

**WORLD FEDERATION OF SOCIETIES
OF ANAESTHESIOLOGISTS**

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

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BENTLEY, BRATCHER & ASSOCIATES, P.C.

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
World Federation of Societies of Anaesthesiologists

We have audited the accompanying statements of financial position of World Federation of Societies of Anaesthesiologists (the "Federation") (a non-profit organization) as of December 31, 2018 and 2017 and the related statements of activities, functional expenses and cash flows for the years 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. Management is also responsible for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal controls relevant to the Federation'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 Federation's internal controls. Accordingly, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of World Federation of Societies of Anaesthesiologists at December 31, 2018 and 2017, and its changes in net assets and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.



BENTLEY, BRATCHER & ASSOCIATES, P.C.
Houston, Texas
August 30, 2019

WORLD FEDERATION OF SOCIETIES OF ANAESTHESIOLOGISTS
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017

ASSETS

	2018	2017
ASSETS		
Cash and Cash Equivalents, Note 1	\$ 160,171	\$ 374,296
Investments - Fair Value, Notes 1 and 4	2,284,374	2,445,465
Prepaid Assets, Note 1	2,891	2,578
Other Receivables	71,263	35,033
	<u>2,518,699</u>	<u>2,857,372</u>
TOTAL ASSETS	<u>\$ 2,518,699</u>	<u>\$ 2,857,372</u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Funds Held on Behalf of Federation Members, Note 6	\$ 43,021	\$ 43,257
Accrued Expenses	116,749	51,521
	<u>159,770</u>	<u>94,778</u>
TOTAL LIABILITIES	<u>159,770</u>	<u>94,778</u>
NET ASSETS		
Without Donor Restrictions	2,128,372	2,340,372
With Donor Restrictions, Note 7	230,557	422,222
	<u>2,358,929</u>	<u>2,762,594</u>
TOTAL NET ASSETS	<u>2,358,929</u>	<u>2,762,594</u>
TOTAL LIABILITIES AND NET ASSETS	<u>2,518,699</u>	<u>\$ 2,857,372</u>

See the Accompanying Independent Auditors' Report and Notes to Financial Statements

WORLD FEDERATION OF SOCIETIES OF ANAESTHESIOLOGISTS
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenue and Gains without Donor Restrictions		
Interest and Dividend Income	\$ 28,596	\$ 19,474
Realized Gains on Sale of Investments	88,913	78,122
Unrealized Gains (Losses) on Investments	(8,882)	299,612
Dues	501,614	447,012
Donations	62,376	24,890
Foreign Exchange Loss	<u>(13,368)</u>	<u>(17,415)</u>
Total Revenue and Gains Without Donor Restrictions	<u>659,249</u>	<u>851,695</u>
Net Assets Released from With Donor Restrictions	<u>676,994</u>	<u>594,763</u>
Total Revenue, Gains and Reclassifications Without Donor Restrictions	1,336,243	1,446,458
Expenses		
Program Services	801,401	791,801
Management and General Services	<u>746,842</u>	<u>636,388</u>
Total Expenses	<u>1,548,243</u>	<u>1,428,189</u>
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>(212,000)</u>	<u>18,269</u>
Transfers to With Donor Restricted Funds	-	(4,533)
INCREASE (DECREASE) IN WITHOUT DONOR RESTRICTED NET ASSETS	<u>(212,000)</u>	<u>13,736</u>
NET ASSETS WITH DONOR RESTRICTION		
Transfers from Without Donor Restricted Funds	-	4,533
Donations	485,329	794,941
Net Assets Released from Restrictions	<u>(676,994)</u>	<u>(594,763)</u>
INCREASE (DECREASE) IN WITH DONOR RESTRICTED NET ASSETS	<u>(191,665)</u>	<u>204,711</u>
INCREASE (DECREASE) IN NET ASSETS	(403,665)	218,447
NET ASSETS, BEGINNING OF YEAR	<u>2,762,594</u>	<u>2,544,147</u>
NET ASSETS, END OF YEAR	<u><u>\$ 2,358,929</u></u>	<u><u>\$ 2,762,594</u></u>

See the Accompanying Independent Auditors' Report and Notes to Financial Statements

