

WORLD FEDERATION OF SOCIETIES
OF ANAESTHESIOLOGISTS

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

CONTENTS

INDEPENDENT AUDITORS' REPORT	3
FINANCIAL STATEMENTS	
Statements of Financial Position.....	4
Statements of Activities	5
Statements of Functional Expenses	6
Statements of Cash Flows	7
Notes to Financial Statements.....	8-13



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, 2016 and 2015 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, 2016 and 2015, 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
September 26, 2017

WORLD FEDERATION OF SOCIETIES OF ANAESTHESIOLOGISTS
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

ASSETS

	2016	2015
ASSETS		
Cash and Cash Equivalents, Note 1	\$ 438,936	\$ 371,048
Investments - Fair Value, Notes 1 and 4	1,266,049	1,611,230
Prepaid Assets, Note 1	14,983	17,487
Other Receivables	917,541	2,231
TOTAL ASSETS	\$ 2,637,509	\$ 2,001,996

LIABILITIES AND NET ASSETS

LIABILITIES		
Funds Held on Behalf of Federation Members, Note 6	\$ 39,964	\$ 47,548
Accrued Expenses	53,398	49,907
TOTAL LIABILITIES	93,362	97,455
NET ASSETS		
Unrestricted	2,326,636	1,837,830
Temporarily Restricted, Note 7	217,511	66,711
TOTAL NET ASSETS	2,544,147	1,904,541
TOTAL LIABILITIES AND NET ASSETS	\$ 2,637,509	\$ 2,001,996

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, 2016 AND 2015

	2016	2015
UNRESTRICTED NET ASSETS		
Unrestricted Revenue and Gains		
Interest and Dividend Income	\$ 15,451	\$ 27,840
Realized Gains on Sale of Investments	237,615	199,397
Unrealized Gains (Losses) on Investments	(90,417)	(236,618)
Dues	436,919	369,032
Donations	40,999	13,178
Foreign Exchange Loss	(9,759)	(11,131)
WCA Surplus	883,274	-
	1,514,082	361,698
Net Assets Released from Restrictions	213,750	77,824
Total Unrestricted Revenue, Gains and Reclassifications	1,727,832	439,522
Expenses		
Program Services	574,218	423,139
World Congress	30,983	-
Management and General Services	633,824	548,780
	1,239,025	971,919
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	488,807	(532,397)
TEMPORARILY RESTRICTED NET ASSETS		
Donations	364,549	58,933
Net Assets Released from Restrictions	(213,750)	(77,824)
	150,799	(18,891)
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	150,799	(18,891)
INCREASE (DECREASE) IN NET ASSETS	639,606	(551,288)
NET ASSETS, BEGINNING OF YEAR	1,904,541	2,455,829
NET ASSETS, END OF YEAR	\$ 2,544,147	\$ 1,904,541

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

WORLD FEDERATION OF SOCIETIES OF ANAESTHESIOLOGISTS
 STATEMENTS OF FUNCTIONAL EXPENSES
 FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
PROGRAM SERVICES		
Grant Expenditures	\$ 178,532	\$ 61,175
Lifebox	50,000	51,760
Education	272,964	260,833
Palestine Project	785	1,198
SAFE Project	4,095	15,332
Other Projects	67,842	32,841
Total Program Services	574,218	423,139
WORLD CONGRESS		
Other Costs	30,983	-
Total World Congress	30,983	-
MANAGEMENT AND GENERAL SERVICES		
Salaries and Wages	368,759	306,550
Audit and Accountancy	38,323	35,522
Legal Fees	10,047	9,872
Telephone	3,113	1,729
Postage and Carriage	232	101
Occupancy	27,157	15,993
Travel	44,060	110,404
Other Expenses	142,133	68,609
Total Management and General Services	633,824	548,780
TOTAL EXPENSES	\$ 1,239,025	\$ 971,919

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

WORLD FEDERATION OF SOCIETIES OF ANAESTHESIOLOGISTS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ 639,606	\$ (551,288)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided By (Used in) Operating Activities		
Net Realized Gains on Investments	(237,615)	(199,397)
Unrealized Gains on Investments	90,418	236,618
Changes in Operating Assets and Operating Activities:		
Inventory	-	819
Prepaid Assets	2,504	(11,144)
Other Receivables	(915,310)	2,144
Funds Held for Federation Members	(7,584)	(2,260)
Accrued Expenses	3,491	(78,144)
	(424,490)	(602,652)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(1,103,913)	(1,199,249)
Proceeds from Sale of Investments	1,596,291	1,932,631
	492,378	733,382
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
NET INCREASE IN CASH AND CASH EQUIVALENTS	67,888	130,730
CASH AND CASH EQUIVALENTS, BEGINNING	371,048	240,318
CASH AND CASH EQUIVALENTS, ENDING	\$ 438,936	\$ 371,048

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

WORLD FEDERATION OF SOCIETIES
OF ANAESTHESIOLOGISTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

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 three classifications of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Federation did not hold any permanently restricted net assets at December 31, 2016 and 2015.

