



**EMBRY-RIDDLE AERONAUTICAL UNIVERSITY, INC.**

Reports Required by *Government Auditing Standards*,  
the Uniform Guidance, and Chapter 10.650,  
*Rules of the Florida Auditor General* and  
Schedule of Expenditures of Federal Awards  
and State Projects

Year Ended June 30, 2024

**EMBRY-RIDDLE AERONAUTICAL  
UNIVERSITY, INC.**

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## Independent Auditors' Report

The Board of Trustees  
Embry-Riddle Aeronautical University, Inc. and Subsidiaries:

### Report on the Audit of the Consolidated Financial Statements

#### *Opinion*

We have audited the consolidated financial statements of Embry-Riddle Aeronautical University, Inc. and Subsidiaries (the University), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the University as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for one year after the date the consolidated financial statements are issued.

#### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.



In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2024, 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.

**KPMG LLP**

Winston-Salem, North Carolina  
October 24, 2024

**EMBRY-RIDDLE AERONAUTICAL UNIVERSITY, INC.**

Consolidated Statements of Financial Position

Fiscal year ended June 30, 2024 and 2023

(in thousands)

<b>Assets</b>	<b>2024</b>	<b>2023</b>
<b>Current assets:</b>		
Cash and cash equivalents	\$ 268,422	229,787
Short-term investments (note 4)	248,665	233,949
Accounts and notes receivable, less allowance for doubtful accounts of \$1,933 and \$1,754 respectively	27,744	19,218
Student loans receivable, net, current portion (note 6)	798	907
Contributions receivable, net, current portion (note 7)	2,214	13,431
Inventories	6,271	6,412
Prepaid expenses and other current assets	11,671	17,154
<b>Total current assets</b>	<b>565,785</b>	<b>520,858</b>
<b>Noncurrent assets:</b>		
Deposits and investments held with trustees	45	3,366
Long-term accounts and notes receivable, net	720	934
Student loans receivable, less current portion and allowance for doubtful accounts of \$425 and \$337, respectively (note 6)	2,031	3,200
Contributions receivable, net, less current portion (note 7)	3,809	5,644
Other assets	328	304
Long-term investments (note 4)	316,722	274,605
Right-of-use lease assets (note 9)	38,002	37,177
Land, land improvements, buildings and equipment, net (note 8)	669,143	598,400
<b>Total noncurrent assets</b>	<b>1,030,800</b>	<b>923,630</b>
<b>Total assets</b>	<b>\$ 1,596,585</b>	<b>1,444,488</b>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses, current portion	\$ 60,147	45,967
Advances for student loans and financial aid	7,742	6,631
Student deposits and advance payments	10,094	14,727
Deferred revenue, current portion	17,823	20,891
Right-of-use lease liability, current portion (note 9)	3,037	2,909
Long-term debt, current portion (note 10)	19,450	18,953
<b>Total current liabilities</b>	<b>118,293</b>	<b>110,078</b>
<b>Noncurrent liabilities:</b>		
Deferred revenue, less current portion	12,508	15,018
Right-of-use lease liability, less current portion (note 9)	35,727	34,540
Long-term debt, net, less current portion (note 10)	265,063	284,513
Other liabilities	124	116
<b>Total noncurrent liabilities</b>	<b>313,422</b>	<b>334,187</b>
<b>Total liabilities</b>	<b>431,715</b>	<b>444,265</b>
<b>Net assets (note 16):</b>		
Without donor restrictions	1,026,976	871,412
With donor restrictions:		
Time or purpose	65,508	57,174
Perpetual	72,386	71,637
<b>Total net assets</b>	<b>1,164,870</b>	<b>1,000,223</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,596,585</b>	<b>1,444,488</b>

See accompanying notes to consolidated financial statements.

**EMBRY-RIDDLE AERONAUTICAL UNIVERSITY, INC.**

Consolidated Statements of Activities

Fiscal year ended June 30, 2024

(in thousands)

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Operating activities:			
Revenue and other additions:			
Tuition, net of institutionally funded scholarships of \$162,686	\$ 391,527	—	391,527
Flight fees	61,039	—	61,039
Other fees	27,595	—	27,595
Grants and contracts	64,645	—	64,645
Private gifts – cash and financial assets	349	—	349
Auxiliary enterprises	48,674	—	48,674
Investment income, net	19,834	—	19,834
Other revenue	18,356	—	18,356
Investment earnings distributed	3,066	2,661	5,727
Total operating revenue and other additions	<u>635,085</u>	<u>2,661</u>	<u>637,746</u>
Net assets released from restrictions	<u>6,203</u>	<u>(6,203)</u>	<u>—</u>
Total operating revenue and other additions	<u>641,288</u>	<u>(3,542)</u>	<u>637,746</u>
Expenses (note 15):			
Salaries and wages	241,306	—	241,306
Fringe benefits	71,390	—	71,390
Other operating expenses	119,083	—	119,083
Insurance	9,180	—	9,180
Utilities	10,070	—	10,070
Interest	9,581	—	9,581
Depreciation	41,487	—	41,487
Total operating expenses	<u>502,097</u>	<u>—</u>	<u>502,097</u>
Change in net assets from operating activities	<u>139,191</u>	<u>(3,542)</u>	<u>135,649</u>
Nonoperating activities:			
Private gifts	29	5,119	5,148
Investment return, net	25,637	10,193	35,830
Distribution of prior year investment earnings for spending	(3,066)	(2,661)	(5,727)
Grants to organizations	(6,000)	—	(6,000)
Other nonoperating activities	(227)	(26)	(253)
Total nonoperating activities	<u>16,373</u>	<u>12,625</u>	<u>28,998</u>
Changes in net assets	<u>155,564</u>	<u>9,083</u>	<u>164,647</u>
Net assets, beginning of year	<u>871,412</u>	<u>128,811</u>	<u>1,000,223</u>
Net assets, end of year	<u>\$ 1,026,976</u>	<u>137,894</u>	<u>1,164,870</u>

See accompanying notes to consolidated financial statements.

**EMBRY-RIDDLE AERONAUTICAL UNIVERSITY, INC.**

Consolidated Statements of Activities

Year ended June 30, 2023

(in thousands)

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Operating activities:			
Revenue and other additions:			
Tuition, net of institutionally funded scholarships of \$142,815	\$ 361,642	—	361,642
Flight fees	53,435	—	53,435
Other fees	26,245	—	26,245
Grants and contracts	31,766	—	31,766
Private gifts – cash and financial assets	438	—	438
Auxiliary enterprises	46,620	—	46,620
Investment income, net	9,420	—	9,420
Other revenue	13,756	—	13,756
Investment earnings distributed	2,721	2,518	5,239
	<hr/>	<hr/>	<hr/>
Total operating revenue and other additions	546,043	2,518	548,561
Net assets released from restrictions	4,277	(4,277)	—
	<hr/>	<hr/>	<hr/>
Total operating revenue and other additions	550,320	(1,759)	548,561
Expenses (note 15):			
Salaries and wages	219,912	—	219,912
Fringe benefits	63,770	—	63,770
Other operating expenses	107,494	—	107,494
Insurance	8,062	—	8,062
Utilities	10,093	—	10,093
Interest	10,183	—	10,183
Depreciation	41,987	—	41,987
	<hr/>	<hr/>	<hr/>
Total operating expenses	461,501	—	461,501
Change in net assets from operating activities	88,819	(1,759)	87,060
Nonoperating activities:			
Private gifts	269	11,584	11,853
Investment return, net	16,771	8,037	24,808
Distribution of prior year investment earnings for spending	(2,721)	(2,518)	(5,239)
Other nonoperating activities	268	(18)	250
	<hr/>	<hr/>	<hr/>
Total nonoperating activities	14,587	17,085	31,672
Changes in net assets	103,406	15,326	118,732
Net assets, beginning of year	768,006	113,485	881,491
Net assets, end of year	\$ <u>871,412</u>	<u>128,811</u>	<u>1,000,223</u>

See accompanying notes to consolidated financial statements.

**EMBRY-RIDDLE AERONAUTICAL UNIVERSITY, INC.**

Consolidated Statements of Cash Flows

Fiscal year ended June 30, 2024 and 2023

(in thousands)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Increase in net assets	\$ 164,647	118,732
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	41,487	41,987
Realized and unrealized gains on investments	(27,780)	(15,789)
Net amortization of bond premium and debt issuance costs	(1,283)	(1,278)
Gains on disposal of equipment	(8,716)	(3,745)
Amortization of right-of-use lease assets	490	271
Contribution of nonfinancial assets	(22)	(238)
Contributions restricted for long-term investment	(521)	(7,887)
Changes in operating assets and liabilities:		
Accounts and notes receivable	(8,312)	1,888
Contributions receivable	13,052	6,311
Inventories	141	(1,517)
Prepaid expenses and other assets	5,459	(2,898)
Accounts payable and accrued expenses	16,302	319
Advances for student loans and financial aid	1,111	1,928
Deferred revenue	(5,578)	5,035
Other liabilities	8	28
Student deposits and advance payments	(4,633)	915
Net cash provided by operating activities	<u>185,852</u>	<u>144,062</u>
Cash flows from investing activities:		
Purchase of investments	(441,075)	(552,753)
Sale of investments	411,269	489,298
Principal received on student loan receivables	1,365	1,195
Loans made to students	(87)	(102)
Proceeds from sale of land, land improvements, buildings, and equipment	13,836	6,476
Capital expenditures	(119,450)	(57,356)
Net cash used in investing activities	<u>(134,142)</u>	<u>(113,242)</u>
Cash flows from financing activities:		
Principal payments on long-term debt	(17,670)	(16,382)
Decrease in deposits and investments with trustees	3,321	6,658
Proceeds from restricted contributions	521	7,887
Net cash used in financing activities	<u>(13,828)</u>	<u>(1,837)</u>
Change in cash, cash equivalents and restricted cash	37,882	28,983
Cash, cash equivalents and restricted cash, beginning of year	<u>234,594</u>	<u>205,611</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 272,476</u>	<u>234,594</u>
Reconciliation of cash, cash equivalents and restricted cash reported within the consolidated statements of financial position:		
Cash and cash equivalents	\$ 268,422	229,787
Cash and cash equivalents, restricted	<u>4,054</u>	<u>4,807</u>
Total cash, cash equivalents and restricted cash	<u>\$ 272,476</u>	<u>234,594</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 11,191	11,678
Change in capital asset acquisitions in accounts payable	(2,122)	(1,059)

See accompanying notes to consolidated financial statements.

**EMBRY-RIDDLE AERONAUTICAL UNIVERSITY, INC.  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

(In thousands)

**(1) Nature of Operations**

Embry-Riddle Aeronautical University, Inc. and Subsidiaries (the University) is an independent, nonprofit culturally diverse institution providing quality education and research in aviation, aerospace, engineering, and other related fields with residential campuses in Daytona Beach, Florida, and Prescott, Arizona. The University's Worldwide campus provides educational opportunities online and at more than 100 locations throughout the United States, Asia, Europe, and Central/South America. Additionally, the flexibility and accessibility of the multi-modal teaching platforms link students and faculty across the globe, enabling the development and delivery of learning whenever and wherever students and faculty reside. The University offers programs in seven primary fields of study including applied science; aviation; business; computers and technology; engineering; safety, security, and intelligence; and space.

The University is accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) and certain other programmatic accrediting bodies.

**(2) Summary of Significant Accounting Policies**

**(a) Basis of Presentation**

The consolidated financial statements of the University have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

**(b) Classification of Net Assets**

Financial statements of not-for-profit organizations measure aggregate net assets and net asset activity based on the absence or existence of donor-imposed restrictions. Net assets are reported as without donor restrictions and with donor restrictions and serve as the foundation of the accompanying consolidated financial statements. Descriptions of the two net asset categories follow:

- Net assets without donor restrictions – Net assets without donor restrictions are not subject to donor stipulations restricting their use, but may be designated for a specific purpose by the University or may be limited by contractual agreement with outside parties.
- Net assets with donor restrictions – Net assets with donor restrictions are subject to donor stipulations that expire by the passage of time, can be fulfilled by actions pursuant to the stipulations, or which may be perpetual.

**(c) Principles of Consolidation**

The consolidated financial statements include the assets, liabilities, revenue, and expenses of all significant subsidiaries. All significant intercompany transactions and accounts are eliminated in consolidation. The University's wholly-owned subsidiaries, Embry-Riddle Aeronautical University, Asia Ltd. (ERAU Asia) and ERAU Asia Institute, Ltd. (ERAU Asia Institute), are companies limited by guarantee and incorporated in Singapore. The principal activities of ERAU Asia and ERAU Asia Institute are to provide teaching and research in the area of aeronautics and aerospace and related fields.

