Financial Statements
and Other Financial Information

Association for Institutional Research, Inc.

Years ended December 31, 2022 and 2021
with Report of Independent Auditors

Thomas Howell
Ferguson P.A.
Certified Public Accountants

Association for Institutional Research, Inc.

Financial Statements
and Other Financial Information

Years ended December 31, 2022 and 2021

Contents

Thomas Howell Ferguson P.A.
Certified Public Accountants

Report of Independent Auditors

Board of Directors
Association for Institutional Research, Inc.

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, 2022 and 2021, 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 referred to above present fairly, in all material respects, the financial position of the Association, as of December 31, 2022 and 2021, 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.

Auditor's Responsibility 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 consolidated 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.

Report on Summarized Comparative Information

We have previously audited the Association for Institutional Research, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 11, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, 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 12, 2023 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 12, 2023

Association for Institutional Research, Inc.

Statements of Financial Position

	December 31, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	**$ 2,315,534**	$ 616,656
Accounts receivable	**96,341**	11,248
Contracts and grants receivable	**-**	10,997
Asset held-for-sale	**-**	495,042
Prepaid expenses	**112,099**	105,657
Total current assets	**2,523,974**	1,239,600
Property and equipment, net	**311,855**	421,646
Investments	**2,219,122**	2,508,138
Total assets	**$ 5,054,951**	$ 4,169,384
Liabilities and net assets		
Current liabilities:		
Accounts payable	**$ 88,640**	$ 86,920
Accrued expenses	**170,887**	158,251
Unearned revenue	**1,884,479**	900,823
Total current liabilities	**2,144,006**	1,145,994
Total liabilities	**2,144,006**	1,145,994
Net assets:		
Without donor restrictions		
Undesignated	**2,857,739**	2,970,084
With donor restrictions		
Scholarship fund	**53,206**	53,306
Total net assets	**2,910,945**	3,023,390
Total liabilities and net assets	**$ 5,054,951**	$ 4,169,384

See accompanying notes.

Association for Institutional Research, Inc.

Statements of Activities and Changes in Net Assets

	Years ended December 31, 2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Changes in net assets:				
Revenue and other support:				
Contribution revenue	**$ -**	**$ 900**	**$ 900**	$ 1,100
Forum and related activities	**860,066**	**-**	**860,066**	622,485
Grants and contracts	**2,296,006**	**-**	**2,296,006**	1,840,301
Educational programs	**672,973**	**-**	**672,973**	400,275
Other revenue	**1,917**	**-**	**1,917**	506,087
Gain on sale of building held for sale	**7,028**	**-**	**7,028**	-
Net assets released from restrictions	**1,000**	**(1,000)**	**-**	-
Total revenue and other support	**3,838,990**	**(100)**	**3,838,890**	3,370,248
Program services:				
Membership services	**98,140**	**-**	**98,140**	139,763
Forum and related activities	**1,487,914**	**-**	**1,487,914**	526,824
Grants and contracts	**1,091,287**	**-**	**1,091,287**	996,607
Educational services	**445,921**	**-**	**445,921**	678,828
Total program services	**3,123,262**	**-**	**3,123,262**	2,342,022
Support services	**657,330**	**-**	**657,330**	628,997
Total expenses	**3,780,592**	**-**	**3,780,592**	2,971,019
Change in net assets from operations	**58,398**	**(100)**	**58,298**	399,229
Investment (loss) income, net of expenses	**(170,743)**	**-**	**(170,743)**	52,783
Loss on impairment of software	**-**	**-**	**-**	(125,531)
Change in net assets	**(112,345)**	**(100)**	**(112,445)**	326,481
Net assets at beginning of year	**2,970,084**	**53,306**	**3,023,390**	2,696,909
Net assets at end of year	**$ 2,857,739**	**$ 53,206**	**$ 2,910,945**	$ 3,023,390

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**
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.