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, 2016 AND 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 (all level 1 measurements) 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.

PREPAID ASSETS

Prepaid assets consist of expenses paid in advance.

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. For the year ended December 31, 2016 and 2015, depreciation expense totaled \$nil and \$nil, 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 \$23,748, of which \$8,540 relate to the 2016 financial year and are not included within the results for the period.

DONATIONS

Donations received are recorded as unrestricted, unless specifically restricted by the donor.

WORLD FEDERATION OF SOCIETIES
OF ANAESTHESIOLOGISTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 for both interest and non-interest bearing accounts. As of December 31, 2016 and 2015, 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, 2016 and 2015, \$333,738 and \$313,789, respectfully, were not insured. The Federation also invests available cash in certificates of deposit at a brokerage house in the U.S. As of December 31, 2016 and 2015, the certificates of deposit held at the brokerage house totaled \$275,074 and \$450,023, respectfully, are not insured by the FDIC.

WORLD FEDERATION OF SOCIETIES
OF ANAESTHESIOLOGISTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 4 – INVESTMENTS

Investments consisted of the following at December 31, 2016:

	Cost	Fair Value
Common Stocks	\$ 413,965	\$ 905,861
Government Obligations	275,082	275,049
Corporate Bonds	85,217	85,139
	\$ 774,264	\$ 1,266,049

Investments consisted of the following at December 31, 2015:

	Cost	Fair Value
Common Stocks	\$ 528,858	\$ 1,114,538
Government Obligations	450,023	449,942
Corporate Bonds	50,143	46,750
	\$ 1,029,024	\$ 1,611,230

The fair market value of investments is determined based on the market value at December 31, 2016 and 2015 as provided by the brokerage firm holding the securities (all level 1 measurements).

NOTE 5 – EQUIPMENT

Equipment consists of the following:

	2016	2015
Equipment	\$ 4,893	\$ 4,893
Accumulated Depreciation	(4,893)	(4,893)
	\$ -	\$ -

WORLD FEDERATION OF SOCIETIES
OF ANAESTHESIOLOGISTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 6 – FUNDS HELD ON BEHALF OF FEDERATION MEMBERS

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

	<u>2016</u>	<u>2015</u>
African Regional Section	\$ 24,448	\$ 29,460
Zimbabwe Anesthetic Association	11,662	14,234
South African Pediatric Satellite Fund	<u>3,854</u>	<u>3,854</u>
	<u>\$ 39,964</u>	<u>\$ 47,548</u>

NOTE 7 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes, as specified by the donors:

	<u>2016</u>	<u>2015</u>
Education	\$ -	\$ 3,000
SYS (Palestine) Project	1,677	2,461
Baxter	-	60,000
World Congress	1,500	-
SAFE	4,277	-
Laerdal	208,807	-
Lifebox	<u>1,250</u>	<u>1,250</u>
	<u>\$ 217,511</u>	<u>\$ 66,711</u>

NOTE 8 – OPERATING LEASE

The Federation renewed the lease in London, England in August 2016, which expires in July 2017. Rent expense under the lease for the year ended December 31, 2016 and 2015, totaled \$10,251 and \$15,933, respectfully. Future minimum rental payments required under this lease totaled \$14,352 for the year ended December 31, 2017.

WORLD FEDERATION OF SOCIETIES
OF ANAESTHESIOLOGISTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 9 – 2012 WORLD CONGRESS

The organization responsible for coordinating the 2012 World Congress (WCA 2012) has not, to date, reimbursed FAAAAR (a member organization of the Federation) for all costs incurred by them in respect of the WCA 2012 under the terms of the agreement between the two parties. FAAAAR remains in dispute with the congress organizing company, Choice Live, over the profit from the WCA 2012, as reported by Choice Live, and is pursuing the company for unpaid profits which would be shared equally with the WFSA. Neither an asset nor contingent asset has been recognized in respect of additional WCA 2012 profits payable by Choice Live in the future, due to the considerable uncertainty over the likelihood of additional amounts being received.

NOTE 10 – CONTINGENT LIABILITIES

With reference to Note 9 of these financial statements the Federation has agreed to support FAAAAR in their pursuit of Choice Live in respect of profits reported, by Choice Live, as arising from the 2012 WCA. At the balance sheet date it is unknown to what extent, if any, the support might include financial assistance. The Federation has, however, agreed that should any financial assistance be offered it would be limited to no more than the surplus from the 2012 WCA recognized by the Federation for the years ended December 31, 2014 and 2013 combined, being \$58,316.

NOTE 11 – TRAVEL EXPENSES

Over the course of the year the WFSA President, Dr. David Wilkinson, waived expenses to the value of approximately \$5,659 relating to travel costs and accommodation whilst representing the WFSA internationally.

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.