

17 ANNUAL REPORT 18

LEADING OUR PROFESSION

THE CANADIAN INSTITUTE *of*
**CHARTERED
BUSINESS
VALUATORS™**

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Leading the Business Valuation Profession since 1971

The CICBV leads the Chartered Business Valuator (CBV) profession – Canada’s only designation dedicated to business valuation. We uphold the highest standards of business valuation through education, accreditation and governance of the CBV, for the benefit of the public interest. With an accomplished 47 year history and now with 3,000 Members and Registered Students across Canada and around the world, our not-for-profit Institute continuously adapts and evolves to advance the CBV profession to the forefront of business change.

Leading with Integrity

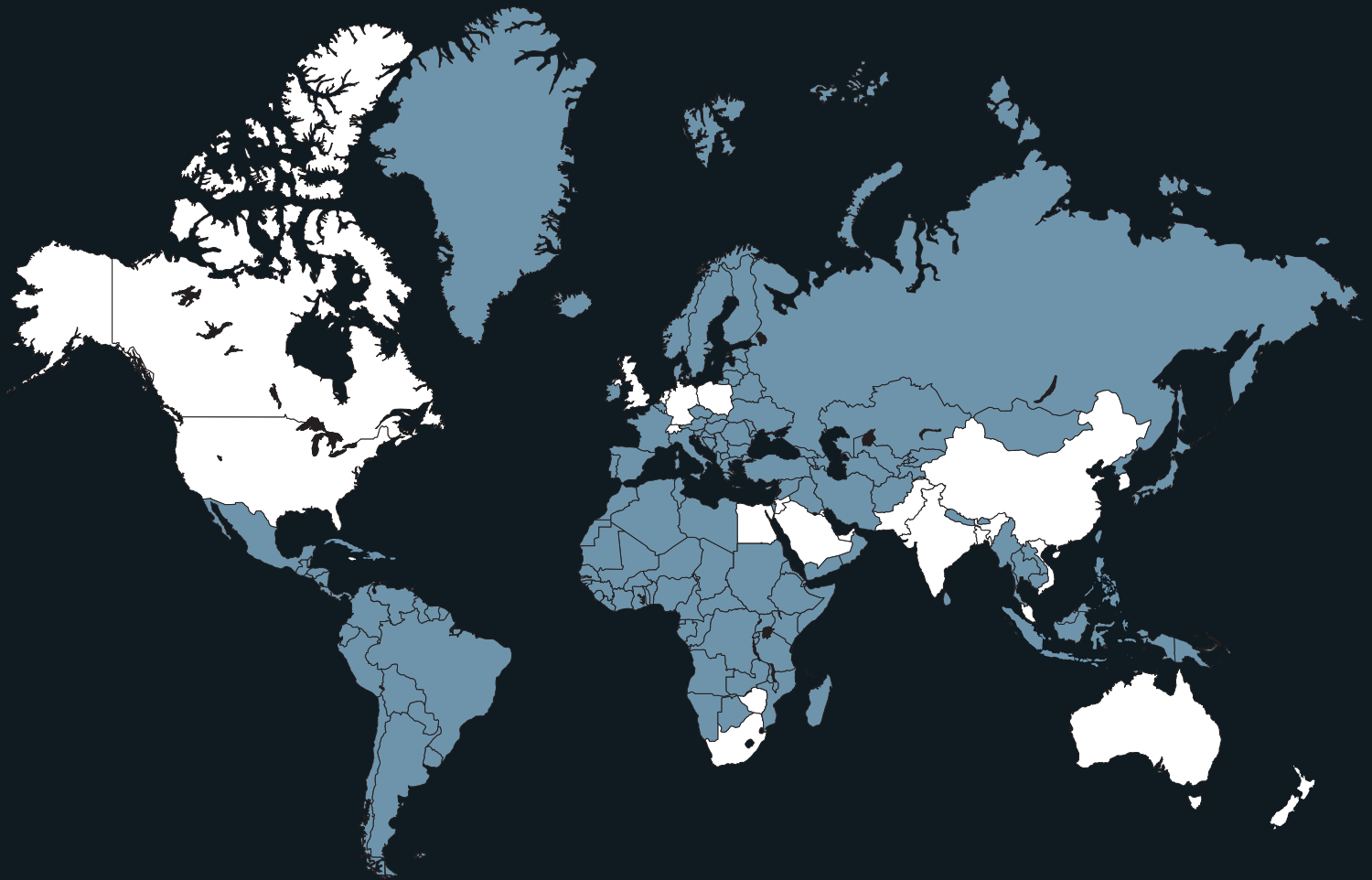
Stringent Institute standards are met through continuing professional development and practice inspection. The integrity of the CBV accreditation is upheld by the code of ethical conduct. The core values of our founding valuation professionals continue to embrace the professional excellence of CBV practice today. This uncompromising commitment to professionalism is of the highest standing.

We are
1971
47
3000

ESTABLISHED

YEARS

MEMBERS AND
REGISTERED STUDENTS
ACROSS CANADA
AND THE WORLD



We have a global footprint, taking a leadership role in the profession... around the world.

Australia
Bangladesh
Barbados
Bermuda
Canada
Cayman Islands
China
Egypt
Germany
Hong Kong
India
Jamaica

Jordan
Kuwait
Luxembourg
Malaysia
Netherlands
New Zealand
Pakistan
Poland
Saint Vincent and The Grenadines
Saudi Arabia
Singapore

South Africa
South Korea
Switzerland
Trinidad and Tobago
United Arab Emirates
United Kingdom
United States of America
Vietnam
Zimbabwe

Our CBV Distinction

Analytical Acuity

CBVs create expert insights by merging valuation theory with key business information. A CBV professional has skilled analytical acuity to understand the pulse of the organization through precise valuation analytics. The analytical net is cast both wide and deep. Hidden currents are uncovered and hidden elements of value are unlocked to inform sound judgement. CBV expertise generates credible value measurement, value creation and value protection for confident business decisions.

Our authority in business valuation is grounded in the proprietary CBV Program of Studies and recognized by the Canadian Courts for expertise in business valuation and related financial matters.

The CBV Qualification Program

Achieving the CBV accreditation is a distinct, professional accomplishment. The proprietary CBV Program is a thorough 2-year academic curriculum, applied through related professional experience and qualified by the rigorous Membership Qualification Examination. CBVs are trained to develop the analytical skills and investigative behaviours to provide unique insight. Equipped with this strategic guidance, CBVs integrate valuation analytics with business decisions.

Our authority as business valuators is unequivocal

President and CEO's Message



Mary Jane Andrews, FCBV



OUR STATEMENT OF MISSION AND VISION THE PATH TO LEADERSHIP

Inspired by an unwavering commitment to professional excellence, we establish the highest standards of business valuation practice and education to elevate the stature of the CBV designation and the profession globally.

—
CBV analysis will be recognized as the essential instrument for informed business decision-making, transforming the power and authority of the Chartered Business Valuator.

—
This new dimension of professional opportunity will fuel demand for CBVs, open doors to career advancement and drive program enrollment.

Our Values

Everything we say and do is governed by our code of ethics and grounded in the values of integrity and mutual respect, for the benefit of the public interest.

