \$6,676).
- d) During the year, Brookfield Residential contributed \$25,000 to the Association for the purchase of a mobile skatepark. The contribution is included with deferred capital contributions in Note 8 and amortized on the same basis as the asset (Note 2).

The above mentioned related party transactions have been recorded at the exchange amount, which is the amount agreed to by the related parties.

CRANSTON RESIDENTS ASSOCIATION

Notes to the Financial Statements

March 31, 2021

6. LONG-TERM DEBT

In April 2019, the Association entered into a financial agreement for a new tractor, payable in monthly payments of \$525, which commenced April 2019 and matures in March 2024. The loan is secured by the asset which has a net book value of \$32,084.

The Association also entered into a financial agreement for a new tractor, payable in monthly payments of \$562, which commenced May 2020 and matures in April 2024. The loan is secured by the asset which has a net book value of \$23,350.

	<u>2021</u>	<u>2020</u>
Current portion of long-term debt	\$ 13,046	\$ 6,298
Long-term portion of long-term debt	26,654	18,894
	<u>\$ 39,700</u>	<u>\$ 25,192</u>

The principal payments estimated to be required in each of the next four years are as follows:

2022	13,046
2023	13,046
2024	13,046
2025	562
	<u>\$ 39,700</u>

7. OBLIGATIONS UNDER CAPITAL LEASE

During the year, the Association entered into a capital lease agreement for a new tractor, payable in monthly payments of \$213, bearing no interest, which commenced September 2020 and matures in August 2024. The loan is secured by the asset which has a net book value of \$10,226.

	<u>2021</u>
Current portion of capital lease obligation	\$ 2,556
Long-term portion of capital lease obligation	6,179
	<u>\$ 8,735</u>

The principal payments estimated to be required in each of the next four years are as follows:

2022	2,556
2023	2,556
2024	2,556
2025	1,067
	<u>\$ 8,735</u>

Interest expense for the year related to the capital lease obligation was \$nil.

CRANSTON RESIDENTS ASSOCIATION

Notes to the Financial Statements

March 31, 2021

8. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions relate to capital assets and funding for the purchase of capital assets contributed to the Association by Brookfield Residential, Parks Foundation and the Community Facility Enhancement Program.

Contributions amount to \$5,240,730 (2020 - \$5,215,730) less accumulated amortization of \$1,613,520 (2020 - \$1,473,588). This includes the cash contribution of \$58,293 (2020 - \$33,293) less accumulated amortization of \$20,442 (2020 - \$17,348). The land contributed by Brookfield Residential in 2009 is not subject to amortization and has therefore been recorded as a direct increase to net assets.

9. COMMITMENTS

The Association has lease commitments for office equipment, software and service contracts. Future minimum payments remaining under these agreements are as follows:

2022	\$ 34,437
2023	33,063
2024	28,941
2025	24,847
2026	9,500
	<u>\$ 130,788</u>

10. FINANCIAL INSTRUMENTS

The Association, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: interest rate risk, credit risk and liquidity risk. The Association manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical. There has been no change in the risk exposure since last year. The risks and related management strategies are discussed below:

- a) Interest rate risk

The Association is exposed to interest rate cash flow risk as a result of its floating rate debt disclosed in Note 4, whereby the cash flows required to service the debt will fluctuate with changes in market rates.

- b) Credit risk

The Association is exposed to credit risk through its cash and accounts receivable.

The Association’s credit risk is primarily attributable to its accounts receivable. The accounts receivable primarily represents annual charges not collected from members. The risk is mitigated due to the fact that the Association takes legal action on overdue accounts and places a lien on the property of the member and will collect the annual charge upon sale of the home if the member chooses not to pay the annual charge. The credit risk on cash is limited because the counterparty is a major Canadian financial institution.

- c) Liquidity risk

Liquidity risk is the risk that the Association would encounter difficulty in meeting its financial obligations.

