

CAIRP | Rebuilding
Success

**Canadian Association of
Insolvency and Restructuring
Professionals**

2020-2021

A year of Pivots, Challenges and Opportunities



CAIRP
Annual Report
2020-2021

About CAIRP

The Canadian Association of Insolvency and Restructuring Professionals (CAIRP) is a national professional organization representing nearly 1500 practitioners in Canada's insolvency and restructuring system. CAIRP was formed in 1979 to promote the professionalism and education of its members across the country.

Our Vision

CAIRP is Canada's pre-eminent association for the education, standards and advocacy of insolvency and restructuring professionals.

Our Mission

CAIRP advances the interests of members and the public by:

- Promoting excellence amongst members,
- Providing relevant professional development,
- Establishing and enforcing CAIRP's Rules of Professional Conduct and Standards of Professional Practice,
- Maintaining rigorous certification standards and providing innovative education to aspiring insolvency and restructuring professionals, and
- Advocating for a fair, transparent and effective insolvency and restructuring system throughout Canada.

Our Core Values

- **Visionary Leadership** – committed to ongoing advancement, by inspiring collaboration, imagination, open-mindedness, and forward thinking.
- **Positive Outlook** – optimistically, create pride in the CIRP designation.
- **Integrity** – embrace ethical and credible behaviour that is transparent and accountable to members and the public.
- **Respect** – openly encourage, value, and consider without bias.
- **Representativeness** – recognizing the importance of diversity and inclusion.
- **Service Excellence** – deliver valued services in a supportive environment, where communication, innovation, and creativity are hallmarks.
- **Committed to greater good of CAIRP, the insolvency profession, and the public** - effectively governed and managed, adequately resourced and socially responsible.
- **Fun** – an enjoyable experience to work and serve.

Our 2020-2021 Goals

Highly engaged membership

Relevant, effective, and engaging CQP, PCIC and IA learning experience

Collaborative & strategic relations with the OSB

Membership retention and growth that sustains a healthy, going concern CAIRP

Consistently operate in a cost-efficient and effective manner

Members value the CAIRP membership

Raising the profile of the industry

Implement solutions to the challenges presented by COVID-19

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Board of Directors

Executive Committee



CHAIR
Mark Rosen LL.B, FCIRP, LIT
Halifax, NS



VICE-CHAIR
Jean-Daniel Breton CPA, CA,
FCIRP, LIT
Montreal, QC



TREASURER
Marla Adams CPA, CA, CIRP
Saskatoon, SK



SECRETARY/ONTARIO REPRESENTATIVE
André Bolduc CPA, CA, CIRP, LIT
Toronto, ON



EXECUTIVE-AT-LARGE/ BRITISH COLUMBIA REPRESENTATIVE
Bridget van Wyk CPA, CA,
CIRP, LIT
Vancouver, BC



PRESIDENT & CEO
Anne Wettlaufer FICB
Toronto, ON

Other Provincial Representatives



ALBERTA
Zaki Alam CPA, CA, CIRP, LIT
Edmonton, AB



MANITOBA
Laura Ryback CPA, CA, CIRP, LIT
Winnipeg, MB



NEW BRUNSWICK
Robert Johnson CPA, CA, CIRP, LIT
Fredericton, NB



NEWFOUNDLAND AND LABRADOR
Noel Andrews CIRP, CFE, LIT
St. John's, NL



NOVA SCOTIA
Matt Golding CPA, CMA, CIRP, LIT
Halifax, NS



ONTARIO
Catherine Hristow CPA, CMA,
CFE, CIRP, LIT
Toronto, ON



QUEBEC
Emmanuel Phaneuf CIRP, LIT
Montreal, QC



QUEBEC
Tania Daher CIRP, LIT
St Jerome, QC



SASKATCHEWAN
Michelle Statz CIRP, LIT
Saskatoon, SK

Other Board Members



CPA CANADA REPRESENTATIVE
Frank Fabiano CPA, CA, CIRP, LIT
Calgary, AB



NEW MEMBER REPRESENTATIVE
Alana Orrell CPA, CA, CIRP, LIT
Surrey, BC



OUTSIDE DIRECTOR
Richard Schwartz LL.B
Winnipeg, MB

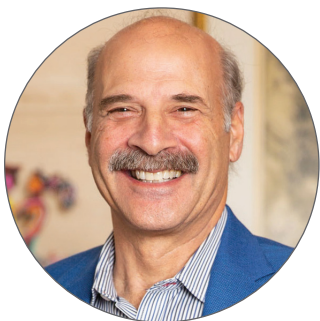


OUTSIDE DIRECTOR
Robert Klotz LL.B

Canadian Association of Insolvency and Restructuring Professionals (CAIRP) is a member of the Institute of Corporate Directors (ICD)



Chair's Message



Mark Rosen LL.B, FCIRP, LIT
CAIRP CHAIR OF THE BOARD

As your Chair and on behalf of the CAIRP Board of Directors, I am pleased to present the CAIRP 2020-21 Annual Report. This past year provided many challenges for CAIRP and its members as a result of the COVID-19 pandemic and I am pleased to report that CAIRP's Board and Staff rose to the challenges that the pandemic presented. As previously advised, all business operations were pivoted to online and virtual while, at the same time, the CAIRP team delivered on each of its strategic goals during the year, providing value to members and advancing the interests of Canada's insolvency system.

As part of my report, I will take this opportunity to provide a brief overview of CAIRP's quantitative performance measures, qualitative achievements and the challenges faced by CAIRP over the past year. For more details, I would encourage you to review the Year at a Glance section, committee reports and audited financial report that follow in this Annual Report.

FINANCE & OPERATIONS

Despite the anticipated impact of the COVID-19 pandemic on CAIRP's operations, CAIRP experienced another strong year, delivering a cumulative operating surplus of \$29,121 with our net asset position at almost \$3.0 million. This impressive result was achieved through the foresight of the Finance

Committee, chaired by Marla Adams, our COO Steve D'Alessandro, our Board, key Committees, and our excellent staff who came together at the outset of the pandemic to assemble and review a COVID-19 risk assessment report. The report was initially prepared monthly by our COO and included an updated financial forecast for the fiscal year, identifying the best, worst, and most likely case outcomes. This process served our Association well providing clear visibility in mitigating risks and greatly assisted the transition efforts required to pivot all CAIRP's services to a virtual format.

CAIRP membership numbers saw an increase in the articling membership category although the general membership category dipped slightly. As part of an effort to recognize the achievements of our new CIRPs and, as well, to encourage interest in the profession, CAIRP has placed ads in the CPA Pivot Magazine, CAIRP's Rebuilding Success Magazine and on LinkedIn highlighting our new CIRPs.

From an operations perspective, CAIRP continued its efforts to augment the new association management system and raise the profile of CAIRP and its members. CAIRP undertook a brand refresh and website enhancement including an upgraded Find a CIRP search feature and member profile to complement the visibility of our members. Further, CAIRP's media/

public education campaign continued to exceed expectations with over 360 media outlets across Canada publishing 833 media stories this past year based on CAIRP press releases, a significant increase from 60 media outlets two years ago, together with the introduction of new social media efforts such as Facebook Live events. Raising the profile of CAIRP's position in the insolvency industry continues to be a top priority and, as a result of the significant rise in press coverage, the Board has budgeted for CAIRP to continue its media campaign for the upcoming year.

To assist in improving communications among our members and finding solutions to practice issues, in addition to monthly meetings of the Executive and Board, quarterly meetings were held with Provincial Association Presidents with good results. Meetings were also held with the Former CAIRP Chairs, and their insights were particularly helpful during this unprecedented chapter in CAIRP's history.

MEMBER PROFESSIONAL DEVELOPMENT

One of the major pivots required during the pandemic involved CAIRP's professional development program. The Committees responsible were able to adapt from in-person events to a comprehensive virtual webinar series in 2020-21 called the CAIRP National Webinar Series. Through the year, CAIRP released 20 live and on-demand webinars (English and French), providing members with timely professional development and education.

From a performance measures perspective, the webinar series proved to be popular with members with over 72% of CAIRP membership attending one or more sessions and over 3700 webinar views of the series. During the year, 95% of members who answered a survey rated the sessions as having met or exceeded their expectations and 82% advised they would recommend a CAIRP professional development event to a colleague.

In partnership with the ARIL Society Inc. Board, CAIRP pivoted ARIL's Annual Review of Insolvency Law conference to a full day live streamed event in February 2021 attracting close to 800 attendees. The event was well received with active participation from attendees in the live chat. For the first time, the ARIL Conference Journal is now openly accessible online through CanLii. CAIRP and ARIL look forward to continuing to build upon this important professional development and thought leadership experience.

CANDIDATE/STUDENT EDUCATION

The CAIRP education program was delivered completely virtual this year with good results. The pandemic accelerated several education initiatives that were being explored by the Education Committees and staff including online tutorials and remote proctoring, both of which were initiated for the first time. Improvement was achieved in the CNIE pass rate with 54% of candidates being successful, the highest level in six years. A higher pass rate was also achieved in the OSB Oral Boards with 81% of candidates successful this year. The new PCIC exam had a 94% pass rate and 78% of candidates passed the Core Knowledge Examination, exceeding the historical average. While we are pleased with the progress, we strive to do better. Our commitment to renew the CQP program is progressing and, though slowed by the pandemic, it remains a primary focus for CAIRP.

This year also saw the completion of the Memorandum of Understanding (MOU) with the Superintendent of Bankruptcy. This new agreement replaces the previous agreement that dates back to 2009, and as amended in 2019 to provide for the additional designation of a Vice Chair of the CQP Committee.

ADVOCACY

Significant focus and time were spent by the Board and staff on advocacy efforts throughout the year. When the COVID-19 pandemic hit in early March, CAIRP was actively engaged addressing a broad range of member issues with the OSB and CRA on a rapid response basis. We are especially proud of the CAIRP membership's assistance in crafting CAIRP's recent submission to the OSB's Comprehensive Review of Directives and Regulations Under the BIA and CCAA. Feeding into the excellent work of the Consumer Practice Committee and its Subcommittees along with the Corporate Practice Committee was input from a broad consultation with our Provincial Associations, former Chairs and a range of member firms. This highly collaborative effort resulted in the development of thoughtful and forward-looking industry positions as part of CAIRP's response. On behalf of the Board, I want to thank those involved for their tremendous commitment by their word and deed. We anticipate that CAIRP's submission will lead to important discussions on several of CAIRP's recommendations in the year ahead.

CAIRP's participation on the ISED/Finance Canada Roundtable in February on the Impact of COVID-19 on the Economy and our more recent participation with ISED and Finance Canada on Insolvency and the Pandemic this past July exemplifies the importance of CAIRP's opinion on insolvency matters.