DEAR COLLEAGUES,

My second year as CICBV President has been an eventful one for all of us. Last year, we articulated a new statement of our vision – which charts an inspiring and attainable *Path to Leadership* for our collective futures as CBVs. The first chapter has begun. We are now mobilizing the vision as the strategic focus of all our work to educate, distinguish and energize the CBV profession. This is reflected across our initiatives for 2017-18, as it will be for the long-term.

■ 2017 Performance

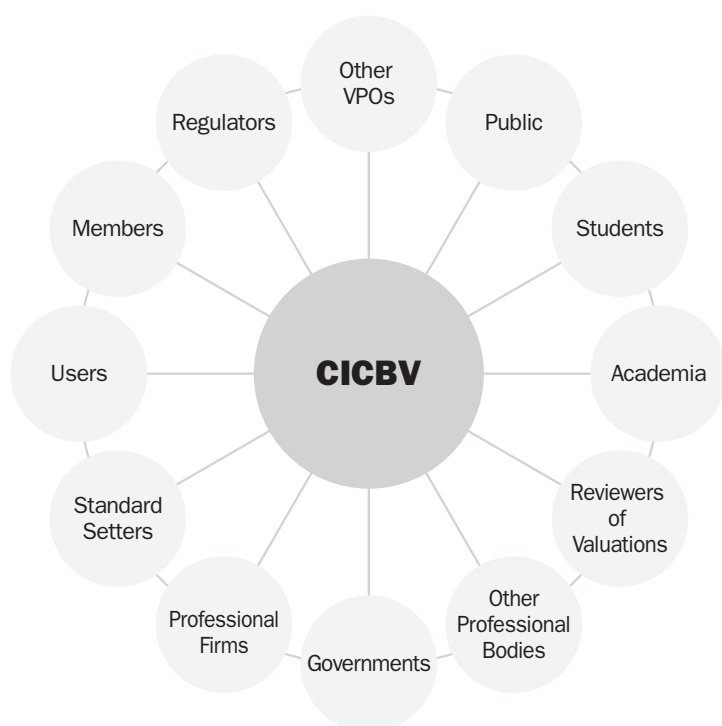
In the following pages, we have noted various positive indicators of 2017 performance. Two areas stand out to me as significant. First, we retained our strong financial position, delivering ambitious projects in the most cost-effective manner. To lead our profession forward, we will always balance planned investment to mitigate risk and prepare for uncertainty. Second, we grew in size, depth and breadth. The Institute welcomed new Members and Students as well as new Board members and new Staff. We also fostered multiple, beneficial alliances within our valuation ecosystem and welcomed new alliances as well. We aim to strengthen our inter-professional collaboration, both in dialogue and action, to reflect the borderless and multi-designation realities of financial professionals and finance practice today. This is critical for the efficacy and efficiency of the Institute's effort long-term. It broadens reach of the CBV and helps ensure its ongoing relevance and leadership within professional circles around us. The ecosystem is evolving, and the CBV must evolve in harmony to position us distinctively before an ever-changing business world.

■ Competitive Distinction

The CICBV undertakes the action to elevate awareness and stature of the CBV profession, for the overarching purpose of fuelling demand for CBVs. This is both the challenge and the greater opportunity. The CBV brand is building from an established, concrete foundation. As an Institute, we embody a half-century of business valuation excellence – in educating and advancing CBVs, under responsible self-governance. Our Program of Studies and our Members are models for the worldwide business valuation community. The CICBV is respected as a leader among Valuation Professional Organizations.

We can claim with great pride that our authority as business valuers is unequivocal. Following strategic research in 2017, this unassailable distinction is the focus of our brand positioning going forward. The brand marketing effort, already underway, will re-affirm our rightful place as highly specialized and respected business valuation professionals. Importantly, the new brand story will introduce a succinct articulation of our distinctive CBV professional skills – including CBV analytical acuity, informed judgement and expert insights. These words help to capture with simplicity the distinctive skills CBVs bring to the increasingly diverse work we perform in value measurement, value creation and value protection. Our brand story in 2018 will have an impact for many years to come.

THE VALUATION ECOSYSTEM



■ Delivering Member Value

It is important that the CICBV provides practical support to our present Members, and the next generation of Members, through endeavours that will help them to thrive in their careers as valuers. As we expand our professional presence and educational deliveries, the Institute will continue to vigorously advocate for CBV recognition through every corner of our ecosystem. We aim to bring forward opportunities for Members at every turn.

With your feedback, we have taken deliberate steps this year to enhance value delivery to Members. This includes, streamlining activities for mandatory CPD; profiling multiple streams of topics at our 2018 National Business Valuation Congress; opening doors for access to professional liability insurance directed toward business valuation practice for the first time; and developing programs with third party providers to bring CPD programs to Members at preferred pricing. We will continue to pursue ideas and activities which provide value delivery to you in support of your CBV career. That is our obligation and our promise.

■ Thank you

As the exciting process of our evolution continues, this annual report is a celebration of major achievements so far. There has been great progress over the past year. We launched several new initiatives, while meticulously planning ahead for other programs and events to follow next.

This progress is a team effort of many. I would like to thank our Staff in the Office of the Institute, for taking charge of these initiatives and for your leadership that takes us to the next level; the Board of Directors, for their guidance and counsel; our professional colleagues for their input; our Students for investing their trust and career potential in our proven Program; and, importantly, the hundreds of dedicated Member volunteers who freely contribute their time, talent and wisdom to help us reach our goals. None of our work would be possible without your support.

I look forward to continuing to advance together.

Mary Jane Andrews, FCBV
President & CEO

Chair's Message



Suzanne Loomer, CBV

CICBV STANDING COMMITTEES 2017-18

- ACCREDITATION
- AUDIT AND FINANCE
- AWARDS AND RECOGNITION
- BOARD OF EXAMINERS
- CONDUCT AND DISCIPLINE
- CONTINUING PROFESSIONAL DEVELOPMENT
- EDUCATION
- EXECUTIVE
- LIAISON
- MARKETING AND COMMUNICATIONS
- NOMINATION
- PROFESSIONAL PRACTICE AND STANDARDS

TO OUR MEMBERS, STUDENTS AND OTHER VALUED CONSTITUENTS,

It's been a terrific year of new milestones. On behalf of the CICBV's 2017-18 Board of Directors, it is my pleasure to share the Institute's results and introduce the achievements profiled in this year's annual report. I would like to thank Mary Jane Andrews and the Office of the Institute for their thought leadership and conscientious management which drives the initiatives of the CICBV. This talented team and the Board of Directors come together as a strong and progressive partnership to form the 'Institute Leadership' which is jointly leading our profession forward. Our success as an Institute and a profession is because of these efforts and those of many of our Members.