**EMBRY-RIDDLE AERONAUTICAL UNIVERSITY, INC.  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

(In thousands)

**(d) Translation of Accounts of Foreign Subsidiaries**

Accounts of foreign subsidiaries are translated into U.S. dollars using the current rate method as follows:

- monetary and nonmonetary assets and liabilities at the year-end rate of exchange
- capital stock at historical rates of exchange
- revenue and expenses at average rates for the year, except for amortization, which is translated at exchange rates used in the translation of the relevant asset accounts

All gains and losses arising from the translation of foreign currencies are included in the accompanying consolidated statements of activities.

**(e) Cash and Cash Equivalents**

Cash and cash equivalents are liquid instruments having original maturities at the time of purchase of three months or less or funds invested primarily in such instruments. The University has cash equivalents held for reinvestment that are highly liquid in nature and have original maturities at the time of purchase of three months or less. Cash equivalents include cash held in money market accounts and certificates of deposit for operating and reinvestment purposes held by short-term investment managers. Cash equivalents exclude deposits and investments held with trustees for capital projects.

**(f) Short-Term Investments**

Short-term investments include liquid securities and funds whose maturities and duration extend beyond those of cash and cash equivalents (three months) and may assume a degree of credit risk but are not considered long-term investments. Short-term investments are limited to a maximum average duration of 18 months with no individual fund investment having an average maturity of greater than 3 years and an average credit rating of AA-or higher. Short-term investments are recorded at fair value and are generally priced and available on a daily basis.

Investment income is recorded on the accrual basis; purchases and sales of short-term investment securities are recorded on a trade-date basis.

**(g) Concentration of Risks**

Financial instruments, which potentially subject the University to significant concentration of credit risk, consist principally of cash and cash equivalents and investments. The University maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The University has not experienced any losses in such accounts. The University believes it is not exposed to any significant credit risk on cash and cash equivalents or concentration risk on investments.

**(h) Pledges Receivable**

An unconditional promise to give is recognized initially at fair value as private gift revenue in the period the promise is made by a donor. The fair value of the pledge is estimated based on anticipated future

**EMBRY-RIDDLE AERONAUTICAL UNIVERSITY, INC.  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

(In thousands)

cash receipts (net of an allowance for uncollectible amounts) and discounted using a risk-adjusted rate commensurate with expected future payments.

**(i) Inventories**

Inventories, consisting primarily of spare parts for aircraft, flight training devices and consignment inventories, are stated using the lower of cost (determined on first in, first out (FIFO) method of inventory valuation) or estimated market value (specific identification or average cost method) based on the type of inventory item, and, in some cases, Federal Aviation Administration (FAA) requirements.

**(j) Deposits and Investments Held with Trustees**

Deposits and investments held with trustees are restricted cash and short-term investments consisting of proceeds from the Volusia County Educational Facilities Authority and Educational Facilities Revenue Bonds. These funds are subject to restrictions imposed by covenants of the University and are limited to use on authorized projects.

**(k) Long-Term Investments**

The majority of the University's long-term investments are held in marketable equity and debt securities, including mutual funds, and are recorded at their estimated fair values, which are based on quoted market prices or recognized pricing services. Alternative investments are stated at fair value as established by using the net asset value (NAV) reported by the investment fund managers as a practical expedient. Individual investment holdings within the alternative investments may, in turn, include investments in both nonmarketable and market-traded securities. Values may be based on historical cost, appraisals or other estimates that require varying degrees of judgment. Gifts of investments are recorded at their fair value (based upon quotations or appraisals) at date of gift. Purchases and sales of investments are recorded on a trade-date basis.

The University invests in a combination of investment securities, which are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect the University's investment balance reported in the consolidated statements of financial position.

Investment income is recorded on the accrual basis.

**(l) Fair Value of Financial Instruments**

Authoritative guidance on fair value measurements establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the University. Inputs refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs reflect market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own

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June 30, 2024 and 2023

(In thousands)

assumptions about how market participants would value an asset based on the best information available. The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical investments as of the measurement date. An active market is one in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Market price data is generally obtained from exchanges or dealer markets.

Level 2 – Pricing inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets. Inputs are obtained from various sources including market participants, dealers and brokers.

Level 3 – Model-derived pricing valuations in which one or more significant inputs are unobservable.

***(m) Land, Land Improvements, Buildings and Equipment***

Land, land improvements, buildings and equipment are generally stated at cost or, if contributed, at estimated fair value at the date of the gift, less accumulated depreciation. Depreciation is computed on a straight-line method over the estimated useful lives of the assets, ranging from 7 years for land improvements, 5 to 40 years for buildings and building improvements, and 2 to 10 years for equipment.

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. When such events or changes in circumstances indicate an asset may not be recoverable, the impairment loss recognized is the amount by which the asset's net carrying value exceeds its estimated fair value.

***(n) Unamortized Bond Premium***

Bond premium associated with bond issuances are deferred and amortized on the effective-yield method over the lives of the respective bond issues (see Note 10).

***(o) Unamortized Bond Issuance Costs***

Costs incurred in connection with bond issuances are generally amortized on the effective-interest method over the lives of the respective bond issues, and unamortized balances are presented as a direct deduction from the related debt in the consolidated statements of financial position (see Note 10).

***(p) Leases***

The University determines whether an arrangement is a lease at the inception of the arrangement based on the terms and conditions in the contract. A contract contains a lease if there is an identified asset and the University has the right to control the asset. Operating lease right-of-use (ROU) assets are separately disclosed on the consolidated statements of financial position. Current and noncurrent portions of operating lease liabilities are also separately disclosed on the consolidated statements of financial position. Finance lease ROU assets are included in land, land improvements, buildings and

**EMBRY-RIDDLE AERONAUTICAL UNIVERSITY, INC.  
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Notes to Consolidated Financial Statements

June 30, 2024 and 2023

(In thousands)

equipment, net, and the corresponding portions of finance lease liabilities are included in long-term debt, net, on the consolidated statements of financial position.

ROU assets represent the University's right to use an underlying asset for the lease term, and lease liabilities represent the University's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date of the lease based on the present value of lease payments over the lease term. Lease agreements may include options to extend or terminate the lease. When it is reasonably certain that the University will exercise an extension option, the terms of the extension are included in the recognized values of ROU assets and lease liabilities. As most of the University's leases do not provide the lessor's implicit rate, the University uses its incremental borrowing rate at the commencement date in determining the present value of lease payments. Leases with an initial term of 12 months or less are not recorded on the consolidated statements of financial position, and lease expense is recognized in accordance with the terms of the arrangement over the lease term on a straight-line basis.

The University has lease agreements with lease and non-lease components which are accounted for as separate lease components for all asset classes. In the consolidated statements of activities, lease expense for operating lease payments is recognized on a straight-line basis over the lease term. Payments for non-lease components are expensed in the period in which the obligation for the payment was incurred. For finance leases, interest expense is recognized on the lease liability, and the ROU asset is amortized over the lease term.

**(q) *Deferred Revenue***

The University has \$15,714 and \$17,181 in deferred revenue recorded as of June 30, 2024 and 2023, respectively, related to food service arrangements to provide and manage the University's dining service program. As part of the agreements, the University received certain advances in the form of financial investments to improve dining facilities, guaranteed commissions and other concessions in exchange for the exclusive rights to use the University's facilities and equipment. These advances are refundable should the University terminate the agreements prior to expiration; the amount of the reimbursement is proportionate to the unamortized portion of the terms. Accordingly, the University recorded the unamortized portion of certain advances received as deferred revenue.

**(r) *Federal Income Taxes***

The University is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, except for unrelated business income, is exempt from federal income taxes. Unrelated business income tax, if any, is immaterial. As of June 30, 2024 and 2023, the University had no uncertain tax positions requiring accrual.

**(s) *Consolidated Statements of Activities***

The consolidated statements of activities separately report changes in net assets from operating and nonoperating activities. Operating activities consist principally of revenues and expenses related to ongoing educational and research programs, including endowment return appropriated by the University to support those programs. Nonoperating activities reflect transactions of a long-term

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investment or capital nature, including contributions for scholarships and acquisitions of facilities and equipment restricted with donor-imposed stipulations, investment returns net of the University's spending policy, other non-recurring activities, and activities not in direct support of annual operations.

**(t) Tuition and Fees**

Student tuition and fees are recorded as revenue during the year in which the related academic services are rendered. Student tuition and fees received in advance of services to be rendered are recorded as deferred revenue.

**(u) Gifts, Grants and Contracts**

Gifts, including unconditional pledges, are recognized in the appropriate category of net assets in the period received. Contributions of assets other than cash are recorded at their estimated fair value on the date of the gift. Unconditional promises to give are stated at the estimated net present value and net of an allowance for uncollectible amounts. Conditional promises to give are not recognized until the conditions on which they depend are substantially met.

A portion of the University's revenue is derived from cost-reimbursable grants and contracts which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Revenue from government and private grants and contract agreements is recognized as it is earned through expenditures in accordance with the related agreements. Any funding received in advance of expenditures is recorded as deferred revenue on the consolidated statements of financial position. Included in deferred revenue at June 30, 2024 and 2023 are \$503 and \$5,731, respectively, of private grant and contract receipts that have not been expended.

Amounts received from state and federal agencies designated for the benefit of specified students are considered agency transactions and, therefore, are not reflected as revenues and/or expenses of the University.

**(v) Use of Estimates**

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include collectability of accounts receivable and contributions receivable, fair value measurement of alternative investments, carrying value of land, land improvements, buildings and equipment, self-insurance reserves, and asset retirement obligations. Actual results could differ materially, in the near term, from amounts reported.

**(w) Accounting Pronouncement**

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASC 326)*. This standard replaced the incurred loss methodology with an expected loss methodology referred to as the current expected credit loss ("CECL") methodology.

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CECL requires an estimate of credit losses for the remaining estimated life of a financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including accounts and loan receivables. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses. This standard was effective for fiscal years beginning after December 15, 2022, and required a modified-retrospective approach. The University adopted ASU 2016-13 as of July 1, 2023, which did not have a material impact on its consolidated financial statements.

**(3) Financial Assets and Liquidity Resources**

The University actively monitors liquidity required to meet its general expenditures. General expenditures include operating expenses, debt service payments and internally funded capital projects.

The University's financial assets available within one year of the consolidated statements of financial position for general expenditures as of June 30, 2024 and 2023 are as follows:

	<b>2024</b>	<b>2023</b>
Total assets	\$ 1,596,585	1,444,488
Less nonfinancial assets:		
Land and land improvements, buildings and equipment, net	(669,143)	(598,400)
Right-of-use lease assets	(38,002)	(37,177)
Inventories	(6,271)	(6,412)
Prepaid expenses and other current assets	(11,671)	(17,154)
Other assets	(328)	(304)
Total financial assets	871,170	785,041
	<b>2024</b>	<b>2023</b>
Less amounts not available for general expenditures within one year:		
Other long-term notes receivable	\$ (720)	(934)
Restricted by donor with time or purpose restrictions	(28,753)	(28,851)
Board-designated endowment funds	(209,043)	(181,601)
Donor-restricted endowment funds	(105,128)	(106,414)
Other contractual restrictions	(8,476)	(25,993)
Total financial assets not available to meet general expenditures within one year	(352,120)	(343,793)
Total financial assets available to meet cash needs for general expenditures within one year	\$ 519,050	441,248

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In addition to the available financial assets, for the years presented, the University's annual expenditures have been funded by current year operating revenues including tuition and related fees. The University has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due. In addition, as part of its liquidity management, the University invests cash in excess of average monthly requirements in various short-term investments.

Further, the University had additional funds Board-designated funds functioning as endowment, which could be available for general expenditures with Board of Trustees' (Board) approval. These funds totaled \$209,043 and \$181,601 for the years ended June 30, 2024 and 2023, respectively.

