

HEALTH TECHNOLOGY ASSESSMENT INTERNATIONAL

FINANCIAL STATEMENTS

MAY 31, 2010

ALLAN WELSH & COMPANY PROFESSIONAL CORPORATION
Certified General Accountants



Suite 340, Circle Square Professional Centre
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HEALTH TECHNOLOGY ASSESSMENT INTERNATIONAL

MAY 31, 2010

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ALLAN WELSH & COMPANY
PROFESSIONAL CORPORATION
Certified General Accountants

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, 2010 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, 2010 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.

Allan Welsh & Company

CERTIFIED GENERAL ACCOUNTANTS

Edmonton, Alberta
October 21, 2010



Suite 340, Circle Square Professional Centre
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780-484-5618 Fax: 780-444-6355 admin@allanwelsh.ca


HEALTH TECHNOLOGY ASSESSMENT INTERNATIONAL

STATEMENT OF FINANCIAL POSITION

AS AT MAY 31, 2010

	2010	2009
CURRENT ASSETS		
Cash and cash equivalents (Note 4)	\$ 358,437	\$ 311,706
Temporary investments (Note 8)	348,613	355,682
Accounts receivable	25,632	71
Prepaid expenses	21,964	33,381
Goods and services taxes receivable	13,163	6,594
TOTAL ASSETS	\$ 767,809	\$ 707,434
CURRENT LIABILITIES		
Accounts payable to a related party (note 5)	\$ 14,874	\$ 15,269
Payables and accrued liabilities	15,706	16,430
Deferred revenue (Note 6)	312,519	269,695
TOTAL CURRENT LIABILITIES	343,099	301,394
NET ASSETS		
Unrestricted	324,710	306,040
Internally restricted-annual conference	50,000	50,000
Internally restricted-shut down	50,000	50,000
TOTAL NET ASSETS	424,710	406,040
TOTAL LIABILITIES AND NET ASSETS	\$ 767,809	\$ 707,434

APPROVED ON BEHALF OF THE BOARD:

 Director

 Director

The attached notes are an integral part of these financial statements

HEALTH TECHNOLOGY ASSESSMENT INTERNATIONAL

STATEMENT OF OPERATIONS FOR THE YEAR ENDED MAY 31, 2010

	2010	2009
REVENUE		(Note 9)
Policy forum	\$ 393,416	\$ 266,565
Membership fees (Note 2)	271,397	244,041
Total annual meeting hosting fees	70,484	66,139
Realized foreign exchange income (loss) (Note 3)	(110,289)	52,390
Interest income	398	5,981
Other income	17,232	3,063
TOTAL REVENUE	642,638	638,179
EXPENDITURES		
Secretariat (Schedule 1)	241,229	196,440
Policy forum and winter board meeting	203,057	225,156
Awards and grants	59,888	48,073
Professional fees and services	41,678	53,212
Promotional and website	25,176	18,701
International Journal of Technology Assessment in Health Care	23,283	57,572
Annual meeting expenses	19,502	13,830
Strategic initiatives	10,155	6,471
TOTAL EXPENDITURES	623,968	619,455
EXCESS OF REVENUE OVER EXPENDITURES BEFORE UNREALIZED FOREIGN EXCHANGE	18,670	18,724
UNREALIZED FOREIGN EXCHANGE INCOME (Note 3)	-	34,825
EXCESS OF REVENUE OVER EXPENDITURES	\$ 18,670	\$ 53,549

The attached notes are an integral part of these financial statements

HEALTH TECHNOLOGY ASSESSMENT INTERNATIONAL

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MAY 31, 2010

	- Internally Restricted - Shut Down	Annual Meeting	Unrestricted	2010	2009
BALANCE , beginning of year	\$ 50,000	\$ 50,000	\$ 306,040	\$ 406,040	\$ 352,491
Excess of revenue over expenditures for the year	-	-	18,670	18,670	53,549
BALANCE , end of year	\$ 50,000	\$ 50,000	\$ 324,710	\$ 424,710	\$ 406,040

The attached notes are an integral part of these financial statements

HEALTH TECHNOLOGY ASSESSMENT INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MAY 31, 2010

1. PURPOSE OF THE ORGANIZATION

Health Technology Assessment International (the Society) was incorporated under the Alberta Societies Act on February 27, 2004 and is a registered charity for Canadian income tax purposes and is exempt from income tax under Section 149 of the Income Tax Act. 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.

