

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY
(Expressed in U.S. dollars)
Financial Statements
Year Ended December 31, 2008

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(Expressed in U.S. dollars)
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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, 2008 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, 2008 and the results of its operations and its cash flows 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
January 16, 2009

Loewen Kruse

Chartered Accountants

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

(Expressed in U.S. dollars)

Statement of Financial Position

December 31, 2008

	<u>2008</u>	<u>2007</u>
ASSETS		
CURRENT		
Cash	\$ 329,425	\$ 263,529
Temporary investments	<u>1,884,217</u>	<u>2,189,549</u>
	2,213,642	2,453,078
RESTRICTED CASH (Note 4)	<u>60,000</u>	<u>60,000</u>
	<u>\$ 2,273,642</u>	<u>\$ 2,513,078</u>
 LIABILITIES AND NET ASSETS		
CURRENT		
Accrued liabilities	\$ 7,500	\$ 7,500
NET ASSETS	<u>2,266,142</u>	<u>2,505,578</u>
LIABILITIES AND NET ASSETS	<u>\$ 2,273,642</u>	<u>\$ 2,513,078</u>

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY*(Expressed in U.S. dollars)***Statement of Operations****Year Ended December 31, 2008**

	2008	2007
REVENUE		
Elsevier royalties	\$ 488,974	\$ 432,488
Delegate dues	66,962	59,584
Investment income	42,123	66,578
International congress refund	7,395	57,395
Gain (loss) on foreign exchange	(61,183)	56,385
Unrealized investment gains (losses) <i>(Note 3)</i>	(233,716)	48,460
	<u>310,555</u>	<u>720,890</u>
EXPENDITURES		
Exco expenses	174,210	54,585
LA chapter	61,500	14,125
AO Chapter	60,000	20,000
ICCN 2010	50,000	130,000
Editorial support	49,611	37,900
Secretariat	48,793	41,416
Special workshops	28,489	314
External financial advisor	27,766	26,666
Chapter abstracts	15,855	-
Legal	10,913	15,882
Insurance	8,357	8,863
Accounting	7,425	9,962
Journal subscriptions	3,897	7,755
FOIFCN	1,683	-
Bank charges and interest	913	988
Treasurer's office	579	310
NA chapter	-	50,000
EU chapter	-	60,000
Postage	-	1,002
	<u>549,991</u>	<u>479,768</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ (239,436)	\$ 241,122

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

(Expressed in U.S. dollars)

Statement of Changes in Net Assets

Year Ended December 31, 2008

	2008	2007
NET ASSETS - BEGINNING OF YEAR	\$ 2,505,578	\$ 2,084,558
Adjustment to net assets related to prior years unrealized gains	-	179,898
Excess (deficiency) of revenue over expenditures	(239,436)	241,122
NET ASSETS - END OF YEAR	\$ 2,266,142	\$ 2,505,578

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY*(Expressed in U.S. dollars)***Statement of Cash Flow****Year Ended December 31, 2008**

	2008	2007
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures	\$ (239,436)	\$ 241,122
Item not affecting cash:		
Change in net assets related to prior years unrealized gains	<u>-</u>	<u>179,898</u>
	(239,436)	421,020
Change in non-cash working capital:		
Accrued liabilities	<u>-</u>	<u>2,500</u>
INCREASE (DECREASE) IN CASH FLOW	(239,436)	423,520
Cash and cash equivalents - beginning of year	<u>2,513,078</u>	<u>2,089,558</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,273,642</u>	<u>\$ 2,513,078</u>
CASH AND CASH EQUIVALENTS CONSISTS OF:		
Cash	\$ 329,425	\$ 263,529
Temporary investments	1,884,217	2,189,549
Restricted cash	<u>60,000</u>	<u>60,000</u>
	<u>\$ 2,273,642</u>	<u>\$ 2,513,078</u>

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

(Expressed in U.S. dollars)

Notes to Financial Statements

Year Ended December 31, 2008

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

Capital disclosure

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.

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 0.81659US. 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 0.94291US. 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.

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.

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

(Expressed in U.S. dollars)

Notes to Financial Statements

Year Ended December 31, 2008

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, temporary investments, and accrued liabilities approximate their fair values 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 U.S. dollars due to the current volatility of the international financial and currency markets.

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.