Earlier in the year, the WEPPA Subcommittee drafted and submitted CAIRP's response to Employment and Social Development Canada's proposed Regulations amending the Wage Earner Protection Program Regulations. We were pleased to see that some of CAIRP's 2019 recommendations had been included in the proposed regulations.

CAIRP successfully intervened in two court cases at the Supreme Court of Canada (SCC) and applied for intervenor status in another three cases at the

provincial level. The SCC decisions were supportive of CAIRP's submissions in the Chandos Construction Ltd. and Canada North Group Inc. cases.

OSB RELATIONS

When the COVID-19 pandemic hit in early March 2020, CAIRP was in almost daily contact with the Superintendent and her staff to navigate the insolvency industry through this unprecedented event. The Omnibus Order granted by the Courts in all our Provinces and Territories is a prime example of our collaboration during this difficult period.

Our current involvement with the OSB on the Representativeness project is yet another example of our working together on important national issues. As part of this collaboration, CAIRP introduced a student data collection project, co-hosted a virtual Representativeness Roundtable in December with the OSB and issued a joint statement on Representativeness in conjunction with the OSB.

CAIRP continues to be represented on several committees and panels including the CAIRP/OSB/CRA Liaison Committee and the Consumer Practice Liaison Committee. To ensure open lines of communication, CAIRP hosted the Superintendent of Bankruptcy at the OSB-CAIRP Webinar in June and CAIRP's virtual AGM in September with over 700 members attending each event. Through the year, bi-monthly meetings are held between the OSB Superintendent and the CAIRP Chair and CEO in addition to an annual OSB/CAIRP Executive Meeting.

FINAL THOUGHTS

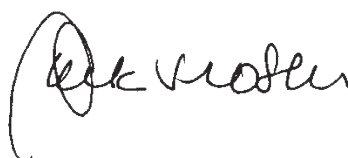
As Chair of the Board, I want to acknowledge the excellent work of our volunteers and Committees who, in addition to dealing with the realities of the pandemic in their own practices, stepped up to assist CAIRP and the industry weather this challenging time. Our member volunteers made tremendous contributions with their commitment of time and expertise to help the insolvency practice flourish and CAIRP to evolve and reach its full potential.

I also want to acknowledge the superb and untiring efforts of the Executive Committee, CAIRP's Board of Directors and all our CAIRP staff, led by our tireless CEO/President Anne Wettlaufer for a job well done.

As the insolvency industry continues to move through our COVID-19 reality, CAIRP is well positioned to overcome any challenges that confront us. Importantly, CAIRP remains committed to serving its members.

It has been an interesting and unprecedented time since being elected as CAIRP Chair and, despite the pandemic's elimination of personal contact, it has been an honour and privilege to serve as CAIRP's first "Zoom Chair" these past two years.

Chairingly yours,

A handwritten signature in black ink, appearing to read "Mark Rosen". The signature is fluid and cursive, with a large initial "M" and "R".

Mark Rosen LL.B, FCIRP, LIT
CAIRP Chair

A Year At A Glance

Professional Development

20 new webinars, live and on-demand **3,700+** views

72%

of membership attended one or more CAIRP Professional Development webinars

95%

of educational sessions were rated by attendees as having met or exceeded expectations

82%

of attendees who completed a survey would recommend a CAIRP Professional Development webinar to a colleague

Exam Pass Rates

78% Core Knowledge exam pass rate is well above the stated target of 65%

94% PCIC average pass rate over the two offerings in 2020-2021

54% CNIE pass rate – highest in the last six years

Membership

	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
General	937	955	951	984	991
Articling	367	348	298	347	368
Corporate	19	21	21	20	20
Life	122	137	204	190	199
Inactive	2	5	6	12	11

In the most recent survey of CAIRP's membership, 89% of members said they are satisfied or very satisfied with their membership and 94% of members reported that staff met or exceeded their service expectations.

OSB Relations & Advocacy

OSB RELATIONS

OSB-CAIRP Joint initiatives in 2020-21

- OSB-CAIRP joint effort to ensure the Omnibus Order was granted by the Courts in all Provinces and Territories – April 2020
- OSB-CAIRP webinar focused on the impact of the COVID-19 pandemic – presentations by OSB Superintendent Lang, CAIRP Chair Mark Rosen and Vice Chair Jean-Daniel Breton – June 2020
- OSB Superintendent Lang addressed the CAIRP membership in advance of the CAIRP Annual General Meeting – September 2020
- OSB-CAIRP Representativeness Roundtable. CAIRP members from across the country participated in the discussion with the OSB – December 2020
- Updated Memorandum of Understanding (MOU) between the OSB and CAIRP – February 2021
- Release of the OSB-CAIRP Joint Statement on Representativeness – June 2021

ADVOCACY

OSB/CRA/ISED/Finance Canada

- Regular meetings with the OSB/CRA to discuss matters and resolve issues, with many of the issues COVID related.
- ISED/Finance Canada Roundtable on the impact of COVID-19 on the Economy and the Insolvency System. CAIRP delegation provided insights on a range of issues including MSME insolvency – February 2021
- ISED/Finance Canada Roundtable on the World Bank/Financial Stability Board review on the impact of COVID-19. CAIRP delegation provided insights on a range of issues including out of court work orders – July 2021

CAIRP Submissions in 2020-21

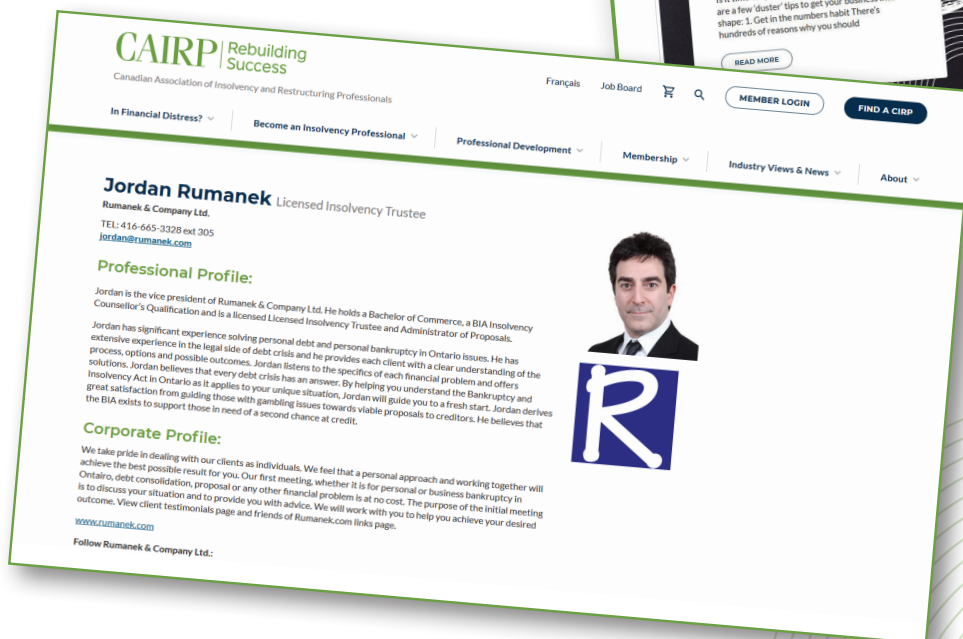
- CAIRP response to the Justice Canada Legislative Proposal relating to the *Draft Time Limits and other Periods Act* (COVID-19) – May 2020
- CAIRP response to Employment and Social Development Canada's proposed *Regulations amending the Wage Earner Protection Program* – January 2021
- CAIRP response to the OSB's *Comprehensive Review of Directives and Regulations Under the BIA and CCAA* – June 2021



Raising the profile of CAIRP and our members

CAIRP Brand Refresh & New Website:

CAIRP undertook a brand refresh and website enhancements, including an enhanced Find a CIRP search feature and member profile to improve the look and feel, provide a better user experience, enhance the visibility of our members and comply with Ontario's accessibility standards.



Member profiles:

Find a CIRP search function has been upgraded on the new CAIRP website.

Raising the profile of CAIRP and our members (continued)

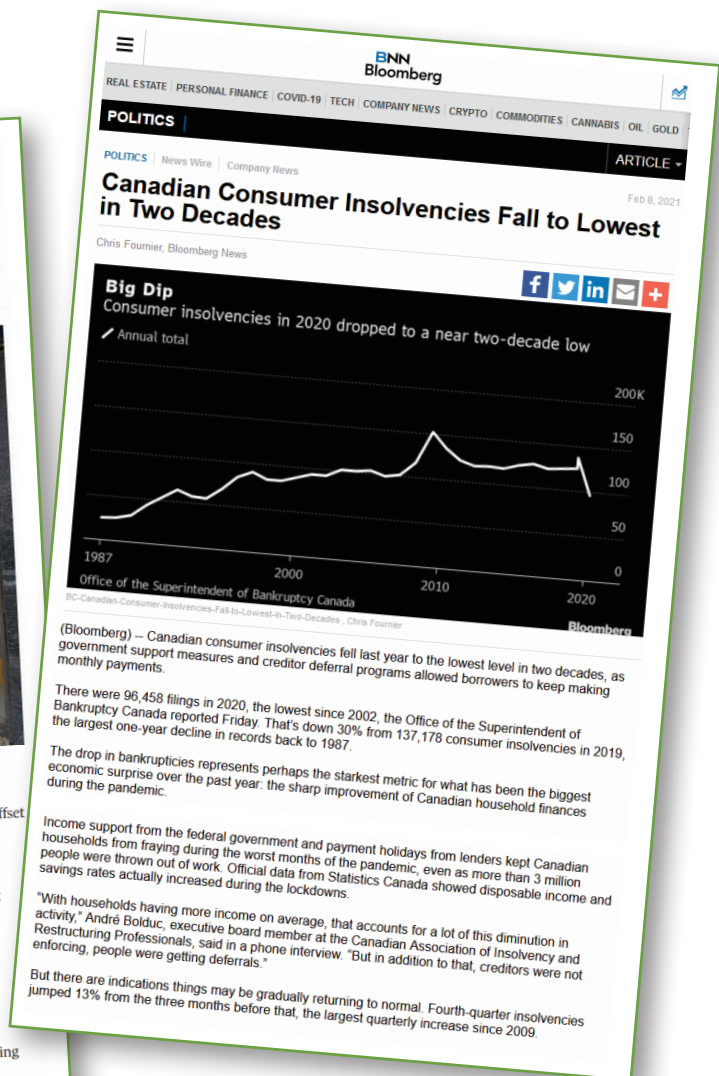
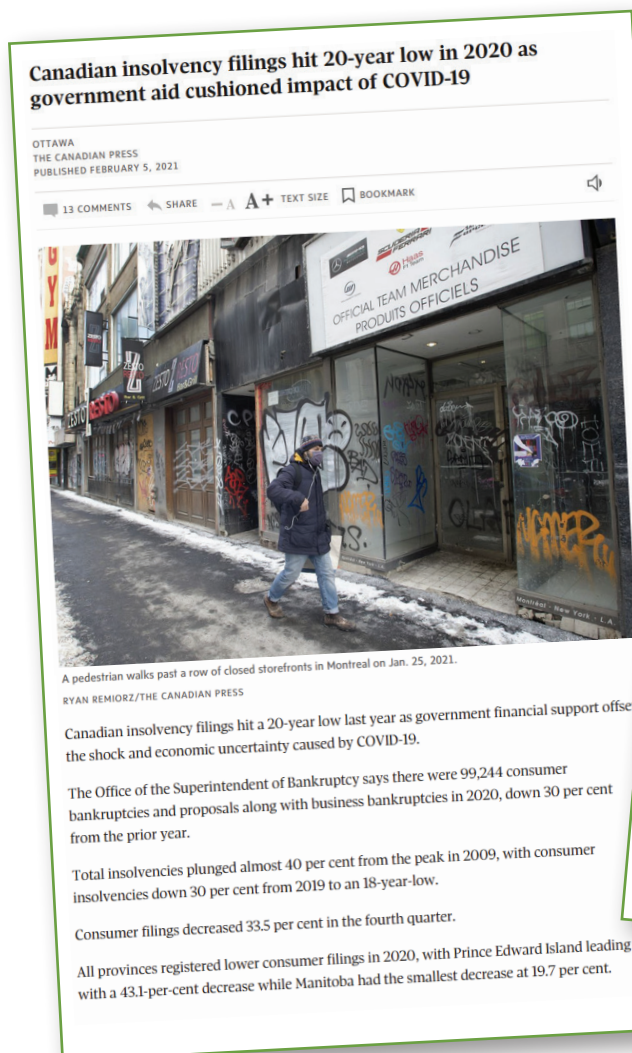
Media:

