

WORLD FEDERATION OF SOCIETIES
OF ANAESTHESIOLOGISTS

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

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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

Opinion

We have audited the accompanying financial statements of World Federation of Societies of Anaesthesiologists (the "Federation") (a non-profit organization), which comprise the statements of financial position as of December 31, 2022 and 2021 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements (collectively, the "financial statements").

In our opinion, the financial statements referred to above present fairly, in all material respect, the financial position of the Federation as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Federation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about the Federation's ability to continue as a going concern within one year after the date which the financial statements are available to be issued.



BENTLEY, BRATCHER & ASSOCIATES, P.C.

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report which includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures which are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Federation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, which raise substantial doubt about the Federation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters which we identified during the audit.

BENTLEY, BRATCHER & ASSOCIATES, P.C.
Houston, Texas
September 25, 2023

WORLD FEDERATION OF SOCIETIES OF ANAESTHESIOLOGISTS
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

ASSETS

	2022	2021
ASSETS		
Cash and Cash Equivalents, Note 1	\$ 387,957	\$ 211,541
Investments - Fair Value, Notes 1 and 4	2,171,013	3,129,256
Debtors, Note 1 and Note 7	472,215	129,435
Right-of-Use Assets - Operating Leases, Notes 1 & 10	27,375	-
TOTAL ASSETS	\$ 3,058,560	\$ 3,470,232

LIABILITIES AND NET ASSETS

LIABILITIES		
Funds Held on Behalf of Federation Members, Note 8	\$ 15,999	\$ 36,288
Creditors, Note 9	153,140	179,516
Operating Lease Liabilities, Notes 1 & 10	26,111	-
TOTAL LIABILITIES	195,250	215,804
NET ASSETS		
Without Donor Restrictions	1,939,426	2,583,827
With Donor Restrictions, Note 11	923,884	670,601
TOTAL NET ASSETS	2,863,310	3,254,428
TOTAL LIABILITIES AND NET ASSETS	\$ 3,058,560	\$ 3,470,232

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, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenue and Gains without Donor Restrictions		
Interest and Dividend Income	\$ 17,280	\$ 10,955
Unrealized/Realized Gains (Losses) on Sale of Investments	(587,203)	365,037
Membership Dues	567,914	545,450
Donations	83,085	27,018
HMRC Furlough money	-	17,761
Other Income	236,578	-
Foreign Exchange Gain (Loss)	<u>(36,647)</u>	<u>(20,664)</u>
Total Revenue and Gains Without Donor Restrictions	<u>281,007</u>	<u>945,557</u>
Net Assets Released from With Donor Restrictions	<u>522,515</u>	<u>400,056</u>
Total Revenue, Gains and Reclassifications Without Donor Restrictions	803,522	1,345,613
Expenses		
Program Services	1,141,911	399,560
Management and General Services	<u>306,590</u>	<u>908,525</u>
Total Expenses	<u>1,448,501</u>	<u>1,308,085</u>
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>(644,979)</u>	<u>37,528</u>
Transfers to With Donor Restricted Funds	-	-
INCREASE (DECREASE) IN WITHOUT DONOR RESTRICTED NET ASSETS	<u>(644,979)</u>	<u>37,528</u>
NET ASSETS WITH DONOR RESTRICTION		
Donations	776,376	781,196
Net Assets Released from Restrictions	<u>(522,515)</u>	<u>(400,056)</u>
INCREASE (DECREASE) IN WITH DONOR RESTRICTED NET ASSETS	<u>253,861</u>	<u>381,140</u>
INCREASE (DECREASE) IN NET ASSETS	(391,118)	418,668
NET ASSETS, BEGINNING OF YEAR	<u>3,254,428</u>	<u>2,835,760</u>
NET ASSETS, END OF YEAR	<u><u>\$ 2,863,310</u></u>	<u><u>\$ 3,254,428</u></u>

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, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ (391,118)	\$ 418,668
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided By (Used in) Operating Activities		
Reduction of Right-of-Use Assets, Operating Leases	13,898	-
Unrealized/Realized Gains on Sale of Investments	587,203	(365,037)
Changes in Operating Assets and Operating Activities:		
Debtors	(342,780)	(43,158)
Funds Held for Federation Members	(20,289)	289
Creditors	(26,376)	(468,226)
Operating Lease Liabilities	(15,162)	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(194,624)	(457,464)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	-	(2,700,801)
Proceeds from Sale of Investments	371,040	2,649,647
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	371,040	(51,154)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	176,416	(508,618)
CASH AND CASH EQUIVALENTS, BEGINNING	211,541	720,159
CASH AND CASH EQUIVALENTS, ENDING	\$ 387,957	\$ 211,541

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

WORLD FEDERATION OF SOCIETIES
OF ANAESTHESIOLOGISTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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 (“U.S. GAAP”). 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 (“FASB”) 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 U.S. GAAP 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.

