

Financial Statements  
and Other Financial Information

**Association for Institutional Research, Inc.**

*Years ended December 31, 2019 and 2018  
with Report of Independent Auditors*



Association for Institutional Research, Inc.

Financial Statements  
and Other Financial Information

Years ended December 31, 2019 and 2018

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## Report of Independent Auditors

Board of Directors  
Association for Institutional Research, Inc.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Association for Institutional Research, Inc. (the Association) which comprise the statements of financial position as of December 31, 2019 and 2018, the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association for Institutional Research, Inc., as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1 to the financial statements, in 2019, the Association adopted new accounting guidance, ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Supplementary Information*

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Association's basic financial statements. The schedule of expenditures of federal awards 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*, and the schedule of findings and questioned costs relating to federal awards are presented for purposes of additional analysis and are not a required part of the financial statements.

The schedule of expenditures of federal awards and the schedule of findings and questioned costs relating to federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audits 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 schedule of expenditures of federal awards and the schedule of findings and questioned costs relating to federal awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2020 on our consideration of the Association'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 Association'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 Association's internal control over financial reporting and compliance.

*Thomas Howell Ferguson P.A.*

Tallahassee, Florida  
May 26, 2020

Association for Institutional Research, Inc.

Statements of Financial Position

	December 31,	
	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 376,572	\$ 1,399,330
Accounts receivable	56,026	30,223
Contracts and grants receivable	438,231	298,256
Assets held-for-sale	548,606	548,606
Prepaid expenses	<u>191,208</u>	<u>186,826</u>
Total current assets	1,610,643	2,463,241
Property and equipment, net	941,836	636,296
Investments	<u>2,169,316</u>	<u>1,902,026</u>
Total assets	<u>\$ 4,721,795</u>	<u>\$ 5,001,563</u>
<b>Liabilities and net assets</b>		
Current liabilities:		
Accounts payable	\$ 202,011	\$ 128,087
Accrued expenses	274,117	293,821
Unearned revenue	<u>676,625</u>	<u>487,599</u>
Total current liabilities	1,152,753	909,507
Total liabilities	<u>1,152,753</u>	<u>909,507</u>
Net assets		
Without donor restrictions		
Undesignated	3,514,643	4,038,857
With donor restrictions		
Scholarship fund	<u>54,399</u>	<u>53,199</u>
Total net assets	<u>3,569,042</u>	<u>4,092,056</u>
Total liabilities and net assets	<u>\$ 4,721,795</u>	<u>\$ 5,001,563</u>

See accompanying notes.

Association for Institutional Research, Inc.

Statements of Activities and Changes in Net Assets

Years ended December 31, 2019 and 2018  
(with summarized financial information for the year ended December 31, 2018)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>	
			<u>Years ended 2019</u>	<u>December 31, 2018</u>
<b>Changes in net assets:</b>				
Revenue and other support:				
Contribution revenue	\$ -	\$ 1,200	\$ 1,200	\$ 1,000
Forum and related activities	1,648,329	-	1,648,329	1,559,706
Grants and contracts	2,202,816	-	2,202,816	1,933,604
Educational programs	203,776	-	203,776	337,893
Other revenue	<u>154,142</u>	<u>-</u>	<u>154,142</u>	<u>233,559</u>
Total revenue and other support	<u>4,209,063</u>	<u>1,200</u>	<u>4,210,263</u>	<u>4,065,762</u>
Program services:				
Membership services	505,304	-	505,304	578,838
Forum and related activities	1,412,147	-	1,412,147	1,156,607
Grants and contracts	1,290,167	-	1,290,167	1,265,800
Educational services	<u>710,003</u>	<u>-</u>	<u>710,003</u>	<u>539,148</u>
Total program services	<u>3,917,621</u>	<u>-</u>	<u>3,917,621</u>	<u>3,540,393</u>
Support services	<u>950,461</u>	<u>-</u>	<u>950,461</u>	<u>854,453</u>
Total expenses	<u>4,868,082</u>	<u>-</u>	<u>4,868,082</u>	<u>4,394,846</u>
Change in net assets	(659,019)	1,200	(657,819)	(329,084)
Investment income, net of expenses	<u>134,805</u>	<u>-</u>	<u>134,805</u>	<u>53,413</u>
Change in net assets	(524,214)	1,200	(523,014)	(275,671)
Net assets at beginning of year	<u>4,038,857</u>	<u>53,199</u>	<u>4,092,056</u>	<u>4,367,727</u>
Net assets at end of year	<u>\$ 3,514,643</u>	<u>\$ 54,399</u>	<u>\$ 3,569,042</u>	<u>\$ 4,092,056</u>