WORLD FEDERATION OF SOCIETIES OF ANAESTHESIOLOGISTS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Services					Management and General Services				
	Total	Education Programme	Safety	Innovation and Research	Advocacy	Working Together	Staff Costs	Travel and Meetings	Office Costs	Governance Costs
Fellowships	\$ 218,255	\$ 218,255	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Scholarships	27,966	27,966	-	-	-	-	-	-	-	-
Training (TTT)	7,656	7,656	-	-	-	-	-	-	-	-
Training (SAFE)	270,093	270,093	-	-	-	-	-	-	-	-
PATM	6,055	6,055	-	-	-	-	-	-	-	-
EPM	7,764	7,764	-	-	-	-	-	-	-	-
Other Grants	35,841	35,841	-	-	-	-	-	-	-	-
ATOTW	5,983	5,983	-	-	-	-	-	-	-	-
UJA	2,095	2,095	-	-	-	-	-	-	-	-
Book Donations	1,937	1,937	-	-	-	-	-	-	-	-
Website - e learning	340	340	-	-	-	-	-	-	-	-
Committee Costs	238	238	-	-	-	-	-	-	-	-
Promoting Standards Globally	139,263	-	139,263	-	-	-	-	-	-	-
Other Grants	7,252	-	7,252	-	-	-	-	-	-	-
Life Box	294	-	294	-	-	-	-	-	-	-
Committee Costs	1,331	-	1,331	-	-	-	-	-	-	-
Awards	25,000	-	-	25,000	-	-	-	-	-	-
Research Grants	20,853	-	-	20,853	-	-	-	-	-	-
Website - E learning	328	-	-	328	-	-	-	-	-	-
Campaign Materials	2,506	-	-	-	2,506	-	-	-	-	-
Media and Publication	3,638	-	-	-	3,638	-	-	-	-	-
Officer Travel	11,712	-	-	-	11,712	-	-	-	-	-
G4 Membership	5,001	-	-	-	5,001	-	-	-	-	-
Staff Net Pay	236,416	-	-	-	-	-	236,416	-	-	-
Staff PAYE and NI (ERS+EES)	110,180	-	-	-	-	-	110,180	-	-	-
Pension	20,940	-	-	-	-	-	20,940	-	-	-
ERS NIC Allowance	(4,089)	-	-	-	-	-	(4,089)	-	-	-
SMP	(3,005)	-	-	-	-	-	(3,005)	-	-	-
Staff Cost Js2	129,928	-	-	-	-	-	129,928	-	-	-
Pension Js2	8,637	-	-	-	-	-	8,637	-	-	-
Staff benefit Js2	1,339	-	-	-	-	-	1,339	-	-	-
CEO and Staff travel	14,819	-	-	-	-	-	-	14,819	-	-
Office Costs	614	-	-	-	-	-	-	-	614	-
Rent and Rates	36,026	-	-	-	-	-	-	-	36,026	-
Telephone and Broadband	363	-	-	-	-	-	-	-	363	-
Office Move	6,655	-	-	-	-	-	-	-	6,655	-

See the Accompanying Independent Auditors' Report and Notes to Financial Statements

