

Financial Statements and Report of
Independent Certified Public
Accountants

**National Opinion Research Center
(d/b/a NORC)**

December 25, 2021 and December 26, 2020

Contents

	Page
Report of Independent Certified Public Accountants	3
Financial Statements	
Statements of financial position	6
Statements of activities	7
Statements of cash flows	8
Notes to financial statements	9
Supplemental Information	
Schedule of expenditures of federal awards	21
Notes to schedule of expenditures of federal awards	23
Schedule of expenditures under federal and non-federal financial awards/contracts	24
Report of Independent Certified Public Accountants on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	25
Report of Independent Certified Public Accountants on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	27
Schedule of findings and questioned costs	30

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
National Opinion Research Center (d/b/a NORC)

Report on the financial statements**Opinion**

We have audited the financial statements of National Opinion Research Center (NORC) (a Colorado not-for-profit corporation), which comprise the statements of financial position as of December 25, 2021 and December 26, 2020, and the related statements of activities and cash flows for the 52-week periods 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 NORC as of December 25, 2021 and December 26, 2020, and the changes in its net assets and its cash flows for the 52-week periods then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the financial statements in accordance with auditing standards generally accepted in the United States of America (US 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 NORC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 NORC's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US 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 US 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 NORC'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 NORC'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.

Supplementary information

Our audits were 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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the schedule of expenditures under federal and non-federal financial awards/contracts for the 52-week period ended December 25, 2021, are presented for purposes of additional analysis and are not a required part of the financial statements. Such supplementary 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 audits of the financial statements and certain additional procedures. These additional procedures included 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 US GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2022 on our consideration of NORC'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 NORC'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 NORC's internal control over financial reporting and compliance.



Chicago, Illinois
April 29, 2022

National Opinion Research Center (d/b/a NORC)

STATEMENTS OF FINANCIAL POSITION

As of December 25, 2021 and December 26, 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 20,466,853	\$ 17,976,616
Investments	40,559,430	30,872,550
Contracts and grants receivable, net	79,479,538	78,371,462
Other receivables	294,278	446,464
Prepaid expenses	3,906,661	2,343,393
	<u>144,706,760</u>	<u>130,010,485</u>
Total current assets	144,706,760	130,010,485
Property and equipment, net	6,486,564	6,900,254
Intangible assets, net	20,294,536	17,297,413
	<u>26,781,100</u>	<u>24,197,667</u>
Total assets	<u>\$ 171,487,860</u>	<u>\$ 154,208,152</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 21,167,502	\$ 23,067,113
Accrued payroll	11,325,840	11,026,955
Accrued vacation	9,971,795	8,789,306
Other accrued liabilities	2,259,342	1,673,489
Deferred revenue	37,368,344	29,319,252
	<u>82,092,823</u>	<u>73,876,115</u>
Total current liabilities	82,092,823	73,876,115
Deferred rent	<u>4,388,877</u>	<u>4,712,133</u>
Total liabilities	86,481,700	78,588,248
Net assets		
Without donor restrictions	84,998,334	75,612,078
With donor restrictions	7,826	7,826
	<u>85,006,160</u>	<u>75,619,904</u>
Total net assets	85,006,160	75,619,904
Total liabilities and net assets	<u>\$ 171,487,860</u>	<u>\$ 154,208,152</u>

The accompanying notes are an integral part of these financial statements.

National Opinion Research Center (d/b/a NORC)

STATEMENTS OF ACTIVITIES

52-week periods ended December 25, 2021 and December 26, 2020

	2021	2020
Changes in net assets without donor restrictions		
Revenues and other support		
Revenue	\$ 291,574,230	\$ 267,540,633
Expenses		
Project costs		
Salaries	55,255,903	50,305,620
Interviewing	26,262,522	17,291,726
Other	110,247,337	108,814,003
Total project costs	191,765,762	176,411,349
Indirect expenses		
Recovered from projects	78,268,809	68,933,005
Not recovered from projects	(141,031)	(6,353)
Total indirect expenses	78,127,778	68,926,652
Total expenses	269,893,540	245,338,001
Other income (expense)		
Interest income	9,134	7,182
Interest expense	(89,635)	(430,865)
Investment return, net	3,338,313	3,809,031
Foreign currency translation	(176,331)	257,622
Other expenses	(15,375,915)	(4,402,375)
Total other expenses	(12,294,434)	(759,405)
Change in net assets without donor restrictions	9,386,256	21,443,227
Changes in net assets with donor restrictions		
Net assets released from restrictions	-	(2,592)
Change in net assets with donor restrictions	-	(2,592)
CHANGE IN NET ASSETS	9,386,256	21,440,635
Net assets		
Beginning of period	75,619,904	54,179,269
End of period	\$ 85,006,160	\$ 75,619,904

The accompanying notes are an integral part of these financial statements.

