

HEALTH TECHNOLOGY ASSESSMENT INTERNATIONAL

FINANCIAL STATEMENTS

MAY 31, 2006

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MAY 31, 2006

CONTENTS

	Page
AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Operations	3
Statement of Changes in Net Assets	4
Notes to the Financial Statements	5-6
Schedule of Secretariat expense	7



AUDITORS' REPORT

To the Members of the Health Technology Assessment International:

We have audited the statement of financial position of the Health Technology Assessment International as at May 31, 2006 and the statements of operations, changes in net assets for the year then ended. These financial statements are the responsibility of the society'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 the society, 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 society as at May 31, 2006 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

CERTIFIED GENERAL ACCOUNTANTS

Edmonton, Alberta
August 31, 2006

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HEALTH TECHNOLOGY ASSESSMENT INTERNATIONAL

STATEMENT OF FINANCIAL POSITION

AS AT MAY 31, 2006

	2006	2005
CURRENT ASSETS		
Cash	\$ 395,783	\$ 237,883
Accounts receivable	27,214	-
Accounts receivable from related party (Note 3)	-	12,703
GST receivable	3,928	3,910
	\$ 426,925	\$ 254,496
CURRENT LIABILITIES		
Accounts payable to a related party (note 3)	\$ 13,114	\$ -
Payables and accrued liabilities	10,824	31,831
Deferred revenue	18,648	-
	42,586	31,831
NET ASSETS		
Unrestricted	384,339	222,665
	\$ 426,925	\$ 254,496

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

HEALTH TECHNOLOGY ASSESSMENT INTERNATIONAL

STATEMENT OF OPERATIONS FOR THE YEAR ENDED MAY 31, 2006

	2006	2005
REVENUE		
Membership fees	211,108	169,057
Policy forum	\$ 200,060	\$ 211,570
AGM	67,744	20,264
Other	22,614	-
Donations	-	5,148
Unrealized foreign exchange gain (loss)	(36,001)	(2,316)
TOTAL REVENUE	465,525	403,723
EXPENDITURES		
Secretariat (Schedule 1)	115,899	90,772
Policy forum and winter board meeting	82,745	91,646
IJTAHC	54,935	30,565
AGM costs	17,114	11,223
Awards and grants	14,695	2,859
Promotional and website	12,885	19,096
Professional fees and services	5,578	14,179
TOTAL EXPENDITURES	303,851	260,340
EXCESS OF REVENUE OVER EXPENDITURES	\$ 161,674	\$ 143,383

HEALTH TECHNOLOGY ASSESSMENT INTERNATIONAL

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MAY 31, 2006

	2006	2005
BALANCE , beginning of year	\$ 222,665	\$ 79,282
Excess of revenue over expenditures for the year	161,674	143,383
BALANCE , end of year	\$ 384,339	\$ 222,665

HEALTH TECHNOLOGY ASSESSMENT INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MAY 31, 2006

1. PURPOSE OF THE ORGANIZATION

Health Technology Assessment International (the Society) was incorporated under the Canada Corporations Act on February 27, 2004. The purpose of the Society is to support and promote the development, communication, understanding and use of health technology assessment (HTA) globally as a scientifically based means of promoting the introduction of effective innovations and the effective use of resources in health care.

The Society was incorporated as a non-profit organization under 149(1)(1) of the Income Tax Act and is a registered charity.

2. ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian generally accepted accounting principles and reflect the following significant accounting policies:

(a) Cash

Cash includes cash on deposit in bank accounts.

(b) Revenue recognition

The Society follows the deferral method of accounting for member contributions. Restricted contributions are recognized as revenue in the year in which related expenses are incurred. Unrestricted contributions, including membership fees are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(c) Fair value of financial instruments

The fair value of the Society's financial assets and liabilities approximates carrying value due to their short-term nature.

(d) Translation of foreign currency

Foreign currency transactions are accounted for at the average of the exchange rates prevailing during the year. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets denominated in foreign currencies are recognized in the statement of operations. Such balances are translated at year end exchange rates.

(e) Use of estimates

The preparation of financial statements, in conformity with Canadian generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities 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.

HEALTH TECHNOLOGY ASSESSMENT INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MAY 31, 2006

3. RELATED PARTY TRANSACTIONS

The Institute of Health Economics (IHE) is a member of the Society and operates the secretariat for the society.

The Society entered into an agreement with IHE dated December 1, 2005, whereby IHE provides the services of its employed staff for the purposes of fulfilling all administrative needs to the Society. In addition, IHE provides, at cost, appropriate office accommodations, furniture, and facilities, including telephone, facsimile, and e-mail services. The transactions included in revenue and expenses during the year were as follows:

	2006	2005
RECEIVABLE (PAYABLE) FROM IHE, beginning of year	\$ 12,704	\$ 76,647
Income received by IHE on behalf of the Society		
Membership dues and policy forum	51,494	72,655
	\$ 64,198	\$ 149,302
Expenses paid by IHE on behalf of the Society:		
Salaries and benefits	\$ (94,909)	\$ (69,779)
Office expenses and rent	(16,477)	(18,763)
	(111,386)	(88,542)
Net payments (received from) made to	34,074	(48,056)
RECEIVABLE (PAYABLE) FROM IHE, end of year	\$ (13,114)	\$ 12,704

The above transactions are measured at the exchange amount, which is the amount of consideration agreed to by the related parties. Management is of the opinion that these amounts approximate fair value.

4. STATEMENT OF CASH FLOW

A statement of cash flow has not been provided as the information is readily available from the financial statements provided.

HEALTH TECHNOLOGY ASSESSMENT INTERNATIONAL

SCHEDULE OF SECRETARIAT EXPENSES FOR THE YEAR ENDED MAY 31, 2006

	2006	2005
Wages and benefits	\$ 91,580	\$ 69,779
Office supplies	5,030	5,678
Telephone	3,321	9,271
Mailing and courier	10,059	948
Travel	1,446	1,503
Rent	366	1,400
Bank charges	4,097	2,193
Bad debts	-	-
	\$ 115,899	\$ 90,772