**(4) Investments**

Investments at June 30, 2024 and 2023 are comprised of the following:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents, restricted	\$ 4,054	4,807
U.S. equity	145,785	122,474
International equity	46,933	41,110
Fixed income	297,991	281,743
Real assets	8,885	13,785
Hedge funds	17,466	16,151
Real estate	15,735	15,510
Private equity	5,402	977
Private credit	23,136	11,997
	<u>565,387</u>	<u>508,554</u>
Total investments	\$ <u>565,387</u>	<u>508,554</u>
Short-term investments	\$ 248,665	233,949
Investments held for long-term purposes	<u>316,722</u>	<u>274,605</u>
	<u>565,387</u>	<u>508,554</u>
Total investments	\$ <u>565,387</u>	<u>508,554</u>

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**(a) Fair Value Hierarchy of Investments**

The fair value hierarchy of investments as of June 30, 2024 is as follows:

	<u>Level 1</u>	<u>Net asset value</u>	<u>Total</u>
Cash and cash equivalents, restricted	\$ 4,054	—	4,054
U.S. equity	145,785	—	145,785
International equity	46,933	—	46,933
Fixed income	297,991	—	297,991
Real asset	8,885	—	8,885
Hedge funds	—	17,466	17,466
Real estate	—	15,735	15,735
Private equity	—	5,402	5,402
Private credit	—	23,136	23,136
Total investments at fair value	<u>\$ 503,648</u>	<u>61,739</u>	<u>565,387</u>

Liquidity: Investment liquidity is aggregated as follows, based on redemption or sale period:

	<u>Daily</u>	<u>Monthly</u>	<u>Quarterly</u>	<u>Semi-annually</u>	<u>Nonredeemable</u>	<u>Total</u>
As of June 30, 2024						
Cash and cash equivalents, restricted	\$ 4,054	—	—	—	—	4,054
U.S. equity	145,785	—	—	—	—	145,785
International equity	46,933	—	—	—	—	46,933
Fixed income	297,991	—	—	—	—	297,991
Real asset	8,885	—	—	—	—	8,885
Hedge funds (a)	—	—	—	17,466	—	17,466
Real estate	—	15,735	—	—	—	15,735
Private equity	—	—	—	—	5,402	5,402
Private credit	—	—	17,976	—	5,160	23,136
Total investments at fair value	<u>\$ 503,648</u>	<u>15,735</u>	<u>17,976</u>	<u>17,466</u>	<u>10,562</u>	<u>565,387</u>

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The fair value hierarchy of investments as of June 30, 2023 is as follows:

	<u>Level 1</u>	<u>Net asset value</u>	<u>Total</u>
Cash and cash equivalents, restricted	\$ 4,807	—	4,807
U.S. equity	122,474	—	122,474
International equity	41,110	—	41,110
Fixed income	281,743	—	281,743
Real asset	13,785	—	13,785
Hedge funds	—	16,151	16,151
Real estate	—	15,510	15,510
Private equity	—	977	977
Private credit	—	11,997	11,997
Total investments at fair value	<u>\$ 463,919</u>	<u>44,635</u>	<u>508,554</u>

Liquidity: Investment liquidity is aggregated as follows, based on redemption or sale period:

	<u>Daily</u>	<u>Monthly</u>	<u>Quarterly</u>	<u>Semi-annually</u>	<u>Nonredeemable</u>	<u>Total</u>
As of June 30, 2023						
Cash and cash equivalents, restricted	\$ 4,807	—	—	—	—	4,807
U.S. equity	122,474	—	—	—	—	122,474
International equity	41,110	—	—	—	—	41,110
Fixed income	281,743	—	—	—	—	281,743
Real asset	13,785	—	—	—	—	13,785
Hedge funds (a)	—	—	—	16,151	—	16,151
Real estate	—	15,510	—	—	—	15,510
Private equity	—	—	—	—	977	977
Private credit	—	—	7,423	—	4,574	11,997
Total investments at fair value	<u>\$ 463,919</u>	<u>15,510</u>	<u>7,423</u>	<u>16,151</u>	<u>5,551</u>	<u>508,554</u>

(a) Redemption notice period of 95 days; various initial lockup periods for each capital contribution, limits on redeemable proportion of outstanding balances and provisions allowing partial redemptions despite lockups.

Private equity and private credit investments are generally made through limited partnerships. Under the terms of some of these agreements, the University is obligated to remit additional funding periodically as capital is called by managers. These partnerships have a limited existence, generally between 10 and 15 years, and provide for annual one-year extensions after the initial contract period for the purpose of systematically liquidating portfolio positions and returning capital to investors. However, depending on market conditions, the inability to execute the fund's strategy, and other

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factors, a manager may extend or reduce the term of a fund from that which was originally anticipated. As a result, the timing and amount of future capital calls expected to be exercised in any particular future year is uncertain. The aggregate amount of the unfunded commitments associated with the private equity and credit investments as of June 30, 2024 and 2023 were \$17,102 and \$21,550, respectively.

The total investment return, net, is summarized as follows for the years ended June 30, 2024 and 2023:

	<b>2024</b>	<b>2023</b>
Income from interest and dividends	\$ 30,233	20,151
Net realized and unrealized gains/(losses)	27,780	15,909
Investment fees	(2,349)	(1,832)
Total investment return, net	\$ 55,664	34,228

Investment return, net, is included in the consolidated statements of activities as follows for the years ended June 30, 2024 and 2023:

	<b>2024</b>	<b>2023</b>
Operating	\$ 19,834	9,420
Nonoperating	35,830	24,808
Total investment return, net	\$ 55,664	34,228

**(5) Endowment**

The University's endowment consists of hundreds of individual funds established for a variety of purposes supporting University operations. The endowment includes both donor-restricted endowment funds and funds designated by the University's Board to function as endowments (funds functioning as endowment). Net assets associated with endowment funds, including funds functioning as endowment, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Uniform Prudent Management of Institutional Funds Act (UPMIFA), which was enacted in the state of Florida on July 1, 2012, does not preclude the University from spending below the original gift value of donor-restricted endowment funds.

The University classifies as net assets with donor restrictions the historical value of donor-restricted endowment funds including (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) changes to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. Also included in net assets with donor restrictions is accumulated appreciation on donor-restricted endowment funds that is

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available for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA and deficiencies associated with funds where the value of the fund has fallen below the original value of the gift.

Changes in the fair value of the University's endowment net assets by type of fund were as follows for the year ended June 30, 2024:

	<b>2024</b>		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 181,601	99,960	281,561
Investment return, net	20,508	10,562	31,070
Appropriation for expenditure	<u>(3,066)</u>	<u>(2,528)</u>	<u>(5,594)</u>
Endowment return, net of appropriation	<u>17,442</u>	<u>8,034</u>	<u>25,476</u>
Other changes in endowment investments:			
Contributions	—	1,147	1,147
Transfers to create funds functioning as endowment	<u>10,000</u>	<u>—</u>	<u>10,000</u>
Total other changes in endowment investments	<u>10,000</u>	<u>1,147</u>	<u>11,147</u>
Endowment net assets, end of year	<u>\$ 209,043</u>	<u>109,141</u>	<u>318,184</u>

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Changes in the fair value of the University's endowment net assets by type of fund were as follows for the year ended June 30, 2023:

	<b>2023</b>		
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 153,878	87,198	241,076
Investment return, net	15,444	7,987	23,431
Appropriation for expenditure	<u>(2,721)</u>	<u>(2,668)</u>	<u>(5,389)</u>
Endowment return, net of appropriation	<u>12,723</u>	<u>5,319</u>	<u>18,042</u>
Other changes in endowment investments:			
Contributions	—	7,443	7,443
Transfers to create funds functioning as endowment	<u>15,000</u>	<u>—</u>	<u>15,000</u>
Total other changes in endowment investments	<u>15,000</u>	<u>7,443</u>	<u>22,443</u>
Endowment net assets, end of year	<u>\$ 181,601</u>	<u>99,960</u>	<u>281,561</u>

Endowment net assets as of June 30, 2024 and 2023 are classified as follows:

	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
<b>2024:</b>			
Donor-restricted endowment funds	\$ —	109,141	109,141
Board-designated funds functioning as endowment funds	<u>209,043</u>	<u>—</u>	<u>209,043</u>
Total	<u>\$ 209,043</u>	<u>109,141</u>	<u>318,184</u>
<b>2023:</b>			
Donor-restricted endowment funds	\$ —	99,960	99,960
Board-designated funds functioning as endowment funds	<u>181,601</u>	<u>—</u>	<u>181,601</u>
Total	<u>\$ 181,601</u>	<u>99,960</u>	<u>281,561</u>

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**(a) Funds with Deficiencies**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the University to retain as a fund of perpetual duration. Deficiencies of this nature, referred to as underwater endowments, are reported in net assets with donor restrictions. There were no underwater endowments as of June 30, 2024. At June 30, 2023, funds with an original gift value of \$6,210 were underwater by \$88.

**(b) Endowment Appropriation**

The endowment seeks to achieve reasonable stability in budgeting for University operations and to maintain intergenerational equity between near-term and long-term priorities. On an annual basis, the Board, based on various factors, authorizes a spending rate in the form of an endowment distribution. The spending rate has typically been between 4% and 5% of the 3-year moving average market value of the endowed funds but may vary based on factors such as economic conditions.

If endowment income received is not sufficient to support the total return objective, the balance is provided from capital gains. If income received is in excess of the total return objective, the balance is reinvested in the endowment.

**(6) Student Loans Receivable**

At June 30, student loans included in the consolidated statements of financial position consist of the following:

	<b>2024</b>	<b>2023</b>
Federal Perkins Loan Program	\$ 2,523	3,671
Other student loans	731	773
Less allowance for doubtful accounts	(425)	(337)
Total student loans receivable, net	\$ 2,829	4,107
Current portion	\$ 798	907
Long-term portion	2,031	3,200
Total student loans receivable, net	\$ 2,829	4,107

The Federal Perkins Loan Program expired on September 30, 2017 with final loan disbursements permitted through June 30, 2018. Although no new Perkins loans are permitted, recipients of the Perkins loans have an obligation to repay the University, which in turn pays the federal government. The liability for refundable federal government loans was \$3,192 and \$4,255 at June 30, 2024 and 2023, respectively, and is included as a component of advances for student loans and financial aid in the consolidated statements of financial position.

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Other student loans receivable consist of uncollateralized loans to current and former students of the University with various interest rates and repayment terms. The allowance for student loans receivable is determined based on estimated default rates.

**(7) Contributions Receivable**

Contributions receivable, net, at June 30 are as follows:

	<b>2024</b>	<b>2023</b>
Unconditional promises expected to be collected in:		
Less than one year	\$ 2,703	13,534
One year to five years	4,216	6,374
More than five years	147	215
	7,066	20,123
Less:		
Allowance for uncollectible pledges	605	291
Discount for present value (ranging from 3.49% and 4.46% at June 30, 2024 and 2023)	438	757
Contributions receivable, net	\$ 6,023	19,075

Contributions receivable, net, are reported in the accompanying consolidated statements of financial position as follows at June 30:

	<b>2024</b>	<b>2023</b>
Current portion	\$ 2,214	13,431
Long-term portion	3,809	5,644
Contributions receivable, net	\$ 6,023	19,075

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**(8) Land, Land Improvements, Buildings and Equipment**

Components of land, land improvements, buildings and equipment at June 30, 2024 and 2023 are as follows:

	<b>2024</b>	<b>2023</b>
Land and land improvements	\$ 81,668	79,711
Buildings	703,707	682,117
Equipment	311,570	284,830
Construction in progress	91,964	37,843
Total	1,188,909	1,084,501
Less accumulated depreciation	(519,766)	(486,101)
Land, land improvements, buildings, and equipment, net	\$ 669,143	598,400

Depreciation expense for the years ended June 30, 2024 and 2023 was \$41,487 and \$41,987, respectively. At June 30, 2024, the University had commitments of approximately \$175,454 related to various capital projects.

**(9) Leases**

The University has operating and finance leases primarily for parcels of land, educational facilities, administrative offices, and equipment. Remaining lease terms range from 1 to 44 years. For purposes of calculating operating lease ROU assets and liabilities, certain lease terms are deemed to include options to extend the lease when it is reasonably certain that the University will exercise the options. Certain lease agreements require variable payments that are dependent on usage of the underlying asset and related costs. These variable payments and non-lease components are not presented as part of the initial ROU lease assets or lease liabilities. The University's lease agreements do not contain any material restrictive covenants.

