



COUNCIL ON SOCIAL WORK EDUCATION

## **AUDIT REPORT**

### **FINANCIAL AND FEDERAL AWARD COMPLIANCE EXAMINATION**

**FOR THE YEAR ENDED JUNE 30, 2024**

# COUNCIL ON SOCIAL WORK EDUCATION, INC.

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## **FINANCIAL STATEMENTS**



COUNCIL ON SOCIAL WORK EDUCATION

**FOR THE YEAR ENDED JUNE 30, 2024  
WITH SUMMARIZED FINANCIAL  
INFORMATION FOR 2023**

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

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## 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, 2024, and the related statements of activities and changes 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, 2024, and the changes 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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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 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 17, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, 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 November 21, 2024, 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".

November 21, 2024

## COUNCIL ON SOCIAL WORK EDUCATION, INC.

**STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2024**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

**ASSETS**

	<u>2024</u>	<u>2023</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,258,598	\$ 1,428,885
Investments	4,825,670	4,446,709
Accounts receivable, net	376,265	446,004
Grants and contributions receivable	316,468	81,915
Inventory	36,588	36,586
Prepaid expenses	<u>396,658</u>	<u>173,870</u>
Total current assets	<u>7,210,247</u>	<u>6,613,969</u>
<b>FIXED ASSETS</b>		
Database	1,508,267	1,754,313
Furniture and equipment	<u>355,665</u>	<u>707,495</u>
	1,863,932	2,461,808
Less: Accumulated depreciation and amortization	<u>(1,436,756)</u>	<u>(1,894,085)</u>
Net fixed assets	<u>427,176</u>	<u>567,723</u>
<b>OTHER ASSETS</b>		
Deposit	127,765	127,765
Right-of-use asset, net	2,307,121	2,644,166
Trademark	<u>279,083</u>	<u>279,083</u>
Total other assets	<u>2,713,969</u>	<u>3,051,014</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 10,351,392</u></b>	<b><u>\$ 10,232,706</u></b>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 537,736	\$ 613,695
Deferred revenue	3,320,002	2,703,558
Operating lease liability	<u>457,320</u>	<u>420,360</u>
Total current liabilities	4,315,058	3,737,613
<b>LONG-TERM LIABILITIES</b>		
Operating lease liability, net	<u>2,578,300</u>	<u>3,035,620</u>
Total liabilities	<u>6,893,358</u>	<u>6,773,233</u>
<b>NET ASSETS</b>		
Without donor restrictions	2,542,114	2,555,035
With donor restrictions	<u>915,920</u>	<u>904,438</u>
Total net assets	<u>3,458,034</u>	<u>3,459,473</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 10,351,392</u></b>	<b><u>\$ 10,232,706</u></b>



## COUNCIL ON SOCIAL WORK EDUCATION, INC.

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2024  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>REVENUE AND SUPPORT</b>				
Membership	\$ 3,900,798	\$ -	\$ 3,900,798	\$ 3,513,688
Grants and contributions	2,147,644	514	2,148,158	1,751,066
Conference	1,388,979	-	1,388,979	984,656
Accreditation fees and related revenue	947,526	-	947,526	1,220,500
Contributed non-financial assets	530,700	-	530,700	248,600
Net investment return	318,890	91,310	410,200	315,996
Publications	278,962	-	278,962	272,316
Other	265,087	-	265,087	258,629
Sponsorship	206,688	-	206,688	181,750
Technology fee	182,200	-	182,200	181,600
Education	171,677	-	171,677	135,493
Advertising	52,122	-	52,122	54,855
Research	5,000	-	5,000	21,000
Net assets released from donor restrictions	80,342	(80,342)	-	-
Total revenue and support	10,476,615	11,482	10,488,097	9,140,149
<b>EXPENSES</b>				
Program Services:				
Accreditation	1,989,699	-	1,989,699	1,979,998
Minority Fellowship Program Clinical	1,601,794	-	1,601,794	1,643,103
Other Programs	1,577,226	-	1,577,226	1,608,783
Conference Faculty Development	1,239,201	-	1,239,201	1,111,315
Social Work Education Research	864,154	-	864,154	691,014
Communications and Marketing	505,331	-	505,331	430,125
Publications	276,613	-	276,613	283,060
Total program services	8,054,018	-	8,054,018	7,747,398
Supporting Services:				
Management and General	2,207,506	-	2,207,506	2,011,654
Membership Services	105,012	-	105,012	110,602
Total supporting services	2,312,518	-	2,312,518	2,122,256
Total expenses	10,366,536	-	10,366,536	9,869,654
Changes in net assets before other item	110,079	11,482	121,561	(729,505)
<b>OTHER ITEM</b>				
Adoption of new standard	(123,000)	-	(123,000)	-
Changes in net assets	(12,921)	11,482	(1,439)	(729,505)
Net assets at beginning of year	2,555,035	904,438	3,459,473	4,188,978
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 2,542,114</b>	<b>\$ 915,920</b>	<b>\$ 3,458,034</b>	<b>\$ 3,459,473</b>

See accompanying notes to financial statements.

