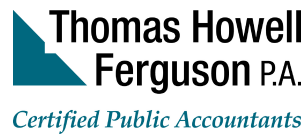


Financial Statements
and Other Financial Information

Association for Institutional Research, Inc.

*Years ended December 31, 2023 and 2022
with Report of Independent Auditors*



Association for Institutional Research, Inc.

Financial Statements
and Other Financial Information

Years ended December 31, 2023 and 2022

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Report of Independent Auditors

Board of Directors
Association for Institutional Research, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Association for Institutional Research, Inc. (the Association) which comprise the statements of financial position as of December 31, 2023 and 2022, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association, as of December 31, 2023 and 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 Association 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 Association's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

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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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. 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 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 GAAS and *Government 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 Association'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 Association'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.

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Report on Summarized Comparative Information

We have previously audited Association for Institutional Research, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 12, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The 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. 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 GAAS. 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2024 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 Association's internal control over financial reporting and compliance.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
May 28, 2024

Association for Institutional Research, Inc.

Statements of Financial Position

| | December 31, | |
|-----------------------------------|---------------------|---------------------|
| | <u>2023</u> | <u>2022</u> |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 3,165,120 | \$ 2,315,534 |
| Accounts receivable | 4,255 | 96,341 |
| Prepaid expenses | <u>121,929</u> | <u>112,099</u> |
| Total current assets | 3,291,304 | 2,523,974 |
| Property and equipment, net | 136,622 | 311,855 |
| Investments | <u>1,437,700</u> | <u>2,219,122</u> |
| Total assets | <u>\$ 4,865,626</u> | <u>\$ 5,054,951</u> |
| Liabilities and net assets | | |
| Current liabilities: | | |
| Accounts payable | \$ 103,292 | \$ 88,640 |
| Accrued expenses | 177,344 | 170,887 |
| Unearned revenue | <u>1,442,265</u> | <u>1,884,479</u> |
| Total current liabilities | 1,722,901 | 2,144,006 |
| Total liabilities | <u>1,722,901</u> | <u>2,144,006</u> |
| Net assets: | | |
| Without donor restrictions | | |
| Undesignated | 3,091,385 | 2,857,739 |
| With donor restrictions | | |
| Scholarship fund | <u>51,340</u> | <u>53,206</u> |
| Total net assets | <u>3,142,725</u> | <u>2,910,945</u> |
| Total liabilities and net assets | <u>\$ 4,865,626</u> | <u>\$ 5,054,951</u> |

See accompanying notes.

Association for Institutional Research, Inc.

Statements of Activities and Changes in Net Assets

| | Years ended December 31, | | | |
|---|---|------------------------------------|---------------------|---------------------|
| | 2023 | | 2022 | |
| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> | <u>Total</u> |
| Changes in net assets: | | | | |
| Revenue and other support: | | | | |
| Contribution revenue | \$ - | \$ 1,100 | \$ 1,100 | \$ 900 |
| Forum and related activities | 1,131,986 | - | 1,131,986 | 860,066 |
| Grants and contracts | 2,720,345 | - | 2,720,345 | 2,296,006 |
| Educational programs | 421,267 | - | 421,267 | 672,973 |
| Other revenue | 13,722 | - | 13,722 | 1,917 |
| Gain on sale of building held for sale | - | - | - | 7,028 |
| Net assets released from restrictions | <u>2,966</u> | <u>(2,966)</u> | <u>-</u> | <u>-</u> |
| Total revenue and other support | <u>4,290,286</u> | <u>(1,866)</u> | <u>4,288,420</u> | <u>3,838,890</u> |
| Program services: | | | | |
| Membership services | 202,324 | - | 202,324 | 98,140 |
| Forum and related activities | 1,406,803 | - | 1,406,803 | 1,487,914 |
| Grants and contracts | 1,687,564 | - | 1,687,564 | 1,091,287 |
| Educational services | <u>319,659</u> | <u>-</u> | <u>319,659</u> | <u>445,921</u> |
| Total program services | <u>3,616,350</u> | <u>-</u> | <u>3,616,350</u> | <u>3,123,262</u> |
| Support services | <u>703,308</u> | <u>-</u> | <u>703,308</u> | <u>657,330</u> |
| Total expenses | <u>4,319,658</u> | <u>-</u> | <u>4,319,658</u> | <u>3,780,592</u> |
| Change in net assets from operations | (29,372) | (1,866) | (31,238) | 58,298 |
| Investment income (loss), net of expenses | 263,018 | - | 263,018 | (170,743) |
| Change in net assets | 233,646 | (1,866) | 231,780 | (112,445) |
| Net assets at beginning of year | <u>2,857,739</u> | <u>53,206</u> | <u>2,910,945</u> | <u>3,023,390</u> |
| Net assets at end of year | <u>\$ 3,091,385</u> | <u>\$ 51,340</u> | <u>\$ 3,142,725</u> | <u>\$ 2,910,945</u> |

