

INTERNATIONAL HEALTH ECONOMICS ASSOCIATION
YEAR ENDED AUGUST 31, 2017

ROBERT C. BEZGIN
CERTIFIED PUBLIC ACCOUNTANT

INTERNATIONAL HEALTH ECONOMICS ASSOCIATION

YEAR ENDED AUGUST 31, 2017

CONTENTS

Independent Auditors Report	1
Audited Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-8

ROBERT C. BEZGIN
CERTIFIED PUBLIC ACCOUNTANT
301 VILLAGE DRIVE #267
KING OF PRUSSIA, PENNSYLVANIA 19406
(610) 873-2288
rcbezgincpa@verizon.net

Independent Auditor's Report

Board of Directors
International Health Economics Association
King of Prussia, Pennsylvania

Report on the Financial Statements

I have audited the accompanying financial statements of International Health Economics Association which comprise the statement of financial position as of August 31, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the statement of financial position of the International Health Economics Association as of August 31, 2017, and its activities, functional expenses and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Robert C. Bezgin, CPA

Robert C. Bezgin, CPA
January 22, 2018

International Health Economics Association
Statement of Financial Position
As of August 31, 2017

Assets:

Cash and cash equivalents	\$812,195
Accounts receivable	30,426
Prepaid expenses	14,208
	<hr/>
Total assets	<u>\$856,829</u>

Liabilities:

Accounts payable	61,768
Accrued liabilities	9,296
Deferred memberships	102,910
	<hr/>
Total liabilities	173,974
Unrestricted net assets	<hr/> 682,855
Total liabilities and unrestricted net assets	<u>\$856,829</u>

International Health Economics Association
Statement of Activities
For the Year Ended August 31, 2017

Support and Revenue:

Program services	\$1,115,264
Advertising	11,000
Memberships	<u>112,863</u>
Total Support and Revenue	<u>1,239,127</u>

Expenses:

Program services	1,097,873
Management and general	25,206
Fundraising	<u>8,260</u>
Total Expenses	<u>1,131,339</u>

Change in net assets 107,788

Net assets - beginning of the year 575,067

Net assets - end of the year \$682,855

International Health Economics Association
Statement of Functional Expenses
For the Year Ended August 31, 2017

	08/31/2017			
	Program Services	Management and General	Fundraising	Total Expenses
Legal and accounting	\$ -	\$3,405	\$ -	\$3,405
Bank charges	3,258	815	-	4,073
Board related costs	8,609	1,614	538	10,762
Conferences	939,471	-	-	939,471
Scholarships and awards	4,356	-	-	4,356
Insurance	-	1,110	-	1,110
Management fees	130,029	15,297	7,649	152,975
Office	1,164	218	73	1,455
Technology	9,777	2,444	-	12,222
Travel	1,209	302	-	1,511
Total expenses	\$1,097,873	\$25,206	\$8,260	\$1,131,339

International Health Economics Association
Statement of Cash Flows
For the Year Ended August 31, 2017

08/31/2017

Cash flows from operating activities:	
Change in net assets	\$107,788
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Increase in accounts receivable	(30,426)
Increase in prepaid expenses	(14,208)
Increase in accounts payable	61,768
Increase in accrued liabilities	9,296
Increase in deferred memberships	<u>102,910</u>
Net cash provided by (used in) operating activities	237,129
Cash and cash equivalents - beginning of the year	<u>575,066</u>
Cash and cash equivalents - end of the year	<u><u>\$812,195</u></u>

INTERNATIONAL HEALTH ECONOMICS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017

NOTE A - Summary of Significant Accounting Policies:

Nature of Organization - The International Health Economics Association ("iHEA") was formed to increase communication among health economists, foster a higher standard of debate in the application of economics to health and health care systems, and assist young researchers at the start of their careers. iHEA awards the annual Kenneth J. Arrow Award for the best paper in health economics. iHEA distributes information to members and maintains the World Directory of Health Economists. iHEA also holds biennial international conferences on health economics.

Accrual - Activities in the financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

iHEA reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. iHEA's net assets are classified as unrestricted. Unrestricted net assets are those not subject to any donor-imposed restrictions. Temporarily restricted net assets are those subject to donor-imposed use or time restrictions that expire either when the contributions are used for their stipulated purposes or when the time restrictions expire. Permanently restricted net assets are those subject to donor-imposed restrictions that neither expire with the passage of time nor can be met and removed by actions of the organization.

Use of Estimates - The preparation of financial statements requires management to make estimates and assumptions which affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents - For purposes of the statement of cash flows, highly liquid investments with an initial maturity of three months or less are considered to be cash equivalents. iHEA maintained its cash balances in one financial institution. Account balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. iHEA has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash.

Program Service Revenue - Program service revenue includes registrations for conferences held by iHEA and donations and grants received to support its member activities.

Income Taxes - iHEA is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is exempt from state income taxes under the provisions of the Pennsylvania Nonprofit Corporation Law. Donors may deduct contributions to iHEA in accordance with the provisions of Section 170(b)(1)(A) of

INTERNATIONAL HEALTH ECONOMICS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017

the Code, and iHEA has been classified as an organization that is not a private foundation under the provisions of Section 509(a)(2) of the Code.

iHEA's tax filings for fiscal 2014, 2015 and 2016 are subject to examination, generally for three years after they were filed.

Functional Allocation of Expenses - The cost of providing various programs and other activities has been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE B - Subsequent Events:

In preparing these financial statements, iHEA has evaluated events and transactions for potential recognition or disclosure through January 22, 2018, the date these financial statements were available to be issued.