

FINANCIAL REPORT

Summary of Financial Statements

The Association maintains a sound financial situation and has no debt. Fiscal year 2022 resulted in a net income deficit of \$27,630, compared with the 2021 surplus of \$31,852. Income was \$227,238, slightly higher than in 2021 (\$225,181). Expenses in 2022 increased by 32% over those in 2021, mainly due to one-time extraordinary expenses for pension finance advisory services regarding the 2022 cost-of-living adjustment applied to retiree pensions.

In 2022, the Board of Directors determined that to continue to effectively perform its advocacy role on behalf of IDB retirees, the Association's finances had to remain strong over time by maintaining the value of its reserves in real terms. Accordingly, in July 2022, the Board approved an increase in membership dues for the first time in more than 30 years. Beginning on January 1, 2023, monthly membership dues increased from \$3.00 to \$5.00 for international retirees and were introduced for new local retirees at the equivalent in local currency of \$2.00. In addition, the Board of Directors developed a long-term strategy to manage membership dues to ensure the preservation of capital in real terms and the Association's continued financial soundness.

At the end of 2022, the external auditor used by the Association since 2015 sold her practice. Upon the Board's review of the recommendations received from various firms that recommended that an audit is not required for a nonprofit organization of our size, the Association opted to conduct a Review of the Financial Statements, instead of an audit and hired HelferBell, L.L.C., a Washington, D.C.— based audit and accounting practice, with expertise in nonprofits.

The purpose of the Review is to provide a level of assurance on the financial statements as a basis for reporting whether there are any material modifications that should be made to the financial statements for them to be in accordance with United States generally accepted accounting principles.

The assurance provided is based on the performance of robust analytical review procedures and inquiries of certain Board members, management, and staff. It does not include a review of the entity's internal controls. A Review, combined with a tax return (Form 990) and Board oversight, ensures that the Association's finances are being properly managed. The Review concluded that "no material modifications should be made to the accompanying financial statements in order for them to be in accordance with the generally accepted accounting principles in the U.S." In the following pages, you will find the Review report, Statement of Financial Position, Summary of Activities,

Statement of Functional Expenses, and Statement of Cash Flows, with their corresponding notes.