

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, 2026

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, 2026, 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, 2026, 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
July 14, 2026

Chartered Professional Accountants
Licensed Public Accountants

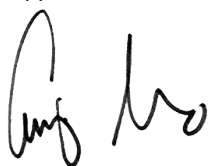
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Statement of Financial Position

March 31	2026 \$	2025 \$
ASSETS		
Current assets		
Cash	1,907,122	133,636
Investments (note 3)	420,792	1,670,181
Due from ARIL Society Inc. (note 11)	96,868	128,575
Prepaid expenses	146,710	168,939
	<u>2,571,492</u>	<u>2,101,331</u>
Investments (note 3)	210,587	630,980
Capital assets (note 4)	152,655	27,225
	<u>363,242</u>	<u>658,205</u>
	<u>2,934,734</u>	<u>2,759,536</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	278,410	252,700
Deferred revenue	180,130	180,335
	<u>458,540</u>	<u>433,035</u>
Special Reserve for Lloyd Houlden Memorial Research Fellowship (note 6)	134,051	122,898
Deferred lease incentives (note 7)	117,105	6,546
	<u>251,156</u>	<u>129,444</u>
	<u>709,696</u>	<u>562,479</u>
NET ASSETS		
Invested in capital assets	35,550	20,679
Internally restricted for strategic education program investments (note 8)	182,244	202,953
Unrestricted	2,007,244	1,973,425
	<u>2,225,038</u>	<u>2,197,057</u>
	<u>2,934,734</u>	<u>2,759,536</u>

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board:



Craig Munro, CPA, CA, FCIRP, LIT
Chartered Insolvency and Restructuring Professional
Chair



Samuel Masse-Gignac, CPA, CIRP, LIT
Chartered Insolvency and Restructuring Professional
Treasurer

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Statement of Operations

Year ended March 31	2026 \$	2025 \$
Revenues		
Membership fees	1,082,050	1,092,075
CQP course and examination fees	792,200	573,600
Continuing education seminar and webinar fees and sponsorship	308,241	274,230
Exchange Conference fees and sponsorship	219,819	214,688
Management fees (note 11)	186,000	182,000
Investment income (note 9)	62,227	76,435
Advertising	19,626	19,694
	2,670,163	2,432,722
Expenses		
Administration (see schedule)	2,139,441	2,003,391
CQP courses and examinations	257,592	104,302
Continuing education	129,633	130,146
Exchange Conference	94,807	82,651
	2,621,473	2,320,490
Excess of revenues over expenses before the following	48,690	112,232
CQP development (note 8)	(20,709)	(50,384)
Excess of revenues over expenses for year	27,981	61,848

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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 \$	2026 Total \$
Balance, beginning of year	20,679	202,953	1,973,425	2,197,057
Excess of revenues over expenses (expenses over revenues) for year	-	(20,709)	48,690	27,981
Amortization of capital assets	(31,100)	-	31,100	-
Purchase of capital assets	156,530	-	(156,530)	-
Receipt of deferred lease incentives	(126,600)	-	126,600	-
Amortization of deferred lease incentives	16,041	-	(16,041)	-
Balance, end of year	35,550	182,244	2,007,244	2,225,038

	Invested in capital assets \$	Internally restricted for strategic education program investments \$	Unrestricted \$	2025 Total \$
Balance, beginning of year	25,922	253,337	1,855,950	2,135,209
Excess of revenues over expenses (expenses over revenues) for year	-	(50,384)	112,232	61,848
Amortization of capital assets	(37,704)	-	37,704	-
Purchase of capital assets	6,275	-	(6,275)	-
Amortization of deferred lease incentives	26,186	-	(26,186)	-
Balance, end of year	20,679	202,953	1,973,425	2,197,057