## COUNCIL ON SOCIAL WORK EDUCATION, INC.

**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2024**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

	2024					
	Program Services					
	Accreditation	Minority Fellowship Program Clinical	Other Programs	Conference Faculty Development	Social Work Education Research	Communications and Marketing
Salaries	\$ 891,375	\$ 199,244	\$ 534,373	\$ 227,151	\$ 535,621	\$ 266,878
Stipends and tuition	-	1,010,725	18,625	-	-	-
Benefits and payroll taxes	237,282	30,906	169,925	85,759	114,694	78,079
Meetings and conventions	16,156	39,444	97,834	550,745	47,205	33
Professional services	28,540	3,040	216,253	30,054	6,603	6,402
Donated services	530,700	-	-	-	-	-
Occupancy	18,432	36,863	147,454	73,727	55,295	55,295
Facilities and equipment	-	-	158,314	76,068	-	-
Travel	66,764	88,368	53,582	30,508	11,730	905
Commission expenses	113,252	-	-	-	-	-
Licenses, fees, and dues	13,438	-	32,387	1,931	468	52,343
Depreciation and amortization	59,145	-	-	-	49,287	29,572
Grant administration	-	119,836	19,388	-	-	-
Grants	-	-	102,000	-	-	-
Training and development	-	70,634	1,078	-	-	-
Printing and production	-	-	200	36,230	21,720	14,113
Bank fees	9,294	-	-	34,028	-	-
Advertising and promotion	-	-	-	51,000	765	-
Office expense	1,293	1,813	-	1,218	379	-
Insurance	-	-	-	7,834	-	-
Telephone	586	-	24,311	1,550	1,094	801
Honorariums	-	-	-	27,000	-	-
Supplies	730	883	1,077	158	648	-
Subscriptions and publications	1,200	-	-	50	18,619	159
Postage and delivery	1,512	38	425	2,356	26	751
Temporary help	-	-	-	1,834	-	-
<b>TOTAL</b>	<b>\$ 1,989,699</b>	<b>\$ 1,601,794</b>	<b>\$ 1,577,226</b>	<b>\$ 1,239,201</b>	<b>\$ 864,154</b>	<b>\$ 505,331</b>

See accompanying notes to financial statements.

COUNCIL ON SOCIAL WORK EDUCATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2024  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023

	2024 (Continued)					2023	
	Program Services (Continued)		Supporting Services				
	Publications	Total Program Services	Management and General	Membership Services	Total Supporting Services	Total Expenses	Total Expenses
Salaries	\$ 171,031	\$ 2,825,673	\$ 790,113	\$ 64,028	\$ 854,141	\$ 3,679,814	\$ 3,516,019
Stipends and tuition	-	1,029,350	-	-	-	1,029,350	1,033,053
Benefits and payroll taxes	41,589	758,234	194,980	27,501	222,481	980,715	901,405
Meetings and conventions	-	751,417	129,059	3,023	132,082	883,499	1,195,784
Professional services	11,607	302,499	564,065	-	564,065	866,564	712,579
Donated services	-	530,700	-	-	-	530,700	248,600
Occupancy	18,432	405,498	92,159	-	92,159	497,657	498,924
Facilities and equipment	-	234,382	49,679	-	49,679	284,061	215,936
Travel	3,330	255,187	16,957	905	17,862	273,049	315,291
Commission expenses	-	113,252	85,194	-	85,194	198,446	208,884
Licenses, fees, and dues	12,883	113,450	76,487	-	76,487	189,937	188,458
Depreciation and amortization	-	138,004	34,501	-	34,501	172,505	183,432
Grant administration	-	139,224	-	-	-	139,224	122,648
Grants	-	102,000	-	-	-	102,000	58,000
Training and development	-	71,712	15,501	-	15,501	87,213	115,362
Printing and production	8,084	80,347	-	-	-	80,347	11,084
Bank fees	3,916	47,238	21,281	9,552	30,833	78,071	68,765
Advertising and promotion	-	51,765	11,250	-	11,250	63,015	13,599
Office expense	1,810	6,513	53,215	-	53,215	59,728	32,861
Insurance	-	7,834	32,879	-	32,879	40,713	49,816
Telephone	58	28,400	11,704	-	11,704	40,104	33,447
Honorariums	1,789	28,789	3,000	-	3,000	31,789	28,853
Supplies	-	3,496	20,496	-	20,496	23,992	57,707
Subscriptions and publications	-	20,028	1,572	-	1,572	21,600	26,442
Postage and delivery	2,084	7,192	3,414	3	3,417	10,609	13,622
Temporary help	-	1,834	-	-	-	1,834	19,083
<b>TOTAL</b>	<b>\$ 276,613</b>	<b>\$ 8,054,018</b>	<b>\$ 2,207,506</b>	<b>\$ 105,012</b>	<b>\$ 2,312,518</b>	<b>\$ 10,366,536</b>	<b>\$ 9,869,654</b>