See accompanying notes.

Association for Institutional Research, Inc.

Statement of Functional Expenses

Year ended December 31, 2019

	Membership Services	Forum and Related Activities	Grants and Contracts	Educational Services	Support Services	Total
<b>Expenses</b>						
Personnel costs	\$ 336,091	\$ 574,533	\$ 566,660	\$ 438,566	\$ 454,440	\$ 2,370,290
Grants and awards	4,101	3,811	178,434	3,032	1,566	190,944
Bank and credit card processing fees	8,536	13,423	13,847	10,680	20,434	66,920
Building expenses	18,301	27,571	28,543	21,814	53,220	149,449
Computer equipment and furniture	20,973	77,326	34,024	26,159	68,549	227,031
Depreciation	11,113	19,850	20,477	81,230	39,480	172,150
Legal	1,283	2,018	2,082	1,605	4,207	11,195
Meeting costs	-	456,842	40,185	9,251	39,549	545,827
Other expenses	1,413	10,976	2,654	4,329	27,482	46,854
Printing, supplies, and postage	3,415	41,193	10,268	4,724	7,761	67,361
Professional services	39,308	109,582	213,726	65,369	115,903	543,888
Marketing and communication	-	2,001	-	-	-	2,001
Staff support costs	15,143	24,090	24,296	18,866	53,297	135,692
Travel	45,627	48,931	154,971	24,378	64,573	338,480
<b>Total expenses</b>	<b>\$ 505,304</b>	<b>\$ 1,412,147</b>	<b>\$ 1,290,167</b>	<b>\$ 710,003</b>	<b>\$ 950,461</b>	<b>\$ 4,868,082</b>

See accompanying notes.



Association for Institutional Research, Inc.

Statement of Functional Expenses

Year ended December 31, 2018

	Membership Services	Forum and Related Activities	Grants and Contracts	Educational Services	Support Services	Total
<b>Expenses</b>						
Personnel costs	\$ 373,262	\$ 482,394	\$ 522,842	\$ 369,357	\$ 427,066	\$ 2,174,921
Audio visual/telecommunications	-	90,444	31,429	6,762	5,779	134,414
Grants and awards	3,700	2,268	273,794	1,080	6,376	287,218
Bank and credit card processing fees	7,594	10,623	10,695	5,059	26,298	60,269
Building expenses	19,669	27,781	28,314	13,103	81,935	170,802
Computer equipment and furniture	12,696	63,199	18,253	8,551	43,967	146,666
Depreciation	30,644	-	-	30,645	-	61,289
Legal	1,077	1,507	1,517	718	6,618	11,437
Meeting costs	1,722	217,672	15,470	9,429	18,242	262,535
Other expenses	10,515	23,824	3,029	3,534	9,535	50,437
Printing, supplies, and postage	4,502	40,496	8,671	8,260	9,634	71,563
Professional services	36,652	122,405	190,813	54,303	97,835	502,008
Staff support costs	12,773	18,825	16,909	9,274	47,974	105,755
Travel	64,032	55,169	144,064	19,073	73,194	355,532
<b>Total expenses</b>	<b>\$ 578,838</b>	<b>\$ 1,156,607</b>	<b>\$ 1,265,800</b>	<b>\$ 539,148</b>	<b>\$ 854,453</b>	<b>\$ 4,394,846</b>

See accompanying notes.

Association for Institutional Research, Inc.