Liquidity risk includes the risk that the Association will not have sufficient funds to settle a transaction on the due date. Liquidity risk arises from the accounts payable and accrued liabilities, demand loan and due to Brookfield Residential. The risk is mitigated due to the fact that the Association is supported by Brookfield Residential as described in Note 5.

CRANSTON RESIDENTS ASSOCIATION

Notes to the Financial Statements

March 31, 2021

11. COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of the novel strain of coronavirus (“COVID-19”) as a global pandemic, which continues to spread throughout Canada and the world.

The Company is continuing to monitor the impact on its operations and cash flows by working with lenders and creditors. The Government of Canada has enacted federal stimulus packages, which include the Canadian Emergency Wage Subsidy (“CEWS”) program, among others. During the year ended March 31, 2021, wage subsidies under the CEWS program total \$336,238, and have been recognized as government assistance on the income statement for the period. Of this amount \$99,224 is included in accounts receivable at year end.

Depending on the severity and duration of COVID-19 disruptions, which would include possible resurgences in cases, operations and results could continue to be significantly impacted in future periods. At this time, the Association is uncertain as to the extent of the future impact of COVID-19.



CRANSTON
RESIDENTS ASSOCIATION

INFORMATION CIRCULAR
GENERAL INFORMATION & PROXY STATEMENT

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by management of the CRANSTON RESIDENTS ASSOCIATION (the "Company") for use at the Annual General Meeting (the "Meeting") of Members of the Company to be held virtually through Zoom on **Tuesday, October 19th, 2021, at 7:00 P.M. (MST)**. All expenses incurred in connection with the solicitation of proxies will be borne by the Company. Solicitation will be made primarily by mail, but proxies may also be solicited by Directors, officers and employees of the Company.

APPOINTMENT AND REVOCATION OF PROXIES

Each Voting Member entitled to vote at the Meeting may, by means of a form of proxy in writing executed by the Voting Member or his attorney, authorized in writing, appoint a proxy to attend and vote on his/her behalf at the Meeting. In order to be acted upon at the Meeting, a form of proxy must be returned as indicated in the INSTRUCTIONS FOR PROXY FORMS included in this package. A Voting Member may revoke a form of proxy previously given by delivering another proper form of proxy bearing a later date than the previously given form of proxy as indicated in the INSTRUCTIONS FOR PROXY FORMS included in this package.

EXERCISE OF DISCRETION BY PROXY

Proxies will be voted or withheld from voting in accordance with the Member's instructions contained therein. The form of Proxy also confers authority on the persons named therein to vote with respect to any other matters which may properly be brought before the Meeting. At the date hereof, management knows of no other such matters.

VOTING BY MEMBERS

Only Members on record, at the close of business on the 19th day of September 2021, are entitled to vote at the Meeting, each Member being entitled to one (1) vote. Members are defined in the Articles of Association (the "Articles") of the Company as restricted to Commercial Owners, Homeowners and Rental Project Owners. No Member is entitled to vote at the Meeting if at the close of business on the 19th day of September 2021, any sum due or payable to the Company by such Member remains unpaid for at least forty-five (45) days following a written request for payment of same.

Where there is more than one owner of a property, there shall be only one Member who shall be the person designated as the Member by all the owners of the property. In the absence of such designation, the first person named as owner in the Certificate of Title, or as Purchaser in an Agreement for Sale, shall be the Member.

Where a residential property is occupied by a tenant, such tenant may be designated as the Member, by and instead of the owner of such property.

Where a rental project is involved, the registered owner shall be the Member and notwithstanding how many tenants are residing in the rental project, it shall have only one (1) vote.

As at the close of business on 19th day of September 2021, the Company had 7267 Members in good standing. In addition, there are 232 Brookfield votes in respect of lots registered in Brookfield's name.

THE TOTAL AMOUNT OF THE COMPANY'S MEMBERS IN GOOD STANDING AT THE CLOSE OF BUSINESS ON SEPTEMBER 19th, 2021, ARE THE ONLY MEMBERS ENTITLED TO VOTE AT THE MEETING.

