

***Florida  
Institute of  
Technology, Inc.  
and Subsidiaries***

*Consolidated Financial  
Statements and  
Supplemental Reports*

*As of and for the 14 months  
ended June 30, 2021*

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
Florida Institute of Technology, Inc.

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

We have audited the accompanying consolidated financial statements of Florida Institute of Technology, Inc. and Subsidiaries (the "University", a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, functional expenses and cash flows for the 14 months then ended, and the related notes to the consolidated financial statements.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

#### **MELBOURNE**

8035 Spyglass Hill Road  
Melbourne, FL 32940  
321-757-2020

#### **ORLANDO**

255 South Orange Avenue, #1200  
Orlando, FL 32801  
407-841-8841

## **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the University as of June 30, 2021, and the changes in its net assets, and its cash flows for the 14 months then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, 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 *Chapter 10.650, Rules of the Auditor General*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The Schedules of Financial Responsibility, consisting of the Schedule of Responsibility Composite Ratio Score and the Schedule of Financial Responsibility Data is presented for purposes of additional analysis and is not a required part of the consolidated financial statements, but is required by the U.S. Department of Education.

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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

The consolidating statement of financial position is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2021, on our consideration of the University'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 University'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 University's internal control over financial reporting and compliance.

December 20, 2021, except for our report on the  
Schedule of Financial Responsibility, which is  
dated March 21, 2022  
Melbourne, Florida

*Berman Hopkins Wright & LaHam*  
*CPAs and Associates, LLP*

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2021

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### ASSETS

Cash and cash equivalents	\$ 14,996,384
Accounts receivable, net	7,002,289
Pledges receivable, net	1,707,646
Prepaid expenses, inventories and other assets, net	6,805,958
Student loans receivable, net	2,587,568
Cash held with fiduciary	16,839,175
Investments	129,212,083
Long-lived assets, net	199,816,185
<b>TOTAL ASSETS</b>	<b>\$ 378,967,288</b>

### LIABILITIES AND NET ASSETS

#### LIABILITIES

Accounts payable and accrued expenses	\$ 34,540,008
Deposits and deferred revenue	5,035,638
Annuities payable	2,297,810
Refundable government loans	3,100,266
Capital lease obligations	12,885,677
Long-term debt	108,394,840
<b>Total liabilities</b>	<b>166,254,239</b>

#### NET ASSETS

Without donor restrictions	106,429,551
With donor restrictions	106,283,498
<b>Total net assets</b>	<b>212,713,049</b>

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 378,967,288</b>
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See notes to consolidated financial statements.

FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES  
14 MONTHS ENDED JUNE 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>OPERATING ACTIVITIES</b>			
<i>Revenues and reclassifications:</i>			
Tuition and fees	\$ 206,731,236	\$ -	\$ 206,731,236
Student aid - tuition and fees	(51,287,812)	-	(51,287,812)
Net tuition and fees	155,443,424	-	155,443,424
Gifts	2,288,263	-	2,288,263
Interest and dividends	240,245	-	240,245
Other operating	5,003,395	-	5,003,395
Sponsored programs	23,338,327	-	23,338,327
Institutes and project research	1,639,307	-	1,639,307
Auxiliary enterprises	21,240,934	-	21,240,934
Endowment payout	6,475,389	-	6,475,389
Net assets released from restrictions	491,383	(491,383)	-
Total operating revenues and reclassifications	<u>216,160,667</u>	<u>(491,383)</u>	<u>215,669,284</u>
<i>Expenses:</i>			
Instruction and departmental	81,151,070	-	81,151,070
Academic support	18,007,199	-	18,007,199
Institutional support	33,619,122	-	33,619,122
Student services	17,104,805	-	17,104,805
Sponsored programs	18,852,096	-	18,852,096
Auxiliary enterprises	37,776,096	-	37,776,096
Total operating expenses	<u>206,510,388</u>	<u>-</u>	<u>206,510,388</u>
Operating income	9,650,279	(491,383)	9,158,896
<b>NON-OPERATING ACTIVITIES</b>			
Gifts	-	19,584	19,584
Interest and dividends - endowment and other	182,040	1,596,068	1,778,108
Net realized and unrealized gain on investments	3,091,752	28,335,924	31,427,676
Other expenses	(107,947)	-	(107,947)
Loss on disposition of assets	(204,158)	-	(204,158)
Endowment payout	(2,928,299)	(3,547,090)	(6,475,389)
Non-operating income	<u>33,388</u>	<u>26,404,486</u>	<u>26,437,874</u>
CHANGE IN NET ASSETS	9,683,667	25,913,103	35,596,770
NET ASSETS - Beginning of period	<u>96,745,884</u>	<u>80,370,395</u>	<u>177,116,279</u>
NET ASSETS - End of period	<u>\$ 106,429,551</u>	<u>\$ 106,283,498</u>	<u>\$ 212,713,049</u>

See notes to consolidated financial statements.

**FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
14 MONTHS ENDED JUNE 30, 2021**

	<b>Programs</b>				<b>Support</b>	
	<b>Educational Activities</b>	<b>Research</b>	<b>Auxiliary Enterprises</b>	<b>Student Services</b>	<b>Institutional Support</b>	<b>Total</b>
Salaries	\$ 53,187,989	\$ 9,215,652	\$ 9,290,765	\$ 7,482,061	\$ 14,465,535	\$ 93,642,002
Benefits	13,701,616	1,581,693	2,688,271	2,183,736	4,246,743	24,402,059
Materials and supplies	4,887,764	1,241,501	5,612,542	1,337,068	2,998,153	16,077,028
Services and travel	20,251,290	4,378,151	7,221,872	4,121,623	9,345,031	45,317,967
Operations and maintenance	7,129,610	2,435,099	12,962,646	1,980,317	2,563,660	27,071,332
Total expenses	<u>\$ 99,158,269</u>	<u>\$ 18,852,096</u>	<u>\$ 37,776,096</u>	<u>\$ 17,104,805</u>	<u>\$ 33,619,122</u>	<u>\$ 206,510,388</u>

See notes to consolidated financial statements.

**FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
14 MONTHS ENDED JUNE 30, 2021**

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CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 35,596,770
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	10,491,269
Amortization of bond issuance costs	680
Amortization of intangible assets	8,923
Amortization of bond premium	(926,340)
Net realized and unrealized (gain) on investments	(31,427,678)
Change in bad debt allowance for accounts receivable	103,932
Change in bad debt allowance for student loans receivable	26,599
Change in bad debt allowance for pledges receivable	(90,500)
Loss on disposition of assets	204,158
Change in assets and liabilities:	
Accounts receivable	1,962,148
Pledges receivable	1,455,394
Prepaid expenses, inventories and other assets	2,128,877
Student loans receivable	750,760
Accounts payable and accrued expenses	17,177,952
Deposits and deferred revenue	(6,493,339)
Refundable government loans	(756,408)
Net cash provided by operating activities	<u>30,213,197</u>

See notes to consolidated financial statements.



## FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENT OF CASH FLOWS (continued) 14 MONTHS ENDED JUNE 30, 2021

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#### CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of investments	(47,877,971)
Proceeds from investments	38,861,791
Proceeds from disposition of assets	83,017
Purchase of long-lived assets	<u>(22,036,673)</u>
Net cash used in investing activities	<u>(30,969,836)</u>

#### CASH FLOWS FROM FINANCING ACTIVITIES:

Payment of annuity obligations	(141,558)
Proceeds from annuities	50,000
Repayment of long term debt	(2,420,000)
Repayment of capital lease obligations	<u>(974,858)</u>
Net cash used in financing activities	<u>(3,486,416)</u>

#### NET DECREASE IN CASH, CASH EQUIVALENTS, AND

CASH HELD WITH FIDUCIARY	(4,243,055)
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#### CASH, CASH EQUIVALENTS AND CASH HELD WITH FIDUCIARY

Beginning of period	<u>36,078,614</u>
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#### CASH, CASH EQUIVALENTS AND CASH HELD WITH FIDUCIARY

End of period	<u>\$ 31,835,559</u>
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#### AS PRESENTED ON STATEMENTS OF FINANCIAL POSITION

Cash and cash equivalents	\$ 14,996,384
Cash held with fiduciary	<u>16,839,175</u>
	<u>\$ 31,835,559</u>

#### SUPPLEMENTAL CASH FLOW INFORMATION - Interest paid

	<u>\$ 5,872,741</u>
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See notes to consolidated financial statements.

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14 MONTHS ENDED JUNE 30, 2021

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Organization** - Florida Institute of Technology, Inc. and Subsidiaries (the “University”) is an accredited, coeducational, independently controlled and supported university, which was established in 1958. It is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools. The University is a not-for-profit corporation under both federal and state laws. The University is committed to the pursuit of excellence in teaching and research in the sciences, engineering, technology, business, psychology, aviation and related disciplines.

The University’s major programs are grouped as Educational Activities, Research, Auxiliary Enterprises and Student Services. Educational activities include instruction, departmental and academic support. Research is comprised of grants from federal, state, local, and private entities as well as research institutes. Auxiliary services include housing, dining services as well as FIT Aviation. Student services include social and cultural development, counseling and career guidance, financial aid and admissions processes.

The University’s institutional support serves the programs and contains executive management, fiscal operations, general administration, public relations and development, and administrative information technology.

Previous reporting periods utilized a fiscal year end of April 30<sup>th</sup>, however in the current period the University elected to change the fiscal year end for reporting purposes to June 30<sup>th</sup>. As such, these consolidated financial statements include 14 months of activity, which is the time period between the previous reporting period as of and for the year ended April 30, 2020 until the new fiscal year end date reported here of June 30, 2021.

**Basis of Presentation** - The consolidated financial statements of the University include the accounts of the various administrative and academic divisions that are controlled by the University, including the wholly owned subsidiaries of the University which are FIT Aviation, LLC and FIT Museum of Art, Inc. (known as Foosaner Art Museum sold subsequent to the fiscal year end, see details in Note 24). The consolidated financial statements have been prepared on the accrual basis of accounting. All intercompany balances and transactions have been eliminated.

Net assets, revenues, gains and support are classified based on the existence or absence of donor-imposed restrictions. A description of the two classes of net assets follows:

**Net Assets without Donor Restrictions:** Net assets without donor restrictions represent the difference between assets and liabilities that are not restricted by donor-imposed stipulations. Net assets which were previously restricted for which the University has met donor restrictions are released from restriction and reported as net assets without donor restrictions in the consolidated financial statements.

**Net Assets with Donor Restrictions:** Net assets with donor restrictions are defined as net assets subject to donor-imposed stipulations that may or will be met either by actions of the University and/or the passage of time or include perpetual restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire within the fiscal year in which the contributions are received.

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14 MONTHS ENDED JUNE 30, 2021

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Cash and Cash Equivalents** - Cash and cash equivalents include all highly liquid debt instruments purchased with an original maturity of less than three months. The carrying amounts of cash and cash equivalents approximate fair value because of the short maturity of these financial instruments.

**Concentration of Credit Risk** - The University maintains its cash, cash equivalents and cash held with fiduciary in financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to \$250,000 per depositor. As of June 30, 2021, approximately \$31 million of the University's balances were subject to custodial credit risk.

**Accounts Receivable, net** - Accounts receivable are generated by student accounts with deferred payment arrangements, delinquent student accounts, or other transactions in which the University has provided services in advance of payment. Accounts receivable also includes balances related to sponsored programs, which are receivables generated through private and government grants and contracts. Management estimates an allowance for uncollectible accounts based upon their review of delinquent accounts and an assessment of the University's historical evidence of collections. It is the University's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

**Pledges Receivable, net** - Pledges are unconditional written promises to contribute to the University in the future. Pledges are recognized at estimated present value in the period the pledges are received. Management estimates an allowance for uncollectible pledges based upon their review of delinquent pledges and an assessment of the University's historical evidence of collections. Pledges are adjusted to the net present value using a discount rate that is comparable to the average interest rate for long-term interest bearing debt issued by the U.S. Treasury.

**Prepaid Expenses, Inventories and Other Assets, net** - Prepaid expenses are amounts that are paid in advance by the University to a vendor for goods and services. Inventories of supplies are stated at the lower of cost (weighted average) or net realizable value.

**Student Loans Receivable, net** - Student loans receivable result from lending activities to students utilizing University and federal resources designated for that purpose. Management estimates an allowance for uncollectible student loans based upon their review of delinquent student loans and an assessment of the University's historical evidence of collections. It is the University's policy to charge off uncollectible student loans receivable when management determines the receivable will not be collected. Federal funds provided for this purpose are included in the Refundable Government Loans liability on the Consolidated Statement of Financial Position.

**Cash Held with Fiduciary** - Cash held with fiduciary represents the balance of the escrow account with relation to the bond refinancing that took place during fiscal year 2020. These funds will be used for future capital projects approved as part of the bond refinance as well as future debt service.