National Opinion Research Center (d/b/a NORC)

STATEMENTS OF CASH FLOWS

52-week periods ended December 25, 2021 and December 26, 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 9,386,256	\$ 21,440,635
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	7,648,888	6,862,987
Realized and unrealized gains on investments	(2,641,473)	(3,407,329)
Changes in operating assets and liabilities:		
Contracts receivable	(1,108,076)	(19,527,128)
Other receivables	152,186	(299,713)
Prepaid expenses	(1,563,268)	(851,559)
Accounts payable, accrued payroll, vacation and other accrued liabilities	167,616	12,403,578
Deferred revenue	8,049,092	3,872,856
Deferred rent	(141,032)	(6,354)
Long-term deferred expense credit	(182,224)	(182,224)
	19,767,965	20,305,749
Cash flows from investing activities:		
Purchases of investments	(7,045,407)	(1,495,644)
Purchase of property and equipment and intangibles	(10,232,321)	(5,814,863)
	(17,277,728)	(7,310,507)
Cash flows from financing activities:		
Proceeds from line of credit	7,000,000	-
Repayments on line of credit	(7,000,000)	-
Proceeds from long-term debt	-	3,000,000
Repayments on long-term debt	-	(9,700,000)
	-	(6,700,000)
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,490,237	6,295,242
Cash and cash equivalents, beginning of period	17,976,616	11,681,374
Cash and cash equivalents, end of period	\$ 20,466,853	\$ 17,976,616
Supplemental information:		
Cash paid during the period for interest	\$ 89,635	\$ 430,865

The accompanying notes are an integral part of these financial statements.

National Opinion Research Center (d/b/a NORC)

NOTES TO FINANCIAL STATEMENTS

December 25, 2021 and December 26, 2020

NOTE A - ORGANIZATION AND PURPOSE

National Opinion Research Center (“NORC”) is a not-for-profit corporation incorporated in the state of Colorado and affiliated with the University of Chicago. NORC conducts survey research in the public interest domestically and internationally for government agencies, educational institutions, private foundations, not-for-profit organizations and private corporations.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

NORC is required to report information regarding its financial position and activities in two classes of net assets - without donor restrictions and with donor restrictions.

Net Assets without Donor Restrictions

Net assets without donor restrictions are available to finance the general operations of NORC. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of NORC, the environment in which it operates and the purposes specified in its articles of incorporation. Voluntary resolutions by the board of trustees to designate a portion of NORC’s net assets without donor restrictions for specified purposes do not result in restricted funds. Since designations are voluntary and may be reversed by the board of trustees at any time, designated net assets are included under the caption net assets without donor restrictions. Board-designated net assets include net assets for future special projects over which the board retains control and may, at its discretion, subsequently use for other purposes.

Net Assets with Donor Restrictions

Net assets with donor restrictions represent contributions subject to donor-imposed restrictions. Some restrictions are temporary in nature, stipulating that resources be used after a specified date or for a particular purpose. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of a restriction is accomplished, net assets are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. Some restrictions are perpetual in nature and mandate the original principal be invested in perpetuity. NORC does not have any net assets with perpetual restrictions.

Revenue Recognition

NORC generates revenue under various contracts and grants, including (1) cost reimbursable plus fixed-fee contracts; (2) fixed-price contracts; (3) time-and-materials contracts; and (4) grants.

Contributed Revenue

NORC recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Contributions recognized as revenue for the 52-week periods ended December 25, 2021 and December 26, 2020 were \$231,368,928 and \$204,470,329, respectively.

A portion of NORC’s revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when NORC has incurred expenditures in

National Opinion Research Center (d/b/a NORC)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 25, 2021 and December 26, 2020

compliance with specific contract or grant provisions. NORC invoices federal and state governments in conformity with government contract schedules. Deferred revenue associated with funds received in advance of the costs being incurred as of December 25, 2021 and December 26, 2020 is \$437,433 and \$296,043, respectively.

Revenue from Contracts with Customers

Revenue from contracts with customers is recorded based on the accrual basis of accounting and is derived primarily from fixed-price contracts associated with research activities. Revenue from contracts with customers for the 52-week periods ended December 25, 2021 and December 26, 2020 was \$60,205,302 and \$63,070,304, respectively. NORC recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. When appropriate, an estimate is reserved as a potential future loss on contracts. Losses on contracts for the 52-week periods ended December 25, 2021 and December 26, 2020 were \$646,879 and \$42,429, respectively. Deferred revenue associated with funds received in advance of services performed as of December 25, 2021 and December 26, 2020 is \$2,354,774 and \$957,452, respectively.

