



WFNS - TREASURER'S REPORT 2020*

Amir Samii, WFNS Treasurer

* This report documents the treasurer's online presentation on the Federation's finances for the year 2020 during the March 13th 2021 AC Meeting, which was based on the documents provided by the WFNS accountant on March 8th 2021 and it was finalized in October 2021 after the official report of the statutory auditor was received on October 8th 2021 by the treasurer via email from the central office

1. Overview of the year 2020

The Statement of Revenue and Expenses for the year ending on 31. December 2020 documents that the income from membership fees (USD 205,828) have decreased compared to the previous year by USD 122,652 (previous year USD 328,480). This decrease is typically explained by the fact that in years in which there are no elections there are more member societies that are not paying their membership fees on time. In 2020 the COVID-19 pandemic had an additional effect on the decreased revenue from membership fees as explained by the Assistant Treasurer who was in touch with numerous societies who encountered financial problems. Generally, the potential annual amount that may result from membership fees is about USD 360,000, while in election years this revenue typically surmounts USD 300,000 in non-election years it is in the range of just above USD 200,00.

The 2019 Interim Meeting in Beijing generated a revenue of USD 170,000 and the 2019 Joint Meeting in Mumbai generated another USD 24,970 (total of USD 194,970 revenues from meetings in 2020) while in 2019 the income from the 2018 Kuala Lumpur WFNS Symposium was USD 75,000 and from a Spine Committee Meeting in Bali was USD 10,204 (total of USD 85,204 revenues from meetings in 2019). So

overall, there was an increase of revenues from meetings in 2020 compared to the previous year by USD 109,796. The total revenue (excluding donations to the WFNS foundation account) amounts to USD 400,798, which is USD 12,886 less than the revenue from 2019 (USD 413,684).

Due to the COVID-19 pandemic there is a decrease in officers' expenses and in the expenses for the AC/Foundation meeting which was only held online and not in person. The overall officer's expenses in 2020 were USD 5,331 while it was USD 44,888 in 2019 (decrease by USD 39,557). The total for travel stipend related officer expenses was USD 5,331 in 2020 compared to USD 22,999 in 2019 (decrease by USD 17,668). The costs related to the AC and Foundation meeting were virtually USD 0, while they amounted to USD 21,887 in 2019 during the Malaga AC and Foundation meeting (decrease in 2020 by USD 21,887). The maximum annual amount for officers' travel stipends can be up to USD 44,500. (USD 20,000 president, USD 10,000 secretary, USD 4,500 treasurer, USD 10,000 education committee chairs together). In 2020 the president has received USD 331,70 while one of the education committee chairs (I. Germano) has received USD 5,000 and the secretary and treasurer have not used any stipend from the federation for traveling.

The administration costs have increased in 2020 to USD 331,045 compared to USD 303,913 in 2019. The salary and social charges in 2020 amount to USD 266,492 (USD 244,502 in 2019) while the office costs were USD 64,553 in 2020 compared to 59,411 in 2019. It has to be noted that the legal fees which were USD 16,903 in 2020 and USD 15,399 in 2019 and even USD 27,238 in 2018 are included in the office costs. This makes about USD 60.000 of legal fees in three years.

The expenses for the maintenance and hosting of the website have increased to USD 10,884 in 2020 from to USD 8,072 in 2019 and USD 5,682 in 2018.

The final balance of the federation, which is based on all revenues (USD 400,798) and all expenses (USD 350,692) was positive by the amount of USD 50,106. In the previous year the final balance of the federation was negative by the amount of USD -35,954 because of a transfer of USD 86,000 to the foundation account. Without this transfer, just based on the true expenses and revenues the final balance in 2019 was almost the same like in 2020 (USD 50,049 in 2019).

As a result of the aforementioned figures the balance sheet for 2020 reflects a stable situation of the current total assets of the WFNS amounting to USD 1,585,802 from which USD 1,110,508 are the net assets and fortune held by the WFNS, and USD 463,077 is the fortune of the WFNS Foundation. Additionally, there is a net asset of USD 66,969 in the USA foundation account. Overall, the net asset of the federation has increased in 2020 in comparison to the previous year by USD 50,015. The donations to the foundation dropped from USD 140,070 (which included USD 86,000 transfer from the federation account) to USD 14,990. The total expenses of the foundation amounted in 2020 to USD 144,296 (USD 39,321 for instruments, USD 104,400 for scholarships and grants and USD 575 for administrative costs) which is a decrease by USD 62,099 (USD 206,395 expenses in 20019). The final balance of the foundation considering all revenues (USD 14,990) and expenses (USD 145,025 including bank charges) was negative by the amount of USD 130,035 (USD -135,036) while it was -67,215 in the previous year (including the USD 86,000 transfer from the federation account).