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14 MONTHS ENDED JUNE 30, 2021

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Investments** - The University's investments in securities are reported at fair value. Contributed investments in securities are initially recorded at their fair value on the date of the gift. The University maintains its investments in securities with four brokerage firms that are members of the Securities Investor Protection Corporation ("SIPC"). At times, the brokerage firm accounts may also include cash balances. Cash and securities held at a member brokerage firm are insured by the SIPC up to \$500,000 per customer, including a maximum of \$250,000 for cash. There was \$0 cash in the investment account subject to custodial credit risk at June 30, 2021.

**Long-Lived Assets, net** - Long-lived assets are recorded at cost if purchased or at estimated fair value if received by gift. The University's policy is to capitalize assets acquired through purchase greater than \$1,000 and acquired by gifts greater than \$5,000 having a useful life greater than one year. Depreciation of long-lived assets is recorded on the straight-line method over their estimated useful lives ranging from 3 to 50 years.

<u>Description</u>	<u>Estimated useful life</u>
Building and land improvements	7 to 20 years
Buildings	7 to 50 years
Leasehold improvements	Shorter of the length of the lease or the life of the asset
Equipment	3 to 15 years
Vehicles and boats	5 to 10 years
Aircraft	5 to 12 years
Software	3 to 5 years (amortized)
Library materials	12 years

**Deposits and Deferred Revenue** - Tuition revenue and certain related costs are recognized in the fiscal year in which the program is conducted, however collections of the payment for these revenues may occur in an earlier period than the one in which the revenue is earned. This revenue is deferred until the period in which it is earned. Deposits primarily represent amounts held by the University for various student related services.

**Refundable Government Loans** - Refundable government loans represent federal funds provided to the University to be used for student loans. The balance represents the amount refundable to the federal government if the University terminated its participation in the loan program.

**Collections** - The University's collections consist of donated art and other objects that are held for educational and curatorial purposes. In conformity with accounting principles generally accepted in the United States of America, the University has elected to exclude the value of the collections from the consolidated statement of financial position, and the value of donations of collections from revenue in the consolidated statement of activities. If collections are disposed, it is the University's intent that they be donated and therefore, no proceeds will be recognized.

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14 MONTHS ENDED JUNE 30, 2021

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Conditional Promises to Give** - Because of uncertainties with regard to reliability and valuation, bequest intentions and other conditional promises are only recognized as assets if and when the specified conditions are met. Non-bequest conditional pledges whose conditions have not been met totaled approximately \$1.5 million as of June 30, 2021. Promises that are associated with bequests and wills whose conditions have not been met totaled approximately \$19.2 million as of June 30, 2021.

**Income Taxes** - The University is a tax-exempt institution under Section 501(c)(3) of the Internal Revenue Code. The University is classified as an organization whereby contributions to it qualify for deductions as charitable contributions. Accordingly, no provision for income taxes has been made in the consolidated financial statements. No assessments are outstanding, and the University's management believes that the University has operated in accordance with its tax-exempt status.

However, the University does engage in activities that may give rise to unrelated business income tax. As such, the University files an unrelated business income tax return that includes FIT Aviation, LLC and other activities subject to unrelated business income tax.

Deferred income taxes are provided on a method whereby deferred tax assets are recognized for temporary differences, which are the differences between the reported amount of assets and liabilities and their tax basis and arise predominantly from net operating losses and the allowance for doubtful accounts receivable. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Measurement of deferred income tax is based on enacted tax rates and laws that will be in effect when the differences are expected to reverse.

The University accounts for income taxes in accordance with Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") 740, Income Taxes, which clarifies the accounting and disclosure requirements for uncertainty in tax positions. It requires a two-step approach to evaluate tax positions and determine if they should be recognized in the consolidated financial statements. The two-step approach involves recognizing any tax positions that are more likely than not to occur and then measuring those positions to determine if they are recognizable in the consolidated financial statements. Management regularly reviews and analyzes all tax positions and has determined that no uncertain tax positions requiring recognition have occurred.

The University is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The University believes it is no longer subject to income tax examinations for fiscal years prior to 2018.

**Advertising** - The University expenses advertising costs when incurred. Advertising expense totaled approximately \$2.4 million for the 14 months ended June 30, 2021.

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14 MONTHS ENDED JUNE 30, 2021

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

***Use of Estimates in the Preparation of Consolidated Financial Statements*** - The preparation of consolidated 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, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

***Measure of Operations*** - The University's operating activities include revenues that are earned as a result of providing its programs and supporting activities, and expenses related to providing these programs and supporting activities. Operating activities also include amounts released from donor restrictions, as well as transfers from board designated and other non-operating funds to support these operating activities. Operating activities do not include returns from investment activity in excess of amounts made available for current activities or contributions received for use in future periods.

***Liquidity and Availability of Resources*** - The University regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the University considers all expenditures related to its ongoing mission related activities as well as the conduct of services undertaken to support those activities to be general expenditures.

The University's financial assets comprised the following at June 30, 2021:

Cash and cash equivalents	\$	14,996,384
Accounts receivable, net		7,002,289
Pledges receivable, net		1,707,646
Student loans receivable, net		2,587,568
Cash held with fiduciary		16,839,175
Investments convertible to cash in the next 12 months		13,385,800
Other long-term investments		<u>115,826,283</u>
Total financial assets	\$	<u><u>172,345,145</u></u>

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14 MONTHS ENDED JUNE 30, 2021

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

*Liquidity and Availability of Resources (continued)* - As of June 30, 2021, the following financial assets could readily be made available within one year of the statement of financial position date to meet general expenditures:

Cash and cash equivalents	\$ 14,996,384
Accounts receivable, net	7,002,289
Pledges receivable for operations due in 1 year or less	655,273
Payout on donor restricted endowments	3,547,090
Payout on quasi-endowments	2,928,299
Investments not encumbered by donor or board restrictions	<u>21,344,484</u>
Total financial assets available for general expenditures	<u>\$ 50,473,819</u>

The University's governing board has designated a portion of its resources without donor restrictions for endowment and other purposes. These funds are invested for long-term appreciation and current income but remain available and may be spent at the discretion of the board. At June 30, 2021, the following amounts were designated by the board and available to be spent at any time with board approval:

Board Designated Quasi-Endowment funds	\$ 7,854,457
Quasi-Endowments funds	<u>2,657,897</u>
Total board-designated funds	<u>\$ 10,512,354</u>

Student loans receivable are not considered to be available to meet general expenditures because principal and interest on these loans are used solely to make new loans. Based on historical experience, the portion of pledges receivable due within one year are considered liquid unless restricted by Donor stipulations.

In addition to the assets listed above, the University has a balance of \$16,839,175 of cash held with fiduciary that is committed for the construction of a building dedicated to the health sciences, as well as debt service.

The University has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt and equity securities and line of credit. See Note 13 for information about the University's line of credit.

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14 MONTHS ENDED JUNE 30, 2021

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Functional Expense Allocation** - Operation and maintenance of plant, depreciation, utilities, and insurance expense are allocated across all functional expense categories as follows:

- Salary and benefits expense is allocated based on the function of the employee that the expense is attributable to.
- Expenses for the administration, supervision, operation, maintenance, preservation, and protection of the institution's physical plant (O&M) are allocated based on square footage of the buildings used to support each functional area. (Interest is included in O&M.)
- Depreciation expense of all depreciable assets, other than buildings, is allocated based on square footage of the buildings owned by the University used to support each functional area. Depreciation expense on buildings owned by the University, excluding the auxiliary buildings, is allocated based on square footage of the buildings to support each functional area of the buildings. Depreciation expense of the auxiliary buildings are directly charged to the auxiliary functional area. These allocations are based on information obtained through a periodic inventory of space usage.
- Expenses for insurance and utilities are allocated based on square footage of the buildings used to support each functional area.

**Adoption of accounting pronouncement** - In May 2014, the Financial Accounting Standards Board issued ASU 2014-09 (Revenue from Contracts with Customers (Topic 606)), which requires an entity to recognize revenue from 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. The University adopted the FASB ASC Topic 606, as of May 1, 2020, using the modified retrospective transition method for all contracts not substantially completed as of the date of adoption. Under this modified approach, the client took advantage of a practical expedient available within the guidance that does not require analysis of contracts that were completed in prior periods. The adoption of ASC 606 represents a change in accounting principle that is intended to more closely align revenue recognition with the transfer of control of the University's products and services to the customer.

The amount of revenue recognized reflects the consideration which the University expects to be entitled to receive in exchange for the products and/or services. To achieve this principle, the University applies the following five steps:

1. Identify the contract with the customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to performance obligations in the contract, and
5. Recognize revenue when or as the University satisfies a performance obligation.



# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14 MONTHS ENDED JUNE 30, 2021

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The guidance addresses, in particular, contracts with more than one performance obligation, as well as the accounting for some costs to obtain or fulfill a contract with customer; and provides for additional disclosures with respect to revenues and cash flows arising from contracts with customers. With respect to non-public entities, this update is effective for fiscal years, and interim periods within those years, beginning after December 15, 2019.

The University has determined that the adoption of ASC 606 had no impact to beginning net assets as of May 1, 2020.

**Recently Issued Accounting Pronouncements** - In February 2016, the Financial Accounting Standards Board issued ASU 2016-02 (Leases (Topic 842)), which requires an entity to recognize a liability and corresponding asset for leases that meet certain criteria. With respect to nonpublic entities, this update is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022 and early adoption is permitted. The effect of this guidance on the consolidated financial statements of the University has not been determined.

### 2. ACCOUNTS RECEIVABLE, NET

Accounts receivable consisted of the following at June 30, 2021:

Students	\$	5,182,199
Sponsored research and similar agreements		2,271,698
Aviation		1,224,248
Total		<u>8,678,145</u>
Less: allowance for doubtful accounts		<u>(1,675,856)</u>
Net accounts receivable	\$	<u>7,002,289</u>

### 3. PLEDGES RECEIVABLE, NET

Pledges receivable, discounted using a risk-free rate of 3%, are expected to be realized in the following time frames at June 30, 2021:

Due:		
Less than one year	\$	655,273
One year to five years		1,140,122
More than five years		216,085
Total		<u>2,011,480</u>
Less: discount		(192,807)
Less: allowance		<u>(111,027)</u>
Net pledges receivable	\$	<u>1,707,646</u>

One pledge included above is from a related party and had a balance of \$1.4 million (82% of pledges receivable, net) as of June 30, 2021.

**FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**14 MONTHS ENDED JUNE 30, 2021**

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**4. PREPAID EXPENSES, INVENTORIES AND OTHER ASSETS, NET**

Prepaid expenses, inventories and other assets consisted of the following at June 30, 2021:

Prepaid expenses	\$	4,887,449
Inventories		1,405,058
Other		<u>513,451</u>
Net prepaid expenses, inventories, and other assets	\$	<u><u>6,805,958</u></u>

**5. STUDENT LOANS RECEIVABLE, NET**

Student loans receivable consisted of the following at June 30, 2021:

Perkins	\$	2,855,231
Merit		121,285
Frueauff		<u>3,363</u>
Total		2,979,879
Less: allowance for doubtful accounts		<u>(392,311)</u>
Student loans receivable, net	\$	<u><u>2,587,568</u></u>

Loans to students include participation in the Perkins Federal revolving loan program. The availability of funds for loans under the program is dependent on reimbursements to the pool from repayments on outstanding loans. Funds advanced by the Federal government of \$3,100,266 at June 30, 2021, are ultimately refundable to the government and are classified as liabilities in the consolidated statement of financial position. Outstanding loans cancelled under the program result in a decrease in the liability to the government. During 2018, the Perkins Federal revolving loan program was suspended by the Federal Government. Based on this suspension, loans are no longer being disbursed to students. The liquidation of funds will be made in accordance with established guidelines to be determined by the Department of Education.

**FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**14 MONTHS ENDED JUNE 30, 2021**

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**6. INVESTMENTS**

Investments consisted of the following at June 30, 2021:

Short term investments	\$ 13,385,800
Debt mutual funds	4,296,766
US government notes and bonds	6,859,327
Corporate bonds	7,731,414
Mortgage/asset backed securities	7,122,533
Municipal bonds	2,416,067
Equity mutual funds	37,792,057
Common stocks	45,183,186
Alternative investments	3,284,651
Surplus notes	<u>1,140,282</u>
Total investments	<u>\$ 129,212,083</u>

Net realized and unrealized gains and losses on investments consisted of the following for the 14 months ended June 30, 2021:

<b>Without donor restrictions</b>	
Realized gain/(loss), net	
Endowments	\$ 3,091,752
<b>With donor restrictions</b>	
Endowments:	
Realized/unrealized gain/(loss), net	27,596,089
Annuity contracts & charitable remainder trusts:	
Realized gain/(loss), net	<u>739,835</u>
Subtotal	<u>28,335,924</u>
Total realized and unrealized gains and (losses), net	<u>\$ 31,427,676</u>

Concentrations of market risk included the following at June 30, 2021:

	<u>Amount</u>	<u>Percentage</u>
American Funds EuroPacific growth fund (Equity mutual fund)	<u>\$ 25,820,236</u>	<u>20%</u>

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14 MONTHS ENDED JUNE 30, 2021

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### 7. LONG-LIVED ASSETS, NET

Long-lived assets consisted of the following at June 30, 2021:

Land	\$ 8,730,413
Building and land improvements	51,583,231
Buildings	180,876,404
Equipment - Siemens energy project	15,870,042
Equipment	25,723,230
Vehicles and boats	2,444,628
Aircraft	9,060,884
Software	2,055,138
Library materials	613,812
Construction in progress	10,163,581
Intangible assets	121,713
Total	307,243,076
Less: accumulated depreciation and amortization	(107,426,891)
Net long-lived assets	<u>\$ 199,816,185</u>

Depreciation and amortization expense was \$10,491,269 for the 14 months ended June 30, 2021.