WORLD FEDERATION OF SOCIETIES OF ANAESTHESIOLOGISTS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

Program Services										Management and General Services			
	Total	Education Programme	Innovation and		Working Together	Staff Costs	Travel and Meetings	Office Costs	Governance Costs				
			Safety	Research									
Legal Costs	11,678	-	-	-	-	-	-	11,678	-				
Postage and Couriers	215	-	-	-	-	-	-	215	-				
Stationery	5,702	-	-	-	-	-	-	5,702	-				
Hospitality	220	-	-	-	-	-	-	220	-				
Printing and Copying	1,791	-	-	-	-	-	-	1,791	-				
Computer Support	7,078	-	-	-	-	-	-	7,078	-				
New Computers IT	3,366	-	-	-	-	-	-	3,366	-				
Software	4,538	-	-	-	-	-	-	4,538	-				
Corporate Travel Insurance	934	-	-	-	-	-	-	934	-				
Insurance	6,414	-	-	-	-	-	-	6,414	-				
Liability Insurance	1,282	-	-	-	-	-	-	1,282	-				
Office Contingency	2,233	-	-	-	-	-	-	2,233	-				
Bank Charges	10,493	-	-	-	-	-	-	10,493	-				
Public Relations	253	-	-	-	-	-	-	253	-				
Accounting and Finance Support	5,584	-	-	-	-	-	-	5,584	-				
Training and Development	509	-	-	-	-	-	-	509	-				
Recruitment	4,430	-	-	-	-	-	-	4,430	-				
Payroll	1,381	-	-	-	-	-	-	1,381	-				
Loss/Gains on currency	(3,703)	-	-	-	-	-	-	(3,703)	-				
Board and Trustees Travel	19,435	-	-	-	-	-	-	-	19,435				
Council Meeting	56,016	-	-	-	-	-	-	-	56,016				
Meeting Support	10,939	-	-	-	-	-	-	-	10,939				
Hospitality	3,902	-	-	-	-	-	-	-	3,902				
Investment management Fees	19,714	-	-	-	-	-	-	-	19,714				
Audit	13,615	-	-	-	-	-	-	-	13,615				
Total Expenses	\$ 1,548,243	\$ 584,223	\$ 148,140	\$ 46,181	\$ 22,857	\$ -	\$ 500,346	\$ 14,819	\$ 108,056	\$ 123,621			

WORLD FEDERATION OF SOCIETIES OF ANAESTHESIOLOGISTS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Program Services					Management and General Services				
	Total	Education Programme	Safety	Innovation and Research	Advocacy	Working Together	Staff Costs	Travel and Meetings	Office Costs	Governance Costs
Fellowships	\$ 201,355	\$ 201,355	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Scholarships	62,397	62,397	-	-	-	-	-	-	-	-
Training (TTT)	159	159	-	-	-	-	-	-	-	-
Training (SAFE)	250,010	250,010	-	-	-	-	-	-	-	-
PATM	5,084	5,084	-	-	-	-	-	-	-	-
Debit Diploma	19,214	19,214	-	-	-	-	-	-	-	-
Other Grants	9,724	9,724	-	-	-	-	-	-	-	-
ATOTW	3,481	3,481	-	-	-	-	-	-	-	-
UIA	9,967	9,967	-	-	-	-	-	-	-	-
Book Donations	4,250	4,250	-	-	-	-	-	-	-	-
Website - E learning	1,549	1,549	-	-	-	-	-	-	-	-
Committee Costs	11,016	11,016	-	-	-	-	-	-	-	-
Promoting Standards Globally	62,481	-	62,481	-	-	-	-	-	-	-
Other Grants	92,650	-	92,650	-	-	-	-	-	-	-
Life Box	26,151	-	26,151	-	-	-	-	-	-	-
Committee Costs	1,362	-	1,362	-	-	-	-	-	-	-
Awards	1,981	-	-	1,981	-	-	-	-	-	-
Research Grants	3,500	-	-	3,500	-	-	-	-	-	-
Young Researchers	4,000	-	-	4,000	-	-	-	-	-	-
Campaign Materials	1,788	-	-	-	1,788	-	-	-	-	-
Media and Publication	1,860	-	-	-	1,860	-	-	-	-	-
Officer Travel	3,061	-	-	-	3,061	-	-	-	-	-
Website	1,844	-	-	-	1,844	-	-	-	-	-
G4 Membership	5,000	-	-	-	5,000	-	-	-	-	-
Global Mapping	1,470	-	-	-	-	1,470	-	-	-	-
Publication Annual update	2,317	-	-	-	-	2,317	-	-	-	-
Website	3,708	-	-	-	-	3,708	-	-	-	-
Service Awards	160	-	-	-	-	160	-	-	-	-
Other Committee Costs	262	-	-	-	-	262	-	-	-	-
Total Salaries	369,586	-	-	-	-	-	369,586	-	-	-
Pensions	29,137	-	-	-	-	-	29,137	-	-	-
Training and Development	2,062	-	-	-	-	-	2,062	-	-	-
Recruitment	10,198	-	-	-	-	-	10,198	-	-	-
Employee Benefits	3,088	-	-	-	-	-	3,088	-	-	-
Consultancy	5,128	-	-	-	-	-	5,128	-	-	-
Board Travel	26,309	-	-	-	-	-	-	26,309	-	-

See the Accompanying Independent Auditors' Report and Notes to Financial Statements