See accompanying notes.

Association for Institutional Research, Inc.

Statement of Functional Expenses

Year ended December 31, 2023

| | Membership Services | Forum and Related Activities | Grants and Contracts | Educational Services | Support Services | Total |
|--------------------------------------|---------------------|------------------------------|----------------------|----------------------|-------------------|---------------------|
| Expenses | | | | | | |
| Personnel costs | \$ 167,015 | \$ 572,152 | \$ 963,301 | \$ 157,870 | \$ 357,126 | \$ 2,217,464 |
| Grants and awards | 3,194 | 5,847 | 95,408 | 376 | 1,892 | 106,717 |
| Bank and credit card processing fees | 3,752 | 26,309 | 23,199 | 6,194 | 16,692 | 76,146 |
| Building expenses | 863 | 6,052 | 4,341 | 1,425 | 11,481 | 24,162 |
| Computer equipment and furniture | 8,633 | 69,713 | 53,377 | 14,252 | 73,056 | 219,031 |
| Amortization and depreciation | 5,814 | 40,765 | 35,945 | 44,420 | 48,289 | 175,233 |
| Legal | - | - | - | - | 4,003 | 4,003 |
| Meeting costs | - | 495,797 | 21,897 | 30,357 | 28,785 | 576,836 |
| Other expenses | 227 | 32,449 | - | 498 | 9,605 | 42,779 |
| Printing, supplies, and postage | 38 | 6,170 | 361 | 695 | 789 | 8,053 |
| Professional services | 8,161 | 101,400 | 376,674 | 45,583 | 89,029 | 620,847 |
| Marketing and communication | - | 13,459 | - | 101 | - | 13,560 |
| Staff support costs | 683 | 4,292 | 9,842 | 3,150 | 7,674 | 25,641 |
| Travel | 3,944 | 32,398 | 103,219 | 14,738 | 54,887 | 209,186 |
| Total expenses | \$ 202,324 | \$ 1,406,803 | \$ 1,687,564 | \$ 319,659 | \$ 703,308 | \$ 4,319,658 |

See accompanying notes.

Association for Institutional Research, Inc.

