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International Association of Schools of Social Work  
Association Internationale des Ecoles de Travail Social  
Association Internacional de Escuelas de Trabajo Social  
国際社会工教育联盟  
國際ソーシャルワーク学校連盟

## Treasurer's Report (GA)

July, 2018

This report includes four attachments:

1. Audited Financial Statement for CY2017
2. 2018 Operating Budget
3. Auditor's Letter
4. Letter from Companies Registry, Hong Kong SAR

*All amounts in this report are expressed in US dollars.*

### Financial Statement

The audited financial statement for CY2017 is attached to this report (Attachment 1). IASSW's fiscal year is the calendar year. There are no significant issues in this statement. IASSW is in a strong financial position. We ended 2017 with total assets of \$356,721, an increase of \$45,677 over 2016, largely due to increases in our investments. We made a net profit of \$49,895. While we fell short of our income target for institutional memberships by about \$9,000, we exceeded our target for bulk memberships by \$13,000. While the Capacity Building Committee appears to have overspent by nearly 300%, this spend was offset by grant income from the IASSW Foundation to support workshops in Vietnam.

The Board has approved the audited 2017 financial statement, and the statement will be available on the website.

The approved operating budget for CY2018 is included as Attachment 2.

### Investment Statement

In general IASSW have done very well in a complex international investment environment, and at the end of CY2017 had a balance of US\$283,641.27 in a long term investment fund managed by the Royal Bank of Canada. This amount includes approximately US\$21,000 in the Eileen Younghusband Fund (before reimbursing the EY speaker at the Dublin conference). Our ethical investment strategy approved in June 2015 has insulated us from the extremes of the currently volatile international investment environment, as well as ensuring that IASSW investments support values we hold as social workers. We need approximately US\$100,000 on hand for wind-up costs should that be necessary, which means that approximately US\$150,000 is available for use by the Board to support its work. The Board has approved this investment statement.

### Audit 2017

As required by the Board the financial statement and transactions for CY2017 were audited by our appointed auditor Gelman, Rosenberg & Freedman. The statement from the auditors is attached (Attachment 3), and a copy of the full report is available for inspection. It is quite a positive report, with only minor policy recommendations, and we were able to address all the comments by the auditors in respect of supporting documentation. The Board have accepted the auditor's report and its policy recommendations.

### Memberships

Invoices for 2018 membership were sent to all members on 1 November 2017, and reminder notices were sent in the final week of February, 2018, with a due date of 31 March. It would be extremely helpful to the organisation and its volunteer board if all institutional members kept IASSW up to date on contact information, and then paid membership invoices in a timely way.

### Financial Management

This matter is now being managed by a separately constituted Task Force, and will be reported by that group.

### Other matters

- The IASSW Foundation has been deregistered in Hong Kong as at 4 May 2018 (Attachment 4). The Board has expressed its thanks to Prof Angie Yuen Tsang for her hard work on this initiative.
- This is my final report as Treasurer, and I wish to express my thanks to the Board and Membership for the opportunity to serve the Association in this capacity. It is a very time consuming role, and I am taking the opportunity to step back as my four-year term expires. I am profoundly grateful to the members of the Budget and Finance Committee (Darla Spence Coffey, John Rautenbach, and Sheri McConnell), who have proven both outstanding in their advice and timely in their responses to my often urgent requests. I hope that I have established systems and structures which allow smooth continuity within the role.

I have often advocated for accountability of Board members and committees to the Board. With that in mind I wish to note that when I stood for office my 'platform' featured three items:

- Regular invoicing of members to ensure financial stability;
- Introducing an ethical investment strategy;
- Reviewing our corporate and financial structure to reduce compliance costs and allow greater flexibility in financial management.

Each of these items has either been completed, or is in process. Regular invoicing has provided greater member retention and a more predictable cash flow for the organisation, although it is a nontrivial amount of work to implement. IASSW has turned a profit each year for the last three years, which means we are a strong member-driven organisation. (At the same time I also acknowledge the hard work of all Board members in writing, producing and selling books at conferences, which was a significant an unexpected boost to our income. Our ethical investment strategy has been in place for nearly three years, and has proven both economically viable and a model for other social work associations around the world. Our financial restructure plan has proven extremely complex, but is in process. I wish the Board and the Association my very best in that project.

I will be happy to respond to questions in respect of this report.