833
media
mentions

360+
media outlets
carrying a
CAIRP story

90%
increase in media
stories over the
previous year

Media outlets include the Globe & Mail, Toronto Star, BNN Bloomberg, National Post, Global News, Huffington Post, CTV News, CBC Radio and News, La Presse, Les Affaires, Radio Canada along with local media outlets across Canada.



Raising the profile of the industry

Advertising:

CAIRP recognized our 2020-2021 CIRP graduates through an advertisement in CPA Canada's July-August 2021 edition of Pivot magazine and in the Fall - Winter 2021 edition of CAIRP's Rebuilding Success.

Introducing our 2020-21 CIRP graduates.

The Canadian Association of Insolvency and Restructuring Professionals (CAIRP) is pleased to introduce our 2020-21 CIRP graduates. These graduates have completed the Chartered Insolvency and Restructuring Professional (CIRP) Qualification Program, the CIRP designation is the exclusive pathway to become a Chartered Insolvency Professional.

Our graduates are meeting the challenges and meeting the world of restructuring, insolvency and insolvency, providing services to businesses and consumers who experience financial challenges. To learn more, please visit cairp.ca/RebuildingSuccess.

SHAM, WOW
A catalogue of recent court cases

Scams and frauds in Canada

+400%

Social Media:

12

blogs posts on topics for both consumers and businesses

34%

increase in followers across CAIRP social media channels (Facebook, Twitter and LinkedIn) over the previous year

Launched 1st

Facebook Live webinar as part of the FCAC's Financial Literacy Month

How to get your debt under control

Canadian Association of Insolvency & Restructuring Professionals was live.

Published by Cairp Cairp • November 25, 2020 •

1,074 People Reached
321 Engagements
29 Comments 16 Shares

Chartered Insolvency and Restructuring Professionals (CIRP) Recipients 2020-21

The CIRP certification mark is the recognizable symbol of integrity, education and professionalism of the insolvency and restructuring profession in Canada. In 2020-2021, 27 professionals from across the country completed the CIRP Qualification Program and achieved their CIRP designation. This achievement is a result of hundreds of hours of dedicated effort and determination. On behalf of all CAIRP members, we congratulate them on their achievement and welcome them as new members of CAIRP. We also want to thank the families, friends, colleagues, mentors and sponsors who supported our 2020-2021 recipients on their journey.



Chantal Dupras, CIRP
Counsellor, Financial Recovery
Raymond Chabot Inc.
Rouyn-Noranda QC



Daniel Taylor, CPA, CA, CIRP
Director
Ernst & Young Inc.
Toronto ON



Davian Durant, CPA, CGA, CFE, CIRP
Manager, Member Risk
and Resolution
CDIC
Toronto ON



David Buckingham, CPA, CA, CIRP
Senior Manager
Janes & Noseworthy Ltd.
St. John's NL



Dustin Oliver, CPA, CA, CIRP
Senior Managing Director
FTI Consulting Canada Inc.
Calgary AB



Esther Mann, CPA, CIRP
Senior Associate
Alvarez & Marsal Canada ULC
Toronto ON



Fanny Chouinard, LL.B., CIRP
Senior Counsellor,
Financial Recovery
Raymond Chabot Inc.
Joliette QC



Fiona Mak, CPA, CA, CIRP
Director
Ernst & Young Inc.
Toronto ON



Guillaume Amiot, LL.B., CIRP
Director
Raymond Chabot Inc.
Rimouski QC



Hui Liu, LL.M., CIRP
Senior Associate
Farber Group
Toronto ON



Jason Eckford, CPA, CIRP
Director
Ernst & Young Inc.
Vancouver BC



Jennifer La Rosa, B.A., M.Sc., CIRP
Senior Manager
Pollard & Associates Inc.
Richmond Hill ON



Jordan Wong, CPA, CA, CIRP
Manager
KSV Advisory Inc.
Toronto ON



Lexi Ng, CPA, CA, CIRP
Senior Manager,
Restructuring Services
Deloitte
Calgary AB



Matthew Moran, CPA, CA, CIRP
Senior Manager
BDO Canada Ltd.
Barrie ON



Mikaël Fortin Roy, B.Sc., CIRP
Insolvency Advisor
Jean Fortin & Associés
Syndics Inc.
Gatineau QC



Nicole Olsen, B.Ed., CIRP
Senior Insolvency Administrator
Barry Nykyforuk & Associates Inc.
Calgary AB



Olivier Ménard, CPA, CMA, CIRP
Director
Raymond Chabot Inc.
Saguenay QC



Parveen Middleton, CIRP
Restructuring Consultant
Bromwich + Smith Inc.
Edmonton AB



Rick Anderson, CPA, CMA, CFE, CIRP
Senior Manager,
Corporate Insolvency
MNP Ltd.
Calgary AB



Sabrina Fortin, LL.B., D.D.N., CIRP
Senior Consultant,
Financial Recovery
Raymond Chabot Inc.
Brossard QC



Saira Haq, B.Sc., CIRP
Senior Administrator
A. Farber & Partners Inc.
Toronto ON



Samantha Galea, B.A., M.A., CIRP
Estate Manager
msi Spergel Inc.
Brampton ON



Sarah-Julie Fortin, LL.B., D.D.N., CIRP
Senior Consultant,
Financial Recovery
Raymond Chabot Inc.
Québec QC



Seamus Boyle, CPA, CIRP
Manager, Corporate Recovery
MNP Ltd.
Vancouver BC



Vanessa Zral, B.Sc., CIRP
Senior Bankruptcy Administrator
Bromwich + Smith Inc.
Calgary AB



Yannick Michelin, LL.B., CIRP
Manager
Grant Thornton Ltd.
Toronto ON

Honours and Awards Recipients

Every year, CAIRP takes time to recognize our volunteers for their outstanding contributions and significant impact to the profession. We congratulate our seven Honours and Award recipients for 2020-2021. Their hard work, passion and dedication are inspirational.

OUTSTANDING VOLUNTEER AWARDS (OVA)

Established by the Executive Committee in 2008, the OVA is intended to acknowledge the fine work of individuals who have provided exemplary service to the Association, and to thank them for their contribution as a volunteer. The recipient may be recognized for a collected list of activities over a period of several years or alternatively, for their service related to one particular activity. This year, the committee picked three recipients, who were more than deserving of this award; Sheri Aberback, Brad Newton and Mike Braga.

“

It's a nice accomplishment. I did not become a volunteer for awards or accolades, but it is always a good feeling to be recognized for my work.”



Sheri Aberback, CFE, CIRP, LIT

“

It is exciting and gratifying to be recognized by my peers for my efforts over the years particularly in the educational field, as I draw a lot of satisfaction from working on the educational programs for the profession be it CAIRP, TMA or ARIL.”



Brad Newton, CBU, CPA, CA, CIRP, LIT

“

Receiving this award is a significant honour for me. I have been able to succeed in my career as a result of the assistance and coaching that I have received from peers in the profession. The insolvency community is unique in that although we are business competitors, there is a camaraderie and sense of co-operation that isn't seen in other industries. My volunteer efforts are a way to pay forward the mentorship that I have received.”



Mike Braga, MBA, CIRP, LIT

Honours and Awards Recipients

NEW MEMBER'S AWARD OF MERIT

The New Member's Award of Merit is intended to acknowledge and distinguish those New Members who have obtained their CIRP within the past seven years and who have brought excellence to their profession through their leadership and achievements in various aspects of their personal and professional life. This year CAIRP is recognizing two worthy recipients; **Kathleen Jacob** and **Patricia Marshall**.

“

I am honoured to have been awarded the New Member's Award and appreciate the kind sentiments expressed to me recognizing my contributions to assist CQP candidates pass the CNIE and achieve their CIRP designation in their quest to becoming an LIT.”

Kathleen Jacob, CIRP, LIT



“

I'm truly honoured to have been chosen! It's always nice to be recognized by your peers and now CAIRP for my efforts. I feel like I have crammed a lot into the past few years, so I'm touched that others have noticed and acknowledged the same.”

Patricia Marshall, CIRP, LIT



KEITH G. COLLINS MEMORIAL AWARD

This award is presented to members of the Association who have demonstrated that they are following in the footsteps of Keith G. Collins. Keith Collins was respected within the profession and the community for his integrity, courtesy and commitment. The award recognizes the qualities associated with the Chartered Insolvency and Restructuring Professional (CIRP) mark. This year recipient is **André Bolduc**.

“

I am extremely humbled to receive the Keith G. Collins Memorial Award. It is an honour to be recognized by my peers and included in a group of distinguished professionals that embody the spirit of integrity and commitment to the profession that Keith exemplified. My volunteerism with CAIRP has allowed me many new experiences and the opportunity to work with committed professionals from across the country as we move the industry forward to meet the challenges ahead.”

