



COUNCIL ON SOCIAL WORK EDUCATION

**AUDIT REPORT**

**FINANCIAL AND FEDERAL AWARD  
COMPLIANCE EXAMINATION**

**FOR THE YEAR ENDED JUNE 30, 2023**

# COUNCIL ON SOCIAL WORK EDUCATION, INC.

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## **FINANCIAL STATEMENTS**



COUNCIL ON SOCIAL WORK EDUCATION

**FOR THE YEAR ENDED JUNE 30, 2023  
WITH SUMMARIZED FINANCIAL  
INFORMATION FOR 2022**

**COUNCIL ON SOCIAL WORK EDUCATION, INC.**

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## CPAs & ADVISORS

### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Council on Social Work Education, Inc.  
Alexandria, Virginia

#### Opinion

We have audited the accompanying financial statements of Council on Social Work Education, Inc. (the Council), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Council as of June 30, 2023, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Council and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **Report on Summarized Comparative Information**

We have previously audited the Council's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 28, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards on page I-22, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2023, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Freedman".

October 17, 2023

## COUNCIL ON SOCIAL WORK EDUCATION, INC.

**STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2023**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

**ASSETS**

	<u>2023</u>	<u>2022</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,428,885	\$ 1,892,051
Investments	4,446,709	4,184,653
Accounts receivable	446,004	630,210
Grants receivable	81,915	27,971
Inventory	36,586	37,393
Prepaid expenses	<u>173,870</u>	<u>322,889</u>
Total current assets	<u>6,613,969</u>	<u>7,095,167</u>
<b>FIXED ASSETS</b>		
Database	1,754,313	1,743,452
Furniture and equipment	<u>707,495</u>	<u>677,081</u>
	2,461,808	2,420,533
Less: Accumulated depreciation and amortization	<u>(1,894,085)</u>	<u>(1,710,653)</u>
Net fixed assets	<u>567,723</u>	<u>709,880</u>
<b>OTHER ASSETS</b>		
Deposits	127,765	173,747
Right-of-use asset, net	2,644,166	2,960,742
Trademark	<u>279,083</u>	<u>279,083</u>
Total other assets	<u>3,051,014</u>	<u>3,413,572</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 10,232,706</u></b>	<b><u>\$ 11,218,619</u></b>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 613,695	\$ 391,089
Deferred revenue:		
Membership	2,058,313	2,275,053
Conference	452,330	202,550
Technology fee	99,000	113,800
Research and other	93,915	37,545
Accreditation fees	-	168,000
Lease liability	<u>420,360</u>	<u>385,625</u>
Total current liabilities	3,737,613	3,573,662
<b>LONG-TERM LIABILITIES</b>		
Lease liability, net of current portion	<u>3,035,620</u>	<u>3,455,979</u>
Total liabilities	<u>6,773,233</u>	<u>7,029,641</u>
<b>NET ASSETS</b>		
Without donor restrictions	2,555,035	3,296,178
With donor restrictions	<u>904,438</u>	<u>892,800</u>
Total net assets	<u>3,459,473</u>	<u>4,188,978</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 10,232,706</u></b>	<b><u>\$ 11,218,619</u></b>

See accompanying notes to financial statements.



## COUNCIL ON SOCIAL WORK EDUCATION, INC.

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2023  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