■ Good Governance at CICBV

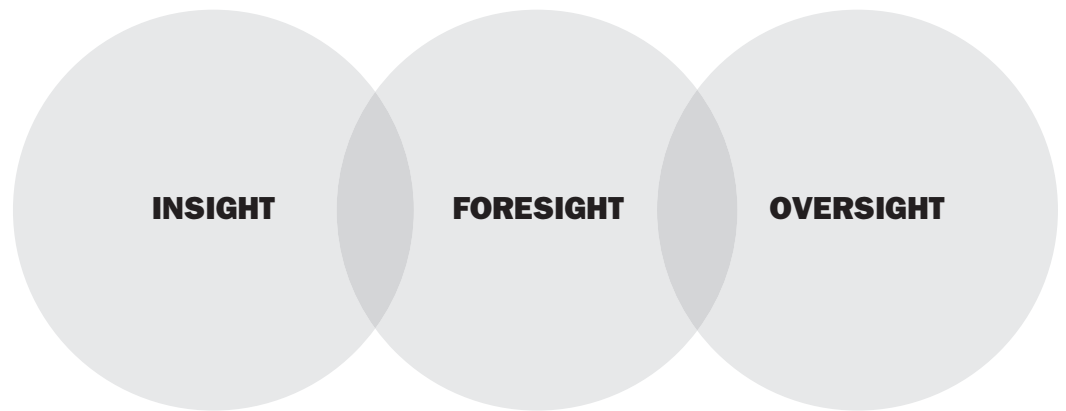
The Board's principal role is governance of Institute affairs and its strategic priorities, for the betterment of both the CBV profession and the public good. This is facilitated by the experience, knowledge and diversity of our Directors. Every seat on the Board plays an active and important role in supporting the Institute to meet strategic goals. Our Directors add critical oversight, insight and foresight in pursuit of the Institute's mission to uphold the highest standards of professional practice, ethics and education.

As more fully described throughout this Annual Report, Institute initiatives in 2017-18 were successfully executed to meet identified strategic priorities.

■ Member Engagement

Throughout our history as an Institute, Members have served an integral role in the development and success of the CICBV. While the Office of the Institute has expanded and grown in capabilities over the last number of years, passionate CBVs remain fundamentally involved at all key touchpoints of Institute business. We derive significant benefit when CBVs are actively involved in the Institute and all our talents are combined. The CICBV has a well-established framework of committees of the Board, to which the Board delegates specific responsibilities. Through continuous engagement and productive collaboration, our committees play a crucial role to fulfil functions or act as an on-going resource. Our governance model currently has 12 standing committees, each with individual directives.

ROLE OF BOARD OF DIRECTORS



In addition, Members are empowered to: support and facilitate Institute initiatives – serving as Directors and on committees and task forces; provide essential Institute services – such as course instructors, MQE authors and markers; or, to promote awareness and understanding of our profession – which happens through the work of our many CBV speakers, writers, researchers, etc.

To all these participating Members, we would like to express our deep appreciation for your valuable contributions.

■ Vision Stewardship

The Board's 2017-18 agenda was thoughtfully driven from our shared commitment to a strong future for the CBV profession. Our vision, defined in the *Path to Leadership*, anchors our perspective to proposed actions of the CICBV. It is the responsibility of your Board to provide stewardship and governance toward its fulfilment. We will continue careful oversight as the Institute evolves.

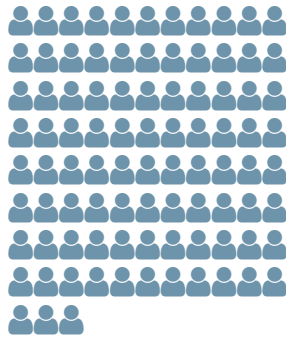
Thank you for your trust and support.

A handwritten signature in black ink, appearing to read 'Suzanne Loomer'.

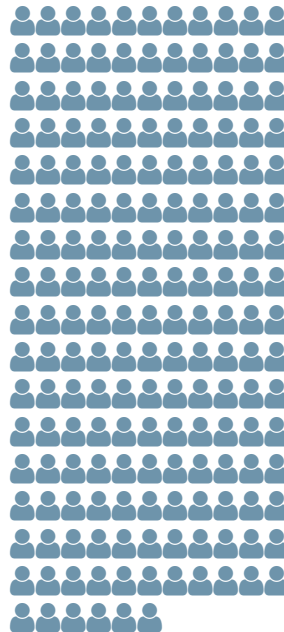
Suzanne Loomer, CBV
Chair, Board of Directors

Membership at a Glance

New Members:
91



New Students:
182



100
Students passed
MQE

1,365
total CPD
participants

+13%
in Conference
attendance

Achievements in 2017



Launched Academic Trimester System

Established First Board of Examiners

New Registration and Delivery Platform
with York University

Centralized Course Content Online

Improved Quality Control Processes

Started Online Examinations

University Outreach Across Canada



Research Defined the
CBV Brand Distinction

Launched *Leadership
Report* Update to
Members

Published E-Flashes
every week

We moved upstairs!



Streamlined Mandatory
CPD Policy

Practice Inspection
Program Introduced

Added Value for
Members and Students

Confirmed CPA Advanced
Standing Initiatives

Strengthened VPO
Partnerships



Actual Membership on January 1st each year.

2017 Operations

Year-end
December 31, 2017



Net Assets:
\$2.3 million

Held strong financial position.
Well-positioned for further
investments that may be required
and unforeseen uncertainty.



Net Surplus: ▼
\$78,000

Course and examination fees down from
2016, owing to the re-alignment of the
Program of Studies commencement date
to accommodate the move to three terms
per year. Last term of 2017 was shifted
to January 2018 as a result.



Conference Revenues ▲
Conference Expenses ▼

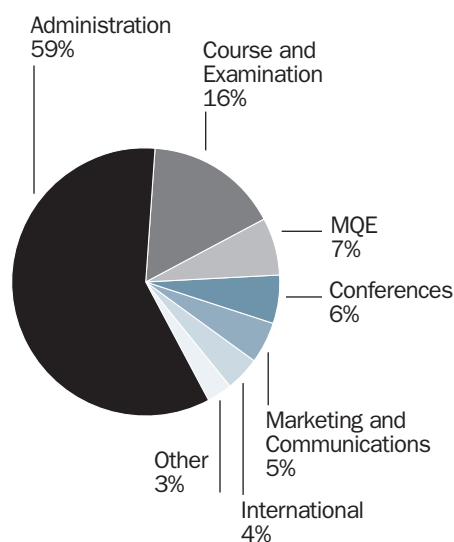
Going forward, a reduction in 2018
conference fees will more closely
match revenues with expenses.



Marketing & Communications ▼
Expenditure

Research and planning during 2017
deferred significant spending to 2018.

2017 Expenditures by CICBV Functions



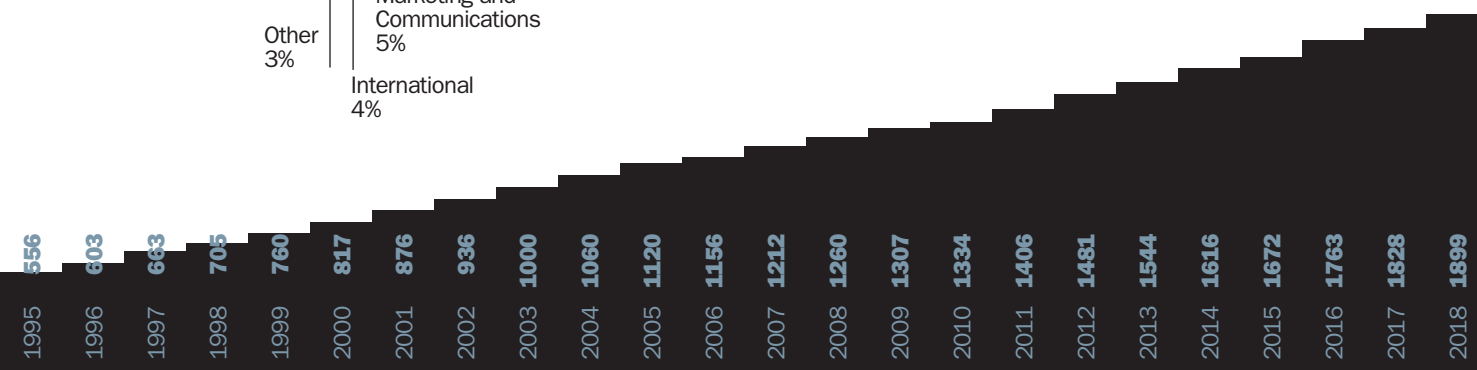
Investment ▲
Income

Increase in returns, owing to change
to professionally managed pooled
income funds.