André Bolduc, CPA, CA, CIRP, LIT



Honours and Awards Recipients

FELLOW CHARTERED INSOLVENCY AND RESTRUCTURING PROFESSIONAL

A Fellowship is the highest honour CAIRP can bestow on a member and is intended to recognize those members who have given distinguished and continuous service to the Association and who have made a significant contribution to the field of Canadian Insolvency Practice. **Craig Munro** is being recognized this year for his contributions.

“

It is an incredible honour to be included in the list of the Fellow Chartered Insolvency and Restructuring Professional award with past recipients who have done so much for the association.”



Craig Munro, CPA, CA, CIRP, LIT

Honours and Awards Nominating Committee

Chair:

- Donna Collins, FCIRP, (ret.) - MB

Board Liaison:

- Mark Rosen, LL.B, FCIRP, LIT -NS

Members:

- Bill Courage, CPA, CA, FCIRP (ret.) - ON
- Guylaine Houle, BCL, FCIRP, LIT - QC
- Dave Johnson, CIRP (ret.)- MB
- Chantal Gingras, FCIRP, LIT - ON
- Craig Munro, CPA, CA, CIRP, LIT - BC
- Rob Hunt, FCIRP, LIT, CPA, CA - NS

“

Again this year, I and the Honours and Awards Committee were very pleased to see the ongoing exceptional volunteerism by CAIRP members. Each year the calibre of the resumes for whom nominations are received are very impressive and this year was no exception. Congratulations to all the 2021 award recipients.”



Donna L. Collins, FCIRP, (ret.)
Chair, Honours and Awards Nominating Committee

Education

The single biggest achievement of the CQP Committee this year was the finalization of the Memorandum of Understanding (MOU) with the Superintendent of Bankruptcy. This new agreement replaces the previous agreement that dates back to 2009, amended in 2019 to provide for the additional designation of a Vice Chair of this Committee. Additionally, the new MOU establishes a candidate entrance requirement of a university degree – which corresponds to the minimum requirement for being appointed as an Official Receiver in the OSB. The MOU does provide a process for exceptional candidates to apply for admission to the program based on their education, work experience and sponsor support. The CQP recognizes the contribution of Vanessa Allen (Vice Chair), Jean-Daniel Breton (Past Chair), Andrew Dalglish on behalf of CAIRP and the contribution of Nicholas Millen and Leanna Knox-Kinsman on behalf of the Superintendent.

The most significant developments for CQP have been the enhancements in program delivery to improve candidate preparation for the CNIE and their future careers as CIRPs. Some of these adaptations were instituted due to the pandemic and others were because of feedback and perceived gaps in the program.

- The Core Knowledge Exam Board continues to build up the exam bank with 3-option multiple choice questions. The average CKE pass rate since this initiative was implemented in 2019 was 28% higher compared to the average CKE pass rate over the previous six years.
- The 2020 Tutorial was delivered online with each session recorded and archived for candidate retrieval as needed.
- Candidates wrote their exams in their home or office, including the CNIE, with the use of remote proctoring software to ensure the security and the integrity of the exam.
- The CNIE was remotely assessed using online forms and collaboration software was used to effect reconciliations between assessors.
- The online assessment process will facilitate more in-depth data mining and the compilation of statistics regarding candidate performance on specific topics within the course material for use by examiners and course authors in the future.
- Early in 2021, the CQP initiated an “Office Hours” program where a 3-person panel comprised of an LIT,

CQP Committee

Chair:

- Tim Carson, CIRP (ret.) - ON

Vice Chair:

- Vanessa Allen, CIRP, LIT - AB

Board Liaison:

- Simone Carvalho, CIRP, LIT - ON
(until Sept 2020, replaced by Jean-Daniel Breton)

Members:

- Jean-Daniel Breton, FCIRP, LIT - QC
- Andrew Dalglish, CIRP, LIT - QC
- Gail Fayerman, CPA, CA, MBA - QC
- Gillian Goldblatt, CIRP, LIT - ON
- Chris Mediratta, CIRP, LIT - ON

OSB Representatives:

- Nicholas Millen - ON
- Leanna Knox-Kinsman - ON

Core Knowledge Exam Board

Chair:

- Michael Braga, MBA, CIRP, LIT - ON

Members:

- Adam Laiken, CPA, CA, CIRP, LIT - ON
- Bonnie Bryan, CIRP, LIT - ON
- Lynn DeLaBarre, CIRP, LIT - BC
- Mina Rastan, CPA, CA, CIRP, LIT - ON
- Noel Andrews, CFE, CIRP, LIT - NL
- Tania Daher, CIRP, LIT - QC

Education

a lawyer and an Official Receiver fielded candidate questions on a variety of topics over the course of a 2-hour video conference session. The initial “Office Hours” was a 3-session project that provided excellent feedback to the Committee and will be continued.

- The development of the revised CQP program continues, leveraging some of the instructional supports developed in 2020.

Future projects include the development of additional instructional supports to accompany the new CQP program. CAIRP members are encouraged to participate in this initiative by volunteering to create an 8-12 minute audio presentation on a BIA section for educational use. Please

contact Isabelle.gauthier@cairp.ca if you are interested.

The CQP acknowledges the exceptional contribution made to the Committee’s mandate by CAIRP staff Gina Letourneau (Director of Education), Isabelle Gauthier (Manager of Education and CQP Registrar) and Benjamin Lecointre (Education coordinator) and by CAIRP Subcommittee Chairs Mark Wentzell (Exam Oversight Committee), Mike Braga (Core Knowledge Exam Board) and Naida Kornuta and Lee Close (CNIE Exam Board).

“

The most descriptive phrase I can think of for this past year is... WOW, that was interesting! The pandemic forced us to accelerate many CQP initiatives we were considering for the future such as an online tutorial and remote proctoring. This seemed to benefit candidates as the CNIE pass rate was 54%, the highest in the last six years. Sometimes we just need a push!”

Tim Carson, CIRP (ret.)



Exam Oversight Committee

Chair:

- Mark Wentzell, CPA, CA, LL.B., CIRP, LIT - BC

Members:

- Sheri Aberback, CFE, CIRP, LIT - QC
- Jean-Daniel Breton, CPA, CA, FCIRP, LIT - QC
- Simone Carvalho, CPA, CIRP, LIT - ON
- Deane Gurney, CIRP, LIT - BC
- Kristin Gray, CPA, CA, CIRP, LIT - AB
- Bridget van Wyk, CPA, CA, CIRP, LIT - BC
- Julie Wildman, CPA, CA, CIRP, LIT - ON

CNIE Board

Co-Chair:

- Lee Close, CIRP, LIT - ON

Co-Chair:

- Naida Kornuta, CIRP, LIT - SK

Members:

- John Delo, CIRP, LIT - ON
- Kyle Harris, CIRP, LIT - ON
- Michael Krieger, CIRP, LIT - ON
- Stephan Moyneur, CIRP, LIT - QC
- James Foran, CIRP, LIT - NS

Professional Development

CAIRP's professional development committees were able to adapt and pivot from in-person events to a fulsome virtual webinar series in 2020-21. The 2020 Forums and National Exchange were cancelled and redesigned into a series of online webinars called the "CAIRP National Webinar Series." Between June 2020 and February 2021, CAIRP released 20 original live and on-demand webinars in both English and French, providing CAIRP members and the public with timely and educational webinars. Our total webinar views reached over 3700 and 72% of our membership attended one or more CAIRP professional development webinars.

On February 26th 2021, close to 800 attendees tuned in remotely for the 2021 ARIL Virtual Conference powered by CAIRP. The conference was a full-day live streamed event. With the support of our many sponsors, speakers and authors, the team was able to create a successful event featuring compelling and engaging sessions, an accompanying podcast program as well as strong participation from attendees in the live chat. For the first time, the ARIL Conference Journal is openly accessible online through CanLii.

We thank all the volunteers who dedicate their time throughout the year, without whom the professional development events would not be possible!

“

We faced some pretty big challenges last year including converting a live conference to a web-based series of presentations and trying to keep everyone focused on getting the web presentations completed. But our efforts paid off with several members watching them and some very positive feedback.”



Brad Newton, CBV, CPA, CA, CIRP, LIT

“

Being involved with CAIRP allows you to stay involved in the insolvency community and not just the area you currently practice. As CAIRP is a smaller professional association it allows for members to provide meaningful direction for the future of the insolvency industry in Canada.”



Matthew Golding, CPA, CMA, CIRP, LIT

Insolvency & Restructuring Forums Committee

Chair:

- Matthew Golding, CPA, CMA, CIRP, LIT - NS

Members:

- Philippe Mendelson, CPA, CMA, CIRP, LIT - BC
- John Fritz, CPA, CA, CIRP, LIT - MB
- Julie Kennedy, CIRP, LIT - AB
- Guylaine Houle, BCL, FCIRP, LIT - QC
- Blaire MacNeil, MBA, CPA, CMA, CIRP, LIT - NS

Insolvency and Restructuring Exchange Committee

Chair:

- Brad Newton, CBV, CPA, CA, CIRP, LIT - ON

Members:

- Stefano Damiani, CPA, CA, CIRP, LIT - ON
- Adam Erlich, CPA, CA, CIRP, LIT - ON
- Alex MacFarlane - ON
- Allen Yao, CFA, CPA, CA, CIRP, LIT - ON
- Alexandra Morataya, CIRP LIT - ON

Media Communications Committee

The Media Communications Committee (MCC) enjoyed continued success in fiscal 2020-21. It was a very exciting year of growth for the committee as members from seven provincial associations joined the committee, rounding out the representation. The committee also took a very strategic approach to expanding the communications program to enhance awareness of CAIRP's mission and services to its members and raise the profile of its members in the public. Some notable achievements include:

- Refreshing and modernizing CAIRP's brand and updating CAIRP's website in line with the new brand. The new website better reflects our dynamic membership base, features refreshed content, is more public facing and meets Ontario's accessibility standards.
- Updating the Find a CIRP service to make finding our members simpler and more intuitive for the public and enhancing member profiles to help members build their professional brand and promote their services to the public.
- Developing 12 blog posts on various topics of interest for consumers and businesses.
- Conducting the first-ever Facebook Live webinar on "Getting Debt Help" aimed at educating the public as part of the FCAC's Financial Literacy Month.
- Increasing our reach on all three CAIRP social media channels (Facebook, Twitter and LinkedIn) by 34%, with the largest increase occurring on Facebook.
- Developing 8 email updates/newsletters to communicate the latest CAIRP news and COVID updates with our members, with an average readership of > 60%.

Communications

Chair:

- Mary Ann Marriott, CIRP, LIT - NS

Members:

- Brandon Smith, CIRP, LIT - ON
- Shelley Koehli, CIRP, LIT - BC
- Chelsea Taylor, CIRP, LIT - BC

- Debora Kwasnicky, CPA, CA, CIRP, LIT - BC
- Rita Anderson, CIRP, LIT - NS
- Bryan Gelman, CIRP, LIT - ON
- Collin LeGall, CIRP, LIT - MB
- Pamela Meger, CIRP, LIT - SK
- Colleen Craig, CIRP, LIT - BC
- Daniel Budd, CIRP, LIT - QC

“

The mandate for the year and coming years was to raise public awareness, build trust, promote and educate, and the committee far exceeded expectations in this regard.”