	<b>2023</b>			<b>2022</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Total</b>
<b>REVENUE AND SUPPORT</b>				
Membership	\$ 3,513,688	\$ -	\$ 3,513,688	\$ 3,544,967
Grants and contributions	1,750,465	601	1,751,066	1,662,438
Accreditation fees and related revenue	1,220,500	-	1,220,500	883,222
Conference	984,656	-	984,656	591,258
Net investment return	245,058	70,938	315,996	(623,962)
Publications	272,316	-	272,316	347,255
Education and other revenue	258,629	-	258,629	74,590
Contributed non-financial assets	248,600	-	248,600	213,800
Sponsorship	181,750	-	181,750	170,600
Technology fee	181,600	-	181,600	178,400
Educational revenue	135,493	-	135,493	102,487
Advertising	54,855	-	54,855	49,640
Research	21,000	-	21,000	29,600
Net assets released from donor restrictions	<u>59,901</u>	<u>(59,901)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>9,128,511</u>	<u>11,638</u>	<u>9,140,149</u>	<u>7,224,295</u>
<b>EXPENSES</b>				
Program Services:				
Accreditation	1,979,998	-	1,979,998	1,752,888
Minority Fellowship Program Clinical	1,643,103	-	1,643,103	1,505,929
Other Programs	1,608,783	-	1,608,783	1,283,873
Conference Faculty Development	1,111,315	-	1,111,315	1,113,350
Social Work Education Research	691,014	-	691,014	644,072
Communications and Marketing	430,125	-	430,125	467,901
Publications	<u>283,060</u>	<u>-</u>	<u>283,060</u>	<u>265,363</u>
Total program services	<u>7,747,398</u>	<u>-</u>	<u>7,747,398</u>	<u>7,033,376</u>
Supporting Services:				
Management and General	2,011,654	-	2,011,654	1,611,392
Membership Services	<u>110,602</u>	<u>-</u>	<u>110,602</u>	<u>113,151</u>
Total supporting services	<u>2,122,256</u>	<u>-</u>	<u>2,122,256</u>	<u>1,724,543</u>
Total expenses	<u>9,869,654</u>	<u>-</u>	<u>9,869,654</u>	<u>8,757,919</u>
Changes in net assets	(741,143)	11,638	(729,505)	(1,533,624)
Net assets at beginning of year	<u>3,296,178</u>	<u>892,800</u>	<u>4,188,978</u>	<u>5,722,602</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 2,555,035</u></b>	<b><u>\$ 904,438</u></b>	<b><u>\$ 3,459,473</u></b>	<b><u>\$ 4,188,978</u></b>

## COUNCIL ON SOCIAL WORK EDUCATION, INC.

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2023  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

	2023					
	Program Services					
	Accreditation	Minority Fellowship Program Clinical	Other Programs	Conference Faculty Development	Social Work Education Research	Communications and Marketing
Salaries	\$ 858,928	\$ 225,686	\$ 558,115	\$ 177,849	\$ 406,539	\$ 206,619
Meetings and conventions	323,492	10,023	126,271	613,171	49,059	-
Stipends/tuition	-	1,033,053	-	-	-	-
Benefits and payroll taxes	212,304	44,578	179,245	58,339	87,850	41,379
Professional services	315	10,057	196,301	65,755	9,089	16,074
Occupancy	149,677	-	94,795	29,935	54,882	54,882
Travel	27,862	116,924	62,258	44,069	45,609	330
Donated services	248,600	-	-	-	-	-
Facilities and equipment	-	-	181,493	-	-	-
Commission expenses	57,636	-	-	13,916	-	-
Depreciation and amortization	55,030	-	34,851	11,006	20,178	20,178
Grant administration	-	122,648	-	-	-	-
Training and development	7,385	79,765	1,338	3,521	9,425	4,285
Bank fees	3,691	-	5,171	46,970	-	-
Licenses, fees and dues	-	-	29,709	18,692	-	75,491
Grants	-	-	58,000	-	-	-
Supplies	1,592	-	2,413	400	1,772	450
Insurance	12,416	-	7,861	10,913	4,553	4,553
Telephone	1,219	-	19,937	945	707	1,236
Office expense	-	-	-	-	-	-
Honorariums and scholarships	-	-	28,403	-	-	-
Subscriptions and publications	18,936	-	-	-	713	493
Telephone	-	-	17,430	-	403	-
Postage and delivery	915	369	656	8,062	235	58
Advertising and promotion	-	-	4,536	4,966	-	4,097
Printing and production	-	-	-	2,806	-	-
<b>TOTAL</b>	<b>\$ 1,979,998</b>	<b>\$ 1,643,103</b>	<b>\$ 1,608,783</b>	<b>\$ 1,111,315</b>	<b>\$ 691,014</b>	<b>\$ 430,125</b>

See accompanying notes to financial statements.