Accounts Payable & Accrued Liabilities ▼

Reduction in accrued liabilities is related
to deferred start of winter term and new
registration system.





Education and Accreditation

The proprietary CBV Program of Studies equips CBV Students with specialized knowledge and analytical skills to create valuation insight.

ENHANCING STUDENT EXPERIENCE

The Institute has been continuously evolving educational delivery of the CBV curriculum to facilitate a culture for excellence in professional learning and personal achievement. During 2017-18, several exciting initiatives were introduced to elevate Student experience across multiple touchpoints. Collectively, these improvements enhance the Student journey end-to-end – within the Program of Studies and through to the MQE.

INTRODUCTION OF THE CICBV BOARD OF EXAMINERS

The inaugural CICBV Board of Examiners was established mid-2017, to take effect for the 2018 MQE. The Board of Examiners was delegated the authority and responsibilities associated with development and grading of the MQE. The Board of Examiners is new to the CICBV's governance structure. Historically, this essential role was consolidated under the mandate of the CICBV Accreditation Committee. As the CBV Student population continues to grow, the dedicated focus of the Board of Examiners will support continued excellence of the MQE into the future. In turn, the Accreditation Committee will be advancing the important function it serves, which is driving strategic initiatives for excellence in accreditation. This operational framework is in keeping with best governance practices for professional organizations.

Duties of the Board of Examiners

- Maintaining overall quality of the MQE
- Overseeing MQE development process
- Overseeing MQE evaluation process
- Reviewing and approving final MQE results
- Reporting final MQE results to the Board of Directors
- Reporting on MQE process to the Board of Directors
- Recommending improvements to MQE development or evaluation processes

ENHANCING STUDENT EXPERIENCE

EARLY 2017

The CICBV commits to improving the utility of the learning management system (MOODLE), used by all Students.

SPRING/SUMMER 2017 SEMESTER

Full course content is now centralized online, via the York University platform, meaning all course information is available to Students in one convenient location.

The CICBV and York University (administrator of the CBV Program) partner to co-create and jointly implement a new, integrated registration process. It provides efficient, smooth registration for every Student, every term; and a positive initial touchpoint for first-time registrants.

AUGUST 2017

The CICBV announces the Program of Studies will move its academic calendar from two-semester to three-terms, effective WINTER TERM 2018. The decision was made to enhance the academic experience for enrolled Students, while also increasing attraction to the CBV for potential Students.



STREAMLINING THE MEMBERSHIP APPLICATION PROCESS

In the interest of maintaining a positive online experience for all applicants, technology was refined in 2017-18 to improve the ease and security of Membership application at two key stages of the process.

The Membership application form was streamlined to recognize our changing Student population. It is more flexible and intuitive for individual requirements, as Student backgrounds and employment experiences are more diverse today.

A secure online portal was established on the CICBV website, providing candidates with protected access for safe uploading of Membership applications and required supporting documentation. Similarly, the online portal safeguards the receipt of applications by the Accreditation Committee, which also has secure access to the same portal for confidential application review. Transfer of applications becomes seamless and more secure.



NATIONAL UNIVERSITY OUTREACH 2017-18

STRENGTHENING
ACADEMIC RELATIONSHIPS
WITH FINANCE AND
BUSINESS FACULTIES

GUEST SPEAKING
TO CLASSES

LEADING DISCUSSION
FORUMS AND
INFORMATION SESSIONS
ON THE BV FIELD

JUDGING CASE
COMPETITIONS

ATTENDING
UNIVERSITY EVENTS

UNIVERSITY OUTREACH TO TOMORROW'S CBVS

The CICBV is committed to engaging the valuers of tomorrow in the CBV profession today. Universities are the starting point for career considerations and emerging finance professionals pursue multiple designations over the course of their careers. Through consistent and active university outreach, the Institute intends to build early awareness of the CBV designation as a top-tier choice for future business leaders.

Over the past year, the CICBV Education Department maintained relationships established with Finance and Business faculties at Canadian universities. Each connection with administrators, academics and students was a forum to promote the distinction of the CBV Qualification Program and the proprietary CBV Program of Studies. Throughout 2017-18, campus presence and visibility was raised with CBV Members participating in multiple Finance and Business events at universities across the country. Each direct interaction was a tangible opportunity to improve understanding of the business valuation field and showcase the specialized expertise of the CBV profession and career possibilities afforded by the diversity of CBV practices today. The Institute is indebted to the various Members who represented us in 2017-18, without whom our consistent outreach would not be possible.

The new calendar enables Students to:

- Move through the Program faster;
- Benefit from a more continuous learning environment;
- Take a term off without significantly delaying completion of the Program;
- Complete courses in two terms in the year in which the MQE is written, instead of just one.

WINTER 2018 TERM (EXAMS IN MARCH)

The CICBV implements an improved assessment process, whereby a marking team is dedicated to each course. This action was taken to upgrade existing quality controls in examination activities, including exam creation, marking, and grade finalization. The process provides Students with additional assurance and trust in examination grades received.

APRIL 2018

The CICBV announces Students will write exams electronically under the supervision of live online proctors, effective SUMMER TERM 2018. With state-of-the-art identification and writing environment verification, the virtual setting offers the ultimate in security and more convenience than traditional exam centres. Students no longer need to travel (in some cases, long distances) to central exam locations, and have access to exams from anywhere in the comfort of an online space. As an added advantage, Students will be subject to very few hardware and software restrictions.

Member Matters



PRACTICE INSPECTION PROGRAM INTRODUCED

After giving consideration to the comments and suggestions received in response to the Exposure Draft issued in 2016, the Institute's mandatory Practice Inspection Program was approved for implementation by the Board of Directors. Institute By-laws were amended to include the program and the requirement to comply with it. The Institute published the paper *Consideration of Matters Raised by Respondents to Exposure Draft* and published on the CICBV website all forms and checklists to be used during the process.

Commencing in 2019, any work product which is subject to the CICBV's Practice Standards, and that is issued on or after January 1, 2018, will be potentially considered for inspection.

The establishment of a Practice Inspection Program is consistent with the CICBV's commitment to professional excellence for the benefit of the public interest. It is also in line with the practices of other professions, and serves to:

- enhance the confidence that the public and regulatory or other bodies have in the CBV profession; and
- assist in maintaining or improving the quality of services provided.

The existence of a thorough and reputable Practice Inspection Program will support the CICBV in continuing to operate in a self-regulating environment.



CPD AUDIT POLICY ESTABLISHED

A process was established to test compliance with the Institute's Continuing Professional Development requirements. In a summary form, the findings from these audits will be shared with all Members so that they can learn from the experiences of other Members through the audit results.