Mary Ann Marriott, CIRP, LIT



Editorial Advisory Board

The Editorial Advisory Board is a volunteer board that is responsible for generating technical and editorial content for *Rebuilding Success*, which is CAIRP's official biannual magazine published in print and online. Since 2002, *Rebuilding Success* has evolved into a substantial publication addressing a broad spectrum of topics that impact stakeholders in the insolvency and restructuring community across Canada.

The magazine is intended to be a practical and informative publication for practitioners to enhance their awareness and appreciation of emerging issues and judicial developments across the country. Over the past year we continued on this path and, among others, presented articles related to the impact of the pandemic, profiled CAIRP's new CEO and judges in Canada's middle provinces.

The magazine now has a circulation approaching 5,000 readers. In addition to the general members of CAIRP and students enrolled in CAIRP's education program, *Rebuilding Success* is distributed to lawyers, lenders, regulators, academics and others whose professional activities focus on Canada's insolvency and restructuring system.

Rebuilding Success is made possible by the support of its advertisers. We greatly appreciate the insolvency and restructuring practices, law firms and other service providers who use the magazine to reach the Canadian marketplace and publicize their services.

“

The Editorial Advisory Board represents a variety of perspectives on insolvency and restructuring matters from across the country. The Board this year was comprised of CAIRP members and members of the insolvency bar; each Board member contributed substantially to the development of topics and authors for the magazine's editorial content. I would like to extend my sincere appreciation to all of these individuals for their contributions to this year's editions of Rebuilding Success.”

Bill Courage, CPA, CA, FCIRP (ret.).



Communications

Chair:

- Bill Courage, CPA, CA, FCIRP (ret.) - ON

Board Liaison:

- Mark Rosen, LL.B., FCIRP, LIT - NS

Members:

- Jeffrey Lee, Q.C. - SK
- Yves Patrice Beaudin, CIRP, LIT - QC
- John Haralovich, CPA, CMA, CFE, CIRP, LIT - ON
- Mary Buttery, LL.B. - BC
- Paul Casey, CPA, CA, FCIRP, LIT - ON
- Sanjeev Mitra, LL.B. - ON
- Jennifer Mc Cracken, CIRP, LIT - BC

Finance Committee

Although the 2020-2021 fiscal year began with great uncertainty as a result of the COVID-19 global pandemic, the Finance committee, together with the Board of Directors, all other committees and staff, rose to the challenge, delivering an operating surplus of \$29,121 against a break-even budget which had been assembled and approved before the pandemic began.

Led by the Finance committee, and together with input from the Board, all committees and staff, CAIRP immediately responded to the pandemic with the assembly and review of a COVID risk assessment report. This report was initially prepared and reviewed on a monthly basis, then moved to a quarterly frequency as the outlook became more certain, and included an updated financial forecast for the fiscal year in each iteration, identifying the best, worst and most likely case outcomes. The objectives achieved in this process of review included: i) the identification of discretionary expenditures which could serve as potential “levers” to enable optimal deployment of limited resources to changing priorities over the course of the pandemic, ii) the identification of alternative delivery solutions to ensure the continuity of services provided to the membership and iii) the identification of key decision points, such as contract termination provisions and timing, so that the association was prepared to act when required. This process served the association well, allowing it to mitigate the risks identified, to transition the delivery of all services to a virtual format very quickly, and to deliver on and slightly surpass its financial objectives for the year. Extensive effort was also made to successfully recover or defer significant venue deposits to ensure there was no loss of association funds and there was no liability for penalties under any of the contracts in force on March 31, 2020.

In March 2020, the Bank of Canada quickly lowered its overnight lending rate significantly, from 1.75% to 0.25% in two successive changes in response to the WHO’s declaration of COVID-19 as a global pandemic. With some of the holdings in the long-term investment portfolio scheduled to mature in November 2020, when yields were anticipated to decline even further, the Finance committee responded quickly in the summer of 2020 and invested approximately \$500,000 of idle cash at yields which exceeded what would ultimately be available in November. The Finance committee also quickly responded with an update to the investment policy statement, to include CDIC-insured issuers, to a maximum exposure of \$100,000 including accrued interest to maturity, as these yields were slightly higher than those available from Schedule 1 banks in Canada without assuming any further risk. The extent of each such investment with each issuer is within the level of CDIC coverage available for each issuing entity. CDIC is back by the government of Canada, which is a AAA lender, consistent with the former investment policy statement.

The committee would like to thank the Board, members of all committees and staff for their hard work in ensuring another successful year for the membership.

Finance Committee

Chair:

- Marla Adams, CPA, CA, CIRP – SK

Observer:

- Mark Rosen, LL.B., FCIRP, LIT – NS

Members:

- Craig Munro, CIRP, LIT – BC
- Michelle Grant, CPA, CA, CIRP, LIT – BC
- Jorden Sleeth, CIRP, LIT – ON
- Genevieve Riverin, CPA, CMA, CIRP, LIT – QC

Finance Committee

“

CAIRP demonstrated resiliency and creativity over the course of the pandemic. Decisive actions from committed leaders and staff put the Association and members goals first pivoting virtually all offerings to on-line delivery. Again volunteers stepped up allowing the Association to deliver its important work on regulatory review and interventions, during challenging times. Thank you to staff, Board and volunteers. It has been a pleasure to serve as the Association Treasurer.”

Marla Adams, CPA, CA, CIRP



Professional Conduct Committee

The Professional Conduct Committee (PCC) investigates all complaints received by the Association regarding the conduct of CAIRP members and associates. The committee has been active reviewing a number of new cases. For the period April 1, 2020 to March 31, 2021, the committee received five new complaints and closed five cases. As of March 31, 2021, there were two active cases which are ongoing. Of the five cases which were closed, four cases were dismissed, and one case was withdrawn by the complainant.

“

We are required to conduct ourselves in a professional manner. With that, our decisions are sometimes questioned and the PCC committee is tasked with reviewing concerns of various stakeholders to ensure our profession conducts itself with the highest level of integrity. If you are passionate about our profession, the PCC committee is something you should consider joining in helping to assist our profession.”



John Haralovich, CFE, CPA, CA, CMA, CIRP, LIT

Professional Conduct Committee

Chair:

- John Haralovich, CFE, CPA, CA, CMA, CIRP, LIT – ON

Board Liaison:

- Noel Andrews, CFE, CIRP, LIT – NL

Members:

- Rita Anderson, CIRP, LIT – NS
- Jasmin Brown, CPA, CA, CIRP, LIT – SK
- Martine Lessard, CIRP, LIT – QC
- Joe Healey, CPA, CA, CIRP, LIT – MB
- Kathy Lenart, CPA, CA, CIRP, LIT – ON
- Steven McLaughlin, CBV, CPA, CA, CIRP, LIT – NB
- David Lewis, CPA, CA, CIRP, LIT – AB
- Mario Mainella, CPA, CA, CIRP, LIT – BC

Consumer Practice Committee

The Consumer Practice Committee had an exceptionally busy and productive year. At the start of the year, the Chair of this committee was actively engaged as part of the COVID-19 Task Force created in March 2020 to address a broad range of member issues with the OSB and CRA on a rapid response basis. In response to the Superintendent's announcement at the CAIRP AGM in September 2020 that the OSB would be undertaking a comprehensive regulatory review of regulations and directives in late fall/early winter focused on modernizing the insolvency regulatory framework, the Consumer Practice Committee was convened in early fall to start preparations for CAIRP's response.

The preliminary work of the three Subcommittees in the fall to review the 2014 Submission, the MSME issue and the Future of Insolvency ensured that CAIRP was well positioned to provide a timely and thorough response when the OSB consultation paper was released in March 2021. The Subcommittee's efforts were then realigned and more CAIRP members were recruited to respond to the four key themes of the OSB consultation including Accessibility to the Insolvency System, Modernization/Innovation, MSME Insolvency and Licensing Modernization. A fifth Subcommittee was formed to review the Tariff issue. Feeding into the Consumer Practice Committee's efforts was input from a broad consultation with members, Provincial Associations, and member firms. This highly collaborative effort resulted in the development of thoughtful and forward-looking industry positions as part of CAIRP's response to the OSB's Comprehensive Review of Directives and Regulations Under the BIA and CCAA. CAIRP's response was submitted in June 2021.

Consumer Practice Committee

Chair:

- Chantal Gingras, FCIRP, LIT – QC

Board Liaison:

- André Bolduc, CPA, CA, CIRP, LIT – ON

Members:

- Noel Andrews, CFE, CIRP, LIT – NL
- Jasmin Brown, CPA, CA, CIRP, LIT – SK
- Larry Crandall, LLB, CIRP, LIT – NB
- Guylaine Houle, BCL, FCIRP, LIT- QC
- Jennifer McCracken, CIRP, LIT – BC
- David Smith, CIRP, LIT – AB
- Brenda Wood, CIRP, LIT - NS
- Gillian Goldblatt, CPA, CA, CIRP, LIT – ON
- Crystal Buhler, CPA, CGA, CIRP, LIT - MAN

“

I want to thank the members of the Consumer Practice Committee and the Subcommittees for their tremendous efforts and commitment of time and expertise this past year to advance the consumer insolvency profession and advance the interests of CAIRP and its members.”



Chantal Gingras, FCIRP, LIT

Corporate Practice Committee

During the past year, the Corporate Practice Committee (CPC) and its WEPPA Subcommittee engaged on several matters affecting members practicing in corporate insolvency and restructuring. The CPC was engaged to develop CAIRP's corporate response to the OSB's Comprehensive Review of Directives and Regulations Under the BIA and CCAA as part of CAIRP's overall submission. Earlier in the year, the WEPPA Subcommittee drafted and submitted CAIRP's response to Employment and Social Development Canada's proposed Regulations amending the Wage Earner Protection Program Regulations. We were pleased to see that some of CAIRP's 2019 recommendations on the Wage Earner Protection program had been included in the proposed regulations.

Corporate Practice Committee

Chair:

- Jonathan Krieger, CPA, CA, CIRP, LIT – ON

Board Liaison:

- Emmanuel Phaneuf, CIRP, LIT – QC

Members:

- Stephen Ferguson, CIRP, LIT – ON
- Patricia Marshall, CIRP, LIT – BC

“

As Chair of the CPC, I would like to extend my sincere thanks to the Committee members for their substantive efforts over the past year to improve Canada's corporate insolvency and restructuring system. This was particularly impressive given the backdrop of the pandemic.”