COUNCIL ON SOCIAL WORK EDUCATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2023  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022

	2023 (Continued)					2022	
	Program Services (Continued)		Supporting Services			Total Expenses	Total Expenses
	Publications	Total Program Services	Management and General	Membership Services	Total Supporting Services		
Salaries	\$ 186,996	\$ 2,620,732	\$ 833,260	\$ 62,027	\$ 895,287	\$ 3,516,019	\$ 3,107,419
Meetings and conventions	-	1,122,016	73,768	-	73,768	1,195,784	1,174,420
Stipends/tuition	-	1,033,053	-	-	-	1,033,053	1,110,833
Benefits and payroll taxes	40,493	664,188	212,539	24,678	237,217	901,405	810,157
Professional services	17,851	315,442	397,137	-	397,137	712,579	778,288
Occupancy	14,968	399,139	84,817	14,968	99,785	498,924	508,475
Travel	-	297,052	18,239	-	18,239	315,291	57,966
In-kind services	-	248,600	-	-	-	248,600	213,800
Facilities and equipment	-	181,493	34,443	-	34,443	215,936	188,600
Commission expenses	-	71,552	137,332	-	137,332	208,884	31,100
Depreciation and amortization	5,503	146,746	31,183	5,503	36,686	183,432	134,686
Grant administration	-	122,648	-	-	-	122,648	129,201
Training and development	-	105,719	9,643	-	9,643	115,362	91,331
Bank fees	804	56,636	9,945	2,184	12,129	68,765	77,734
Licenses, fees and dues	-	123,892	64,566	-	64,566	188,458	129,518
Grants	-	58,000	-	-	-	58,000	-
Supplies	111	6,738	50,969	-	50,969	57,707	13,075
Insurance	1,242	41,538	7,036	1,242	8,278	49,816	42,396
Telephone	-	24,044	9,403	-	9,403	33,447	14,948
Office expense	-	-	32,861	-	32,861	32,861	45,049
Honorariums and scholarships	450	28,853	-	-	-	28,853	5,450
Subscriptions and publications	6,300	26,442	-	-	-	26,442	34,420
Telephone	-	17,833	1,250	-	1,250	19,083	7,539
Postage and delivery	64	10,359	3,263	-	3,263	13,622	8,147
Advertising and promotion	-	13,599	-	-	-	13,599	22,844
Printing and production	8,278	11,084	-	-	-	11,084	20,523
<b>TOTAL</b>	<b>\$ 283,060</b>	<b>\$ 7,747,398</b>	<b>\$ 2,011,654</b>	<b>\$ 110,602</b>	<b>\$ 2,122,256</b>	<b>\$ 9,869,654</b>	<b>\$ 8,757,919</b>

See accompanying notes to financial statements.

## COUNCIL ON SOCIAL WORK EDUCATION, INC.

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u><b>2023</b></u>	<u><b>2022</b></u>
Change in net assets	\$ (729,505)	\$ (1,533,624)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization	183,432	134,686
Realized and unrealized (gain) loss on investments	(241,450)	670,975
Amortization of right-of-use asset	316,576	308,551
Decrease (increase) in:		
Accounts receivable	184,206	25,730
Grants receivable	(53,944)	25,637
Inventory	807	(1,968)
Prepaid expenses	149,019	29,949
Deposits	45,982	91,963
Increase (decrease) in:		
Accounts payable and accrued expenses	222,605	76,815
Deferred revenue	(93,390)	(206,840)
Operating lease liability	<u>(385,624)</u>	<u>100,828</u>
Net cash used by operating activities	<u>(401,286)</u>	<u>(277,298)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales and maturities of investments	802,007	408,299
Purchases of investments	(822,612)	(332,325)
Purchases of fixed assets	<u>(41,275)</u>	<u>(251,518)</u>
Net cash used by investing activities	<u>(61,880)</u>	<u>(175,544)</u>
Net decrease in cash and cash equivalents	(463,166)	(452,842)
Cash and cash equivalents at beginning of year	<u>1,892,051</u>	<u>2,344,893</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 1,428,885</u></b>	<b><u>\$ 1,892,051</u></b>