WORLD FEDERATION OF SOCIETIES OF ANAESTHESIOLOGISTS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Program Services						Management and General Services			
	Total	Education Programme	Safety	Innovation and Research	Advocacy	Working Together	Staff Costs	Travel and Meetings	Office Costs	Governance Costs
Trustee Travel (Other)	5,354	-	-	-	-	-	-	5,354	-	-
Council Meeting	50,687	-	-	-	-	-	-	50,687	-	-
CEO Travel	10,715	-	-	-	-	-	-	10,715	-	-
Staff Travel	14,898	-	-	-	-	-	-	14,898	-	-
Meeting Support	646	-	-	-	-	-	-	646	-	-
Hospitality	1,247	-	-	-	-	-	-	1,247	-	-
Rent and Rates	28,309	-	-	-	-	-	-	-	28,309	-
Telephone and Broadband	1,850	-	-	-	-	-	-	-	1,850	-
Office Move	1,040	-	-	-	-	-	-	-	1,040	-
Postage and Couriers	387	-	-	-	-	-	-	-	387	-
Stationery	1,158	-	-	-	-	-	-	-	1,158	-
Hospitality	880	-	-	-	-	-	-	-	880	-
Printing and Copying	411	-	-	-	-	-	-	-	411	-
Computer Support	-	-	-	-	-	-	-	-	-	-
New Computers IT	1,904	-	-	-	-	-	-	-	1,904	-
Software	4,513	-	-	-	-	-	-	-	4,513	-
Corporate Travel Insurance	2,638	-	-	-	-	-	-	-	2,638	-
Insurance	176	-	-	-	-	-	-	-	176	-
Liability Insurance	987	-	-	-	-	-	-	-	987	-
Office Contingency	604	-	-	-	-	-	-	-	604	-
Bank Charges	9,525	-	-	-	-	-	-	-	9,525	-
Public Relations	203	-	-	-	-	-	-	-	-	203
Accounting and Finance Support	22,228	-	-	-	-	-	-	-	-	22,228
Legal Costs	5,254	-	-	-	-	-	-	-	-	5,254
Website	395	-	-	-	-	-	-	-	-	395
Investment Management Fees	13,769	-	-	-	-	-	-	-	-	13,769
Audit	11,102	-	-	-	-	-	-	-	-	11,102
Total Expenses	\$ 1,428,189	\$ 578,206	\$ 182,644	\$ 9,481	\$ 13,553	\$ 7,917	\$ 419,199	\$ 109,856	\$ 54,382	\$ 52,951

WORLD FEDERATION OF SOCIETIES OF ANAESTHESIOLOGISTS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ (403,665)	\$ 218,447
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided By (Used in) Operating Activities		
Net Realized Gains on Investments	(88,913)	(78,122)
Unrealized Gains on Investments	8,882	(299,612)
Changes in Operating Assets and Operating Activities:		
Prepaid Assets	(313)	12,404
Other Receivables	(36,230)	882,508
Funds Held for Federation Members	(236)	3,293
Accrued Expenses	<u>65,228</u>	<u>(1,877)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(455,247)</u>	<u>737,041</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(1,789,047)	(1,528,752)
Proceeds from Sale of Investments	<u>2,030,169</u>	<u>776,765</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>241,122</u>	<u>(751,987)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(214,125)	(14,946)
CASH AND CASH EQUIVALENTS, BEGINNING	<u>374,296</u>	<u>389,242</u>
CASH AND CASH EQUIVALENTS, ENDING	<u><u>\$ 160,171</u></u>	<u><u>\$ 374,296</u></u>

See the Accompanying Independent Auditors' Report and Notes to Financial Statements

WORLD FEDERATION OF SOCIETIES
OF ANAESTHESIOLOGISTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements of the World Federation of Societies of Anaesthesiologists (the Federation) have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, the financial statements of the Federation reflect significant receivables, payables and other liabilities. The financial statements do not reflect the accrual of interest or dividends from or dues earned but not yet received. All information included in the accompanying financial statements is stated in United States of America (U.S.) dollars.

BASIS OF PRESENTATION

The financial statements of the Federation follow the recommendations of the Financial Accounting Standards Board Accounting Standards Codification 958, *"Financial Statements of Not-for-Profit Organizations"*. Under FASB Accounting Standards Codification 958, the Federation is required to report information regarding its financial position and activities according to two classifications of net assets: without donor restrictions and with donor restrictions.