Jonathan Krieger, CPA, CA, CIRP, LIT

Intervention Committee

This past year was another productive and interesting one for the Intervention Committee, which reviews and acts upon opportunities for court case interventions of national interest to the insolvency and restructuring community. The Committee successfully intervened in two court cases at the Supreme Court of Canada and applied for intervenor status in another three cases. The Committee also considered several other requests.

CAIRP was granted leave to intervene in the matter of Chandos Construction Ltd. versus Deloitte Restructuring Inc. in its capacity as Trustee in Bankruptcy of Capital Steel Inc. The case focused on how a Bankrupt deals with the anti-deprivation rule and the enforceability of certain ipso facto clauses in bankruptcy. The case was heard in January 2020 and the Supreme Court of Canada issued its decision in early October 2020 with a majority judgement supporting CAIRP's position in its intervention. Ashley Taylor and Sinziana Hennig, from Stikeman Elliott's very capably handled the intervention for CAIRP.

The Canada North Group Inc. case moved forward to the Supreme Court following a positive decision in the Alberta Court of Appeal. The case dealt with whether a deemed trust claim by Canada Revenue Agency should take priority over court-ordered priority charges. CAIRP was granted Intervenor status by the Supreme Court of Canada and a decision was issued by the court in July 2021 with a majority judgement (5-4 split) supporting CAIRP's position in its intervention. Our thanks to Randal Van de Mosselaer from Osler who handled the intervention for CAIRP.

In the past year, CAIRP has been granted leave to intervene in two additional cases including the Pierre Nolet vs. the Attorney General of Canada case in Quebec and the Ali vs. Attorney General of Canada case in British Columbia. Both cases will be heard in 2021-22. CAIRP also applied for intervention status in the John Trevor Eyton case in Ontario, however the application was denied. The Ontario Superior Court of Justice dismissed the appeal of a master's decision, confirming that while a statute-barred claim continues to exist, it is not a provable claim in bankruptcy as it is not a claim to which the bankrupt is subject.

Intervention Committee

Chair:

- Sharon Hamilton, CPA, CA, CIRP, LIT - ON

Board Liaison:

- Jean-Daniel Breton, CPA, CA, FCIRP, LIT - QC

Members:

- Christopher Galea, CPA, CA, CIRP, LIT - ON
- Phil Reynolds, CPA, CA, CIRP - ON
- Alain Tardif - QC
- Robert Klotz - ON

“

I would like to acknowledge and thank the members of the Intervention Committee for their tremendous commitment this past year. Their dedication and expertise serve the interests of the insolvency community very well.”

Sharon Hamilton, CPA, CA, CIRP, LIT



CAIRP Staff & Former Chairs

Board Chairs

1979-80 L. Claude Mercure, CPA, CA, FCIRP (ret.)
1980-81 Keith G. Collins, FCA, CA, FCIRP
1981-82 Ian K. Strang, FCA, FCIRP
1982-83 C. Garth MacGirr, FCPA, FCA, FCIRP (ret.)
1983-84 Donald J. Henfrey, FCPA, FCA, FCIRP (ret.)
1984-85 Gary F. Colter, FCPA, FCA, FCIRP (ret.)
1985-86 John J. Swidler, FCPA, FCA
1986-87 Beverly W. Fowler, CPA, CA, FCIRP (ret.)
1987-88 Alan G. Driver, CPA, CA, FCIRP (ret.)
1988-89 George B. Lomas, FCPA, FCA, FCIRP
1989-90 Terence M. McMullen, FCPA, FCA, FCIRP (ret.)
1990-91 Jean-Guy Daoust, CPA, CA, CIRP
1991-92 J. Alan MacKinnon, FCPA, FCA, FCIRP (ret.)
1992-93 Uwe Manski, FCPA, FCA, FCIRP (ret.)
1993-94 William J. Drake, FCPA, FCA, CIRP
1994-95 Gilles Campeau, CPA, CA, FCIRP (ret.)
1995-96 Stephen H. Barnes, FCIRP (ret.)
1996-97 Ralph W. Peterson, CPA, CA, FCIRP (ret.)
1997-99 Robert O. Sanderson, FCPA, FCA, FCIRP (ret.)
1999-01 Peter D. Wedlake, LL.B., FCIRP
2001-03 Larry W. Prentice, FCPA, FCA, FCIRP
2003-05 William Alan Courage, CPA, CA, FCIRP
2005-07 Claude Gilbert, FCPA, FCA, FCIRP
2007-09 Alan H. Spergel, CPA, CA, CFE, FCIRP
2009-11 Kevin Brennan, CPA, CA, FCIRP
2011-13 Guylaine Houle, BCL, FCIRP
2013-15 Paul Casey, CPA, CA, FCIRP
2015-16 David Wood, CIRP
2016-17 Larry Prentice, FCPA, FCA, FCIRP, FIIC
2017-19 Chantal Gingras, FCIRP
2019-21 Mark Rosen, LL.B, FCIRP

CAIRP Staff

PRESIDENT AND CEO

Anne Wettlaufer, FICB

ADMINISTRATION AND MEMBERSHIP

Steve D'Alessandro, CPA, CGA
Chief Operating Officer

Anh Nguyen
Administrative Assistant

EDUCATION

Gina Létourneau
Director, Education Programs

Isabelle Gauthier
Registrar and Manager, CQP

Benjamin Lecointre
Educational and Technical Assistant

COMMUNICATIONS

Jovita D'sa
Manager, Communications

PROFESSIONAL DEVELOPMENT

Natalie Alfano
Director, Professional Development

Josephine Song
Events Assistant

Treasurer's Report



Marla Adams CPA, CA, CIRP
CAIRP TREASURER

On behalf of the Board of Directors, I am pleased to present CAIRP's audited financial statements for the year ended March 31, 2021. Fiscal year 2021 began with a pre-COVID-19 balanced budget (similar to prior years). In spite of the significant impact of the coronavirus on CAIRP operations, we finished the year with a surplus of \$29,000 and a net equity position of \$2.9 million. The following is a summary of the key highlights of CAIRP'S financial results.

STATEMENT OF FINANCIAL POSITION

The Association's liquidity position remains strong, with cash equivalents of \$792,483 and a portfolio of fixed income investments totalling \$2,256,655, as at March 31, 2021.

The Association's investment policy of investing exclusively in fixed-income instruments issued by Schedule 1 Canadian financial institutions and Canadian provincial governments was expanded slightly during the year to include CDIC-insured issuers, to a maximum exposure of \$100,000 with each issuer including accrued interest to maturity. Yields available from these issuers were slightly better than those from Schedule 1 Canadian financial institutions. With the Bank of Canada having lowered its overnight rate quickly and significantly in March 2020 in response to the pandemic, this change in policy effectively maximized the return potential without

taking on further risk, as CDIC-insured issuers have a AAA rating, as they are back by the government of Canada. This conservative investment policy continues to serve the Association well, particularly amidst periods of unprecedented economic uncertainty as was the case at the outset of the pandemic, with capital preservation remaining the priority over yield.

With collections remaining current, there were no receivables to report, other than a small amount due from ARIL Society Inc. for expenses paid by CAIRP on behalf of ARIL under the terms of the services agreement between the two parties. Prepaid expenses decreased slightly from \$142,438 to \$135,522 as the prior year included a deposit relating to securing the venue for the CNIE tutorial, which has since been refunded upon cancellation of all in-person events. Most of the prepaid expenses represent deposits with venues for in-person events which were initially scheduled for last fiscal, with agreement in writing from all venues to honour these deposits in anticipation of resuming in-person events in the future. Capital assets decreased from \$156,750 to \$133,159 as amortization outpaced the purchase of additional capital assets in the year.

Accounts payable and accrued liabilities decreased from \$269,361 to \$239,323 primarily due to delays in effecting payment to one vendor experiencing challenges with their billing system last year

which have since been resolved. Deferred revenue decreased from \$93,075 to \$49,450 as a result of the early launch of member dues collections last year in March 2020. Dues were collected prior to the commencement of the fiscal year last year as a pilot test of the first iteration of member renewal in the new Association Management System and website which were launched last year.

STATEMENT OF OPERATIONS

Revenue decreased significantly from \$2,880,278 last year to \$2,126,790 as a result of the cancellation of all in-person events in response to the COVID-19 pandemic, which transitioned to a virtual format of delivery at significantly reduced registration fees. These events included the National Exchange and AGM, the five regional forums normally held across the country and the CNIE tutorial. Member dues decreased slightly as a result of a slight decline in the volume of dues-paying members, and investment income decreased over the prior year as interest rates fell successively in response to the global pandemic. Other revenue increased as a result of advertising revenues generated from the biannual publication, *Rebuilding Success*, which, prior to the pandemic, were generated by the publisher on our behalf and which served to offset the costs of publication and distribution.

As with total revenue, total expenses also decreased significantly, from \$2,712,422 last year to \$2,097,669, again primarily due to the cancellation of all in-person events as a result of the pandemic. This included the education and continuing education events noted above, coupled with education and administrative internal events which were previously held in-person, including the CNIE criteria setting meeting, the CNIE assessment and appeals centres, the education oversight committee meeting, and two annual in-person board meetings. This resulted in significant savings in travel, meals and room rental costs which more than offset the decline in revenues.

With a break-even budget having been approved

for the fiscal year ended March 31, 2021, and with expense savings outpacing the revenue decline from the cancellation of in-person events, coupled with our strong financial position, the Association identified an opportunity to invest in further enhancements of our website and website content, to further promote our members and to raise greater awareness of the profession, which the board of directors approved in fiscal Q4. This included enhanced member profiles and enhanced Find a CIRP functionality, together with a brand refresh, all of which position our members as the go-to resource for individuals and businesses facing financial challenges.

Despite the uncertainty initially presented by the pandemic, the Association delivered an operating surplus of \$29,121, slightly surpassing the break-even budget and including investment in the website and brand refresh which were not initially contemplated in the budget.

STATEMENT OF CHANGES IN NET ASSETS

The operating surplus of \$29,121 generated a corresponding increase in net assets. Net assets internally restricted for the long-term initiative to renew and enhance the CIRP Qualification Program (CQP) did not change within the year as program development costs have yet to be incurred.

STATEMENT OF CASH FLOWS

The net decrease in cash and cash equivalents during the year of \$65,025 was primarily the result of decreases in accounts payable and accrued liabilities and deferred revenue. The proceeds of disposition on the investment which matured during the year were reinvested in the long-term investment portfolio.

STATEMENT OF ADMINISTRATION

Total administration expenses decreased from \$1,999,099 to \$1,939,031 primarily due to savings in committee costs as a result of the cancellation of all in-person meetings, coupled with a decrease in office costs as the prior year included the one-time cost of implementation of the new association management system and website in June 2019. The cost of INSOL International membership dues for all members decreased as a result of INSOL's generosity in offering its member organizations a 10% discount in dues as a result of challenges faced by various member organizations amidst the pandemic.

