



August 29, 2016

Members of the Cranston Residents Association
Cranston, Calgary, Alberta

Dear Members:

**RE: Notice of Annual General Meeting
7:00 P.M. on Tuesday, September 27th, 2016
Century Hall - 11 Cranarch Road S.E., Calgary, Alberta**

Enclosed please find the Notice of the Annual General Meeting (AGM) for the Association, the Meeting Minutes of the AGM held on September 22nd, 2015, the Report of the Board of Directors, the Audited Financial Statements for the 2015-16 fiscal year, Information Circular, and a Proxy Form.

Please review the enclosed information and plan to attend the AGM or send your proxy form in as indicated. The AGM is being held at **7:00 P.M. on Tuesday, September 27th, 2016**, at Century Hall, located at 11 Cranarch Road S.E. **Please assist your volunteer Board of Directors by attending the AGM or sending in your proxy form.**

Please note that the Cranston Residents Association currently has vacancy for three (3) Resident Directors. If you are interested in being nominated for the Board of Directors, or have any questions about the enclosed, please contact Karen Shopland at 403-516-8860 or by e-mail at karen.shopland@brookfieldrp.com.

On behalf of your Board of Directors, we look forward to your participation.

Yours truly,

CRANSTON RESIDENTS ASSOCIATION

**ANDREW
BURNS**
Resident
Director

**JORDAN
DEERING**
Resident
Director

**JASON
GORDON**
Resident
Director

**FRED
HURDMAN**
Resident
Director

**DEAN
RUTKOWSKI**
Resident
Director

**LEE
THOMPSON**
Resident
Director

**DAVE
WARNER**
Resident
Director

**GEOFF
BOBIY**
President &
Brookfield
Director

**JOE
NOVELLO**
Secretary &
Brookfield
Director

**MELODY
NIKLEVA**
Treasurer &
Brookfield
Director



Notice of 2016 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 at **CENTURY HALL, 11 Cranarch Road S.E.**, Calgary, Alberta, on **Tuesday, September 27th, 2016, at 7:00 P.M.** (MST) for the following purposes:

- 1) To receive the Meeting Minutes of the AGM held on September 22nd, 2015;
- 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, 2016;
- 4) To establish the number of Directors to hold office until the next Annual General Meeting, and elect such Directors;
- 5) To appoint BDO Canada LLP as Auditor for the fiscal year ending March 31st, 2017;
- 7) 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 29th day of August, 2016

BY ORDER OF THE BOARD OF DIRECTORS

JOE NOVELLO, 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 TO CENTURY HALL:

11 CRANARCH ROAD S.E.
CALGARY, ALBERTA, T3M 0S8
"ATTENTION: LANNIE ANDERSON"

PROXIES ARE TO BE RECEIVED AT CENTURY HALL NO LATER THAN 5:00 P.M. ON FRIDAY, SEPTEMBER 23RD, 2016.
ALL PROXIES MUST BE IN WRITING AND SIGNED BY THE VOTING MEMBER.




**CRANSTON RESIDENTS ASSOCIATION
2015 ANNUAL GENERAL MEETING OF MEMBERS**

Meeting Minutes

Place:	Century Hall (11 Cranarch Road SE)
Date:	September 22, 2015
Time:	7:00 p.m.