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**(a) Lease Cost**

The components of lease cost for operating and finance leases for the year ended June 30 are as follows:

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 5,536	5,364
Finance lease cost:		
Amortization of ROU assets	204	1,576
Interest on lease liabilities	26	49
Total finance lease cost	230	1,625
Short-term lease cost	554	154
Variable and nonlease cost	1,383	1,083
Total lease cost	\$ <u>7,703</u>	<u>8,226</u>

**(b) Other Lease Information**

Supplemental cash flow information related to leases for the year ended June 30 are as follows:

	<u>2024</u>	<u>2023</u>
Other lease information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 4,446	4,797
Operating cash flows from finance leases	26	49
Financing cash flows from finance leases	204	1,452
Loss on finance lease disposals	—	2,836
Noncash impacts:		
Noncash impacts on operating lease modifications	(929)	(1,732)
Noncash impacts of new operating leases initiated	(4,679)	(13,571)
Noncash impacts of operating lease amortization	65	139

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**(c) Lease Position**

Lease-related assets and liabilities recorded in the consolidated statements of financial position at June 30 are as follows:

	<u>2024</u>	<u>2023</u>
Operating leases:		
Operating lease ROU assets	\$ 38,002	37,177
Operating lease liabilities:		
Current portion	\$ 3,037	2,909
Long-term portion	35,727	34,540
Total operating lease liabilities	<u>\$ 38,764</u>	<u>37,449</u>
Finance leases:		
Land, land improvements, buildings and equipment	\$ 1,459	22,709
Less accumulated depreciation	—	(11,504)
Finance lease assets, net	<u>\$ 1,459</u>	<u>11,205</u>
Current portion	\$ 174	205
Long-term portion	266	440
Total finance lease liabilities	<u>\$ 440</u>	<u>645</u>

**(d) Lease Terms and Discount Rates**

The University utilizes its incremental borrowing rate in determining the present value of lease payments unless the implicit rate is readily determinable. Lease terms and discount rates for June 30 are as follows:

	<u>2024</u>	<u>2023</u>
Weighted average remaining lease term (years):		
Operating leases	20.90	21.99
Finance leases	1.92	2.75
Discount rate:		
Operating leases (weighted average)	3.94 %	3.91 %
Finance leases	4.82	4.67

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**(e) Maturities**

The maturities of lease liabilities at June 30, 2024 are as follows:

		<u>Operating leases</u>
2025	\$	4,538
2026		4,062
2027		3,759
2028		3,653
2029		3,512
Thereafter		<u>42,894</u>
Total future undiscounted lease payments		62,418
Less interest		<u>(23,654)</u>
Present value of lease liabilities		<u><u>\$ 38,764</u></u>

**(10) Long-Term Debt**

Long-term obligations at June 30 are summarized as follows:

	<u>Interest %</u>	<u>Maturity</u>		<u>2024</u>	<u>2023</u>
Finance lease obligations					
Land – 501 S. Clyde Morris Blvd.	4.82 %	2026	\$	440	606
Aircraft – Banc of America Leasing	2.28%–3.02%	2023		<u>—</u>	<u>39</u>
Total finance lease obligations				<u>440</u>	<u>645</u>
Notes payable:					
Promissory note – PNC Bank	3.03 %	2037		15,761	16,171
Promissory note – Truist Bank	1.68 %	2028		<u>23,800</u>	<u>29,500</u>
Total notes payable				<u>39,561</u>	<u>45,671</u>

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	Interest %	Maturity	2024	2023
Bonds payable:				
Volusia County Educational:				
Facilities revenue bonds				
Series 2015A	2.91 %	2031	\$ 25,480	28,720
Series 2015B	5.00 %	2035	37,130	40,935
Series 2015C	2.28 %	2027	8,565	11,295
Series 2017	5.00 %	2048	45,965	46,355
Series 2020A	4.00%-5.00%	2050	95,665	96,855
Series 2020B (taxable)	3.43 %	2037	10,000	10,000
Total bonds payable – principal			222,805	234,160
Bond premium:				
Series 2015B			2,156	2,546
Series 2017			5,687	6,055
Series 2020A			15,217	15,854
Total premium			23,060	24,455
Bond issuance costs:				
Series 2015A			47	62
Series 2015B			285	313
Series 2015C			6	11
Series 2017			257	283
Series 2020A			637	663
Series 2020B (taxable)			51	55
Promissory note – PNC Bank			70	78
Total bond issuance costs			1,353	1,465
Total long-term debt, net			\$ 284,513	303,466
Current portion			\$ 19,450	18,953
Long-term portion			265,063	284,513
Total long-term debt, net			\$ 284,513	303,466

**(a) Finance Lease Obligations**

In March 2000, the University entered into a finance lease obligation with Volusia County for land leased in the amount of \$2,157. The lease was entered into as part of a multiparty real estate transaction whereby the University exchanged a building with a book value of approximately \$1,600, for a building located on the land under lease, along with the assumption of the land lease.

**EMBRY-RIDDLE AERONAUTICAL UNIVERSITY, INC.  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

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(In thousands)

The University entered into a finance lease obligation for \$28,205 with Banc of America Leasing for flight training aircraft. Under the terms of the lease, which expired September 2023, the University exercised the bargain purchase option and acquired title to the aircraft.

**(b) Tax-Exempt and Taxable Revenue Bonds**

The University's tax-exempt and taxable bonds are issued through the Volusia County Educational Facilities Authority (VCEFA), an instrumentality of Volusia County, Florida, serving as a conduit issuer of the debt. The University's obligations under the loan agreements between VCEFA and the University are secured by master notes issued under a Master Trust Indenture (the Master Indenture) by and between the University and Computershare Trust Company, National Association, as master trustee. The master notes issued under the Master Indenture are secured by a lien on tuition revenues of the University.

The Master Indenture contains additional covenants relating to, among others, the maintenance of the University's property, corporate existence, the maintenance of insurance, and financial covenants including a minimum debt service coverage ratio, limitation on the incurrence of debt, the sale or lease of certain property and permitted liens.

Deposits with bond trustees consist of debt service funds and unexpended proceeds of certain debt. These funds will be used for capital projects, or payment of, debt service on certain facilities. Deposits with trustees of \$45 and \$3,366 are included in deposits and investments held with trustees on the consolidated statements of financial position as of June 30, 2024 and 2023, respectively.

Series 2015A bond was issued at par in the original amount of \$50,740 to partially refund Series 2005 bonds. This transaction was accounted for as an extinguishment of debt. The effective interest rate of the bond issue is 2.91%.

Series 2015B bonds were issued at a premium of \$7,079 to the original amount of \$69,195 to fund various capital projects on the Daytona Beach and Prescott campuses. During January 2020 the University current refunded \$10,060 of the principal amount, plus accrued interest, to the redemption date. During February 2020, the University legally defeased \$16,205 of the principal amount, plus accrued interest, to the redemption date. These transactions were accounted for as extinguishments of debt. The effective interest rate of the bond issue is 3.74%.

Series 2015C bond was issued at par in the original amount of \$26,535 to refund outstanding Series 2005 bonds. This transaction was accounted for as an extinguishment of debt. The effective interest rate of the bond issue is 2.28%.

Series 2017 bonds were issued at a premium of \$7,981 to the original issue amount of \$46,355 to fund various capital projects on the Daytona Beach and Prescott campuses and to advance refund outstanding Series 2011 bonds. The effective interest rate of the bond issue is 3.72%.

The portion of the proceeds from the Series 2017 bonds (\$11,982) and other sources of funds (\$22,236) were placed in an irrevocable escrow account to provide for debt service payments and

**EMBRY-RIDDLE AERONAUTICAL UNIVERSITY, INC.  
AND SUBSIDIARIES**

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(In thousands)

redemption of the bonds as of the call date on October 15, 2021. Accordingly, the refunded Series 2011 bonds were legally defeased and neither the indebtedness nor the assets of the irrevocable trust are included on the consolidated statements of financial position.

Series 2020A bonds were issued during January 2020 at a premium of \$17,953 to the original issue amount of \$100,135 to fund various capital projects at the Daytona Beach and Prescott campuses and to current refund outstanding Series 2013 bonds and \$10,060 of the outstanding principal of the Series 2015B bonds. The effective interest rate of the bond issue is 3.51%.

The portion of the proceeds from the Series 2020A bonds to current refund \$10,060 of the Series 2015B bonds (\$10,172) were placed in an irrevocable escrow account to provide for the debt service payment and redemption of the bonds as of the call date on April 15, 2020.

Series 2020B taxable bond was issued during January 2020 at par in the original amount of \$10,000 to fund flight training aircraft and other capital improvements at the Daytona Beach and Prescott campuses. The effective interest rate of the bond issue is 3.50%.

**(c) Note Payable**

The University entered into a promissory note obligation in February 2020 with BBVA USA, which was acquired by PNC Bank in 2021, in the amount of \$19,291 to legally defease \$16,205 of its outstanding Series 2015B bonds. The obligation of the University under the promissory note is secured by a master note issued under the Master Indenture. The effective interest rate on the promissory note is 3.10%. The proceeds from the promissory note were placed in an irrevocable escrow account to provide for debt service payments and redemption of the bonds as of the call date on April 15, 2025. Accordingly, this portion of the Series 2015B bonds was legally defeased and neither the indebtedness nor the assets of the irrevocable trust are included on the consolidated statements of financial position.

The University entered into a promissory note obligation with Truist Bank during May 2021 in the amount of \$40,000 to fund the acquisition of flight training aircraft and flight training devices at the Daytona Beach and Prescott campuses. The obligation of the University under the promissory note is secured by a master note issued under the Master Indenture. The effective interest rate on the promissory note is 1.68%.

**(d) Annual Debt Service**

The University's debt service, including principal and interest payments made during the fiscal years ended June 30, 2024 and 2023, amounted to \$28,861 and \$28,060, respectively.

**EMBRY-RIDDLE AERONAUTICAL UNIVERSITY, INC.  
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(In thousands)

Maturities of long-term debt in each of the next five years, and thereafter at June 30, 2024, are as follows:

Year ending June 30:			
2025	\$		18,189
2026			18,742
2027			19,060
2028			17,885
2029			14,120
Thereafter			174,810
Unamortized bond premium			23,060
Unamortized bond issue costs			<u>(1,353)</u>
Total long-term debt, net	\$		<u><u>284,513</u></u>

**(11) Revenue from Contracts with Customers**

Revenue from contracts with customers comprises revenue from students for tuition, fees and auxiliary enterprises.

The University's operating revenue is primarily derived from academic programs provided to students, including undergraduate, graduate and professional degree programs. Tuition and fees revenue is earned by the University for these educational services delivered during an academic term. Tuition is charged at different rates depending on the program in which the student is enrolled. As part of a student's course of instruction, certain fees, such as technology fees and laboratory fees, are billed to students. Tuition and fees are earned over the applicable academic term and are not considered separate performance obligations.

Tuition scholarships awarded by the University represent a reduction of the tuition transaction price. Institutional financial aid awards vary by student based on merit, need or other qualifications. Scholarships are generally awarded for the academic year and are applied to the student's account during each academic term. Revenue is recognized and presented in the consolidated financial statements net of any such tuition discounts.

The length of academic terms are determined by regulatory requirements mandated by the federal government and/or an institutional accrediting body. Academic terms are determined by start dates, which vary by program and are generally 9-16 weeks in length. Except for online programs and certain programs delivered during the summer, the academic terms generally have start and end dates that fall within the University's fiscal year.

The University bills tuition and fees in advance of each academic term and recognizes the tuition and fees revenue on a straight-line basis, as the educational services are performed, over the academic term or program. Students that withdraw by the last day of add/drop receive a full refund for the academic term. Per University policy, during the fall and spring terms, residential students who officially withdraw from the

**EMBRY-RIDDLE AERONAUTICAL UNIVERSITY, INC.  
AND SUBSIDIARIES**

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(In thousands)

University after add/drop are eligible for a pro rata refund of tuition and fees based on their last day of attendance. At the Worldwide campus, students are entitled to receive a refund of 100% of tuition and fees if they officially withdraw within the first four days of class; Worldwide campus students are not eligible to receive a pro rata refund of tuition and fees thereafter, unless required by the student's state of residency.

Flight instruction fees are due at the time of each flight completion. Nonpayment results in the student being restricted from flying until the account and charges are brought current. Prepaid fees are recorded in student deposits and advance payments on the consolidated statements of financial position.

Auxiliary enterprises revenue includes student housing, dining services commissions, health fees and other miscellaneous income. Room fees are charged at different rates depending on the residence hall and room accommodations. Room fees are billed in advance of each academic term and recognized as revenue on a straight-line basis over the period housing is provided.

Grants for basic research and other sponsored programs are generally subject to restrictions and conditions that must be met before the University is entitled to funding. Accordingly, advances from granting agencies are generally considered refundable in the unlikely event specified services are not performed. The University recognizes revenues on grants for basic research and other sponsored programs as the awards for such programs are expended, since expenditure in accordance with award terms typically results in the simultaneous release of restrictions and conditions imposed by the grantor. Revenue from exchange contracts for applied research is recognized as the University's contractual performance obligations are substantially met. Indirect cost recovery by the University on U.S. government grants and contracts is based upon a predetermined negotiated rate and is recorded as grants and contracts revenue.

