



THE CANADIAN INSTITUTE OF  
CHARTERED BUSINESS VALUATORS

# CICBV 2009 Annual Report

*Experts Worth Knowing*





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## About CICBV

The Canadian Institute of Chartered Business Valuators (CICBV) is the largest professional business valuation organization in Canada. A self-regulating professional association, the CICBV was established in 1971 to set educational and professional standards for the practice of business and securities valuation. A member that meets these standards and agrees to comply with the Institute's Code of Ethics is designated a Chartered Business Valuator (CBV). CBVs practice in industry, accounting firms, independent valuation firms, investment dealers and government and regulatory agencies.

## À propos de l'ICEEE

L'Institut canadien des experts en évaluation d'entreprises (ICEEE) est le plus grand regroupement professionnel d'experts en évaluation d'entreprises au Canada. L'ICEEE est une association autoréglementée qui a été créée en 1971 pour l'établissement de normes de formation et d'exercice professionnel en matière d'évaluation d'entreprises et de titres. Le membre qui répond à ces normes et accepte de se conformer au *Code de déontologie* de l'Institut se voit conférer le titre d'«Expert en évaluation d'entreprises (EEE)». Les EEE exercent leur profession dans les entreprises, les cabinets comptables, les cabinets d'évaluation indépendants, les maisons de courtage de valeurs et les administrations publiques et organismes de réglementation.

## Our Mission

The CICBV preserves the long-term value of the CBV designation by:

- Preserving and enhancing the reputation, respect and credibility of the CBV designation;
- Ensuring that the valuation profession continues to be challenging and rewarding; and
- Enabling CBVs to access a wide range of career opportunities in industry, public practice, government, finance and education.

## Notre Mission

L'ICEEE assure la pérennité de la valeur du titre d'EEE :

- en préservant et renforçant la réputation, le respect et la crédibilité dont jouit le titre d'EEE;
- en veillant à ce que la profession d'EEE demeure stimulante et enrichissante;
- en permettant aux EEE d'accéder à une riche variété de carrières, que ce soit en cabinet, dans les secteurs privé ou public, ou encore dans les domaines de la finance ou de l'éducation.



## Chair's Message

Carl Merton, CBV

As Chair of the Board of Directors, I have the honour of presenting The Canadian Institute of Chartered Business Valuators' annual report for the 2009 fiscal year. In the past year, our Institute increased its focus on international initiatives, in an effort to both strengthen the global business valuation profession and our position, as CBVs, within it. Closer to home, our Institute worked diligently to maintain and enhance the CBV brand within our domestic market. It has been a great year for our Members and for our Institute, with significant achievements to celebrate.

Your Board and Institute management are committed to focusing on Member needs and are continuing to move our Institute forward toward the attainment of the strategic vision — *that Chartered Business Valuators be nationally and internationally recognized as the pre-eminent professionals providing business valuation and related financial expertise*. I encourage you to visit our Institute's website at [www.cicbv.ca](http://www.cicbv.ca) and review our strategic plan. All comments are welcome!

I am pleased with our performance this past year. Our strong financial and operating performance continues and our Institute continues to serve the interests of a growing and a dynamic professional membership.

### The Highlights for 2009:

- Initiated the development of an International Institute of Business Valuators (IIBV) with our long-time business valuation friends, the American Society of Appraisers ("ASA").
- Initiated planning for the 1st International Business Valuation Summit to be held in Miami in October 2010.
- Hosted two Regional Conferences — Eastern Conference held in Niagara Falls in June and Western Conference held in Kelowna in October.
- Hosted our fourth annual Private Equity symposium in Toronto, which was simulcast live to Halifax, Montreal, Winnipeg, Regina, Calgary, Edmonton and Vancouver.

## Message du président

Carl Merton, EEE

À titre de président du Conseil d'administration, j'ai l'honneur de présenter le rapport annuel de l'Institut canadien des experts en évaluation d'entreprises pour l'exercice 2009. Au cours de l'année écoulée, notre Institut a mis davantage l'accent sur les initiatives internationales, soucieux qu'il est de consolider la profession d'évaluateur d'entreprises à l'échelle mondiale, ainsi que notre position, comme EEE, au sein de cette profession. Plus près de nous, notre Institut s'est appliqué, avec diligence, à promouvoir et améliorer la marque EEE sur le marché national. Les membres et l'Institut ont connu une excellente année et nous avons d'importantes réalisations à souligner.

Le Conseil et la direction de l'Institut demeurent focalisés sur les besoins des membres et sur la réalisation de notre vision stratégique, à savoir *que les experts en évaluation d'entreprises soient reconnus, nationalement et internationalement, comme les professionnels prééminents dans la prestation de services d'évaluation d'entreprises et d'expertise financière connexe*. Je vous invite à visiter le site Web de l'Institut à [www.cicbc.ca](http://www.cicbc.ca) et à prendre connaissance de notre plan stratégique. Tous les commentaires sont les bienvenus.

Je suis très heureux de notre performance au cours de l'année écoulée. Nos résultats tant financiers qu'opérationnels demeurent solides et l'Institut continue à servir les intérêts de son effectif croissant de professionnels dynamiques.

### Voici les points saillants pour 2009 :

- Nous avons amorcé la création d'un Institut international des évaluateurs d'entreprises avec nos amis de longue date en évaluation d'entreprises, l'American Society of Appraisers (ASA).
- Nous avons enclenché la planification du 1<sup>er</sup> sommet international sur l'évaluation d'entreprises qui sera tenu à Miami en octobre 2010.
- Nous avons organisé deux colloques régionaux, soit le colloque de L'Est tenu à Niagara Falls en juin et le colloque de l'Ouest tenu à Kelowna en octobre.
- Nous avons parrainé le quatrième symposium annuel sur le capital de risque (*Private Equity Symposium*) à Toronto, avec diffusion simultanée à Halifax, Montréal, Winnipeg, Regina, Calgary, Edmonton et Vancouver.

- Published two new research papers, thanks to the efforts of the CICBV Research Institute Committee.
- Initiated the development of the Research Gateway for the use of our Members and students.
- Initiated Search Engine for CICBV Publications through Business Valuation Resources.
- Approved two new Awards for 2010:
  - Top CBV under 40 in Memory of David Cornfield, CBV; and
  - Scholastic Achievement in Honour of Ronald W. Scott, CBV.
- Reached a record number of new members, growing by 94 new Members.
- Approved new By-laws effective June 17.
- Published Exposure Drafts:
  - Amendments to Standard Nos. 110, 120, 130, 210, 220, 230, 310, 320, 330, 410, 420 and 430—*the definition of a report*;
  - Revisions to Appendix A to Practice Standard No. 110—*Valuation Reports Prepared for Purposes of Securities Regulation or Policies*;
  - Revised Practice Bulletin No. 1 in respect of Guidance on Limited Critique Reports;
  - Fairness Opinions Practice Standards—Nos. 510, 520 and 530; and,
  - Revised Practice Bulletin No. 5 concerning Guidance as to When Communications are Not Valuation, Advisory, Expert or Limited Critique Reports.
- Continued our participation in the International Valuation Standards Council (IVSC).

These achievements would not have been possible without the dedication and hard work of your Board, Institute staff, and the many volunteers, all of whom form the backbone of the CICBV. To each of them, I offer a hearty thanks for a job well done.

## Accreditation and Membership

Congratulations to our 94 new Members. This number represents an increase of 7% in our membership. The total number of Members in our Institute is now 1,359 of whom 70 reside in foreign countries, including the United States, United Kingdom, Jamaica, Bermuda, Australia, Cayman

- Nous avons publié deux rapports de recherche, grâce aux initiatives du Comité de l'Institut de recherche de l'ICEEE.
- Nous avons entamé le développement de la passerelle de recherche à l'intention de nos membres et de nos étudiants.
- Nous avons lancé le moteur de recherche pour les publications de l'ICEEE.
- Nous avons approuvé la création de deux nouvelles distinctions pour 2010 :
  - meilleur EEE de moins de 40 ans, en mémoire de David Cornfield, EEE;
  - excellence des résultats scolaires, en l'honneur de Ronald W. Scott, EEE.
- Nous avons accueilli un nombre record de 94 nouveaux membres.
- Nous avons approuvé de nouveaux statuts en vigueur à compter du 17 juin
- Nous avons publié des exposés-sondages :
  - modifications des normes 110, 120, 130, 210, 220, 230, 310, 320, 330, 410, 420 et 430 — *Définition d'un rapport*;
  - révision de l'annexe A de la norme 110 — *Rapports d'évaluation préparés aux fins des textes légaux ou réglementaires ou des instructions générales concernant les valeurs mobilières*;
  - révision du bulletin de pratique professionnel 1 contenant des indications sur les rapports critiques restreints;
  - normes d'exercice sur les attestations d'équité — 510, 520 et 530;
  - révision du bulletin de pratique professionnelle 5 contenant des indications sur les cas où des communications ne constituent pas des rapports d'évaluation, de conseil ou d'expertise ni des rapports critiques restreints.
- Nous avons continué à participer aux travaux de l'International Valuation Standards Council (IVSC).

Ces réalisations n'auraient pas été possibles sans le dévouement et l'ardeur au travail du Conseil et du personnel de l'Institut ainsi que des nombreux bénévoles, qui, ensemble, constituent l'épine dorsale de l'ICEEE. Je tiens à remercier tous et chacun pour le bon travail qui a été accompli.

## Agrément et effectif

Félicitations à nos 94 nouveaux membres. Ce nombre de nouveaux membres représente un accroissement de 7 % de notre effectif. Le total de l'effectif de l'Institut se situe maintenant à 1 359 membres, dont 70

Islands, United Arab Emirates, Poland, Barbados, New Zealand, Egypt, South Korea, Netherlands, France and China.

Membership has been growing steadily and reflects the increasing demand for experts in not only our primary fields of business valuation, corporate finance and litigation support but also all of the ancillary markets and services, in which CBVs choose to compete and participate.

## Education

We take great pride in our education program and our Institute regularly reviews and updates its course notes. During the year, our course notes for the *Private Company Finance* course were reviewed to ensure their relevance with emerging issues. The revised course notes were first offered in the Fall/Winter semester.

The *Introduction to Valuation for Financial Reporting* course notes are being rewritten and will be offered online starting in the 2010 Spring/Summer semester.