FAIRNESS OPINION STANDARD, UNDER REVIEW

On July 27, 2017, the securities authorities in Ontario, Québec, Alberta, Manitoba and New Brunswick published a Staff Notice that included commentary on Fairness Opinions, expressing concerns about insufficient disclosure. The Staff Notice referred market participants to the CICBV's Standard No. 510 as a reasonable approach. Notwithstanding this endorsement, the Institute has undertaken a review of its Fairness Opinion standard and formed a Task Force of leading practitioners in the area for advice. Changes to add clarity to the disclosure requirements of the Fairness Opinion standard are in the process of being developed. It will be exposed for comment before changes are adopted.



FINANCIAL INSTRUMENTS PROFESSION

For some time, the Institute has been examining the state of the Canadian financial instruments industry because of its strong links and integration with business valuation. The prevailing view among industry peers and regulators is that the public interest would be better served if those valuing financial instruments belonged to a professional organization that embraced a distinct set of practice standards and ethical guidelines. The principles and concepts that underlie financial instrument valuation and business valuation are extremely similar. However, the techniques and considerations used in valuing financial instruments are notably distinct. Working with financial instruments practice leads, the Institute is undertaking a project to expand the capabilities of the CICBV to create a separate financial instruments profession.

Added-value for Members and Future Members



FACILITATING CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

- In recent years, the CICBV's Member and Student populations have grown, resulting in demographic shifts over time. A review was conducted in 2017-18 to assess if these developments warrant refinements to any aspect of Institute governance or operations. One way in which the Institute responded was to amend the Mandatory Continuing Professional Development policy. Specifically, the policy allows for a broader range of activities which qualify as CPD, while at the same time, maintaining the requirement such that activities must be undertaken at an appropriate technical, practical, or intellectual level, relative to the experience of the Member or Student.
- A common request received by the Institute is to increase the depth of CPD offerings. With this feedback, the CICBV will be launching its first *Expert Witness Training Session*, in Fall 2018.



PREFERRED PRICING ON CPD RESOURCES

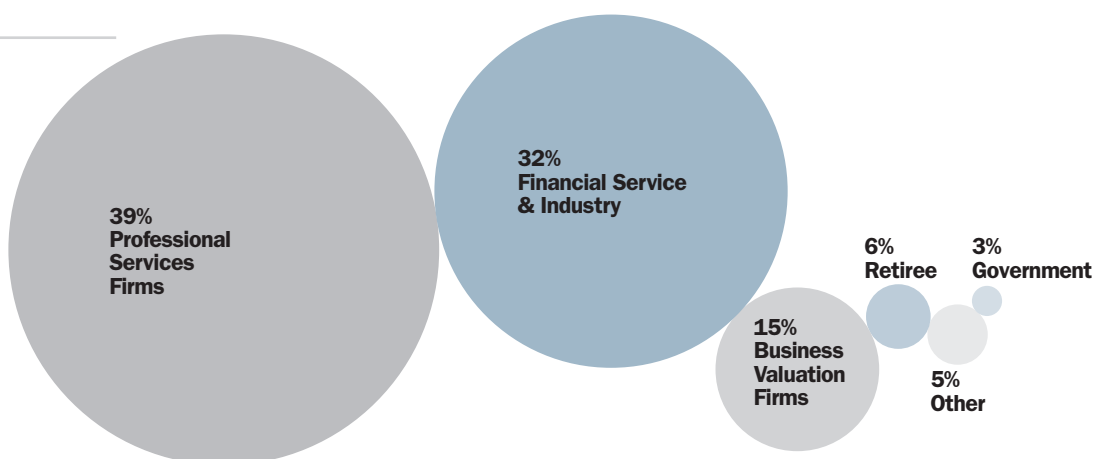
- As part of the Institute's ongoing effort to provide more resources for CPD, discounts were negotiated this year on subscriptions to the valuation publications *Cost of Capital* and the *Valuation Handbook*.
- Additionally, in a joint initiative with Business Valuation Resources (BVR), every Member and every Student now has instant access to BVR's full suite of webinar offerings at a reduced price, via a portal through cicbv.ca.



ACCESS TO PROFESSIONAL LIABILITY INSURANCE

In the past, many CBVs who do not have a CPA designation have had difficulty obtaining professional liability insurance. In light of this situation, the Institute worked with Marsh Canada Limited who, early in 2018, launched a professional liability insurance program designed specifically for CBVs. It will insure professional services as a CBV anywhere in the world, director liability at not-for-profit entities, defence of disciplinary proceedings, and expert witness testimony. This arrangement enables CBVs to have more options for professional liability insurance.

MEMBERS
BY SECTOR 2017



2017 National Business Valuation Conference



CONFERENCE ATTENDANCE

310
2016

350
2017

+13%
in Conference
attendance

The 2017 National Business Valuation Conference was held June 15-16 in Québec City. This was the 45th conference of the CICBV. The conference brought together 350 valuation professionals from across Canada, the United States, Australia, Cayman Islands, Great Britain, Jamaica and Romania. The CICBV would like to thank the Conference Planning Committee and the Staff in the Office of the Institute who assembled an impressive roster of renowned industry experts across the field of business valuation.

It has been a long-standing tradition of the CICBV and its conference speakers to give back to the community through charitable giving and action. Each year at the conference, in lieu of speaker gifts, the CICBV makes a donation to charity. For 2017, the Institute was honoured to present a donation to Cystic Fibrosis Canada.





The highlight of the CICBV's CPD program is the Institute's National Conference. Building on the success of the 2017 Conference, the Institute undertook an assessment of our CPD initiatives, via survey, to assist in filling gaps going forward. CBVs today are more diverse than ever before in career paths and professional focus. Capturing views from our Members is vital to effectively plan ahead.

As a result of the survey, the Institute will be offering a greater diversity of technical content at the 2018 National Business Valuation Congress to appeal to a wide range of participant interests. Content will be delivered through several distinct streams of topic areas, running simultaneously during the Congress. Those five streams include innovative ideas and diverse topics in the areas of core business valuation, litigation, valuation for financial reporting, corporate finance/M&A and practice issues.



Mary Jane Andrews
addresses the conference

Leading Through Inter-professional Collaboration

With the complexity of today's operating environment and the globalization of business, it is incumbent on organizations to have presence and partnership on the world stage. The CICBV not only participates in international events but seeks leading roles and opportunities that will benefit present and future CBVs. International collaboration removes rivalry between Valuation Professional Organizations (VPOs) of different countries and promotes international harmony for the betterment of the business valuation profession.

The CICBV focus is domestic, with an international reach. CBVs residing and practicing outside of Canada now constitute 5% of the total membership. It is anticipated this constituency will grow as the CBV gains influence and momentum in international markets. The ambition of many emerging CBVs is to have a credential that is portable beyond Canada.

INTERNATIONAL ALLIANCES

The CICBV has identified a number of ways in which our Institute, CBVs and future CBVs have benefited from Institute participation in global affairs, including:

- The CBV credential is promoted through recognition by global players.
- The CICBV earns the respect of other VPOs, which gives it credibility and clout when it comes to matters impacting the business valuation profession in Canada.
- The CICBV remains at the forefront of business valuation developments.
- Sharing best practices among global colleagues is a proven method for improving local performance; it provides a barometer to assess CBV performance and opens doors to leverage leading practices.
- International recognition of the CICBV is a factor in Canada's overall international reputation.
- The CICBV's reputation with stakeholders in the Canadian market is enhanced with global participation and endorsement by international standard setters.
- Business is global and so is the profession.