CASH AND CASH EQUIVALENTS

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

WORLD FEDERATION OF SOCIETIES
OF ANAESTHESIOLOGISTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 statements 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 a period of between one to twelve months expenditure dependent on the type of expenditure. Therefore, reserves are classified according to the following types:

- Restricted Reserve – Repayment to donors of unspent income. As of December 31, 2022, this was \$923,884 and will change throughout the course of the financial year.
- Conference Reserve, \$500,000
- Operational Reserve – Sufficient unrestricted reserves to cover staff and overhead costs for a period of six months. The anticipated amount required is \$1,000,000.

DEBTORS

Debtors consists of expenses paid in advance and other receivables.

EQUIPMENT

Equipment is carried at cost or at fair market value if donated. Only assets that are considered material in nature with a useful economic life exceeding one year are capitalized. 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 was fully depreciated for the years ended December 31, 2022 and 2021, respectively.

LEASES

The Federation adopted ASU 2016-02, *Leases* ("ASC 842") as of January 1, 2022, using the effective date transition method per ASU No. 2018-11, whereby entities are allowed to apply the new leases standard at the adoption date and to recognize the cumulative effect of initially applying ASC 842, if any, as an adjustment to net assets at January 1, 2022. Accordingly, all periods prior to January 1, 2022 were presented in accordance with the previous ASC Topic 840 ("ASC 840"), *Leases*.

WORLD FEDERATION OF SOCIETIES
OF ANAESTHESIOLOGISTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LEASES (CONTINUED)

The adoption of ASC 842 did not have any impact on the Federation's net assets. The adoption of ASC 842 resulted in the recording of operating lease right-of-use ("ROU") assets and operating lease liabilities of \$41,273. The adoption did not materially impact the Federation's statement of activities or cash flows.

Upon adoption, the Federation elected the package of transition practical expedients which allowed the Federation to carry forward prior conclusions related to: (i) whether any expired or existing contracts are or contain leases, (ii) the lease classification for any expired or existing leases and (iii) initial direct costs for existing leases. Additionally, the Federation elected the practical expedient to not separate lease components from nonlease components for all leases within the portfolio. The Federation made an accounting policy election to not record leases with a term of 12 months or less on the accompanying statement of financial position and recognizes related lease payments in the statement of activities on a straight-line basis over the lease term. The Federation determines if an arrangement is a lease at inception of a contract.

Following the adoption of this standard, the Federation determines if an arrangement contains a lease at inception based on whether there is an identified asset and whether the Federation controls the use of the identified asset throughout the period of use. The Federation classifies leases as either financing or operating. The Federation has an operating lease for office space and does not have any financing lease. ROU asset are recognized at the lease commencement date and represent the Federation's right to use an underlying asset for the lease term and lease liabilities represent the Federation's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the remaining lease term. Present value of lease payments are discounted based on the Federation's risk-free rate, when the interest rate implicit in the Federation's leases is not readily determinable. See *Note 10* for further information on the Federation's lease agreements.

The Federation's operating lease ROU assets are measured based on the corresponding operating lease liabilities adjusted for (i) payments made to the lessor at or before the commencement date, (ii) initial direct costs incurred and (iii) lease incentives under the lease. Options to renew or terminate the lease are recognized as part of the Federation's ROU assets and lease liabilities when it is reasonably certain the options will be exercised. ROU assets are also assessed for impairments consistent with the Federation's long-lived asset policy.

The Federation does not allocate consideration between lease and non-lease components, such as maintenance costs, as the Federation has elected to not separate lease and non-lease components for any leases within its existing classes of assets.