1. Geoff Bobiy acted as Chairperson of the meeting. The Meeting was called to order at 7:03 p.m.
2. The Chairperson asked Joe Novello to act as Secretary of the meeting.
3. The Chairperson requested Craig Solverson to act as Scrutineer for the meeting, with the consent of the Voting Members. As there was no objection, the Chairperson appointed Craig Solverson as Scrutineer.
4. The Chairperson stated that unless otherwise specified, all items to be approved by the Voting Members are by way of ordinary resolution, requiring at least 50% of the Voting Members present in person or by proxy to vote in favor. The Chairperson stated that votes are to be by show of voting cards, or by poll if demanded by 10% of the Voting Members.
5. The Chairperson asked for a motion to dispense with the reading of the Notice calling the meeting. Jason Gordon so moved. Dean Rutkowski seconded the motion. The Chairperson declared the motion carried.
6. The Chairperson asked the Secretary for proof of mailing of the Notice of the Meeting to the Members. Joe Novello confirmed proof of proper mailing of the Notice to all Members entitled to vote at the Meeting by providing a Certificate signed by Mr. Jim Wells of *Petro-Tech Printing Ltd*, as well as a receipt from Canada Post. The Chairperson asked that it be filed in the Minute Book along with the Minutes of this Meeting.
7. 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. The Chairperson asked the Scrutineer for his report. Craig Solverson reported that there were 123 Voting Members either present at the Meeting, or represented by proxy.
8. The Chairperson declared the meeting to be duly called and properly constituted for business.
9. The Chairperson asked for a motion to approve the Minutes of the Annual General Meeting, held on September 23, 2014. Jordan Deering motioned to approve the Minutes of the Annual General Meeting held on September 23, 2014, as presented. Lee Thompson seconded. The Chairperson declared the motion carried.
10. The Chairperson asked for a motion to dispense with reading of the Directors' Report, which was mailed to the Members with the Notice of the Meeting and Information Circular, and also posted on the Cranston-Connect website. Andrew Burns motioned to dispense with the reading of the Directors' Report. Fred Hurdman seconded. The Chairperson declared the motion carried.
11. The Chairperson then proposed to receive as information, the Financial Statements and the Auditor's Report for the fiscal year ended March 31st, 2015. Craig Solverson read and reviewed the Auditor's Report and the Audited Financial Statements, and answered related questions.
12. The Chairperson indicated that the next item of business was the election of Directors. The Chairperson stated that the Association is authorized to have a minimum of three (3) and a maximum of ten (10) Directors. The Chairperson stated that the Board proposed to have the Association comprised of ten (10) Directors. The Chairperson asked for a motion to this effect. Fred Hurdman motioned that ten (10) Directors be elected to serve until the next Annual General Meeting of the Association. Dave Warner seconded. The Chairperson declared the motion carried.
13. The Chairperson stated that Brookfield Residential is entitled to appoint up to three (3) Directors and that Brookfield has appointed those three (3) individuals, whose names are: Geoff Bobiy, to act as President; Joe Novello, to act as Secretary, and; Craig Solverson, to act as Treasurer.

14. The Chairperson stated that Lee Thompson, Fred Hurdman and Dave Warner have indicated that they will complete the second year of their two-year term as Resident Directors on the Board, as elected in 2014.
15. The Chairperson stated that Andrew Burns, Jordan Deering, Jason Gordon and Dean Rutkowski have completed their two-year term, as elected in 2013, therefore vacating four (4) positions on the Board for new nominations to be elected at this Annual General Meeting. Andrew Burns, Jordan Deering, Jason Gordon and Dean Rutkowski have put their names forward to be re-elected onto the Board to serve another two-year term as Resident Directors. Lee Thompson so moved. Andrew Burns seconded the motion. The Chairperson declared the motion carried.
16. The Chairperson stated that Chantal Dunlop and Naveed Iqbal, members in good standing, have put their names forward to be nominated as Directors of the Association. The Chairperson asked for a motion to nominate these two (2) individuals to the Board. Andrew Burns so moved. Fred Hurdman seconded the motion. The Chairperson declared the motion carried.
17. The Chairperson asked if there were any further nominations. No further nominations were presented. Fred Hurdman so moved. Lee Thompson seconded the motion. The Chairperson declared the motion carried.
18. The Chairperson stated that as six (6) persons have been nominated to serve a 2-year term and only four (4) Resident Directors are required. The Chairperson instructed voting members to mark in the nominees not listed on the ballots; to mark in favor of four (4) Resident Directors and deliver the ballot to the Scrutineer, Craig Solverson.
19. The Chairperson then asked for a motion that nominations be closed. Andrew Burns moved that the nominations for Directors be closed. Fred Hurdman seconded the motion. The Chairperson declared the motion carried.
20. The Scrutineer reported that Jason Gordon, Andrew Burns, Read Rutkowski and Jordan Deering received the most votes to be elected and serve as Directors on the Cranston Residents Association Board of Directors.
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. Fred Hurdman so moved. Lee Thompson 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, 2016, and that the Directors are authorized to fix remuneration. Jordan Deering so moved. Andrew Burns seconded. The Chairperson declared the motion carried.
23. The Chairperson then asked if there was any further business to transact at the 2015 Annual General Meeting of the Association. As there was none, the Chairperson asked for a motion to terminate the meeting. Andrew Burns so moved. Fred Hurdman seconded. The Chairperson declared the motion carried.
24. At 7:34 p.m., the 2015 Annual General Meeting was terminated.