See accompanying notes to financial statements.

## COUNCIL ON SOCIAL WORK EDUCATION, INC.

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2024**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b><u>2024</u></b>	<b><u>2023</u></b>
Changes in net assets	\$ (1,439)	\$ (729,505)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Realized and unrealized gain on investments	(320,422)	(241,450)
Change in allowance for credit loss	123,000	-
Depreciation and amortization	172,506	183,432
Amortization of right-of-use asset	337,045	316,576
(Increase) decrease in:		
Accounts receivable	(53,261)	184,206
Grants and contributions receivable	(234,553)	(53,944)
Inventory	(2)	807
Prepaid expenses	(222,788)	149,019
Deposit	-	45,982
(Decrease) increase in:		
Accounts payable and accrued expenses	(75,958)	222,605
Deferred revenue	616,444	(93,390)
Operating lease liability	<u>(420,360)</u>	<u>(385,624)</u>
Net cash used by operating activities	<u>(79,788)</u>	<u>(401,286)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales and maturities of investments	2,459,512	802,007
Purchases of investments	(2,518,052)	(822,612)
Purchases of fixed assets	<u>(31,959)</u>	<u>(41,275)</u>
Net cash used by investing activities	<u>(90,499)</u>	<u>(61,880)</u>
Net decrease in cash and cash equivalents	(170,287)	(463,166)
Cash and cash equivalents at beginning of year	<u>1,428,885</u>	<u>1,892,051</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 1,258,598</u></b>	<b><u>\$ 1,428,885</u></b>

# COUNCIL ON SOCIAL WORK EDUCATION, INC.

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

### 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 the 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 accounting principles generally accepted in the United States of America (U.S. GAAP) related to nonprofit 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". Net assets set aside 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** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

The financial statements include certain prior year summarized comparative information in total but not by net asset class, which does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, the summarized information should be read in conjunction with the Council's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

#### New accounting pronouncement adopted -

Accounting Standards 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. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses.

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

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

New accounting pronouncement adopted (continued) -

Financial assets held by the Council that are subject to the guidance in FASB ASC 326 are accounts receivable. The Council implemented the ASU on July 1, 2023, using a modified retrospective approach (see Note 3). As a result of the adoption on July 1, 2023, the Council recorded a transition adjustment, which included an increase of \$123,000 in the allowance for credit losses. The allowance for credit losses is presented on the accompanying Statement of Financial Position as a reduction to the gross amount of accounts receivable. In addition, the transition adjustment resulted in a decrease of \$123,000 to beginning net assets as of July 1, 2023, which represents the cumulative effect of adopting FASB ASC 326. Using a modified retrospective approach, the transition adjustment has been presented as an Other Item in the Statement of Activities and Change in Net Assets.

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. 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 investment return, which is presented net of investment expenses paid to external investment advisors, in the accompanying Statement of Activities and Changes in Net Assets.

Accounts receivable -

Accounts receivable are recorded at their net realizable value which approximates fair value. Accounts receivable are presented net of an allowance for credit losses resulting from the inability of customers to make required payments. The allowance for credit losses is based upon historical loss experience in combination with current economic conditions and a forecast of future economic conditions. Any change in the assumptions used in analyzing a specific account receivable might result in an additional allowance for credit losses being recognized in the period in which the change occurs.