### 8. ENDOWMENTS

#### Spending Policy

The University has a spending policy that governs the rate at which funds are transferred from the endowment to the operating fund. The annual allocation to the operating fund is calculated as a percentage of the endowment fair value. The policy allows for a transfer of 5% of the fair value during the subsequent fiscal year by using a moving average, computed on the last three calendar years of endowment fair values. The total transfers were \$6,475,389 for the 14 months ended June 30, 2021. The transfers were made as applicable with the aforementioned spending policy.

#### Investment Policy

In approving endowment spending and related policies, as part of the prudent and diligent discharge of its duties, the Board of Trustees of the University, as authorized by the State of Florida, has relied upon the actions, reports, information, advice and counsel taken or provided by its duly constituted committees and the duly appointed officers of the University, including University counsel, and in doing so has interpreted the law to require the preservation of the historic dollar value of donor-restricted endowment funds, absent explicit donor direction to the contrary.

**FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**14 MONTHS ENDED JUNE 30, 2021**

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**8. ENDOWMENTS (continued)**

**Investment Policy (continued)**

As a result of this interpretation, for accounting and consolidated financial statement purposes, the University classifies as donor restricted net assets the historic dollar value of assets held as donor-restricted endowment, including any subsequent gifts and any accumulations to donor-restricted endowments made in accordance with the direction of the applicable gift instruments.

The investment objectives for the management of endowment assets are to maximize the benefit intended by the donor, to produce current income to support the programs of the University and donor objectives, and to achieve growth of both principal value and income over time sufficient to preserve or increase the purchasing power of the assets. The Endowment Fund Investment Policy embraces the total return concept. The following formula summarizes the factors involved in the Endowment Fund Investment Program: Real Asset Growth Rate = total investment return - CPI - management costs - annual payout amount.

The investment program attempts to balance current need and future support so that in the future, the Endowment Fund will provide at least the same value of annual financial support as is currently provided.

The fund is managed in compliance with the Uniform Prudent Management of Institutional Funds Act.

The endowment net asset balance consisted of the following at June 30, 2021:

<b>Donor-restricted endowment fund</b>	
With donor restrictions	\$ 97,355,245
<b>Board-designated endowment fund</b>	
Without donor restrictions	<u>10,512,354</u>
<b>Total funds</b>	<u><u>\$ 107,867,599</u></u>

**FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**14 MONTHS ENDED JUNE 30, 2021**

**8. ENDOWMENTS (continued)**

The changes in the University's endowments as of and for the 14 months ended June 30, 2021 are as follows:

	<b>2021</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Endowment net assets - Beginning of period</b>	\$ 9,931,360	\$ 72,130,405	\$ 82,061,765
Investment income	206,135	1,034,650	1,240,785
Net realized and unrealized gain (loss) on investments - net of fees	3,091,752	27,120,662	30,212,414
Additions to investment pool - net	211,406	616,618	828,024
Appropriation of endowment assets for expenditure	(2,928,299)	(3,547,090)	(6,475,389)
<b>Endowment net assets - End of period</b>	<b>\$ 10,512,354</b>	<b>\$ 97,355,245</b>	<b>\$ 107,867,599</b>

Underwater endowments arise when individual endowment fund's market value is less than the original gift amount or the amount required to be maintained by the donor or by law that extends donor restrictions. Per the University's Endowment Policy, individual endowment funds that are underwater are reported in the consolidated financial statements and are temporarily funded by unrestricted funds. Future monitoring of spending payouts will take place until the market value has increased to the original gift amount.

**9. ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

Accounts payable and accrued expenses consisted of the following at June 30, 2021:

Accounts payable	\$ 14,063,881
Accrued expenses	
Accrued salaries and wages	5,188,565
Accrued vacation	5,245,648
Due to Bisk Education	2,196,249
Deferred rent	1,917,871
Other accrued expenses	5,927,794
Total accounts payable and accrued expenses	<b>\$ 34,540,008</b>

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14 MONTHS ENDED JUNE 30, 2021

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### 10. DEPOSITS AND DEFERRED REVENUE

Deposits and deferred revenue consisted of the following at June 30, 2021:

Deposits	\$ 2,335,516
Deferred revenue/tuition	<u>2,700,122</u>
Total deposits and deferred revenue	<u>\$ 5,035,638</u>

### 11. ANNUITIES PAYABLE

The University is a party to several forms of split-interest contracts and agreements. In return for a lump-sum payment to the University or to an outside trustee, the donor specifies a beneficiary (or beneficiaries) who receive periodic payments, usually for the beneficiary's lifetime. The University is named as a remainder beneficiary. Upon the death of the beneficiary, the University receives the residual funds.

During the term of the agreement, funds are invested with the objective of providing income to fund periodic payments to beneficiaries and provide some growth through appreciation for the remainder interest. At June 30, 2021 the University was a party to the following types of split-interest agreements:

- Annuity contracts
- Charitable remainder trusts

The University serves as trustee/administrator for the annuity programs and records the investment and actuarial liability for annuities payable in its consolidated financial statements as donor restricted net assets. Trustees for the charitable remainder trusts are designated by the donor. When the University is the trustee, the trust assets, liabilities, revenues and expenses are recorded in the University's consolidated financial statements. In those cases where the University is not the trustee, only the estimated present value of the future remainder interest is recognized.

On an annual basis, the University revalues the liability related to future distributions to the designated beneficiaries based on actuarial assumptions. The present value of the estimated future payments are calculated using the current annual period treasury yield rate and applicable mortality tables for each beneficiary.

Annuities payable consisted of the following at June 30, 2021:

Charitable remainder trusts	\$ 2,196,785
Annuities payable	<u>101,025</u>
Total annuities payable	<u>\$ 2,297,810</u>

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14 MONTHS ENDED JUNE 30, 2021

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### 12. CAPITAL LEASE OBLIGATIONS

#### Siemens Performance Contract

On September 24, 2009, the University entered into an agreement with Siemens Public, Inc. (“Siemens”) to lease various types of equipment under a performance contract agreement (“Siemens contract”) with Siemens Building Technologies.

The initial contract lease under the Siemens contract was refinanced on September 24, 2014 to reduce the effective annual interest rate from 5.77% to 3.0%, and to extend the term to allow for payment of the previous balloon payment over an additional nine years through September 2029. As of June 30, 2021, this capital lease obligation was \$4,827,885.

On September 30, 2014, the University entered into a second capital lease under the Siemens contract for additional equipment, the purchase and installation of which was completed during the fiscal year ending April 30, 2016. In accordance with the terms of this capital lease, Siemens advanced \$5.5 million to the University at inception for the anticipated total cost of the equipment and its installation. The funds were deposited to an escrow account in the name of the University and were disbursed as the purchases and installation progressed. This lease has an effective annual interest rate of 3.2% that was charged from the date of the initial advance. Monthly payments commenced in October 2015 and extend through September 2033. As of June 30, 2021, this capital lease obligation was \$4,203,519.

#### The Center for Aeronautics and Innovation

On April 17, 2013, the University entered into an agreement with the City of Melbourne Airport Authority to lease the property now known as the Center for Aeronautics and Innovation (“CAI”). The agreement is a 40 year lease with monthly payments beginning January 1, 2014. It contains both a capital lease component for the building and an operating lease component for the land. The University has the option to extend the lease for two additional terms of five years each. The initial rent is based on 31,000 square feet of floor space and includes a building lease rate of \$6.26 per square foot. As of June 30, 2021, the total capital lease obligation was \$3,854,273.

The following represents assets held under capital leases by major classes, which are included in long-lived assets at June 30, 2021:

Building - CAI	\$ 4,100,000
Equipment - Siemens energy project	<u>15,870,042</u>
Subtotal	19,970,042
Less: accumulated depreciation	<u>(7,065,508)</u>
Total assets held under capital lease	<u>\$ 12,904,534</u>

The interest rates on the lease obligations range from 3% to 3.771%, and mature from 2029 through 2053.



# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14 MONTHS ENDED JUNE 30, 2021

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### 12. CAPITAL LEASE OBLIGATIONS (continued)

#### Total Capital Leases

The present value of future minimum lease payments under capital leases for the next five years ending June 30 and thereafter are as follows:

2022	\$	1,267,739
2023		1,267,738
2024		1,267,739
2025		1,267,738
2026		1,267,739
Thereafter		<u>10,608,833</u>
Total minimum lease payments		16,947,526
Less amounts representing interest		<u>(4,061,849)</u>
Present value of net minimum lease payments	\$	<u>12,885,677</u>

The carrying value of capital lease obligations approximates fair value. These financial instruments bear rates that approximate current market rates for debt of similar credit quality and maturities.

### 13. LINE OF CREDIT

The University has a line of credit, which consists of a promissory note agreement with a commercial bank, under which the University may borrow up to \$15,000,000 for working capital purposes. The line of credit agreement dated July 1, 2020 was amended and restated on June 1, 2021 with an expiration date of February 1, 2023. The amount of credit available for the borrower remained unchanged. The principal sum outstanding shall bear interest at a floating rate per annum equal to 1.75% in excess of 30-day LIBOR Rate. In addition, an unused commitment fee in the amount of 0.20% per annum is charged quarterly to the University based on the unused balance. The proceeds of this line of credit are to be used for working capital in the business of the University to supplement the seasonality of tuition and fee receivables. The University has pledged tuition and fees and unrestricted revenues as collateral for the line of credit. At June 30, 2021 the University had no outstanding balances under this agreement.

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 14 MONTHS ENDED JUNE 30, 2021

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#### 14. LONG-TERM DEBT

During fiscal year 2020, the University refinanced its previously held bonds, and obtained additional proceeds to support capital acquisitions. As an extension of this process, the University purchased buildings which were previously financed under operating leases.

Long-term debt consisted of the following at June 30, 2021:

18 year annuity contract mortgage, fixed interest rate of 5.824%, maturing January 15, 2032, collateralized by real estate	\$ 1,508,425
2019 Series from the Higher Educational Facilities Financing Authority. Educational Facilities Revenue Bonds. Fixed interest rate 3.56%. Matures April 30, 2050.	<u>106,886,415</u>
Long-term debt	<u><u>\$ 108,394,840</u></u>

Scheduled principal payments on the above obligations due in each of the next five years ended June 30 and thereafter are as follows:

2022	\$ 3,534,927
2023	3,623,480
2024	3,729,527
2025	3,837,990
2026	3,963,796
Thereafter	<u>89,705,120</u>
Total	<u><u>\$ 108,394,840</u></u>

The carrying value of long-term debt approximates fair value. These financial instruments bear rates that approximate current market rates for debt of similar credit quality and maturities.

Interest expense and debt service fees for all debt obligations for the 14 months ended June 30, 2021 totaled \$4,788,559.

The bonds contain certain financial covenants with respect to cash flow and debt ratios for which the University was in compliance at June 30, 2021.

**FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**14 MONTHS ENDED JUNE 30, 2021**

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**15. RESTRICTIONS ON NET ASSETS**

Net assets with donor restrictions consisted of the following at June 30, 2021:

Programs and passage of time	\$ 3,416,308
Endowment, annuity and similar funds	43,569,476
General endowments	7,570,852
Scholarship endowments	18,544,752
Departmental endowments	32,678,540
Endowed pledges	<u>503,570</u>
Total net assets with donor restrictions	<u>\$ 106,283,498</u>

Net assets released from restrictions, as reported on the consolidated statement of activities, occur by incurring expenses satisfying the restricted purposes, principally for construction, instruction, research, and departmental support or by the passage of time.

**16. OTHER OPERATING REVENUES**

Other revenues included in the consolidated statement of activities consisted of the following for the 14 months ended June 30, 2021:

Fees for services	\$ 2,115,645
Commissions and fundraising	346,065
Admissions and miscellaneous fees	2,288,791
Student organizations revenue	<u>252,894</u>
Total other revenue	<u>\$ 5,003,395</u>

**17. FUNDRAISING**

Fundraising expenses consisted of general expenses of \$4,565,473 for the 14 months ended June 30, 2021.

In addition to the expenses above, individual departments of the University host fundraisers throughout the year. Fundraising expenses incurred at the individual department level are included with their program expenses.