Statement of Functional Expenses

Year ended December 31, 2021

	Membership Services	Forum and Related Activities	Grants and Contracts	Educational Services	Support Services	Total
Expenses						
Personnel costs	$ 105,923	$ 314,109	$ 609,612	$ 453,573	$ 334,921	**$ 1,818,138**
Grants and awards	1,157	-	74,835	-	-	**75,992**
Bank and credit card processing fees	3,237	9,598	18,858	11,102	13,329	**56,124**
Building expenses	1,732	5,136	10,090	5,940	14,001	**36,898**
Computer equipment and furniture	9,056	68,424	52,889	54,905	72,783	**258,058**
Depreciation and amortization	7,269	21,555	42,350	104,159	58,764	**234,097**
Legal	339	1,006	1,977	1,164	2,743	**7,229**
Meeting costs	142	34,020	825	486	1,145	**36,618**
Other expenses	940	7,018	5,175	3,335	12,556	**29,026**
Printing, supplies, and postage	196	675	862	588	1,711	**4,032**
Professional services	8,046	64,398	177,602	42,553	113,922	**406,520**
Staff support costs	263	779	1,531	902	3,121	**6,596**
Travel	1,465	104	-	121	-	**1,691**
Total expenses	**$ 139,763**	**$ 526,824**	**$ 996,607**	**$ 678,828**	**$ 628,997**	**$ 2,971,019**

See accompanying notes.

Association for Institutional Research, Inc.

Statements of Cash Flows

	Years ended December 31, 2022	2021
Operating activities		
Change in net assets	**$ (112,445)**	$ 326,481
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	**182,550**	234,097
Change in unrealized losses on investments	**223,458**	(23,770)
Realized gains on sale of investments, net	**(16,743)**	(11,684)
Loss on impairment of software	**-**	125,531
Gain on disposal of fixed assets	**(7,028)**	-
Changes in operating assets and liabilities:		
Accounts receivable	**(85,093)**	11,370
Contracts and grants receivable	**10,997**	196,686
Prepaid expenses	**(6,442)**	11,180
Accounts payable	**1,720**	11,675
Accrued expenses	**12,636**	(8,155)
Unearned revenue	**983,656**	338,016
Net cash provided by operating activities	**1,187,266**	1,211,427
Investing activities		
Proceeds from sale of investments	**2,362,531**	213,922
Purchases of investments	**(2,280,230)**	(2,686,605)
Proceeds from sale of building held for sale	**500,000**	-
Purchases of property and equipment	**(70,689)**	-
Net cash provided by (used in) investing activities	**511,612**	(2,472,683)
Increase (decrease) in cash and cash equivalents	**1,698,878**	(1,261,256)
Cash and cash equivalents at beginning of year	**616,656**	1,877,912
Cash and cash equivalents at end of year	**$ 2,315,534**	$ 616,656
Other supplemental disclosures		
PPP loan received and recognized in income	**$ -**	$ 467,810

See accompanying notes.

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.

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

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.

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.

	Useful Lives
Software	5

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.

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.

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

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, 2018 and prior.

Subsequent Events

The Association has evaluated subsequent events through May 12, 2023, the date the financial statements were available to be issued. During the period from December 31, 2022 to May 12, 2023, 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:

	2022	2021
Financial assets at year end:		
Cash and cash equivalents	**$ 2,315,534**	$ 616,656
Accounts receivable	**96,341**	11,248
Grants and contract receivable	**-**	10,997
Investments	**2,219,122**	2,508,138
Total financial assets	**4,630,997**	3,147,039
Net assets with donor restrictions	**(53,206)**	(53,306)
Financial assets available to meet general expenditures within one year	**$ 4,577,791**	$ 3,093,733

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, 2022:

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

Investments consist of the following at December 31, 2021:

	Cost	Unrealized Gains (Losses)	Market and Carrying Value	Level 1
Mutual funds	$ 2,242,607	$ 977	$ 2,243,584	$ 2,243,584
Exchange traded funds	241,761	22,793	264,554	264,554
Total	$ 2,484,368	$ 23,770	$ 2,508,138	$ 2,508,138

3. Investments (continued)

Investment activity for the years ended December 31:

	2022	2021
Interest and dividends	**$ 35,972**	$ 17,329
Realized gain on investments sold	**16,743**	11,684
Change in unrealized (loss) gain during the year	**(223,458)**	23,770
Net investment (loss) income	**$ (170,743)**	$ 52,783

4. Property and Equipment

Property and equipment consists of the following at December 31:

	2022	2021
Software	**$ 1,110,388**	$ 1,265,239
	1,110,388	1,265,239
Less accumulated depreciation and amortization	**(798,533)**	(843,593)
Property and equipment, net	**$ 311,855**	$ 421,646

Depreciation and amortization expense totaled $182,550 and $234,097 for the years ended December 31, 2022 and 2021, respectively.

5. Assets Held-For-Sale

During 2021, the Association decided to sell the property at 1435 East Piedmont Drive. The property was sold in October 2022 for $500,000, which resulted in a gain on the sale of $7,028. The net book value of the property was used to value the assets held-for-sale as of December 31, 2021, which approximated fair value.

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

	2022	2021
Land	**$ -**	$ 133,202
Building and improvements	**-**	361,840
Assets held-for-sale	**$ -**	$ 495,042

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, 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.

The Association received approximately 51% and 42% of its revenue from the Research Triangle Institute (RTI) International contract during the years ended December 31, 2022 and 2021, respectively. At December 31, 2022 and 2021, 0% and 100%, respectively, of the grants and contract receivable balance relates to the RTI International contract.

7. Revenue from Contracts with Customers

The following table provides information about significant changes in deferred revenue for the years ended December 31, 2022 and 2021:

	2022	2021
Deferred revenue, beginning of year	**$ 900,823**	$ 562,807
Revenue recognized that was included in deferred revenue at the beginning of year	**(442,296)**	(438,283)
Increases in deferred revenue due to cash received during the year	**1,425,952**	776,299
Deferred revenue, end of year	**$ 1,884,479**	$ 900,823

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

8. 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 4% of the employee's annual compensation for 2022 and 3% of the employee's annual compensation for 2021. The Plan is funded 100% annually. The Association's contributions to the Plan at December 31, 2022 and 2021 totaled $63,826 and $46,610, respectively.

9. Loan forgiveness

The Association received a loan during 2021 in the amount of $464,552 under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan was subject to a note dated February 3, 2021 bearing interest at an annual rate of 1% payable in monthly installments of principal and interest over 24 months beginning six months from the date of the note. Under terms of the notes, the loans may be forgiven to the extent proceeds of the loans are used for eligible expenditures such as payroll and other expenses described in the CARES Act. The Association received confirmation during 2021 that all loan proceeds received have been forgiven. Therefore, the forgiven loan has been recognized in income and is presented as other revenue on the statement of activities and changes in net assets for the year ended December 31, 2021. Interest expense on the loan was $3,258 for 2021, which was also forgiven. No PPP loan was received during 2022.

Other Reports

Thomas Howell Ferguson P.A.
Certified Public Accountants

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 the Association for Institutional Research, Inc. (the Association), which comprise the statement of financial position as of December 31, 2022, 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 12, 2023.

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 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 12, 2023

Thomas Howell Ferguson P.A.
Certified Public Accountants

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, 2022. 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 its major federal program for the year ended December 31, 2022.

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 major 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 major 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.

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 12, 2023

Association for Institutional Research, Inc.

Schedule of Expenditures of Federal Awards

Year ended December 31, 2022

Grantor and Program Title	CFDA/CSFA Number	Total Expenditures
Federal Grantor		
United States Department of Education		
Pass-Through Research Triangle Institute (RTI):		
Integrated Post-Secondary Educational Data Systems	84.EDIES13C0056	$ 594,522
Total Federal Awards		$ 594,522

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, 2022, 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 elected to use the 10 percent de minimis 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, 2022

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:

CFDA Number	Name of Federal Program
84.EDIES13C0056	United States Department of Education

Dollar threshold used to distinguish between Type A and Type B programs:	$ 594,522
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.