2. ACCOUNTING POLICIES

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

(a) Revenue recognition

Unrestricted contributions are recognized as revenue in the year received or receivable if the amount recorded can be reasonably estimated and collection is reasonably assured. Membership fees are recognized as revenue for the year for which they are collected.

(b) Foreign currency

Foreign currency denominated monetary assets and liabilities are translated to Canadian dollars at the exchange rate in effect at the balance sheet date. Foreign currency denominated non-monetary assets and liabilities are translated to Canadian dollars at the exchange rate in effect on the transaction date. Revenue and expense items are translated at the exchange rate in effect at the time of the transaction. Foreign exchange gains or losses are included in the determination of net earnings for the year.

(c) 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 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.

3. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of marketable securities, receivables, payables and related-party payables. Unless otherwise noted, it is our opinion that the Society is not exposed to significant interest or credit risks arising from these financial statements. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

(a) Currency risk

The Society is exposed to currency risk as a certain portion of revenue and expenses are incurred in United States dollars resulting in United States-denominated accounts receivable and accounts payable. In addition, certain cash and cash equivalents are denominated in United States dollars. These balances are therefore subject to gain or losses due to fluctuation in that currency.

HEALTH TECHNOLOGY ASSESSMENT INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MAY 31, 2010

4. CASH AND CASH EQUIVALENTS

Included in cash and cash equivalents are:

	2010	2009
Unrestricted cash	\$ 258,437	\$ 190,665
Internally restricted	100,000	100,000
	\$ 358,437	\$ 290,665

5. RELATED PARTY TRANSACTIONS

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

The Board of the Society entered into a new three year agreement dated December 2008 with IHE, whereby IHE provides the services of its employed staff for the purposes of fulfilling administrative needs of the Society. The agreement commits IHE to providing commercial rent free office space as well as in-kind resources and support for the Secretariat. These in-kind resources include specified staff support as well as office accommodations, furniture and facilities, including telephone, facsimile and IT services. The value of these services is specified in the agreement between IHE and the Society.

The transactions included in revenue and expenses during the year were as follows:

	2010	2009
PAYABLE TO IHE, beginning of year	\$ 15,265	\$ 14,414
Expenses paid by IHE on behalf of the Society:		
Salaries and benefits	188,024	169,530
Office expenses	899	9,682
TOTAL EXPENSES PAID BY IHE	188,923	179,212
Payments to IHE	(189,314)	(178,361)
PAYABLE TO IHE, end of year	\$ 14,874	\$ 15,265

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.

HEALTH TECHNOLOGY ASSESSMENT INTERNATIONAL

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MAY 31, 2010

6. DEFERRED REVENUE

Deferred Revenue represents fees and funding received in advance for the next fiscal year.

	2010	2009
Policy forum fees	\$ 184,436	\$ 190,665
Membership fees	120,331	79,030
WHO funding	7,752	-
	\$ 312,519	\$ 269,695

7. STATEMENT OF CASH FLOW

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

8. INVESTMENTS

Investments are Guaranteed Investment Certificate recorded at cost plus accrued interest.

9. PRIOR YEAR'S FIGURES

Certain numbers have been restated to be consistent with current year's presentation.

HEALTH TECHNOLOGY ASSESSMENT INTERNATIONAL

SCHEDULE 1 Secretariat expenditures

FOR THE YEAR ENDED MAY 31, 2010

	2010	2009
Wages and benefits	\$ 198,145	\$ 165,495
Printing	12,596	7,612
Bank charges	12,119	9,592
Mailing and courier	8,672	2,612
Telephone	5,517	7,036
Office supplies	4,148	3,870
Travel	32	223
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	\$ 241,229	\$ 196,440