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14 MONTHS ENDED JUNE 30, 2021

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### 18. EMPLOYEE BENEFIT PLAN

The University maintains a defined contribution plan. An employee is eligible to contribute to the plan on date of hire. After 30 days of continued service, if an employee elects to contribute to the plan, the University may match this contribution up to 5% of the employee's salary. Retirement plan contributions for the 14 months ended June 30, 2021, were \$2,903,776.

### 19. RELATED PARTY TRANSACTIONS

The University has liabilities due to parties related through current and former employment and board relationships, including lifetime annuities and charitable remainder trust lifetime annuities. Payment terms vary from monthly to quarterly. The total outstanding liability to all related parties at, 2021 was \$241,993.

The majority of the pledges receivable balance is due from a Board member and their affiliated companies.

The University has an agreement with BISK, which is owned by a board member, to develop various online degree programs and to market and recruit students for those programs. Revenue from the online degree program was \$11 million for the 14 months ended June 30, 2021. The liability owed to BISK at June 30, 2021 was approximately \$2.2 million.

### 20. COMMITMENTS AND CONTINGENCIES

#### Legal

The University is involved in various legal actions arising in the normal course of activities and is also subject to periodic audits and inquiries by various regulatory agencies. Although the ultimate outcome is not determinable at this time, management, after taking into consideration advice of legal counsel, believes that the resolution of these pending matters should not have a material adverse effect upon the University's financial position.

#### BISK

On January 13, 2006, the University entered into a 20-year agreement which became effective in February 2009, with BISK for collaboration of development and marketing of the University's for-credit distance learning program. BISK and the University will comply with accreditation standards of The Southern Association of Colleges and Schools, and any accreditation body that the University elects to join. The first 16 years of this agreement is non-cancelable, and once the 20-year term expires, BISK may extend this agreement in increments of 5 years. The payment terms to the University are based on a sharing arrangement of gross revenue adjusted for expenses in accordance with the contractually negotiated percentages for each respective program.

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**14 MONTHS ENDED JUNE 30, 2021**

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### **20. COMMITMENTS AND CONTINGENCIES (continued)**

#### Ellucian

The University is party to an agreement with Ellucian, to provide onsite technology management services and software licensing for computer system support. The agreement requires an annual payment for support services of approximately \$1.5 million plus hourly fees for additional services and annual maintenance and license fees. The contract expires on December 31, 2021. Total fees paid to Ellucian for the 14 months ended June 30, 2021 were \$2,505,798.

#### Workday

On July, 26, 2018, the University entered into a 5 year agreement with Workday, Inc. to provide a cloud hosted Enterprise Resource Planning (ERP) system. The system is an integrated financial management system that will control and automate business processes for accounting, finance, payroll and human resources, and grants and project management. The agreement has an annual base fee of approximately \$1 million and annual user charges. The fees paid to Workday totaled \$2,288,082 for the 14 months ending June 30, 2021. The ERP system includes a Student Management System that the University is evaluating for future use.

On April 30, 2020, the University signed a contract with a consulting partner, Collaborative Solutions LLC, for the remaining period of the integration of this system. The total paid to Collaborative Solutions LLC, during the 14 months ended June 30, 2021 was \$1,685,695.

#### WFIT Building Contingency

On January 13, 2011, WFIT Radio Station (the "Station", a department of the University) entered an agreement with the Florida Department of Education ("FDOE") to construct and furnish a new radio station. Construction was completed during the year ended April 30, 2013 at a total cost of \$1,574,820 for the building. The station also spent \$380,855 for improvements to connect the new building to existing structures. Upon completion, the FDOE leased the new building to the Station for 20 years at \$1 per year with four successive renewal options of five years each, for a total of 40 years, at the end of which title to the building transfers to the Station.

Due to the bargain rent and title transfer, and upon completion of the building and start of the lease, this transaction was considered to be the contribution of a building with an estimated fair value equal to its total cost that is reported as a donor restricted net assets as it is restricted for use as a radio station over the extended lease term, which also coincides with the building's estimated useful life. This restricted contribution is being released from restriction on a straight-line basis over the 40 year lease term while the building is being depreciated on a straight-line basis over 50 years, its useful life in accordance with the normal depreciation policy of the University for similar assets.

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14 MONTHS ENDED JUNE 30, 2021

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### 20. COMMITMENTS AND CONTINGENCIES (continued)

#### Insurance Pool

The University is a member of the Florida Independent Colleges and Universities Risk Management Association, Inc. (“FICURMA”) insurance pool which includes, but is not limited to, coverage of property, general and auto liability, workers’ compensation, and excess crime. FICURMA was formed to assist universities in the State of Florida in controlling insurance costs. There is a risk that additional assessments could be incurred by the University as the result of this insurance pool. However, management does not believe any additional assessments exist as of June 30, 2021.

#### Pandemic - Covid-19

In early 2020, the World Health Organization declared a pandemic constituting a “Public Health Emergency of International Concern.” The pandemic has caused worldwide business disruptions through restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The pandemic and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical areas in which the University operates.

#### **Operating Leases**

##### Melbourne Airport Authority

###### *Buehler Building*

The University entered into a ground lease with the Melbourne Airport Authority to lease property for a period of forty years starting March 1, 2009. Base rent for the property is \$0.15 per square foot of the property for the first five years, and is paid monthly. The estimated square footage disclosed in the lease is approximately 435,600 square feet.

Additionally, the University entered into an improved land lease with Melbourne Airport Authority on March 1, 2009. The rent is based upon the Melbourne Airport Authority’s construction expenses, amortized over a 35- year period at the rate of one-year LIBOR (0.086% at June 30, 2021) plus 200 basis points.

On the fifth anniversary of the Rent Commencement Date, and all subsequent fifth anniversaries, the base rent and the improved land lease rent shall be increased by a factor of the Consumer Price Index for the previous five-year period. According to the terms of the agreement, the annual percentage increase will not be less than 2% or more than 5% per year for each of the previous five-year periods. The lease payment during the year ended June 30, 2021 was \$291,963. The University is responsible for real estate taxes, fees, and assessments on the property. The University has an option to extend the lease for four additional terms of five years each.

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14 MONTHS ENDED JUNE 30, 2021

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### 20. COMMITMENTS AND CONTINGENCIES (continued)

#### Operating Leases (continued)

##### *Center for Aeronautics and Innovation*

As described in Note 12, the University entered into a 40-year land lease on April 17, 2013 with the Melbourne Airport Authority for the Center for Aeronautics and Innovation. The lease includes an incremental escalation every five years, equal to the percentage increase in the Consumer Price Index. The increase will not be less than 2% or more than 5% per year. The lease payment during the year ended June 30, 2021 was \$102,057.

##### Harris Commons

The University entered into a 15-year triple net operating office lease with Broadstone FIT Florida, LLC in March 2012. The University occupies all 62,523 square feet of the building. Gross rental payments (base rent) for the first twelve (12) months of the term are equal to \$18.75 per square foot, and are paid monthly. According to the terms of the agreement, the annual percentage increase based on the changes in the consumer price index will not be less than 1.5% or more than 3% per year. The lease payment during the year ended June 30, 2021 was \$1,582,544.

The University is responsible for real estate taxes, fees, and assessments on the property.

##### Other

The University is a lessee in other leasing obligations with monthly payments ranging from \$800 to \$13,400. The lease terms range from one to five years. Total facilities rent expense recognized for the 14 months ended June 30, 2021 was \$2,980,156.

#### **Total Operating Leases**

In accordance with FASB ASC 840, *Leases*, the University recognizes lease expense over the course of the lease agreements using the straight-line method. Leasing commitments for the next five years ending June 30, and thereafter are as follows:

2022	\$	1,715,523
2023		1,736,190
2024		1,767,898
2025		1,816,606
2026		1,838,216
Thereafter		<u>13,119,077</u>
Total lease payments	\$	<u>21,993,510</u>

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14 MONTHS ENDED JUNE 30, 2021

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### 21. FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements and Disclosure*, 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 fair value measurements) and the lowest priority to unobservable inputs (level 3 fair value measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1            Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the University has the ability to access.

Level 2            Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3            Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

#### *Level 3 Fair Value Measurements*

Surplus notes - Held with association, is not actively traded, and significant other observable inputs are not available; thus, the fair value of the surplus note is determined by discounting the related cash flows based on current yields of similar instruments with comparable durations and historical returns on the note. The fair value of surplus notes is equal to the discounted future expected cash flows of the note.



**FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES**

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**14 MONTHS ENDED JUNE 30, 2021**

**21. FAIR VALUE MEASUREMENTS (continued)**

The following table summarizes the relevant valuation information used to calculate the fair value of level 3 assets as of June 30, 2021:

Type	Fair Value	Valuation Technique	Significant Unobservable Inputs	Rate or Range of rates
Surplus Notes	\$ 1,140,282	Discounted expected futures cash flows	Discount rate Expected rate of return	10.63% 10%

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the University believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the University's investments at fair value as of June 30, 2021.

Description	Total	(Level 1)	(Level 2)	(Level 3)
<b>Investments</b>				
Short-term investments	\$ 13,385,800	\$ 13,385,800	\$ -	\$ -
Debt mutual funds	4,296,766	4,296,766	-	-
US government notes and bonds	6,859,327	6,859,327	-	-
Corporate bonds	7,731,414	7,731,414	-	-
Mortgage/asset backed securities	7,122,533	7,122,533	-	-
Municipal bonds	2,416,067	2,416,067	-	-
Equity mutual funds	37,792,057	37,792,057	-	-
Common stocks	45,183,186	45,183,186	-	-
Alternative investments	3,284,651	3,284,651	-	-
Surplus notes	1,140,282	-	-	1,140,282
Total Investments	<u>\$ 129,212,083</u>	<u>\$ 128,071,801</u>	<u>\$ -</u>	<u>\$ 1,140,282</u>

**22. DEFERRED INCOME TAXES**

The University has unrelated business income which is not exempt from Federal income taxes, including the activities of its wholly owned subsidiary, FIT Aviation, LLC. For the 14 months ended June 30, 2021 there was no provision for Federal income taxes because the total of these activities resulted in a net loss and the benefit derived therefrom has been offset by a valuation allowance.

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14 MONTHS ENDED JUNE 30, 2021

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### 22. DEFERRED INCOME TAXES (continued)

The University's deferred tax asset is based on operating loss carryforwards. A deferred income tax valuation allowance has been provided as of June 30, 2021. The valuation allowance reduces the deferred tax asset to an amount that represents management's best estimate of the amount of such deferred tax asset that will actually be realized.

As of June 30, 2021, the University had Federal net operating loss carryforwards of approximately \$26 million, which includes a net operating loss of approximately \$775,000 for the 14 months ended June 30, 2021.

The University's deferred tax asset is as follows at June 30, 2021:

Deferred tax assets:	
Non-current:	
Net operating loss carryforwards	\$ 5,460,000
Valuation allowance for net non-current deferred tax assets	<u>(5,460,000)</u>
Total deferred tax asset	<u>\$ -</u>

### 23. HIGHER EDUCATION EMERGENCY RELIEF FUND (HEERF)

#### The Coronavirus Aid, Relief and Economic Security Act (CARES) - HEERF I

The CARES Act was passed by Congress and signed into law to provide economic relief from COVID-19. One section of the CARES Act established the Higher Education Emergency Relief Fund (HEERF) to help universities provide emergency financial aid grants for students and to assist with institutional expenses related to the disruption of campus operations due to the pandemic. Florida Institute of Technology was awarded \$3.6 million in HEERF I funding from the CARES Act, with half, \$1.8 million, used for emergency student financial aid grants and the other half for institutional operations, as stipulated in the CARES Act. HEERF I funds were distributed to total of 2,539 students.

#### The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) - HEERF II

On December 27, 2020, the President signed the CRRSA Act (P.L. 116-260) - HEERF II. The CRRSA Act requires that an institution receiving funding under section 314(a)(1) provide the "same amount" in financial aid grants to students from the new CRRSAA funds that it was required to or which it would have been required to provide under its original CARES Act Student Aid Portion award (HEERF I). Florida Institute of Technology was awarded \$6.8 million in HEERF II funding from the CARSSA Act, with the same total as HEERF I used for emergency student financial aid grants and \$5 million for institutional operations, as stipulated in the CRSSA Act. HEERF II funds were distributed to a total of 1,993 students.

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14 MONTHS ENDED JUNE 30, 2021

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### 23. HIGHER EDUCATION EMERGENCY RELIEF FUND (HEERF) (continued)

#### The American Rescue Plan (ARP) - HEERF III

The Higher Education Emergency Relief Fund III (HEERF III) is authorized by the ARP, Public Law 117-2, signed into law on March 11, 2021, providing \$39.6 billion in support to institutions of higher education to serve students and ensure learning continues during the COVID-19 pandemic. Florida Institute of Technology was awarded \$12.5 million in HEERF III funds, with \$6.5 million allocated to students and the remaining \$6 million allocated to the institution for expenses as stipulated in the ARP. As of June 30, 2021 all of these funds were available to be utilized.

