

THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS
Operating as CBV Institute

FINANCIAL STATEMENTS

Year ended December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Members of The Canadian Institute of Chartered Business Valuators

Opinion

We have audited the financial statements of The Canadian Institute of Chartered Business Valuators (operating as CBV Institute) (the "Institute"), which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Institute as at December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Institute in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other

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

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

Other Matter

The financial statements for the year ended December 31, 2021, were audited by another auditor who expressed an unmodified opinion on those financial statements on May 5, 2022.

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

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

In preparing the financial statements, management is responsible for assessing the ability of the Institute to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Institute or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Institute.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Institute.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that

may cast significant doubt on the ability of the Institute to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institute to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Canada
April 27, 2023



THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS
Operating as CBV Institute

STATEMENT OF FINANCIAL POSITION

Year ended December 31, 2022

	2022 \$	2021 \$
ASSETS		
Current assets		
Cash and cash equivalents (note 3)	3,527,045	545,880
Accounts receivable	140,104	14,893
Government remittances receivable	16,652	38,717
Prepaid expenses and deposits	57,988	91,540
Investments (note 4)	-	2,957,316
	3,741,789	3,648,346
Prepaid expenses and deposits	42,356	39,328
Capital assets (note 5)	58,969	77,231
	101,325	116,559
	3,843,114	3,764,905
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	650,995	224,437
Deferred revenue	-	4,725
Current portion of deferred lease inducement (note 7)	8,420	8,420
	659,415	237,582
Deferred lease inducement (note 7)	25,960	34,380
	685,375	271,962
NET ASSETS		
Unrestricted Surplus Fund	2,232,583	2,370,557
Conduct and Disciplinary Fund	520,788	545,155
Capital Assets and Database Fund	58,969	77,231
Transformation and Innovation Fund	345,399	500,000
	3,157,739	3,492,943
	3,843,114	3,764,905

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board:

Chair

Secretary/Treasurer



THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS
Operating as CBV Institute

STATEMENT OF OPERATIONS

Year ended December 31, 2022

	Unrestricted Surplus Fund	Internally Restricted Funds	2022	2021
	\$	\$	\$	\$
REVENUE				
Course and examination fees	2,019,253	-	2,019,253	2,044,805
Membership fees	2,096,285	-	2,096,285	1,911,043
Continuing professional development	376,490	-	376,490	320,250
Conduct and disciplinary fees	-	42,710	42,710	40,545
	4,492,028	42,710	4,534,738	4,316,643
EXPENSES				
Salaries, office and administration (notes 6, 7 and 10)	3,064,259	-	3,064,259	2,581,600
Course and examination	830,627	154,601	985,228	1,166,566
Marketing and communications	136,443	-	136,443	326,910
Continuing professional development	375,606	-	375,606	192,021
Amortization	-	33,097	33,097	48,242
Conduct and disciplinary	-	19,189	19,189	12,173
	4,406,935	206,887	4,613,822	4,327,512
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE) BEFORE OTHER INCOME	85,093	(164,177)	(79,084)	(10,869)
OTHER INCOME (note 8)				
Investment income	69,386	15,956	85,342	70,906
Gain (loss) on investments	(277,618)	(63,844)	(341,462)	37,575
	(208,232)	(47,888)	(256,120)	108,481
EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE) FOR YEAR	(123,139)	(212,065)	(335,204)	97,612

The accompanying notes are an integral part of these financial statements



THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS
Operating as CBV Institute

STATEMENT OF CHANGES IN NET ASSETS

Year ended December 31, 2022

	Unrestricted Surplus Fund \$	Conduct and Disciplinary Fund \$	Capital Assets and Database Fund \$	Transformation and Innovation Fund \$	2022 Total \$
BALANCE, BEGINNING OF YEAR	2,370,557	545,155	77,231	500,000	3,492,943
Excess of expenses over revenue for year	(123,139)	(24,367)	(33,097)	(154,601)	(335,204)
Purchase of capital assets	(17,529)	-	17,529	-	-
Disposal of capital assets	2,694	-	(2,694)	-	-
BALANCE, END OF YEAR	2,232,583	520,788	58,969	345,399	3,157,739

	Unrestricted Surplus Fund \$	Conduct and Disciplinary Fund \$	Capital Assets and Database Fund \$	Transformation and Innovation Fund \$	2022 Total \$
BALANCE, BEGINNING OF YEAR	2,305,090	499,094	91,147	500,000	3,395,331
Excess of revenue over expenses (expenses over revenue) for year	99,793	46,061	(48,242)	-	97,612
Purchase of capital assets	(34,326)	-	34,326	-	-
BALANCE, END OF YEAR	2,370,557	545,155	77,231	500,000	3,492,943

The accompanying notes are an integral part of these financial statements



THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS
Operating as CBV Institute