Fair Value

Accounting principles generally accepted in the United States of America ("U.S. GAAP") define fair value, establish a framework for measuring fair value, establish a fair value hierarchy based on the inputs used to measure fair value and specify disclosure requirements for fair value measurements. Furthermore, NORC maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is broken down into three levels based on the transparency of inputs as follows:

- Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the report date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.
- Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the report date. The nature of these securities includes investments for which quoted prices are available but that are traded less frequently and investments that are fairly valued using other securities, the parameters of which can be directly observed.
- Level 3 - These securities have little to no pricing observability as of the report date. These securities are measured using management's best estimate of fair value whereby the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement; however, the determination of what constitutes observable requires significant judgment by NORC. NORC considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by

National Opinion Research Center (d/b/a NORC)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 25, 2021 and December 26, 2020

independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the fair value hierarchy is based on the pricing transparency of the instrument and does not necessarily correspond to NORC's perceived risk of that instrument.

Valuation of Investments

Investments with values that are based on quoted market prices in active markets and are, therefore, classified within Level 1 include active listed equities and fixed income funds.

Investments that trade in markets that are not considered to be active but that are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2.

Investments and financial instruments classified within Level 3 have significant unobservable inputs as they trade infrequently or not at all.

Contract and Grant Receivables

Contract and grant receivables are due within 30 days and are stated at amounts due from customers net of an allowance for doubtful accounts. Unbilled receivables result from revenue recognized from the contract and grant costs that have not yet been invoiced.

NORC determines its allowance for uncollectible accounts by considering a number of factors, including the length of time contract and grant receivables are past due, NORC's previous loss history, and the condition of the general economy and the industry as a whole. NORC writes off contract and grant receivables when they become uncollectible. The policy for determining uncollectible receivables is assessed on a customer-by-customer basis.

Fiscal Periods

NORC's fiscal years are composed of 52-week and 53-week periods. The fiscal years presented herein are December 26, 2020 through December 25, 2021; and December 28, 2019 through December 26, 2020; which are 52-week periods.

Cash Equivalents

For purposes of the statements of cash flows, NORC considers cash equivalents to be all short-term, highly liquid investments with maturities of three months or less at time of purchase.

Property and Equipment

Property and equipment are stated at cost if purchased for \$5,000 or more. Depreciation of furniture, equipment and software is provided over the estimated useful life of two to seven years using the straight-line method. Leasehold improvements are amortized using the straight-line method over the shorter of the useful lives or the life of the related lease. Major additions are capitalized while replacements, maintenance and repairs that do not improve or extend the lives of the respective assets are expensed.

Intangible Assets

Acquired software and developed software are stated at cost. Amortization is provided over the estimated useful life of two to ten years using the straight-line method. Expenditures in relation to the development of identifiable and unique software products used by NORC are recognized as intangible assets and amortized over their estimated useful lives. Capitalized costs may include payroll and payroll-related costs for employees directly associated with and who devote time to software development. Expenditures associated with maintaining computer software programs are recognized as an expense when incurred.

National Opinion Research Center (d/b/a NORC)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 25, 2021 and December 26, 2020

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in Note Q. All overhead costs are considered indirect management and general costs. Bid and proposal costs directly associated with the projects are included within indirect expenses. All indirect costs are allocated to projects based on NORC's indirect cost rates.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

NOTE C - TAX STATUS

NORC has received a favorable determination letter from the Internal Revenue Service stating that it is exempt from federal income taxes under the provision of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, except for income taxes pertaining to unrelated business income.

The Financial Accounting Standards Board issued guidance that requires tax effects from uncertain tax positions to be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. Management has determined that there are no material uncertain positions that require recognition in the financial statements. NORC accrued provisions for income taxes as the entity has unrelated business income. There are no interest or penalties recognized in the consolidated financial statements.

NOTE D - CONCENTRATIONS

Throughout the year, certain financial instruments subject NORC to credit risk. Those financial instruments consist primarily of cash and contracts receivable. NORC maintains its cash and cash equivalents in high credit-quality financial institutions. At times, these balances may be in excess of the Federal Deposit Insurance Corporation insurance limit. NORC has not experienced any losses in such accounts.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. In order to more conveniently meet the obligations of certain international projects, NORC maintains a Euro-denominated deposit account with a balance of \$2,627,966 and \$2,432,606 at December 25, 2021 and December 26, 2020, respectively. NORC does not believe this account to be a significant foreign currency risk.

In 2021 and 2020, 47% and 55%, respectively, of contract receivables were due from certain agencies of the federal government. Such receivables are due from multiple departments and agencies of the U.S. government and have been invoiced in accordance with contractual terms. As such, management does not believe this concentration to be a significant credit risk at December 25, 2021 and December 26, 2020.

NOTE E - CONCENTRATION OF REVENUES

Certain agencies of the federal government provide a substantial amount of the funding for NORC. In 2021, agencies of the federal government provided 69% of NORC's revenues (82% as prime contracts and 18% as subcontracts). In 2020, agencies of the federal government provided 62% of NORC's revenues (85% as prime contracts and 15% as subcontracts).