WORLD FEDERATION OF SOCIETIES
OF ANAESTHESIOLOGISTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LEASES (CONTINUED)

Operating lease expense for fixed lease payments is recognized on a straight-line basis over the lease term. Variable lease payments for volume-based expenses are not included in the measurement of the ROU assets or lease liabilities and are expensed as incurred. While the Federation determined not to separate lease and non-lease components, these payments are based on actual costs, making them variable consideration and excluding them from the calculations of the ROU asset and lease liability.

Operating leases are presented separately as operating lease ROU assets, current operating lease liabilities, and noncurrent operating lease liabilities in the accompanying statement of financial position.

MEMBERSHIP 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 \$40,962 as of December 31, 2022.

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, 2022 AND 2021

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, 2022 and 2021, 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, 2022 and 2021, \$365,822 and \$111,534, respectively.

NOTE 4 – INVESTMENTS

Investments consisted of the following as of December 31, 2022:

	<u>Cost</u>	<u>Fair Value</u>
Common Stocks	\$ 791,970	\$ 1,433,403
Corporate Bonds	752,995	737,610
	<u>\$ 1,544,965</u>	<u>\$ 2,171,013</u>

Investments consisted of the following as of December 31, 2021:

	<u>Cost</u>	<u>Fair Value</u>
Common Stocks	\$ 791,972	\$ 2,007,046
Corporate Bonds	1,129,367	1,122,210
	<u>\$ 1,921,339</u>	<u>\$ 3,129,256</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.

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.

WORLD FEDERATION OF SOCIETIES
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 5 – FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, the Federation's assets at fair value as of December 31, 2022:

	Quoted Prices In Active (Level 1)	Other Observable (Level 2)	Unobservable (Level 3)
Common Stocks	\$ 1,433,403	\$ -	\$ -
Exchange-Traded Products	<u>737,610</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,171,013</u>	<u>\$ -</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, 2021:

	Quoted Prices In Active (Level 1)	Other Observable (Level 2)	Unobservable (Level 3)
Common Stocks	\$ 2,007,046	\$ -	\$ -
Exchange-Traded Products	<u>1,122,210</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 3,129,256</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 6 – EQUIPMENT

Equipment consists of the following:

	2022	2021
Equipment	\$ 4,893	\$ 4,893
Accumulated Depreciation	<u>(4,893)</u>	<u>(4,893)</u>
	<u>\$ -</u>	<u>\$ -</u>

NOTE 7 – DEBTORS

Debtors consisted of the following:

	2022	2021
Current:		
Receivables – Trade Debtors	\$ 139,530	\$ 20,764
Accrued Income	162,132	-
Prepayments	54,027	8,671
Loan Receivables	15,031	-
Other Debtors	<u>1,495</u>	<u>-</u>
	372,215	29,435
Loan Receivable – Non-Current	<u>100,000</u>	<u>100,000</u>
	<u>\$ 472,215</u>	<u>\$ 129,435</u>

WORLD FEDERATION OF SOCIETIES
OF ANAESTHESIOLOGISTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 8 – FUNDS HELD ON BEHALF OF FEDERATION MEMBERS

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

	<u>2022</u>	<u>2021</u>
African Regional Section	\$ 4,707	\$ 24,707
Zimbabwe Anesthetic Association	7,438	7,727
South African Pediatric Satellite Fund	3,854	3,854
	<u>\$ 15,999</u>	<u>\$ 36,288</u>

NOTE 9 – CREDITORS

Creditors consisted of the following:

	<u>2022</u>	<u>2021</u>
Creditors	\$ 63,809	36,430
Accruals	89,331	127,344
Payroll	—	15,742
	<u>\$ 153,140</u>	<u>\$ 179,516</u>

NOTE 10 – LEASE AGREEMENTS

As of December 31, 2022, the Federation's primary leasing activity was related to the office space in the locations in London, United Kingdom. The lease has an expiration date of September 28, 2024 with an annual base rent payment of \$15,162.

Significant assumptions and judgments were made in the application of U.S. GAAP for leases, including those related to the lease discount rate. The interest rate used to determine the present value of the future lease payments is the Federation's risk-free rate, when the interest rate implicit in the Federation's leases is not readily determinable.