While enrollment in the Spring/Summer semester was down 4% and the Fall/Winter semester was down 1%, our total registrations remains above 1,600, additionally, we continue to attract the same number of new students in our introductory valuation course. We believe this is an early indication of a steady growth potential in our membership over the next 3 to 5 years.

York University continues to administer the CICBV Programme office providing advice and assistance with the contribution of the Academic Coordinator and the Course Leaders. York University is also the web provider for the development of the online courses and continues to be involved in the administration and delivery of the courses.

## Continuing Education

Your Board continues to believe that continuing education is an important part of maintaining the "excellence" of our profession. Accordingly, our Institute continues to offer the courses in the Programme of Study as Continuing Education courses to the Members.

Our Institute also offers the American Society of Appraisers' (ASA) Advanced Business Valuation

sont établis à l'étranger, notamment aux États-Unis, au Royaume-Uni, en Jamaïque, aux Bermudes, en Australie, aux îles Caïmans, aux Émirats Arabes Unis, en Pologne, à la Barbade, en Nouvelle-Zélande, en Égypte, en Corée du Sud, aux Pays-Bas, en France et en Chine.

L'effectif croît régulièrement et reflète la demande de plus en plus grande pour des experts non seulement dans nos principaux domaines d'intervention, soit l'évaluation d'entreprises, la finance d'entreprise et l'assistance en matière de litiges, mais aussi sur tous les marchés et dans tous les secteurs secondaires où les EEE décident de faire face à la concurrence et d'offrir leurs services.

## Formation professionnelle

Nous sommes très fiers de notre programme de formation professionnelle et l'Institut passe en revue ses notes de cours et les met à jour périodiquement. Pendant l'année écoulée, les notes du cours *Finance des sociétés fermées* ont fait l'objet d'une révision destinée à assurer qu'elles sont toujours pertinentes au regard des nouvelles situations qui se présentent. Les notes de cours révisées étaient disponibles pour la session automne-hiver.

Les notes du cours *Introduction à l'évaluation à des fins d'information financière* sont en voie d'être réécrites et seront disponibles en ligne pour la session printemps-été 2010.

Bien que les inscriptions pour la session printemps-été aient connu une baisse de 4 % et celles pour la session automne-hiver, une baisse de 1 %, nous avons enregistré un total de plus de 1 600 inscriptions, et nous continuons à attirer le même nombre d'étudiants à notre cours d'introduction en évaluation d'entreprises et de titres. Nous estimons que cela constitue une indication avant l'heure d'une augmentation potentielle importante de notre effectif au cours des prochains trois à cinq ans.

L'Université York continue d'administrer le secrétariat du programme de formation de l'ICEEE et fournit des conseils et une assistance avec la collaboration du coordonnateur de la formation et les animateurs de cours. L'Université York agit également comme fournisseur Web pour l'élaboration des cours en ligne et continue de participer à l'administration et à la prestation des cours.

## Formation continue

Le Conseil d'administration est toujours d'avis que la formation continue contribue de manière importante au maintien de l'«excellence» de notre profession.

Seminars and the Business Valuation Resources (BVR) Webinars in Canada as a co-sponsor. These advanced technical seminars and webinars are offered to Members, students and the public on a yearly basis.

In 2009, one ASA advanced technical seminar was presented, *Valuation of Intangible Assets*, in Calgary, where it was well received. In addition, several Webinars presented by BVR were offered to our Members and students and were also well received.

In 2009, our Institute started developing and offering Webinars to our Members who cannot or do not have the time to travel for continuing education. As a result of the early success of this program, we are looking to increase our offerings in 2010.

### Mandatory Continuing Education

As part of the process of keeping ourselves up to date and encouraging all Members to continue with their professional development, we introduced mandatory continuing education in 2004. The Mandatory Continuing Education Policy states that all Members, unless exempted, are required to complete no less than 20 hours of Continuing Education (CE) activities per year, averaged over a consecutive three-year period.

Recent changes to our website were developed to assist our Members in planning their CE activities for the year by having all the information in one section and providing ways for Members to keep track of their CE hours. If a Member registers and attends any event organized by our Institute, the number of CE hours is automatically entered in the Member's profile.

### Conferences and Workshops

In June, the Eastern Regional Conference was held in Niagara Falls, Ontario. Attendance was 225 with keynote topics including: a practitioners view on standards; fair value and its impact on financial reporting; and strategies of effective expert witnesses.

In October, the Western Regional Conference was held in Kelowna, British Columbia. Attendance was 161 with keynote topics including: cost of capital/ credit crunch; overview of the role of the valuator upon transition to IFRS; and, valuation of sustainable, unfair advantage.

L'Institut continue donc d'offrir les cours du programme de formation professionnelle à titre de cours de formation continue à l'intention des membres.

L'Institut offre également au Canada, en co-parrainage avec l'American Society of Appraisers (ASA), des séminaires avancés en évaluation d'entreprises ainsi que des webinars sur les ressources en évaluation d'entreprises (*Business Valuation Resources* ou BVR). Ces séminaires techniques et webinars de pointe sont accessibles annuellement aux membres, aux étudiants et au public dans diverses villes canadiennes.

En 2009, un séminaire technique de pointe de l'ASA, *Évaluation des actifs incorporels*, a été présenté à Calgary et a reçu un bon accueil. De plus, plusieurs webinars présentés par BVR ont été offerts à nos membres et étudiants qui les ont bien appréciés.

En 2009 également, l'Institut a commencé à créer et à offrir des webinars à ses membres qui se trouvent dans l'impossibilité ou n'ont pas le temps de se déplacer pour nos activités de formation continue. Ce programme ayant donné de bons résultats dès sa mise en œuvre, nous prévoyons accroître le nombre de ces webinars en 2010.

### Formation continue obligatoire

Dans le cadre du processus d'actualisation de nos connaissances et d'encouragement des membres à poursuivre leur développement professionnel, la formation continue obligatoire a été introduite en 2004. La Politique sur la formation continue obligatoire prévoit que tous les membres, sauf dispense, sont tenus d'effectuer un minimum de 20 heures de formation continue (FC) par an, déterminé d'après une moyenne calculée sur une durée de trois années consécutives.

Des changements récents ont été apportés à notre site Web dans le but d'aider les membres à planifier leurs activités annuelles de FC, toute l'information étant réunie dans une section du site Web qui permet également aux membres de comptabiliser leurs heures de FC. Chaque fois qu'un membre s'inscrit et est présent à un événement organisé par l'Institut, le nombre d'heures de FC reconnues est automatiquement inscrit à son actif.

### Colloques et ateliers

En juin, le colloque régional de l'Est a été tenu à Niagara Falls (Ontario). Il a réuni 225 participants qui ont pu assister à des présentations dont les principaux thèmes étaient notamment les suivants : le point de vue des praticiens sur les normes; la juste valeur et son incidence sur l'information financière; et les stratégies

I offer the entire Memberships' thanks to the conference committee and the Members, and students, who attended, and our sponsors for your continued support.

The 4th Private Equity Symposium was held in Toronto on March 3. This yearly event brings together the CICBV, FEI Canada, the Toronto CFA Society, and the CVCA. This multi-disciplinary symposium provided a forum to discuss critical economic and business issues impacting today's private equity practitioners. The event was well attended with 288 delegates in Toronto and across Canada — with live video-broadcast — in Montreal, Ottawa, Halifax, Regina, Winnipeg, Edmonton, Calgary and Vancouver.

In 2010, the Joint Conference with the ASA-BV will be held in Miami Beach, Florida, from October 4 to 6. Reserve these dates and I hope to see you in Miami in October.

For the 1st time, the CICBV and the ASA-BV will be hosting an International Business Valuation Summit in the afternoon of Wednesday, October 6, 2010. This event is presented the day before the International Valuation Standards Council (IVSC) is holding its meetings in Miami on October 7 to 9, 2010, which have sessions open to the public on October 7 and 9. I hope you will consider extending your stay in Miami to attend the International Business Valuation Summit. The Summit will offer you a chance to hear more about the opportunities and challenges facing the global business valuation profession and to be able to network with valuers from across the world.

## Publications

Our Institute continues several non-structured continuing education opportunities through its extensive publication offerings. In the past year, regular editions of *The Business Valuator*, the *Valuation Law Review* and the *Journal of Business Valuation* were published and sent to all Members, students and subscribers, a distribution of over 2,400 copies of each edition. *The Business Valuator* (the newsletter) and the *Valuation Law Review* are sent electronically. The newsletter is also posted on the CICBV website for public access.

des témoins experts efficaces. En octobre, le colloque régional de l'Ouest a été tenu à Kelowna (Colombie-Britannique) et a attiré 161 participants. Les principaux thèmes traités comprenaient notamment les suivants : coût du capital / resserrement du crédit; aperçu du rôle de l'évaluateur dans le contexte de la transition aux IFRS; et évaluation des avantages injustes et durables.

Au nom de l'ensemble des membres, je remercie le comité organisateur des colloques, les membres et les étudiants qui y ont assisté, ainsi que nos commanditaires pour leur soutien indéfectible.

Le quatrième symposium sur le capital de risque (*Private Equity Symposium*) a été tenu à Toronto le 3 mars. Cet événement réunit l'ICEEE, les Dirigeants financiers internationaux du Canada (FEI Canada), la Toronto CFA Society et l'Association canadienne du capital de risque (ACCR/CVCA). Le symposium multidisciplinaire a fourni un forum permettant de discuter de questions déterminantes en matière d'économie et d'affaires qui intéressent directement les praticiens du domaine du capital de risque. L'événement a été populaire, ayant attiré 288 participants à Toronto et à la grandeur du Canada — grâce à la transmission vidéo en direct — à Montréal, Ottawa, Halifax, Regina, Winnipeg, Edmonton, Calgary et Vancouver.

En 2010, le congrès conjoint tenu avec la ASA-BV aura lieu à Miami Beach (Floride), du 4 au 6 octobre. Réservez ces dates, et j'espère vous voir à Miami en octobre.

Pour la première fois, l'ICEEE et la ASA-BV seront les hôtes d'un sommet international sur l'évaluation d'entreprises dans l'après-midi du 6 octobre 2010. Cet événement sera présenté un jour avant la tenue des réunions du International Valuation Standards Council (IVSC) à Miami, du 7 au 9 octobre 2010, dont certaines séances seront ouvertes au public les 7 et 9 octobre. J'espère que vous allez envisager de prolonger votre séjour à Miami pour assister au sommet international sur l'évaluation d'entreprises. Ce sommet vous offrira l'occasion d'en connaître plus sur les opportunités et les défis que présente la profession d'évaluateur d'entreprises à l'échelle internationale et vous permettra de réseauter avec des évaluateurs de partout dans le monde.