Statement of Functional Expenses

Year ended December 31, 2022

| | Membership Services | Forum and Related Activities | Grants and Contracts | Educational Services | Support Services | Total |
|--------------------------------------|---------------------|------------------------------|----------------------|----------------------|-------------------|---------------------|
| Expenses | | | | | | |
| Personnel costs | \$ 78,987 | \$ 552,856 | \$ 762,625 | \$ 207,324 | \$ 330,305 | \$ 1,932,097 |
| Grants and awards | 2,178 | 8,900 | - | - | - | 11,078 |
| Bank and credit card processing fees | 1,405 | 21,515 | 13,634 | 6,443 | 11,704 | 54,701 |
| Building expenses | 656 | 10,051 | 6,371 | 3,010 | - | 20,088 |
| Computer equipment and furniture | 4,592 | 121,794 | 44,585 | 28,812 | 71,018 | 270,801 |
| Depreciation and amortization | 3,019 | 46,250 | 29,318 | 53,173 | 50,790 | 182,550 |
| Legal | - | - | - | - | - | - |
| Meeting costs | 55 | 497,495 | 2,227 | 38,214 | 19,991 | 557,982 |
| Other expenses | 45 | 60,988 | 319 | 359 | 39,736 | 101,447 |
| Printing, supplies, and postage | 101 | 12,414 | 1,314 | 1,249 | 1,598 | 16,676 |
| Professional services | 4,718 | 104,946 | 198,008 | 68,251 | 88,382 | 464,305 |
| Marketing and communication | - | 835 | - | - | - | 835 |
| Staff support costs | 258 | 4,018 | 2,569 | 1,882 | 5,125 | 13,852 |
| Travel | 2,126 | 45,852 | 30,317 | 37,204 | 38,681 | 154,180 |
| Total expenses | \$ 98,140 | \$ 1,487,914 | \$ 1,091,287 | \$ 445,921 | \$ 657,330 | \$ 3,780,592 |

See accompanying notes.

Association for Institutional Research, Inc.

Statements of Cash Flows

| | Years ended December 31, | |
|---|---------------------------------|---------------------|
| | <u>2023</u> | <u>2022</u> |
| Operating activities | | |
| Change in net assets | \$ 231,780 | \$ (112,445) |
| Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities | | |
| Amortization and depreciation | 175,233 | 182,550 |
| Change in unrealized (gains) losses on investments | (186,347) | 223,458 |
| Realized losses (gains) on sale of investments, net | 8,170 | (16,743) |
| Gain on disposal of property and equipment | - | (7,028) |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 92,086 | (85,093) |
| Contracts and grants receivable | - | 10,997 |
| Prepaid expenses | (9,830) | (6,442) |
| Accounts payable | 14,652 | 1,720 |
| Accrued expenses | 6,457 | 12,636 |
| Unearned revenue | <u>(442,214)</u> | <u>983,656</u> |
| Net cash (used in) provided by operating activities | <u>(110,013)</u> | <u>1,187,266</u> |
| Investing activities | | |
| Proceeds from sale of investments | 2,459,599 | 2,362,531 |
| Purchases of investments | (1,500,000) | (2,280,230) |
| Proceeds from sale of building held for sale | - | 500,000 |
| Purchases of property and equipment | <u>-</u> | <u>(70,689)</u> |
| Net cash provided by investing activities | <u>959,599</u> | <u>511,612</u> |
| Increase in cash and cash equivalents | 849,586 | 1,698,878 |
| Cash and cash equivalents at beginning of year | <u>2,315,534</u> | <u>616,656</u> |
| Cash and cash equivalents at end of year | <u>\$ 3,165,120</u> | <u>\$ 2,315,534</u> |

See accompanying notes.

Association for Institutional Research, Inc.

Notes to Financial Statements

Years ended December 31, 2023 and 2022

1. Nature of Operations and Significant Accounting Policies

Nature of Association

The Association for Institutional Research, Inc. (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). 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.

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.

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.

Association for Institutional Research, Inc.

Notes to Financial Statements

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

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 and changes in net assets.

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 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> |
| Software | 5 |

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 direct costs 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, 2019 and prior.

Association for Institutional Research, Inc.

Notes to Financial Statements

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

Subsequent Events

The Association has evaluated subsequent events through May 28, 2024, the date the financial statements were available to be issued. During the period from December 31, 2023 to May 28, 2024, the Association did not have any material recognizable subsequent events.

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.

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.

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

| | <u>2023</u> | <u>2022</u> |
|---|---------------------|---------------------|
| Financial assets at year end: | | |
| Cash and cash equivalents | \$ 3,165,120 | \$ 2,315,534 |
| Accounts receivable | 4,255 | 96,341 |
| Investments | <u>1,437,700</u> | <u>2,219,122</u> |
| Total financial assets | 4,607,075 | 4,630,997 |
| Net assets with donor restrictions | <u>(51,340)</u> | <u>(53,206)</u> |
| Financial assets available to meet general expenditures within one year | \$ <u>4,555,735</u> | \$ <u>4,577,791</u> |

Association for Institutional Research, Inc.