# COUNCIL ON SOCIAL WORK EDUCATION, INC.

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

#### Organization -

Council on Social Work Education, Inc. (the Council) is a non-profit organization, incorporated in the Commonwealth of Virginia in 1952 with an office located in Alexandria, Virginia. The Council is the national association representing social work education in the United States. The Council's members include more than 800 accredited baccalaureate and master's degree social work programs and their affiliated social work educators, students, and staff, as well as practitioners and agencies dedicated to advancing quality social work education.

Through its many initiatives, activities, and centers, the Council supports quality social work education and provides opportunities for leadership and professional development so that social workers are empowered to play a central role in achieving the profession's goals of social and economic justice. The Council's commission on accreditation is recognized by Council for Higher Education Accreditation as the sole accrediting agency for social work education in the United States and its territories.

#### Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities and Changes in Net Assets as net assets released from donor restrictions. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

The financial statements include certain prior year summarized comparative information in total but not by net asset class; such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Council's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

#### Cash and cash equivalents -

The Council considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents, excluding money market funds held by investment managers in the amount totaling \$108,559 at June 30, 2023.

**COUNCIL ON SOCIAL WORK EDUCATION, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

**Cash and cash equivalents (continued) -**

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, the Council maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

**Investments -**

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in net investment return, which is presented net of investment expenses paid to external investment advisors, in the accompanying Statements of Activities and Changes in Net Assets.

**Receivables -**

Receivables are presented at the gross or face amount due to the Council. Receivables include both exchange transaction revenue streams and support from grants and contributions. Accounts receivable primarily related to accreditation fees and are due within one year. Grants receivable entirely related to the federal awards and are due within one year. Management periodically reviews the status of all receivables for collectability. Each receivable balance is assessed based on management's knowledge of and relationship with the customer or donor and the age of the receivable balance. As a result of these reviews, receivable balances for which collection is deemed doubtful are charged directly to bad debt expense. Management believes that the use of the direct write-off method approximates the results that would have been presented if an allowance for doubtful accounts had been recorded. However, there were no write-offs to bad debt expense during the year ended June 30, 2023.

**Inventory -**

Inventory consists of publications and is measured at the lower of cost and net realizable value using the first-in, first-out method of inventory under FASB ASU 2015-11 *Simplifying the Measurement of Inventory*.

**Fixed assets -**

Fixed assets in excess of \$1,000 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense for the year ended June 30, 2023 was \$183,432.

**Trademark -**

In accordance with FASB ASC 350, *Goodwill and Other Intangible Assets*, the Council's trademark asset consists of legal fees related to trademarking its branding collateral. The trademark asset is treated as an intangible asset with an indefinite useful life. Therefore, the trademark asset is subject to an annual assessment for impairment. As a result of the annual assessment, management determined that no asset impairment was necessary for the year ended June 30, 2023.

**COUNCIL ON SOCIAL WORK EDUCATION, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

**Income taxes -**

The Council is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is only subject to tax on unrelated business income. The Council is not a private foundation.

**Uncertain tax positions -**

For the year ended June 30, 2023, the Council has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

**Revenue from contracts with customers -**

The Council has several revenue streams that are treated as exchange transactions following ASC Topic 606. Revenue from contracts with customers is recorded when the performance obligations are met. The Council has elected to opt out of all (or certain) disclosures not required for nonpublic entities. Transaction price is based on cost or sales price. Amounts received in advance of satisfying performance obligations are recorded as deferred revenue. Most of the Council's contracts with customers have initial terms of one year or less. The most significant revenue streams are described below.

*Membership:* Membership dues includes general member benefits that are a series of distinct obligations. The revenue is recognized ratably over the membership period. There are several benefits received that are individual distinct obligations; however, they are immaterial in nature to the contract and thus are included with the general member benefits. Transaction price is determined based on cost and/or sales price. Any amounts received in advance are recognized as deferred revenue within the Statement of Financial Position.