**(12) Grants and Contracts Revenue**

Grants and contracts revenue included in the consolidated statements of activities for the years ended June 30 consists of the following:

	2024	2023
Federal	\$ 32,796	25,917
State	29,143	3,654
Private	1,723	2,186
Other	983	9
Total grants and contracts revenue	\$ 64,645	31,766

**(13) Retirement Benefits**

Retirement benefits are provided through a defined contribution plan (Plan) covering all qualified employees. The Plan is administered through the Teachers Insurance and Annuity Association (TIAA), a national organization used to fund pension benefits for educational institutions. Retirement plan expenses for the years ended June 30, 2024 and 2023 were \$18,953 and \$17,412, respectively.

**EMBRY-RIDDLE AERONAUTICAL UNIVERSITY, INC.  
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Notes to Consolidated Financial Statements

June 30, 2024 and 2023

(In thousands)

**(14) Commitments and Contingencies**

**(a) Unionized Labor Force**

The University employs, on average, 189 full-time flight instructors in the Daytona Beach area who are part of a collective bargaining unit covered by the International Association of Machinists and Aerospace Workers Union, AFL-CIO, whose contract expires on June 30, 2025.

**(b) Litigation**

The University is involved in litigation on a number of matters, which arise in the normal course of business, none of which, in the opinion of management, are expected to have a material adverse effect on the University's consolidated financial statements.

**(c) Self-Insurance Reserves**

Since May 1989, the University has been providing medical (including pharmacy), dental, and vision insurance benefits for its employees. Currently, the University has both fully insured and self-insured medical and pharmacy plans. The vision and dental plans are fully insured. To assist with administering the self-insured plan, the University uses a Third-Party Administrator (TPA) under an Administrative Services Only (ASO) Agreement. Blue Cross Blue Shield (BCBS) is the administrator of medical benefits. The University contracts directly with BCBS, the ASO Administrator, to access the nationwide network of medical providers for the self-insured medical plan. The University also contracts with RxBenefits, a Group Purchasing Organization (GPO), to assist in procuring more advantageous contract terms, pricing, and/or service based on the greater number of member lives that the GPO represents with several of the larger Pharmacy Benefit Managers (PBMs) and Express Scripts, Inc. (ESI). ESI is the pharmacy administrator for the self-insured plan.

The University is fully liable for all financial and legal aspects of its self-insured employee benefits plan. To protect itself against unfunded financial liability, stop-loss insurance is purchased, under which the excess portion of claims that are above the agreed limit (stop loss) would become the responsibility of the reinsurer. There are limits with both specific claims and aggregate for the entire plan.

Self-insurance reserves are based on estimates of historical claims experience, and while management believes the reserves are adequate, aggregate liabilities may be more or less than the amounts provided. As of June 30, 2024 and 2023, self-insurance reserves amounted to approximately \$1,891 and \$1,536, respectively, which are included in accounts payable and accrued expenses in the consolidated statements of financial position.

**EMBRY-RIDDLE AERONAUTICAL UNIVERSITY, INC.  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

(In thousands)

**(15) Functional Classification of Expenses**

Operating expenses presented by natural and functional classification are summarized as follows for the year ended June 30:

	2024							Total
	Academic instruction	Research	Academic support	Student services	Institutional support	Scholarships	Auxiliary	
Salaries and wages	\$ 131,567	11,614	18,544	33,742	41,873	194	3,772	241,306
Fringe benefits	32,203	1,694	4,754	9,181	22,672	—	886	71,390
Other operating expenses	34,179	15,366	7,731	20,761	29,710	3,820	7,516	119,083
Insurance	2,933	13	—	198	4,937	—	1,099	9,180
Utilities	1,222	414	443	902	1,179	—	5,910	10,070
Interest	1,381	45	189	1,960	1,228	—	4,778	9,581
Depreciation	14,687	3,899	1,029	7,267	3,052	—	11,553	41,487
Total	<u>\$ 218,172</u>	<u>33,045</u>	<u>32,690</u>	<u>74,011</u>	<u>104,651</u>	<u>4,014</u>	<u>35,514</u>	<u>502,097</u>

	2023							Total
	Academic instruction	Research	Academic support	Student services	Institutional support	Scholarships	Auxiliary	
Salaries and wages	\$ 118,411	10,376	16,956	31,017	39,704	149	3,299	219,912
Fringe benefits	30,292	1,556	4,681	8,830	17,615	—	796	63,770
Other operating expenses	29,567	14,149	7,448	16,834	29,820	3,204	6,472	107,494
Insurance	2,641	12	—	229	4,350	—	830	8,062
Utilities	1,161	405	415	891	1,192	—	6,029	10,093
Interest	1,523	45	192	2,254	1,242	—	4,927	10,183
Depreciation	14,649	4,343	1,009	7,779	2,963	—	11,244	41,987
Total	<u>\$ 198,244</u>	<u>30,886</u>	<u>30,701</u>	<u>67,834</u>	<u>96,886</u>	<u>3,353</u>	<u>33,597</u>	<u>461,501</u>

The University's primary program service is academic instruction and academic support. Expenses incurred in support of this primary program activity include general academic and flight instruction, research, student services and auxiliary enterprises. Natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as square footage and time and effort.

The costs of depreciation and interest expense have been allocated to the functional expense categories to reflect the full cost of those activities. Costs are allocated using the following methods:

- Depreciation expense for buildings is allocated based on the square footage used to support each function. Depreciation expense on equipment is allocated to other functions based on the location of the equipment and the use of that space. These allocations are based on information obtained through a periodic inventory of space and equipment usage.
- Interest expense is allocated based on usage of debt-financed space.

**EMBRY-RIDDLE AERONAUTICAL UNIVERSITY, INC.  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

(In thousands)

**(16) Net Assets**

Net assets consisted of the following at June 30:

	<b>2024</b>	<b>2023</b>
Without donor restrictions:		
Board-designated endowment funds	\$ 209,043	181,601
Net investment in plant	384,436	298,299
Undesignated	433,497	391,512
Total net assets without donor restriction	1,026,976	871,412
With donor restrictions:		
Time or purpose restricted	63,599	44,274
Time or purpose restricted pledges	1,640	12,621
Split-interest agreements	269	279
Donor-restricted endowment funds	68,373	65,183
Donor-restricted endowment funds pledges	4,013	6,454
Total net assets with donor restrictions	137,894	128,811
Total net assets	\$ 1,164,870	1,000,223

Net assets released from donor restrictions met by incurring expenses satisfying the restricted purpose or by occurrence of other events for the years ended June 30 include:

	<b>2024</b>	<b>2023</b>
Donations restricted for capital asset construction or acquisition	\$ 21	—
Donations restricted for scholarships	3,980	3,304
Donations restricted for noncapital programs or acquisitions	2,202	973
Net assets released from restrictions	\$ 6,203	4,277

**(17) Related Party Transactions**

All members of the Board of Trustees and officers of the University are required to disclose annually any information about possible conflicts of interests affecting the University including interests or family members and organizations in which the Board member or officer (or member of his or her family) has a significant ownership interest. Payments to organizations where a related party has a 35% or more ownership interest during the years ending June 30, 2024 and 2023 totaled \$884 and \$859, respectively. Certain gifts and pledges to the University are received annually by Board members and are not material to the financial statements. All such business activity is conducted in accordance with the University's normal business practices.

**EMBRY-RIDDLE AERONAUTICAL UNIVERSITY, INC.  
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

(In thousands)

**(18) Subsequent Events**

Management of the University has reviewed subsequent events from June 30, 2024, through October 24, 2024 (the date the accompanying consolidated financial statements were issued) and determined there were no items to disclose.



KPMG LLP  
Suite 800  
500 W 5th St  
Winston-Salem, NC 27101

**Independent Auditors' 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***

The Board of Trustees  
Embry-Riddle Aeronautical University, Inc. and Subsidiaries:

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 Embry-Riddle Aeronautical University, Inc. and Subsidiaries (the University), which comprise the University's consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 24, 2024.

**Report on 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 an 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 financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Report on Compliance and Other Matters**

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



### **Purpose of This Report**

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

KPMG LLP

Winston-Salem, North Carolina  
October 24, 2024



KPMG LLP  
Suite 800  
500 W 5th St  
Winston-Salem, NC 27101

**Independent Auditors' Report on Compliance for Major Federal Program;  
Report on Internal Control Over Compliance; and Report on Schedule of  
Expenditures of Federal Awards Required by the Uniform Guidance**

The Board of Trustees  
Embry-Riddle Aeronautical University, Inc.:

**Report on Compliance for Major Federal Program**

*Opinion on Each Major Federal Program*

We have audited Embry-Riddle Aeronautical University, Inc. and Subsidiaries' (the University) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the University's major federal program for the year ended June 30, 2024. The University's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

*Basis for Opinion on Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

*Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the University's federal program.

*Auditors' Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS,



*Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

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

#### *Other Matters*

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on the major federal program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on the University's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The University is also responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. The University's response and corrective action plan were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response or the corrective action plan.

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.



A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a significant deficiency.

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

*Government Auditing Standards* requires the auditor to perform limited procedures on the University's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The University is also responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. The University's response and corrective action plan were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response or the corrective action plan.

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

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the consolidated financial statements of the University as of and for the year ended June 30, 2024, and have issued our report thereon dated October 24, 2024, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

**KPMG LLP**

Winston-Salem, North Carolina  
March 31, 2025

**EMBRY-RIDDLE AERONAUTICAL  
UNIVERSITY, INC.**

Schedule of Expenditures of Federal Awards  
Year ended June 30, 2024

Federal grantor/pass-through grantor/program or cluster title	Federal ALN	Prime Award # – Contract or pass-through entity identifying number	Expenditures	Provided to subrecipients
Department of Education:				
Student Financial Assistance Cluster:				
Office of Student Education Assistance Programs:				
Federal Direct Student Loans	84.268		\$ 102,918,776	—
Federal Pell Grant Program	84.063		23,876,673	—
Federal Perkins Loan	84.038		3,671,156	—
Federal Supplemental Educational Opportunity Grants	84.007		1,416,649	—
Federal Work-Study Program	84.033		1,028,962	—
Total Student Financial Assistance Cluster			<u>132,912,216</u>	<u>—</u>
Office of Post-Secondary Education:				
TRIO Upward Bound:				
TRIO Upward Bound	84.047A	P047A170602	6,688	—
TRIO Upward Bound	84.047A	P047A221492	257,559	—
Subtotal ALN 84.047A TRIO Upward Bound			<u>264,247</u>	<u>—</u>
Graduate Assistance in Areas of National Need:				
Graduate Assistance in Areas of National Need	84.200A	P200A180060	—	—
Graduate Assistance in Areas of National Need	84.200A	P200A210078	259,746	—
Subtotal ALN 84.200A Graduate Assistance in Areas of National Need			<u>259,746</u>	<u>—</u>
Total Office of Post-Secondary Education			<u>523,993</u>	<u>—</u>
Total Department of Education			<u>133,436,209</u>	<u>—</u>
Research and Development Cluster:				
Department of Agriculture:				
Agricultural and Food Research Initiative (AFRI)	10.310	2019-67022-29929	117,651	111,243
Wildlife Services	10.028	AP23WSHQ0000C009	21,716	—
Total Department of Agriculture			<u>139,367</u>	<u>111,243</u>
Department of Commerce:				
National Oceanic and Atmospheric Administration:				
Weather and Air Quality Research:				
Weather and Air Quality Research	11.459	NA19OAR4590135	1,384	—
Weather and Air Quality Research	11.459	NA22OAR4590185	53,807	—
Subtotal ALN 11.459 Weather and Air Quality Research			<u>55,191</u>	<u>—</u>
Science, Technology, Business and/or Education Outreach	11.620	70NANB23H240	32,575	—
Pass-Through North Carolina State University:				
Climate and Atmospheric Research	11.431	NA22OAR4310136	22,782	—
Subtotal National Oceanic and Atmospheric Administration			<u>110,548</u>	<u>—</u>
Pass-Through Stetson University:				
Sea Grant Support	11.417	NA22OAR4170091	11,163	—
Total Department of Commerce			<u>121,711</u>	<u>—</u>
Department of Defense:				
Basic and Applied Scientific Research:				
Basic and Applied Scientific Research	12.300	N00014-17-1-2492	83,329	—
Basic and Applied Scientific Research	12.300	N00014-21-1-2102	123,474	12,901
Basic and Applied Scientific Research	12.300	N00174-22-1-0012	103,192	—
Basic and Applied Scientific Research	12.300	N00014-23-1-2291	260,412	—
Pass-Through Engineering Acoustics Inc				
Basic and Applied Scientific Research	12.300	W81XWH21C0050	14,191	—
Pass-Through University of Wisconsin-Madison:				
Basic and Applied Scientific Research	12.300	N00014-23-1-2554	34,440	—
Subtotal ALN 12.300 Basic and Applied Scientific Research			<u>619,038</u>	<u>12,901</u>