Notes to Financial Statements

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).

Investments consist of the following at December 31, 2023:

| | <u>Cost</u> | <u>Unrealized Gains (Losses)</u> | <u>Market and Carrying Value</u> | <u>Level 1</u> |
|--------------|---------------------|--|--|---------------------|
| Fixed income | \$ <u>1,430,319</u> | \$ <u>7,381</u> | \$ <u>1,437,700</u> | \$ <u>1,437,700</u> |
| Total | \$ <u>1,430,319</u> | \$ <u>7,381</u> | \$ <u>1,437,700</u> | \$ <u>1,437,700</u> |

Investments consist of the following at December 31, 2022:

| | <u>Cost</u> | <u>Unrealized Gains (Losses)</u> | <u>Market and Carrying Value</u> | <u>Level 1</u> |
|-----------------------|---------------------|--|--|---------------------|
| Mutual funds | \$ 1,122,600 | \$ (214,784) | \$ 907,816 | \$ 907,816 |
| Exchange traded funds | 264,554 | (11,607) | 252,947 | 252,947 |
| Fixed income | <u>1,055,426</u> | <u>2,933</u> | <u>1,058,359</u> | <u>1,058,359</u> |
| Total | \$ <u>2,442,580</u> | \$ <u>(223,458)</u> | \$ <u>2,219,122</u> | \$ <u>2,219,122</u> |

Association for Institutional Research, Inc.

Notes to Financial Statements

3. Investments (continued)

Investment activity for the years ended December 31:

| | <u>2023</u> | <u>2022</u> |
|--|-------------------|---------------------|
| Interest and dividends | \$ 76,671 | \$ 35,972 |
| Realized (loss) gain on investments sold | (29,730) | 16,743 |
| Change in unrealized gain (loss) during the year | <u>216,077</u> | <u>(223,458)</u> |
| Net investment income (loss) | <u>\$ 263,018</u> | <u>\$ (170,743)</u> |

4. Property and Equipment

Property and equipment consists of the following at December 31:

| | <u>2023</u> | <u>2022</u> |
|--|-------------------|-------------------|
| Software | \$ 1,110,388 | \$ 1,110,388 |
| Less accumulated depreciation and amortization | <u>(973,766)</u> | <u>(798,533)</u> |
| Property and equipment, net | <u>\$ 136,622</u> | <u>\$ 311,855</u> |

Depreciation and amortization expense totaled \$175,233 and \$182,550 for the years ended December 31, 2023 and 2022, respectively.

5. 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, per FDIC-insured financial institution. 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.

Association for Institutional Research, Inc.

Notes to Financial Statements

5. Concentration of Risk (continued)

The Association received approximately 37% and 51% of its revenue from the Research Triangle Institute (RTI) International contract during the years ended December 31, 2023 and 2022, respectively. At December 31, 2023 and 2022, 0% of the grants and contract receivable balance relates to the RTI International contract.

6. Revenue from Contracts with Customers

The following table provides information about significant changes in unearned revenue for the years ended December 31, 2023 and 2022:

| | <u>2023</u> | <u>2022</u> |
|---|---------------------|---------------------|
| Unearned revenue, beginning of year | \$ 1,884,479 | \$ 900,823 |
| Revenue recognized that was included in unearned revenue at the beginning of year | (1,235,195) | (442,296) |
| Increases in unearned revenue due to cash received during the year | <u>792,981</u> | <u>1,425,952</u> |
| Unearned revenue, end of year | <u>\$ 1,442,265</u> | <u>\$ 1,884,479</u> |

The unearned 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, when certain member discounts expire, and when obligations relating to grants and contracts are performed.