The Federation's significant accounting policies are summarized below to assist the reader in reviewing the financial statements contained in this report. The financial statements and notes are representations of the Federation's management, who is responsible for their integrity and objectivity.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Accordingly, actual results could differ from those estimates.

WORLD FEDERATION OF SOCIETIES
OF ANAESTHESIOLOGISTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CHANGE IN ACCOUNTING PRINCIPLE

Effective January 1, 2018, the Federation adopted the new FASB ASU 2016 -14, “Presentation of Financial Statements for Not-For-Profit Entities”. The standard changes are designed to improve the presentation of information communicated in the financial statements, in particular net assets, liquidity, financial performance and cash flow.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents represent draft accounts with banks and money market funds held by financial institutions with maturities of three months or less.

INVESTMENTS

Investments in marketable equity securities with readily determinable fair values are stated at fair value based on quoted prices in active markets in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. Realized gains and losses are determined based on historical cost at the time the investment is sold or matures.

BOARD DESIGNATED NET ASSETS

The Federation seeks to maintain sufficient reserves to cover six months expenditure which is equivalent to \$500,000. Although the Federation protects itself from exposure to any loss incurred by the World Congress of Anaesthesiologists (held every four years) it is nevertheless considered appropriate to manage this risk by always having access to an additional reserve of \$500,000 in case of exposure to unforeseen events. It is therefore the policy of the WFSA to maintain an expendable endowment of at least \$1,000,000 to cover the above eventualities, whilst in the meantime generating income for the educational activities of the organization. Free reserves over and above the \$1,000,000 expendable endowment should either be allocated to grow the expendable endowment or otherwise spent down in fulfilment of the Federation’s mission and objectives.

PREPAID ASSETS

Prepaid assets consist of expenses paid in advance.

WORLD FEDERATION OF SOCIETIES
OF ANAESTHESIOLOGISTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

EQUIPMENT

Equipment is carried at cost or at fair market value if donated. Depreciation of equipment is provided using the straight-line method for financial reporting purposes at rates based on an estimated useful life of three years. The Federation's equipment were fully depreciated for the years ended December 31, 2018 and 2017, respectively.

DUES

Membership in the Federation is voluntary, and dues are recognized as revenue when received. No accrual is recorded for unpaid dues as collectability is uncertain. Outstanding dues for membership total \$20,655, of which, nothing relates to the 2017 financial year.

DONATIONS

Donations received are recorded as without donor restrictions, unless specifically restricted by the donor.

FEDERAL INCOME TAXES

The Federation is a non-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

RECLASSIFICATIONS

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

NOTE 2 – ORGANIZATION

The Federation is an unincorporated association of societies of anaesthesiologists throughout the world which is dedicated exclusively to the educational, scientific and charitable purposes of making available the highest standards of anesthesia and resuscitation care to all peoples of the world.

WORLD FEDERATION OF SOCIETIES
OF ANAESTHESIOLOGISTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 3 – CONCENTRATION OF CREDIT RISK

The Federation maintains cash balance at one financial institution in the U.S. The cash balances are insured by the Federal Deposit Insurance Corporation (“FDIC”) on aggregate balances up to \$250,000. As of December 31, 2018 and 2017, cash balance held at the financial institution is insured by the FDIC.

The Federation also maintains cash balances at one financial institution in the United Kingdom and a brokerage house in the U.S., which are not insured by the FDIC. As of December 31, 2018 and 2017, \$632,296 and \$577,938, respectfully, were not insured. The Federation also invests available cash in certificates of deposit and treasury bills at a brokerage house in the U.S. As of December 31, 2018 and 2017, the certificates of deposit and treasury bills held at the brokerage house totaled \$395,399 and \$100,021, respectfully, are not insured by the FDIC.