Upon adoption, ASC 842, *Leases* had an impact in the Federation's statement of financial position and in its statement of activities. As part of the transition, the Federation elected the following practical expedients:

- Package of practical expedients which eliminates the need to reassess (1) whether any expired or existing contracts are or contain leases; (2) the lease classification for any expired or existing leases; and (3) the initial direct costs for any existing leases.
- The practical expedient whereby the lease and non-lease components will not be separated for all classes of assets.
- Not to recognize ROU assets and corresponding lease liabilities with a lease term of 12 months or less from the lease commencement date for all class of assets.

For existing leases, the Federation did not elect the use of hindsight and did not reassess lease term upon adoption.

WORLD FEDERATION OF SOCIETIES
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 10 – LEASE AGREEMENTS (CONTINUED)

On January 1, 2022, the Federation recorded \$41,273 in operating lease ROU assets and operating lease liabilities. The adoption of ASC 842 had no significant impact on the Federation's statement activities and net assets.

The following summarizes the line items for leases in the statement of financial position as of December 31, 2022:

	Amount
Operating Leases	
Right-of-Use Assets, Operating Leases	\$ 27,375
Current Portion of Operating Lease Liabilities	\$ 14,867
Operating Lease Liabilities	11,244
Total Operating Lease Liabilities	\$ 26,111

The following summarizes the weighted average of the remaining lease term and discount rate as of December 31, 2022:

Weighted Average Remaining Lease Term	
Operating Leases	1 year
Weighted Average Discount Rate	
Operating Leases	1.10%

As of December 31, 2022, the maturities of operating lease liabilities for each of the fiscal years ended were as follows:

Year	Amount
2023	\$ 15,162
2024	11,371
Total Lease Payments	26,533
Less Imputed Interest	(422)
Present Value of Lease	\$ 26,111

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 10 – LEASE AGREEMENTS (CONTINUED)

The components of lease costs for the year ended December 31, 2022 are as follows:

Item	Statement of Income Location	Amount
Operating Leases:		
Lease Costs	General & Administrative	\$ 13,898
Other:		
Variable Lease Cost*	General & Administrative	<u>—</u>
Total Lease Cost		<u>\$ 13,898</u>

* Variable lease cost primarily consists of month-to-month rent, charges based on usage and maintenance.

NOTE 11 – NET ASSET WITH DONOR RESTRICTIONS

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

	2022	2021
Baxter	\$ 13,809	\$ 22,901
Assist International – Ethiopia	—	27,698
Dr. Keith Thomson	(7,775)	9,114
EKFS – other	6,500	87,961
Laerdal	152,683	106,527
Laerdal 2	81,889	168,800
Smile Train	23,394	15,748
Fresenius Kabi	96,949	21,950
PATM	6,237	5,051
APSF	75,682	89,661
ANZCA – Vellore ICU Fellowship	—	10,500
ASA WCA Scholars	—	2,747
Seqirus	—	1,137
Shalimar Trust	—	3,670
SPA	32,147	4,891
Masimo	19,116	2,178
Global Care Emergency Skills	—	12,143

WORLD FEDERATION OF SOCIETIES
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 11 – NET ASSET WITH DONOR RESTRICTIONS (CONTINUED)

	2022	2021
Fellowships	61,017	38,131
Jhpiego	9,280	38,793
ARS	1,115	–
GECS	12,143	–
UFO	415	–
WCA Scholars	8,000	–
Johnson & Johnson	186,441	–
SAFE Cleft Smile Train	2,367	–
Operations SMILE	15,000	–
Various	(580)	–
PATA	128,053	–
	\$ 923,882	\$ 670,601

NOTE 12 – LIQUIDITY AND AVAILABILITY

The following table sets forth further information about the Federation’s financial assets reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of December 31, 2022 and 2021.

	2022	2021
Current Assets, excluding non-financial assets	\$ 3,031,185	\$ 3,470,232
Less: Donor restrictions for specific purposes	(923,884)	(670,601)
Less: Board designation (Note 1)	(1,500,000)	(1,050,000)
Financial assets available to meet cash needs for general working-capital	\$ 607,301	\$ 1,749,631

As part of the Federation’s liquidity management, it invests cash in excess of daily requirements in short-term investments including treasury bills and common stock. Unrealized losses on the investment portfolio have led to a reduced general working capital balance as of December 31, 2022. The Board recognizes the investment portfolio is subject to short-term fluctuations and have agreed to maintain a balanced portfolio of 65% equities and 35% cash to mitigate against both positive and negative stock market swings.