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Statement of Cash Flows

Year ended March 31	2026 \$	2025 \$
Cash flows from operating activities		
Excess of revenues over expenses for year	27,981	61,848
Adjustments to determine net cash provided by (used in) operating activities		
Amortization of capital assets	31,100	37,704
Interest capitalized on investments	(7,698)	(39,757)
Receipt of prior year interest capitalized on investments	34,074	140,450
Receipt of deferred lease incentives	126,600	-
Amortization of deferred lease incentives	(16,041)	(26,186)
	196,016	174,059
Change in non-cash working capital items		
Decrease (increase) in prepaid expenses	22,229	(46,762)
Increase (decrease) in accounts payable and accrued liabilities	25,710	(5,238)
Increase (decrease) in deferred revenue	(205)	42,213
	243,750	164,272
Cash flows from investing activities		
Purchase of investments	-	(2,600,000)
Proceeds from disposal of investments	1,643,406	2,407,151
Purchase of capital assets	(156,530)	(6,275)
	1,486,876	(199,124)
Cash flows from financing activities		
Repayment from ARIL Society Inc.	42,860	15,215
Net change in cash	1,773,486	(19,637)
Cash, beginning of year	133,636	153,273
Cash, end of year	1,907,122	133,636

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Schedule of Administration Expense

Year ended March 31	2026 \$	2025 \$
Salaries and benefits	1,382,392	1,166,336
Communication (note 11)	224,811	221,673
Audit, legal and consulting	75,631	155,628
Merchant banking fees	73,388	66,525
Information technology	71,250	74,423
Office, printing, postage, courier and sundry (note 11)	71,082	76,880
Rent (note 7)	68,836	55,544
Insol International	52,219	47,425
Director honoraria (note 10)	49,000	49,000
Amortization of capital assets	31,100	37,704
Insurance	29,006	27,099
Committee expenses	10,726	25,154
	2,139,441	2,003,391

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Notes to Financial Statements

March 31, 2026

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.

CQP course, examination and continuing education seminar and webinar 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 subscription fees 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.

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.

Exchange Conference

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

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Notes to Financial Statements (continued)

March 31, 2026

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.

Advertising

Advertising revenue is recognized at the time of publication.

(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, 2026

1. Significant accounting policies (continued)

(d) Related parties

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 are initially measured at cost, determined using undiscounted cash flows.

(e) Financial instruments

Measurement of financial assets and liabilities

The Association initially measures its financial assets and financial liabilities, with the exception of financial instruments originated or exchanged in a related party transaction, 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, with the exception of related party financial assets, at amortized cost.

Related party financial assets are subsequently measured at cost less impairment.

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 and investments.

Financial assets measured at at cost less impairment include due from ARIL Society Inc.

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

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Notes to Financial Statements (continued)

March 31, 2026

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. Fixed income investments maturing within twelve months from the year-end date are classified as current.

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Notes to Financial Statements (continued)

March 31, 2026

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 recorded in these financial statements.

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Notes to Financial Statements (continued)

March 31, 2026

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	
Investments	X			X	
Due from ARIL Society Inc.	X				
Accounts payable and accrued liabilities		X			

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Notes to Financial Statements (continued)

March 31, 2026

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:

	2026	2025
	\$	\$
Cash	1,907,122	133,636
Due from ARIL Society Inc.	96,868	128,575
Investments	631,379	2,301,161
	<u>2,635,369</u>	<u>2,563,372</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.

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.

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Notes to Financial Statements (continued)

March 31, 2026

2. Financial instrument risk management (continued)

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. Investments

	2026 \$	2025 \$
Canadian fixed income	631,379	2,301,161
Less: current portion	(420,792)	(1,670,181)
	<u>210,587</u>	<u>630,980</u>

Interest rates on fixed income investments range from 1.35% to 2.12% (2025 - 1.35% to 2.95%) and maturities range from June 2026 to November 2027 (2025 - July 2025 to November 2027).

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Notes to Financial Statements (continued)

March 31, 2026

4. Capital assets

	Cost	Accumulated Amortization	2026 Net
	\$	\$	\$
Computer equipment	33,604	19,467	14,137
Furniture and fixtures	27,735	1,387	26,348
Leasehold improvements	121,265	9,095	112,170
	<u>182,604</u>	<u>29,949</u>	<u>152,655</u>
	Cost	Accumulated Amortization	2025 Net
	\$	\$	\$
Computer equipment	211,070	199,209	11,861
Furniture and fixtures	91,437	83,459	7,978
Leasehold improvements	416,393	409,007	7,386
	<u>718,900</u>	<u>691,675</u>	<u>27,225</u>

During the year, capital assets with a cost of \$692,826 (2025 - nil) and accumulated amortization of \$692,826 (2025 - nil) were disposed of for proceeds of nil (2025 - nil), resulting in neither a gain nor loss being realized on the disposition.