JOE NOVELLO, Secretary



**Report of the Cranston Residents Association Board of Directors
April 1, 2015 – March 31, 2016**

The Cranston Residents Association (CRA) 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 seven (7) 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 CRA-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
- 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
- Zamboni
- Storage for Maintenance

Century Hall is currently operating with six (6) full time staff which consists of the General Manager, the Administrative Manager, the Recreation Manager, the Customer Service Team Lead, the Facilities & Amenities Manager and the Maintenance Foreman. In addition, there are six (6) part time Customer Service Representatives and five (5) part time Maintenance employees. The CRA staff are responsible for the day-to-day operations of the Century Hall facility and park, and various Cranston amenities and subdivision features.

Facility Updates

The Century Hall facility and park continue to be frequented throughout the year by Cranston residents and guests alike. In the 2015-2016 fiscal year, almost 40,000 drop-ins were recorded, with 80% of those being Cranston residents. The Splash Park opened on June 5, 2015, and remained open until September 13, 2015. The Hockey Rink opened November 24, 2015 and remained open until February 25th 2016. With the warm winter weather Century Hall was the only outdoor ice rink open for most of December, thanks to the chiller unit and maintenance team.

This year new mesh was installed on the ends of the Hockey Rink, improving the safety and esthetics of the outdoor rink. The Company Safety Program changed from Alberta Safety Construction Association (ACSA) to Alberta Municipal Health and Safety Association (AMHSA). The new program is a closer fit to CRA's industry and the transition is going well.

Riverstone saw a few exciting changes in the 2015-2016 fiscal year including hosting its first outdoor event – Cranston's Riverstone's very own Winter Carnival in December! The Winter Carnival was a magical experience. Along with the enhanced Christmas light display, the CRA set up an outdoor synthetic ice rink for the winter season. CRA is looking forward to hosting many more Riverstone events in the upcoming 2016-2017 fiscal year.

Facility rentals of the banquet hall, multipurpose rooms and the gymnasium continue to be steady with bookings for weddings, birthday parties, meetings, and celebration of life events. For further information on rentals, please contact the Administrative Manager at rentals@cranstonresidents.ca or visit www.cranston-connect.com.

Century Hall offers a wide variety of programs for all ages throughout the entire year. Adult programming includes fitness classes, tennis classes and "wine and design" workshops. Children programming includes art classes, dance classes, sport programs, tennis and skating lessons. Century Hall offers Day Camps for Spring Break, Teachers Conventions and Summer. Drop-in programming has expanded and now includes, Adult Card & Social Afternoons, craft time and story time. The full Program Guide can be viewed at www.cranston-connect.com.

It was also another year of successful events including the Mother Daughter Tea which had the addition of a second seating, Stampede Breakfast with 6000 attendees, a sold out Christmas Bazaar, and the monthly Family Movie nights saw the addition of concession items. Century Hall received a makeover in time for the Spooktacular Halloween Party and the 3 on 3 Hockey Tournament was sold out for the first time with a total of 16 teams. For further information on programs and events, please contact the Recreation Manager at programs@cranstonresidents.ca or visit www.cranston-connect.com.

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).

Following review of the 2016-17 Operating Budget, the CRA Board of Directors approved an inflationary increase to the 2016-17 CRA fees. The 2016-17 fee structure is as follows: \$147.86+GST Upper Cranston; \$424.29+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, all of which serves to make Cranston one of the best communities in Calgary. The CRA will continue to run an annual deficit until the community is established with more homes. A copy of the 2016-17 Operating Budget is available for review online at www.cranston-connect.com or upon request at Century Hall.

The Board is pleased to announce that the Cranston Residents Association was exempted from paying property taxes for 2015-16.

The enclosed Audited Financial Statements are prepared up to March 31st, 2016.

Appointment of Auditor

The Board of Directors proposes to appoint BDO Canada LLP Auditor for the company for the 2016-17 Fiscal Year.