TOTAL INSTITUTE
EXPENDITURES
SPENT ON
INTERNATIONAL
ACTIVITIES

4%



International Valuation Standards Council (IVSC)

CICBV is a member and sponsor of the IVSC, the global standard setter for valuation practice and the valuation profession. The CICBV is represented on IVSC's Business Valuation Standards Board by Bob Boulton, CBV, and IVSC's Members and Standards Recognition Board by Eleanor Joy, FCBV. Mary Jane Andrews, FCBV, also participates in an advisory role to the IVSC Leadership through meetings of the CEOs of the larger VPOs around the world. The IVSC is leading the international business valuation quality mark, a program that will have a direct impact on the CBV Membership.

The core objectives of the IVSC are to develop high quality International Valuation Standards (IVS) which underpin consistency, transparency and confidence in valuations across the world. In line with these objectives and the CICBV's mission and vision, the Institute recently established a Task Force of CBVs to begin consideration of matters relevant to CICBV's adoption of IVS.



International Institute of Business Valuers (iiBV)

The CICBV is a co-founder and member of the iiBV. On an international level, the iiBV provides educational opportunities, promotes consistent professional ethics and standards, and facilitates the exchange of information and ideas. The iiBV is under the leadership of Executive Director, Michael Badham, CBV. The iiBV Board includes many CBVs.



The iiBV has entered into a strategic alliance with Business Valuation Resources (BVR), also a member of the iiBV, for the development and distribution of online business valuation courses. The CICBV is collaborating in this strategic alliance with iiBV and BVR to bring a wider variety of online courses to the CBV Membership.



U.S. LANDSCAPE

CEIV Designation (US)

The CEIV (Certified in Entity and Intangible Valuations) designation is intended for valuers who perform fair value measurements for SEC registrants' financial reporting purposes, although it is not a requirement. The CEIV credentialing program commenced in the United States in 2017 and is a joint program of three VPOs:

- The American Institute of Certified Public Accountants (AICPA)
- The American Society of Appraisers (ASA) and
- The Royal Institution of Chartered Surveyors (RICS).

The CICBV is discussing the opportunity to administer the CEIV credentialing with the sponsoring VPOs.



ALLIANCE WITH CPA CANADA

Valuation for Financial Reporting Education Program with CPA Canada

Jointly, the CICBV and CPA Canada identified a need to enhance the breadth and depth of competencies in the market relating to fair value measurement for financial reporting purposes. This culminated in the consultation paper entitled *A Proposal to Develop and Deliver a Canadian Education Program in Valuation for Financial Reporting*. The proposal outlined an education program to enhance and maintain competencies related to intangible asset valuation, impairment testing and purchase price allocation. In connection with this paper, a market survey was sent to over 2,500 CPAs, which also included many CBVs, to obtain their feedback and assess potential uptake in a VFR education program. The survey confirmed the need for such an education program and revealed considerable interest from CFOs and their staff and from those employed with non-national accounting firms. The CICBV and CPA Canada are working toward jointly developing this program.



Advanced Standing for CPAs in the CICBV Program of Studies

After a thorough mapping exercise comparing the CICBV's Level I (Introductory Business Valuation) course to the CPA Finance module, CPAs who took the Finance module are eligible for exemption from the CICBV Level I course, with completion of an online quiz on the CICBV Code of Ethics and Practice Standards. The mapping exercise covered course content, assessment material, time requirements, and delivery methods. The CICBV and CPA Canada are committed to revisit the mapping of professional competencies, with a view to exploring the potential for further exemptions.

The CICBV and CPA Canada are surveying other areas for possible co-operative endeavours that would be of mutual interest to both respective memberships. This may include such initiatives as joint research projects and symposiums on emerging topics.

Awards and Honours 2018

AWARDS FOR ACADEMIC EXCELLENCE

2018 GEORGE OVENS AWARD, FIRST PLACE MQE

Jacob Martin, CPA, CA, CBV

2018 SECOND PLACE MQE

Katie Gosnell, CPA, CA, CBV, CFA

2018 THIRD PLACE MQE

Daphne St-Pierre, CPA, CA, CBV



Jacob Martin
CPA, CA, CBV



Katie Gosnell
CPA, CA, CBV, CFA



Daphne St-Pierre
CPA, CA, CBV

In honour of George Ovens, one of the founders of the CICBV, this award is presented to the Membership Qualification Examination (MQE) candidate who achieves the highest mark in a particular year.

Special recognition goes to second highest mark and third highest mark on the MQE.



Stephanie Lau
CFA

2018 SCHOLASTIC ACHIEVEMENT AWARD IN HONOUR OF RONALD SCOTT, CBV

Stephanie Lau, CFA

This award, sponsored by Ernst & Young LLP, in honour of Ronald W. Scott, is granted annually to recognize the student who achieved the highest average mark on all required courses in the CBV Program of Studies.

CBV AWARDS OF EXCELLENCE

2018 COMMUNICATOR AWARD

Liisa Atva, CPA, CA, CBV



Liisa Atva
CPA, CA, CBV

This award recognizes a Member who undertakes marketing and communications activities and actions which have a beneficial impact on promotion of the business valuation profession in Canada.



Tim Zimmerman
CBV, CFE

TOP CBV UNDER 40 IN MEMORY OF DAVID CORNFIELD, CA, CBV

Tim Zimmerman, CBV, CFE

This award is presented to a CBV under 40 who has demonstrated success in a broad diversity of interests, brought distinction to the profession, and has given outstanding service.

HALL OF HONOURS

2018 FCBV

Robert Doran, CPA, CA, CBV, CFA

Drew Dorweiler, CPA, CBV, ABV, ASA, CBA, CFE, CVA, FRICS



Robert Doran
CPA, CA, CBV, CFA



Drew Dorweiler
CPA, CBV, ABV, ASA,
CBA, CFE, CVA, FRICS

Granting of the Fellow designation is the highest credential and honour that the CICBV confers. The FCBV recognizes those Members who have brought distinction to the business valuation profession and have achieved recognition in their professional lives and in their communities.

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2017-18



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Kathy Richards
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Deborah Hanlon
Manager,
Administration and Events



Isabel Natale
Registrar & Manager,
Education



Judith Roth, BEng
Manager, Business
Systems and Compliance



Leah Harwood
Program Co-ordinator
& Bilingual Specialist



Judy Justice
Administrative Assistant

Statement of Management's 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 accounting standards for not-for-profit organizations 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 and Finance Committee. The Audit and Finance Committee meets with the independent auditor without management present, to review the activities of each, as well as reviews the financial statements and reports to the Board of Directors thereon. Adams & Miles LLP, the Institute's independent auditor, has been recommended for appointment by the Board of Directors on the recommendation of the Audit and Finance Committee. Their appointment was ratified at the Annual Meeting of Members. The independent auditor has full and unrestricted access to the Audit and Finance Committee and management to discuss their audit and related findings.



