

Health Technology Assessment international
Financial Statements
December 31, 2022

Management's Responsibility

To the Members of Health Technology Assessment international:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Audit Committee are composed entirely of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Audit Committee has the responsibility of meeting with management and the external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Committee is also responsible for recommending the appointment of the Organization's external auditors.

MNP LLP is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Committee and management to discuss their audit findings.

May 25, 2023

signed by "Melissa Donecz"

Finance Manager

Independent Auditor's Report

To the Members of Health Technology Assessment international:

Opinion

We have audited the financial statements of Health Technology Assessment international (the "Organization"), which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Edmonton, Alberta

May 25, 2023

MNP **LLP**
Chartered Professional Accountants

Health Technology Assessment international Statement of Financial Position

As at December 31, 2022

	2022	2021
Assets		
Current		
Cash	1,548,925	2,154,570
Guaranteed investment certificates (Note 3)	2,065,664	1,251,489
Accounts receivable (Note 4)	108,565	139,756
Goods and services tax receivable	14,845	23,893
Prepaid expenses	299,087	183,235
	4,037,086	3,752,943
Capital assets (Note 5)	11,160	16,524
	4,048,246	3,769,467
Liabilities		
Current		
Accounts payable and accruals	241,373	186,684
Deferred revenue	391,489	224,629
	632,862	411,313
Canada emergency business account loan	40,000	40,000
	672,862	451,313
Commitments (Note 6)		
Net Assets		
Internally restricted (Note 3), (Note 7)	1,879,583	785,766
Investment in capital assets	11,160	16,524
Unrestricted	1,484,641	2,515,864
	3,375,384	3,318,154
	4,048,246	3,769,467

Approved on behalf of the Board

signed by "Americo Cicchetti"
Director

signed by "Wija Oortwijn"
Director

Health Technology Assessment international Statement of Operations

For the year ended December 31, 2022

	2022	2021
Revenue		
Policy forum	1,453,015	1,433,922
Annual meeting hosting fees	1,202,015	918,533
Memberships	276,699	279,897
Other income	131,214	46,853
Interest income	45,327	3,881
Government subsidies	-	93,561
	3,108,270	2,776,647
Expenses		
General and administrative <i>(Schedule 1)</i>	1,114,170	900,183
Annual meetings <i>(Schedule 3)</i>	1,080,758	515,807
Policy forums <i>(Schedule 2)</i>	884,522	555,366
Interest groups <i>(Schedule 4)</i>	134,942	69,719
	3,214,392	2,041,075
Excess (deficiency) of revenue over expenses before other items	(106,122)	735,572
Gain (loss) on foreign exchange	163,352	(68,402)
Excess of revenue over expenses	57,230	667,170

The accompanying notes are an integral part of these financial statements

Health Technology Assessment international
Statement of Changes in Net Assets

For the year ended December 31, 2022

	<i>Internally Restricted</i>	<i>Investment in capital assets</i>	<i>Unrestricted</i>	2022	<i>2021</i>
Net assets, beginning of year	785,766	16,524	2,515,864	3,318,154	2,650,984
Excess of revenue over expenses	-	(9,075)	66,305	57,230	667,170
Interfund transfers	1,093,817	-	(1,093,817)	-	-
Purchase of capital assets	-	3,711	(3,711)	-	-
Net assets, end of year	1,879,583	11,160	1,484,641	3,375,384	3,318,154

The accompanying notes are an integral part of these financial statements

Health Technology Assessment international Statement of Cash Flows

For the year ended December 31, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating		
Cash receipts from members	3,260,994	2,669,014
Cash paid for projects and administration	(3,085,380)	(2,213,296)
Interest received	45,327	3,882
	220,941	459,600
Financing		
Advances of Canada emergency business account loan	-	20,000
Investing		
Purchase of guaranteed investment certificate	(2,074,500)	(1,251,489)
Proceeds on disposal of guaranteed investment certificate	1,251,625	200,000
Purchase of capital assets	(3,711)	(27,564)
	(826,586)	(1,079,053)
Decrease in cash resources	(605,645)	(599,453)
Cash resources, beginning of year	2,154,570	2,754,023
Cash resources, end of year	1,548,925	2,154,570

The accompanying notes are an integral part of these financial statements

Health Technology Assessment international Notes to the Financial Statements

For the year ended December 31, 2022

1. Incorporation and nature of the organization

Health Technology Assessment international (the "Organization") was incorporated under the Alberta Societies Act on February 27, 2004 as a not-for-profit organization and is a registered charity under the Income Tax Act. The purpose of the Organization 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. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as set out in Part III of the CPA Canada Handbook - Accounting Standards for Not-For-Profit Organizations, as issued by the Accounting Standards Board in Canada using the following significant accounting policies:

Reporting currency and foreign currency translation

These financial statements have been presented in Canadian dollars, the principal currency of the Organization's operations.

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and monetary liabilities reflect the exchange rates at the statement of financial position date. Gains and losses on translation or settlement are included in the determination of excess of revenue over expenses for the current year.

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Membership fees are recognized over the term to which the fees relate. Policy forum and annual meeting hosting fee revenue is recognized in the year in which the related policy forum or annual meeting is held.