National Opinion Research Center (d/b/a NORC)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 25, 2021 and December 26, 2020

NOTE F - INDIRECT EXPENSES

The U.S. Department of Health and Human Services (DHHS) approves the provisional annual rates that are used to allocate indirect expenses to contracts and grants. Expenses are allocated based on a percentage of direct costs (excluding certain non-indirect-bearing costs). In 2020, the actual rates at which NORC incurred expenses were slightly higher than the provisional rates. Every year, NORC uses DHHS provisional rates throughout the year, but closes the year at the actual rates incurred; DHHS then approves those actual rates and provides new provisional rates for future years. In 2021, NORC was approved to utilize the 2021 provisional rates that had been approved in 2020 since DHHS is delayed in their approval of the 2020 actual rates. In 2021, the actual rates at which NORC incurred expenses were slightly lower than the provisional rates. In years when expenditures exceed the provisional rates, NORC may bill a portion of these unrecovered expenses to its respective customers in the subsequent year, if permitted by the regulatory agency via the approved final rates. In years when expenditures are less than the provisional rates, NORC is required to remit any credits due on federally funded projects back to the sponsor. The portion of overhead expenses that remains unbilled at fiscal year-end is included in contracts receivable on the statements of financial position.

NOTE G - INVESTMENTS

The fair value of investments is as follows at December 25, 2021 and December 26, 2020:

	<u>2021</u>	<u>2020</u>
Fixed income funds	\$ 15,385,041	\$ 10,676,920
Equities funds	17,259,448	13,790,578
International equities funds	<u>7,914,941</u>	<u>6,405,052</u>
 Total	 <u>\$ 40,559,430</u>	 <u>\$ 30,872,550</u>

NOTE H - FAIR VALUE OF INVESTMENTS

The following tables summarize investments by fair value hierarchy levels as of December 25, 2021 and December 26, 2020:

	<u>2021</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Fixed-income funds	\$ 15,385,041	\$ -	\$ -	\$ 15,385,041
Equities funds	17,259,448	-	-	17,259,448
International equities funds	<u>7,914,941</u>	<u>-</u>	<u>-</u>	<u>7,914,941</u>
 Total	 <u>\$ 40,559,430</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 40,559,430</u>

National Opinion Research Center (d/b/a NORC)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 25, 2021 and December 26, 2020

	2020			Total
	Level 1	Level 2	Level 3	
Fixed-income funds	\$ 10,676,920	\$ -	\$ -	\$ 10,676,920
Equities funds	13,790,578	-	-	13,790,578
International equities funds	6,405,052	-	-	6,405,052
Total	\$ 30,872,550	\$ -	\$ -	\$ 30,872,550

NOTE I - CONTRACTS AND GRANTS RECEIVABLE

Contracts and grants receivable at December 25, 2021 and December 26, 2020 consisted of the following:

	2021	2020
Billed	\$ 62,160,100	\$ 61,130,025
Unbilled for work incurred	19,579,477	18,523,728
Total	81,739,577	79,653,753
Less - allowance for uncollectible accounts	(2,260,039)	(1,282,291)
Net receivable	\$ 79,479,538	\$ 78,371,462

NOTE J - PROPERTY AND EQUIPMENT

Components of property and equipment at December 25, 2021 and December 26, 2020 are shown below:

	2021	2020
Leasehold improvements	\$ 3,314,780	\$ 3,654,156
Office furniture	5,598,456	5,639,902
Computer equipment	14,909,644	20,946,020
Automotive	21,076	21,076
Total property and equipment	23,843,956	30,261,154
Less accumulated depreciation	(17,357,392)	(23,360,900)
Property and equipment, net	\$ 6,486,564	\$ 6,900,254

Total depreciation expense was \$3,006,082 and \$2,587,051 in 2021 and 2020, respectively.

In 2021, \$9,009,590 of fully depreciated fixed assets with associated accumulated depreciation of (\$9,009,590) were retired. There were no assets retired in 2020.

National Opinion Research Center (d/b/a NORC)
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 25, 2021 and December 26, 2020

NOTE K - INTANGIBLE ASSETS

Intangible assets consist of the following at December 25, 2021 and December 26, 2020:

	<u>2021</u>	<u>2020</u>
Field/internet survey data collection/case management system	\$ 8,335,415	\$ 7,780,075
Sample frame	2,225,243	2,168,051
Probability panel	24,681,167	20,683,443
Telephone survey data collection/case management system	7,275,411	7,170,148
Computer software	5,591,792	5,211,230
Website	6,058,085	5,161,835
Other software development	<u>3,498,337</u>	<u>2,625,700</u>
Total intangible assets	57,665,450	50,800,482
Less accumulated amortization	<u>(37,370,914)</u>	<u>(33,503,069)</u>
Intangible assets, net	<u>\$ 20,294,536</u>	<u>\$ 17,297,413</u>

Total amortization expense was \$4,642,806 and \$4,275,936 in 2021 and 2020, respectively. Future amortization is as follows:

<u>Periods Ending December</u>	
2022	\$ 4,675,924
2023	3,940,550
2024	3,277,387
2025	2,758,699
2026	1,935,530
2027 and thereafter	<u>3,706,446</u>
Total	<u>\$ 20,294,536</u>

In 2021, \$774,961 of fully amortized intangible assets with associated accumulated amortization of (\$774,961) were retired. There were no intangible assets retired in 2020.