NOTE 13 – FUNCTIONAL EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the following 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.

WORLD FEDERATION OF SOCIETIES
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 13 – FUNCTIONAL EXPENSES (CONTINUED)

The functional expenses for the year ended December 31, 2022 are as follows:

	Program Services	Staff Costs	Travel	Office Costs	Governance Costs	Total
Education Program	\$ 239,459	\$ 634,217	\$ 125,490	\$ 173,765	\$ 81,825	\$1,254,756
Advocacy	5,500	62,507	–	17,129	8,064	93,200
Safety and Quality	–	32,927	–	9,025	4,248	46,200
Working Together	5,050	24,886	–	6,821	3,211	39,968
Innovation and Development	5,659	6,216	–	1,700	802	14,377
	<u>\$ 255,668</u>	<u>\$ 760,753</u>	<u>\$ 125,490</u>	<u>\$ 208,440</u>	<u>\$ 98,150</u>	<u>\$1,448,501</u>

The functional expenses for the year ended December 31, 2021 are as follows:

	Program Services	Staff Costs	Travel	Office Costs	Governance Costs	Total
Education Program	\$ 383,351	\$ 624,042	\$ 5,708	\$ 116,861	\$ 9,527	\$1,139,489
Advocacy	5,500	61,297	34	11,517	939	78,287
Safety and Quality	–	32,290	–	6,067	495	38,852
Working Together	5,050	24,404	3,051	4,585	374	37,464
Innovation and Development	5,659	6,096	–	1,145	93	12,993
	<u>\$ 399,560</u>	<u>\$ 748,129</u>	<u>\$ 8,793</u>	<u>\$ 140,175</u>	<u>\$ 11,428</u>	<u>\$1,308,085</u>

Total costs attributable to fundraising activities for the years ended December 31, 2022 and 2021 amounted to \$747 and \$2,080, respectively.

NOTE 14 – RELATED PARTY TRANSACTIONS

The Federation has a connected charity, The World Federation of Societies of Anaesthesiologists (the “UK Charity”), registered with the Charities Commission (registration number 1166545) in England and a company limited by guarantee (registration number 09312117). Both organizations share the same mission and objectives and operate from Dean Bradley House, 52 Horseferry Road, London, SW1P 2AF. The UK Charity has an independent Board but is required by its constitution to have three common trustees with WFSA. Meetings and business of both organizations are conducted separately, and decisions are taken by the Board of the UK charity so as not to be detrimental to its interests.

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NOTES TO FINANCIAL STATEMENTS
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NOTE 14 – RELATED PARTY TRANSACTIONS (CONTINUED)

During the years ended December 31, 2022 and 2021, the UK Charity made the following grants to WFSA:

	<u>2022</u>	<u>2021</u>
Safe Anaesthesia	\$ –	\$ 16,716
Fresenius	74,999	–
Liberian Doctors	7,661	–
Masimo	22,636	–
THET	10,693	–
Fellowships	33,936	22,759
Palestine Anaesthesia Teaching Mission	<u>1,186</u>	<u>1,488</u>
Total	<u>\$ 151,111</u>	<u>\$ 40,963</u>

NOTE 15 – DEFINED CONTRIBUTION PENSION SCHEME

The Federation paid the following amounts into the staff defined contribution pension scheme.

	<u>2022</u>	<u>2021</u>
Employer contributions	<u>\$ 31,266</u>	<u>\$ 24,364</u>

NOTE 16 – SUBSEQUENT EVENTS

The Federation has evaluated subsequent events through the date of the independent auditors' report, the date which the financial statements were available to be issued. We are now in the post-pandemic period and are gearing up to run a fuller schedule of in-person Fellowships, training sessions and courses, much of which started up again during 2022.

Lessons learnt from COVID-19 has led the Federation to implement hybrid offerings for many of our most popular training courses; this will continue also into the coming years. This will include a virtual component for the next World Congress of Anaesthesiologists to be held in Singapore in March 2024.

NOTE 17 – GOING CONCERN

The WFSA Board have considered the financial position for the coming year from the date these accounts were approved and have confirm that the Federation remains a going-concern.