Communications expense increased as a result of costs incurred to enable the technology required to hold the AGM virtually, as well as the complimentary CAIRP|OSB updates which were delivered as two events in both English and French, coupled with the investment in the LILA|NINA research study. This research study was partially funded by contributions from each provincial affiliate across the country; CAIRP is grateful to each of these affiliates for their significant contributions to this important research.

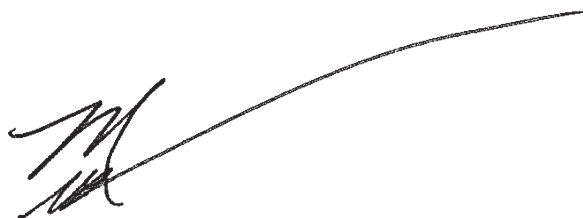
SUMMARY

Despite the challenges presented by the pandemic, the Association's financial position remains strong, with approximately \$2.9 million in net assets, of which \$1 million has been internally restricted for strategic education program investments.

The board of directors remains confident that the level of net assets is sufficient to achieve the Association's long-term objective and to mitigate the risk of any further unforeseen business challenges.

I want to personally express my gratitude to Steve and Anne and the CAIRP management team for its leadership during this unprecedented pandemic year. I also want to thank and acknowledge the thousands of volunteer hours contributed by the CAIRP Executive, Board and committee volunteers that successfully brought the Association through this challenging time.

For the 2022 year we will continue with primarily virtual offerings. I am pleased to report that Q1 results see the Association slightly ahead of plan on a balanced operating budget with a significant expected investment in CQP renewal as a priority over the balance of the year.



Marla Adams, CPA, CA, CIRP
Treasurer

Auditor's Report

**CANADIAN ASSOCIATION OF INSOLVENCY
AND RESTRUCTURING PROFESSIONALS /
ASSOCIATION CANADIENNE DES PROFESSIONNELS
DE L'INSOLVABILITÉ ET DE LA RÉORGANISATION**

FINANCIAL STATEMENTS

MARCH 31, 2021

HILBORN LLP

Independent Auditor's Report

To the Members of Canadian Association of Insolvency and Restructuring Professionals / Association canadienne des professionnels de l'insolvabilité et de la réorganisation

Opinion

We have audited the financial statements of Canadian Association of Insolvency and Restructuring Professionals / Association canadienne des professionnels de l'insolvabilité et de la réorganisation (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 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.

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.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the annual report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

The annual report is expected to be made available to us after the date of our auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 ability of the Association 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 financial reporting process of the Association.

Independent Auditor's Report (continued)

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 the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Association.
- 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 ability of the Association 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Toronto, Ontario
June 17, 2021

Chartered Professional Accountants
Licensed Public Accountants

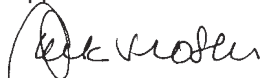
**CANADIAN ASSOCIATION OF INSOLVENCY AND RESTRUCTURING
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Statement of Financial Position

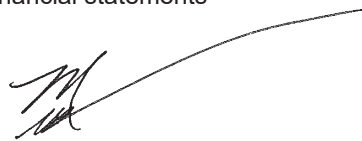
March 31	2021 \$	2020 \$
ASSETS		
Current assets		
Cash (note 3)	792,483	857,508
Due from ARIL Society Inc. (note 11)	4,882	-
Prepaid expenses	135,522	142,438
	<u>932,887</u>	<u>999,946</u>
Investments (note 4)	2,256,655	2,222,246
Capital assets (note 5)	133,159	156,750
	<u>2,389,814</u>	<u>2,378,996</u>
	<u>3,322,701</u>	<u>3,378,942</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	239,323	269,361
Deferred revenue	49,450	93,075
	<u>288,773</u>	<u>362,436</u>
Special Reserve for Lloyd Houlden Memorial Research Fellowship (note 7)	38,818	38,818
Deferred lease incentives (note 8)	75,074	86,773
	<u>113,892</u>	<u>125,591</u>
	<u>402,665</u>	<u>488,027</u>
NET ASSETS		
Invested in capital assets	58,085	69,977
Internally restricted for strategic education program investments (note 9)	1,000,000	1,000,000
Unrestricted	1,861,951	1,820,938
	<u>2,920,036</u>	<u>2,890,915</u>
	<u>3,322,701</u>	<u>3,378,942</u>

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board:



Mark Rosen, LL.B., FCIRP
Chartered Insolvency and Restructuring Professional
Chair



Marla Adams, CPA, CA, CIRP
Chartered Insolvency and Restructuring Professional
Treasurer

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Statement of Operations

Year ended March 31	2021 \$	2020 \$
Revenues		
Membership fees	1,160,225	1,173,213
National Exchange fees and sponsorship	-	233,530
CQP course and examination fees	575,925	688,588
Continuing education seminar fees and sponsorship	128,010	509,620
Investment income (note 10)	71,558	95,673
Management fees (note 11)	165,000	165,000
Other	26,072	14,654
	2,126,790	2,880,278
Expenses		
Administration (see schedule)	1,939,031	1,999,099
National Exchange	-	191,156
CQP courses and examinations	152,725	302,165
Continuing education	5,913	220,002
	2,097,669	2,712,422
Excess of revenues over expenses for year	29,121	167,856

The accompanying notes are an integral part of these financial statements

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Statement of Changes in Net Assets

Year ended March 31

	Invested in capital assets \$	Internally restricted for strategic education program investments \$	Unrestricted \$	2021 Total \$
Balance, beginning of year	69,977	1,000,000	1,820,938	2,890,915
Excess of revenues over expenses for year	-	-	29,121	29,121
Amortization of capital assets	(30,721)	-	30,721	-
Purchase of capital assets	7,130	-	(7,130)	-
Amortization of deferred lease incentives	11,699	-	(11,699)	-
Balance, end of year	58,085	1,000,000	1,861,951	2,920,036

	Invested in capital assets \$	Internally restricted for strategic education program investments \$	Unrestricted \$	2020 Total \$
Balance, beginning of year	77,728	1,000,000	1,645,331	2,723,059
Excess of revenues over expenses for year	-	-	167,856	167,856
Amortization of capital assets	(32,385)	-	32,385	-
Purchase of capital assets	12,934	-	(12,934)	-
Amortization of deferred lease incentives	11,700	-	(11,700)	-
Balance, end of year	69,977	1,000,000	1,820,938	2,890,915

The accompanying notes are an integral part of these financial statements

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Statement of Cash Flows

Year ended March 31	2021 \$	2020 \$
Cash flows from operating activities		
Excess of revenues over expenses for year	29,121	167,856
Adjustments to determine net cash provided by (used in) operating activities		
Amortization of capital assets	30,721	32,385
Interest capitalized on investments	(48,247)	(47,988)
Receipt of prior year interest capitalized on investments	12,635	164,275
Amortization of deferred lease incentives	(11,699)	(11,700)
	12,531	304,828
Change in non-cash working capital items		
Decrease in prepaid expenses	6,916	12,990
Increase (decrease) in accounts payable and accrued liabilities	(30,038)	75,633
Decrease in deferred revenue	(43,625)	(80,859)
	(54,216)	312,592
Cash flows from investing activities		
Purchase of investments	(499,016)	(387,350)
Proceeds from disposal of investments	500,219	222,554
Purchase of capital assets	(7,130)	(12,934)
	(5,927)	(177,730)
Cash flows from financing activities		
Advances to ARIL Society Inc.	(4,882)	-
Net change in cash	(65,025)	134,862
Cash, beginning of year	857,508	722,646
Cash, end of year	792,483	857,508

The accompanying notes are an integral part of these financial statements

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Schedule of Administration Expense

Year ended March 31	2021 \$	2020 \$
Amortization of capital assets	30,721	32,385
Audit, legal and consulting	52,999	76,438
Committees	47,398	173,177
Insol International	46,975	51,157
Communication (note 11)	268,525	157,759
Office, printing, postage, courier and sundry	218,449	256,169
Rent	155,804	150,382
Salaries and benefits	1,118,160	1,101,632
	1,939,031	1,999,099

The accompanying notes are an integral part of these financial statements

CANADIAN ASSOCIATION OF INSOLVENCY AND RESTRUCTURING PROFESSIONALS / ASSOCIATION CANADIENNE DES PROFESSIONNELS DE L'INSOLVABILITÉ ET DE LA RÉORGANISATION

Notes to Financial Statements

March 31, 2021

Nature and description of the organization

The Canadian Association of Insolvency and Restructuring Professionals / Association canadienne des professionnels de l'insolvabilité et de la réorganisation (the "Association") was incorporated under the Canada Corporations Act on July 27, 1979.

The Association advances the practice of insolvency administration, develops and administers standards of qualification for Chartered Insolvency and Restructuring Professionals ("CIRP's"), and maintains standards of professional conduct for all CIRP's.

The Association is a not-for-profit organization, as described in Section 149(1)(l) of the Income Tax Act, and therefore is not subject to income taxes.

1. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Revenue recognition

Membership fees

Membership fees are recognized as revenue in the fiscal year to which they relate. The membership year of the Association coincides with that of the fiscal year of the Association, being April 1 to March 31. Membership fees received in advance of the fiscal year to which they relate are recorded as deferred revenue.

National Exchange (formerly annual conference)

Revenue from the National Exchange is recognized in the fiscal year in which the conference is held.

Sponsorship

Revenue from sponsorships is recognized in the fiscal year in which the related event is held. Sponsorships received in advance of the date of the related event are recorded as deferred revenue.

Course, examination and continuing education seminar fees

Revenue from insolvency administration and CIRP Qualification Program ("CQP") courses and continuing education seminars is recognized in the fiscal year of enrolment. Examination fees are recognized as revenue in the fiscal year in which the examination takes place. Examination fees received in advance of the fiscal year in which the examination is held are recorded as deferred revenue. Webinar subscriptions are recognized as revenue in the fiscal year to which they relate. The subscription year coincides with that of the fiscal year of the Association.

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Notes to Financial Statements (continued)

March 31, 2021

1. Significant accounting policies (continued)

(a) Revenue recognition (continued)

Investment income

Investment income comprises interest from cash and investments.

Revenue is recognized on an accrual basis. Interest on investments is recognized over the terms of the investments using the effective interest method.

Contributions

The Association follows the deferral method of accounting for contributions.

Restricted contributions received are deferred and recognized as revenue in the year in which the related expenses are incurred.

Management fees

Revenue from management fees is recognized in the fiscal year in which the Association delivers the services.

(b) Deferred lease incentives

Lease incentives consist of tenant inducements received in cash used to purchase capital assets.