Board of Directors, Cranston Residents Association

Dated this 29th day of August, 2016

BY ORDER OF THE BOARD OF DIRECTORS



JOE NOVELLO, Secretary

**ANDREW
BURNS**
Resident
Director

**JORDAN
DEERING**
Resident
Director

**JASON
GORDON**
Resident
Director

**FRED
HURDMAN**
Resident
Director

**DEAN
RUTKOWSKI**
Resident
Director

**LEE
THOMPSON**
Resident
Director

**DAVE
WARNER**
Resident
Director

**GEOFF
BOBIY**
President &
Brookfield
Director

**JOE
NOVELLO**
Secretary &
Brookfield
Director

**MELODY
NIKLEVA**
Treasurer &
Brookfield
Director

CRANSTON RESIDENTS ASSOCIATION

FINANCIAL STATEMENTS

March 31, 2016



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

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

Independent Auditor's Report

To the Board of Directors of Cranston Residents Association

We have audited the accompanying financial statements of the Cranston Residents Association, which comprise the statement of financial position as at March 31, 2016, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Cranston Residents Association as at March 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

BDO Canada LLP

Chartered Professional Accountants

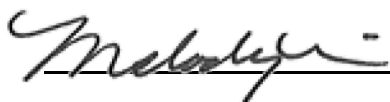
Calgary, Alberta
June 29, 2016

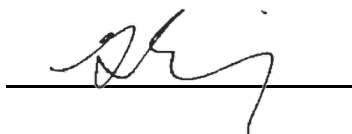
CRANSTON RESIDENTS ASSOCIATION
Statement of Financial Position
As at March 31

	<u>2016</u>	<u>2015</u>
CURRENT ASSETS		
Cash	\$ 62,749	\$ 27,522
Accounts receivable (Note 5)	23,941	30,802
Prepaid expenses	21,771	30,379
	<u>108,461</u>	<u>88,703</u>
CAPITAL ASSETS (Note 2)	<u>15,168,611</u>	<u>15,425,080</u>
	<u>\$ 15,277,072</u>	<u>\$ 15,513,783</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 3)	\$ 68,396	\$ 61,684
Demand loan (Note 4)	4,933,987	5,058,161
Deferred revenue	519,214	391,603
	<u>5,521,597</u>	<u>5,511,448</u>
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 6)	<u>4,277,700</u>	<u>4,415,335</u>
	<u>9,799,297</u>	<u>9,926,783</u>
NET ASSETS INVESTED IN CAPITAL ASSETS UNRESTRICTED NET DEFICIENCY	5,956,921	5,951,581
	(479,146)	(364,581)
	<u>5,477,775</u>	<u>5,587,000</u>
	<u>\$ 15,277,072</u>	<u>\$ 15,513,783</u>

Commitments (Note 7)

Approved on behalf of the Association:

 Director

 Director

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

	<u>2016</u>	<u>2015</u>
REVENUES		
Membership fees	\$ 973,663	\$ 861,624
Programming	282,018	246,169
Facility rental	171,811	162,804
Amortization of deferred contributions (Note 6)	137,635	137,635
Maintenance contracts (Note 5)	21,420	13,557
Interest and other	5,461	5,138
	<u>1,592,008</u>	<u>1,426,927</u>
EXPENSES		
Administration (Note 5)	174,045	170,205
Amenity maintenance	52,118	50,946
Amortization of capital assets		
Purchased	170,577	184,185
Contributed (Note 6)	137,635	137,635
Facility operations and maintenance	768,640	728,007
Interest (Note 5)	163,435	177,424
Maintenance contracts	21,947	20,981
Programming	212,836	178,453
	<u>1,701,233</u>	<u>1,647,836</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u><u>\$ (109,225)</u></u>	<u><u>\$ (220,909)</u></u>

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

	Net Assets			
	Invested in	Unrestricted	2016	2015
	Capital			
Net assets, beginning of year	\$ 5,951,581	\$ (364,581)	\$ 5,587,000	\$ 5,807,909
Excess (deficiency) of revenues over expenses	(170,577)	61,352	(109,225)	(220,909)
Payment of debt on capital assets	124,174	(124,174)	-	-
Investment in capital assets	51,743	(51,743)	-	-
Net assets, end of year	\$ 5,956,921	\$ (479,146)	\$ 5,477,775	\$ 5,587,000

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

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Cash received from membership fees and other	\$ 1,091,330	\$ 876,811
Cash received from facility rental	174,404	164,390
Cash received from programming	285,685	245,481
Cash received from maintenance contracts	21,420	13,557
Cash received from interest and other income	9,147	7,071
Cash spent on operations	(1,207,407)	(1,194,744)
Cash spent on interest payments	(163,435)	(177,424)
	<u>211,144</u>	<u>(64,858)</u>
CASH FLOWS USED IN FINANCING ACTIVITIES		
Cash repayments on demand loan	(124,174)	(109,106)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Cash spent on acquisition of capital assets	(51,743)	(16,560)
NET CHANGE IN CASH	35,227	(190,524)
CASH, BEGINNING OF YEAR	<u>27,522</u>	<u>218,046</u>
CASH, END OF YEAR	<u><u>\$ 62,749</u></u>	<u><u>\$ 27,522</u></u>

CRANSTON RESIDENTS ASSOCIATION

Notes to the Financial Statements

March 31, 2016

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, 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.