*Accreditation fees and related revenue:* The Council has accreditation agreements with customers related to their pursuit of accreditation or reaccreditation. Within the contracts, the Council has identified specific performance obligations. Each performance obligation has a projected / estimated transfer timeline based on the Council's accreditation and reaccreditation process. Additionally, these performance obligations are distinct and separately identifiable and are beneficial to the customer. The accreditation fees are calculated using a methodology employing a fee schedule and the fees are fixed. All performance obligations that are contained within the contract have been allocated based on a transaction price. The allocations were identified based on the estimated stand-alone selling price of the services. Any amounts received in advance are recorded as deferred revenue within the Statement of Financial Position.

*Conference:* Registration fees received for the annual program meeting are recorded as revenue when the related event has occurred. Transaction price is determined based on cost and/or sales price. Revenue received in advance of the date of the event is recorded as deferred revenue within the Statement of Financial Position.

*Publications:* Publication revenue is recognized when the publication has been delivered to customers. Transaction price is determined based on cost and/or sales price.

**COUNCIL ON SOCIAL WORK EDUCATION, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

Support from grants and contributions, including federal awards -

The Council receives contributions and grants, including federal awards from the U.S. Government. Contributions are recognized in the appropriate category of net assets in the period received. The Council performs an analysis of the individual contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

For grants qualifying under the contribution rules, support is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements. Contributions that are both received and released from restrictions in the same year are classified as without donor restrictions.

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Most federal grants are for direct and indirect program costs and are considered to be conditional contributions which are recognized as contributions when the amounts become unconditional. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. However, the Council had no refundable advances as of June 30, 2023.

In addition, the Council has obtained funding source agreements related to conditional contributions, such as federal awards from the U.S. Government, which will be received in future years. The Council's unrecognized conditional contributions to be received in future years totaled \$315,000 as of June 30, 2023.

Contributed nonfinancial assets -

Contributed nonfinancial assets are recorded at their fair value as of the date of the gift and consisted entirely of donated time from accreditation visitors and commissioners who are senior staff members of accredited agencies. Donated services are valued using the approximate daily fair market value of the salary that would be paid to independent contractors to perform this work and would otherwise have to be purchased if not donated. None of the contributed services were restricted by donors.

Use of estimates -

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.



**COUNCIL ON SOCIAL WORK EDUCATION, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of the Council are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated based on actual time spent on each program.

Investment risks and uncertainties -

The Council invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Fair value measurement -

The Council adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. The Council accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement

Reclassifications -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation. The reclassifications had no effect on the previously reported changes in net assets and were only included in the Statement of Cash Flows.

New accounting pronouncement not yet adopted -

Accounting Standard Update (ASU) 2016-13, *Financial Instruments – Credit Losses* (Topic 326), replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The ASU is effective for the year ending June 30, 2024. The ASU can be applied at the beginning of the period of adoption using a modified retrospective approach.

The Council plans to adopt the new ASU at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying financial statements.

**2. INVESTMENTS**

In accordance with FASB ASC 820, *Fair Value Measurement*, the Council has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy.

# COUNCIL ON SOCIAL WORK EDUCATION, INC.

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

### 2. INVESTMENTS (Continued)

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

**Level 1.** These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Council has the ability to access.

**Level 2.** These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

**Level 3.** These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2023.

There were no transfers between levels in the fair value hierarchy during the year ended June 30, 2023. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money Market Funds* - Valued at the daily closing price as reported by the fund. The money market fund is an open-end fund that is registered with the Securities and Exchange Commission (SEC). The fund is required to publish its daily net asset value (NAV) and to transact at that price. The money market fund is deemed to be actively traded.
- *Mutual Funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by the Council are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds held by the Council are deemed to be actively traded.