## Publications

L'Institut continue d'offrir des occasions de formation continue non structurée grâce à son vaste programme de publications. Au cours de l'année écoulée, il a publié et diffusé auprès de tous ses membres, étudiants et abonnés les éditions périodiques de *The Business Valuator*, de *Valuation Law Review* et de *Business Valuation Digest*, ce qui représente une dis-

## Practice Standards and Practice Bulletins

Our practice standards and practice bulletins are constantly reviewed and updated, as necessary, to reflect the current economic, business and professional environments in which CBVs operate.

Amendments to Standard Nos. 110, 120, 130, 210, 220, 230, 310, 320, 330, 410, 420 and 430 concerning the definition of a report that had been approved by the Board of Directors were presented and approved for adoption at the Annual General Meeting held in Niagara Falls on June 17. These amendments mean that the reporting standards apply to all Valuation/Advisory/Expert/Limited Critique Reports that are in written form regardless of the nature of the written medium used or whether the author is explicitly identified. Further, rather than considering any work product that is marked as being in draft to not be a report for purposes of the applicability of report disclosure standards, the Practice Standards now clearly identify those limited circumstances where work product that is in the process of being completed will not be considered to be a report for such purposes, and can be provided to a client or knowledgeable third party. These circumstances are limited to when the work product, which is clearly marked as being in draft form and subject to change, is issued to obtain comment or confirmation in order that it may be completed and when the Valuator/Expert knows, or reasonably ought to know, that there is no intended reliance on the incomplete work product or potential distribution to a party that may place such reliance.

Appendix A to Standard 110 concerning Valuation Reports Prepared for Purposes of Securities Regulation or Policies was amended so that it is consistent with Multilateral Instrument 61-101 and its related Companion Policy, the relevant securities regulation in Ontario and Quebec. An Exposure Draft of the amendments to Appendix A Standard 110 was issued in February. After considering comments received, the Board of Directors approved the amendments to Appendix A to Standard 110 and it was presented and approved for adoption at the Annual General Meeting.

On June 16, the Board of Directors issued a revised Practice Bulletin No. 1 to (i) remove discussion of the use of draft reports as such matters are considered in a separate Practice Bulletin that was approved by the

tributition de plus de 2 400 exemplaires pour chaque numéro. *The Business Valuator* (le bulletin) et *Valuation Law Review* sont transmis électroniquement. Le bulletin est également posté sur le site Web de l'ICEE afin que le public puisse y avoir accès.

## Normes d'exercice et bulletins de pratique professionnelle

Nos normes d'exercice et bulletins de pratique professionnelle sont constamment passés en revue et actualisés afin de refléter les environnements économique, commercial et professionnel habituels dans lesquels les EEE exercent leur activité.

Des modifications des normes 110, 120, 130, 210, 220, 230, 310, 320, 330, 410, 420 et 430 concernant la définition des rapports, qui avaient été approuvées par le Conseil d'administration, ont été soumises à l'approbation de l'Assemblée générale annuelle (AGA) tenue à Niagara Falls le 17 juin. Suivant ces modifications, les normes relatives aux rapports s'appliquent à tous les rapports d'évaluation, de conseil et d'expertise et aux rapports critiques restreints sous forme écrite, quel que soit le support sur lequel ils sont présentés par écrit, et que leur auteur soit explicitement identifié ou non. De plus, plutôt que de considérer que tout produit de travail marqué comme étant à l'état de projet ne constitue pas un rapport aux fins de l'application des normes sur les informations à fournir dans un rapport, les normes d'exercice précisent maintenant de façon claire les rares circonstances où un produit de travail n'est pas considéré comme étant un rapport à ces fins et peut être fourni à un client ou à un tiers bien informé. Ces circonstances se limitent aux cas où le produit de travail comporte une indication claire du fait qu'il est à l'état de projet et susceptible de modifications, est remis afin d'obtenir des commentaires ou la confirmation de certaines données pour son achèvement, et où l'évaluateur sait, ou devrait raisonnablement savoir, que le ou les lecteurs visés n'ont pas l'intention de s'appuyer sur le produit de travail ni de le distribuer à un tiers qui pourrait à son tour s'y appuyer.

L'annexe A de la norme 110 concernant les rapports d'évaluation préparés aux fins des textes légaux ou réglementaires ou des instructions générales concernant les valeurs mobilières a été modifiée afin de la rendre conforme au Règlement 61-101 et à l'Instruction générale connexe qui font partie de la réglementation sur les valeurs mobilières en vigueur en Ontario et au Québec. Un exposé-sondage des modifications de l'annexe A a été publié en février. Après examen des commentaires reçus, le Conseil d'administration a approuvé les modifications de l'annexe A de la norme

Board in 2008; and (ii) to revise the guidance on Limited Critique Reports in respect of the appropriate use of such reports with reference to the substance and effect of any comments contained in a Limited Critique Report to ensure that the Limited Critique Report does not contain, or may not reasonably be considered to contain, a valuation conclusion or conclusion as to the quantum of financial gain/loss or any conclusion of a financial nature in the context of litigation or dispute.

In September, an Exposure Draft of new Practice Standard Nos. 510, 520 and 530 in respect of Fairness Opinions was issued to amend and replace Appendix B to Standard No. 110. On February 25, 2010, after considering comments received on the Exposure Draft, the new set of practice standards on fairness opinions were approved by the Board of Directors for adoption and became effective. These changes reflect an increased emphasis in the market place for independently prepared Fairness Opinions and give the profession a comprehensive body of practice standards in respect of such engagements. The new set of Fairness Opinion practice standards reflect that Fairness Opinions are not valuation reports and often cover other issues of a financial nature.

In December, the Board of Directors revised Practice Bulletin No. 5 concerning Guidance as to When Communications are Not Valuation, Advisory, Expert or Limited Critique Reports, to clarify that communications with clients are not considered to be internal communications for the purposes of the bulletin.

In addition to this busy slate of initiatives, the Professional Practice Committee continues to provide comments on Exposure Drafts related to business valuation issues from different professional bodies across the globe.

## By-Laws

Over the last two years, our Institute conducted an extensive review of its By-Laws to ensure that they continue to be up to date, meet the rigorous requirements of the profession and allowed for the effective operation of our Institute. A By-Law Review Task Force comprising Board members, former Board members, Past Chairs, Members and Institute management met extensively over a twelve month period to review the By-Laws and

110, qui ont été soumises et approuvées en vue de leur adoption lors de l'AGA.

Le 16 juin, le Conseil d'administration a publié une version révisée du bulletin de pratique professionnelle 1 afin i) de supprimer les commentaires sur l'utilisation des projets de rapport, étant donné que cette question est traitée dans un bulletin de pratique professionnelle distinct qui a été approuvé par le Conseil d'administration en 2008, et ii) de réviser les indications sur les rapports critiques restreints pour ce qui concerne l'utilisation appropriée de ces rapports eu égard à la substance et à l'incidence de tous les commentaires formulés dans un rapport critique restreint afin de s'assurer que ce type de communication ne contient, ni ne peut être tenu pour contenir, aucune conclusion d'évaluation, aucune conclusion quant au montant d'un gain ou d'une perte de nature financière ni aucune conclusion de nature financière dans le cadre d'un litige ou d'un différend.

En septembre, un exposé-sondage portant sur les nouvelles normes d'exercice 510, 520 et 530 relatives aux attestations d'équité a été publié dans le but de modifier et de remplacer l'annexe B de la norme 110. Le 25 février 2010, après prise en compte des commentaires reçus au sujet de l'exposé-sondage, le nouvel ensemble de normes sur les attestations d'équité a été approuvé par le Conseil d'administration pour adoption et est entré en vigueur. Ces modifications reflètent l'importance accrue accordée par le marché aux attestations d'équité préparées de manière indépendante et ont eu pour effet de doter la profession d'un jeu complet de normes applicables à de telles missions. Le nouvel ensemble de normes d'exercice relatives aux attestations d'équité reflètent le fait que les attestations d'équité ne constituent pas des rapports d'évaluation et qu'elles couvrent souvent d'autres questions de nature financière.

En décembre, le Conseil d'administration a révisé le bulletin de pratique professionnelle 5 contenant des indications sur les cas où des communications ne constituent pas des rapports d'évaluation, de conseil ou d'expertise ni des rapports critiques restreints, afin de clarifier que toute communication avec des clients ne doit pas être considérée comme une communication interne aux fins du bulletin.

Outre ces très nombreuses initiatives, le Comité de la pratique professionnelle continue de fournir des commentaires sur les exposés-sondages liés aux questions d'évaluation d'entreprises que publient divers corps professionnels ailleurs dans le monde.

consider changes that would be appropriate. On May 7, the Board of Directors approved a new consolidated By-Law number one to revise, update and consolidate our Institute's By-Laws. These changes were presented to the Members and were approved and ratified at our AGM.

On December 4, the Board of Directors amended Sections 3.5 and 3.6 of the Institute's By-Laws to change the manner in which our Institute's Practice Standards are approved to remove the requirement that Practice Standards be approved by the Members of our Institute before they become effective and that Practice Standards be effective on the date they are approved by the Board of Directors. This amendment became effective immediately and is subject to ratification by Members at the 2010 AGM on June 15, 2010 in Toronto.

## **Conduct & Discipline**

Our Institute has well established discipline procedures to respond to complaints made alleging that a Member or a Registered Student has not abided by our Institute's By-Laws, Practice Standards or Code of Ethics. The operation and conduct of the discipline procedure is within the authority of the Conduct & Discipline Committee (CDC). During 2009, the CDC received two new complaints, both of which were dismissed. The CDC continues to consider a complaint for which a lengthy investigation is in the process of being completed. The cost of this investigation is funded by the annual Conduct and Discipline levy and is reflected in the Conduct and Discipline fund. To December 31, these costs have amounted to \$31,306.

## **International**

As the global business valuation profession has evolved quickly in the last few years, our Institute has been very active to maintain and protect our position therein. This has led to a very robust agenda for the International Committee.