Mary Jane Andrews, FCBV
President & CEO

The Canadian Institute of Chartered Business Valuators

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December 31, 2017

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	26 Statement of Changes in Net Assets	28 Statement of Cash Flows	

TO THE MEMBERS OF THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS

We have audited the accompanying financial statements of The Canadian Institute of Chartered Business Valuators, which comprise the statement of financial position as at December 31, 2017, and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management and Directors' Responsibility for the Financial Statements

Management and Directors are responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management and Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Institute's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Canadian Institute of Chartered Business Valuators as at December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Adams & Miles LLP

Chartered Professional Accountants

Licensed Public Accountants

Toronto, Canada

May 4, 2018

STATEMENT OF FINANCIAL POSITION

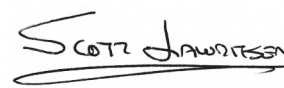
December 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 241,416	\$ 377,151
Accounts and sundry receivable	71,935	191,605
Government remittances receivable	37,732	—
Prepaid expenditures and deposits	41,415	26,772
Investments (Note 3)	2,128,085	2,240,456
Loan receivable	—	19,516
Current portion of promissory note (Note 4)	—	29,271
	2,520,583	2,884,771
Capital assets (Note 5)	91,884	37,486
Website and database (Note 6)	—	26,454
Deposits	20,606	25,606
Promissory note (Note 4)	—	56,661
	2,633,073	3,030,978
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	201,370	711,238
Government remittances payable	—	16,218
Deferred revenue (Note 8)	15,708	19,195
Current portion of deferred lease inducement (Note 9)	8,420	3,169
	225,498	749,820
Deferred lease inducement (Note 9)	68,060	19,233
	293,558	769,053
NET ASSETS	\$ 2,339,515	\$ 2,261,925
NET ASSETS REPRESENTED BY:		
Unrestricted Surplus Fund	\$ 1,890,385	\$ 1,916,703
Conduct and Disciplinary Fund	357,246	302,455
Capital Assets, Website and Database Fund	91,884	42,767
	\$ 2,339,515	\$ 2,261,925

Approved on behalf of the Board:



William Armitage, Secretary/Treasurer



Scott Lawritsen, Director

STATEMENT OF CHANGES IN NET ASSETS

Year ended December 31, 2017

	Unrestricted Surplus Fund	Conduct and Disciplinary Fund	Capital Assets, Website and Database Fund	Total 2017
BALANCE, BEGINNING OF YEAR	\$ 1,916,703	\$ 302,455	\$ 42,767	\$ 2,261,925
Excess (deficiency) of revenue over expenditures	72,925	54,791	(50,126)	77,590
Purchase of assets	(99,243)	—	99,243	—
BALANCE, ENDING OF YEAR	\$ 1,890,385	\$ 357,246	\$ 91,884	\$ 2,339,515

	Unrestricted Surplus Fund	Conduct and Disciplinary Fund	Capital Assets, Website and Database Fund	Total 2016
BALANCE, BEGINNING OF YEAR	\$ 1,663,433	\$ 312,958	\$ 124,940	\$ 2,101,331
Excess (deficiency) of revenue over expenditures	262,711	(10,503)	(91,614)	160,594
Purchase of assets	(9,441)	—	9,441	—
BALANCE, ENDING OF YEAR	\$ 1,916,703	\$ 302,455	\$ 42,767	\$ 2,261,925

STATEMENT OF OPERATIONS

Year ended December 31, 2017

	Unrestricted Surplus Fund	Conduct and Disciplinary Fund	Capital Assets, Website and Database Fund	Total 2017	Total 2016
REVENUE					
Membership fees	\$ 1,568,193	\$ —	\$ —	\$ 1,568,193	\$ 1,487,735
Course and examination fees	779,180	—	—	779,180	1,441,673
Conferences	299,846	—	—	299,846	255,775
MQE fees	203,545	—	—	203,545	174,390
Continuing professional development	127,655	—	—	127,655	161,807
Conduct and disciplinary levy	—	34,275	—	34,275	25,088
	2,978,419	34,275	—	3,012,694	3,546,468
EXPENDITURES					
Administration	1,810,727	—	—	1,810,727	1,753,016
Course and examination	481,141	—	—	481,141	803,143
Conferences	188,913	—	—	188,913	215,167
Marketing and communications	136,562	—	—	136,562	222,518
MQE expenses	202,964	—	—	202,964	179,959
International	117,208	—	—	117,208	106,926
Amortization	—	—	50,126	50,126	91,614
Continuing professional development	79,052	—	—	79,052	120,197
Conduct and disciplinary costs (recovery)	—	(8,012)	—	(8,012)	35,591
	3,016,567	(8,012)	50,126	3,058,681	3,528,131
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FROM OPERATIONS					
	(38,148)	42,287	(50,126)	(45,987)	18,337
OTHER					
Interest income	54,011	7,482	—	61,493	36,458
Gains on investments (Note 10)	31,826	5,022	—	36,848	19,480
Share of Co-ownership interest and royalties (Note 7)	25,236	—	—	25,236	86,319
	111,073	12,504	—	123,577	142,257
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES					
	\$ 72,925	\$ 54,791	\$ (50,126)	\$ 77,590	\$ 160,594

STATEMENT OF CASH FLOWS

Year ended December 31, 2017

	2017	2016
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 77,590	\$ 160,594
Amortization	50,126	91,614
Promissory note impairment	53,055	45,000
Gain on investments	(36,848)	(19,480)
	143,923	277,728
CHANGE IN		
Accounts receivable	119,670	(179,746)
Prepaid expenditures and deposits	(14,643)	8,839
Deposits	5,000	(11,513)
Accounts payable and accrued liabilities	(509,868)	(104,543)
Government remittances payable	(53,950)	(44,590)
Deferred revenue	(3,487)	(36,795)
	(313,355)	(90,620)
FINANCING ACTIVITIES		
Increase in deferred lease inducement	54,078	16,259
	54,078	16,259
INVESTING ACTIVITIES		
Co-ownership interest	—	53,699
Investment purchases	(721,823)	(2,260,770)
Investment proceeds	871,042	2,228,425
Loan receivable	19,516	(516)
Promissory note - repayment	32,877	—
Promissory note - loan	—	(130,932)
Purchase of capital assets, website and database	(78,070)	(30,614)
	123,542	(140,708)
CHANGE IN CASH POSITION	(135,735)	(215,069)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	377,151	592,220
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 241,416	\$ 377,151

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 non share corporation. The Institute is a not-for-profit organization exempt from taxes under the Income Tax Act.

The mission of the Institute is: *Inspired by an unwavering commitment to professional excellence, the Institute establishes the highest standards of business valuation practice and education to elevate the stature of the CBV designation and the profession globally.*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of the Institute's 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. A significant estimate is the allowance on the promissory note. 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.

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:

UNRESTRICTED SURPLUS FUND – This fund includes unrestricted revenue sources received from membership fees, course and examination fees, conferences, MQE fees, continuing professional development activities, and an allocation of interest income, realized and unrealized gain or loss on carrying value of investments together with day-to-day operating expenditures.

CONDUCT AND DISCIPLINARY FUND – This restricted fund includes the annual externally restricted conduct and disciplinary levy received net of expenditures associated with conduct and disciplinary activities and an allocation of interest income, realized and unrealized gain or loss on carrying value of investments.

CAPITAL ASSETS, WEBSITE AND DATABASE FUND – This internally restricted fund includes any additions or disposals of capital and intangible assets, net of amortization.

INVESTMENTS

Investments consist of units held in pooled fixed income funds managed by an investment management firm. They have been classified as current since they are capable of reasonably prompt liquidation.