ELECTION OF DIRECTORS

At the Meeting, it is proposed that the total number of Directors for the Company be established as no more than ten (10) until the next Annual General Meeting. Pursuant to the Articles of the Company, Brookfield is entitled to appoint up to three (3) Directors with the remaining Directors elected at the Meeting. The following persons are the Directors appointed by Brookfield to the Board of Directors of the Company for the ensuing term:

Duane Popplewell (Brookfield)
Karen Shopland (Brookfield)
Mike Banniser (Brookfield)

In accordance with the Articles of Association, the following resident Members in good standing have completed their two-year term, and have expressed an interest in letting their name stand for nomination for a two-year term:

Jason Gordon
Michael Smith
Vincent Chow

The following resident Members in good standing are letting their name stand to complete their final year of a two-year term:

Wendy MacIsaac
Kevin Angus

The following resident Members in good standing have expressed interest to be nominated for election onto the Board of Directors:

Amanda Condie
Ryan Woods

Nominations will also be sought at the meeting for Directors from the Members. Individuals should be aware of the fiduciary responsibilities of Directors generally, as well as the specific limitation of the power of Directors of the Company in respect of Brookfield management contract. Members interested in standing for election at the meeting are invited to contact the General Manager in advance of the meeting by phone at 403-781-6614 or by email at gm@cranstonra.ca

The term of office for each person on a two-year term shall be from the date of the Meeting until the second Annual General Meeting of Members after this meeting. There are three (3) Brookfield appointed Directors and there are two (2) Resident Directors serving their final year of a two-year term over the 2021-22 fiscal year, therefore there is a total of five (5) vacancy, for a two-year term.

The following information is given with respect to the current Directors, and each nominee as a Director, including the length of time each has been a Director of the Company.

Name & Address	Period Served as Director of Company	Principal Occupation
Duane Popplewell Calgary, Alberta	5 years	Senior Development Manager Brookfield Residential
Mike Bannister Calgary, Alberta	3 years	Senior Manager, Finance & Planning Brookfield Residential
Karen Shopland Calgary, Alberta	2 years	Residents Association Manager Brookfield Residential
Jason Gordon Calgary, Alberta	18 years	eBusiness Branch Pro Southern Alberta Wolseley Canada Inc
Andrew Burns Calgary, Alberta	16 years	Sales Director Cimpl
Wendy MacIsaac Calgary, Alberta	4 year	Alberta Land Surveyor Midwest Surveys

Vincent Chow Calgary, Alberta	4 year	Professional Engineer AltaLink
Michael Smith Calgary, Alberta	3 years	Teacher Calgary Board of Education
Kevin Angus Calgary, Alberta	1 year	Principal KDAngus Corp
Amanda Condie Calgary, Alberta	Standing for Election	Director, Corporate Communications, Trans Mountain
Ryan Woods Calgary, Alberta	Standing for Election	General Manager, Pinebrook Golf & Country Club

The Board would like to extend a very special thanks to Dave Warner and Andrew Burns for their dedication to the CRA Board. Dave has served six years with the CRA and Andrew has been a member since almost fruition, with 16 years. Their commitment, contribution and service shown to the CRA has been highly valued, greatly appreciated and will certainly be missed.

DIRECTORS COMPENSATION – Nil

PENSION PLAN – Nil

EXECUTIVE COMPENSATION AND PLANS – Nil

INCENTIVE SHARE OPTION PLAN FOR OFFICERS AND KEY EMPLOYEES – Nil

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS – Nil

The three (3) Brookfield appointed Directors are employees of Brookfield, who is the operator of the Cranston Amenities. As operator of the Cranston Amenities, Brookfield approves the operating budget for their proper operation and if such operating budget is not fully funded by the income received from Members' dues, as approved by Brookfield, it is required to loan sufficient funds to the Company in order to meet such expenses.

APPOINTMENT OF AUDITOR

Management proposes the Board of Directors appoint MNP LLP as Auditor for the Company for the 2021-22 fiscal year.

CERTIFICATE

The foregoing contains no misstatement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

The management of the Company knows of no amendment, variation or other matters to come before the Annual General Meeting of Members other than the matters referred to in the Notice of Meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgement of the person or persons voting such proxy.