Statements of Cash Flows

	<b>Years ended December 31,</b>	
	<b><u>2019</u></b>	<b><u>2018</u></b>
<b>Operating activities</b>		
Change in net assets	\$ (523,014)	\$ (275,671)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Depreciation and amortization	172,150	61,289
Change in unrealized (gains) losses on investments	(60,148)	12,218
Loss on disposal of property and equipment	-	16,940
Changes in operating assets and liabilities:		
Accounts receivable	(25,803)	119,630
Grants and contract receivable	(139,975)	433,728
Prepaid expenses	(4,382)	(75,404)
Accounts payable	73,924	9,886
Accrued expenses	(19,704)	(45,492)
Unearned revenue	<u>189,026</u>	<u>124,606</u>
Net cash (used in) provided by operating activities	<u>(337,926)</u>	<u>381,730</u>
<b>Investing activities</b>		
Purchases of property and equipment	(477,690)	(468,573)
Purchases of investments	(2,205,138)	(329,479)
Proceeds from sale of investments	<u>1,997,996</u>	<u>266,213</u>
Net cash used in investing activities	<u>(684,832)</u>	<u>(531,839)</u>
Decrease in cash and cash equivalents	(1,022,758)	(150,109)
Cash and cash equivalents at beginning of year	<u>1,399,330</u>	<u>1,549,439</u>
Cash and cash equivalents at end of year	<u>\$ 376,572</u>	<u>\$ 1,399,330</u>

*See accompanying notes.*

# Association for Institutional Research, Inc.

## Notes to Financial Statements

Years ended December 31, 2019 and 2018

### 1. Nature of Operations and Significant Accounting Policies

#### Nature of Association

The Association for Institutional Research (the Association) is a Florida corporation operating as a nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC), with its central office located in Tallahassee, Florida. The Association is a global association that empowers higher education professionals at all levels to utilize data, analytics, information, and evidence to make decisions and take actions that benefit students and institutions and improve higher education.

#### Basis of Accounting

The Association uses the accrual basis of accounting. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The significant accounting policies are described below.

#### Basis of Presentation

Effective January 1, 2019, the Association has adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606) as management believes the standard improves the usefulness and understandability of the Association's financial reporting. The adoption of the standard had no effect on previously reported financial statements. The ASU is effective for fiscal years beginning after December 15, 2018.

#### Revenue Recognition

Revenues are recognized when the earnings process is substantially complete and services have been performed. Forum and workshop revenues are recognized in the period to which they are related. Grant revenue is recognized as related grant expenditures are incurred.

The Association recognizes grants, contracts and contributions of cash or other assets as with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor's restriction expires, when a stipulated time restriction ends, or the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions received with donor-imposed restrictions, if any, that may be met in the same year in which the contributions are received are classified as contributions without donor restrictions.

Association for Institutional Research, Inc.

Notes to Financial Statements

**1. Nature of Operations and Significant Accounting Policies (continued)**

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Association considers all highly liquid investments with a maturity of three months or less from the date of purchase to be cash equivalents.

**Accounts Receivable**

Accounts receivable are stated at net realizable value, and accounts deemed uncollectible by management are expensed as bad debts. There is no material difference between the direct write-off method used by the Association and the allowance method required by accounting principles generally accepted by the United States of America.

**Investments**

Investments are reported at fair value in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

**Property and Equipment**

Property and equipment are recorded at cost. Renewals and enhancements that materially extend the lives of the assets are capitalized. Maintenance and repairs are charged to expense as incurred. Upon retirement or sale, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is then recognized as income.

The cost of property, plant and equipment is depreciated over the estimated useful lives of the related assets. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets.

	<u>Useful Lives</u>
Building	40
Building improvements	15
Furniture and equipment	3-6
Software	5

# Association for Institutional Research, Inc.

## Notes to Financial Statements

### **1. Nature of Operations and Significant Accounting Policies (continued)**

#### **Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. The statement of functional expenses presents the natural classification detail of expenses by function. Certain categories of expenses are attributable to one or more programs or supporting functions of the Association. Many expenses are clearly attributable to specific programs and are assigned directly to the respective program. Salary and benefit expenses are allocated based on estimates of time and effort submitted by employees on a monthly basis. Other shared expenses, such as office and building expenses, are allocated between support services and specific programs based on time and effort estimates as well as by an internal review by management.