**EMBRY-RIDDLE AERONAUTICAL  
UNIVERSITY, INC.**  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2024

Federal grantor/pass-through grantor/program or cluster title	Federal ALN	Prime Award # – Contract or pass-through entity identifying number	Expenditures	Provided to subrecipients
Basic Scientific Research:				
Basic Scientific Research	12.431	W911NF2210253	\$ 81,739	—
Subtotal ALN 12.431 Basic Scientific Research			<u>81,739</u>	<u>—</u>
Centers for Academic Excellence:				
Pass-Through Regents of the University System of Georgia by and on behalf of Georgia Institute of Technology Centers for Academic Excellence	12.598	AWD-002983-G1	98,396	—
Subtotal ALN 12.598 Center for Academic Excellence			<u>98,396</u>	<u>—</u>
Basic, Applied, and Advanced Research in Science and Engineering:				
Basic, Applied, and Advanced Research in Science and Engineering	12.630	FA8651-20-1-0004	—	—
Basic, Applied, and Advanced Research in Science and Engineering	12.630	FA8651-21-1-0004	144,246	—
Basic, Applied, and Advanced Research in Science and Engineering	12.630	FA8651-24-1-0003	28,601	—
Subtotal ALN 12.630 Basic, Applied, and Advanced Research in Science and Engineering			<u>172,847</u>	<u>—</u>
Air Force Defense Research Sciences Program:				
Air Force Defense Research Sciences Program	12.800	FA9453-21-2-0039	61,699	—
Air Force Defense Research Sciences Program	12.800	FA9550-22-1-0104	154,159	—
Air Force Defense Research Sciences Program	12.800	FA9550-23-1-0553	17,185	—
Air Force Defense Research Sciences Program	12.800	FA9550-23-1-0689	48,813	—
Pass-Through Regents of the University of Florida: Air Force Defense Research Sciences Program	12.800	FA9550-20-1-0200	197,772	—
Subtotal ALN 12.800 Air Force Defense Research Sciences Program			<u>479,628</u>	<u>—</u>
CyberSecurity Core Curriculum:				
CyberSecurity Core Curriculum	12.905	H98230-20-1-0393	21,967	—
CyberSecurity Core Curriculum	12.905	H98230-21-1-0239	127,203	—
CyberSecurity Core Curriculum	12.905	H98230-22-1-0264	39,244	—
CyberSecurity Core Curriculum	12.905	H98230-23-1-0183	121,404	—
Subtotal ALN 12.905 CyberSecurity Core Curriculum			<u>309,818</u>	<u>—</u>
Research and Technology Development:				
Research and Technology Development	12.910	HR00112120003	652,352	373,013
Research and Technology Development	12.910	HR0011-23-2- 0043	898,883	333,921
Subtotal ALN 12.910 Research and Technology Development			<u>1,551,235</u>	<u>706,934</u>
Total Department of Defense			<u>3,312,701</u>	<u>719,835</u>
Department of Transportation:				
Federal Aviation Administration:				
Aviation Research Grants	20.108	692M152040004	43,088	—
Aviation Research Grants	20.108	692M152440005	75,862	—
Subtotal ALN 20.108 Federal Aviation Administration			<u>118,950</u>	<u>—</u>
Air Transportation Centers of Excellence	20.109	16-C-TTHP-ERAU-050	38,182	—
Air Transportation Centers of Excellence	20.109	15-C-UAS-ERAU-019	8,649	—
Air Transportation Centers of Excellence	20.109	15-C-UAS-ERAU-044	(1,900)	—
Air Transportation Centers of Excellence	20.109	15-C-UAS-ERAU-026	461,441	—
Air Transportation Centers of Excellence	20.109	15-C-UAS-ERAU-028	124,131	—
Air Transportation Centers of Excellence	20.109	15-C-UAS-ERAU-029	124,696	—
Air Transportation Centers of Excellence	20.109	15-C-UAS-ERAU-031	125,228	—
Air Transportation Centers of Excellence	20.109	16-C-TTHP-ERAU-056	74,856	—
Air Transportation Centers of Excellence	20.109	15-C-UAS-ERAU-037	148,317	—
Subtotal ALN 20.109 Federal Aviation Administration			<u>1,103,600</u>	<u>—</u>
Aircraft Pilots Workforce Development Grant Program	20.111	G-22-WD-AP-005	408,886	—
Subtotal ALN 20.111 Federal Aviation Administration			<u>408,886</u>	<u>—</u>

**EMBRY-RIDDLE AERONAUTICAL  
UNIVERSITY, INC.**  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2024

Federal grantor/pass-through grantor/program or cluster title	Federal ALN	Prime Award # – Contract or pass-through entity identifying number	Expenditures	Provided to subrecipients
Federal Highway Administration:				
Highway Training and Education	20.215	693JJ32345075	\$ 3,500	—
Highway Training and Education	20.215	693JJ32345086	1,500	—
Highway Training and Education	20.215	693JJ32345084	1,500	—
Highway Training and Education	20.215	693JJ32445079	5,000	—
Highway Training and Education	20.215	693JJ32445055	5,000	—
Highway Training and Education	20.215	693JJ32445048	5,258	—
Highway Training and Education	20.215	693JJ32445025	10,000	—
Highway Training and Education	20.215	693JJ32445060	5,000	—
Highway Training and Education	20.215	693JJ32445044	5,000	—
Highway Training and Education	20.215	693JJ32445081	4,164	—
Subtotal ALN 20.215 Federal Highway Administration			45,922	—
Pass-Through Purdue University:				
Local Technical Assistance Program	20.RD	A249-20-0N190110	9,357	—
Subtotal ALN 20.RD Local Technical Assistance Program			9,357	—
Office of the Secretary:				
Pass-Through North Carolina Agricultural & Technical State University: University Transportation Centers Program	20.701	69A3551747125	301,004	—
Pass-Through The Board of Supervisors of Louisiana State University and A&M College: University Transportation Centers Program	20.701	69A3551747130	17,416	—
Pass-Through The Board of Supervisors of Louisiana State University and A&M College: University Transportation Centers Program	20.701	69A3552348332	133,205	—
Subtotal ALN 20.701 Office of the Secretary			451,625	—
Total Department of Transportation			2,138,340	—
National Aeronautics and Space Administration:				
Science:				
Science	43.001	NNX15AR04G	(31)	—
Science	43.001	80NSSC18K1108	5,310	—
Science	43.001	80NSSC19K0773	935,711	202,400
Science	43.001	80NSSC20K0495	47,817	22,463
Science	43.001	80NSSC21K0245	16,683	—
Science	43.001	80NSSC21K0291	32,201	—
Science	43.001	80NSSC21K1354	348,003	214,279
Science	43.001	80NSSC22K0304	59,296	41,933
Science	43.001	80NSSC22K0310	89,495	23,442
Science	43.001	80NSSC22K0622	34,197	—
Science	43.001	80NSSC22K0507	107,987	50,655
Science	43.001	80NSSC22K1022	201,952	18,992
Science	43.001	80NSSC22K1289	38,388	—
Science	43.001	80NSSC22K1863	3,770	—
Science	43.001	80NSSC23K0698	305,370	—
Science	43.001	80NSSC23K0838	40,064	—
Science	43.001	80NSSC23K1049	48,448	—
Science	43.001	80NSSC24K0126	10,949	—
Science	43.001	80NSSC24K0672	6,453	—
Science	43.001	80NSSC24K0265	66,631	—
Pass-Through Regents of the University of Colorado:				
Science	43.001	80NSSC20K1278	42,847	—
Science	43.001	80NSSC21K1921	37,395	—
Pass-Through Andrews University				
Science	43.001	80NSSC22K0515	11,462	—
Pass-Through University of New Hampshire:				
Science	43.001	80NSSC21K0972	296	—

**EMBRY-RIDDLE AERONAUTICAL  
UNIVERSITY, INC.**  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2024

Federal grantor/pass-through grantor/program or cluster title	Federal ALN	Prime Award # – Contract or pass-through entity identifying number	Expenditures	Provided to subrecipients
Pass-Through Space Telescope Science Institute: Science	43.001	HST-GO-15611.014-A	\$ 3,519	—
Science	43.001	HST-GO-15992.009-A	5,906	—
Pass-Through Dartmouth College Science	43.001	80NSSC24M0028	5,373	—
Pass-Through Space Science Institute: Science	43.001	NNX16AE30A	4,621	—
Pass-Through The Catholic University of America Science	43.001	80NSSC22K1388	15,372	—
Pass-Through University of Florida: Science	43.001	80NSSC22K0288	57,524	—
Pass-Through Smithsonian Astrophysical Observatory (SAO) Science	43.001	AR1-22003A	3,407	—
Pass-Through Global Atmospheric Technologies & Sciences Science	43.001	80NSSC24K0124	13,732	—
Pass-Through National Space Grant Foundation: Science	43.001	80NSSC22M0003	12,205	—
Subtotal ALN 43.001 Science			<u>2,612,353</u>	<u>574,164</u>
Aeronautics: Aeronautics	43.002	80NSSC23M0157	216,426	—
Pass-Through Boston University Aeronautics	43.002	80NSSC23M0057	176,486	—
Subtotal ALN 43.002 Aeronautics			<u>392,912</u>	<u>—</u>
Education: Office of Stem Engagement (OSTEM)	43.008	80NSSC23K0899	269,332	97,256
Office of Stem Engagement (OSTEM)	43.008	80NSSC23K0952	75,414	—
Pass-Through University of Arizona: Office of STEM Engagement (OSTEM)	43.008	80NSSC20M0041	69,632	—
Pass-Through Bucknell University: Office of STEM Engagement (OSTEM)	43.008	80NSSC20K0992	(29)	—
Pass-Through Florida Space Grant Consortium Office of STEM Engagement (OSTEM)	43.008	80NSSC20M0093	3,455	—
Pass-Through University of Central Florida Trustees: Office of STEM Engagement (OSTEM)	43.008	80NSSC20M0093	33,952	—
Subtotal ALN 43.008 Education			<u>451,756</u>	<u>97,256</u>
Space Technology Space Technology	43.012	80NSSC23K1200	58,298	—
Subtotal ALN 43.012 Technology			<u>58,298</u>	<u>—</u>
Cross Agency Support: Pass-Through The Regents of the University of California, Berkeley: NASA	43.RD	80MSFC19C0041	81,482	—
Pass-Through Space Dynamics Laboratory: NASA	43.RD	80GSFC18C0007	87,262	—
Pass-Through Universities Space Research Association (URSA): NASA	43.RD	NNA17BF53C	9,639	—
Subtotal ALN 43.RD Cross Agency Support			<u>178,383</u>	<u>—</u>
Science: Jet Propulsion Laboratory	43.RD	80NM0018D004	18,636	—
Subtotal ALN 43.RD Jet Propulsion Laboratory			<u>18,636</u>	<u>—</u>
Total National Aeronautics and Space Administration			<u>3,712,338</u>	<u>671,420</u>