STATEMENT OF CASH FLOWS

Year ended December 31, 2022

	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenses (expenses over revenue) for year	(335,204)	97,612
Adjustments to determine net cash provided by (used in) operating activities		
Amortization - capital assets	33,097	48,242
Amortization of deferred lease inducements	(8,420)	(8,420)
Loss on disposal of capital assets	2,694	-
Realized loss (gain) on sale of investments	341,462	(99,226)
Unrealized loss in fair value of investments	-	61,651
Capitalized investment income	(57,603)	(7,098)
	(23,974)	92,761
CHANGE IN NON-CASH WORKING CAPITAL ITEMS		
Decrease (increase) in accounts receivable	(125,211)	53,359
Decrease in government remittances receivable	22,065	4,804
Decrease (increase) in prepaid expenses and deposits	30,524	(19,328)
Increase (decrease) in accounts payable and accrued liabilities	426,558	(16,052)
Increase (decrease) in deferred revenue	(4,725)	1,847
	325,237	117,391
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	-	(231,949)
Proceeds on sale of investments	2,673,457	171,000
Purchase of capital assets	(17,529)	(34,326)
	2,655,928	(95,275)
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,981,165	22,116
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	545,880	523,764
CASH AND CASH EQUIVALENTS, END OF YEAR	3,527,045	545,880

The accompanying notes are an integral part of these financial statements



THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS
Operating as CBV Institute

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Nature and description of the organization

The Canadian Institute of Chartered Business Valuators, operating as CBV Institute, (the “Institute”) was incorporated without share capital on January 6, 1971 under the Canada Corporations Act as a non share corporation.

The Institute is a valuation professional organization that establishes the highest standards of business valuation practice and education and confers the CBV designation to individuals who have qualified to receive it and become members.

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of presentation

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 course and examination fees, membership fees, continuing professional development revenue, and an allocation of investment income and realized and unrealized gains and losses on the sale and in the fair value of investments together with day-to-day operating expenses.

Conduct and Disciplinary Fund - This internally restricted fund includes the annual conduct and disciplinary fees received net of expenses associated with conduct and disciplinary activities and an allocation of investment income and realized and unrealized gains and losses on the sale and in the fair value of the investments.

Capital Assets and Database Fund - This internally restricted fund includes any additions or disposals of capital and intangible assets, net of amortization and disposals.

Transformation and Innovation Fund - This internally restricted fund was established for costs related to projects and initiatives that are relevant for emerging or innovative aspects of the profession or the future direction of CBVs, and related aspects of the Institute’s operations.



THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS
Operating as CBV Institute

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2022

Significant accounting policies (continued)

(b) Revenue recognition

Course and examination fees and continuing professional development revenue are recognized as revenue when the related course, examination or continuing professional development event is presented or held. Course and examination fees and continuing professional development revenue received in advance of the related course, examination or continuing professional development event being held are recorded as deferred revenue.

Membership fees are recognized as revenue in the fiscal year to which they relate. The membership year of the Institute coincides with that of the fiscal year of the Institute, being January 1, 2022 to December 31, 2022.

Conduct and disciplinary fees are recognized as revenue in the fiscal year to which they relate.

Investment income comprises interest from cash and cash equivalents, distributions from index pooled funds, realized gains and losses on the sale of investments and the unrealized change in the fair value of index pooled funds. Revenue is recognized on an accrual basis. Interest earned from investments is recognized over the terms of the respective investments using the effective interest method.

(c) Cash and cash equivalents

Cash and cash equivalents consist of cash and term deposits that are cashable or have a contractual maturity date of 90 days or less from date of acquisition, and are not subject to significant risk of changes in value.

(d) Investments

Investments, consisting of units held in index pooled funds, are classified as current since they are capable of reasonably prompt liquidation.



NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2022

Significant accounting policies (continued)

(e) Capital assets

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

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

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

Furniture and fixtures	5 years
Computer equipment	3 years
Leasehold improvements	10 years

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

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

(f) Deferred lease inducement

Lease inducements include reduced rent benefits and tenant inducements received in cash.

Lease inducements received in connection with a lease are amortized to income on a straight-line basis over the term of the lease.



NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2022

Significant accounting policies (continued)

(g) Financial instruments

Measurement of financial assets and liabilities

The Institute initially measures its financial assets and financial liabilities at fair value adjusted by the amount of transaction costs directly attributable to the instrument.

The Institute subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in index pooled funds that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in income in the year in which the changes occur.

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

The fair values of investments are determined by reference to the latest closing transactional net asset value of each respective index pooled fund.

Investment management fees associated with index pooled funds are expensed as incurred.

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

Financial assets measured at fair value include investments.