#### **Income Taxes**

The Association is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the IRC and has been classified as an other-than private foundation. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Association is no longer subject to examinations by major tax jurisdictions for years ended December 31, 2015 and prior.

#### **Use of Estimates**

The preparation of 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

#### **Subsequent Events**

The Association has evaluated subsequent events through May 26, 2020, the date the financial statements were available to be issued. During the period from December 31, 2019 to May 26, 2020, the Association did not have any material recognizable subsequent events.

### **2. Available Resources and Liquidity**

The Association receives contributions, grants and investment income and considers these revenue streams to be without donor restrictions (if unspecified) and available to meet cash needs for general expenditures. The Association manages its liquidity to meet 180 days of operating expenses.

# Association for Institutional Research, Inc.

## Notes to Financial Statements

### 2. Available Resources and Liquidity (continued)

The table below presents financial assets available for general expenditures within one year at December 31:

	<u>2019</u>	<u>2018</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 376,572	\$ 1,399,330
Accounts receivable	56,026	30,223
Grants and contract receivable	438,231	298,256
Investments	<u>2,169,316</u>	<u>1,902,026</u>
Total financial assets	3,040,145	3,629,835
Net assets with donor restrictions	<u>(54,399)</u>	<u>(53,199)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 2,985,746</u>	<u>\$ 3,576,636</u>

### 3. Investments

The Fair Value Measurement and Disclosures Topic of the FASB Accounting Standards Codification establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the Fair Value Measurement and Disclosure Topic are described as follows:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by the market data.

Level 3: Unobservable inputs that are not corroborated by market data.

Investments may include money market funds, securities and bonds and are reported at fair value. The fair values of debt and equity investments that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs) or by quoted market prices of similar securities with similar due dates or matrix pricing, which is a mathematical technique widely used in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted securities (Level 2 inputs).

Association for Institutional Research, Inc.

Notes to Financial Statements

**3. Investments (continued)**

Investments consist of the following at December 31, 2019:

	<u>Cost</u>	<u>Unrealized Gains (Losses)</u>	<u>Market and Carrying Value</u>	<u>Level 1</u>	<u>Level 2</u>
Domestic equities	\$ 796,532	\$ 22,290	\$ 818,822	\$ 818,822	\$ -
International equities	245,822	6,474	252,296	252,296	-
Emerging market equities	51,447	2,512	53,959	53,959	-
Domestic fixed income	876,213	(5,954)	870,259	-	870,259
Multi-asset income fund	172,435	1,545	173,980	-	173,980
Total	<u>\$ 2,142,449</u>	<u>\$ 26,867</u>	<u>\$ 2,169,316</u>	<u>\$ 1,125,077</u>	<u>\$ 1,044,239</u>

Investments consist of the following at December 31, 2018:

	<u>Cost</u>	<u>Unrealized Gains (Losses)</u>	<u>Market and Carrying Value</u>	<u>Level 1</u>	<u>Level 2</u>
Corporate bonds	\$ 788,814	\$ (21,188)	\$ 767,626	\$ -	\$ 767,626
U.S. Treasuries	1,146,493	(12,093)	1,134,400	1,134,400	-
Total	<u>\$ 1,935,307</u>	<u>\$ (33,281)</u>	<u>\$ 1,902,026</u>	<u>\$ 1,134,400</u>	<u>\$ 767,626</u>

Investment activity for the years ended December 31:

	<b>Years ended December 31,</b>	
	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 62,919	\$ 65,631
Realized gains on investments sold	11,738	-
Change in unrealized gains during the year	<u>60,148</u>	<u>(12,218)</u>
Net investment income	<u>\$ 134,805</u>	<u>\$ 53,413</u>

**4. Property and Equipment**

Property and equipment consists of the following at December 31:

	<u>2019</u>	<u>2018</u>
Software	\$ 1,156,831	\$ 552,722
Work in progress	<u>276,647</u>	<u>403,066</u>
	1,433,478	955,788
Less accumulated depreciation	<u>(491,642)</u>	<u>(319,492)</u>
Property and equipment, net	<u>\$ 941,836</u>	<u>\$ 636,296</u>

# Association for Institutional Research, Inc.

## Notes to Financial Statements

### 4. Property and Equipment (continued)

Depreciation expense totaled \$172,150 and \$61,289 for the years ended December 31, 2019 and 2018, respectively.