The U.S. Department of Education requires institutions to report on usage of their HEERF funds for both student financial aid grants and for institutional support. Florida Institute of Technology reported on the distribution of HEERF I and HEERF II funds for both the student and institutional portion. HEERF I and HEERF II funding was part of the single audit testing for fiscal year 2021.

### 24. SUBSEQUENT EVENTS

Florida Institute of Technology sold the Foosaner Art Museum and the Renee Foosaner Education Center for a total of \$2.95 million. The transaction closed on July 30, 2021. The disposition of the Museum's art is on going, as decided by prior Board action.

The University's management has evaluated subsequent events through December 20, 2021, the date the consolidated financial statements were available to be issued, and has determined that no additional subsequent events have occurred that require disclosure.

**FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
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Federal Grantor / Pass-through Grantor / Program Title	Federal CFDA / Agency		Federal / State Expenditures	Passed Through to Subrecipient
	State CSFA Numbers	Contract/Grant Number		
<b>FEDERAL</b>				
<b>RESEARCH AND DEVELOPMENT CLUSTER:</b>				
<b>U.S. DEPARTMENT OF COMMERCE</b>				
<i>National Institute of Standards and Technology:</i>				
Wireless Sensor Network (WSN) System and LIDAR Experiments	11.609	70ANB19H088	\$ 172,559	\$ -
Characterization of upward leaders and the attachment process	11.431	AGS-1934066	94,576	-
<b>Subtotal, U.S. Department of Commerce:</b>			<b>267,135</b>	<b>-</b>
<b>NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION</b>				
Biotxin Diagnostic Capabilities for Marine Mammal Stranding Response	11.439	NA19NMF4390139	81,738	-
Supporting resilient ecosystems, communities, and economies	11.012	IOOS.16(028)/FTT.GM.OBS.3	21,250	16,968
Post release mortality of the blacknose shark	11.454	NEAQ CG#2716	283	-
Application of IMTA-Technology to Revive and Sustain Livelihood of Fishing Communities in Puerto Rico	11.427	NA20NMF4270194	26,198	6,124
FFATA: Accelerate the Exploitation of Satellite Observations to Improve Flooding and Inundation Monitoring and Forecasts	11.460	90986-Z7580201	77,711	-
<b>Subtotal, National Oceanic and Atmospheric Administration:</b>			<b>207,180</b>	<b>23,092</b>
<b>U.S. DEPARTMENT OF DEFENSE</b>				
<i>Department of the Navy:</i>				
Exploring the Role of Topography and Land-sea Contrast	12.300	N001416130961	116,854	-
Scanning tunneling microscopy & spectroscopy of liquid crystal thin films	12.300	N00173-19-G021	1,984	-
Advanced Nontoxic Anti-Fouling Coatings Research, Test Site Facility	12.300	N00014-16-1-3123	146,907	-
Autonomous Hull Grooming Vehicle (STTR)	12.300	N6833519C0452	169,392	-
NAWCTSD: Guided Mindfulness: Data Collection	N/A	N6134019C0019	2,371	-
Guided Mindfulness: Participant Data Collection	N/A	N6134019C0019	12,096	-
Model Based Systems Engineering for Tactical Data Link Systems (SBIR)	N/A	N6833520C1000	14,762	-
Rhodium porphyrin complexes as catalysts for the rapid degradation of opioids	12.300	N00173-20-2-C009	125,331	-
Remotely Operated Vehicle (ROV) Deployed Underwater Attachment (STTR- TRI/Austin) Phase 2	N/A	A-30165G-500-01-SC1923	46,616	-
Testing of a small-scale heat exchange (HX) (SBIR)	N/A	N/A	10,607	-
Implementation of Dual Stage Integrated Cyclone (DSIC) Geometry into Sea Chest Water Management System	N/A	NV0647	13,763	-
Understanding the Principles of Solid Shedding Surfaces	12.300	FAR0033632	19,496	-
Using Ultraviolet Light for Improved Antifouling Performance on Ship Hulls & Niche Areas	12.300	N00014-20-1-2214	90,604	-
Inspiring Students to Pursue U.S. Navy STEM Careers through Experiential Learning	12.300	N00014-20-1-2669	100,656	-
Wildle - Inspiring Students to Pursue U.S. Navy STEM Careers through Experiential Learning	12.300	N00014-20-1-2669	63,602	-
Inspiring Students to Pursue U.S. Navy STEM Careers through Experiential Learning [Demoret]	12.300	N00014-20-1-2669	1,055	-
A Multidisciplinary Approach to Internet-of-Things (IoT) Cybersecurity Research to Develop the Research Capacity of ROTC Students	12.300	N-00014-20-1-2798	81,370	-
A Multidisciplinary Approach to Internet-of-Things (IoT) Cybersecurity Research to Develop the Research Capacity of ROTC Students O'Connor	12.300	N-00014-20-1-2798	51,367	-
A Multidisciplinary Approach to Internet-of-Things (IoT) Cybersecurity Research to Develop the Research Capacity of ROTC Students Bhattachary	12.300	N-00014-20-1-2798	64,759	-
Advanced Non-Toxic Antifouling Coatings Research Test Site Facility	12.300	N00014-20-1-2243	206,736	-
Mechanical Senior Design Projects	12.300	4104180053 / PO #4104180053	3,669	-
<i>Department of the Army:</i>				
Refinement and validation of the 3CS assessment p+A76project	12.431	W911NF-16-2-0011	138,443	-
ARAT Test Modernization Phase 1 & Phase 2 (Air Force)	N/A	D8150-S19/ FA8075-14-D-0018 (BOA 939)	152,281	-
Systems Engineering and Analysis Support for the Army Reprogramming Analysis Team	N/A	1112-00041	165,129	-
Free-Space Optical Communication in Plasma Waveguides (ARO-YIP)	12.431	W911NF1810347	64,841	-
Next Generation Teams and Organizational Subsystems Research	N/A	R1A608	152,083	-
<i>Department of the Air Force:</i>				
Efficient simulation of high power, ultra-short laser pulse propagation through atmosphere	12.800	FA9451-19-1-0001	7,830	-
Accoustic Edge Analytics - MEAMS	N/A	FPH70-S009/FA8650-18-C-1669	425,994	-
Multi-domain, Multi-sensor, Cyber-physical Tactical Exploitation (M2CTE)	N/A	FA8650-21-C-1147	355,773	-
Path Planning and Machine Intelligence for Collaborative Inspection of Non-Cooperative Space Objects	N/A	STTR FA864921P0653.	13,015	-
Noninvasive Gauge to Assess and Utilize Goal-Oriented Engagement (N-GAUGE) STTR Phase II-Primary	N/A	AF-FA8650-18-C-6964-FTT	106,445	-
Development of Lunar Network and Delivery System (STTR)	N/A	N/A	14,350	-
MUNINN - STTR AF20C-TCSO1	N/A	WJR-000605	17,372	-
Examination of Human-Machine Team Dynamics and Trust in a Simulated Multi-UAV Mission	N/A	1441-2193	22,337	-
(DURIP-20) Probing Real-time Spin Dynamics in Reactive Oxygen Species Biology by Pulsed Magnetic Resonance and Optical Detection	12.800	FA9550-20-1-0153	117,408	-
Linked Web for Analysis of Plans (LWAP)	N/A	4201930521	32,644	-
<i>US Special Operations Command (USSOCOM):</i>				
Physiological Analysis Tool	N/A	PIA H9222-15-3-0001	2,738	-
<i>Advanced Research Projects Agency:</i>				
Infrasonic Cyber-Physical MASINT for Environmental Characteristics and Classification	12.910	FA8750-18-2-0113	34,253	35,324
<i>Defense Intelligence Agency (DIA):</i>				
A framework for rapid IoT device detection and exploitation	N/A	W19-106	18,634	-
Tactical Infrasound and Seismic Event Classification	12.598	HHM402-18-1-0008	25,284	66,381
<b>Subtotal, U.S. Department of Defense:</b>			<b>3,210,851</b>	<b>101,705</b>

**FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES**  
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Federal Grantor / Pass-through Grantor / Program Title	Federal CFDA / Agency		Federal / State Expenditures	Passed Through to Subrecipient
	State CSFA Numbers	Contract/Grant Number		
<b><u>U.S. DEPARTMENT OF ENERGY</u></b>				
<i>Department of Energy Programs:</i>				
USCMS project LHC CMS Detector Upgrade HCAL Subsystem	N/A	666129	6,572	-
USCMS PROJECT ( STUDENT FELLOWSHIP)-Post doc	81.135	652398	18,882	-
Experimental high energy physics research	81.049	DE-SC0013794	202,977	-
Experimental high energy physics research	81.049	DE-SC0013794	235,563	-
<b>Subtotal, U.S. Department of Energy:</b>			<b>463,994</b>	<b>-</b>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>				
<i>National Institutes of Health:</i>				
Development of light triggered molecular tools critical for understanding the brain's network	93.859	1R15GM112119-01A1	36,272	-
Development of Light Triggered Molecular Tools Critical for Understanding the Brain's Network	93.958	2R15GM112119-02	44,331	-
3D printed biomimetic bioglass-gradient matrices for aCL reconstruction	93.846	1R15AR071102-01	75,218	-
Signal Transduction during Fertilization	93.865	1R15HD094324-01	138,935	-
Modelling gastric mucus layer physiology	93.859	10047369-S3/ PO U000148332	35,346	-
Computer Assisted Coronary Artery Stent Interventions	93.837	RESS14526	264,905	-
Enantioselective Catalytic Chlorosilane Reactions	93.959	1R15GM139087-01	78,034	-
Regulatory mechanisms linking HSF1 protein levels and HSF1 protein activity to the alternative splicing factor SFB1	93.396	1R15CA227573-01A1	154,458	-
<i>Health Resources and Services Administration:</i>				
Graduate Psychology Education Programs (GPEP)	93.191	D40HP33344	434,431	-
<b>Subtotal, U.S. Department of Health and Human Services:</b>			<b>1,261,930</b>	<b>-</b>
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>				
<i>Domestic Nuclear Detection Office:</i>				
A Federated Defense Community and Ecosystem (FDCE) in practice	97.077	70RSAT18CB000035	266,156	-
<b>Subtotal, U.S. Department of Homeland Security:</b>			<b>266,156</b>	<b>-</b>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>				
<i>Domestic Nuclear Detection Office:</i>				
Confinement Effect of Narrow Baseplates or Reaction Area on Anchor Breakout, Part 2	N/A	Contract (PO)# BDV28 TWO 977-09	17,535	-
Design and Detailing of Anchorages for Externally Bonded CFRP	N/A	4387681B201	24,549	-
Strength and Constructability of a Double Composite Steel Box Girder	N/A	BE950	19,253	27,149
<i>Federal Aviation Administration:</i>				
Continuation of Trajectory Energy Management System	20.108	DTFACCT-17-C-00001	106,612	200,192
Augmented Weather Interfaces Project (AWIP) - 33 PEGASAS	20.109	12-C-GA-FIT	136,002	-
Task 395: Small Launch Vehicle Sector (SLVS): Industry Dynamics and Public Policy	20.108	15-C-CST-FIT-012	127,941	-
Streamlined Export Control for Commercial Space Transportation	20.108	15-C-CST-FIT-014	109,219	-
Flight demonstration for A0A-limiting systems on part 23 aircraft	20.108	DTFACCT-17-C-00001	99,385	-
Task 397: Measurements of Thunderstorm Electrical Parameters for Improvement of the Lightning Flight Commit Criteria (FAA_COE_CST)	20.108	15-C-CST-FIT-015	96,556	-
Helicopter Operations Weather Information (HOWI) - 34 PEGASAS	20.109	12-C-GA-FIT	58,553	-
Task 378: Commercial Space Innovation Initiative Policy Research	20.108	15-C-CST-FIT-008	51,436	-
Task 398: Human Input Systems for Commercial Space Transportation	20.108	15-C-CST-FIT-015	47,596	-
Decluttered flight path marker on hud-Primary	20.108	DTFACCT-17-C-00001	22,459	-
Task 358: Regulatory Streamlining Workshop	20.108	15-C-CST-FIT-009	10,642	-
Rotorcraft Wire Strikes-32 PEGASAS	20.109	12-C-GA-FIT	7,613	-
Confinement effect of metal railing narrow baseplates on adhesive anchor breakout resistance	20.514	BDV28TWO977-06	5,703	-
Management and Administration -FAA coe Partnership to Enhance General Aviation Safety, Accessibility and Sustainability (PEGASAS)	20.109	12-C-GA-FIT	3,083	-
Human Factors Considerations for Information of Varying Levels of Integrity	20.108	SE2025R&MA-FIT-022	2,021	-
FAA COE Partnership to Enhance General Aviation Safety, Accessibility and Sustainability	20.109	12-C-GA-FIT-021	1,875	-
<b>Subtotal, Department of Transportation:</b>			<b>948,033</b>	<b>227,341</b>
<b><u>U.S. DEPARTMENT OF THE INTERIOR</u></b>				
<i>U.S. Fish and Wildlife Service:</i>				
Identifying coral refuges in the Florida reef tract	15.634	16008	22,570	-
ASBPA/USACE US Coastal Research Program (CESU)	15.630	020-002	11,262	-
ASBPA/USACE US Coastal Research Program	15.630	W81EWF82193643	52,661	-
Development of Large Area GEM Detectors	15.817	200940	72,621	-
<b>Subtotal, U.S. Department of the Interior:</b>			<b>159,114</b>	<b>-</b>
<b><u>U.S. INTELLIGENCE COMMUNITY</u></b>				
<i>U.S. Intelligence Community:</i>				
Cyber Identity and Behavioral Analytics Consortium (CIBAR)	N/A	2018-18041200002	181,531	851,696
Nuclear Signature Study	97.077	156948/2017-17032700004	9,001	-
Five Factor Model Corpora Development for Computational Psychology Research (Crystal Forest - Amethyst Pine)	N/A	2018-18061400003	335,770	562,059
<b>Subtotal, U.S. Intelligence Community:</b>			<b>526,302</b>	<b>1,413,755</b>
<b><u>U.S. SMALL BUSINESS ADMINISTRATION</u></b>				
<i>Small Business Administration:</i>				
Women's Business Center Sustainability Pilot Program-Melbourne	59.043	SBAHQ18W0028/0002	64,244	-
Women's Business Center Sustainability Program-Melbourne (weVENTURE)	59.043	SBAHQ18W0028/0004	112,920	-
Women's Business Ownership Assistance - CARES Act (WBCCOVID-19 Response)	59.043	SBAHQ20C0009	405,985	-
<b>Subtotal, U.S. Small Business Administration:</b>			<b>583,149</b>	<b>-</b>