**EMBRY-RIDDLE AERONAUTICAL  
UNIVERSITY, INC.**  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2024

Federal grantor/pass-through grantor/program or cluster title	Federal ALN	Prime Award # – Contract or pass-through entity identifying number	Expenditures	Provided to subrecipients
National Science Foundation:				
Engineering Grants:				
Engineering	47.041	ECCS-1809790	\$ 27,805	—
Engineering	47.041	CMMI-1847133	112,316	—
Engineering	47.041	EEC-1927284	10,958	—
Engineering	47.041	ECCS-1944599	183,513	—
Engineering	47.041	CMMI-2001038	38,115	—
Engineering	47.041	CMMI - 2018375	(4,110)	—
Engineering	47.041	EEC-2024973	18,232	5,764
Engineering	47.041	EEC-2050887	153,677	—
Engineering	47.041	IIP-2205797	245	—
Engineering	47.041	EEC-1927149	(261)	—
Engineering	47.041	CBET-2224849	70,155	—
Engineering	47.041	CMMI-2238859	106,531	—
Engineering	47.041	CMMI-2238359	72,974	—
Engineering	47.041	EEC-2334705	147,350	—
Engineering	47.041	CBET-2414527	21,740	—
Subtotal ALN 47.041 Engineering Grants			959,240	5,764
Mathematical and Physical Sciences Grants:				
Mathematical and Physical Sciences	47.049	AST-1715718	(1,303)	—
Mathematical and Physical Sciences	47.049	AST-1910396	137,229	—
Mathematical and Physical Sciences	47.049	AST-2009276	91,883	—
Mathematical and Physical Sciences	47.049	DMS-2050754	38,000	—
Mathematical and Physical Sciences	47.049	AST-2108975	53,815	—
Mathematical and Physical Sciences	47.049	PHY-2110555	36,363	—
Mathematical and Physical Sciences	47.049	PHY-2110598	82,786	—
Mathematical and Physical Sciences	47.049	PHY-2207734	5,800	—
Mathematical and Physical Sciences	47.049	PHY-2308853	83,121	25,500
Mathematical and Physical Sciences	47.049	PHY-2308602	44,653	—
Mathematical and Physical Sciences	47.049	DMS-2247587	38,833	—
Mathematical and Physical Sciences	47.049	PHY-2309295	8,477	—
Subtotal ALN 47.049 Mathematical and Physical Sciences Grants			619,657	25,500
Goesciences				
Goesciences	47.050	AGS-1759471	163,492	—
Goesciences	47.050	AGS-1803702	3,945	—
Goesciences	47.050	AGS-1828589	144,793	—
Goesciences	47.050	AGS-1848207	66,639	—
Goesciences	47.050	AGS-2024250	138,865	—
Goesciences	47.050	AGS-2027308	43,375	—
Goesciences	47.050	AGS-2017339	53,160	—
Goesciences	47.050	AGS-2050077	43,626	—
Goesciences	47.050	AGS-2149696	19,543	—
Goesciences	47.050	AGS-2313689	30,943	—
Goesciences	47.050	AGS-2324754	162,946	17,708
Goesciences	47.050	AGS-2307203	74,450	—
Goesciences	47.050	AGS-2327914	9,899	—
Goesciences	47.050	AGS-2407240	14,339	—
Pass-Through University Corporation for Atmospheric Research				
Goesciences	47.050	AGS-1901712	19,985	—
Subtotal ALN 47.050 Goesciences			990,000	17,708
Computer and Information Science and Engineering:				
Computer and Information Science and Engineering	47.070	OAC-1931483	26,658	—
Computer and Information Science and Engineering	47.070	ECCS-2229155	276,720	41,289
Computer and Information Science and Engineering	47.070	ECCS-2229473	54,279	3,320
Computer and Information Science and Engineering	47.070	CNS-2244515	115,963	—

**EMBRY-RIDDLE AERONAUTICAL  
UNIVERSITY, INC.**  
Schedule of Expenditures of Federal Awards  
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Federal grantor/pass-through grantor/program or cluster title	Federal ALN	Prime Award # – Contract or pass-through entity identifying number	Expenditures	Provided to subrecipients
Computer and Information Science and Engineering Pass-Through University of Maryland	47.070	CNS-2231629	\$ 16,552	—
Computer and Information Science and Engineering Pass-Through Stetson University	47.070	DGE-2317117	20,497	—
Computer and Information Science and Engineering	47.070	CNS-2321162	37,805	—
Subtotal ALN 47.070 Computer and Information Science Engineering			<u>548,474</u>	<u>44,609</u>
STEM Education (formerly Education and Human Resources)	47.076	DUE-1920780	256,053	—
STEM Education (formerly Education and Human Resources)	47.076	DGE-1956193	6,666	6,666
STEM Education (formerly Education and Human Resources)	47.076	DGE-2041850	49,000	—
STEM Education (formerly Education and Human Resources)	47.076	DGE-2146462	775,592	—
STEM Education (formerly Education and Human Resources)	47.076	CNS-2150213	94,097	—
STEM Education (formerly Education and Human Resources)	47.076	DUE-2021221	73,342	—
STEM Education (formerly Education and Human Resources)	47.076	DUE-2044302	63,538	—
STEM Education (formerly Education and Human Resources)	47.076	DUE-2120807	89,759	—
STEM Education (formerly Education and Human Resources)	47.076	DUE-2216325	128,825	—
STEM Education (formerly Education and Human Resources)	47.076	DUE-2221602	178,715	—
STEM Education (formerly Education and Human Resources)	47.076	DUE-2142514	239,553	83,116
STEM Education (formerly Education and Human Resources)	47.076	DUE-2315646	116,952	26,326
STEM Education (formerly Education and Human Resources)	47.076	DUE-2315560	55,555	—
STEM Education (formerly Education and Human Resources)	47.076	DUE-2419998	55,495	—
Pass-Through Oklahoma State University: STEM Education (formerly Education and Human Resources)	47.076	DUE-2055590	8,468	—
Pass-Through Virginia Polytechnic Institute and State University: STEM Education (formerly Education and Human Resources)	47.076	HRD-2015286	24,321	—
Subtotal ALN 47.076 STEM Education (formerly Education and Human Resources)			<u>2,215,931</u>	<u>116,108</u>
Office of International Science and Engineering				
Office of International Science and Engineering	47.079	OISE-2328656	61,463	—
Subtotal ALN 47.079 International Science and Engineering			<u>61,463</u>	—
Total National Science Foundation			<u>5,394,765</u>	<u>209,689</u>
Department of Energy:				
Office of Science Financial Assistance Program	81.049	DE-SC0022952	193,605	—
Subtotal ALN 81.049 Office of Science Financial Assistance Program			<u>193,605</u>	—
Pass-Through University of Central Florida Board of Trustees: Fossil Energy Research and Development	81.089	DE-FE0032072	10,640	—
Subtotal ALN 81.089 Fossil Energy Research and Development			<u>10,640</u>	—
Total Department of Energy			<u>204,245</u>	—
International Research and Studies				
International Research and Studies	84.017A	P017A230017	20,052	—
Total International Research and Studies			<u>20,052</u>	—
Department of Health and Human Services:				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	80NSSC22K1863	104,162	—
Substance Abuse and Mental Health Services Projects of Regional and National Significance Development and Coordination of Rural Health Services	93.223	1R43HL164225-01A1	15,401	—
Subtotal ALN 93.243 Substance Abuse and Mental Health Services Projects of Regional and National Significance			<u>119,563</u>	—
Occupational Safety and Health Program:				
Pass-Through The University of South Florida Board of Trustees: Occupational Safety and Health Program	93.262	5 T42OH008438-18-00	8,050	—
Occupational Safety and Health Program	93.262	5 T42OH008438-19-00	187,712	—
Subtotal ALN 93.262 Occupational Safety and Health Program			<u>195,762</u>	—

**EMBRY-RIDDLE AERONAUTICAL  
UNIVERSITY, INC.**

Schedule of Expenditures of Federal Awards

Year ended June 30, 2024

Federal grantor/pass-through grantor/program or cluster title	Federal ALN	Prime Award # – Contract or pass-through entity identifying number	Expenditures	Provided to subrecipients
Pass-Through Childrens Heart Foundation: Rare Disorders: Research, Surveillance, Health Promotion, and Education	93.315	CHF 12-2020	\$ 73,981	32,211
Subtotal ALN 93.315 Rare Disorders: Research, Surveillance, Health Promotion, and Education			<u>73,981</u>	<u>32,211</u>
Total Department of Health and Human Services			<u>73,981</u>	<u>32,211</u>
National Endowment for the Humanities (NEH): Promotion of the Humanities Teaching and Learning Resources and Curriculum Development	45.162	AV-291049-23	91,553	—
Total National Endowment for the Humanities (NEH)			<u>91,553</u>	<u>—</u>
Environmental Protection Agency: P3 Award: National Student Design Competition for Sustainability	66.516	84040701	6,420	—
Total Environmental Protection Agency			<u>6,420</u>	<u>—</u>
National Institutes of Health: Medical Library Assistance				
Medical Library Assistance	93.879	1R15LM013382-01A1	189,277	96,832
Subtotal ALN 93.879 Medical Library Assistance			<u>189,277</u>	<u>96,832</u>
Total National Institutes of Health			<u>189,277</u>	<u>96,832</u>
Total Research and Development Cluster			<u>15,720,075</u>	<u>1,841,230</u>
Department of Defense – Other Projects: Pass-Through Institute of International Education: ROTC Language and Culture Training Grants	12.357	H98210-18-2-0002	(11,519)	—
ROTC Language and Culture Training Grants	12.357	H9821023C0010	598,683	—
Pass-Through University of Wisconsin Madison: Issue of Department Of Defense excess equipment	12.000	2216325	(13,775)	—
Total Department of Defense – Other Projects			<u>573,389</u>	<u>—</u>
Department of Homeland Security: Financial Assistance for Targeted Violence and Terrorism Prevention: Financial Assistance for Targeted Violence and Terrorism Prevention	97.132	EMW-2021-GR-00120-S01	35,818	—
Subtotal ALN 97.132 Financial Assistance for Targeted Violence and Terrorism Prevention			<u>35,818</u>	<u>—</u>
Assistance to Firefighters Grant Assistance to Firefighters Grant	97.044	EMW-2022-FP-00464	132,144	—
Subtotal ALN 97.044 Assistance to Firefighters Grant			<u>132,144</u>	<u>—</u>
DR 4673 Disaster Grants - Public Assistance (Presidentially Declared Disasters) Pass-Through Florida Division of Emergency Management (FDEM) Federal Emergency Management Agency (FEMA)	97.036	Z3498	201,799	—
Subtotal ALN 97.036 DR 4673 Disaster Grants - Public Assistance (Presidentially Declared Disasters)			<u>201,799</u>	<u>—</u>
Total Department of Homeland Security			<u>369,761</u>	<u>—</u>
Total Expenditures of Federal Awards			<u>\$ 150,099,434</u>	<u>1,841,230</u>

See accompanying notes to schedules of expenditures of federal awards and state projects.



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**Independent Auditors' Report on Compliance for Each Major State Project; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of State Projects Required by Chapter 10.650, Rules of the Florida Auditor General**

The Board of Trustees  
Embry-Riddle Aeronautical University, Inc.:

**Report on Compliance for Each Major State Project**

*Opinion on Each Major State Project*

We have audited Embry-Riddle Aeronautical University, Inc.'s (the University) compliance with the types of compliance requirements identified as subject to audit in the *Florida Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the University's major state projects for the year ended June 30, 2024. The University's major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended June 30, 2024.

*Basis for Opinion on Each Major State Project*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Chapter 10.650, *Rules of the Florida Auditor General* (Chapter 10.650). Our responsibilities under those standards, and Chapter 10.650, are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state project. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

*Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the University's state projects.

*Auditors' Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.650 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error,



as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.650, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Chapter 10.650, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 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 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.650. Accordingly, this report is not suitable for any other purpose.



**Report on Schedule of Expenditures of State Projects Required by Chapter 10.650, Rules of the Florida Auditor General**

We have audited the consolidated financial statements of the University as of and for the year ended June 30, 2024, and have issued our report thereon dated October 24, 2024, which contained an unmodified opinion on those consolidated financial statements. 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 state projects is presented for purposes of additional analysis as required by Chapter 10.650, *Rules of the Florida Auditor General* and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 GAAS. In our opinion, the schedule of expenditures of state projects is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*KPMG LLP*

Winston-Salem, North Carolina  
March 31, 2025

**EMBRY-RIDDLE AERONAUTICAL  
UNIVERSITY, INC.**

Schedule of Expenditures of State Projects

Year ended June 30, 2024

<u>State/grantor/pass-through grantor/program or cluster title</u>	<u>CSFA number</u>	<u>Expenditures</u>	<u>Provided to subrecipients</u>
Florida Department of Education:			
Office of Student Financial Assistance:			
Florida Resident Access Grant	48.064	\$ 5,787,250	—
Florida Student Assistance Grant (FSAG)	48.054	660,669	—
Scholarships for Children and Spouses of Deceased or Disabled Veterans and Servicemembers	48.055	284,217	—
Florida Bright Futures Scholarship Program			
Florida Academic Scholars Award	48.059	3,110,175	—
Florida Medallion Scholars Award	48.059	1,667,048	—
Florida Academic Top Scholars Award	48.059	1,980	—
Total Florida Bright Futures Scholarship Program		<u>4,779,203</u>	—
Benacquisto Scholarship	48.114	<u>371,071</u>	—
Total Office of Student Financial Assistance		<u>11,882,410</u>	—
Florida Department of Education – Other:			
Embry-Riddle	48.109	(671)	—
Embry-Riddle	48.109	8,587	—
Embry-Riddle	48.109	2,957,480	—
Total Embry-Riddle		<u>2,965,396</u>	—
Local Governments and Nonstate Entities-Facility Repairs, Maintenance and Construction-Fixed Capital Outlay-Private Colleges and Universities	48.203	20,487,443	—
Private Colleges and Universities-Grants and Aids	48.206	4,107,170	—
Total Florida Department of Education – Other		<u>27,560,009</u>	—
Florida Department of Highway Safety and Motor Vehicles:			
Embry-Riddle Aeronautical College License Plate Project	76.045	<u>53,970</u>	—
Total Florida Department of Highway Safety and Motor Vehicles		<u>53,970</u>	—
Total expenditures of state projects		<u>\$ 39,496,389</u>	—

See accompanying notes to schedules of expenditures of federal awards and state projects.