Respectfully submitted,



Mark Henrickson

Treasurer

**Attachment 1: Audited Financial Statement for CY2017**

**DRAFT - FOR DISCUSSION PURPOSES ONLY**

**EXHIBIT A**

**INTERNATIONAL ASSOCIATION OF SCHOOLS OF SOCIAL WORK, INC.**

**STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2017**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 58,262
Investments	283,641
Accounts receivable	<u>13,620</u>
Total current assets	<u>355,523</u>

**FIXED ASSETS**

Website	3,442
Less: Accumulated amortization	<u>(2,244)</u>
Net fixed assets	<u>1,198</u>

**TOTAL ASSETS** \$ 356,721

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Deferred revenue	\$ <u>32,463</u>
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**NET ASSETS**

Unrestricted	<u>324,258</u>
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**TOTAL LIABILITIES AND NET ASSETS** \$ 356,721

## INTERNATIONAL ASSOCIATION OF SCHOOLS OF SOCIAL WORK, INC.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Unrestricted</u>
<b>REVENUE AND SUPPORT</b>	
Membership	\$ 107,115
Investment income	31,939
Publication	20,446
Royalty income	19,622
Contributions and grants	18,000
Other revenue	<u>4,000</u>
Total revenue and support	<u>201,122</u>
<b>EXPENSES</b>	
Program Services	113,033
Supporting Services: Management and General	<u>38,195</u>
Total expenses	<u>151,228</u>
Change in net assets	49,894
Net assets at beginning of year	<u>274,364</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 324,258</u></b>

## INTERNATIONAL ASSOCIATION OF SCHOOLS OF SOCIAL WORK, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total Expenses</u>
Committee expenses	\$ 53,765	\$ -	\$ 53,765
Office costs	42,212	-	42,212
Accounting fees	-	29,400	29,400
Projects	11,550	-	11,550
Bank fees	-	7,675	7,675
Solidarity funds	5,506	-	5,506
Amortization	-	1,120	1,120
<b>TOTAL</b>	<b><u>\$ 113,033</u></b>	<b><u>\$ 38,195</u></b>	<b><u>\$ 151,228</u></b>

## Attachment 2: 2018 Operating Budget

27/01/2018

IASSW Budget 2018	2018 Approved	2017 Approved
<b>Income</b>		
Memberships		
Institution	\$ 56,000.00	\$ 55,000.00
Individual	\$ 7,400.00	\$ 7,500.00
Bulk	\$ 53,000.00	\$ 40,000.00
Life	\$ 500.00	\$ 500.00
Affiliate	\$ 1,500.00	\$ 1,500.00
Total Membership	\$ 118,400.00	\$ 104,500.00
ISW Royalty	\$ 10,000.00	\$ 6,000.00
Publications (Sales, Advertising and 2017 UNAIDS Pass-through [\$21000])	\$ 1,000.00	\$ 22,593.00
Donations	\$ 4,500.00	\$ 400.00
Eileen Younghusband Fund (for lecture expenses)	\$ 2,500.00	\$ -
Interest income	\$ 1,000.00	\$ 4,000.00
Website income (Adverts &c)	\$ 6,000.00	\$ 4,000.00
Transfer from Investments	\$ 125,000.00	\$ 30,204.00
Joint Meeting (Dublin)- est.	\$ 20,000.00	\$ -
<b>Total Income</b>	<b>\$ 288,400.00</b>	<b>\$ 171,697.00</b>
<b>Expenses</b>		
Financial Mgmt (T&T)	\$ 34,300.00	\$ 29,400.00
Audit & Tax	\$ 12,000.00	\$ -
Bank fees & general	\$ 6,000.00	\$ 7,700.00
Website Depreciation	\$ 1,000.00	\$ 1,000.00
Eileen Younghusband Fund	\$ 2,500.00	\$ 20,742.00
Miscellaneous office	\$ 100.00	\$ 200.00
<b>General/Admin Expenses</b>	<b>\$ 55,900.00</b>	<b>\$ 59,042.00</b>
<u>Board Programme expenses</u>		
IA President's Office (includes EO)	\$ 24,830.00	\$ 21,900.00
Strategic planning (investment)	\$ 125,000.00	
Preparation for Dublin	\$ 2,500.00	\$ -
Officer Expenses	\$ 8,500.00	\$ 6,500.00
Joint Committees		
Global Agenda Ctte	\$ 1,200.00	\$ 1,427.00
Tripartite Ctte	\$ 750.00	\$ 1,500.00
Intl Organizations & WSWD	\$ 2,500.00	\$ 3,500.00
Board meeting costs	\$ 3,675.00	\$ 1,500.00
Archives	\$ 250.00	\$ 600.00
Capacity Building Ctte	\$ 7,000.00	\$ 5,500.00
Awards & Honours (NEW in 2018)	\$ 3,700.00	
Human Rights Ctte	\$ -	\$ 1,200.00
International Projects Ctte	\$ 14,000.00	\$ 15,500.00
Language Ctte	\$ 3,750.00	\$ 3,601.00
Publications Ctte (incl. 2017 UNAIDS pass-through [\$21000])	\$ 8,000.00	\$ 31,962.00
Research Ctte & Census	\$ 2,775.00	\$ 320.00
Solidarity Fund	\$ 15,000.00	\$ 6,300.00
UN (NYC) Ctte	\$ 5,550.00	\$ 5,570.00
Website costs	\$ 1,000.00	\$ 3,375.00
Webmistress	\$ 2,520.00	\$ 2,400.00
<b>Board Programme expenses</b>	<b>\$ 232,500.00</b>	<b>\$ 112,655.00</b>
<b>Total Expenses</b>	<b>\$ 288,400.00</b>	<b>\$ 171,697.00</b>
Unrealised gains/losses	\$ -	\$ -
<b>Net</b>	<b>\$0.00</b>	<b>\$0.00</b>

## Attachment 3: Auditor's letter

To the Board of Directors  
International Association of Schools of Social Work, Inc.  
Alexandria, Virginia

In planning and performing our audit of the financial statements of the International Association of Schools of Social Work, Inc. (IASSW) as of and for the year ended December 31, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered IASSW's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of IASSW's internal control. Accordingly, we do not express an opinion on the effectiveness of IASSW's internal control.