Grants and contributions receivable -

Grants and contributions receivable include unconditional promises to give from donors, including the federal government, that are expected to be collected within one year. Grants and contributions receivable are recorded at their net realizable value which approximates fair value. Management periodically reviews the collectability of grants and contributions receivable and, based on historical collections experience with the federal government, management has not established allowance for doubtful accounts and there have been no direct write-offs during the year ended June 30, 2024.

COUNCIL ON SOCIAL WORK EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

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

Inventory -

Inventory consists of publications and is measured at the lower of cost and net realizable value using the first-in, first-out method. Management performs an annual review of all publications for obsolete and slow moving items. However, management has not established an allowance for obsolete inventory and there have not been any write-offs of inventory during the year ended June 30, 2024.

Fixed assets -

Fixed assets in excess of \$1,000 are capitalized and stated at cost. Fixed assets are depreciated or amortized on a straight-line basis over the estimated useful lives of the related assets, which are generally three to five years. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense totaled \$172,506 for the year ended June 30, 2024.

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, 2024.

Income taxes -

The Council is exempt from Federal income taxes under Section 501(a) of the Internal Revenue Code ("IRC"), as an organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Council is not a private foundation.

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 sales price. Amounts received in advance of satisfying performance obligations are recorded as deferred revenue. The Council's contracts with customers generally 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.

*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. All performance obligations that are contained within the contracts have been allocated based on the estimated stand-alone selling price of the services.

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

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

Revenue from contracts with customers (continued) -

*Conference:* Registration fees received for the annual program meeting are recorded as revenue when the related event has occurred.

*Publications:* Publication revenue is recognized when the publication has been delivered to customers.

*Education:* Registration fees received for education programs are recorded as revenue when the related event has occurred.

Support from grants and contributions, including Federal awards -

The Council receives grants and contributions, including Federal awards from the U.S. Government. Grants and contributions are recognized in the appropriate category of net assets in the period received. The Council performs an analysis of the individual 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.

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, i.e., when allowable costs are incurred. 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, 2024. 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 \$520,359 as of June 30, 2024.

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. The donated services were included in the Accreditation program in the Statement of Functional Expenses.



COUNCIL ON SOCIAL WORK EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

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

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.

Functional allocation of expenses -

The costs of providing the various programs and supporting services 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 that benefited. Expenses directly attributed to a specific functional area are reported as direct expenses within that functional area and indirect expenses that benefited more than one functional area were allocated based on actual time spent.

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.

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS

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. 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.

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

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, 2024. There were no transfers between levels in the fair value hierarchy during the year ended June 30, 2024. 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, 2024.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Asset Class:</b>				
Money market funds	\$ 130,465	\$ -	\$ -	\$ 130,465
Mutual funds:				
U.S. equity funds	2,671,618	-	-	2,671,618
International equity funds	585,299	-	-	585,299
Bond funds	<u>1,438,288</u>	<u>-</u>	<u>-</u>	<u>1,438,288</u>
<b>TOTAL INVESTMENTS</b>	<b><u>\$ 4,825,670</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 4,825,670</u></b>

Investments include the Katherine Kendall Endowment Fund and the Hokenstad Endowment Fund, which both totaled \$862,274 as of June 30, 2024. See Note 6.

Net investment return consisted of the following for the year ended June 30, 2024:

Interest and dividends	\$ 122,870
Realized and unrealized gain on investments	320,422
Investment management fees	<u>(33,092)</u>
<b>NET INVESTMENT RETURN</b>	<b><u>\$ 410,200</u></b>

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**3. CONTRACT ASSETS AND CONTRACT LIABILITIES**

Accounts receivable includes contract assets and consisted of the following as of June 30:

	<u><b>2024</b></u>	<u><b>2023</b></u>
Accreditation fees	\$ 446,450	\$ 368,000
Publications	25,908	55,908
Other	<u>26,907</u>	<u>22,096</u>
Subtotal accounts receivable	499,265	446,004
Less: Allowance for credit losses	<u>(123,000)</u>	<u>-</u>
<b>TOTAL ACCOUNTS RECEIVABLE, NET</b>	<b><u>\$ 376,265</u></b>	<b><u>\$ 446,004</u></b>

The allowance for credit losses consisted of the following as of and for the year ended June 30, 2024:

Allowance for credit losses, beginning of year	\$ 123,000
Additions (charges to expenses)	-
Deductions (write-offs, net of recoveries)	<u>-</u>
<b>ALLOWANCE FOR CREDIT LOSSES, END OF YEAR</b>	<b><u>\$ 123,000</u></b>