NOTE L - TRANSACTIONS WITH AFFILIATES

NORC is affiliated with the University of Chicago. For the purpose of conducting its business, NORC has entered into certain transactions with the University of Chicago for data processing services, sharing of personnel and certain lease arrangements. Transactions between the parties are conducted within the normal course of business. The amount of revenue billed to the University of Chicago in 2021 and 2020 was \$2,476,507 and \$1,840,050, respectively. NORC contracted with the University of Chicago for research services, leasing and data processing totaling \$1,971,192 and \$2,263,021 in 2021 and 2020, respectively. Contracts receivable from the University of Chicago were \$806,801 and \$845,027 at December 25, 2021 and December 26, 2020, respectively. Accounts payable to the University of Chicago were \$464,832 and \$217,558 at December 25, 2021 and December 26, 2020, respectively. NORC made payments to the University of Chicago as described in Note P.

National Opinion Research Center (d/b/a NORC)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 25, 2021 and December 26, 2020

NOTE M - LONG-TERM DEBT AND FINANCING ARRANGEMENTS

NORC entered into a line of credit agreement on January 25, 2018, which expired on January 31, 2020. The maximum borrowing available under the line of credit was \$5,000,000. On January 28, 2020, the maximum borrowing available under the line of credit was increased to \$8,000,000, with an expiration date of January 31, 2021. On December 3, 2020, NORC entered into a new line of credit agreement with the maximum borrowing available of \$20,000,000, with an expiration date of December 5, 2022. The line of credit is subject to interest at the prime rate, which was 3.25% as of December 25, 2021 and December 26, 2020.

The outstanding balances on the lines of credit were \$0 at December 25, 2021 and December 26, 2020, respectively. Interest payments were \$28,979 and \$52,527 in 2021 and 2020, respectively.

The line of credit was issued under a current credit agreement with JPMorgan, which contains a financial covenant requiring minimum liquidity balances. As of December 25, 2021 and December 26, 2020, respectively, NORC was in compliance with this covenant.

NORC has one standby letter of credit amounting to \$141,620 and \$137,861 in 2021 and 2020, respectively, which expires on February 28 of each year and is automatically extended on March 1 of each year indefinitely.

NOTE N – RETIREMENT PLANS

NORC participates in a non-contributory defined contribution retirement plan and a contributory defined contribution plan. Both plans are sponsored by the Teacher's Insurance and Annuity Association - College Retirement Equities Fund.

NORC employees are the sole contributors to the contributory defined contribution plan, and all employees are eligible to participate in the plan.

NORC contributes to the non-contributory defined contribution retirement plan for the benefit of all eligible employees who work more than 1,000 hours in a year; however, employees who are subject to a Service Contract Act Wage Determination will be considered immediately eligible for a contribution from NORC. The contributions are applied as premiums on regular retirement annuity contracts owned by the participants.

NORC may make a discretionary employer contribution on behalf of eligible employees to the non-contributory defined contribution retirement plan. For employees who are subject to a Service Contract Act Wage Determination, the contribution will be in the amount specified in the applicable wage determination for the contract for which each hour the work is being performed, including vacation and holiday hours reported. The contribution amount is subject to modification based on the issuance of a new Wage Determination. Retirement expense was \$11,013,092 and \$9,823,865 in 2021 and 2020, respectively.

Beginning in 2016, eligible highly compensated employees were offered participation in a retirement plan under a 457(b) deferred compensation arrangement. Participants may make tax deferred contributions, through salary reduction, up to the applicable annual 457(b) deferred compensation limit into a fully vested account. The plan assets are reported with investments on the statements of financial position.

