

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY
(Expressed in U.S. dollars)
Financial Statements
Year Ended December 31, 2009

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY
(Expressed in U.S. dollars)

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Year Ended December 31, 2009

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AUDITORS' REPORT

To the Members of International Federation of Clinical Neurophysiology

We have audited the statement of financial position of International Federation of Clinical Neurophysiology, as at December 31, 2009 and the statements of operations, changes in net assets and cash flow for the year then ended. These financial statements are the responsibility of the organization'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 organization as at December 31, 2009 and the results of its operations, changes in net assets, and its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles. As required under the Canada Corporations Act we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.



Vancouver, British Columbia
February 11, 2010

Chartered Accountants

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

(Expressed in U.S. dollars)

Statement of Financial Position

December 31, 2009

	2009	2008 <i>(Note 5)</i>
ASSETS		
CURRENT		
Cash	\$ 396,905	\$ 329,425
RESTRICTED CASH <i>(Note 4)</i>	60,000	60,000
INVESTMENTS	<u>2,267,804</u>	1,884,217
	<u>\$ 2,724,709</u>	<u>\$ 2,273,642</u>
 LIABILITIES AND NET ASSETS		
CURRENT		
Accrued liabilities	\$ 7,500	\$ 7,500
NET ASSETS	<u>2,717,209</u>	2,266,142
LIABILITIES AND NET ASSETS	<u>\$ 2,724,709</u>	<u>\$ 2,273,642</u>

ON BEHALF OF THE BOARD

 _____ Director


See notes to financial statements

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY*(Expressed in U.S. dollars)***Statement of Operations****Year Ended December 31, 2009**

	2009	2008 <i>(Note 5)</i>
REVENUE		
Elsevier royalties	\$ 462,038	\$ 488,974
Unrealized investment gains (losses)	163,414	(233,716)
Investment income	73,742	42,123
Gain (loss) on foreign exchange	67,519	(61,183)
Delegate dues	59,450	66,962
International congress refund	-	7,395
	826,163	310,555
EXPENDITURES		
ICCN 2010	103,732	50,000
Scholarships	50,000	-
Editorial support	44,737	49,611
Chapter abstracts	41,960	15,855
Secretariat	40,212	48,793
External financial advisor	25,402	27,766
NA chapter	25,000	-
Exco expenses	18,636	174,210
Legal	9,400	10,913
Journal subscriptions	7,698	3,897
Accounting	6,838	7,425
Bank charges and interest	1,165	913
Treasurer's office	316	579
LA chapter	-	61,500
AO Chapter	-	60,000
Special workshops	-	28,489
Insurance	-	8,357
FOIFCN	-	1,683
	375,096	549,991
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ 451,067	\$ (239,436)

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

(Expressed in U.S. dollars)

Statement of Changes in Net Assets

Year Ended December 31, 2009

	2009	2008 <i>(Note 5)</i>
NET ASSETS - BEGINNING OF YEAR	\$ 2,266,142	\$ 2,505,578
Excess (deficiency) of revenue over expenditures	<u>451,067</u>	<u>(239,436)</u>
NET ASSETS - END OF YEAR	<u>\$ 2,717,209</u>	<u>\$ 2,266,142</u>

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

(Expressed in U.S. dollars)

Statement of Cash Flow

Year Ended December 31, 2009

	2009	2008 <i>(Note 5)</i>
OPERATING ACTIVITY		
Excess (deficiency) of revenue over expenditures	<u>\$ 451,067</u>	\$ (239,436)
INVESTING ACTIVITY		
Decrease (increase) in investments	<u>(383,587)</u>	305,332
INCREASE IN CASH FLOW	67,480	65,896
Cash - beginning of year	<u>389,425</u>	323,529
CASH - END OF YEAR	<u>\$ 456,905</u>	<u>\$ 389,425</u>
CASH FLOW SUPPLEMENTARY INFORMATION		
Interest paid	<u>\$ 1,165</u>	\$ 913
Income taxes paid	<u>\$ -</u>	\$ -
CASH CONSISTS OF:		
Cash	<u>\$ 396,905</u>	\$ 329,425
Restricted cash	<u>60,000</u>	60,000
	<u>\$ 456,905</u>	<u>\$ 389,425</u>

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

(Expressed in U.S. dollars)

Notes to Financial Statements

Year Ended December 31, 2009

1. OPERATIONS

International Federation of Clinical Neurophysiology was registered in Marseille, France in 1953 as a non-profit organization, involved in the education and dissemination of clinical neurophysiology. The organization was incorporated on May 10, 2005 under the Canada Corporations Act as a non-profit organization under the Income Tax Act and as such is exempt from income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements are expressed in U.S. dollars. Accounts in other currencies have been translated into U.S. dollars. Monetary assets and liabilities have been translated at the year end exchange rate of 0.9555 (2008 - 0.8166) U.S. dollars. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenditures have been translated at the average annual rate of exchange during the year of 0.8801 (2008 - 0.9429) U.S. dollars. Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

Revenue Recognition

Investment income includes dividend and interest income, and realized and unrealized investment gains and losses. Unrealized gains and losses on temporary investments held-for-trading are included in investment income and recognized as revenue in the statement of operations.

Royalty and fee revenue are recognized when received.

Capital Disclosure

Capital is comprised of restricted and unrestricted net assets. The organization's objective when managing capital is to safeguard the organization's ability to continue as a going concern, so that it can continue to fund its charitable program delivery and administrative activities. Management monitors the organization's capital using various financial techniques to ensure that working capital levels are sufficient to meet all obligations as they come due and that cash reserves are adequate to finance future operations.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Actual results could differ from these estimates. A significant area requiring the use of management estimates relates to the evaluation of accrued liabilities.

(continues)

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

(Expressed in U.S. dollars)

Notes to Financial Statements

Year Ended December 31, 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

New Accounting Standard - Disclosure of Allocated Expenses

The Canadian Institute of Chartered Accountants issued a new accounting standard for fiscal years beginning on or after January 1, 2009: Section 4470, Disclosure of Allocated Expenses by Not For Profit Organizations. This section only affects organizations that classify their expenditures by function and includes additional disclosure requirements. As the organization classifies its expenditures by object and program rather than by function, this new accounting pronouncement has no impact on these financial statements.

3. FINANCIAL INSTRUMENTS

Fair Value

All financial instruments are initially recorded at their fair market value. Subsequently, all financial instruments are classified as held-for-trading and are measured at their fair value. Any unrealized gains or losses associated with subsequent measurement are recognized immediately in net income.

The organization's carrying value of cash, restricted cash, investments, and accrued liabilities approximates their fair value due to the immediate or short term maturity of these instruments.

Currency Risk

Currency risk is the risk to the organization's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The organization is exposed to significant foreign currency exchange risk on cash and temporary investments held in Canadian dollars due to the current volatility of the international financial currency markets.

Investment Risk

Investment risk is the risk that investment values will increase or decrease due to market volatility. The organization has determined that the risk is moderate as a significant amount of the organization's investment assets are held in public stock markets. These public stock markets have experienced significant fluctuations over the past year. The organization takes action to reduce its exposure to investment risk by diversifying its investment portfolio through a mix of equity and debt instruments, as well as monitoring the investments to minimize potential risks.

4. RESTRICTED CASH

The Bank of Montreal is withholding \$60,000 as coverage for the organization's Mastercard credit card, as security. This sum will be released when the present Treasurer's term of office ends. This amount is held in an interest-bearing account with the bank.

5. COMPARATIVE FIGURES

The comparative figures have been reclassified to conform to the current year's presentation.
