

Statement on the Financial Statements of AFICS/NY and Charities Foundation for 2021 - delivered by Darshak Shah

Good Morning.

My name is Darshak Shah. I was appointed as the second VP of AFICS/NY recently. I am from Kenya. I retired from UNDP in June 2021. I was the Deputy Assistant Administrator, BMS and the global CFO of UNDP. I was also the co-chair of HLCM/FB network for many years. Now, I serve on several oversight committees of UN agencies and non-UN entities.

I am presenting this report on Unaudited Financial Statements of AFICS/NY and the Charities Foundation. I am presenting this report because the Treasurer cannot attend this meeting in person today, due to her travel plans. Let me at the outset thank Mary Ann Chiulli and her Senior Adviser, Angel Silva, for their hard work and dedication, especially during the challenging COVID-19 period.

Let me use this opportunity to thank-you for your continued interest and support for our programs. I would like to present a brief overview of the Unaudited Financial Statements and the Treasurer's Report that you have received. While we may not be able to address all your questions in detail, we will collect them, and reply to each one as soon as possible after today's meeting.

Like everything else, our organization has been negatively impacted by the pandemic over the past two years. We are hopeful that with the resumption of some in-person meetings, such as this one, we will soon be able to resume our previous activities on a more regular basis.

The negative impact of being in 'suspended animation' for the past two years has affected our operations, our membership and this has consequently affected the financial results, as can be seen in the comparison of the 2021 results with 2020 results.

We have not been able to regularly update our books in the office nor have the statements audited since 2020 (for 2019 accounts). Despite that we have been able to run the program remotely thanks to digital and electronic interfaces with

UNFCU, who have been instrumental in this effort, and for which we are most grateful. Hence, we have continued to exert the controls on the receipt and disbursement of funds.

Now that we can again use our offices, we have prepared a set of Unaudited Financial Statements, and this has been presented to you. We will be actively finalizing the Financial Statements for the audit. We have again engaged our long-standing Auditors, Ms. Paula Saddler and Mr. Sergei Shiskin for the audit. We are grateful for their continued service and support to the Association.

Turning, then, to the AFICS/NY Financial Statement:

For the period ending 31 December 2021, AFICS/NY, the count was 2,866 active members at all levels of membership – annual, life, associate and honorary - for persons over the age of 85. This count includes members that have been delinquent with their past contributions.

Total income for the 2021 calendar year was \$46,750, which represents a decrease of 24.0% over 2020 income of \$61,575. By comparison, total expenditures for 2021 are shown as \$116,466, versus \$40,140 in 2020, a significant increase, which will be discussed further in this presentation. As a result, AFICS registered a loss for 2021 of \$69,716. However, this loss will be funded from past accumulated fund balance.

The two major issues concerning the stark difference between 2021 and 2020 are the expenses relating to the extraordinary AFICS 50th Gala events, and the write-offs of long outstanding receivables from AFICS members.

A summary table is attached to the Financial Statements with full details of the Gala events. Overall, the event resulted in a net cost to AFICS of \$15,229.

The other large expense for 2021 is the write-off of a large Accounts receivable balance due to nonpayment of Annual Membership dues of \$36,180.

The write-off represents 80% of the outstanding balance for the past three years. Various factors have contributed to this write-off.

It should be noted that despite the pandemic, health insurance and pension matters were addressed with the same rigor. This continues to be a great benefit to the members.

My plea to you is please pay your past dues and pay on a regular basis, so that we can continue to provide you with these critical services and effectively advocate on your behalf.

We will resume the former practice for of active monitoring, collection, and regular write-offs - if required. Members now can pay their dues electronically into UNFCU, which has helped a lot with our outreach.

Assets at year-end 2021 are reduced to \$139,588 - a decrease of 36.0% from 2020, half of which is due to the write-off, rest mainly due to 50th Gala Events' expenses and reduced in kind contributions.

The decrease in the receipt of annual dues, which largely sustained our operations, has been coupled with a decrease in the in-kind financial support received from the United Nations, presenting a challenge to our long-term sustainability

AFICS currently has no liabilities, due to the implementation of an online payroll service, which has brought efficiency and simplicity to the process, and proved invaluable during the months of lockdown.

With reduced income, AFICS may well need to consider a new operating model to enable the Association to stay viable, and to maintain frequent contact with its Members, bringing them news, contacts and support; and, most significantly, to deliver engaged representation of retiree interests within the UN system on relevant issues, especially in Medical Insurance and Pension matters. We also ask your active support in preferably converting annual membership to life membership and if you remain on annual membership, please have a bank standing order for your contribution.

Turning, now, to the Charities Foundation, whose main mission is to provide assistance to needy Members of AFICS.

The Foundation accepts voluntary contributions in support of its mission, as a recognized charity in NY State, and has received steady support from Members over the years. These contributions qualify for income tax deduction, where applicable.

The key highlights of Unaudited Financial Statements of the Charities Foundations are:

Total Income for the 2021 calendar year was \$966, representing investment income. This represents a reduction compared to 2020, which included a bequest of \$25,000. There were no bequests in 2021. Total expenditure for 2021 amounted to \$3,500, comprising one grant to humanitarian causes. No individual applications were received for 2021. This resulted in a small net loss for 2021, of \$2,534. This loss is funded from past years accumulated resources.

Assets and liabilities at year-end 2021 were nearly unchanged from 2020.

Reduce your taxes and pay to the Charities Foundation to assist needy AFICS members!

Thank you for your attention – please continue to spread the word about AFICS and encourage new retirees to join. There is nothing better than a recommendation from a current ‘customer’!

Please, also, submit any questions in writing, and they will be addressed in writing after the meeting.