Comments

The figures of WFNS finances are stable. The financial balance based on expenses and revenues was positive by USD 50,106. Given the global crisis in 2020 due to the Covid-19 pandemic this is a solid result.

According to the recommendation of the treasurer in the 2019 report the current AC has revised a decision by the previous AC in 2017 to automatically transfer assets above the amount of USD 1,000,000 from the federation to the foundation account. Given the current global and economic challenges it is recommendable that the foundation should generate directly revenues primarily through donations and educational activities in cooperation with industrial sponsors. As discussed for years, a fundraising concept for the foundation should draw a perspective for significantly improving their revenues.

The overall annual revenue of the federation during the last 4 years was in average about USD 418,500. Given the average annual expenses of about USD 366,000 it becomes evident that the federation cannot sponsor all activities of the foundation just on basis of the revenue from membership fees and WFNS meetings. The WFNS needs to preserve a sufficient financial liquidity in order to ensure the ongoing business and activities even in face of further global economic challenges or in case of the necessity to invest for restructuring the federation in order to make it more efficient and to potentially safe financial resources.

In order to ensure in future the regular and correct payment of membership fees, an online membership management system created specifically for the WFNS will be implemented in 2021. This project was first proposed by the treasurer at the 2018 AC in Milano, where it was approved to follow up on its development and implementation. This system should also be a reliable continuously updated databases for any future online activities such as elections. The development and implementation of this membership management system was conducted by a German company based on the requirements defined by the staff of the central office, the secretary and the treasurer. The system can certainly be modified over time according to the ongoing requirements. The costs of this new membership

management system are sponsored by the treasurer through personal funds and the system is donated to the WFNS as accepted by the current AC this year.

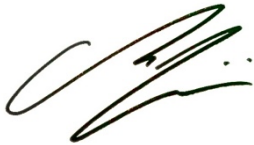
Regarding the expenditures for legal fees it was repeatedly mentioned by the treasurer during his presentations and various AC meetings, that mechanisms on how legal fees can be estimated beforehand and who can authorize them requires further analysis, discussion and guidelines. For none of the legal fees previous offers were presented to the federation. This was obviously common practice during the last decades. Most legal fees are produced by interactions with the Dutch law firm who is consulting the C&B committee and who is also responsible for the final implementation of any amendments of our Constitution and Bylaws and the registration of new officers following every election. During a brief email discussion between the secretary, treasurer and C&B committee chairman of this federation in June 2020 it was agreed that the above-mentioned criteria need to be considered and implemented in future. It is recommend by the treasurer to negotiate also with other law firms in the Netherlands in order to receive competitive offers for a specified set of legal services that are typically requested by the WFNS.

Acknowledgments

I would like to express my gratitude to Prof. Najia El Abbadi, Assistant-Treasurer, with whom I had a smooth and fruitful cooperation. I would also like to emphasize the outstanding and highly efficient work carried out by Mrs. Teresa Chen and Mrs. Ling as responsible persons of the WFNS Central Office. Without their support and expertise our work would not have been possible. A special thanks to the Chairman of the Audit Committee, Prof. Rick Boop, with whom I have enjoyed a highly transparent and productive cooperation at any time. Finally, I need to thank the Secretary of the Federation, Prof. Akio Morita, with

whom I have also cooperated very intensely and professionally at any day and nighttime. In fact, all payments were revised jointly by the treasurer, secretary and chairman of the audit committee before they were executed. Last but not least, I need to extend special thanks to the President of the Federation, Prof. Franco Servadei, for his leadership and for continuously supporting our activities.

Respectfully,

A handwritten signature in black ink, appearing to be 'A. Samii', written in a cursive style.

Prof. Dr. med. Amir Samii

Treasurer of the WFNS

Hannover, 2021