The table below summarizes, the investments measured at fair value on a recurring basis, by level within the fair value hierarchy as of June 30, 2023.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Asset Class:</b>				
Money Market Funds	\$ 108,559	\$ -	\$ -	\$ 108,559
Mutual Funds:				
U.S. equity funds	1,832,857	-	-	1,832,857
International equity funds	551,282	-	-	551,282
Bond funds	<u>1,954,011</u>	<u>-</u>	<u>-</u>	<u>1,954,011</u>
<b>TOTAL INVESTMENTS</b>	<b>\$ <u>4,446,709</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>4,446,709</u></b>

Included in the investments balance are the endowment funds, and their respective accumulated investment earnings not yet authorized for spending, for the Katherine Kendall Fund and the Hokenstad Endowment Fund in the amounts of \$732,803 and \$107,503, respectively.

**COUNCIL ON SOCIAL WORK EDUCATION, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**2. INVESTMENTS (Continued)**

Net investment return consisted of the following for the year ended June 30, 2023:

Interest and dividends	\$ 104,694
Realized and unrealized gain on investments	241,450
Investment management fees	<u>(30,148)</u>
<b>NET INVESTMENT RETURN</b>	<b><u>\$ 315,996</u></b>

**3. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following purpose restricted funds as of June 30, 2023:

Carl Scott Memorial	\$ 34,670
Social Work Tribute Fund	18,462
Director's Discretionary Fund	11,000
Endowment funds (see Note 5)	<u>840,306</u>
<b>TOTAL NET ASSETS WITH DONOR RESTRICTIONS</b>	<b><u>\$ 904,438</u></b>

Net assets released from donor restrictions consisted of the following for the year ended June 30, 2023:

<b>Appropriations from Endowment Funds</b>	<b><u>\$ 59,901</u></b>
--	-------------------------

**4. LIQUIDITY AND AVAILABILITY**

Financial assets available for use within one year of the Statement of Financial Position were comprised of the following at June 30, 2023:

Cash and cash equivalents	\$ 1,428,885
Investments	4,446,709
Accounts receivable	446,004
Grants receivable	<u>81,915</u>
Total financial assets	6,403,513
Less: Financial assets unavailable for expenditure within one year due to:	
Net assets with donor restrictions	<u>(904,438)</u>
<b>FINANCIAL ASSETS AVAILABLE FOR EXPENDITURE WITHIN ONE YEAR</b>	<b><u>\$ 5,499,075</u></b>

The Council has a policy to structure its financial assets to be available and liquid as obligations become due. The Council has a significant donor restricted net asset balance to fund programmatic activities in future periods.

**COUNCIL ON SOCIAL WORK EDUCATION, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**5. ENDOWMENT**

The Council's endowment funds consist entirely of donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Directors is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those assets are time restricted until the governing Board appropriates such amounts for expenditures. Most of those net asset also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions.

The Council's Board of Directors has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Council considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Council has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

Additionally, in accordance with UPMIFA, the Council considers the following factors in making a determination to appropriated or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the Council and the donor-restricted endowment fund;
- General economic conditions and the possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments; and
- Investment policies of the Council.

The Council's endowment funds consisted entirely of donor-restricted gifts. The balances of the individual endowment funds consisted of the following as of June 30, 2023:

	<u>Held for Use</u>	<u>Held in Perpetuity</u>	<u>Total</u>
Katherine Kendall Fund	\$ 330,806	\$ 401,997	\$ 732,803
Hokenstad Fund	<u>7,503</u>	<u>100,000</u>	<u>107,503</u>
<b>TOTAL ENDOWMENT FUNDS</b>	<b><u>\$ 338,309</u></b>	<b><u>\$ 501,997</u></b>	<b><u>\$ 840,306</u></b>

Changes in endowment net assets for the year ended June 30, 2023:

	<u>Held for Use</u>	<u>Held in Perpetuity</u>	<u>Total</u>
Endowment funds, beginning of year	\$ 327,272	\$ 501,997	\$ 829,269
Net investment return	70,938	-	70,938
Appropriations for expenditure	<u>(59,901)</u>	<u>-</u>	<u>(59,901)</u>
<b>ENDOWMENT FUNDS, END OF YEAR</b>	<b><u>\$ 338,309</u></b>	<b><u>\$ 501,997</u></b>	<b><u>\$ 840,306</u></b>

**COUNCIL ON SOCIAL WORK EDUCATION, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**5. ENDOWMENT (Continued)**

Funds with Deficiencies -

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Council to retain as a fund of perpetual duration. However, there were no deficiencies of this nature as of June 30, 2023.