The IVSC is the global standard setter for the valuation profession. Its mission is to set and maintain effective high-quality global standards for the performance of valuations by the valuation profession and to contribute to the development of the worldwide valuation profession thereby

## **Statuts**

Au cours des deux dernières années, l'Institut a procédé à une révision approfondie de ses statuts afin de s'assurer qu'ils sont toujours actuels, qu'ils répondent aux besoins exigeants d'une profession et qu'ils permettent le fonctionnement efficace de l'Institut. Un Groupe de travail sur la révision des statuts, composé de membres et d'anciens membres du Conseil d'administration, d'anciens présidents, de membres et de la direction de l'Institut, s'est réuni à de nombreuses reprises au cours de l'année écoulée pour passer en revue les statuts et réfléchir aux modifications qu'il convenait d'adopter. Le 7 mai, le Conseil d'administration a approuvé un nouveau règlement intérieur no 1 portant révision, mise à jour et consolidation des statuts de l'Institut. Les modifications ont été soumises à l'approbation des membres et ratifiées à l'AGA.

Le 4 décembre, le Conseil d'administration a modifié les dispositions 3.5 et 3.6 des statuts de l'Institut pour changer le mode d'approbation de nos normes d'exercice en supprimant l'exigence que les normes d'exercice soient approuvées par les membres de l'Institut avant leur entrée en vigueur et en établissant qu'elles entrent en vigueur à la date de leur approbation par le Conseil d'administration. Cette modification a pris effet immédiatement et sera soumise à la ratification des membres au cours de l'AGA de 2010 le 15 juin à Toronto.

## **Déontologie et discipline**

L'Institut dispose d'une procédure disciplinaire bien établie permettant de donner suite aux plaintes dans lesquelles il est allégué qu'un membre ou qu'un étudiant inscrit n'a pas respecté les statuts, les normes d'exercice ou le *Code de déontologie* adoptés par l'Institut. La responsabilité de la mise en œuvre de la procédure disciplinaire incombe au Comité de discipline (CD). Le CD a été saisi de deux plaintes en 2009, qui ont toutes les deux été rejetées. Le CD poursuit son examen d'une plainte pour laquelle une longue enquête est sur le point d'aboutir. Les coûts de cette enquête sont financés par le prélèvement annuel effectué aux fins du processus disciplinaire et se reflète dans le Fonds disciplinaire. Au 31 décembre, ces coûts s'élevaient à 31 306 \$.

## **Sur la scène internationale**

Comme la profession d'évaluateur d'entreprises a évolué rapidement à l'échelle internationale depuis quelques années, l'Institut est activement intervenu afin d'y défendre et protéger notre positionnement de marque. Cela s'est traduit par

serving the public interest. Back in September 2006, our Institute joined the IVSC to participate in the development and harmonization of business valuation standards, globally. Today, our Institute continues to participate and support the IVSC.

The IVSC has gone through a restructuring which resulted in its membership being opened to a wider range of stakeholders. Currently there are 48 countries represented across the IVSC via 62 different organizations. Three CBVs have the distinction of being appointed to the IVSC Boards: Brad Dalglish, FCBV, serves on the IVSC Board of Trustees; Doug McPhee, CBV, serves on the International Valuation Professional Board (IVPB); and Jeff Harder, FCBV, serves on the International Valuation Standards Board (IVSB).

The IVSC will be holding their meetings and AGM in Miami Beach, on October 7 to 9, following the CICBV/ASA-BV Joint Conference.

Our Institute continues to dialogue with its US counterparts: the American Institute of Certified Public Accountants (AICPA- ABV) and the ASA-BV, the latter of which will be co-hosting our October 2010 Joint International Conference in Miami Beach. In addition, the ASA-BV is joining us to host the 1st International Business Valuation Summit on the Wednesday afternoon immediately following the Joint Conference.

Our Institute believes that as a mature professional body, we have a responsibility to the rest of the global business valuation community to foster their growth and development. In consideration of this, in April, we invited the ASA to be co-founders of the International Institute of Business Valuers (IIBV). The IIBV is to be an umbrella organization of business valuation organizations.

The IIBV's mission statement is to increase the pre-eminence of the business valuation profession; to develop a very strong voice for the business valuation profession; to promote the sharing of best practices in business valuation across the globe; and to manage the profession.

Our Institute is currently holding discussions on how to develop the profession further with other countries' Special Interest Groups in Business Valuation such as the United Kingdom and Australia. These countries are looking for advice on introducing an accreditation program and

un emploi du temps bien chargé pour le Comité international.

L'IVSC est le normalisateur international dans le domaine de l'évaluation. Il a pour mission d'élaborer et de tenir à jour des normes internationales de haute qualité pour la réalisation d'évaluations par la profession d'évaluateur, de contribuer à l'essor de la profession à l'échelle planétaire, et de servir ainsi l'intérêt public. En septembre 2006, l'Institut est devenu membre de l'IVSC afin de participer à l'élaboration et à l'harmonisation des normes d'évaluation d'entreprises à l'échelle mondiale. L'Institut continue de soutenir l'IVSC et de participer à ses travaux.

L'IVSC a fait l'objet d'une restructuration, ce qui lui a permis d'élargir la composition de ses effectifs. À l'heure actuelle, 48 pays sont représentés à l'IVSC par le truchement de 62 organisations. Trois EEE ont l'honneur d'avoir été nommés à diverses instances de l'IVSC : Brad Dalglish, FEEE, siège au Conseil d'administration (*Board of Trustees*) de l'IVSC, Doug McPhee, EEE, siège au Conseil professionnel international en évaluation (*International Valuation Professional Board [IVPB]*), et Jeff Harder, FEEE, siège au Conseil international de normalisation en évaluation (*International Valuation Standards Board [IVSB]*).

L'IVSC tiendra ses réunions et son AGA à Miami Beach, du 7 au 9 octobre, à la suite du congrès conjoint ICEEE-ASA.

Notre Institut poursuit son dialogue avec ses homologues états-uniens : l'American Institute of Certified Public Accountants (AICPA- ABV) et l'ASA-BV, qui est la coorganisatrice de notre congrès international conjoint qui sera tenu à Miami Beach en octobre 2010. L'ASA-BV se joint également à nous pour accueillir le premier sommet international sur l'évaluation d'entreprises le mercredi après-midi immédiatement après le congrès conjoint.

L'Institut est convaincu que, en tant que corps professionnel parvenu à maturité, nous avons le devoir d'aider les autres membres de la communauté internationale du monde de l'évaluation d'entreprises à croître et à se développer. C'est pourquoi, en avril, nous avons invité l'ASA à devenir cofondatrice de l'Institut international des évaluateurs d'entreprises (*International Institute of Business Valuers [IIBV]*). L'IIBV devrait devenir l'organisme parapluie qui chapeautera toutes les organisations du secteur de l'évaluation d'entreprises.

L'énoncé de mission de l'IIBV consiste à renforcer la prééminence de la profession d'évaluateur d'entreprises, d'accroître la visibilité de la profession d'évaluateur d'entreprises, de promouvoir le partage des meilleures

developing credentials for professionals in the business valuation field.

### Awards

Our Institute continues to recognize key Members initiatives that increase the profile of our Institute and profession. This year we hosted the 4th Annual Awards and Recognition Dinner the evening prior to the Western Regional Conference in Kelowna.

Recognized for their top marks on the 2008 Membership Entrance Exam were Christine Sawchuk, winner of the George Ovens Award, for the highest mark, Derek Sanders and Anna Barrett, tying for the second highest mark, and Scott Hastings, scoring the third highest mark. Congratulations to each of Christine, Derek, Anna and Scott!

In 2009, the Board of Directors approved two new Awards for 2010:

- Top CBV Under 40 in Memory of David Cornfield, CBV; sponsored by Deloitte & Touche LLP; and
- Scholastic Achievement Award in Honour of Ronald W. Scott, CBV; sponsored by Ernst & Young LLP.

### Research Institute

The Research Institute helps to fund research on key issues, while at the same time, promoting the profession across Canada.

During the year, the **Ian R. Campbell Research Competition** was launched with a "Call for Papers" sent to CBVs, CICBV students, Academics and students at Canadian universities. The "Best Paper" prize was awarded to: **Mr. Paul Komiak**, Assistant Professor, International Business and Finance, Faculty of Business Administration, Memorial University, St. John's, NL. The paper is entitled *Control Premiums: Evidence against Market Integration*.

Our Institute sponsored a "Best Paper" Award at the Northern Finance Association Conference. Sergei Sarkissian from McGill University and Michael J. Schill from University of Virginia received the award for their paper entitled *Cross Listing Waves and the Search for Value Gains*.

pratiques en évaluation d'entreprises à l'échelle internationale et d'assumer la gestion de la profession.

Notre Institut procède actuellement à des échanges de vues sur les façons de faire progresser encore plus la profession avec des groupes particulièrement intéressés par l'évaluation d'entreprises dans des pays comme le Royaume-Uni et l'Australie. Ces pays sont à la recherche de conseils pour la mise sur pied d'un programme d'agrément et la définition des qualifications requises des professionnels dans le domaine de l'évaluation d'entreprises.

### Distinctions

Notre Institut continue de reconnaître la valeur des initiatives importantes de nos membres qui accroissent la visibilité de l'Institut et de la profession. Nous avons tenu le quatrième dîner Reconnaissance et distinctions la veille de l'ouverture du colloque régional de l'Ouest à Kelowna.

Se sont distingués pour leurs excellents résultats à l'examen d'admission 2008 Christine Sawchuk, récipiendaire du prix George Ovens Award pour l'obtention de la meilleure note, Derek Sanders et Anna Barrett, qui se sont classés ex aequo en deuxième position, et Scott Hastings, qui est arrivé troisième. Félicitations Christine, Derek, Anna et Scott !

En 2009, le Conseil d'administration a approuvé deux nouvelles distinctions pour 2010 :

- meilleur EEE de moins de 40 ans, en mémoire de David Cornfield, EEE; cette distinction est parrainée par Deloitte & Touche LLP;
- excellence des résultats scolaires, en l'honneur de Ronald W. Scott, EEE; cette distinction est parrainée par Ernst & Young LLP.

### Institut de recherche

L'Institut de recherche aide à financer de la recherche sur des questions clés tout en participant à la promotion de la profession à la grandeur du Canada.

Au cours de l'année écoulée, le **Concours de recherche Ian R. Campbell** a été lancé avec un «appel à communications» transmis aux membres et étudiants de l'ICEEE, aux professeurs et aux étudiants inscrits dans les universités canadiennes. Le prix de la «Meilleure communication» a été attribué à : **M. Paul Komiak**, professeur adjoint, International Business and Finance, faculty of Business Administration, Université Memorial, Saint-Jean (Terre-Neuve). La communication a pour titre *Control Premiums: Evidence against Market Integration*.