DATED this 19th, day of September, 2021

BY THE ORDER OF THE BOARD OF DIRECTORS



KAREN SHOPLAND, Secretary

INSTRUCTIONS FOR PROXY FORMS

Appointment and Revocation of Proxies

A Voting Member desiring to appoint a person (who must also be a Voting Member in Good Standing) to represent him/her at the Meeting may do so by inserting such person's name in the blank space provided. The completed proxy must be delivered, in person or by email, by the Voting Member giving the proxy, to the address indicated below, no later than 48 hours (excluding Saturday, Sundays and Holidays) before the time of the Meeting:

**c/o: Cranston Residents Association
11 Cranarch Road SE, Calgary, Alberta, T3M 0S8
"ATTENTION: General Manager"**

Email: info@cranstonra.ca

Proxies must be in writing, signed and delivered in person or by email by the Voting Member giving the proxy, no later than 5:00 p.m. on Monday, October 11th, 2021. or they will be invalid.

A Member who has given a proxy may revoke it any time before it is exercised. A proxy may be revoked by instrument in writing or, if the Member is a corporation, by an officer or attorney thereof duly authorized, and delivered as indicated above, no later than 5:00 p.m. on Monday, October 11th, 2021.

Voting and Exercise of Discretion by Proxies

The persons named in the form of proxy will vote the Membership in respect of which they are appointed in accordance with the instructions indicated therein.

BY THE ORDER OF THE BOARD OF DIRECTORS



KAREN SHOPLAND, Secretary

**CRANSTON RESIDENTS ASSOCIATION
ANNUAL GENERAL MEETING OF VOTING MEMBERS
On the 19th day of October, 2021, at 7:00 P.M. (Mountain Standard Time)
PROXY SOLICITED BY MANAGEMENT**

The undersigned member of the CRANSTON RESIDENTS ASSOCIATION (the "Company") hereby appoints **Duane Popplewell**, or failing him, _____, as proxy to attend and vote on behalf of the undersigned at the Annual General Meeting of Members and at any adjournment thereof, and my proxy is instructed to vote:

1) **FOR** _____ **OR** **AGAINST** _____ (and if no specification is made, FOR)

The setting of the total number of Directors for the Company until the next Annual General Meeting at ten (10) composed of seven (7) Resident Directors and three (3) Brookfield Residential appointees. Five (5) Resident Directors are to be elected at this meeting.

2) **FOR** the election of the following resident(s) as Directors, for a two-year term, in accordance with their nomination: **Please mark a maximum of three (3) candidates.**

<u>NAME</u>	<u>FOR</u>
JASON GORDON	_____
MICHAEL SMITH	_____
VINCENT CHOW	_____
AMANDA CONDIE	_____
RYAN WOODS	_____
<i>If no individual(s) are specified, my proxy may vote at his/her discretion.</i>	

3) **FOR** _____ **OR** **AGAINST** _____ (and if no specification is made, FOR)

That MNP LLP be appointed as Auditor of the Association by the Board of Directors for the 2021-22 fiscal year.

4) **FOR** _____ **OR** **AGAINST** _____ (and if no specification is made, FOR)

And in his/her discretion with respect to any amendments, variations or additions with respect to any of the matters noted above or with respect to any other matter which may properly be brought before the meeting or any adjournment thereof.

DATED this ____ day of _____, 2021.

Member's Name (please print)

Signature of Member

Voting Member's Cranston Address (required, please print)

This form should be signed by the Member or his attorney, authorized in writing, and if the Member is a corporation, this form of proxy should be signed by a duly authorized officer under corporate seal.

DELIVER PROXIES IN PERSON or EMAIL NO LATER THAN 5:00 P.M. ON SUNDAY, OCTOBER 17th, 2021, TO:

**Cranston Residents Association
11 Cranarch Road SE, Calgary, Alberta, T3M 0S8
"Attention: General Manager"
Email: info@cranstonra.ca**