Our consideration of IASSW's internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in IASSW's internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated DATE on the financial statements of IASSW. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations. Our comments are summarized as follows:

### Disbursements

A certain disbursement was recorded as expense in the period paid instead of the period in which it was incurred. At year-end, IASSW should consider holding the accounting records open for a period sufficient to capture any unrecorded liabilities and expenses. This will enable IASSW to record expenses in the appropriate accounting period and to obtain a more accurate record of total expenses incurred for the year.

**Management's Response:** Management will hold open the accounting records for a period of two months to capture and record all expenses in the appropriate year.

### DRAFT – FOR DISCUSSION PURPOSES ONLY

International Association of Schools of Social Work, Inc.  
DATE

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### Capitalization Policy

During the year, expenses amounting to approximately \$300 were capitalized. We further noted the accounting manual does not contain a capitalization policy that specifies a set dollar limit on fixed asset additions to be capitalized. Accordingly, we recommend IASSW establish a formally written policy whereby only purchases with a cost basis over a dollar threshold (i.e., \$500 or \$1,000) and having a useful life of one-year or more be capitalized. Purchases costing less than the established threshold or having a useful life of less than one-year should be expensed, in order to cut down time spent accounting for and tracking small fixed asset purchases.

**Management Response:** A draft capitalization policy has been prepared and submitted to the Board for approval at its next meeting. The policy supports the practice of capitalizing assets with a useful life of more than one year and costing more than \$1,000. The \$300 expenditure in 2017 was deemed to extend the useful life of the website asset.

### Document Retention and Destruction Policy

We noted that IASSW does not have a formally written document retention and destruction policy. We recommend IASSW establish record retention requirements that provides for a specified time period of retention for documents and provides for their destruction after a certain period. The retention dates should be appropriate for the various types of records. For instance, some records should be retained permanently while others should be held for shorter periods of time.

**Management Response:** The recommendation regarding a Document Retention and Destruction Policy has been referred to the Secretary and the chair of the Archives Committee for action.

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IASSW's written responses to the matters identified in our audit have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

This communication is intended solely for the information and use of the Audit Committee, Board of Directors, management and others within the International Associations of Schools of Social Work, Inc., and is not intended to be, and should not be, used by anyone other than these specified parties.

DATE

Attachment 4: Letter from Companies Registry, Hong Kong SAR



公 司 註 冊 處  
COMPANIES REGISTRY

香港金鐘道六十六號  
金鐘道政府合署十四樓

QUEENSWAY GOVERNMENT OFFICES  
14TH FLOOR, 66 QUEENSWAY  
HONG KONG  
www.cr.gov.hk

覆函請註明本處檔號：  
In reply please quote this Ref.: CR/DR/129743578

來函檔號 YOUR REF.: 682/4504-001

電話 TEL.: 28674829

圖文傳真 FAX: 31101940

電郵 E-MAIL: winniewong@cr.gov.hk

04/05/2018

YUEN TSANG WOON KI ANGELINA  
SUITE A1, 9/F., ONE CAPITAL PLACE,  
18 LUARD ROAD, WANCAHI,  
HONG KONG

Dear Sir,

INTERNATIONAL ASSOCIATION OF SCHOOLS OF SOCIAL WORK FOUNDATION LIMITED  
國際社會工作學院聯會基金會有限公司 (the Company)

Please be informed that pursuant to section 751 of the Companies Ordinance, by notice published on 04/05/2018 under Gazette Notice No.3043, the Company has been deregistered. This Company is accordingly dissolved as from the date of publication of the said Gazette Notice.

Yours faithfully,

(Ms Winnie K. W. WONG)  
for Registrar of Companies

執事先生:

INTERNATIONAL ASSOCIATION OF SCHOOLS OF SOCIAL WORK FOUNDATION LIMITED  
國際社會工作學院聯會基金會有限公司 (以下簡稱“該公司”)

現特告知，該公司的註冊已根據《公司條例》第 751 條經 2018 年 05 月 04 日刊登的第 3043 號憲報公告宣布撤銷，而該公司亦由上述憲報公告刊登當日予以解散。

公司註冊處處長  
(黃家穎代行)

2018 年 05 月 04 日

LTDREDIS



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