## Financial Condition

Our Institute's financial position is strong with adequate resources to fund programs such as the development and update of course notes in our Programme of Studies, Practice Bulletins and Practice Standards; branding and public relations activities; the management of the mandatory CE; protection of our brand and reputation through the CDC's initiatives and activities, as well as our involvement Internationally.

### *Financial highlights:*

- Net assets at year-end of \$1,321,451 compared to \$1,328,053 at the end of 2008;
- Sound cash flow; and
- Unrestricted surplus fund of \$899,614 after setting up a separate fund of \$256,968 for Conduct and Disciplinary Purposes.

The audited Financial Statements for the year ended December 31, 2009 are appended to this report.

## Recognition

Having served on the CICBV Board for eight years, I know the CICBV has an incredible pool of talent, both volunteers and support staff, who are genuinely committed to ensuring the CICBV's continued success.

Your Board gives freely of their time to attend five Board meetings each year, with everyone also serving on at least two committees. In addition, a number of non-Board Members serve on committees, sub-committees and task forces, while others assist in the educational program as course leaders, academic coordinator, authors, developers and markers of the Membership Entrance Examination or participate in organizing workshop and conference presentations. We are very fortunate to have these Members who devote their time, talents and expertise to move our Institute forward. To all of these Members, who ensure the success of the CICBV, I express my sincere thanks and gratitude on behalf of all our Members!

Our Institute is also very fortunate to have an excellent and dedicated support staff. Jeannine Brooks, MBA, CAE, FCGA, President and Chief Executive Officer; Robert Boulton, CBV, CA, Director

L'Institut a parrainé un prix de la «Meilleure communication» dans le cadre du congrès de la Northern Finance Association. La communication primée, intitulée *Cross Listing Waves and the Search for Value Gains*, était l'oeuvre de Sergei Sarkissian de l'Université McGill et de Michael J. Schill de l'Université de la Virginie.

## Situation financière

L'Institut jouit d'une vigoureuse santé financière, disposant de suffisamment de ressources pour financer des programmes tels que l'élaboration et la mise à jour des notes de cours de notre programme de formation professionnelle, la révision et la mise à niveau des bulletins de pratique professionnelle et des normes d'exercice, la mise en oeuvre de notre stratégie de marque et les activités de relations publiques, la gestion de la formation continue obligatoire, la protection de notre marque et de notre réputation par les initiatives et interventions du comité de discipline, ainsi que nos engagements à l'échelle internationale.

### *Points saillants de nature financière :*

- les actifs nets se chiffraient à 1 321 451 \$ à la clôture de l'exercice, contre 1 328 053 \$ à la fin de 2008;
- nous disposons de solides flux de trésorerie; et
- le surplus non affecté des membres est de 899 614 \$ après affectation de 256 968 \$ à un fonds distinct aux fins du processus disciplinaire.

Les états financiers vérifiés pour l'exercice terminé le 31 décembre 2009 sont annexés au présent rapport.

## Remerciements

Ayant siégé au Conseil d'administration de l'ICEEE pendant huit ans, je sais que l'Institut bénéficie d'un groupe de personnes incroyablement talentueuses — tant les bénévoles que les permanents — qui ont vraiment à cœur le succès permanent de l'Institut.

Les membres du Conseil donnent généreusement de leur temps; ils participent à cinq réunions du Conseil par an, tout en siégeant à au moins deux comités. En plus, de nombreux membres autres que les administrateurs siègent aux comités, sous-comités et groupes de travail de l'Institut, alors que d'autres contribuent au programme de formation en tant qu'animateurs ou coordonnateurs de formation, ou en tant qu'auteurs, préparateurs ou correcteurs de l'examen d'admission, ou encore participent à l'organisation de nos ateliers, colloques et congrès. Nous avons beaucoup de chance de pouvoir compter sur ces membres qui

of Professional Affairs; Isabel Natale, Programme Coordinator; Jennifer Warlow, Communications Coordinator; Deborah Pelle, Events Manager; and Judith Roth, IT and Member Services Manager, have provided exemplary and dedicated service to the CICBV, its Members and students. The Board of Directors and I wish to express our sincere appreciation for their loyalty and hard work.

### Conclusion

While our Institute's principal responsibility is to protect the public interest through the maintenance and enforcement of high professional standards, it also exists to serve its Members. Our Institute takes its mandate seriously and welcomes the many and diverse challenges and opportunities that have been addressed over the past year as well as those that lie ahead.

The many individuals who are actively involved in the CICBV are key to our strength as a profession and to our achievements as an organization, not only in Canada but globally as well. Their examples inspire us and their contributions are recognized.

In closing, it has been an honour to serve as Chair of the Board of Directors for 2009-2010. It has been a rewarding experience for me and I am proud to be a CBV! I would encourage all Members to get involved in helping our Institute meet the challenges of the future. Thank-you for the privilege of serving as Chair of your Board of Directors!



Carl Merton, CBV  
Chair of the Board of Directors

consacrent leur temps, leur talent et leur expertise à l'avancement de l'ICEEE. J'exprime mes remerciements et ma profonde gratitude, au nom de l'ensemble de notre effectif, à tous ces membres qui contribuent au succès de l'Institut.

L'Institut a également la chance de pouvoir compter sur un personnel excellent et dévoué. Jeannine Brooks, MBA, CAE, FCGA, présidente-directrice générale, Robert Boulton, EEE, CA, directeur des affaires professionnelles, Isabel Natale, coordonnatrice de programme, Jennifer Warlow, coordonnatrice des communications, Deborah Pelle, directrice des événements, et Judith Roth, directrice des TI et des services aux membres, ont servi l'Institut ainsi que ses membres et étudiants de façon exemplaire et avec dévouement. Je me joins au Conseil d'administration pour les remercier de leur loyauté et de leur travail soutenu.

### Conclusion

Bien que la principale responsabilité de l'Institut soit de protéger le public par le maintien et la mise en application de normes professionnelles rigoureuses, l'ICEEE a aussi comme objectif de servir ses membres. L'Institut assume son mandat avec sérieux et n'a jamais reculé devant les défis et opportunités, nombreux et variés, qui se sont présentés à lui dans le passé, ni ne reculera devant ceux de l'avenir.

Les nombreuses personnes qui participent activement au fonctionnement de l'Institut sont essentielles pour la force de notre profession et les réalisations de notre organisation, non seulement au Canada, mais aussi mondialement. Leur exemple nous inspire et leur apport est apprécié.

Pour conclure, ce fut pour moi un honneur d'exercer les fonctions de président du Conseil d'administration en 2009-2010. L'expérience a été des plus enrichissantes, et je suis fier d'être EEE. J'invite tous les membres à mettre leur talent au service de l'Institut pour l'aider à relever les défis de l'avenir. Je vous remercie de m'avoir accordé le privilège de servir à titre de président de votre Conseil d'administration.



Le président du Conseil d'administration  
Carl Merton, EEE

# Statement of Management Responsibility



Management is responsible for the preparation and the fair presentation of the annual financial statements and all financial and other information in this *Annual Report*.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles appropriate in the circumstances and have been approved by the Board of Directors. Financial information contained in the *Annual Report* is consistent with that shown in the financial statements.

Management is responsible for the integrity and reliability of financial information, and has established systems of internal procedural and accounting controls designed to achieve this. These systems also reasonably ensure that assets are safeguarded from loss or unauthorized use.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board carries out this responsibility principally through the Audit Committee. The Audit Committee meets with the auditors without management present, to review the activities of each, as well as reviews the financial statements and reports to the Board thereafter.

Adams & Miles LLP, our independent external auditors, have been appointed by the Board of Directors on the recommendation of the Audit Committee. Their appointment was ratified at the Annual General Meeting of Members. The auditors have full and unrestricted access to the Audit Committee and management to discuss their audit and related findings. They have performed an independent audit of our financial statements and expressed an opinion without reservation. They have also prepared a report on our financial statements which is presented below. The Audit Committee annually undertakes a review of the auditors' performance and makes recommendations to the Board with respect to their reappointment for the coming year.

Toronto, Ontario  
February 2010

A handwritten signature in dark ink, reading "Jeannine Brooks".

Jeannine Brooks, MBA, CAE, FCGA  
President & Chief Executive Officer

# Énoncé de responsabilité de la direction

La direction est responsable de la préparation et de la présentation fidèle des états financiers annuels et de toutes les informations financières et autres qui se trouvent dans ce *Rapport annuel*.

Ces états financiers ont été préparés conformément aux principes comptables généralement reconnus du Canada appropriés dans les circonstances et ont été approuvés par le Conseil d'administration. Les informations financières contenues dans le *Rapport annuel* sont cohérentes avec les informations présentées dans les états financiers.

La direction est responsable de l'intégrité et de la fiabilité de l'information financière, et a mis en place des systèmes de contrôles internes procéduraux et comptables conçus pour atteindre ces objectifs d'intégrité et de fiabilité. Ces systèmes procurent aussi une assurance raisonnable que les actifs sont protégés contre les pertes et les détournements.

Le Conseil d'administration a la responsabilité de veiller à ce que la direction s'acquitte de ses responsabilités en matière d'information financière et de contrôle interne. Le Conseil s'acquitte de cette responsabilité principalement par l'intermédiaire du Comité de vérification. Le comité de vérification rencontre les vérificateurs en l'absence de la direction, afin de passer en revue les activités de chacun, en plus de passer en revue les états financiers et d'en faire rapport par la suite au Conseil.

Adams & Miles LLP, nos vérificateurs externes indépendants, ont été nommés par le Conseil d'administration sur la recommandation du Comité de vérification. Leur nomination a été ratifiée à l'Assemblée générale annuelle des membres. Les vérificateurs ont pleinement et librement accès au Comité de vérification et à la direction pour discuter de leur vérification et de leurs constatations connexes. Ils ont effectué une vérification indépendante de nos états financiers et ont exprimé une opinion sans réserve. Ils ont également préparé un rapport sur nos états financiers, qui est présenté ci-dessous. Le Comité de vérification procède annuellement à une revue de la performance des vérificateurs et formule des recommandations à l'intention du Conseil au sujet de la reconduction de leur mandat pour l'année à venir.

Toronto, Ontario  
Février 2010

A handwritten signature in dark ink, reading "Jeannine Brooks".

