

MANITOBA CHIROPRACTORS' ASSOCIATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2008

AND

AUDITORS' REPORT TO THE MEMBERS



An Independent Member Firm of:
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D. Chochinov, B.Sc., FCGA

S. Chochinov, B. Comm. (Hons.), CGA*

*Professional Corporation

AUDITORS' REPORT

To the Members of
Manitoba Chiropractors' Association:

We have audited the statement of financial position of Manitoba Chiropractors' Association as at December 31, 2008 and the statements of operations, changes in net assets and of cash flows for the year then ended. These financial statements are the responsibility of the Association'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 the financial position of the Association as at December 31, 2008 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

February 5, 2009

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MANITOBA CHIROPRACTORS' ASSOCIATION
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2008
(See Accompanying Notes)

	2008	2007
ASSETS		
CURRENT:		
Cash	\$ 175,817	\$ 349,558
Accounts receivable	11,052	6,923
Prepaid expenses	14,419	10,237
	<u>201,288</u>	<u>366,718</u>
INVESTMENT IN MARKETABLE SECURITIES - at cost (Note 4)	<u>158,535</u>	<u>149,554</u>
CAPITAL (Note 5)	<u>45,880</u>	<u>12,178</u>
	<u>\$ 405,703</u>	<u>\$ 528,450</u>
LIABILITIES		
CURRENT:		
Accounts payable and accrued liabilities	\$ 54,453	\$ 133,952
NET ASSETS		
NET ASSETS:		
Invested in capital assets	45,880	12,178
Internally restricted for Profession Advancement Fund	25,183	25,183
Unrestricted	280,187	357,137
	<u>351,250</u>	<u>394,498</u>
	<u>\$ 405,703</u>	<u>\$ 528,450</u>

Approved by the Board

_____ Director

_____ Director

MANITOBA CHIROPRACTORS' ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2008
(See Accompanying Notes)

	Invested in capital assets	Profession Advancement Fund	Unrestricted net assets	Total	
				2008	2007
Balance at beginning of the year	\$ 12,178	\$ 25,183	\$ 357,137	\$ 394,498	\$ 355,664
(Deficiency) excess of revenue over expenses	(6,846)		(36,402)	(43,248)	38,834
Investment in capital assets	40,548		(40,548)		
Balance at end of the year	\$ 45,880	\$ 25,183	\$ 280,187	\$ 351,250	\$ 394,498

**MANITOBA CHIROPRACTORS' ASSOCIATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2008
(See Accompanying Notes)**

	2008	2007
REVENUE:		
Annual dues	\$ 437,100	\$ 471,399
Annual meeting	2,600	4,218
Canadian Chiropractic Association	108,900	108,725
CFCREAB	6,748	6,285
Communication assessment	156,443	153,433
Fines	5,490	400
Golf tournament	22,918	26,136
Interest	18,085	19,023
Legal levy	245,200	
Provincial presidents	3,295	10,929
Registration and examination fees	2,017	525
Research foundation	63,500	62,160
Continuing education	7,357	20,385
Sundry	4,562	6,132
	<u>1,084,215</u>	<u>889,750</u>
EXPENSES - Page 8	<u>1,127,463</u>	<u>850,916</u>
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	<u>\$ (43,248)</u>	<u>\$ 38,834</u>

MANITOBA CHIROPRACTORS' ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008
(See Accompanying Notes)

	2008	2007
OPERATING ACTIVITIES:		
(Deficiency) excess of revenue over expenses	\$ (43,248)	\$ 38,834
Items not affecting cash flow:		
Amortization	6,846	3,010
Loss on disposal of assets	5,842	
	<u>(30,560)</u>	<u>41,844</u>
 Changes in non-cash operating working capital items:		
Accounts receivable	(4,129)	(2,376)
Prepaid expenses	(4,182)	(3,817)
Accounts payable and accrued liabilities	(79,500)	(32,544)
	<u>(118,371)</u>	<u>3,107</u>
 INVESTING ACTIVITIES:		
Capital asset additions:		
Computer	(7,785)	
Furniture and fixtures	(38,604)	
Investment in marketable securities - net	(8,981)	(5,088)
	<u>(55,370)</u>	<u>(5,088)</u>
 NET DECREASE IN CASH POSITION	(173,741)	(1,981)
 CASH POSITION AT BEGINNING OF THE YEAR	349,558	351,539
 CASH POSITION AT END OF THE YEAR	\$ 175,817	\$ 349,558

MANITOBA CHIROPRACTORS' ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008

1. Purpose of the Organization

The mission of the Manitoba Chiropractors' Association is to foster and ensure the highest standard of chiropractic healthcare for all Manitobans.

As a provincial professional association, the Manitoba Chiropractors' Association regulates and licences Manitoba Doctors of Chiropractic. The Manitoba Chiropractors' Association promotes professional unity and represents member services. It also educates the public about the health benefits of chiropractic and chiropractic research.

The Manitoba Chiropractors' Association functions under The Chiropractic Act of Manitoba. This Act requires that the Association licence all chiropractors who practice in Manitoba. Because each chiropractor must meet certain standards to obtain a license, Manitobans are assured of a high standard of chiropractic care.