Deferred revenue includes contract liabilities and consisted of the following revenue streams as of June 30:

	<u><b>2024</b></u>	<u><b>2023</b></u>
Membership	\$ 2,516,654	\$ 2,058,313
Conference	511,048	452,330
Accreditation fees	140,000	-
Technology fees	117,800	99,000
Research	<u>34,500</u>	<u>93,915</u>
<b>TOTAL DEFERRED REVENUE</b>	<b><u>\$ 3,320,002</u></b>	<b><u>\$ 2,703,558</u></b>

**4. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following purpose restricted funds as of June 30, 2024:

Endowment funds (see Note 6)	\$ 862,274
Carl Scott Memorial	35,172
Social Work Tribute Fund	<u>18,474</u>
<b>TOTAL NET ASSETS WITH DONOR RESTRICTIONS</b>	<b><u>\$ 915,920</u></b>

Net assets released from donor restrictions consisted of the following for the year ended June 30, 2024:

Appropriations from Endowment Funds	\$ 69,342
Director's Discretionary Fund	<u>11,000</u>
<b>TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS</b>	<b><u>\$ 80,342</u></b>

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**5. LIQUIDITY AND AVAILABILITY**

Financial assets available for expenditure within one year of the Statement of Financial Position consisted of the following as of June 30, 2024:

Cash and cash equivalents	\$ 1,258,598
Investments	4,825,670
Accounts receivable, net	376,265
Grants and contributions receivable	<u>316,468</u>
Total financial assets	6,777,001
Less: Net assets with donor restrictions	<u>(915,920)</u>

**FINANCIAL ASSETS AVAILABLE FOR EXPENDITURE  
WITHIN ONE YEAR**

**\$ 5,861,081**

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

**6. ENDOWMENT FUNDS**

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 has determined that the Council's endowment funds are subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) enacted by the Commonwealth of Virginia. Therefore, the Council classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because of the donor's purpose restriction on the funds and because those assets are also time restricted until the governing Board appropriates such amounts for expenditures. The endowment net assets 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.

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**6. ENDOWMENT FUNDS (Continued)**

Endowment funds consisted of the following as of June 30, 2024:

	<u>Held for Use</u>	<u>Held in Perpetuity</u>	<u>Total</u>
Katherine Kendall Fund	\$ 347,841	\$ 401,997	\$ 749,838
Hokenstad Fund	<u>12,436</u>	<u>100,000</u>	<u>112,436</u>
<b>TOTAL ENDOWMENT FUNDS</b>	<b><u>\$ 360,277</u></b>	<b><u>\$ 501,997</u></b>	<b><u>\$ 862,274</u></b>

Changes in endowment net assets for the year ended June 30, 2024:

	<u>Held for Use</u>	<u>Held in Perpetuity</u>	<u>Total</u>
Endowment funds, beginning of year	\$ 338,309	\$ 501,997	\$ 840,306
Net investment return	91,310	-	91,310
Appropriations for expenditure	<u>(69,342)</u>	<u>-</u>	<u>(69,342)</u>
<b>ENDOWMENT FUNDS, END OF YEAR</b>	<b><u>\$ 360,277</u></b>	<b><u>\$ 501,997</u></b>	<b><u>\$ 862,274</u></b>

**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.

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**6. ENDOWMENT FUNDS (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, 2024.

**7. 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.

In the determining the right-of-use assets and operating lease liabilities, the Council includes renewal options when those options are reasonably certain to be exercised. The Council's office lease requires payment of operating expenses, including real estate taxes. The Council has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes. The Council has also elected to use a risk-free rate as the lease discount rate for all leases as allowed under FASB ASC 842.

The operating lease liability was 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 \$2,307,121 as of June 30, 2024, and the operating lease liability totaled \$3,035,620 as of as of June 30, 2024.

The following is a schedule of the future minimum lease payments due under the operating lease, net of imputed interest, as of June 30, 2024:

<b><u>Year Ending June 30,</u></b>	
2025	\$ 609,109
2026	624,317
2027	639,928
2028	655,943
2029	<u>672,227</u>
	3,201,524
Less: Imputed interest	<u>(165,904)</u>
	3,035,620
Less: Current portion	<u>(457,320)</u>
<b>LONG-TERM PORTION</b>	<b><u>\$ 2,578,300</u></b>

Lease expense totaled \$497,656 for the year ended June 30, 2024, and is included in occupancy in the accompanying Statement of Functional Expenses. Cash paid for base rental under the lease totaled \$586,971 for the year ended June 30, 2024.