Transactions costs and investment fees are expensed when incurred.

CAPITAL ASSETS

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

Furniture and fixtures	5 years straight-line
Computer equipment	3 years straight-line

Leasehold improvements are amortized over the term of the lease.

In the year of addition, amortization is calculated based on the number of months owned.

WEBSITE AND DATABASE

Intangible assets which consist of a website and database are recorded at cost.

Amortization is recorded at the following annual rate:

Website and database	2 years straight-line
----------------------	-----------------------

In the year of addition, amortization is calculated based on a half year.

CO-OWNERSHIP INTEREST

The Institute accounted for its Co-ownership interest in a rights agreement as a joint venture using the equity method. The Co-ownership was completed in 2016.

DEFERRED LEASE INDUCEMENT

The deferred lease inducement is 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. Externally restricted contributions are recognized as revenue in 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 and conduct and disciplinary fees are set annually by the Board of Directors and are recognized in the fiscal year to which they relate.

CONFERENCE, COURSE, EXAMINATION FEES AND CONTINUING PROFESSIONAL DEVELOPMENT REVENUE – Conference, course, examination fees and continuing professional development revenue are recognized when the related conference, course, examination, workshop or webinar is presented or held after the non-refundable period has passed.

INTEREST INCOME – Interest income consists of interest realized from investments and is recognized in the year earned.

GAIN (LOSS) ON INVESTMENTS – Investments are carried at fair value. Realized gains/losses are recognized when investments are sold. The unrealized gains/losses recognized are changes in the fair value from carrying value of investments held by the Institute as of year-end.

FOREIGN EXCHANGE

Monetary assets and liabilities of the Institute which are denominated in foreign currencies are translated at year-end exchange rates. Other assets and liabilities are translated at rates in effect at the date the assets were acquired and liabilities incurred. Revenue and expenditures are translated at the rates of exchange in effect at their transaction dates. The resulting gains or losses are included in operations.

CONTRIBUTED SERVICES

The Institute benefits from services in the form of volunteer time to fulfill its mission. Since these services are not purchased by the Institute and a reasonable estimate of their value cannot be made, they are not recorded in the financial statements.

FINANCIAL INSTRUMENTS

The Institute initially measures its financial assets and financial liabilities at fair value.

The Institute subsequently measures its financial assets and financial liabilities at amortized cost, except for investments quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in the Statement of Operations.

Financial assets measured at amortized cost include cash and cash equivalents and accounts and sundry receivable.

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

3. INVESTMENTS

Description of Investments	2017	2016
Fiera Active Fixed Income Fund	\$1,610,052	\$2,240,456
Fiera Sceptre Balance Core Fund	\$518,033	—
	\$2,128,085	\$ 2,240,456

As at year-end, the cost of the investments was \$2,118,733 (2016 – \$2,260,769).

4. PROMISSORY NOTE AND TRANSACTIONS WITH THE IIBV

The Institute was one of the founding members of the International Institute of Business Valuers (IIBV) and previously had significant influence over the strategic operating, investing and financing policies of the entity. As of December 31, 2016 and the completion of the Co-ownership (Note 7), this significant influence ceased to exist.

On completion and wind-up of the Co-ownership in fiscal 2016, the Institute reinvested CDN \$146,354 (US \$109,000) in a promissory note due from the IIBV to assist the IIBV to complete its objectives.

The amount of loan outstanding at year-end is CDN \$109,632 (US \$87,200) (2016 CDN \$146,354 (US \$109,000)). The Institute's management has estimated an allowance as at year end for the entire balance of CDN \$109,632 (US \$87,200) (2016 CDN \$60,422 (US \$45,000)) on this promissory note as the collectability of the promissory note is not reasonably certain.

The promissory note is to be received in 5 equal annual payments and bears interest at 5.00% per annum. The Institute by a general security agreement has a charge against all of the IIBV's undertakings and current and future personal property, which ranks pari passu, equally and ratably with another IIBV creditor.

During the year, the Institute paid membership fees to the IIBV of US \$10,000 (2016 – US \$10,000).

5. CAPITAL ASSETS

	2017		2016	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and fixtures	\$ 13,808	\$ 2,641	\$ 11,167	\$ 2,115
Computer equipment	46,841	27,214	19,627	12,895
Leasehold improvements	67,255	6,165	61,090	22,476
	\$ 127,904	\$ 36,020	\$ 91,884	\$ 37,486

6. WEBSITE AND DATABASE

	2017		2016	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Website and database	\$ 224,511	\$ 224,511	\$ —	\$ 26,454

7. CO-OWNERSHIP INTEREST

During the 2010 fiscal year, the Institute entered into a rights agreement with the American Society of Appraisers to develop international courses for the International Institute of Business Valuers (see Note 4). Effective November 2016, the Co-ownership was wound-up.

Percentage interest in the Co-ownership	Ownership interest prior to wind-up
The Canadian Institute of Chartered Business Valuators	50%
The American Society of Appraisers	50%

The Institute's share of the Co-ownership's assets, liabilities, revenue, expenditures and net income, and cash flows resulting from operating, investing and financing activities were as follows:

	2017	2016
Assets	\$ —	\$ 160,729
Revenue	—	86,319

8. DEFERRED REVENUE

In current year, the deferred revenue consists of receipts in the current year related to workshops and webinars to be held in 2018 in the amount of \$15,708 (2016 – \$19,195).

9. DEFERRED LEASE INDUCEMENT

Effective February 1, 2017, the Institute entered into a 10 year premise lease agreement and received a lease inducement in the form of leasehold inducements and a rent free period from the landlord. This inducement has been deferred and is being amortized on a straight-line basis over the term of the lease (Note 11).

	2017	2016
Tenant lease inducement	\$ 76,480	\$ 22,402
Less current portion	8,420	3,169
	\$ 68,060	\$ 19,223

10. GAINS (LOSSES) ON INVESTMENTS

	2017	2016
Unrealized gains (losses) on carrying value of investments	\$ 29,665	\$ (20,313)
Realized gains on sale of investments	7,183	39,793
	<u>\$ 36,848</u>	<u>\$ 19,480</u>

11. COMMITMENTS

The Institute operates from leased premises under a lease expiring January 31, 2027. The minimum lease payments are outlined below. In addition, the Institute is responsible for a portion of the common area costs that equates to approximately \$87,000 annually.

2018	\$ 65,971
2019	67,605
2020	67,754
2021	69,388
2022	69,537
Subsequent years	289,292
	<u>\$ 629,547</u>

12. FINANCIAL INSTRUMENTS

The Institute is exposed to the following risks in respect of certain of the financial instruments held:

(A) FOREIGN EXCHANGE RISK – The Institute is subject to foreign exchange risk that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates.

The Institute has exchange risk exposure as a result of the following assets being denominated in foreign currencies:

	US	CAD
Cash	\$ 52,451	\$ 65,944

INTEREST, CREDIT AND MARKET RISK – The Institute mitigates this risk and volatility through its investment policy, which permits investments in Federal or Provincial government securities, financial institutions bankers acceptances, guaranteed investment certificates, term deposit receipts, investment savings accounts and fixed income securities. In addition, it permits pooled funds including fixed income funds and balanced funds. Currently, the Institute mitigates its interest rate price risk by restricting the type of investments and investing in professionally managed pooled income funds.

13. COMPARATIVE AMOUNTS

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

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