National Opinion Research Center (d/b/a NORC)
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 25, 2021 and December 26, 2020

NOTE O - RESTRICTIONS AND DESIGNATIONS ON NET ASSETS

Net assets with and without donor restrictions as of December 25, 2021 and December 26, 2020 consist of the following balances

	2021	2020
Amounts without donor restrictions		
Board designated	\$ -	\$ -
Undesignated	84,998,334	75,612,078
Total net assets without donor restrictions	84,998,334	75,612,078
Amounts with donor restrictions		
Purpose restricted for the Making Invisible Visible project	7,826	7,826
Total net assets	\$ 85,006,160	\$ 75,619,904

NOTE P - COMMITMENTS

Leases

NORC has multiple office leases, the longest of which extends through 2030. Operating leases contain rent abatements and provisions for future rent increases that are amortized using the straight-line method over the lease term. Future minimum annual base rents on the office leases, excluding NORC's share of certain operating expenses and real estate taxes, are as follows:

Periods Ending December	
2022	\$ 4,638,039
2023	4,433,677
2024	4,343,382
2025	4,472,686
2026	3,562,925
2027 and thereafter	5,350,905
Total	\$ 26,801,614

For 2021 and 2020, the amounts charged to indirect expenses for base office rents were \$4,794,558 and \$5,259,718, respectively. Of these base office rent expenses, \$321,293 and \$411,389 for 2021 and 2020, respectively, were for leases with the University of Chicago, a related party.

NORC entered a long-term agreement on October 1, 2021 for certain facilities, management services and equipment leases. This agreement is effective through September 30, 2025 for equipment leases. The minimum payments are as follows:

2022	\$ 91,889
2023	91,889
Total	\$ 183,778

National Opinion Research Center (d/b/a NORC)
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 25, 2021 and December 26, 2020

NOTE Q - FUNCTIONAL EXPENSES

Expenses by functional category for the 52-week period ended December 25, 2021 are as follows:

	Program	Management and General	Total
Salaries and benefits	\$ 111,844,781	\$ 56,486,690	\$ 168,331,471
Subcontractor costs, respondent fees and handling charges	44,590,349	687,012	45,277,361
Outside staff/computing and network	19,047,012	8,413,203	27,460,215
Travel, supplies, telephone and other office expenses	15,300,832	3,426,973	18,727,805
Depreciation and amortization	-	7,648,888	7,648,888
Rent	-	4,653,527	4,653,527
Interest	-	89,635	89,635
Other	5,210	12,363,731	12,368,941
Total expenses	\$ 190,788,184	\$ 93,769,659	\$ 284,557,843

Expenses by functional category for the 52-week period ended December 26, 2020 are as follows:

	Program	Management and General	Total
Salaries and benefits	\$ 93,613,390	\$ 46,535,614	\$ 140,149,004
Subcontractor costs, respondent fees and handling charges	50,131,044	439,385	50,570,429
Outside staff/computing and network	17,155,649	1,979,324	19,134,973
Travel, supplies, telephone and other office expenses	14,831,769	10,525,839	25,357,608
Depreciation and amortization	-	6,862,987	6,862,987
Rent	-	5,253,365	5,253,365
Interest	-	430,865	430,865
Other	2,733	1,474,891	1,477,624
Total expenses	\$ 175,734,585	\$ 73,502,270	\$ 249,236,855

NOTE R – LIQUIDITY

NORC's working capital and cash flows fluctuate during the year due to the timing of grant receipts. To manage liquidity, NORC invests cash in excess of daily requirements in a money market account. To help manage unanticipated liquidity needs, NORC's investments could also be made available as necessary. In addition, NORC has a committed line of credit in the amount of \$20 million, which it could draw upon.

National Opinion Research Center (d/b/a NORC)
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 25, 2021 and December 26, 2020

NORC's financial assets available for general use within one year of December 25, 2021 and December 26, 2020 are as follows:

	2021	2020
Cash and cash equivalents	\$ 20,466,853	\$ 17,976,616
Investments	40,559,430	30,872,550
Contracts receivable, net (adjusted for fringe variance)	78,527,218	77,182,776
	\$ 139,553,501	\$ 126,031,942

NOTE 5 - SUBSEQUENT EVENTS

NORC evaluated its December 25, 2021 financial statements for subsequent events through April 29, 2022, the date the financial statements were available to be issued. NORC is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

SUPPLEMENTAL INFORMATION

National Opinion Research Center (d/b/a NORC)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