5. Accounts payable and accrued liabilities

	2026	2025
	\$	\$
Trade payables and accrued liabilities	251,098	245,604
Government remittances	27,312	7,096
	<u>278,410</u>	<u>252,700</u>

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Notes to Financial Statements (continued)

March 31, 2026

6. Special Reserve for Lloyd Houlden Memorial Research Fellowship

	2026	2025
	\$	\$
Balance, beginning of year	122,898	86,175
Contributions (note 11)	11,153	36,723
Balance, end of year	134,051	122,898

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 2026 or fiscal 2025.

7. Deferred lease incentives

	Cost	Accumulated Amortization	2026 Net
	\$	\$	\$
Tenant inducements	126,600	9,495	117,105

	Cost	Accumulated Amortization	2025 Net
	\$	\$	\$
Tenant inducements	103,348	96,802	6,546

During the year, the Association received tenant inducements, in the amount of \$126,600, pursuant to its premises lease.

Amortization of deferred lease incentives, in the amount of \$16,041 (2025 - \$26,186), was credited to rent expense.

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Notes to Financial Statements (continued)

March 31, 2026

8. 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.

During the current year, the Board of Directors approved the utilization of \$20,709 (2025 - \$50,384) from net assets internally restricted for strategic education program investments for the purposes of CQP development. These strategic education program investments, which may otherwise qualify as internally generated intangible assets, are expensed as incurred.

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

9. Investment income

	2026	2025
	\$	\$
Interest from cash	35,717	8,200
Interest from investments	26,510	68,235
	<u>62,227</u>	<u>76,435</u>

10. Director honoraria

Members of the Executive Committee, including the Chair, Vice-Chair, Treasurer, Secretary and Executive-At-Large, as well as the Association's outside Directors, each receive an annual honorarium in recognition of their service to the Association.

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Notes to Financial Statements (continued)

March 31, 2026

11. Related party transactions and balances

The Association is related to ARIL Society Inc. (the "Society"), by virtue of significant inter-organizational transactions and an interchange of managerial personnel with the Society, which enables 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.

The Association entered into an agreement with the Society to provide management, administrative and support services to the Society (the "Agreement"). The Agreement expires March 31, 2027, and includes the following commitments payable by the Society to the Association:

- ♦ A management fee of \$186,000 for fiscal 2026, which will increase in fiscal 2027 to account for inflation, as per the Average Annual Consumer Price Index reported by Statistics Canada.
- ♦ An annual financial services fee of 3% of the Society's revenue, collected by the Association
- ♦ An annual research contribution of 15% of the Society's operating surplus which exceeds \$50,000 to the Lloyd Houlden Memorial Research Fellowship

Revenues (expenses) and balances with the Society are as follows:

	2026 \$	2025 \$
Management fees	186,000	182,000
Financial services fees (credited to office, printing, postage, courier and sundry expense)	12,801	12,129
Sponsorship (included in communication expense)	(25,000)	(25,000)

Contributions receivable from the Society to the Lloyd Houlden Memorial Research Fellowship in the amount of \$11,153 (2025 - \$36,723), are recognized as deferred contributions (note 6).

As at March 31, 2026, there is a balance due from the Society in the amount of \$96,868 (2025 - \$128,575). The balance is unsecured, non-interest bearing and due on demand.

Subsequent to year end, the balance due from the Society was received, with the exception of the Lloyd Houlden Memorial Research Fellowship contribution, in the amount of \$11,153, which will be settled upon finalization of the audited financial statements of the Society for the year ended March 31, 2026.

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Notes to Financial Statements (continued)

March 31, 2026

12. Commitment

The Association has entered into a premises lease expiring June 30, 2035. The future annual lease payments, including an estimate of premises common area expenses, are as follows:

	<u>\$</u>
2027	84,088
2028	87,218
2029	88,262
2030	88,262
2031	90,492
Subsequent years	<u>396,874</u>
	<u><u>835,196</u></u>



375 University Avenue • Suite 301 • Toronto • ON • CA • M5G 2J5 • P416-364-1359 • F416-364-9503 • hilbornca.com