

HEALTH TECHNOLOGY ASSESSMENT INTERNATIONAL

FINANCIAL STATEMENTS

MAY 31, 2008

HEALTH TECHNOLOGY ASSESSMENT INTERNATIONAL

MAY 31, 2008

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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, 2008 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, 2008 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

Allan Welsh & Company

Edmonton, Alberta
November 14, 2008

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HEALTH TECHNOLOGY ASSESSMENT INTERNATIONAL

STATEMENT OF FINANCIAL POSITION

AS AT MAY 31, 2008

	2008	(Note 10) 2007
CURRENT ASSETS		
Cash resources	\$ 445,203	\$ 531,987
Accounts receivable (Note 10)	14,655	-
Prepaid expenses (Note 5)	4,795	13,362
GST receivable	7,167	6,142
TOTAL ASSETS	\$ 471,820	\$ 551,491
CURRENT LIABILITIES		
Accounts payable to a related party (note 6)	\$ 14,414	\$ 26,831
Payables and accrued liabilities	8,673	16,229
Deferred revenue (Note 7 & 10)	96,242	144,739
TOTAL CURRENT LIABILITIES	119,329	187,799
NET ASSETS		
Unrestricted (Note 10)	252,491	363,692
Internally restricted-annual conference (Note 8)	50,000	-
Internally restricted-shut down (Note 8)	50,000	-
TOTAL NET ASSETS	352,491	363,692
TOTAL LIABILITIES AND NET ASSETS	\$ 471,820	\$ 551,491

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

HEALTH TECHNOLOGY ASSESSMENT INTERNATIONAL

STATEMENT OF OPERATIONS FOR THE YEAR ENDED MAY 31, 2008

	2008	(Note 10) 2007
REVENUE		
Membership fees (Note 3)	\$ 267,479	\$ 165,988
Policy forum	212,078	200,544
AGM	86,225	56,000
Interest income	13,721	11,279
Realized foreign exchange (loss) income	(20,884)	10,346
Unrealized foreign exchange (loss)	(48,810)	(23,234)
TOTAL REVENUE	509,809	420,923
EXPENDITURES		
Secretariat (Schedule 1)	206,626	195,253
Policy forum and winter board meeting	174,853	125,313
IJTAHC	40,114	41,726
Promotional and website	34,531	26,287
Awards and grants	28,085	35,187
AGM costs	19,061	8,001
Professional fees and services	12,360	9,803
Strategic Initiatives	5,380	
TOTAL EXPENDITURES	521,010	441,570
(DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ (11,201)	\$ (20,647)

HEALTH TECHNOLOGY ASSESSMENT INTERNATIONAL

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MAY 31, 2008

	- Internally Restricted - Shut Down	Annual Meeting	Unrestricted	2008	(Note 10) 2007
BALANCE , beginning of year	\$ -	\$ -	\$ 363,692	\$ 363,692	\$ 384,339
Transfers (Note 8)	50,000	50,000	(100,000)	-	-
(Deficiency) of revenue over expenditures for the year	-	-	(11,201)	(11,201)	(20,647)
BALANCE , end of year	\$ 50,000	\$ 50,000	\$ 252,491	\$ 352,491	\$ 363,692

HEALTH TECHNOLOGY ASSESSMENT INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MAY 31, 2008

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. 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. BASIS OF PRESENTATION

These financial statements are presented in Canadian dollars.

3. 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
Membership fees are recognized as revenues in the fiscal year they pertain to. Policy forum and AGM fees are recognized as revenue in the fiscal year they occur. Donations are recognized as revenue in the fiscal year they are received.

(b) Foreign currency

Monetary assets and liabilities denominated in a foreign currency are translated at the rate of exchange in effect at the balance sheet date while non-monetary assets and liabilities are translated at historical rates of exchange. All translation gains and losses are reflected in income when incurred.

(c) 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.

(d) Property and Equipment

As a qualifying not for profit organization, the society is expensing capital purchases in the year of purchase. Included in the current year, \$NIL, previous year, \$7,387.

4. FINANCIAL INSTRUMENTS

The society's financial instruments consist of cash, accounts receivable, accounts payable and amounts due to (from) related parties. Unless otherwise noted, it is management's opinion that the society is not exposed to significant interest, currency or credit risks arising from these financial statements. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

Foreign exchange - the society conducts a significant portion of its operations in U.S. dollars and is therefore exposed to fluctuations in Canadian/U.S. exchange rate.

Fair values - the carrying value of the corporation's monetary assets and liabilities approximated their fair values as at balance sheet date.

HEALTH TECHNOLOGY ASSESSMENT INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MAY 31, 2008

5. PREPAID EXPENSES

Prepaid expenses are expenses incurred for the June 2008 annual meeting and prepaid insurance

6. 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:

	2008	2007
RECEIVABLE (PAYABLE) FROM IHE, beginning of year	\$ (26,831)	\$ (13,114)
Expenses paid by IHE on behalf of the Society:		
Salaries and benefits	(152,720)	(160,825)
Office expenses and rent	(15,701)	(6,769)
	(168,421)	(167,594)
Payments to IHE	180,838	153,877
(PAYABLE) TO IHE, end of year	\$ (14,414)	\$ (26,831)

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.

7. DEFERRED REVENUE

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

8. INTERNAL RESTRICTIONS

During the year, the board approved the creation of two internal reserves. These consist of an operation shut-down fund and an annual conference fund. There will be annual allocations to these reserves of \$50,000 each for 2008, 2009 and 2010.

9. 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MAY 31, 2008

10. PRIOR YEAR'S FIGURES

During the 2007 fiscal year the society changed to billing its members in advance for membership fees that pertain to the next fiscal year. This resulted in both accounts receivable and deferred revenue being overstated by \$260,943 as well as the unrealized foreign exchange loss being overstated by \$16,165 as fees are billed in United States dollars. The prior year's figures have been restated to reflect this change and opening unrestricted net assets have been increased by \$16,165.

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SCHEDULE OF SECRETARIAT EXPENSES

FOR THE YEAR ENDED MAY 31, 2008

	2008	(Note 10) 2007
Wages and benefits	\$ 167,896	\$ 160,825
Telephone	12,125	1,106
Printing	9,255	11,527
Mailing and courier	8,884	10,004
Bank charges	6,445	5,654
Office supplies	1,492	4,624
Travel	529	1,513
	\$ 206,626	\$ 195,253