Return Objectives and Risk Parameters -

The Council has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in-perpetuity or for a donor-specified period(s).

Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the Consumer Price Index by 1% annually and/or the account's total return should exceed the increase in the Treasury Bill Index by a minimum of 2% annually. The average annual return objectives is 5.5% as measured over a five year period.

Strategies Employed for Achieving Objectives -

To satisfy its long-term rate-of-return objectives, the Council relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Council targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy -

The Board of Directors authorizes the appropriations of spending during the Board approval of the budget. The Council considers the long-term expected return on its endowment. Accordingly, over the long-term, the Council expects the current spending policy to allow its endowment to grow annually.

**6. LEASE COMMITMENT**

The Council has an operating lease for office space, which expires on December 31, 2029. The office lease includes an escalation of base rentals which is being amortized on a basis to achieve straight-line rent expense over the life of the lease. The liability for deferred rent totaled \$219,652 as of January 1, 2021, the commencement date of the operating lease, which has been presented as a component of the operating lease right-of-use asset.

Effective January 1, 2021, the Council adopted ASU 2019-01, *Leases (Topic 842)*. The Council elected the practical expedient package to not reassess at adoption (i) expired or existing contracts for whether they are or contain a lease, (ii) the lease classification of any existing leases or (iii) initial indirect costs for existing leases. The Council also elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and are applying this expedient to all relevant asset classes.

**COUNCIL ON SOCIAL WORK EDUCATION, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**6. LEASE COMMITMENT (Continued)**

The Council adopted the package of practical expedients to not perform any lease reclassification, did not reevaluate embedded leases and did not reassess initial direct costs. As a result, the Council recorded an operating lease right-of-use asset totaling \$3,442,636 and an operating lease liability totaling \$3,662,288 at January 1, 2021, the commencement date of the operating lease.

These implementation date amounts were determined by calculating the present value of all future rentals using a risk free discount rate of 5.1%. The operating lease right-of-use asset totaled \$2,644,166 as of June 30, 2023, and the operating lease liability totaled \$3,455,980 as of June 30, 2023.

The following is a schedule of the future minimum lease payments due under the operating lease, net of imputed interest, as of June 30, 2023:

**Year Ending June 30,**

2024	\$ 594,171
2025	609,109
2026	624,317
2027	639,928
2028	655,943
Thereafter	<u>672,227</u>
	3,795,695
Less: Imputed interest	<u>(339,715)</u>
	3,455,980
Less: Current portion	<u>(420,360)</u>
<b>LONG-TERM PORTION</b>	<b><u>\$ 3,035,620</u></b>

Lease expense for the year ended June 30, 2023 was \$498,924 and is included in occupancy in the accompanying Statement of Functional Expenses.

**7. RETIREMENT PLAN**

The Council maintains a defined contribution retirement plan covering all eligible employees. The retirement plan is funded through the purchase of individual annuity contracts from the Teachers Insurance and Annuity Association (TIAA). Premiums paid on the annuity contracts have been calculated as 7% of the gross salaries of all eligible employees. The Council's contributions to the plan totaled \$166,538 for the year ended June 30, 2023.

**8. CONTINGENCY**

The Council receives grants from the U.S. Department of Health and Human Services (HHS). Such grants are subject to audit under the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) if amounts expended exceed \$750,000 in a fiscal year. Audits in accordance with the applicable provisions have been completed for all required fiscal years through 2023.

**COUNCIL ON SOCIAL WORK EDUCATION, INC.**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**8. CONTINGENCY (Continued)**

Until such audits have been accepted by the United States Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

**9. COMMITMENTS**

The Council is committed under various agreements for conference space through October 24, 2027. The total commitments under the agreements are not determinable as it depends upon attendance and other unknown factors. There are cancellation penalties that would be due if the agreements were cancelled prior to the event date. The amount of the cancellation penalties increases through the date of the event.