52-week period ended December 25, 2021

Funding Source/Project Name*	Assistance Listing Number	Pass-Through Identification Number	Provided to Subrecipients	Federal Expenditures
Department of Defense	12.Unknown		\$ -	\$ 2,297,066
Total Department of Defense			-	2,297,066
Department of Education				
Institute for Educational Sciences - prime	84.305D		379,079	724,476
American Institutes for Research - sub	84.305A	N/A	-	140,017
Tulane University - sub	84.305C	TUL-SCC-556410-19-20	-	42,980
University of Colorado - sub	84.305A	N/A	-	149
National Center for Education Evaluation and Regional Assistance - sub				
American Institutes for Research - sub	84.305A	4141161	-	206,399
Total Department of Education			379,079	1,114,021
Department of Health and Human Services				
Agency for Healthcare Research Quality - prime	93.Unknown		338,599	1,793,738
Health Research & Educational Trust - sub	93.Unknown	HHSP23337006T	58,530	81,707
Johns Hopkins University - sub	93.Unknown	N/A	147,801	875,882
University of Southern California - sub	93.226	N/A	-	1,719
Center for Disease Control and Prevention - prime	93.Unknown		9,081,864	45,016,894
American College of Obstetricians and Gynecologists - sub	93.430	N/A	-	55,327
Center for Preparedness and Response - sub	93.Unknown	00HCUGEE-2020-49654	132,063	634,102
National Network of Public Health Institutes - sub	93.391	N/A	-	35,756
Truth Initiative - sub	93.Unknown	N/A	-	31,634
Center for Medicare and Medicaid Services - prime	93.Unknown		1,831,296	28,396,451
Impaq International, LLC - sub	93.Unknown	N/A	-	119
L&M Policy Research, LLC - sub	93.Unknown	N/A	-	168,110
Health Resources and Services Administration - prime	93.928		-	709,135
Eastern Tennessee State University - sub	93.211	TO1 to MSA 20-17-1-S1.1	-	100,163
University of North Dakota - sub	93.Unknown	N/A	-	866,581
Medicare Payment Advisory Commission - prime	93.Unknown		-	182,253
National Institutes of Health - prime	93.Unknown		1,100,630	8,052,672
Georgia State University - sub	93.077	N/A	-	33,037
Johns Hopkins University - sub	93.Unknown	N/A	-	32,787
Massachusetts General Hospital - sub	93.866	N/A	-	433
National Cancer Institute - sub	93.Unknown	HHSN261201800005C	123,604	1,723,324
Ohio State University - sub	93.865	60029167-01	-	1,363,166
University of California-Irvine - sub	93.865	N/A	-	48,734
University of Chicago - sub	93.Unknown	FP050631	95,646	1,670,007
University of Illinois Chicago - sub	93.273	18072	-	197,580
University of Miami - sub	93.279	SPC-001424	-	380,572
University of Michigan - sub	93.393	N/A	-	19,620
University of Minnesota - sub	93.866	UTA10-001189	-	6,052,082
University of Pennsylvania - sub	93.077	N/A	-	5,372
University of Vermont - sub	93.866	N/A	-	30,660
Program Support Center - prime	93.Unknown		1,030,810	12,634,451
Substance Abuse and Mental Health Services Administration - sub				
Research Foundation for Mental Hygiene - sub	93.243	N/A	-	1,530
Total Department of Health and Human Services			13,940,843	111,195,598

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

National Opinion Research Center (d/b/a NORC)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

52-week period ended December 25, 2021

Funding Source/Project Name*	Assistance Listing Number	Pass-Through Identification Number	Provided to Subrecipients	Federal Expenditures
Department of Interior				
Association of Fish and Wildlife Agencies - sub	15.628	F20AP00134	-	2,124,754
Total Department of Interior			-	2,124,754
Department of Justice				
Bureau of Justice Studies - prime	16.734		-	504,440
Urban Institute - sub	16.734	N/A	-	36,784
National Institute of Justice - prime	16.560		279,345	1,964,475
San Jose State University-sub	16.560	21-1020-6120-NORC	-	290,024
Urban Institute - sub	16.560	N/A	-	104,761
Office of Juvenile Justice Delinquency - prime	16.540		65,343	280,042
Total Department of Justice			344,688	3,180,526
Department of Labor				
Bureau of International Labor Affairs - prime	17.401		-	1,187
International Labour Organization - sub	17.007	40310180	-	184,096
Office of Trade and Labor Affairs - sub	17.Unknown	N/A	-	13,294
Verite - sub	17.401	N/A	-	38,930
Total Department of Labor			-	237,507
National Science Foundation				
National Science Foundation - prime	47. Unknown		-	4,354,562
Digital Promise Global - sub	47.070	N/A	-	3
University of Chicago - sub	47.074	N/A	-	4,788
University of Western Michigan - sub	47.070	N/A	-	907
Total National Science Foundation			-	4,360,260
Social Security Administration				
Social Security Administration - prime	96.Unknown		-	167,128
Total Social Security Administration			-	167,128
Department of State				
Office to Monitor & Combat Trafficking in Persons - sub				
University of Georgia - sub	19.Unknown	N/A	17,040	157,869
University Corporation of Atmospheric Research - sub	19.017	N/A	-	488
Total Department of State			17,040	158,357
Department of Transportation				
National Highway Traffic Safety Administration - prime	20.Unknown		7,050	78,315
Dunlap & Associates - sub	20.Unknown	DTNH2211D00225L	-	92,032
Total Department of Transportation			7,050	170,347
United States Agency for International Development (USAID)				
United States Agency for International Development - prime	98.Unknown		1,701,934	3,493,294
Development Professionals, Inc - sub	98.Unknown	TO-LAC-20-05	-	15,787
Making Cents International, Inc - sub	98.Unknown	TO-ATR-20-05	-	923,689
EnCompass LLC - sub	98.Unknown	609400.01.15.002	10,000	1,024,883
Equal Access International - sub	98.070	N/A	-	550,116
Mendez, England & Assoc - sub	98.Unknown	558.000.SUB.NORC/1	-	1,213,524
Total United States Agency for International Development			1,711,934	7,221,293
United States Department of Agriculture				
United States Department of Agriculture - prime	10.Unknown	SSSJIP19CA0032	-	5,486
Total United States Department of Agriculture			-	5,486
Total expenditures of federal awards			\$ 16,400,634	\$ 132,232,343

*All expenditures of federal awards are contained in the research and development cluster, which is considered the major program.