La présidente-directrice générale  
Jeannine Brooks, MBA, CAE, FCGA

# **THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS**

**Financial Statements**

**Year ended December 31, 2009**

**Adams & Miles LLP**  
Chartered Accountants

**THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS**  
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**December 31, 2009**

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Adams & Miles LLP  
Chartered Accountants



**ADAMS & MILES LLP**  
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## AUDITORS' REPORT

To the Members of  
The Canadian Institute of Chartered Business Valuators

We have audited the statement of financial position of The Canadian Institute of Chartered Business Valuators as at December 31, 2009 and the statements of changes in net assets, operations and cash flows for the year then ended. These financial statements are the responsibility of the Institute's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Institute as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Adams & Miles LLP*

Chartered Accountants  
Licensed Public Accountants

Toronto, Canada  
January 28, 2010

# THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS

## Statement of Financial Position

December 31, 2009

|                                                 | 2009                | 2008                |
|-------------------------------------------------|---------------------|---------------------|
| <b>Assets</b>                                   |                     |                     |
| Current                                         |                     |                     |
| Cash                                            | \$ 82,808           | \$ 35,043           |
| Accounts receivable (Note 8)                    | 4,200               | 9,600               |
| Prepaid expenditures (Note 8)                   | 14,518              | 16,826              |
| Investments (Note 3)                            | 1,222,596           | 1,213,985           |
|                                                 | 1,324,122           | 1,275,454           |
| Capital assets (Note 4)                         | 194,861             | 257,544             |
| Deposits                                        | 31,729              | 26,729              |
|                                                 | 1,550,712           | 1,559,727           |
| <b>Liabilities</b>                              |                     |                     |
| Current                                         |                     |                     |
| Accounts payable and accrued liabilities        | 193,634             | 191,133             |
| Current portion of deferred inducement (Note 5) | 4,914               | 4,914               |
|                                                 | 198,548             | 196,047             |
| Deferred inducement (Note 5)                    | 30,713              | 35,627              |
|                                                 | 229,261             | 231,674             |
| <b>Net Assets</b>                               | <b>\$ 1,321,451</b> | <b>\$ 1,328,053</b> |
| <b>Net assets represented by</b>                |                     |                     |
| Capital fund                                    | \$ 194,861          | \$ 257,544          |
| Conduct disciplinary fund                       | 256,968             | 263,984             |
| Unrestricted surplus fund                       | 899,614             | 835,872             |
| Losses on investments                           | (29,992)            | (29,347)            |
|                                                 | \$ 1,321,451        | \$ 1,328,053        |

Approved on behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS

Statement of Changes in Net Assets

Year ended December 31, 2009

|                                                                    | Capital<br>Fund | Conduct and<br>Disciplinary<br>Fund | Unrestricted<br>Surplus<br>Fund | Losses on<br>Investments | Total<br>2009 | Total<br>2008 |
|--------------------------------------------------------------------|-----------------|-------------------------------------|---------------------------------|--------------------------|---------------|---------------|
| <b>Balance, beginning of year</b>                                  | \$ 257,544      | \$ 263,984                          | \$ 835,872                      | \$ (29,347)              | \$ 1,328,053  | \$ 1,342,010  |
| Excess of revenue over expenditures<br>(expenditures over revenue) | (71,280)        | (7,016)                             | 72,339                          | -                        | (5,957)       | (1,556)       |
| Purchase of assets                                                 | 8,597           | -                                   | (8,597)                         | -                        | -             | -             |
| Unrealized losses on investments during<br>the year                | -               | -                                   | -                               | (7,741)                  | (7,741)       | (22,759)      |
| Realized losses on investments sold during<br>the year             | -               | -                                   | -                               | 7,096                    | 7,096         | 10,358        |
| <b>Balance, end of year</b>                                        | \$ 194,861      | \$ 256,968                          | \$ 899,614                      | \$ (29,992)              | \$ 1,321,451  | \$ 1,328,053  |

# THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS

## Statement of Operations

Year ended December 31, 2009

|                                                                            | Capital<br>Fund | Conduct and<br>Disciplinary<br>Fund | Unrestricted<br>Surplus<br>Fund | Total<br>2009 | Total<br>2008 |
|----------------------------------------------------------------------------|-----------------|-------------------------------------|---------------------------------|---------------|---------------|
| <b>Revenue</b>                                                             |                 |                                     |                                 |               |               |
| Course and examination fees                                                | \$ -            | \$ -                                | \$1,022,846                     | \$1,022,846   | \$1,038,671   |
| Membership fees                                                            | -               | -                                   | 770,225                         | 770,225       | 727,502       |
| Regional conferences                                                       | -               | -                                   | 253,570                         | 253,570       | -             |
| Membership entrance examination fees                                       | -               | -                                   | 133,296                         | 133,296       | 103,750       |
| Continuing education                                                       | -               | -                                   | 58,035                          | 58,035        | 184,395       |
| Investment income (Note 6)                                                 | -               | -                                   | 48,004                          | 48,004        | 56,619        |
| Publications                                                               | -               | -                                   | 44,000                          | 44,000        | 48,844        |
| Conduct and disciplinary fees                                              | -               | 24,290                              | -                               | 24,290        | 22,900        |
| Sponsorships                                                               | -               | -                                   | 20,000                          | 20,000        | -             |
| Royalties                                                                  | -               | -                                   | 19,767                          | 19,767        | 20,548        |
| National conference                                                        | -               | -                                   | -                               | -             | 385,201       |
|                                                                            | -               | 24,290                              | 2,369,743                       | 2,394,033     | 2,588,430     |
| <b>Expenditures</b>                                                        |                 |                                     |                                 |               |               |
| Administrative and office                                                  | -               | -                                   | 1,263,713                       | 1,263,713     | 1,123,813     |
| Course and examination costs                                               | -               | -                                   | 610,453                         | 610,453       | 707,621       |
| Regional conferences                                                       | -               | -                                   | 159,200                         | 159,200       | -             |
| Membership entrance examination costs                                      | -               | -                                   | 125,629                         | 125,629       | 108,168       |
| Publications                                                               | -               | -                                   | 80,024                          | 80,024        | 43,625        |
| Amortization                                                               | 71,280          | -                                   | -                               | 71,280        | 120,898       |
| Continuing education                                                       | -               | -                                   | 58,385                          | 58,385        | 180,342       |
| Conduct and disciplinary costs                                             | -               | 31,306                              | -                               | 31,306        | 62,803        |
| National conference                                                        | -               | -                                   | -                               | -             | 242,716       |
|                                                                            | 71,280          | 31,306                              | 2,297,404                       | 2,399,990     | 2,589,986     |
| <b>Excess of revenue over expenditures<br/>(expenditures over revenue)</b> | \$ (71,280)     | \$ (7,016)                          | \$ 72,339                       | \$ (5,957)    | \$ (1,556)    |

# THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS

## Statement of Cash Flows

Year ended December 31, 2009

|                                                                        | 2009        | 2008         |
|------------------------------------------------------------------------|-------------|--------------|
| <b>Cash provided by (used in)</b>                                      |             |              |
| <b>Operating activities</b>                                            |             |              |
| Excess of expenditures over revenue - Capital fund                     | \$ (71,280) | \$ (120,898) |
| Excess of expenditures over revenue -<br>Conduct and disciplinary fund | (7,016)     | (39,903)     |
| Excess of revenue over expenditures -<br>Unrestricted surplus fund     | 72,339      | 159,245      |
| Amortization                                                           | 71,280      | 120,899      |
| Losses on investments                                                  | (645)       | (12,401)     |
|                                                                        | 64,678      | 106,942      |
| Changes in                                                             |             |              |
| Accounts receivable                                                    | 5,400       | 30,549       |
| Prepaid expenditures                                                   | 2,308       | (16,826)     |
| Investments                                                            | (8,611)     | 35,562       |
| Accounts payable and accrued liabilities                               | 2,501       | 105,070      |
|                                                                        | 66,276      | 261,297      |
| <b>Financing activities</b>                                            |             |              |
| Decrease in deferred inducement                                        | (4,914)     | (4,914)      |
| <b>Investing activities</b>                                            |             |              |
| Purchase of capital assets                                             | (8,597)     | (302,398)    |
| Deposits                                                               | (5,000)     | (26,729)     |
|                                                                        | (13,597)    | (329,127)    |
| <b>Change in cash position</b>                                         | 47,765      | (72,744)     |
| <b>Cash, beginning of year</b>                                         | 35,043      | 107,787      |
| <b>Cash, end of year</b>                                               | \$ 82,808   | \$ 35,043    |

## THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS

### Notes to Financial Statements

Year ended December 31, 2009

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#### 1. Nature of operations

The Canadian Institute of Chartered Business Valuators ("Institute") was incorporated without share capital on January 6, 1971 under the Canada Corporations Act as a not-for-profit organization exempt from taxes under the Income Tax Act.

The mission of the Institute is to preserve the long-term value of the CBV designation by:

- (i) Preserving and enhancing the reputation, respect and credibility of the CBV designation;
- (ii) Ensuring that the valuation profession continues to be challenging and rewarding; and
- (iii) Enabling CBV's to access a wide range of career opportunities in industry, public practice, government, finance and education.

#### 2. Summary of significant accounting policies

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires the Institute's management to make estimates and assumptions that affect the reporting amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenditures during the year. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported as revenue or expenditures in the Statement of Operations in the year in which they become known.

## THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS

### Notes to Financial Statements

Year ended December 31, 2009

---

#### 2. Summary of significant accounting policies - cont'd

##### **Fund accounting**

The accounts of the Institute are maintained in accordance with the principles of fund accounting and accordingly the resources are classified for accounting and reporting purposes into funds determined by the purpose for which those funds are held as follows:

**Capital** - This fund includes any additions or disposals of capital assets and amortization.

**Conduct and Disciplinary Fund** - This internally restricted fund includes the annual conduct and disciplinary fees received net of expenditures associated with the conduct and disciplinary activities.

**Unrestricted Surplus Fund** - This fund includes unrestricted revenue sources received from course and examination fees, membership fees, conference fees, continuing education fees, membership entrance examination fees, investment income, publications, royalties, and sponsorships, together with day-to-day operating expenditures.

##### **Investments**

Investments consist of bonds maturing within the next 10 years. They have been classified as current since it is not the intention of the Institute to hold these bonds to maturity.

The investments are classified as available for sale and are recorded at fair value as it is not the Institute's management's primary intention to generate trading profits from short-term fluctuations in price or to hold investments to maturity. Fair values are referenced to published price quotations in an active market at year-end.