7. Retirement Plan

The Association has a Section 403(b) defined contribution retirement plan (the Plan) for its employees. The Association makes a discretionary contribution for all eligible employees irrespective of whether the employee contributes. The discretionary contribution equaled 5% of the employee's annual compensation for 2023 and 4% of the employee's annual compensation for 2022. The Plan is funded 100% annually. The Association's contributions to the Plan for the years ended December 31, 2023 and 2022 totaled \$91,843 and \$63,826, respectively.

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 (*Government Auditing Standards*), the financial statements of Association for Institutional Research, Inc. (the Association), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated May 28, 2024.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Thomas Howell Ferguson P.A.

Tallahassee, Florida
May 28, 2024

Report of Independent Auditors on Compliance for the Major Federal Program and
on Internal Control Over Compliance Required by the Uniform Guidance

Board of Directors
Association for Institutional Research, Inc.

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Association for Institutional Research, Inc.'s (the Association) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Association's major federal program for the year ended December 31, 2023. The Association's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Association complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended December 31, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Association 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 the federal program. Our audit does not provide a legal determination of the Association'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 Association's federal program.

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 Association'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 GAAS, *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 Association's compliance with the requirements of the federal program as a whole.

In performing an audit in accordance with GAAS, *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 Association'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 Association'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 Association's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Thomas Howell Ferguson P.A.

Tallahassee, Florida
May 28, 2024

Association for Institutional Research, Inc.
Schedule of Expenditures of Federal Awards
Year ended December 31, 2023

| <u>Grantor and Program Title</u> | <u>CFDA/CSFA Number</u> | <u>Total Expenditures</u> |
|--|-----------------------------|-------------------------------|
| <u>Federal Grantor</u> | | |
| United States Department of Education Pass-Through Research Triangle Institute (RTI): Integrated Post-Secondary Educational Data Systems | 84.EDIES13C0056 | \$ 716,495 |
| Total Federal Awards | | \$ 716,495 |

Note 1 - This Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal grant activity of the Association for Institutional Research, Inc. for the year ended December 31, 2023, and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Note 2 - Amounts included on this Schedule include only the expenditure of Federal Awards received from an awarding agency. The amounts on the accompanying statements of activities and changes in net assets include additional expenditures associated with other resources committed by the Association for purposes of fulfilling the grant program.

Note 3 - The Association has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

See report of independent auditors.

Association for Institutional Research, Inc.

Schedule of Findings and Questioned Costs
Relating to Federal Awards

Year ended December 31, 2023

Section I -- Summary of Auditor's Results

Financial Statements

| | |
|--|---------------|
| Type of auditor's report issued: | Unmodified |
| Internal control over financial reporting: | |
| Material weakness(es) identified? | No |
| Significant deficiency(ies) identified not considered to be material weaknesses? | None reported |
| Noncompliance material to financial statements noted? | No |

Federal Programs

| | |
|---|---------------|
| Type of auditor's report issued on compliance for major federal programs? | Unmodified |
| Internal control over Federal programs: | |
| Material weakness(es) identified? | No |
| Significant deficiency(ies) identified that are not considered to be material weaknesses? | None reported |
| Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)? | No |

Identification of major programs:

| <u>CFDA Number</u> | <u>Name of Federal Program</u> |
|--------------------|---------------------------------------|
| 84.EDIES13C0056 | United States Department of Education |

| | |
|--|------------|
| Dollar threshold used to distinguish between Type A and Type B programs: | \$ 716,495 |
| Auditee qualified as low-risk auditee? | Yes |

Section II -- Financial Statement Findings

We noted no matters involving internal control over financial reporting and its operation that we considered to be material weaknesses, significant deficiencies, and/or control deficiencies required to be reported in accordance with *Government Auditing Standards*.

Section III - Federal Award Findings and Questioned Costs

We noted no instances of matters involving noncompliance that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200.

Section IV -- Other Matters

No prior year findings.

See report of independent auditors.