

**International Society of
Addiction Medicine Inc.
Financial Statements**
For the year ended
December 31, 2003

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Auditors' Report

We have audited the statement of financial position of the International Society of Addiction Medicine Inc. as at December 31, 2003 and the statements of operations and net assets, cash flows and 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.

Except as explained in the following paragraph, 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 common with many charitable organizations, the Society derives revenue in the form of donations and fund raising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and were not able to determine whether any adjustments might be necessary to donation revenues, excess of revenue over expenses, assets and fund balances.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2003 and the results of its operations and net assets, cash flows and changes in net assets for the year then ended in accordance with Canadian generally accepted accounting principles.

Prior year comparative balances are unaudited.


Chartered Accountants

Calgary, Alberta
February 16, 2004

**International Society of Addiction Medicine Inc.
Statement of Financial Position**

As at December 31

2003

2002
(unaudited)

Assets

Current

Cash

\$ 88,476 \$ 100,423

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities

\$ 3,000 \$ -

Net assets

Unrestricted net assets

33,616 100,423

Internally restricted net assets (note 3)

51,860 -

85,476 100,423

\$ 88,476 \$ 100,423

On behalf of the Board:



Director



Director

International Society of Addiction Medicine Inc.
Statement of Operations and Net Assets

For the year ended December 31

2003

2002
(unaudited)

Revenue

Donations	\$ 9,486	\$ 40,744
Interest	374	566
Member dues	<u>6,983</u>	<u>6,457</u>
	<u>16,843</u>	<u>47,766</u>

Expenses

Bank charges	20	35
Conferences	757	1,506
Office supplies	1,888	2,609
Professional fees	3,000	-
Travel	<u>7,750</u>	<u>3,630</u>
	<u>13,415</u>	<u>7,780</u>

**Excess of revenues over
expenditures before other items**

3,428 39,986

Loss on foreign exchange

(18,375) (396)

Excess (deficiency) of revenues over expenditures

(14,947) 39,590

Net assets, beginning of year

100,423 60,833

Net assets, end of year

\$ 85,476 \$ 100,423

International Society of Addiction Medicine Inc.
Statement of Cash Flows

For the year ended December 31	2003	2002 (unaudited)
<hr/>		
Cash flows from operating activities		
Excess (deficiency) of revenues over expenditures for the year	\$ (14,947)	\$ 39,590
Changes in non-cash working capital items		
Accounts payable and accrued liabilities	<u>3,000</u>	<u>-</u>
	(11,947)	39,590
Cash, beginning of year	<u>100,423</u>	<u>60,833</u>
Cash, end of year	\$ 88,476	\$ 100,423

**International Society of Addiction Medicine Inc.
Statement of Changes in Net Assets**

For the year ended December 31

2003

2002

Net Assets	Unrestricted	Internally Restricted	Total	Total
Balance, beginning of year	\$ 100,423	\$ -	\$ 100,423	\$ 60,833
Allocations for conference (Note 3)	(51,860)	51,860	-	-
Excess (deficiency) of revenues over expenditures	<u>(14,947)</u>	<u>-</u>	<u>(14,947)</u>	<u>39,590</u>
Balance, end of year	\$ 33,616	\$ 51,860	\$ 85,476	\$ 100,423

International Society of Addiction Medicine Inc.
Notes to Financial Statements

December 31, 2003

1. Purpose of the Society

International Society of Addiction Medicine Inc. is a non for profit organization. The Society serves to promote education and an exchange of information with international communities working in the field of addiction medicine. The Society was incorporated under the Canada Corporations Act on November 9, 2000.

2. Significant Accounting Policies

The financial statements of the Society have been prepared by management in accordance with generally accepted accounting principles in Canada. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The financial statements have, in management's opinion, been properly prepared using careful judgement with reasonable limits of materiality and within the framework of significant accounting policies summarized below.

(a) Revenue recognition

The Society recognizes revenue for donations and member dues on a cash basis in the period that they been received. Interest income is recognized as revenue when earned.

(b) Foreign currency transactions

Foreign currency balances are translated into Canadian dollars as follows:

At year end, the revenue and expenses are translated into Canadian dollars by the use of the average rate throughout the year. Balance sheet items are translated using the rate as at year end. The resulting foreign exchange gains and losses that arise from the difference between the average exchange rate and the rate as at year end are included in income for the year.

3. Internally Restricted Funds

The Society has determined a budgeted amount of \$40,000 USD, which it is intended to be approved by the Board of Directors, to cover the costs for the Society to host a conference to develop an international certification program.
