

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

Financial Statements

December 31, 2006

(Expressed in U.S. dollars)

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

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(Expressed in U.S. dollars)

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AUDITORS' REPORT

To the Members of the Executive of the
International Federation of Clinical Neurophysiology

We have audited the statement of financial position of International Federation of Clinical Neurophysiology as at December 31, 2006 and the statements of operations and changes in net assets and cash flows 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, 2006 and the results of its operations and changes in net assets and 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
February 9, 2007

Loewen Kruse
Chartered Accountants

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

Statement of Financial Position

December 31, 2006

(Expressed in U.S. dollars)

	2006	2005
		<i>(Note 5)</i>
ASSETS		
CURRENT		
Cash (Note 4)	\$ 233,034	\$ 254,560
Temporary investments	1,856,524	1,697,618
	<u>\$ 2,089,558</u>	<u>\$ 1,952,178</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accrued liabilities	\$ 5,000	\$ 5,000
 NET ASSETS - page 3	 <u>\$ 2,084,558</u>	 <u>\$ 1,947,178</u>
	<u>\$ 2,089,558</u>	<u>\$ 1,952,178</u>

ON BEHALF OF THE BOARD

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

Statement of Operations and Changes in Net Assets

Year ended December 31, 2006

(Expressed in U.S. dollars)

	2006	2005 (Note 5)
REVENUE		
Elsevier royalties	\$ 444,532	\$ 421,102
Gain on foreign exchange	71,778	2,105
Investment income	65,856	76,991
Delegate dues	63,310	62,430
ICNS	64	-
International congress refund	-	1,229
	<u>645,540</u>	<u>563,857</u>
EXPENDITURES		
ICCN 2006	175,000	9,294
Exco expenses	78,106	78,585
Secretariat	47,129	50,633
EU chapter	40,000	25,630
Editorial support	38,375	45,336
ICCN 2010	30,000	-
External financial advisor	24,634	24,187
ALS Japan	21,915	-
North American region	10,000	16,000
Journal subscriptions	8,815	8,228
Insurance	7,650	-
Accounting	6,411	5,806
LA chapter	6,000	-
President's office	5,000	-
Legal	4,900	22,341
FOIFCN	1,506	-
Bank charges and interest	1,031	1,140
Treasurer's office	707	1,675
ICNS certificates	400	-
Secretary's office	307	2,759
WFN	274	297
	<u>508,160</u>	<u>291,911</u>
EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR	137,380	271,946
NET ASSETS - Beginning of year	1,947,178	1,675,232
NET ASSETS - End of year	\$ 2,084,558	\$ 1,947,178

See notes to financial statements

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

Statement of Cash Flows

Year ended December 31, 2006

(Expressed in U.S. dollars)

	2006	2005
OPERATING ACTIVITIES		
Excess of revenue over expenditures for the year	<u>\$ 137,380</u>	<u>\$ 271,946</u>
NET INCREASE IN CASH FLOWS	137,380	271,946
CASH AND CASH EQUIVALENTS - beginning of year	<u>1,952,178</u>	<u>1,680,232</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 2,089,558</u>	<u>\$ 1,952,178</u>
CASH AND CASH EQUIVALENTS CONSISTS OF:		
Cash	\$ 233,034	\$ 254,560
Temporary investments	<u>1,856,524</u>	<u>1,697,618</u>
	<u>\$ 2,089,558</u>	<u>\$ 1,952,178</u>

INTERNATIONAL FEDERATION OF CLINICAL NEUROPHYSIOLOGY

Notes to Financial Statements

Year ended December 31, 2006

(Expressed in U.S. dollars)

1. OPERATIONS

International Federation of Clinical Neurophysiology was registered in Marseille, France in 1953 as a not for 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 not for profit organization under the Income Tax Act and as such is exempt from income taxes.

2. 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. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenses have been translated at the average rates of exchange during the year. Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

Revenue Recognition

Investment, royalty and fee revenue are recognized when received.

Temporary Investments

Temporary investments are recorded at the lower of cost and market value. The market value of temporary investments as at December 31, 2006 was \$2,121,400 (2005 - \$1,981,645).

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 expenses during the period. Such estimates include providing for accruals. Actual results could differ from these estimates.

3. FAIR VALUE OF THE FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash, temporary investments, and accrued liabilities. It is management's opinion that the organization is not exposed to any significant credit, currency, or interest rate risk as a result of these financial instruments. The fair value of these instruments approximates their carrying value, except for the carrying value of temporary investments, as disclosed in Note 2.

The organization has not yet adopted the recently issued accounting policy guidelines with respect to Financial Instruments. These guidelines did not become effective for the organization until January 1, 2007. The impact that the adoption of the new guidelines will have on the organization is not expected to be significant and will relate mostly to disclosure requirements.

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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

Certain comparative figures have been restated to conform to the current year's presentation.