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 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, 2016

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 annually 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 and demand loan. 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, 2016

2. CAPITAL ASSETS

	March 31, 2016		
	Cost	Accumulated Amortization	Net Book Value
Century Hall	\$ 8,574,641	\$ 1,338,585	\$ 7,236,056
Windmill	557,088	136,457	420,631
Park Amenities	1,222,455	334,459	887,996
DC Corners/Association Sites	38,269	19,134	19,135
Vehicles	47,148	25,664	21,484
Furniture and Equipment	347,059	289,460	57,599
	10,786,660	2,143,759	8,642,901
Land	6,525,710	-	6,525,710
Total	\$ 17,312,370	\$ 2,143,759	\$ 15,168,611

	March 31, 2015		
	Cost	Accumulated Amortization	Net Book Value
Century Hall	\$ 8,574,641	\$ 1,124,219	\$ 7,450,422
Windmill	557,088	122,530	434,558
Park Amenities	1,222,455	285,560	936,895
DC Corners/Association Sites	38,269	17,604	20,665
Vehicles	30,521	21,365	9,156
Furniture and Equipment	314,523	266,849	47,674
	10,737,497	1,838,127	8,899,370
Land	6,525,710	-	6,525,710
Total	\$ 17,263,207	\$ 1,838,127	\$ 15,425,080

Brookfield Residential transferred to the Association the title for the 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.

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities includes \$9,291 (2015 - \$nil) representing remittances due to the government.

CRANSTON RESIDENTS ASSOCIATION

Notes to the Financial Statements

March 31, 2016

4. DEMAND LOAN

In May 2013, ATB provided a demand loan of \$5,265,653. This loan bears interest at the ATB prime rate plus 0.45% per annum, is due on demand and is payable in monthly blended payments of \$23,700, maturing August 31, 2016. 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>2016</u>	<u>2015</u>
ATB demand loan	<u>\$ 4,933,987</u>	<u>\$ 5,058,161</u>

The loan is expected to be renewed each year under similar terms with monthly blended payments estimated to increase to \$32,500 starting May 2018, and as such the principal payment estimated to be required in each of the next five years and thereafter are as follows :

2017	\$ 130,847
2018	135,028
2019	237,420
2020	253,700
2021	262,173
2022 and thereafter	<u>3,914,819</u>
	<u>\$ 4,933,987</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.

CRANSTON RESIDENTS ASSOCIATION

Notes to the Financial Statements

March 31, 2016

5. RELATED PARTY TRANSACTIONS, CONTINUED

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. Brookfield Residential advanced the Association a net amount of \$305,000 (2015 - \$223,000), all of which was repaid by the Association during the year. The loan was repayable on demand, unsecured and interest was charged at the Alberta Treasury Branch prime rate plus one percent per annum.
- b) The Association received \$21,420 (2015 - \$13,558) for services provided to Brookfield Residential under a maintenance contract which requires the Association to maintain certain public areas within the community.
- c) The following costs were incurred for services provided by Brookfield Residential to the Association:

	<u>2016</u>	<u>2015</u>
Administration	\$ 25,000	\$ 26,925
Interest	3,209	2,130
	<u>\$ 28,209</u>	<u>\$ 29,055</u>

- d) Included in accounts receivable are amounts outstanding from Brookfield Residential at March 31, 2016 of \$4,150 (2015 - \$10,127) .

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

6. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions relate to capital assets contributed to the Association by Brookfield Residential.

Contributions amount to \$5,182,436 (2015 - \$5,182,436) less accumulated amortization of \$904,736 (2015 - \$767,101). 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.

7. COMMITMENTS

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

2017	\$ 55,018
2018	55,018
2019	3,154
	<u>\$ 113,190</u>

CRANSTON RESIDENTS ASSOCIATION

Notes to the Financial Statements

March 31, 2016

8. 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. 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, 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 and demand loan.