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

Impairment

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

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



THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2022

Significant accounting policies (continued)

(g) Financial instruments (continued)

Impairment (continued)

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

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

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

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

(h) Management estimates

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

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



NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2022

2. FINANCIAL INSTRUMENT RISK MANAGEMENT

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

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

Financial instrument	Risks				
	Credit	Liquidity	Market risk		
			Currency	Interest rate	Other price
Cash and cash equivalents	X			X	
Accounts receivable	X				
Accounts payable and accrued liabilities		X			

Credit risk

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

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

	2022	2021
	\$	\$
Cash and cash equivalents	3,527,045	545,880
Accounts receivable	140,104	14,893
Investments	-	2,060,269
	3,667,149	2,621,042

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



THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year ended December 31, 2022

Financial instrument risk management (continued)

Liquidity risk

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

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

Market risk

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

Currency risk

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

The Institute is not exposed to any significant currency risk.

Interest rate risk

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

Other price risk

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

The Institute is not exposed to other price risk at the end of the year.

Changes in risk

There have been no significant changes in the risk profile of the financial instruments of the Institute from that of the prior year with the exception of the Institute's decision to not maintain any holdings in index pooled funds thereby eliminating the exposure of the Institute to other price risk.



THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year ended December 31, 2022

3. CASH AND CASH EQUIVALENTS

	2022	2021
	\$	\$
Cash	574,200	393,774
Term deposits	2,952,845	152,106
	3,527,045	545,880

The term deposits have effective interest rates ranging from 3.74% to 4.74% (2021 - 0.55%), and maturity dates ranging from March 2023 to November 2023 (2021 - June 2022).

4. INVESTMENTS

	2022	2021
	\$	\$
Fixed Income Fund	-	2,060,269
Balanced Core Fund	-	897,047
	-	2,957,316

During the current year, the investments were sold resulting in a realized loss on sale of \$341,462 (note 8). The proceeds received on sale were invested in term deposits (note 3).

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	2022 Net
	\$	\$	\$
Furniture and fixtures	25,866	23,254	2,612
Computer equipment	104,644	75,750	28,894
Leasehold improvements	67,255	39,792	27,463
	197,765	138,796	58,969

	Cost	Accumulated Amortization	2022 Net
	\$	\$	\$
Furniture and fixtures	25,866	20,842	5,024
Computer equipment	94,513	56,494	38,019
Leasehold improvements	67,255	33,067	34,188
	187,634	110,403	77,231



NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year ended December 31, 2022

6. RESTRUCTURING

During the year, the Institute entered into agreements with former employees, which resulted in statutory benefits and related costs of approximately \$386,000, being charged to salaries, office and administration, of which \$256,000 is included in accounts payable and accrued liabilities at year end.

7. DEFERRED LEASE INDUCEMENT

Effective February 1, 2017, the Institute entered into a ten year premises lease agreement and received a lease inducement in the form of cash and a rent-free period. This inducement has been deferred and is being amortized on a straight-line basis over the term of the lease.

	2022	2021
	\$	\$
Tenant lease inducement	34,380	42,800
Less: current portion	8,420	8,420
	25,960	34,380

During the year, amortization of lease inducements in the amount of \$8,420 (2021 - \$8,420) was credited to salaries, office and administration.

8. OTHER INCOME

	2022	2021
	\$	\$
Investment income		
Interest	77,183	57,524
Dividends and foreign income	8,159	13,382
	85,342	70,906
Gain (loss) on investments		
Unrealized loss in fair value of investments	-	(61,651)
Realized (loss) gain on sale of investments	(341,462)	99,226
	(341,462)	37,575



NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year ended December 31, 2022

9. COMMITMENTS

- a) The Institute is committed to lease its office premises until January 31, 2027. The future annual lease payments, including an estimate of premises common area expenses, are as follows:

	\$
2023	160,880
2024	162,515
2025	162,663
2026	162,663
2027	13,555
	662,276

- b) The Institute has agreements with third parties, to hold the annual conference in each year from 2023 to 2025. The Institute has agreed to guarantee minimum revenue levels to the third parties in room bookings and spend in food and beverage. Upon not meeting these levels, the Institute is liable to pay the difference between the agreed revenue levels and actual usage. The minimum revenue level for each year is as follows:

	\$
2023	214,256
2024	213,960
2025	302,560
	730,776

- c) The Institute has committed to contract academic advisors for 2023 and 2024. The outstanding minimum commitments for the academic advisors are as follows:

	\$
2023	72,226
2024	76,560
	148,786



THE CANADIAN INSTITUTE OF CHARTERED BUSINESS VALUATORS
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year ended December 31, 2022

10. PROMISSORY NOTE DUE FROM INTERNATIONAL INSTITUTE OF BUSINESS VALUERS

The Institute has a promissory note due from the International Institute of Business Valuers (“IIBV”) that was renegotiated in 2019 to be received in five equal annual payments commencing in 2020 and to earn 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.

The principal amount of promissory note outstanding at year-end is CDN \$70,903 (US \$52,320) (2021 CDN \$66,331 (US \$52,320)).

The Institute wrote off the promissory note in prior years as collection was not reasonably certain. A recovery is credited to salaries, office and administration when a payment is received.

In the prior year, US \$26,175 was received representing a payment on principal and interest for two years.

Subsequent to year end, US \$17,440 was received representing a payment on principal.