2. Incorporation

The Manitoba Chiropractors' Association was incorporated by Letters Patent in 1945 without share capital, under the provisions of the Manitoba Corporations Act. The corporation is to be carried on without pecuniary gain to its members. Any profits or other accretions are to be used in promoting its objectives.

3. Significant Accounting Policies

Investment in marketable securities:

The investments are carried at cost and are composed of corporate bonds which mature from 2009 to 2049. The investments will be written down to estimated net realizable value if a loss in value that is other than temporary occurs. See Note 4.

Capital assets:

Capital assets are stated at cost. It is the Manitoba Chiropractors' Association's practice to provide for amortization of capital assets under the declining balance method for computers and computer equipment at the rates shown in Note 5. Furniture and fixtures, equipment, software and leasehold improvements are amortized under the straight-line method over their estimated useful lives shown in Note 5. In the year of acquisition, amortization is provided for at one-half of the normal rate except for software.

Use of estimates:

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

MANITOBA CHIROPRACTORS' ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008

3. Significant Accounting Policies - continued

Revenue recognition:

The Manitoba Chiropractors' Association follows the deferral method of accounting for revenue. Membership dues are recognized as revenue in the year to which they pertain. Membership dues received in advance of the year to which they pertain are recorded as deferred revenue.

Financial instruments:

The Manitoba Chiropractors' Association has the following financial instruments: Cash, accounts receivable, investment in marketable securities and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risk arising from these financial instruments.

Income taxes:

The Association was designated a non-profit organization and is exempt from income tax under paragraph 149(1)(l) of the Income Tax Act.

4. Investment in Marketable Securities

The investment in marketable securities consists of the following:

	2008		2007	
	Cost	Market	Cost	Market
Manitoba Builder Bonds 4.250% Due June 15, 2008	\$	\$	\$ 12,000	\$ 11,962
Manitoba Builder Bonds 4.450% Due June 15, 2009	8,000	9,785	8,000	9,338
Manitoba Builder Bonds 4.450% Due June 15, 2009	10,088	10,038	10,088	9,998
BMO Capital Trust 5.474% Due December 31, 2049	56,037	48,982	56,037	54,450
BMO Capital Trust 4.633% Due December 31, 2049	63,429	46,888	63,429	58,458
Sun Life Financial 4.950% Due June 6, 2036	20,981	18,627		
	<u>\$ 158,535</u>	<u>\$ 134,320</u>	<u>\$ 149,554</u>	<u>\$ 144,206</u>

MANITOBA CHIROPRACTORS' ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008

5. Capital Assets

The major categories of capital assets and accumulated amortization are as follows:

	Cost	Accumulated Amortization	2008 Book Value	2007 Book Value	Rates
Computers	\$ 27,894	\$ 17,157	\$ 10,737	\$ 4,663	20%
Computer equipment	12,780	12,381	399	498	20%
Computer software	500	500			1/2 SL
Equipment	5,240	5,240		1,176	1/5 SL
Furniture and fixtures	43,040	8,296	34,744		1/5 SL
Leasehold improvements				5,841	1/5 SL
	<u>\$ 89,454</u>	<u>\$ 43,574</u>	<u>\$ 45,880</u>	<u>\$ 12,178</u>	

6. Commitments

The Association leases its premises under an agreement with an unrelated third party. The Association has signed a letter of intent for the lease of a new office space. The term of the lease will be for five years with an effective start of April 1, 2008 and the base minimum lease of \$61,761 per annum.

The Association has entered into several operating leases for office equipment with unrelated vendors. The leases will expire over a period extending from January 2009 to December 2010.

The total future minimum lease payments in each of the next three years is approximately as follows:

2009	\$ 11,419
2010	\$ 11,179

7. Contingent Liability

The Association has been named as a co-defendant in a lawsuit. Legal counsel to the Association is unable to assess the potential liability or outcome, if any, resulting from the lawsuit at the current time. No provision for possible loss has been included in these financial statements.

**MANITOBA CHIROPRACTORS' ASSOCIATION
SCHEDULE OF EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008
(See Accompanying Notes)**

	2008	2007
Assessments:		
Canadian Chiropractic Association dues	\$ 108,040	\$ 105,510
CFCREAB	7,028	7,000
Research Foundation	63,499	62,000
	<u>178,567</u>	<u>174,510</u>
 General and Administrative:		
Administration services	8,435	31,684
Amortization	6,846	3,010
Annual meetings	8,284	13,902
Bank charges and interest	1,335	1,699
Communications	180,990	151,601
Complaints - Legal	13,274	54,449
Complaints - Professional services	41,590	23,526
Continuing education	4,157	15,688
Golf tournament	22,972	26,136
Honoraria	33,724	37,584
Insurance	7,938	3,668
Legal	302,955	23,067
Loss on disposal of leasehold improvements	5,842	
Meetings	14,681	12,033
Office supplies	14,513	15,788
Parking	1,471	4,552
PMP Program		4,072
Professional fees	36,042	30,031
Research	325	2,401
Rent	68,974	41,432
Sundry	5,853	8,108
Telephone and utilities	8,774	8,447
Travel	5,004	8,976
Wages and benefits	154,917	154,552
	<u>948,896</u>	<u>676,406</u>
	<u>\$ 1,127,463</u>	<u>\$ 850,916</u>