Contributed services

Volunteers contribute several hours per year to assist the Organization in carrying out its service delivery activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization is provided using the following method at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Computer software	straight-line	3 years
Furniture and fixtures	declining balance	20 %

Health Technology Assessment international Notes to the Financial Statements

For the year ended December 31, 2022

2. Significant accounting policies (Continued from previous page)

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Organization writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Organization's ability to provide goods and services. The asset are also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Organization determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

Allocation of expenses

The Organization engages in the delivery of annual meetings, policy forums, interest group initiatives, and regional meetings. The costs of each program include the costs of rental space, food and beverage, audio visual, contracted labour, and other expenses that are directly related to providing the program. The Organization also incurs a number of general support expenses that are common to the administration of the Organization and each of its programs.

The Organization allocates certain of its general support expenses by identifying the appropriate basis of allocating each component expense, and applies that basis consistently each year. Corporate governance and general management expenses are not allocated; other general support expenses are allocated based on full time employee hours and other metrics.

Financial instruments

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Organization has made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Organization initially measures investments or debt instruments with a quoted market value or derivatives originated in a related party transaction ("related party financial instruments") at fair value.

All other related party financial instruments are measured at cost on initial recognition.

At initial recognition, the Organization may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value. The Organization has not made such an election during the year, thus all such related party debt instruments are subsequently measured at amortized cost.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments at fair value.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenue over expenses.

Health Technology Assessment international
Notes to the Financial Statements
For the year ended December 31, 2022

2. Significant accounting policies *(Continued from previous page)*

Financial asset impairment

The Company assesses impairment of all its financial assets measured at cost or amortized cost. The Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the balance sheet date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses. The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenue over expenses in the year the reversal occurs.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting year

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the years in which they become known.

3. Guaranteed investment certificates

The guaranteed investment certificates earn interest at 1.20% and 3.61% (2021 - 0.40%) per annum and mature April 29, 2023 and January 3, 2023 respectively. The guaranteed investment certificates include internally restricted funds of \$1,800,000 (2021 - \$750,000) as set by the Board of Directors (Note 7).

4. Accounts receivable

	2022	2021
Trade accounts receivable	140,260	171,451
Allowance for doubtful accounts	(31,695)	(31,695)
	108,565	139,756

5. Capital assets

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer software	22,080	18,400	3,680	11,040
Furniture and fixtures	9,195	1,715	7,480	5,484
	31,275	20,115	11,160	16,524

Health Technology Assessment international Notes to the Financial Statements

For the year ended December 31, 2022

6. Commitments

The Organization entered in a lease commitment to rent office space commencing May 2022 and terminating in April 2027. The minimum annual commitment is \$35,020.

2023	35,020
2024	35,020
2025	35,020
2026	35,020
2027	11,673

The Organization has entered into contracts relating to various commitments made for the planning and administration of the 2023 annual meeting in the amount of \$364,675 (2021 - \$248,086) and for the 2023/2024 annual Policy Forum meetings in the amount of \$299,995 (2021 - \$45,444).

7. Restrictions on net assets

Internally restricted net assets

The Organization's Board of Directors internally restricted \$1,800,000 (2021 - \$750,000) of net assets to be held for future strategic purposes, and \$79,583 (2021 - \$35,766) committed to Interest Group funding. These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

8. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Foreign currency risk

The Organization enters into transactions denominated in foreign currencies for which the related revenues, expenses, accounts receivable and accounts payable balances are subject to exchange rate fluctuations. In addition, certain cash and cash equivalents are denominated in USD and Euro. These balances are therefore subject to gains or losses due to fluctuation in that currency and the entity translates all foreign transactions using the temporal method.

	2022	2021
	CAD\$	CAD\$
Cash (USD and Euro)	697,556	1,967,591
Guaranteed investment certificates (USD)	1,015,800	-
Accounts receivable (USD and Euro)	108,565	139,756
Accounts payable and accruals (USD)	35,478	48,035

Credit concentration

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of accounts receivable. As at December 31, 2022, one customer accounted for 36% of trade accounts receivable (2021 - two customers accounted for 95%), excluding government subsidies receivable totalling \$34,319. The Organization believes that there is no unusual exposure associated with the collection of these receivables. The Organization performs regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable.

Health Technology Assessment international
Schedule 1 - Schedule of General and Administrative Expenses

For the year ended December 31, 2022

	2022	2021
General and administrative expenses		
Payroll	740,811	623,646
Meetings	225,914	38,434
Office	105,509	108,932
Professional fees	26,270	44,125
Awards & donations	15,666	24,379
Bad debts	-	31,695
Other	-	28,972
	1,114,170	900,183

Health Technology Assessment international
Schedule 2 - Schedule of Policy Forums Expenses

For the year ended December 31, 2022

	2022	2021
Policy forums expenses		
Meetings	587,560	252,624
Payroll	250,742	248,145
Office	30,714	40,507
Other	8,402	9,529
Professional fees	7,104	4,561
	884,522	555,366

Health Technology Assessment international
Schedule 3 - Schedule of Annual Meetings Expenses

For the year ended December 31, 2022

	2022	2021
Annual meetings expenses		
Meetings	740,311	158,582
Payroll	275,808	282,110
Office	58,514	62,012
Professional fees	6,125	13,103
	1,080,758	515,807

Health Technology Assessment international
Schedule 4 - Schedule of Interest Groups Expenses

For the year ended December 31, 2022

	2022	2021
Interest groups expenses		
Payroll	88,326	56,327
Awards & donations	27,958	(8,662)
Office	13,915	16,891
Meetings	2,713	3,403
Professional fees	2,030	1,760
	134,942	69,719