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

National Opinion Research Center

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

52-week period ended December 25, 2021

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards is prepared 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* ("Uniform Guidance"). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. National Opinion Research Center ("NORC") did not elect to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE B - CATEGORIZATION OF PROGRAM

All work performed by NORC that is funded by federal assistance is considered research.

National Opinion Research Center (d/b/a NORC)

SCHEDULE OF EXPENDITURES UNDER FEDERAL AND NON-FEDERAL FINANCIAL AWARDS/CONTRACTS

52-week period ended December 25, 2021

<u>Funding Source/Project Name*</u>	<u>Contract Number</u>	<u>Expenditures</u>
Total federal awards (page 21)		\$ 132,232,343
Federal procurement contracts		
Department of Commerce	GS10F0061N-1305M219FNAAA0041	1,461
Department of Defense	FMG-2012-024	125,143
Department of Education	Various	30,568
Department of Health and Human Services	Various	27,613,138
Department of Homeland Security	CW2249454	52,715
Department of the Interior	CW2258510	3,364,602
Department of Justice	Various	229,910
Department of Labor	Various	8,774,376
Department of State	Unknown	992,381
Department of Transportation	Various	63,583
Department of Treasury	Various	141,553
Department of Veterans Affairs	0001	241,507
Equal Employment Opportunity Commission	GS10F0033M	983,444
Food and Drug Administration	YY1129.02NORC	22,568
Federal Deposit Insurance Corporation	CORHQ-20-G-0277	29,245
Medicaid and Chip Payment and Access Commission	Various	7,181
National Aeronautics and Space Administration	5000014837	149,549
National Science Foundation	Various	1,977,937
Overseas Private Investment Corp	71311119C0036	62,115
Social Securities Administration	CON- 0015571	117,691
United States Agency for International Development	Various	9,809,236
United States Department of Agriculture	Various	1,354,880
United States Postal Service	GS-10F-0033M	30,900
United States Securities and Exchange Commission	SECHQ116D0012	738,193
		<u>56,913,876</u>
Total federal procurement contracts		<u>56,913,876</u>
Total federal financial awards/contracts		189,146,219
Non-federal contracts		<u>79,868,541</u>
Total federal and non-federal financial awards/contracts		<u><u>\$ 269,014,760</u></u>

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
National Opinion Research Center (d/b/a NORC)

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of National Opinion Research Center (NORC), which comprise the statement of financial position as of December 25, 2021, and the related statements of activities and cash flows for the 52-week period then ended, and the related notes to the financial statements, and have issued our report thereon dated April 29, 2022.

Report on internal control over financial reporting

In planning and performing our audit of the financial statements, we considered NORC'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 NORC's internal control. Accordingly, we do not express an opinion on the effectiveness of NORC'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 NORC'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 NORC'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 NORC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NORC's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Grant Thornton LLP

Chicago, Illinois
April 29, 2022

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY *THE UNIFORM GUIDANCE*

Board of Trustees
National Opinion Research Center (d/b/a NORC)

Report on compliance for each major federal program

Opinion on each major federal program

We have audited the compliance of National Opinion Research Center (NORC) with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget's *OMB Compliance Supplement* that could have a direct and material effect on each of NORC's major federal programs for the 52-week period ended December 25, 2021. NORC'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, NORC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the 52-week period ended December 25, 2021.

Basis for opinion on each major federal program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (US 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 NORC 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the NORC'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 NORC's federal programs.

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 NORC'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 US 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 NORC's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with US 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 NORC'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 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 NORC'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. Given these limitations, during our audit we did not identify any deficiencies in NORC's internal control over compliance that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

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.

Grant Thornton LLP

Chicago, Illinois
April 29, 2022

National Opinion Research Center (d/b/a NORC)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
52-week period ended December 25, 2021

I - SUMMARY OF AUDITORS' RESULTS FINANCIAL STATEMENTS:

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards:

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified not considered to be material weakness(es)? Yes None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) Yes None reported

Identification of Major Programs Research and Development Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$ 3,000,000

Auditee qualified as low-risk auditee? Yes No

II - FINANCIAL STATEMENT FINDINGS

None reported.

III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.