

WORLD FEDERATION OF SOCIETIES
OF ANAESTHESIOLOGISTS

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014

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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, 2015 and 2014 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, 2015 and 2014, 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.

BENTLEY, BRATCHER & ASSOCIATES, P.C.
Houston, Texas
August 1, 2016

WORLD FEDERATION OF SOCIETIES OF ANAESTHESIOLOGISTS
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014

ASSETS

	2015	2014
ASSETS		
Cash and Cash Equivalents, Note 1	\$ 371,048	\$ 240,318
Investments - Fair Value, Notes 1 and 4	1,611,230	2,381,833
Equipment (Net), Notes 1 and 5	-	-
Inventory, Note 1	-	819
Prepaid Assets, Note 1	17,487	6,343
Other Receivables	2,231	4,375
TOTAL ASSETS	\$ 2,001,996	\$ 2,633,688

LIABILITIES AND NET ASSETS

LIABILITIES		
Funds Held on Behalf of Federation Members, Note 6	\$ 47,548	\$ 49,808
Accrued Expenses	49,907	128,051
TOTAL LIABILITIES	97,455	177,859
NET ASSETS		
Unrestricted	1,837,830	2,370,227
Temporarily Restricted, Note 7	66,711	85,602
Permanently Restricted	-	-
TOTAL NET ASSETS	1,904,541	2,455,829
TOTAL LIABILITIES AND NET ASSETS	\$ 2,001,996	\$ 2,633,688

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, 2015 AND 2014

	2015	2014
UNRESTRICTED NET ASSETS		
Unrestricted Revenue and Gains		
Interest and Dividend Income	\$ 27,840	\$ 35,005
Realized Gains on Sale of Investments	199,397	165,032
Unrealized Gains (Losses) on Investments	(236,618)	(8,449)
Dues	369,032	327,220
Donations	13,178	32,418
Foreign Exchange Loss	(11,131)	(6,770)
Miscellaneous	-	26
	361,698	544,482
Net Assets Released from Restrictions	77,824	62,325
Total Unrestricted Revenue, Gains and Reclassifications	439,522	606,807
Expenses		
Program Services	423,139	408,893
World Congress	-	18,029
Management and General Services	548,780	464,572
	971,919	891,494
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	(532,397)	(284,687)
TEMPORARILY RESTRICTED NET ASSETS		
Transfers from Unrestricted Funds	-	-
Donations	58,933	111,731
Net Assets Released from Restrictions	(77,824)	(62,325)
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	(18,891)	49,406
INCREASE (DECREASE) IN NET ASSETS	(551,288)	(235,281)
NET ASSETS, BEGINNING OF YEAR	2,455,829	2,691,110
NET ASSETS, END OF YEAR	\$ 1,904,541	\$ 2,455,829

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, 2015 AND 2014

	2015	2014
PROGRAM SERVICES		
Grant Expenditures	\$ 61,175	\$ 90,253
Lifebox	51,760	50,000
Publications	-	19,091
Education	260,833	228,225
Palestine Project	1,198	4,071
SAFE Project	15,332	-
Other Projects	32,841	17,253
	423,139	408,893
WORLD CONGRESS		
Other Costs	-	18,029
	-	18,029
MANAGEMENT AND GENERAL SERVICES		
Salaries and Wages	306,550	241,482
Audit and Accountancy	35,522	62,424
Legal Fees	9,872	615
Telephone	1,729	1,152
Postage and Carriage	101	399
Occupancy	15,993	15,045
Travel	110,404	96,880
Depreciation	-	182
Other Expenses	68,609	46,393
	548,780	464,572
TOTAL EXPENSES	\$ 971,919	\$ 891,494

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, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ (551,288)	\$ (235,281)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided By (Used in) Operating Activities		
Depreciation	-	182
Net Realized Gains on Investments	(199,397)	(165,032)
Unrealized Gains on Investments	236,618	8,449
Changes in Operating Assets and Operating Activities:		
Loans Receivable	-	25,000
Inventory	819	40
Prepaid Assets	(11,144)	(6,038)
Other Receivables	2,144	14,587
Funds Held for Federation Members	(2,260)	(61,602)
Accrued Expenses	(78,144)	23,890
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(602,652)	(395,805)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(1,199,249)	(1,688,950)
Proceeds from Sale of Investments	1,932,631	2,032,927
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	733,382	343,977
NET DECREASE IN CASH AND CASH EQUIVALENTS	130,730	(51,828)
CASH AND CASH EQUIVALENTS, BEGINNING	240,318	292,146
CASH AND CASH EQUIVALENTS, ENDING	\$ 371,048	\$ 240,318

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

WORLD FEDERATION OF SOCIETIES
OF ANAESTHESIOLOGISTS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

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, 2015 and 2014.

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, 2015 AND 2014

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.

INVENTORY

Inventory consists of medals stated at the lower of cost or market value.

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, 2015 and 2014, depreciation expense totaled \$nil and \$182, 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 \$85,908, of which \$44,857 relate to the 2015 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, 2015 AND 2014

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, 2015 and 2014, 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, 2015 and 2014, \$313,789 and \$202,376, 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, 2015 and 2014, the certificates of deposit held at the brokerage house totaled \$450,023 and \$550,000, respectfully, are not insured by the FDIC.

WORLD FEDERATION OF SOCIETIES
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE 4 – INVESTMENTS

Investments consisted of the following at December 31, 2015:

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

Investments consisted of the following at December 31, 2014:

	<u>Cost</u>	<u>Fair Value</u>
Common Stocks	\$ 829,048	\$ 1,645,409
Exchange Traded Funds	33,386	36,860
Government Obligations	550,000	550,001
Corporate Bonds	150,580	149,563
	<u>\$ 1,563,014</u>	<u>\$ 2,381,833</u>

The fair market value of investments is determined based on the market value at December 31, 2015 and 2014 as provided by the brokerage firm holding the securities (all level 1 measurements).

NOTE 5 – EQUIPMENT

Equipment consists of the following:

	<u>2015</u>	<u>2014</u>
Equipment	\$ 4,893	\$ 4,893
Accumulated Depreciation	(4,893)	(4,893)
	<u>\$ -</u>	<u>\$ -</u>

WORLD FEDERATION OF SOCIETIES
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NOTE 6 – FUNDS HELD ON BEHALF OF FEDERATION MEMBERS

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

	<u>2015</u>	<u>2014</u>
African Regional Section	\$ 29,460	\$ 30,867
Zimbabwe Anesthetic Association	14,234	15,087
South African Pediatric Satellite Fund	<u>3,854</u>	<u>3,854</u>
	<u>\$ 47,548</u>	<u>\$ 49,808</u>

NOTE 7 – TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2015</u>	<u>2014</u>
Education	\$ 3,000	\$ 6,400
SYS (Palestine) Project	2,461	3,659
Baxter	60,000	71,638
Air Liquide	-	2,146
Lifebox	<u>1,250</u>	<u>1,759</u>
	<u>\$ 66,711</u>	<u>\$ 85,602</u>

NOTE 8 – OPERATING LEASE

The Federation started a lease in London, England in August 2015, which expires in July 2016. Rental expense under the lease totaled \$15,993 for the year ended December 31, 2015. Future minimum rental payments required under this lease totaled \$17,294 for the year ended December 31, 2016.

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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 or 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 \$49,954 relating to travel costs and accommodation whilst representing the WFSA internationally.

NOTE 12 – SUBSEQUENT EVENTS

The Federation has evaluated subsequent events through August 1, 2016. Management has determined that no subsequent events require disclosure in these financial statements.