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

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024**

### **8. 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, 2024.

### **9. CONTINGENCIES**

*Grant audits:* 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 2024. 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.

*EEOC complaint:* The Council has been named in a complaint filed with the U.S. Equal Employment Opportunity Commission (EEOC). The Council's policy is to accrue amounts related to such matters when such amounts are probable and can be reasonably estimated in consultation with legal counsel. While legal counsel has indicated that the outcome of this matter is not presently determinable, it is the opinion of management that any resulting liability will not have an adverse impact on the financial position or operations of the Council.

### **10. 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.

### **11. SUBSEQUENT EVENTS**

In preparing these financial statements, the Council has evaluated events and transactions for potential recognition or disclosure through November 21, 2024, 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, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass Through Entity Identifying Number	Pass Through Entity Identifying Number	Total Federal Expenditures
<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 (9/30/2022 - 9/29/2023)	93.243	N/A	\$ -	\$ 361,822
Minority Fellowship Program (9/30/2023 - 9/29/2024)	93.243	N/A	-	1,255,959
American Psychological Association:				
Interdisciplinary Minority Fellowship Program	93.243	903900-CSWE	-	29,015
American Academy of Addiction Psychiatry:				
Providers Clinical Support System - Medications for Opioid Use Disorders	93.243	PCSSMOUD-12-1A	-	22,544
Opioid Response Network: Collaborating, Advancing, Responding, Educating	93.243	SOR/TOR-22-5	-	227,252
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ -</b>	<b>\$ 1,896,592</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, 2024. 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 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.

**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, 2024:

Support from all grants and contributions	\$ 2,148,158
Support from non-Federal grants and contributions	(251,566)
<b>TOTAL SUPPORT FROM FEDERAL AWARDS</b>	<b>\$ 1,896,592</b>

## COUNCIL ON SOCIAL WORK EDUCATION, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**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, 2024**

**Section II - Financial Statement Findings**

**Finding 2024-001: Schedule of Expenditures of Federal Awards (Significant Deficiency)**

**Information on the Federal Program:** 93.243 - U.S. Department of Health and Human Services.

**Criteria or Specific Requirement:** Management is responsible for the complete and fair presentation of the financial statements, including any supplementary information that is presented in relation to the financial statements, such as the Schedule of Expenditures of Federal Awards (SEFA). Also, in accordance with 2 CFR Section 200.510 (b)(2), the Council is required to include all direct and pass-through Federal awards expended during the fiscal year in the SEFA.

**Condition:** During the audit management noted that several pass-through awards totaling \$278,811 for the year ended June 30, 2024, had not been included on the SEFA. As a result, management provided a revised SEFA after audit testing had begun.

**Cause:** The Council has not received pass-through awards in prior years and the omission appears to be due to a misunderstanding of the SEFA reporting requirements for pass-through awards.

**Effect or Potential Effect:** The SEFA was missing federal expenditures of \$278,811 at the start of the audit. When the SEFA is not accurately prepared, it could have an effect on the auditor's determination of major programs and on the auditor's sample selections.

**Recommendation:** We recommend that the Council enhance its procedures related to the preparation of the SEFA to ensure all required amounts are included.

**Repeat Finding:** This is not a repeat finding.

**Views of Responsible Officials:** Management concurs with the recommendation. See the corrective action plan.

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

**Finding 2024-002: Schedule of Expenditures of Federal Awards (Significant Deficiency)**

**Information on the Federal Program:** 93.243 - U.S. Department of Health and Human Services.

See Finding 2024-001. Finding 2024-002 is a significant deficiency in internal control over compliance in addition to non-compliance related to the Reporting compliance area. There were no questioned costs as a result of excluding the awards provided by pass-through entities.

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

There were no reportable findings.



**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 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. (Council), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated November 21, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered 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 Council's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as Finding 2024-001 that we consider to be a significant deficiency.

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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

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

As part of obtaining reasonable assurance about whether 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as Finding 2024-002.

## **The Council's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the The Council's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Council's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **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 result 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.



November 21, 2024



## 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 the compliance of Council on Social Work Education, Inc. (the Council) 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 the Council's major Federal programs for the year ended June 30, 2024. 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 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, 2024.

##### *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's 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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### ***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.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as Findings 2024-002. Our opinion on each major Federal program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Council's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Council's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2024-002, to be a significant deficiency.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Council's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Council's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 & Freedman".

November 21, 2024