

**International Society of
Addiction Medicine Inc.
Financial Statements**
For the year ended
December 31, 2005
(Unaudited)

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Review Engagement Report

**To the Directors of
International Society of Addiction Medicine Inc.**

We have reviewed the statement of financial position of International Society of Addiction Medicine Inc. as at December 31, 2005 and the statements of operations and net assets, cash flows and statement of changes in net assets for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the company.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.



Chartered Accountants

Calgary, Alberta
April 5, 2006

International Society of Addiction Medicine Inc.
Statement of Financial Position
(Unaudited)

As at December 31 2005 2004

Assets

Current

Cash

\$ 135,108 \$ 105,834

Office equipment (Note 4)

717 1,024

\$ 135,825 \$ 106,858

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities

\$ 2,500 \$ 2,500

Net assets

Net assets invested in equipment

717 1,024

Unrestricted net assets

80,748 51,474

Internally restricted net assets (Note 3)

51,860 51,860

133,325 104,358

\$ 135,825 \$ 106,858

On behalf of the Board:

_____ Director

_____ Director

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

For the year ended December 31 2005 2004

	2005	2004
Revenue		
Donations	\$ 30,789	\$ 49,714
Interest	515	480
Member dues	<u>20,061</u>	<u>5,439</u>
	<u>51,365</u>	<u>55,633</u>
Expenses		
Amortization	307	181
Bank charges	54	78
Conference costs	12,419	16,272
Office supplies	5,072	4,484
Professional fees	1,873	1,792
Travel	<u>12,752</u>	<u>6,102</u>
	<u>32,477</u>	<u>28,909</u>
Excess of revenues over expenditures before other items	18,888	26,724
Gain (loss) on foreign exchange	<u>10,079</u>	<u>(7,842)</u>
Excess of revenues over expenditures	\$ 28,967	\$ 18,882

International Society of Addiction Medicine Inc.
Statement of Cash Flows
(Unaudited)

For the year ended December 31	2005	2004
<hr/>		
Cash flows from operating activities		
Excess of revenues over expenditures for the year	\$ 28,967	\$ 18,882
Amortization	<u>307</u>	<u>181</u>
	29,274	19,063
Changes in non-cash working capital items		
Accounts payable and accrued liabilities	<u>-</u>	<u>(500)</u>
	29,274	18,563
Cash flows from investing activity		
Purchase of equipment	<u>-</u>	<u>(1,205)</u>
Increase in cash	29,274	17,358
Cash, beginning of year	<u>105,834</u>	<u>88,476</u>
Cash, end of year	\$ 135,108	\$ 105,834

The accompanying notes are an integral part of these financial statements.

International Society of Addiction Medicine Inc.
Statement of Changes in Net Assets
(Unaudited)

For the year ended December 31					2005	2004
	Invested in Equipment	Unrestricted	Internally Restricted	Total		
Balance, beginning of year	\$ 1,024	\$ 51,474	\$ 51,860	\$ 104,358	\$ 85,476	
Excess (deficiency) of revenue over expenses	<u>(307) ⁽ⁱ⁾</u>	<u>29,274</u>	<u>-</u>	<u>28,967</u>	<u>18,882</u>	
Balance, end of year	\$ 717	\$ 80,748	\$ 51,860	\$ 133,325	\$ 104,358	

(i) Consists of amortization expense

International Society of Addiction Medicine Inc.
Notes to Financial Statements
(Unaudited)

December 31, 2005

1. Purpose of the Society

International Society of Addiction Medicine Inc. is a not 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. The Society is a Not-for-Profit organization, and therefore is exempt from income taxes.

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 judgment with reasonable limits of materiality and within the framework of significant accounting policies summarized below.

(a) Revenue recognition

The society follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue in the period received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions are deferred and recognized in the period in which the related expenses are incurred. Other sources of revenue include donated services and are recorded on an accrual basis. Amounts pledged as future contributions are not recognized in the accounts.

(b) Equipment

Equipment is recorded at the lower of cost less accumulated amortization or net realizable value. Amortization is recorded using rates and methods designed to amortize the cost of the capital assets over their estimated useful lives, as follows:

Computer equipment 30% per annum

(c) 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.

(d) Financial instruments

At December 31, 2005, all of the Society's cash was held at a recognized Canadian National financial institution. As a result, the Society is exposed to all of the risks associated with that institution.

International Society of Addiction Medicine Inc.
Notes to Financial Statements
(Unaudited)

December 31, 2005

3. Internally Restricted Funds

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

4. Equipment	2005		2004	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computers	\$ 1,205	\$ 488	\$ 1,205	\$ 181
Net book value	\$ 717		\$ 1,024	