### 5. Assets Held-For-Sale

During 2017, the Association decided to sell the property at 1435 East Piedmont Drive. The net book value of the property was used to value the assets held-for-sale which approximates fair value. The assets will be tested for impairment on an annual basis.

Assets held-for-sale consisted of the following at December 31:

	<u>2019</u>	<u>2018</u>
Land	\$ 133,202	\$ 133,202
Building and improvements	<u>415,404</u>	<u>415,404</u>
Assets held-for-sale	<u>\$ 548,606</u>	<u>\$ 548,606</u>

### 6. Concentration of Credit Risk

The Association's financial instruments exposed to concentrations of credit risk consist primarily of its cash, cash equivalents, and investments. The Association maintains its cash and cash equivalents at several financial institutions. Deposits with financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor. Bank deposits at times may exceed federally insured limits. The Association has not experienced any losses in such accounts.

All investment transactions have credit exposure to the extent that a counterparty may default on an obligation to the Association. Credit risk is a consequence of carrying investment positions. To manage credit risk, the Association focuses primarily on higher quality, fixed income and equity securities, reviews the credit strength of all entities in which it invests, limits its exposure in any one investment, and monitors portfolio quality, taking into account credit ratings assigned by recognized credit rating organizations.

The Association received approximately 41% and 40% of its revenue from the Research Triangle Institute (RTI) International contract during the years ended December 31, 2019 and 2018, respectively. One hundred percent of the grants and contract receivable balance at December 31, 2019 and 2018, relates to the RTI International contract.



# Association for Institutional Research, Inc.

## Notes to Financial Statements

### 7. Revenue from Contracts with Customers

The following table provides information about significant changes in deferred revenue for the years ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Deferred revenue, beginning of year	\$ 487,599	\$ 362,993
Revenue recognized that was included in deferred revenue at the beginning of year	(487,599)	(362,993)
Increases in deferred revenue due to cash received during the year	<u>676,625</u>	<u>487,599</u>
Deferred revenue, end of year	<u>\$ 676,625</u>	<u>\$ 487,599</u>

The deferred revenue at end of year represents the amounts received during the current year that cannot be recognized until their performance obligations have been satisfied in the following year when the Association's annual forum occurs and when certain member discounts expire.

### 8. Retirement Plan

The Association has a Section 403(b) defined contributions retirement plan (the Plan) for its employees. The Association makes a discretionary contribution equal to 10% of the employee's annual compensation for all eligible employees irrespective of whether the employee contributes. The Plan is funded 100% annually. The Association's contributions to the Plan at December 31, 2019 and 2018 totaled \$179,745 and \$161,577, respectively.

### 9. Other Matters

In late 2019, a novel strain of coronavirus was reported in Wuhan, Hubei, China. In March 2020, the World Health Organization determined the resulting outbreak of COVID 19, the disease caused by this novel coronavirus, to be a pandemic. The pandemic is disrupting organizations worldwide as national and local governments implement measures intended to slow the spread of COVID 19. The extent of the impact of COVID 19 on the Association's operations and its financial performance will depend on certain developments outside of the Association's control, including the duration and spread of the outbreak; its impact on donors, employees, and vendors; and broader economic conditions, all of which are uncertain and cannot be predicted at this time.

## Other Reports

Report of Independent Auditors 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*

Board of Directors  
Association for Institutional Research, Inc.

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 the Association for Institutional Research (the Association), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated May 26, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Association's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association'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 entity'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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### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Association'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 determination of financial statement amounts. 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.

*Thomas Howell Ferguson P.A.*

Tallahassee, Florida  
May 26, 2020