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Federal Grantor / Pass-through Grantor / Program Title	Federal CFDA / Agency		Federal / State Expenditures	Passed Through to Subrecipient
	State CSFA Numbers	Contract/Grant Number		
<b><u>NATIONAL SCIENCE FOUNDATION</u></b>				
<i>National Institutes of Health:</i>				
Growing the community college pipeline for careers in civil, chemical, and ocean engineering	47.076	1356455	43,568	-
Collaborative research Belmont forum Vulnerability of populations under extreme scenarios	47.050	1624207	67,584	-
Collaborative research: uncovering nature's 100 TeV particle accelerators	47.049	1716507	34,209	-
Collaborative research blood clotting at the extreme mathematical and experimental investigation	47.049	1715156	53,073	-
Collaborative Research: Nonlinear Coupling and Relaxation Mechanisms in Micro-Mechanics	47.041	CMMI 1662619	150,708	-
Career: Toward Understanding solar wind turbulence in the inner heliosphere	47.050	175827	164,650	-
Identifying coral reef "bright spots" from the global 2015-2017 thermal-stress event	47.050	1829393	273,387	-
III. Small: Collaborative Research: Cost-Efficient Sampling and Estimation	47.070	1908375	52,082	-
NFEWS/T2: Organic Waste Lifecycles at the Interface of Food, Energy, Water Systems (OWL-FEWS)	47.041	UT20908	76,560	-
Natural Hazards Engineering Research Infrastructure Cyber Infrastructure Component	47.041	UTA15-000858	14,526	-
Natural Hazards Engineering Research Infrastructure: Cyberinfrastructure (DesignSafe) 2020-2025	47.041	UTA20-000983	45,132	-
Collaborative research climate change mesoscale oceanography	47.050	1535007	132,859	-
Collaborative research improving capabilities of micro scale vibratory systems	47.041	1561829	51,418	-
Balloon observation of Gamma-ray glows from thunderstorms	47.050	17-028	8,266	-
Reversible metastable state photoacids	47.049	1565613	122,571	-
Adjustment of western pacific ocean coral reefs to sea-level rise and ocean warming	47.050	1657633	21,964	-
Time Resolved Studies of Outflows from Massive Stars	47.049	47755	8,671	-
Collaborative research rapid workshop antarctic ecosystem research	47.050	1750888	2,874	-
PFI-TT: A parallel computing engine for simulation of complex multi-scale systems	47.041	1827730	93,904	-
Collaborative Research: P2C2 - Unravelling the signals in tropical Pacific lake archives: Towards improved holocene hydroclimate reconstructions	47.050	2002419	23,207	-
Collaborative Research: Near term forecast of global plant distribution, community structure, and ecosystem function	47.070	394202	51,525	-
Collaborative Research: CNS Core: Small: Closing the Theory-Practice Gap in Understanding and Combating Epidemic Spreading on Resource--	47.070	2007828	25,654	-
Collaborative Research: Are Amazonian and Andean Ecosystems Close to a Tipping Point?	47.074	DEB-2029649 (Proposal #)	5,528	-
Fostering Innovation and Creativity: A National Design Competition	47.041	1924168	2,952	-
REU Site: Statistical Models with Applications to Geoscience	47.050	1950768	79,391	-
US CMS Upgrades for the High-Luminosity Large Hadron Collider	47.049	79433-20662	14,296	-
CAREER: Atmospheric Electricity on Earth and Mars	47.050	2047863	4,864	-
NFEWS/T2: Organic Waste Lifecycles at the interface of Food, Energy, Water Systems (OWL-FEWS) (DR)	47.041	GR12848	2,192	-
Exploring The Future Of Innovative Learning Environments: The X-FILES Workshop	47.076	1848612	218	-
<b>Subtotal, National Science Foundation:</b>			<b>1,627,833</b>	<b>-</b>
<b><u>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</u></b>				
<i>National Aeronautics and Space Administration:</i>				
Assessing the relative importance of stochastic and resonant ion heating in the solar wind	43.001	531844	4,684	-
Correlated Electromagnetic Levitation Actuator (CELA)		N/A	16,498	-
NASA/ROA-Assuring Increasing Autonomous Systems with Non-Traditional Human-Machine Roles	43.002	PO#4507392005	107,133	-
Temperature control system for a Mars atmospheric simulation chamber	43.008	NNX15_036	11,999	-
Precision Landing of a Hexacopter Drone by Smartphone Video Guidance Sensor (CAN 20-109)	43.012	80NSSC20M0169	45,990	-
Advanced Aerocapture System for Enabling Faster-Larger Planetary Science & Human Exploration Missions (Matt Austin)	43.012	80NSSC20K1440	14,892	-
Smoke on the Water	43.001	L0110	37,327	-
Mapping changes in hydroclimatic risk in High Mountain Asia (19-HMA19-0016)	43.001	80NSSC20K1300	43,664	76,145
Determining the radiation level of galactic cosmic rays and solar energetic particles in the heliospheric magnetic field based on magnetogram meas	43.001	80NSSC21K0004	8,192	-
Microgravity Test of Autonomous Multiple Cystele Farming System	43.012	80NSSC21K0341	102,813	-
Investigating the solar wind dynamics, interstellar, pickup ions, and turbulence throughout space based on 3D time-dependent modeling and multip	43.001	2020-1272	3,374	-
Understanding Quasar Jet Physics in the X-rays	43.001	G01-22111A	3,109	-
Roles of Stella Flares and Storms in Exoplanetary Atmospheric Losses and Evolution	43.001	SUB0000490	3,650	-
Space Entrepreneurship Program	43.008	NNX15_037 under FSGC 02	25,000	-
Space Entrepreneurship Graduate Certificate Program	43.008	Task Order 1: Master Agreement FSGC-7	15,000	-
Cloud Formation In Substellar Atmospheres	43.001	80NSSC18K0183	21,371	-
Search for the origin of double power-law energy spectrum of energetic particles	43.001	80NSSC18K0644	70,699	-
An investigation on the roles of the shock acceleration and the interplanetary transport	43.001	80NSSC19K0076	53,443	-
Investigating scale-dependent dynamic alignment laws in the solar wind	43.001	80NSSC19K0275	152,511	64,835
Light curve asymmetries in eclipsing binaries	43.001	80NSSC19K1021	50,885	-
A system-wide study of electromagnetic ion cyclotron waves	43.001	80NSSC18K1221	151,364	40,590
The Role of Coronal Shocks and cross-Field Transport Processes	43.001	80NSSC19K1254	10,687	-
Simulating deep convective storms and active cloud formation in Jupiter's fastest eastward jet	43.001	80NSSC19K1541	35,723	-
Kaband Array Radar for Near Earth Objects Accurate Characterization (KARNAC project)	43.003	80NSSC19M0126	190,291	-
Prediction of solar energetic particle radiation timing and dosage using physics-guided machine	43.012	80NSSC20K0298	76,399	-
Prediction of Solar Energetic Particle Radiation Based on Measurements of Solar Eruption and Photospheric Magnetic Field	43.001	80NSSC20K0286	37,216	14,238
Development and Deployment of Charge Injection Device Sensors	43.999	GA-2014-141	12,480	-
Chandra General Observer Program, Cycle 18 - The 3C111 Jet	43.001	G07-18100X	34,167	-
The physics of the jets of powerful radio galaxies and quasars	43.999	HST-GO-14696-001-A	5,281	-
3C111 Jet: X-ray Variability, Spectrum and Broadband SED	43.012	HST-GO-14849-001-A	11,221	-
The Physics of the Jets of Powerful Radio Galaxies and Quasars	43.001	NAS8-03060	14,101	-
An investigation of solar energetic particles from poorly connected solar events	43.001	NNX15AB76G	147,711	-
A new tool for studying jupiter's clouds, storms and vortices FTI	43.001	NNX16A1Q03G	69,598	-
Testing analytical and numerical models in phase coarsening	43.007	NNX16AT74G	12	-
Vision-based navigation for formation flight onboard ISS	43.002	PRIME# 80NSSC19C009	123,355	-
Saturn's Zonal Winds: Temporal and Vertical Variability Explored	43.001	R-19-0050	18,595	-
Portable near-infrared spectroscopy (NIRS) system	43.008	TO NNX15_032 FSGC 02	1,593	-
Evaluation of role of microgravity using 3d bioprinted tissues	43.008	TO NNX15_034 FSGC 02	1,090	-
<b>Subtotal, National Aeronautics and Space Administration:</b>			<b>1,733,118</b>	<b>195,808</b>

**FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**14 MONTHS ENDED JUNE 30, 2021**

Federal Grantor / Pass-through Grantor / Program Title	Federal CFDA / Agency State CSFA Numbers	Contract/Grant Number	Federal / State Expenditures	Passed Through to Subrecipient
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>				
Evaluate Effects from Shored Construction on Steel Composite Bridges	N/A	ERAU BE929	24,432	-
<b>Subtotal, U.S. Department of Transportation:</b>			<b>24,432</b>	<b>-</b>
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>				
<i>Office of Justice Programs:</i>				
2018-2019 Family Learning Program	16.575	V11046	27,798	-
2019-2020 Family Learning Program	16.575	193	25,795	-
2020-2021 Family Learning Program (VOCA)	16.575	VOCA-2020-Florida Institute of Tech-00649	45,616	-
Radio Frequency, Wireless, and Cellular Technologies Training	N/A	15F06718F0001446 or 15F06718D0005431	20,303	-
FY20 Automatic Face Recognition Best Practices	N/A	FBI PO# 15F06718G0000637	201,075	184,200
<b>Subtotal, U.S. Department of Justice:</b>			<b>320,587</b>	<b>184,200</b>
<b><u>UNITED NATIONS, COMPREHENSIVE NUCLEAR-TEST-BAN TREATY ORGANIZATION</u></b>				
GDAIS RASA 2020-2021	N/A	51P16749	2,779	-
GDAIS RASA Yr 7	N/A	51P16749	14,854	-
<b>Subtotal, United Nations, Comprehensive Nuclear-Test-Ban Treaty Org:</b>			<b>17,633</b>	<b>-</b>
<b><u>ENVIRONMENTAL PROTECTION AGENCY</u></b>				
<i>Environmental Protection Agency:</i>				
The efficacy of sediment aeration as a complement to muck dredging in the IRL Chap 2	66.456	IRL 2018_19	981	-
<b>Subtotal, Environmental Protection Agency:</b>			<b>981</b>	<b>-</b>
<b><u>OTHER FEDERAL</u></b>				
DARPA- Deep Agent: A framework for information spread and evolution in social networks	12.910	16246083	114,029	-
Pumped-Hydroelectric Energy Storage From Water Supply Reservoirs in New England	N/A	395425	29,650	-
Development and optimization of mild hydrothermal preprocessing for high ash biomass into pelletized biorefinery feedstocks	10.215	1023051	210,806	-
IARPA: High-Amplitude Electromagnetic Pulse from Thunderstorms	N/A	2019-19022700011	27,932	995
Modeling and experiment of scaled slosh dynamics	N/A	4500081697/FAS811-19-9-0003	39,346	-
A deep learning approach for enhanced detection of nuclear weapons testing (SBIR)	N/A	A032-19-FIT-HDTRA/DTRA119P0026	11,820	-
Remotely Operated Vehicle (ROV) Deployed Underwater Attachment (STTR-TRI Austin)	N/A	F30137-500-01-SCI768	24,317	-
DARPA: LogX Program: R&D Prototype Test and Evaluation Support	N/A	SB20-00014	21,193	-
<b>Subtotal, Other:</b>			<b>479,093</b>	<b>995</b>
<b>Subtotal, Research and Development Cluster:</b>			<b>12,097,521</b>	<b>2,146,896</b>
<b><u>CORPORATION FOR PUBLIC BROADCASTING</u></b>				
CPB Corp for Public Broadcasting	N/A	N/A	32,932	-
<b>Subtotal, Corporation for Public Broadcasting:</b>			<b>32,932</b>	<b>-</b>
<b><u>U.S. DEPARTMENT OF VETERANS AFFAIRS</u></b>				
Post 9/11 Veterans Education Assistance	64.028	N/A	7,492,388	-
<b>Subtotal, U.S. Department of Veterans Affairs:</b>			<b>7,492,388</b>	<b>-</b>
<b>STUDENT FINANCIAL AID CLUSTER:</b>				
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>				
<i>Federal Supplemental Educational:</i>				
Opportunity Grant Program	84.007	N/A	587,305	-
Federal Work Study Program	84.033	N/A	488,673	-
ILD 11-12	84.033	N/A	81,057	-
Federal Pell Grant Program	84.063	N/A	7,724,936	-
Direct Lending	84.268	N/A	55,492,986	-
<b>Subtotal, U.S. Department of Education:</b>			<b>64,374,957</b>	<b>-</b>
<b>Subtotal Student Financial Aid Cluster:</b>			<b>64,374,957</b>	<b>-</b>
Higher Education Emergency Relief Fund (HEERF) E, F	84.425	N/A	10,427,384	-
<b>TOTAL FEDERAL EXPENDITURES</b>			<b>\$ 94,425,182</b>	<b>\$ 2,146,896</b>

**FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**14 MONTHS ENDED JUNE 30, 2021**

Federal Grantor / Pass-through Grantor / Program Title	Federal CFDA / Agency		Federal / State Expenditures	Passed Through to Subrecipient
	State CSFA Numbers	Contract/Grant Number		
<b><u>STATE</u></b>				
<b><u>FLORIDA DIVISION OF EMERGENCY MANAGEMENT</u></b>				
Development of Florida Public Model 2018-19 cycle amended	N/A	800009459-02	29,437	-
<b>Subtotal, Florida Division of Emergency Management:</b>			<b>29,437</b>	<b>-</b>
<b><u>FLORIDA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES</u></b>				
Demonstration of Cost Effective Scalable Zero Energy Commercial Building Design for Florida Climates	N/A	024553 (SO432)	3,405	-
<b>Subtotal, Florida Department of Agriculture and Consumer Services:</b>			<b>3,405</b>	<b>-</b>
<b><u>FLORIDA DEPARTMENT OF HEALTH</u></b>				
CO Releasing Polymer Nanoparticles for Treatment of Alzheimer's Disease	N/A	8AZ03	4,067	-
CO Releasing Polymer Nanoparticles for Treatment of Alzheimer's Disease	N/A	8AZ03	1,410	-
<i>Medical Services to Abused/Neglected Children:</i>				
Family Learning Program 2019-2020	N/A	CSBBV	34,816	-
<b>Subtotal, Florida Department of Health:</b>			<b>40,293</b>	<b>-</b>
<b><u>FLORIDA DEPARTMENT OF EDUCATION</u></b>				
Public Radio Stations Grant	N/A	857-99790-9Q001	25,706	-
Public Radio Stations Grant PBS	N/A	857-99790-1Q001	29,961	-
Restore Lagoon Inflow Phase 1	N/A	857-93160-Q001	312,894	-
Restore Lagoon Inflow Phase 2	N/A	857-93160-1Q001 TAPS 20A137	533,406	-
<b>Subtotal, Florida Department of Education:</b>			<b>901,967</b>	<b>-</b>
<b><u>FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION</u></b>				
Brevard county muck dredging project: muck dredging research project management ( subtask 1)	N/A	TO 3 (SUBTASK 1)	90,434	-
Wave, Weather, and Tide Data Collection Yr. 6	N/A	N/A	5,562	-
2019-2020 Wave, Weather, and Tide Data Collection	N/A	WO 1920-006-FTT	150,131	-
Wave, Weather and Tide Data Collection System at Sebastian Inlet (FP)	N/A	Work Order No. 2021-014-FTT	18,686	-
State of the Inlet Analysis - 2021	N/A	Work Order No. 2021-008-FTT	44,103	-
Sebastian Inlet: State of the Inlet Analysis 2019-2020	N/A	WO-1920-001 FTT	121,410	-
<b>Subtotal, Florida Department of Environmental Protection:</b>			<b>430,326</b>	<b>-</b>
<b><u>FLORIDA DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES</u></b>				
Specialty License Plate	76,049	N/A	205,560	-
<b>Subtotal, Florida Department of Highway Safety and Motor Vehicles:</b>			<b>205,560</b>	<b>-</b>
<b><u>FLORIDA STUDENT FINANCIAL ASSISTANCE</u></b>				
Florida Resident Access Grant (EASE)	48,064	N/A	3,115,947	-
Scholarships for Children of Deceased or Disabled Veterans	48,055	N/A	81,408	-
Florida Student Assistance Grant	48,054	N/A	616,558	-
<b>Subtotal, Florida Student Financial Assistance:</b>			<b>3,813,913</b>	<b>-</b>
<b><u>FLORIDA BRIGHT FUTURES SCHOLARSHIPS</u></b>				
Florida Medallion/Academic Scholars Award (Bright Futures)	48,059	N/A	3,774,991	-
<b>Subtotal, Bright Futures:</b>			<b>3,774,991</b>	<b>-</b>
<b>Total, Student Financial Assistance and Bright Futures Scholarships</b>			<b>9,199,892</b>	<b>-</b>
<b><u>OTHER STATE</u></b>				
The Efficacy of Subaqueous Sand Capping to reduce inputs of nitrogen and phosphorus in the IRL	N/A	N/A	22,341	-
Seasonal Sampling of Seagrasses, Benthic Invertebrates and Sediment Conditions at the Mims Dredging Site	N/A	N/A	33,104	-
Wind & Flood FPHLM Model Operation, Maintenance, Acceptability, and Model Upgrades (2020-2021)	N/A	N/A	546	-
Measuring the Impact of Sediment Composition on Sediment Oxygen Demand in the Indian River Lagoon	N/A	N/A	3,745	-
County Muck Dredging Meetings	N/A	TO3	4,372	-
The efficacy of highly-concentrated dissolved oxygen towards the decomposition of organic matter, identification, and precipitation of phosphorus in	N/A	#IRL2019-04 ENC. #GL01-1717	40,436	7,292
Estimation of interior damage due to wind driven rain ingress into mid/high rise buildings	N/A	WHIP2019_11	65,071	-
Effects of Marine Catfish on Fisheries in the Indian River Lagoon	N/A	N/A	14,891	-
<b>Subtotal, Other State:</b>			<b>184,507</b>	<b>7,292</b>
<b>TOTAL STATE FINANCIAL ASSISTANCE AND BRIGHT FUTURES EXPENDITURES</b>			<b>\$ 9,384,399</b>	<b>\$ 7,292</b>



# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

14 MONTHS ENDED JUNE 30, 2021

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Presentation** - The accompanying schedule of expenditures of federal awards and state financial assistance summarizes the expenditures incurred under all federal and state awards received by Florida Institute of Technology, Inc. (the "University") for the 14 months ended June 30, 2021. For purposes of this schedule, federal awards and state projects include all grants, contracts, loans, and loan guarantee agreements entered into directly between the University and agencies and departments of the federal and state government and federal and state awards passed through other agencies. Expenditures for federal and state awards programs are recognized on the accrual basis of accounting. The information on 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* and Chapter 10.650, *Rules of the Auditor General*; therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the consolidated financial statements.

### 2. PROGRAM CLUSTERS

Federal Uniform Guidance and the Florida State Single Audit Act define a cluster of programs as a grouping of closely related programs that share common compliance requirements. According to this definition, we have determined the Student Financial Assistance Programs and Research and Development Programs to be Federal clusters of programs and the Florida Student Financial Assistance to be a State cluster of programs.

### 3. LOANS OUTSTANDING

The University had the following loan balances due to the federal government at June 30, 2021:

<u>Cluster/Program Title</u>	<u>Number</u>	<u>Outstanding</u>
Federal Perkins Loan Program	84.038	<u>\$ 3,100,266</u>

### 4. GUARANTEED STUDENT LOAN PROGRAMS

During the 14 months ended June 30, 2021, the University processed new loans under the following Guaranteed Student Loan Programs:

	<u>Loans to Students</u>
Stafford Loans	\$ 49,964,333
Parents' Loans for Undergraduate and Graduate Students	<u>5,528,653</u>
Total Guaranteed Student Loan Program	<u>\$ 55,492,986</u>

**FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE (continued)**

**14 MONTHS ENDED JUNE 30, 2021**

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**5. CONTINGENCY**

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the University. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.

**6. INDIRECT COST RATE**

Under the current federally negotiated rate agreement, the University uses a predetermined indirect cost rate using a modified total direct cost base. This rate is in effect until June 30, 2022. The University applies a 44.87% indirect cost rate or a 28.45% off campus rate on a modified total direct cost basis to all federal grants, unless otherwise restricted by the agency.

**FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES**

**SCHEDULE OF FINANCIAL RESPONSIBILITY COMPOSITE RATIO SCORE**

**14 MONTHS ENDED JUNE 30, 2021**

**Primary reserve ratio**

Expendable net assets	<u>\$ 41,354,490</u>	
Total expenses without donor restrictions and losses without donor restrictions	<u>\$ 206,714,546</u>	<u>0.2001</u>

**Equity ratio**

Modified net assets	<u>\$ 211,005,403</u>	
Modified assets	<u>\$ 377,259,642</u>	<u>0.5593</u>

**Net income ratio**

Change in net assets without donor restrictions	<u>\$ 9,683,667</u>	
Total revenue without donor restrictions and gains without donor restrictions	<u>\$ 219,230,301</u>	<u>0.0442</u>

**Ratio calculation:**

	<u>Ratio</u>	<u>Strength Factor</u>	<u>Weight</u>	<u>Composite Scores</u>
Primary reserve ratio	0.2001	2.00056	40%	0.8
Equity ratio	0.5593	3.00000	40%	1.2
Net income ratio	0.0442	3.00000	20%	<u>0.6</u>
<b><u>Total composite score</u></b>				<b><u><u>2.6</u></u></b>

See independent's auditor's report on supplementary information and notes to the schedule of financial responsibility composite ratio score and data.

FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES

SCHEDULE OF FINANCIAL RESPONSIBILITY DATA  
14 MONTHS ENDED JUNE 30, 2021

	Amount	Financial statement title	Location in audited financial statements
<b>PRIMARY RESERVE RATIO:</b>			
<i>Expendable net assets:</i>			
Net assets without donor restrictions	\$ 106,429,551	Net assets without donor restrictions	Consolidated statement of financial position
Net assets with donor restrictions	106,283,498	Net assets with donor restrictions	Consolidated statement of financial position
Annuities with donor restrictions	(2,297,810)	Annuities payable	Consolidated statement of financial position
		Total net assets with donor restrictions, net of annuities, program and time restrictions and board designated endowment funds	Notes to the consolidated financial statements, Note 15
Net assets with donor restrictions: restricted in perpetuity	(90,057,026)		
Net assets with donor restrictions: other for purpose or time	(10,512,354)	Board-designated endowment fund	Notes to the consolidated financial statements, Note 8
Secured and Unsecured related party receivables	(1,707,646)	Pledges receivable, net	Consolidated statement of financial position
Property, plant and equipment, pre-implementation (includes Capital Leases)	(109,482,824)	Long-lived assets, net	Prior year schedule of financial responsibility data less payments in the current year
		Depreciation	
Property, plant and equipment, post-implementation with no outstanding debt for original purchase (includes Capital Leases)	(11,751,945)	Purchase of long-lived assets	Cumulative balance of fixed asset additions with no associated debt, as reported in each year's cash flows
Property, plant and equipment, post-implementation with outstanding debt for original purchase (includes Capital Leases)	(78,581,416)	Purchase of long-lived assets	Cumulative balance of fixed asset additions with associated debt, as reported in each year's cash flows
Property, plant and equipment, net:	(199,816,185)	Long-lived assets, net	Consolidated statement of financial position
Long-term debt - for long term purposes pre-implementation	14,394,102	Capital lease obligations	Prior year schedule of financial responsibility data less payments in the current year
		Long-term debt	
Long-term debt - for long term purposes post-implementation	106,886,415	Capital lease obligations	Prior year schedule of financial responsibility data less payments in the current year
		Long-term debt	
Long-term debt - for long term purposes:	121,280,517	Capital lease obligations	Prior year schedule of financial responsibility data less payments in the current year
	<u>\$ 41,354,490</u>	Long-term debt	Consolidated statement of financial position
<i>Total expenses and losses without donor restrictions:</i>			
Total expenses without donor restrictions	\$ 206,510,388	Total operating expenses	Consolidated statement of activities
Other losses	204,158	Loss on disposition of assets	Consolidated statement of activities
	<u>\$ 206,714,546</u>		
<b>EQUITY RATIO:</b>			
<i>Modified net assets:</i>			
Net assets without donor restrictions	\$ 106,429,551	Net assets without donor restrictions	Consolidated statement of financial position
Net assets with donor restrictions	106,283,498	Net assets with donor restrictions	Consolidated statement of financial position
Unsecured related party receivables	(1,707,646)	Pledges receivable, net	Consolidated statement of financial position
	<u>\$ 211,005,403</u>		
<i>Modified assets:</i>			
Total assets	\$ 378,967,288	Total assets	Consolidated statement of financial position
Unsecured related party receivables	(1,707,646)	Pledges receivable, net	Consolidated statement of financial position
	<u>\$ 377,259,642</u>		
<b>NET INCOME RATIO:</b>			
<i>Change in net assets without donor restrictions:</i>			
Change in net assets without donor restrictions	<u>\$ 9,683,667</u>	Change in net assets without donor restrictions	Consolidated statement of activities
<i>Total revenues and other gain without donor restrictions:</i>			
Total operating revenue and other additions (gains)	\$ 216,160,667	Total operating revenues and reclassifications	Consolidated statement of activities
Investment return appropriated for spending	6,475,389	Endowment payout	Consolidated statement of activities
Investment return without donor restrictions	3,091,752	Net realized and unrealized gain on investments	Consolidated statement of activities
Non-operating revenue and other gains	(22,118)	Interest and dividends - endowment and other Insurance recovery	Consolidated statement of activities
	<u>\$ 219,230,301</u>	Gain/(loss) on disposition of assets	Consolidated statement of activities

See independent's auditor's report on supplementary information and notes to the schedule of financial responsibility composite ratio score and data.

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES

## NOTES TO SCHEDULE OF FINANCIAL RESPONSIBILITY COMPOSITE RATIO SCORE AND DATA 14 MONTHS ENDED JUNE 30, 2021

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### 1. BACKGROUND

Section 498(c) of the Higher Education Act of 1965, as amended, requires for-profit and nonprofit institutions to annually submit audited financial statements to the U.S. Department of Education (the "Department") to demonstrate they are maintaining the standards of financial responsibility necessary to participate in Title IV programs. One of many standards, which the Department utilizes to gauge the financial responsibility of an institution, is a composite of three ratios derived from an institution's audited financial statements. The three ratios consist of a primary reserve ratio, an equity ratio and a net income ratio. These ratios gauge the fundamental elements of the financial health of an institution, not the educational quality of an institution.

The Schedule of Financial Responsibility Composite Ratio Score (the "Schedule") is prepared and submitted to the U.S. Department of Education and is prepared pursuant to Appendix B of 34 CFR Part 668 – Subpart L, Ratio Methodology for Private Nonprofit Institutions (the "Code"). The Schedule contains only the financial responsibility composite ratio scores required by the Code and are not intended to present the financial position or the results of operations of the University for the 14 months ended June 30, 2021, in accordance with accounting principles generally accepted in the United States of America.

### 2. FINANCIAL RESPONSIBILITY COMPOSITE RATIO SCORE

The Schedule is prepared pursuant to the Code. The composite score reflects the overall relative financial health of an institution along a scale from negative 1.0 to positive 3.0.

The composite score includes the following required ratios, strength factors, and weight factors:

#### **Required Ratios**

##### Primary Reserve Ratio

The Primary Reserve ratio represents the ratio of expendable net assets to total expenses and losses.

Expendable net assets is calculated as the sum of net assets without donor restrictions, net assets with donor restrictions, debt obtained for long term purposes and post-employment and defined benefit pension liabilities, less net assets with donor restriction held in perpetuity, annuities, term endowments, life income funds, intangible assets, net property, plant and equipment, and unsecured related party receivables.

Total expenses is calculated as expenses and losses without donor restriction, less losses without donor restrictions on investments, post-employment and defined benefit pension plans, and annuities.

##### Equity Ratio

The Equity ratio represents the ratio of modified net assets to modified assets.

Modified net assets is calculated as the sum of net assets without donor restrictions and net assets with donor restrictions, less intangible assets and unsecured related party receivables.

**FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES**

**NOTES TO SCHEDULE OF FINANCIAL RESPONSIBILITY COMPOSITE RATIO SCORE  
AND DATA  
14 MONTHS ENDED JUNE 30, 2021**

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**2. FINANCIAL RESPONSIBILITY COMPOSITE RATIO SCORE (continued)**

**Required Ratios (continued)**

Equity Ratio (continued)

Modified assets is calculated as the total assets, less intangible assets and unsecured related party receivables.

Net Income Ratio

The Net Income ratio represents the ratio of the change in net assets without donor restrictions to total revenue and gains without donor restrictions.

The change in net assets without donor restrictions is calculated within the audited financial statements.

The total revenue and gains without donor restrictions is calculated as the total of all revenues and gains as reported in the audited consolidated financial statements, including the net assets released from restrictions.

**Strength Factors**

The strength factor for each ratio is calculated in accordance with the Code as follows:

Primary Reserve Ratio

10 x Primary Reserve Ratio result

Equity Ratio

6 x Equity Ratio result

Net Income Ratio

1 + (50 x Net Income Ratio result) for positive Net Income Ratios

1 + (25 x Net Income Ratio result) for negative Net Income Ratios

Strength factors that are calculated outside of the range of -1 to 3 are adjusted to the outer most range of the scale.

**Weight Factors**

The weight factor for each ratio outlined in the Code as follows:

Primary Reserve Ratio - 40%

Equity Ratio - 40%

Net Income Ratio - 20%

## FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES

### CONSOLIDATING STATEMENT OF FINANCIAL POSITION

ASSETS	FIT 6/30/2021	Subsidiaries 6/30/2021	Eliminations 6/30/2021	Total Consolidated 6/30/2021
Cash and cash equivalents	\$ 14,540,772	\$ 455,612	\$ -	\$ 14,996,384
Accounts receivable, net	34,218,918	1,900,867	(29,117,496)	7,002,289
Pledges receivable, net	1,707,646	-	-	1,707,646
Prepaid expenses, inventories and other assets, net	5,567,587	1,238,371	-	6,805,958
Student loans receivable, net	2,587,568	-	-	2,587,568
Cash held with fiduciary	16,839,175	-	-	16,839,175
Investments	130,377,815	67,000	(1,232,732)	129,212,083
Long-lived assets, net	196,619,888	3,196,297	-	199,816,185
<b>TOTAL ASSETS</b>	<b>\$ 402,459,369</b>	<b>\$ 6,858,147</b>	<b>\$ (30,350,228)</b>	<b>\$ 378,967,288</b>
 <b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 32,966,475	\$ 30,691,029	\$ (29,117,496)	\$ 34,540,008
Deposits and deferred revenue	4,477,783	557,855	-	5,035,638
Annuities payable	2,297,810	-	-	2,297,810
Refundable government loans	3,100,266	-	-	3,100,266
Capital lease obligations	12,885,677	-	-	12,885,677
Long-term debt	108,394,840	-	-	108,394,840
Total liabilities	164,122,851	31,248,884	(29,117,496)	166,254,239
 <b>NET ASSETS</b>				
Without donor restrictions	132,053,020	(24,390,737)	(1,232,732)	106,429,551
With donor restrictions	106,283,498	-	-	106,283,498
Total net assets	238,336,518	(24,390,737)	(1,232,732)	212,713,049
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 402,459,369</b>	<b>\$ 6,858,147</b>	<b>\$ (30,350,228)</b>	<b>\$ 378,967,288</b>

See independent auditor's report.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees of  
Florida Institute of Technology, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Florida Institute of Technology, Inc. and Subsidiaries (the "University" a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, functional expenses and cash flows for the 14 months then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 20, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the University'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 consolidated financial statements, but not for the purpose of expressing our opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University'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 consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the University's consolidated 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 consolidated 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 University'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 University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

December 20, 2021  
Melbourne, Florida

*Berman Hopkins Wright & LaHam*  
*CPAs and Associates, LLP*



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL**

To the Board of Trustees of  
Florida Institute of Technology, Inc.

**Report on Compliance for Each Major Federal Program and State Project**

We have audited Florida Institute of Technology, Inc.'s and Subsidiaries (the "University", a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs and state projects for the 14 months ended June 30, 2021. The University's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards and state projects applicable to its federal programs and state projects.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the University's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, Rules of the Auditor General (Chapter 10.650). Those standards, the Uniform Guidance and Chapter 10.650 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and state project occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the University's compliance.

**MELBOURNE**

8035 Spyglass Hill Road  
Melbourne, FL 32940  
321-757-2020

**ORLANDO**

255 South Orange Avenue, #1200  
Orlando, FL 32801  
407-841-8841

## ***Opinion on Each Major Federal Program and State Project***

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the 14 months ended June 30, 2021.

## **Report on Internal Control Over Compliance**

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's 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 and state project 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 and state project 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 and state project 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses 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 and Chapter 10.650. Accordingly, this report is not suitable for any other purpose.

December 20, 2021  
Melbourne, Florida

*Berman Hopkins Wright & LaHam*  
*CPAs and Associates, LLP*

**FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**14 MONTHS ENDED JUNE 30, 2021**

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**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

- |   |            |
|---|------------|
| 1. Type of auditor's report issued:                                       | Unmodified |
| 2. Internal control over financial reporting:                             |            |
| a. Material weaknesses identified?  | No         |
| b. Significant deficiencies identified?                                   | None noted |
| 3. Noncompliance material to the consolidated financial statements noted? | No         |

Federal Awards

- |   |            |
|---|------------|
| 1. Internal control over major programs:  |            |
| a. Material weaknesses identified?  | No         |
| b. Significant deficiencies identified?   | None noted |
| 2. Type of auditor's report issued on compliance for major programs:  | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? | No         |

4. Identification of major federal award programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
84.425 E, F	Higher Education Emergency Relief Fund (HEERF) Student and Institutional Portion
Various	Student Financial Aid Programs Cluster
Various	Research & Development Cluster

- |   |             |
|---|-------------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$2,832,755 |
| 6. Auditee qualified as a low-risk auditee?                                 | Yes         |

**FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)**

**14 MONTHS ENDED JUNE 30, 2021**

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**SECTION I - SUMMARY OF AUDITOR'S RESULTS (continued)**

State Financial Assistance

1. Internal control over major projects:
  - a. Material weaknesses identified? No
  - b. Significant deficiencies identified? None noted
2. Type of auditor's report issued on compliance for major projects: Unmodified
3. Any audit findings disclosed that are required to be reported under Rule 10.654(1)(h)4? No
4. Any management letter issued under Rule 10.656(3)(e)? No
5. Identification of major state financial assistance projects:

CSFA Number

Name of State Project

Various

Florida Student Financial Assistance Cluster

48.059

The Florida Bright Futures Scholarship Programs

6. Dollar threshold used to distinguish between type A and type B projects: \$750,000

**SECTION II - FINANCIAL STATEMENT FINDINGS**

None reported

**SECTION III - FINDINGS AND QUESTIONED COSTS**

None reported

**SECTION IV - SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

None reported

FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARIES

SCHEDULE OF POPULATIONS, SAMPLES TESTED, AND QUESTIONED COSTS FOR FLORIDA STUDENT FINANCIAL ASSISTANCE PROGRAMS  
14 MONTHS ENDED JUNE 30, 2021

		Award Population		Award Sample			Questioned Costs				
		Amount	Recipients	Amount	% of Population Amount	Recipients	% of Population Recipients	Amount	% of Sample Amount	Recipients	% of Sample Recipients
Florida Academic Scholars Award	FLAS	\$ 2,353,544	404	\$ 342,768	15%	50	12%	\$ -	0%	-	0%
Florida Medallion Scholars Award	FLMS	1,421,447	244	227,046	16%	50	20%	-	0%	-	0%
Florida Student Assistance Grant	FSAG	616,558	395	83,534	14%	50	13%	-	0%	-	0%
Florida Resident Access Grant	EASE	3,115,947	1265	115,063	4%	50	4%	-	0%	-	0%
Scholarship for Children of Deceased or Disabled Veterans	CDDV	81,408	16	56,392	69%	10	63%	-	0%	-	0%
		<u>\$ 7,588,904</u>	<u>2324</u>	<u>\$ 824,803</u>		<u>210</u>		<u>\$ -</u>		<u>-</u>	

See independent auditor's report.