Transactions costs associated with the acquisition of investments are either capitalized and included in the acquisition costs or applied to reduce proceeds on disposal, as appropriate. Investment fees are expensed when incurred.

##### **Capital assets**

Capital assets are stated at cost. Amortization is recorded at the following annual rates:

|                               |                     |
|-------------------------------|---------------------|
| Furniture and equipment       | 5 yrs straight-line |
| Computer equipment            | 3 yrs straight-line |
| Website and computer software | 2 yrs straight-line |

Leasehold improvements are amortized over the term of the lease.

## THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS

### Notes to Financial Statements

Year ended December 31, 2009

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#### 2. Summary of significant accounting policies - cont'd

##### **Deferred inducements**

The deferred inducements are being amortized into operations on a straight-line basis over the term of the lease.

##### **Revenue recognition**

The Institute follows the restricted funds method of accounting for contributions. Internally restricted contributions are recognized as revenue of the conduct and disciplinary fund in the year in which they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted contributions are recognized as revenue in the unrestricted surplus fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

##### *Membership:*

Membership fees are set annually by the Board of Directors and are recognized in the fiscal year to which they relate.

##### *Conference, course and examination:*

Conference, course and examination fees are recognized when the related conference, course or examination is presented or held.

##### *Publications:*

Publication revenue is recognized at the time of shipment, net of estimated returns.

##### *Royalties:*

Royalties are recognized as revenue in the fiscal year that the course notes and materials are used by third parties.

##### *Investment income:*

Investment income consists of interest realized from cash and investments and realized gains and losses on sale of investments. Unrealized gains and losses on available for sale financial assets are included directly in net assets, until the assets are disposed of or a permanent decline in value has occurred.

##### *Sponsorships:*

Sponsorships are recognized as revenue in the fiscal year that they are received.

##### **Financial instruments**

The carrying amount of the Institute's financial instruments, consisting of cash, accounts receivable, and accounts payable and accrued liabilities, approximates their fair value.

## THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS

### Notes to Financial Statements

Year ended December 31, 2009

#### 3. Investments

| Description -<br>Bonds | Effective<br>Interest Rate | Maturity<br>Date | 2009<br>Fair<br>Value | 2008<br>Fair<br>Value |
|------------------------|----------------------------|------------------|-----------------------|-----------------------|
| Newfoundland           | 3.07%                      | October 2014     | \$ 100,011            | \$ -                  |
| Ontario                | 3.23%                      | January 2015     | 149,982               | -                     |
| Quebec                 | 4.01%                      | June 2016        | 117,662               | 148,312               |
| Ontario Hydro          | 4.42%                      | August 2017      | -                     | 193,091               |
| Quebec                 | 4.51%                      | September 2017   | -                     | 158,327               |
| Nova Scotia            | 4.14%                      | December 2017    | 149,057               | -                     |
| Ontario                | 4.34%                      | March 2018       | 210,176               | 202,369               |
| Quebec                 | 4.42%                      | June 2018        | 190,340               | 178,567               |
| Ontario Hydro          | 4.51%                      | October 2018     | 155,561               | 151,301               |
| British Columbia       | 4.43%                      | December 2018    | 149,807               | 182,018               |
|                        |                            |                  | <b>\$ 1,222,596</b>   | <b>\$ 1,213,985</b>   |

The cost of investments plus accrued interest as at year-end was \$1,252,588 (2008 - \$1,243,332).

#### *Interest rate price risk:*

The Institute manages the interest rate price risk by restricting the type of investments and varying the terms to maturity and issuer of investments. The varying terms to maturity reduces the sensitivity of the portfolio to the impact of interest rate fluctuations.

#### *Credit and market risk:*

The Institute mitigates this risk and volatility through its investment policy, which permits investments in Federal or Provincial government securities, Provincial utilities or bank institutions; specifically bankers acceptances, guaranteed investment certificates or term deposit receipts.

## THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS

### Notes to Financial Statements

Year ended December 31, 2009

#### 4. Capital assets

|                                  | 2009              |                             | 2008              |                   |
|----------------------------------|-------------------|-----------------------------|-------------------|-------------------|
|                                  | Cost              | Accumulated<br>Amortization | Net Book<br>Value | Net Book<br>Value |
| Furniture and equipment          | \$ 124,665        | \$ 64,653                   | \$ 60,012         | \$ 80,263         |
| Computer equipment               | 51,397            | 42,634                      | 8,763             | 11,794            |
| Website and computer<br>software | 160,614           | 159,653                     | 961               | 24,722            |
| Leasehold improvements           | 153,799           | 28,674                      | 125,125           | 140,765           |
|                                  | <u>\$ 490,475</u> | <u>\$ 295,614</u>           | <u>\$ 194,861</u> | <u>\$ 257,544</u> |

#### 5. Deferred inducement

|                      | 2009             | 2008             |
|----------------------|------------------|------------------|
| Tenant inducement    | \$ 35,627        | \$ 40,541        |
| Less current portion | 4,914            | 4,914            |
| Due beyond one year  | <u>\$ 30,713</u> | <u>\$ 35,627</u> |

The Institute entered into a 10 year lease (see Note 7) effective April 1, 2007. In consideration, the Institute received a total of \$50,000 in a tenant inducement from the landlord. The inducement has been deferred and is being amortized to operations over the term of the lease.

#### 6. Investment income

|                                                                  | 2009             | 2008             |
|------------------------------------------------------------------|------------------|------------------|
| Interest realized on cash balance                                | \$ 46            | \$ 2,965         |
| Interest realized on investments                                 | 63,579           | 77,053           |
| Realized losses on sales of investments                          | (8,525)          | (13,041)         |
| Prior year's unrealized losses recognized<br>in the current year | (7,096)          | (10,358)         |
|                                                                  | <u>\$ 48,004</u> | <u>\$ 56,619</u> |

## THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS

### Notes to Financial Statements

Year ended December 31, 2009

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#### 7. Commitments

The Institute operates from leased premises under a lease expiring in 2017. The minimum lease payments for each of the next five years is approximately \$30,000. The Institute is also responsible for maintenance and taxes, which are approximately \$45,000 per year.

The Institute has entered into an agreement with York University for academic advisory services relating to the program of studies for \$13,000 per year expiring in 2010. The Institute is currently negotiating a renewal of the agreement.

The Institute has pledged to make an annual contribution to the International Valuation Standards Council for three years starting in 2008. Under this agreement the maximum payment is \$50,000 US (\$53,265 CDN) in 2010 and \$25,000 US (\$26,632 CDN) in 2011.

#### 8. Comparative amounts

Certain comparative amounts have been reclassified to conform to the current year financial statement presentation.

# Officers & Directors and Staff

## 2009 – 2010

Carl Merton, CBV, Windsor, ON  
 Farley Cohen, CBV, Toronto, ON  
 Eleanor Joy, CBV, Vancouver, BC  
 Iseo Pasquali, CBV, Toronto, ON

Chair  
 Vice-Chair  
 Secretary/Treasurer  
 Past Chair

Robert Doran, CBV, Calgary, AB  
 Denys Goulet, CBV, Québec, QC  
 Brian Keough, CBV, Halifax, NS  
 Mark Keuleman, CBV, Burlington, ON  
 Vimal Kotecha, CBV, Toronto, ON  
 Michelle Levac, CBV, Ottawa, ON  
 Pierre Maillé, CBV, Montréal, QC  
 Gordon McFarlane, CBV, Calgary, AB  
 Nora Murrant, FCBV, Toronto, ON  
 Jay Patel, CBV, Toronto, ON  
 Andy Shaw, CBV, Vancouver, BC  
 John Walker, FCBV, Toronto, ON

Director  
 Director  
 Director  
 Director  
 Director  
 Director  
 Director  
 Director  
 Director  
 Director  
 Director

### CICBV STAFF

Jeannine Brooks, MBA, CAE, FCGA  
 Robert Boulton, CBV, CA  
 Isabel Natale  
 Deborah Pelle  
 Judith Roth  
 Jennifer Warlow  
 Lauren Kirshner

President & CEO  
 Director of Professional Affairs  
 Programme Coordinator  
 Events Manager/Executive  
 Assistant  
 IT & Member Services  
 Manager  
 Communications Coordinator  
 External Relations  
 Coordinator

# Committee Terms of Reference

## ACCREDITATION/MEMBERSHIP

### Terms of Reference:

1. Mandate:
  - a) Inform and advise the Board in respect of policies related to Accreditation and Membership.
  - b) Maintain appropriate membership qualifications standards in the areas of valuation experience and Membership Entrance Examination (MEE).
  - c) Liaise with exam authors.
  - d) Review and approve the applications to write the MEE.
  - e) Review and approve the examination papers.
  - f) Review the final results of the examination and the report of the Exam Coordinator.
  - g) Recommend the Board admission of qualified Members.

2. Composition:

#### *Voting Members:*

A minimum of three Board Members

A minimum of three non-Board Members

#### *Support Staff:*

Director of Professional Affairs

Executive Assistant

MEE Exam Coordinator

## AUDIT

### Terms of Reference:

1. Mandate:
  - a) Provide an annual review as to the performance of the auditor(s) and report thereon to the Board of Directors.
  - b) At a minimum, every five years, consider the need to re-tender for the auditor, review submissions and recommend the auditing firm to the Board of Directors.
  - c) Review and approve the Audited Financial Statements and other financial, investment, internal controls systems and reporting issues.

2. Composition:

#### *Voting Members:*

Three Board Members, other than the Secretary/  
Treasurer

One non-Board Member

## AWARDS

### Terms of Reference:

1. Mandate:
  - a) To evaluate each Nomination for Awards, including the Communicator Award, in light of the criteria established. In evaluating nominees, the Awards Committee seeks to assess the information consistently within that particular election, and over time.
  - b) To make an annual recommendation to the CICBV Board of Directors to approve the accepted nominees for each of the awards. The list of all nominees will be brought forward to the Board of Directors. The election of the recommended nominee requires a majority vote of the Board of Directors.
2. Composition:
  - a) CICBV Board of Directors appoints the Awards Committee Chair. The Chair will be a Member.
  - b) The Awards Committee Chair appoints at least two (2) Committee members. Guidelines for the composition of the Committee:
    - The Chair of the Communications Committee will be a member of the Committee;
    - Firm/Sector/Industry representation;
    - Tenure (level of seniority, # of years in the profession, etc.); and
    - Geographical representation.
  - c) The Chair of the Board of Directors approves the list of the Awards Committee members.