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 at **CENTURY HALL, 11 Cranarch Road S.E.**, Calgary, Alberta, on **Tuesday, September 27th, 2016, 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

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 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 S.E., Calgary, Alberta, T3M 0S8
"ATTENTION: Lannie Anderson"**

Proxies must be in writing, signed and delivered in person by the Voting Member giving the proxy, no later than 5:00 p.m. on Friday, September 23rd, 2016 or they will be invalid.

A member may revoke a form of proxy previously given by returning another proper form of proxy bearing a later date than the previously given form of proxy, or by delivering an instrument in writing executed by the Voting Member or by his attorney, authorized in writing, in either case, to Century Hall at:

**c/o: Cranston Residents Association
11 Cranarch Road S.E., Calgary, Alberta, T3M 0S8
"ATTENTION: Lannie Anderson"**

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 29th day of August 2016, 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 29th day of August 2016, 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 August 29th, 2016, the Company had **6257** Members in good standing. In addition, there are **87** 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 AUGUST 29th, 2016, 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:

Geoff Bobiy (Brookfield)
Joe Novello (Brookfield)
Melody Nikleva (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:

Fred Hurdman
Lee Thompson
Dave Warner

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

Jason Gordon
Andrew Burns
Dean Rutkowski
Jordan Deering

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 Karen Shopland in advance of the meeting by phone at 403-516-8860, or by email at karen.shopland@brookfieldrp.com.

The term of office for each person on a one-year term shall be from the date of the Meeting until the next Annual General Meeting of Members or until his/her successor is elected or appointed, and 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 four (4) Resident Directors serving their final year of a two-year term over the 2016-17 fiscal year, therefore there is a total of three (3) vacancies.

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
Geoff Bobiy Calgary, Alberta	4 years	Senior Development Manager Brookfield Residential
Joe Novello Calgary, Alberta	3 years	Development Manager Brookfield Residential
Melody Nikleva Calgary, Alberta	1 st year	Finance Manager Brookfield Residential
Jason Gordon Calgary, Alberta	13 years	Credit Representative, Cronkite/Alberta Divisions Wolseley Canada Inc
Andrew Burns Calgary, Alberta	11 years	Account Executive Purolator
Lee Thompson Calgary, Alberta	11 years	Sr. Accountant Innova Global Ltd.
Dean Rutkowski Calgary, Alberta	7 years	Logistics Analyst Agrium
Fred Hurdman Calgary, Alberta	6 years	Portfolio Manager Raymond James Ltd.
Jordan Deering Calgary, Alberta	3 years	Lawyer Norton Rose Fulbright Canada LLP

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 BDO Canada LLP as Auditor for the Company for the 2016-17 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.

BY THE ORDER OF THE BOARD OF DIRECTORS



JOE NOVELLO, Secretary

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 29th day of August, 2016

BY THE ORDER OF THE BOARD OF DIRECTORS



JOE NOVELLO, 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 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 S.E., Calgary, Alberta, T3M 0S8
"ATTENTION: Lannie Anderson"**

Proxies must be in writing, signed and delivered in person by the Voting Member giving the proxy, no later than 5:00 p.m. on Friday, September 23rd, 2016 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 Friday, September 23rd, 2016.

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



JOE NOVELLO, Secretary

CRANSTON RESIDENTS ASSOCIATION
ANNUAL GENERAL MEETING OF VOTING MEMBERS
On the 27th day of September, 2016, at 7:00 P.M. (Mountain Standard Time)
PROXY SOLICITED BY MANAGEMENT

The undersigned member of the CRANSTON RESIDENTS ASSOCIATION (the "Company") hereby appoints **Geoff Bobiy**, 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. Three (3) Resident Directors are to be elected at this meeting.

2) **FOR** or **AGAINST** 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>	<u>AGAINST</u>
FRED HURDMAN	_____	_____
LEE THOMPSON	_____	_____
DAVE WARNER	_____	_____
<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 BDO Canada be appointed as Auditor of the Association by the Board of Directors for the 2016-17 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 _____, 2016.

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 NO LATER THAN 5:00 P.M. ON FRIDAY, SEPTEMBER 23rd, 2016, TO:
Cranston Residents Association
11 Cranarch Road S.E., Calgary, Alberta, T3M 0S8
"Attention: Lannie Anderson"