**10. SUBSEQUENT EVENTS**

In preparing these financial statements, the Council has evaluated events and transactions for potential recognition or disclosure through October 17, 2023, the date the financial statements were issued.

## **SUPPLEMENTAL INFORMATION**



## COUNCIL ON SOCIAL WORK EDUCATION, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023

<u>Federal Granting Agency</u>	<u>Assistance Listing Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Pass Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
<b>U. S. Department of Health and Human Services</b>				
Substance Abuse and Mental Health Services Administration				
Substance Abuse and Mental Health Services Projects of Regional and National Significance:				
Minority Fellowship Program (9/30/2021 - 9/29/2022)	93.243	N/A	\$ -	\$ 371,350
Minority Fellowship Program (9/30/2022 - 9/29/2023)	93.243	N/A	-	1,107,260
Practice Ed Program (9/30/2021 - 9/29/2022)	93.243	N/A	-	17,711
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ -</b>	<b>\$ 1,496,321</b>

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the Federal grant activity of the Council under programs of the United States Government for the year ended June 30, 2023. Information on the SEFA is presented in accordance with the requirements in *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The SEFA presents only a selected portion of the operations of the Council; accordingly, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Council.

**Note 2. Summary of Significant Accounting Policies**

Expenditures on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Council has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance. The Council calculates indirect costs in accordance with budgeted amounts included in its grant agreements.

**COUNCIL ON SOCIAL WORK EDUCATION, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**Note 3. Reconciliation between Statement of Activities and SEFA**

The Council's accompanying Statement of Activities reports total support from all grants and contributions, which includes both federal and non-federal amounts. Total support from all grants and contributions less support from non-federal grants and contributions was as follows for the year ended June 30, 2023:

Support from all grants and contributions	\$ 1,751,066
Support from non-federal grants and contributions	<u>(254,745)</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>	<b>\$ <u>1,496,321</u></b>

## COUNCIL ON SOCIAL WORK EDUCATION, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Section I - Summary of Auditor's Results****Financial Statements**

- 1). Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP on the accrual basis of accounting:

**Unmodified**

- 2). Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None Reported

- 3). Noncompliance material to financial statements noted?

☐ Yes ☒ No**Federal Awards**

- 4). Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None Reported

- 5). Type of auditor's report issued on compliance for major programs:

**Unmodified**

- 6). Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☐ Yes ☒ No

- 7). Identification of major federal programs:

<b>Assistance Listing Number</b>	<b>Name of Federal Program or Cluster</b>
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance

- 8). Dollar threshold used to distinguish between Type A and Type B programs:

**\$750,000**

- 9). Auditee qualified as a low-risk auditee?

☒ Yes ☐ No

**COUNCIL ON SOCIAL WORK EDUCATION, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**Section II - Financial Statement Findings**

There were no reportable findings.

**Section III - Federal Award Findings and Questioned Costs (2 CFR 200.516(a))**

There were no reportable findings.

**Section IV - Prior Year Findings with Current Year Status**

There were no reportable findings.



CPAs & ADVISORS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Council on Social Work Education, Inc.  
Alexandria, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Council on Social Work Education, Inc. (the Council) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated October 17, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances, for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Council's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Friedman".

October 17, 2023



## CPAs & ADVISORS

### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors  
Council on Social Work Education, Inc.  
Alexandria, Virginia

#### **Report on Compliance for Each Major Federal Program**

##### ***Opinion on Each Major Federal Program***

We have audited Council on Social Work Education, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement*, that could have a direct and material effect on each of Council on Social Work Education, Inc.'s major federal programs for the year ended June 30, 2023. The Council's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

##### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Council's compliance with the compliance requirements referred to above.

##### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Council's federal programs.

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MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF CROWE GLOBAL  
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Council's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Council's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Council's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Council's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.



Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Friedman".

October 17, 2023