## COMMUNICATIONS

### Terms of Reference:

#### 1. Mandate:

- a) Inform and advise the Board on policy matters related to communications with the CICBV Members, students and the general public.
- b) Be responsible for Communications, Public Relations, Advertising, Promotion and Publications.
- c) Have a sub-committee, using principally non-Board Members and staff as follows:
  - Editorial Board for The Valuator, Valuation Law Review and the Journal.

#### 2. Composition:

##### *Voting Members:*

A minimum of three Board Members

A minimum of three non-Board Members

##### *Support Staff:*

President & CEO

Communications Coordinator

## CONFERENCES/WORKSHOPS

### Terms of Reference:

#### 1. Mandate:

- a) Recommending locations for conferences — Regional and National.
- b) Forming Conference Committees to actually develop Programs and liaise with local Members for Conferences.
- c) Monitor and support local Workshops.

#### 2. Composition:

##### *Voting Member:*

One Board Member as Chair

##### *Support Staff:*

Executive Assistant

## EDUCATION/CONTINUING EDUCATION

### Terms of Reference:

#### 1. Mandate:

- a) Inform and advise the Board in respect of policies to maintain appropriate

Programme of Studies standards in the area of Education.

- b) Further develop policies to enhance the Continuing Education Programme offered to Members.
- c) Identify matters needing policy direction or amendment.
- d) Inform and advise the Board in respect to policies to maintain appropriate Mandatory Continuing Education Standards.

#### 2. Composition:

##### *Voting Members:*

A minimum of five Board Members including the Chairs of Conferences/Workshops and Accreditation committees

A minimum of four non-Board Members

##### *Support Staff and other non-voting members:*

President & CEO

Director of Professional Affairs

Programme Coordinator

York University representatives are invited to attend the part of the Education meeting which deals with the administration of the Programme of Studies or when invited to participate in the discussion, however, they are not voting members.

## EXECUTIVE

### Terms of Reference:

#### 1. Mandate:

- a) Ensure guidance and leadership in directing the affairs of the Institute as authorized by the Board of Directors.
- b) Help focus on key agenda items.
- c) Resolve complex issues.
- d) Bring alternatives to the Board of Directors for decision.
- e) Act if significant issues arise between Board Meetings and time is the essence.

#### 2. Composition:

##### *Voting Members:*

The Chair

The Vice-Chair

The Past Chair

The Secretary/Treasurer

### Support Staff

President & CEO (Ex-Officio)

## FCBV/LIFE MEMBERSHIP SELECTION

### Terms of Reference:

1. Mandate:
  - a) To evaluate each Nomination for the **Fellowship (FCBV) designation**, in light of the criteria established. In evaluating nominees, the FCBV/Life Membership Selection Committee seeks to assess the information consistently within that particular selection process, and over time.
  - b) To evaluate each Nomination for the **Life Membership designation**, in light of the criteria established. In evaluating nominees, the FCBV/Life Membership Selection Committee seeks to assess the information consistently within that particular selection process, and over time.
  - c) To present a report and to make a recommendation every two years to the CICBV Board of Directors to approve the accepted nominees. The report will include the number of nominations received and the listing of the accepted nominations. The nominees who are not accepted by the Committee will not be brought forward to the Board of Directors but reasons for the rejections will be provided. The granting of the FCBV and/or Life Membership designation of the accepted nominee requires a majority vote of the Board of Directors.
2. Composition:
  - a) CICBV Board of Directors appoints the FCBV/Life Membership Selection Committee Chair. The Chair will be an FCBV.
  - b) The FCBV/Life Membership Selection Committee Chair appoints four (4) Committee members. All Committee members must be FCBVs, except for cases when there is no FCBV on the Board of Directors. Other guidelines for the composition of the Committee:
    - At minimum, one member is a Board Member;
    - Firm/Sector/Industry representation;

- Tenure (level of seniority, # of years in the profession, etc.); and
  - Geographical representation.
- c) The Chair of the Board of Directors approves the list of the FCBV/Life Membership Selection Committee members.

## INTERNATIONAL

### Terms of Reference:

1. Mandate:
  - a) To monitor international activities to ensure they are directed at advancing the Institute's goal to be recognized internationally.
  - b) To investigate, monitor and assess foreign designations for mutual recognition consideration.
  - c) To review and recommend the sale or export of Institute course materials.
  - d) To monitor and oversee the support of international Members.
  - e) To recommend the appointment of delegates to international organizations, and establish measurable objectives for these appointments.
  - f) To monitor IVSC sponsorship.

### 2. Composition:

#### Voting Members:

The Committee Chair shall be a member of the CICBV Board of Directors or the immediate Past-Chair

The immediate Past Chair of the CICBV Board of Directors

A minimum of two additional members (Board Member or non-Board Members)

#### Support Staff:

President & CEO (Ex-Officio)

## NOMINATING

### Term of Reference:

1. Mandate:
  - a) Ensure there is an adequate slate of Candidates for election or appointment to the Board of Directors.
  - b) Nominate Officers of the Board of Directors.

- c) Select and nominate Directors that are not elected by the Regions.
- d) Actively promote nominations.
- e) Set criteria of Director representation on the Board, e.g. Skills, Experience, Industry representation, Geographical representation.

## 2. Composition:

### *Voting Members:*

The Past Chair as Chair

The Chair

The Vice-Chair

The Secretary/Treasurer

The Past Past Chair

### *Support Staff:*

President & CEO (Ex-Officio)

## PROFESSIONAL PRACTICE

### *Terms of Reference:*

#### 1. Mandate:

- a) Code of Ethics and Practice Standards:
  - Inform and advise the Board on policy matters to the maintenance of ethical and professional standards.
  - Monitor the provisions of the Code of Ethics for currency, relevance and materiality.
  - Maintain a liaison with other professional valuation bodies and inform and advise the Board.
- b) Securities Liaison:
  - Maintain a liaison with Securities Regulators.
  - Maintain a liaison with other relevant professional valuation bodies.
- c) Research, Emerging Issues:
  - Identify professional practice matters that require research or policy direction.
  - Maintain a liaison with other relevant professional valuation bodies.
- d) Interdisciplinary bodies
- e) International Practice Standards
- f) Guideline

## 2. Composition:

### *Voting Members:*

A minimum of four Board Members

A minimum of two non-Board Members

### *Support Staff:*

Director of Professional Affairs

## RESEARCH INSTITUTE

### *Terms of Reference:*

#### 1. Mandate:

- a) To monitor and identify emerging topics affecting the business valuation profession.
- b) To analyze and prioritize the topics for research projects and recommend as appropriate to the Board of Directors.
- c) To develop and implement a program to generate original research on emerging topics of interest to CBVs.
- d) Recommend the Ian Campbell Research Award.

## 2. Composition:

### *Voting Members:*

Board Member as Chair

One Member from each of the regions across Canada (Atlantic, Quebec, Ontario, Toronto, Prairies and B.C.)

### *Support Staff:*

President & CEO (Ex-Officio)

Member Services Manager

## STRATEGIC PLANNING

### *Terms of Reference:*

#### 1. Mandate:

- a) Monitor and report regularly to the Board on the strategic planning programs and emerging issues.
- b) Conduct the yearly Planning Session.
- c) Develop and update the Strategic Plan.

## 2. Composition:

### *Voting Members:*

Vice-Chair, Committee Chair

Chair of the Board of Directors

Secretary/Treasurer  
Past Chair  
One Board Member

### *Support Staff:*

President & CEO (Ex-Officio)

## TECHNOLOGY LIAISON

### Terms of Reference:

1. Mandate:
  - a) Liaise between Administration and the Board with respect to technology issues as they arise.
  - b) There may also be the need for an ad hoc committee to consider specific technology projects, from time to time, which the Technology Liaison Director could then coordinate.
2. Composition:

Board Member

## SUB-COMMITTEES

## CONDUCT & DISCIPLINE

### Terms of Reference:

1. Mandate:
  - a) To operate and conduct the discipline procedures.
2. Composition:

*Voting Members:*

The Chair may be a Director of the Institute, but it is not required,

A minimum of four non-Board Members

*Support Staff:*

Director of Professional Affairs.

## EDITORIAL

### Terms of Reference:

1. Mandate:
  - a) Responsible for articles in the CICBV Publication i.e. Journal of Business Valuation. This Committee reports to the Chair of Communications and Member Services Committee.

2. Composition:

### *Voting Members:*

Board Member as Chair  
A minimum of five non-Board Members

### *Support Staff:*

Communications Coordinator

## SECURITIES LIAISON

### Terms of Reference:

1. Mandate:
  - a) Responsible for working with the Securities Commissions.
2. Composition:

*Voting Members:*

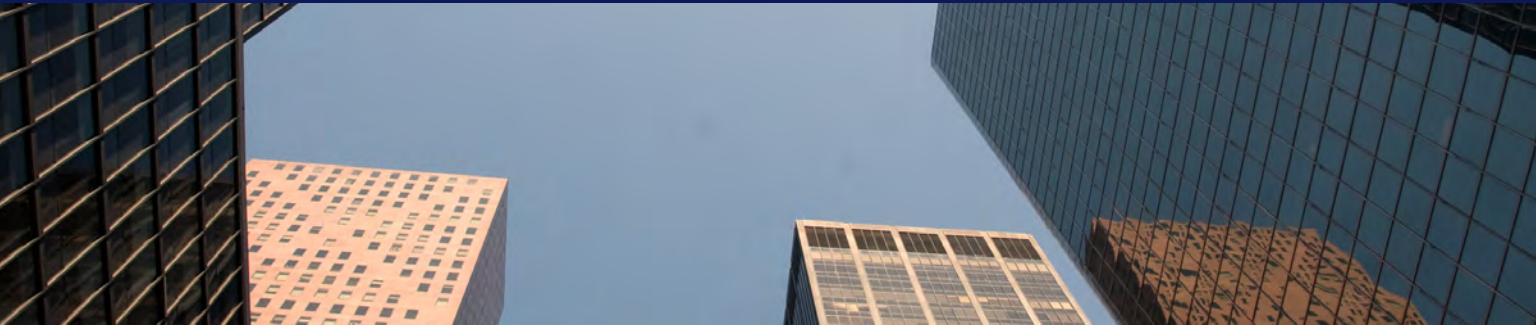
Board Member as Chair  
One additional Board Member

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