Lease incentives received in connection with original leases are amortized to income on a straight-line basis over the terms of the original lease. Lease incentives received in connection with re-negotiated leases are amortized to income on a straight-line basis over the period from the expiration date of the original lease to the expiration date of the re-negotiated lease.

(c) Net assets invested in capital assets

Net assets invested in capital assets comprises the net book value of capital assets less the unamortized balance of tenant inducements used to purchase capital assets.

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Notes to Financial Statements (continued)

March 31, 2021

1. Significant accounting policies (continued)

(d) Related party transactions

A party is considered to be related to the Association if such party or the Association has the ability to, directly or indirectly, control or exercise significant influence over the other's financial and operating decisions, or if the Association and such party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Transactions with related parties in the normal course of business are initially recorded at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

(e) Financial instruments

Measurement of financial assets and liabilities

The Association initially measures its financial assets and financial liabilities, with the exception of related party transactions, at fair value adjusted by the amount of transaction costs directly attributable to the instrument.

The Association subsequently measures all of its financial assets and financial liabilities at amortized cost.

Amortized cost is the amount at which a financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

Financial assets measured at amortized cost include cash, due from ARIL Society Inc. and investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

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Notes to Financial Statements (continued)

March 31, 2021

1. Significant accounting policies (continued)

(e) Financial instruments (continued)

Impairment

At the end of each year, the Association assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Objective evidence of impairment includes observable data that comes to the attention of the Association, including but not limited to the following events: significant financial difficulty of the issuer; a breach of contract, such as a default or delinquency in interest or principal payments; and bankruptcy or other financial reorganization proceedings.

When there is an indication of impairment, the Association determines whether a significant adverse change has occurred during the year in the expected timing or amount of future cash flows from the financial asset.

When the Association identifies a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it reduces the carrying amount of the financial asset to the greater of the following:

- the present value of the cash flows expected to be generated by holding the financial asset discounted using a current market rate of interest appropriate to the financial asset; and
- the amount that could be realized by selling the financial asset at the statement of financial position date.

Any impairment of the financial asset is recognized in income in the year in which the impairment occurs.

When the extent of impairment of a previously written-down financial asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent of the improvement, but not in excess of the impairment loss. The amount of the reversal is recognized in income in the year the reversal occurs.

(f) Investments

Investments consist of Canadian fixed income investments whose term to maturity is greater than three months from date of acquisition. Investments that mature within twelve months from the year-end date are not classified as current as there is an intention to re-invest the proceeds of all investments at maturity in new investments.

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Notes to Financial Statements (continued)

March 31, 2021

1. Significant accounting policies (continued)

(g) Capital assets

The costs of capital assets are capitalized upon meeting the criteria for recognition as a capital asset, otherwise, costs are expensed as incurred. The cost of a capital asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

Capital assets are measured at cost less accumulated amortization and accumulated impairment losses.

Amortization is provided for, upon commencement of the utilization of the assets, on a straight-line basis at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Computer equipment	5 years
Furniture and fixtures	10 years

Amortization of leasehold improvements is provided for on a straight-line basis over the remaining term of the lease.

A capital asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. If any potential impairment is identified, the amount of the impairment is quantified by comparing the carrying value of the capital asset to its fair value. Any impairment of the capital asset is recognized in income in the year in which the impairment occurs.

An impairment loss is not reversed if the fair value of the capital asset subsequently increases.

(h) Contributed services

The work of the Association is dependant on the voluntary service of many individuals. Since these services are not normally purchased by the Association and because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

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Notes to Financial Statements (continued)

March 31, 2021

1. Significant accounting policies (continued)

(i) Management estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current year. Actual results may differ from these estimates, the impact of which would be recognized in future years.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

2. Financial instrument risk management

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Associations' risk exposure and concentrations.

The financial instruments of the Association and the nature of the risks to which those instruments may be subject, are as follows:

Financial instrument	Risks				
	Credit	Liquidity	Market risk		
			Currency	Interest rate	Other price
Cash	X			X	
Due from ARIL Society Inc.	X				
Investments	X			X	
Accounts payable and accrued liabilities		X			

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Notes to Financial Statements (continued)

March 31, 2021

2. Financial instrument risk management (continued)

Credit risk

The Association is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, or if there is a concentration of transactions carried out with the same party, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the Association could incur a financial loss.

The maximum exposure of the Association to credit risk is as follows:

	2021	2020
	\$	\$
Cash	792,483	857,508
Due from ARIL Society Inc.	4,882	-
Investments	2,256,655	2,222,246
	<u>3,054,020</u>	<u>3,079,754</u>

The Association reduces its exposure to the credit risk of cash by maintaining balances with a Canadian financial institution.

The Association manages its exposure to the credit risk of investments through its investment policy which restricts the types of eligible investments.

Liquidity risk

Liquidity risk is the risk that the Association will not be able to meet a demand for cash or fund its obligations as they come due.

The liquidity of the Association is monitored by management to ensure sufficient cash is available to meet liabilities as they become due.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

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Notes to Financial Statements (continued)

March 31, 2021

2. Financial instrument risk management (continued)

Currency risk

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in foreign exchange rates.

The Association is not exposed to currency risk.

Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

The Association manages the interest rate exposure of its investments by using a ladder portfolio with varying terms to maturity. The ladder structure of maturities helps to enhance the average portfolio yield while reducing the sensitivity of the portfolio to the impact of interest rate fluctuations.

Other price risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

The Association is not exposed to other price risk.

Changes in risk

There have been no significant changes in the risk profile of the financial instruments of the Association from that of the prior year.

3. Cash

	2021	2020
	\$	\$
Cash	98,796	141,967
Premium investment account - 0.25% (2020 - 0.30%)	693,687	715,541
	792,483	857,508

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Notes to Financial Statements (continued)

March 31, 2021

4. Investments

	2021	2020
	\$	\$
Canadian provincial fixed income	1,058,926	1,022,261
Canadian corporate fixed income	1,197,729	1,199,985
	<u>2,256,655</u>	<u>2,222,246</u>

Interest rates on fixed income investments range from 1.15% to 4.38% (2020 - 2.11% to 4.38%) and maturities range from June 2021 to July 2025 (2020 - November 2020 to August 2024).

5. Capital assets

	Cost	Accumulated Amortization	2021 Net
	\$	\$	\$
Computer equipment	195,056	163,697	31,359
Furniture and fixtures	91,437	74,341	17,096
Leasehold improvements	416,393	331,689	84,704
	<u>702,886</u>	<u>569,727</u>	<u>133,159</u>

	Cost	Accumulated Amortization	2020 Net
	\$	\$	\$
Computer equipment	187,926	148,456	39,470
Furniture and fixtures	91,437	72,062	19,375
Leasehold improvements	416,393	318,488	97,905
	<u>695,756</u>	<u>539,006</u>	<u>156,750</u>

6. Accounts payable and accrued liabilities

	2021	2020
	\$	\$
Trade payables and accrued liabilities	236,914	241,693
Government remittances	2,409	27,668
	<u>239,323</u>	<u>269,361</u>

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Notes to Financial Statements (continued)

March 31, 2021

7. Special Reserve for Lloyd Houlden Memorial Research Fellowship

	2021 \$	2020 \$
Lloyd Houlden Memorial Research Fellowship	38,818	38,818

Pursuant to a General Conveyance agreement between the Canadian Insolvency Foundation ("CIF") and the Association effective November 12, 2014, the Association received funds on the dissolution of CIF for the exclusive purpose of supporting the Lloyd Houlden Memorial Research Fellowship and related activities of the beneficiary.

No grants were awarded in fiscal 2021 or fiscal 2020.

8. Deferred lease incentives

	Cost \$	Accumulated Amortization \$	2021 Net \$
Tenant inducements	103,348	28,274	75,074

	Cost \$	Accumulated Amortization \$	2020 Net \$
Tenant inducements	103,348	16,575	86,773

Pursuant to the lease agreement for the Association's office premises, lease incentives totaling \$103,348, comprised of tenant inducements to purchase capital assets, were received.

9. Net assets internally restricted for strategic education program investments

The Board of Directors of the Association has internally restricted net assets to provide for strategic education program investments in the form of education program enhancements and content development.

The internal restriction is subject to the direction of the Board of Directors upon the recommendation of the Finance Committee.

10. Investment income

	2021 \$	2020 \$
Interest from cash	3,183	22,645
Interest from investments	68,375	73,028
	71,558	95,673

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Notes to Financial Statements (continued)

March 31, 2021

11. Related party transactions

The Association has as a related party, ARIL Society Inc. (the "Society"), by virtue of the Association having representation on the Board of Directors of the Society, significant inter-organization transactions and an interchange of managerial personnel with the Society, all of which enable the Association to exercise significant influence over the financial and operating decisions of the Society. The Association has no economic interest in the Society.

The Society was incorporated under the Canada Not-for-profit Corporations Act on January 30, 2019. The Society administers the Annual Review of Insolvency Law conference.

The Society is a not-for-profit organization, as described in Section 149(1)(l) of the Income Tax Act, and therefore is not subject to income taxes.

Effective February 1, 2019, the Association entered into an agreement with the Society to provide management, administrative and support services to the Society, including the collection of revenues and payment of expenses on behalf of the Society. The agreement expired March 31, 2021. The Association and the Society are reviewing the terms of the renewal of the agreement.

Transactions and balances with the Society are as follows:

Revenues (expenses) of the Association

	2021	2020
	\$	\$
Management fees	165,000	165,000
Sponsorship (included in communication expenses)	(25,000)	(15,000)

Collected (paid) by the Association on behalf of the Society

	2021	2020
	\$	\$
Revenues	334,575	630,210
Expenses	(65,940)	(219,432)

As at March 31, 2021, there is a balance due from the Society in the amount of \$4,882 (2020 - nil). The balance is unsecured, non-interest bearing and due on demand.

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Notes to Financial Statements (continued)

March 31, 2021

12. Commitment

The Association is committed to lease its office premises until August 2027. The future annual lease payments, including an estimate of premises common area expenses, are as follows:

	<u>\$</u>
2022	165,615
2023	167,768
2024	169,306
2025	169,306
2026	169,306
2027	169,306
2028	<u>70,544</u>
	<u>1,081,151</u>

13. Impact of COVID-19

The global pandemic of the virus known as COVID-19 has led the Canadian Federal government, as well as provincial and local governments, to impose measures, such as restricting foreign travel, mandating self-isolations and physical distancing and closing non-essential businesses. Because of the high level of uncertainty related to the outcome of this pandemic, it is difficult to estimate the future financial effect, if any, on the Association.

The fiscal 2021 in-person National Exchange and in-person continuing education seminars were cancelled as a result of the pandemic. In fiscal 2021, the Association began offering continuing education content in an online format. The fiscal 2022 National Exchange is expected to be delivered in an online format.



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