NOTE 4 – INVESTMENTS

Investments consisted of the following at December 31, 2018:

	Cost	Fair Value
Common Stocks	\$ 690,329	\$ 1,388,742
Total Cash, Money Funds and Bank Deposit	97,928	99,498
Treasury Bills	791,264	796,134
	<u>\$ 1,498,521</u>	<u>\$ 2,284,374</u>

Investments consisted of the following at December 31, 2017:

	Cost	Fair Value
Common Stocks	\$ 690,931	\$ 1,482,966
Total Cash, Money Funds and Bank Deposit	87,665	87,665
Certificate of Deposit	250,045	250,034
Corporate Bonds	625,309	624,800
	<u>\$ 1,653,950</u>	<u>\$ 2,445,465</u>

NOTE 5 – FAIR VALUE MEASUREMENTS

FASB ASC 820, Fair Value Measurements, establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs are inputs other than Level 1 inputs which are either directly or indirectly observable, and Level 3 are Unobservable inputs supported by little or no market activity.

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NOTE 5 – FAIR VALUE MEASUREMENTS (CONTINUED)

The Federation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Federation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

The following table sets forth by level, within the fair value hierarchy, the Federation's assets at fair value as of December 31, 2018:

	Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Common Stocks	\$ 1,388,742	\$ –	\$ –
Treasury Bills	–	796,134	–
Total	<u>\$ 1,388,742</u>	<u>\$ 796,134</u>	<u>\$ –</u>

The following table sets forth by level, within the fair value hierarchy, the Federation's assets at fair value as of December 31, 2017:

	Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Certificate of Deposits	\$ 250,034	\$ –	\$ –
Corporate Bonds	–	624,800	–
Total	<u>\$ 250,034</u>	<u>\$ 624,800</u>	<u>\$ –</u>

NOTE 6 – EQUIPMENT

Equipment consists of the following:

	2018	2017
Equipment	\$ 4,893	\$ 4,893
Accumulated Depreciation	(4,893)	(4,893)
	<u>\$ –</u>	<u>\$ –</u>

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NOTE 7 – FUNDS HELD ON BEHALF OF FEDERATION MEMBERS

Funds held on behalf of Federation members consisted of the following:

	2018	2017
African Regional Section	\$ 26,812	\$ 24,448
Zimbabwe Anesthetic Association	12,356	11,662
South African Pediatric Satellite Fund	3,854	3,854
	<u>\$ 43,022</u>	<u>\$ 39,964</u>

NOTE 8 – NET ASSET WITH DONOR RESTRICTIONS

Net assets with Donor Restrictions are available for the following purposes, as specified by the donors:

	2018	2017
Education	\$ -	\$ 14,167
Baxter	53,821	86,980
SAFE	-	6,275
Laerdal	12,788	175,301
Lifebox	-	1,250
GE Foundation	16,125	90,838
Medtronic	-	3,503
Smile Train	5,829	6,371
Fresenius Kabi	52,945	30,150
PATM	2,890	3,525
Alistair Davies Memorial	1,801	3,862
AAGBI	20,689	-
Diamedica	9,176	-
Seqirus	4,237	-
Shalimar Trust	12,937	-
SPANZA	2,250	-
Masimo	31,090	-
Northwood Charitable Trust	3,979	-
	<u>\$ 230,557</u>	<u>\$ 422,222</u>

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NOTE 9 – OPERATING LEASE

The Federation entered into a lease in London, England on October 30, 2018, which expires on September 20, 2020.

The Future lease obligations of the Federation are as follows for each year ended:

<u>December 31</u>	<u>Amount</u>
2019	\$ 12,294
2020	12,294
	<u>\$ 24,588</u>

NOTE 10 – LIQUIDITY AND AVAILABILITY

The following table sets forth further information about the Organization's financial assets reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of December 31, 2018.

Current Assets, excluding non-financial assets	\$ 2,518,699
Less: Donor restrictions for specific purposes	(230,557)
Less: Board designation (Note 1)	<u>(500,000)</u>
Financial assets available to meet cash needs for General expenditures within one year	<u>\$ 1,788,142</u>

As part of the organization's liquidity management, it invests cash in excess of daily requirements in short-term investments including treasury bills and common stock.

NOTE 11 – FUNCTIONAL EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of functional expenses. Direct costs are allocated based on specific identification and indirect costs allocated based on hours worked or other similar allocation methods.

NOTE 12 – SUBSEQUENT EVENTS

The Federation has evaluated subsequent events through the date of the independent auditor's report, the date which the financial statements were available to be issued. No matters were identified affecting the accompanying financial statements which have not been disclosed.