**EMBRY-RIDDLE AERONAUTICAL  
UNIVERSITY, INC.**

Notes to Schedules of Expenditures of Federal Awards and State Projects  
Year ended June 30, 2024

**(1) Basis of Presentation**

The accompanying schedules of expenditures of federal awards and state projects (the Schedules) include the federal award and state project activity of Embry-Riddle Aeronautical University, Inc. (the University) under programs of the federal government and state of Florida for the year ended June 30, 2024. The information in the Schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance) and Chapter 10.650, *Rules of the Florida Auditor General*. Because the Schedules present only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the University.

The reimbursement of costs reflected in the accompanying financial statements as grants and contracts revenue is subject to final approval by federal and state grantors and could be adjusted upon the results of these reviews. Management believes that the results of any such adjustment will not be material to the University's financial position or change in net assets.

**(2) Summary of Significant Accounting Policies**

Expenditures reported on the Schedules are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.650, *Rules of the Florida Auditor General*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The University has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**(3) Federal Perkins Loan Program**

The University administers the Federal Perkins Loan Program. The amount included in the Schedules includes the outstanding balance as of June 30, 2023, of \$3,671,156. The outstanding balance of loans receivable under this program was \$2,523,551 on June 30, 2024, which includes cancellations of \$6,297, assignments of \$170,016 and collections on principal of \$971,292.

As required by Uniform Guidance, the amount shown on the Schedules as expenditures for the Perkins Loan Program is equal to the balance of loans outstanding on June 30, 2023. Under federal law, the Perkins Loan Program ended on September 30, 2017, and final disbursements under the program were permitted through June 30, 2018.

**(4) Federal Direct Student Loans Program**

The University participated in the Federal Direct Student Loans Program beginning in May 2010 (which includes subsidized Stafford loans, unsubsidized Stafford loans and Plus loans). Such programs are considered a component of the Student Financial Assistance Cluster. New loans processed for students during the year ended June 30, 2024 were \$102,918,776 consisting of Federal Direct Subsidized Loans of \$18,092,173, Federal Direct Unsubsidized Loans of \$28,809,327, Federal Direct Parent PLUS Loans of \$54,192,185, Federal Direct Graduate PLUS Loans of \$1,073,411, and Federal Direct Flight PLUS Loans of \$751,680.

**EMBRY-RIDDLE AERONAUTICAL  
UNIVERSITY, INC.**

Notes to Schedules of Expenditures of Federal Awards and State Projects  
Year ended June 30, 2024

**(5) Matching**

Under the Federal Work-Study Program, the University matched \$194,012 in total compensation for the year ended June 30, 2024, in addition to the federal share of expenditures included in the accompanying Schedules. Under the Federal Supplemental Educational Opportunity Grant Program, the University matched \$555,550 in funds awarded to students for the year ended June 30, 2024, in addition to the federal share of expenditures included in the accompanying Schedules.

**(6) Administrative Cost Allowance**

The University claimed an administrative cost allowance of \$147,430 for the year ended June 30, 2024. This amount is included in the accompanying Schedules as federal expenditures under the Federal Work-Study Program.

**(7) Subrecipients**

The following awards were received directly by the University and passed through to subrecipients during the year ended June 30, 2024:

Program	Reference	Number	Expenditures
National Aeronautics and Space Administration:			
The Regents of the University of Colorado	(1)	80NSSC19K0773	\$ 6,284
The Johns Hopkins University Applied Physics Laboratory LLC	(1)	80NSSC19K0773	61,301
Clemson University	(1)	80NSSC19K0773	35,161
Trustees of Dartmouth College	(1)	80NSSC19K0773	56,139
Massachusetts Institute of Technology	(1)	80NSSC19K0773	43,515
Boise State University	(2)	HR00112120003	22,463
University of Alaska	(3)	80NSSC21K1354	82,056
SRI International	(3)	80NSSC21K1354	46,882
Illinois Institute of Technology	(3)	80NSSC21K1354	85,341
The Johns Hopkins University Applied Physics Laboratory LLC	(4)	80NSSC22K0304	22,045
Andrews University	(4)	80NSSC22K0304	17,927
University of Alaska	(4)	80NSSC22K0304	1,961
The Johns Hopkins University Applied Physics Laboratory LLC	(5)	80NSSC22K0310	11,717
University of Alaska	(5)	80NSSC22K0310	11,725
The Regents of the University of California	(6)	80NSSC22K0507	50,655
Virginia Polytechnic Institute and State University	(7)	80NSSC22K1022	18,992
Andrews University	(8)	80NSSC23K0899	42,614
The Johns Hopkins University Applied Physics Laboratory LLC	(8)	80NSSC23K0899	54,642
National Science Foundation:			
Sinclair Community College	(9)	EEC-2024973	5,764
The Board of Regents of the University of Wisconsin System	(10)	PHY-2308853	25,500
University of Maryland Baltimore County	(11)	ECCS-2229155	41,289
University of Maryland Baltimore County	(12)	ECCS-2229473	3,320
University of Oregon	(13)	AGS-2324754	17,708
University of Massachusetts Dartmouth	(14)	DGE-1956193	6,666

**EMBRY-RIDDLE AERONAUTICAL  
UNIVERSITY, INC.**

Notes to Schedules of Expenditures of Federal Awards and State Projects  
Year ended June 30, 2024

<u>Program</u>	<u>Reference</u>	<u>Number</u>	<u>Expenditures</u>
Cal State LA University Auxiliary Services, Inc.	(15)	DUE-2142514	\$ 21,559
The President and Trustees of Hampden-Sydney College	(15)	DUE-2142514	24,312
Lane College	(15)	DUE-2142514	21,066
Simmons University	(15)	DUE-2142514	16,179
Purdue University	(16)	DUE-2315646	26,326
Department of Agriculture:			
Regents of the University of Michigan	(17)	2019-67022-29929	111,243
Department of Defense:			
Boise State University	(18)	HR00112120003	35,938
Trustees of Boston University	(18)	HR00112120003	19,088
Rheinische Friedrich Wilhelms Universitat Bonn	(18)	HR00112120003	251,802
University System of New Hampshire	(18)	HR00112120003	16,287
Utah State University	(18)	HR00112120003	49,898
Boise State University	(19)	HR0011-23-2- 0043	179,186
Trustees of Boston University	(19)	HR0011-23-2- 0043	83,233
Duke University	(19)	HR0011-23-2- 0043	65,980
Computational Physics, Inc.	(19)	HR0011-23-2- 0043	5,522
Tuskegee University	(20)	N00014-21-1-2102	12,901
Department of Health and Human Services:			
University of Central Florida	(21)	CHF 12-2020	32,211
University of West Florida	(22)	1R15LM013382-01A1	40,441
Arizona State University	(22)	1R15LM013382-01A1	56,391
Total federal awards			\$ <u>1,841,230</u>

- (1) Sporadic E ElectroDynamics (SEED)
- (2) Quantitative Imaging of Acoustic Shocks in the Atmosphere and Ionosphere for the Mapping and Measurement of Earthquake Surface Displacements
- (3) Contributions of auroral electron precipitation and plasma fluid instabilities to the formation of high-latitude ionospheric density structures and scintillation
- (4) On the Origin and Transport of Energetic Particles at the High-Latitude Magnetosphere
- (5) Plasma Radial Transport Processes in Saturn's Magnetosphere
- (6) Inferring the Source Processes of Earthquakes from their Acoustic-gravity Wave Impacts on the Atmosphere
- (7) Ionospheric Responses to Thunderstorm-Generated Acoustic and Gravity Waves over the Continental U.S.
- (8) Role of Solar Wind Fluctuations on Solar Wind- Magnetosphere - Ionosphere Coupling Processes and Magnetotail Energetics
- (9) Research Initiation: Student Perceptions on Ethics and Sustainability - Insights Through Analysis of Critical Narrative

**EMBRY-RIDDLE AERONAUTICAL  
UNIVERSITY, INC.**

Notes to Schedules of Expenditures of Federal Awards and State Projects  
Year ended June 30, 2024

- (10) Suprathermal Energization of Particles in the Vicinity of Cusp-like Field Configurations
- (11) FMSG: Cyber: Perceptual and Cognitive Additive Manufacturing (PCAM)
- (12) Collaborative Research: SWIFT: AI-based Sensing for Improved Resiliency via Spectral Adaptation with Lifelong Learning
- (13) CAREER: Atmospheric Electricity on Earth and Mars
- (14) SaTC:EDU: Collaborative: Bolstering UAV Cybersecurity Education through Curriculum Development with Hands-on Laboratory Framework
- (15) Distributed Learning for Undergraduate Programs in Data Science at Diverse Universities
- (16) Augmented Reality (SSTAR) in Engineering
- (17) FACT: Fusing Satellite and Drone Data with GIS to Create New Analytical Decision Support Tools for Varying Farm Types
- (18) AIRWaveS: Atmosphere-Ionosphere Responses to Wave Signals, Phase I
- (19) AIRWaveS: Atmosphere-Ionosphere Responses to Wave Signals, Phase II
- (20) Active Control of Jet Noise Via Bi-Modal Excitation
- (21) Investigation of an Injection-Jet Self-Powered Fontan Circulation: A Novel Bridge and Destination Therapy for the Failing Fontan
- (22) A data analytics framework for the application of pedestrian dynamics to public health

**(8) License Plate Project**

The University has entered into an agreement with the State of Florida's Department of Highway Safety and Motor Vehicles to issue University specialty license plates through the Embry-Riddle Aeronautical College License Plate Project (CSFA No. 76.045). Revenue generated by this project is remitted to the University by the State and is placed into an endowed scholarship fund. The earnings from this fund are used to award scholarships to deserving students.

Accumulated unspent earnings at July 1, 2023 amounted to \$821,209. During the fiscal year ended June 30, 2024, the University received \$39,778 in additional funds from the state of Florida, recorded interest of \$26,393, a net gain of \$71,950, and management fees of \$5,020 and awarded \$53,970 in scholarships. The balance of the funds remaining in the endowment fund from the project at June 30, 2024, is \$900,340.

**EMBRY-RIDDLE AERONAUTICAL  
UNIVERSITY, INC.**

Schedule of Findings and Questioned Costs  
Year ended June 30, 2024

**(1) Summary of Auditors' Results**

*Financial statements*

- (a) Type of report issued on whether the consolidated financial statements audited were prepared in accordance with U.S. generally accepted accounting principles: **Unmodified**
- (b) Internal control deficiencies over financial reporting disclosed by the audit of the financial statements:
  - Material weaknesses **No**
  - Significant deficiencies identified **None reported**
- (c) Noncompliance material to the financial statements **No**

*Federal Awards*

- (a) Internal control deficiencies over major programs disclosed by the audit:
  - Material weaknesses **No**
  - Significant deficiencies **Yes, Finding 2024-001**
- (b) Type of report issued on compliance for major program: **Unmodified**
- (c) Audit findings that are required to be reported in accordance with 2 CFR 200.516(a) or Chapter 10.650, *Rules of the Florida Auditor General* **None reported**
- (d) Major Programs and State Projects

<u>Federal programs</u>	<u>Federal ALN</u>
Student Financial Assistance Cluster	84.007, 84.033, 84.038, 84.063, 84.268
<u>State projects</u>	<u>CSFA number</u>
Florida Bright Futures Scholarship Program*	48.059
Florida Resident Access Grant	48.064
Florida Student Assistance Grant (FSAG)	48.054
Scholarship for Children of Deceased or Disabled Veterans and Servicemembers	48.055
Benacquisto Scholarship	48.114
Local Governments and Nonstate Entities-Facility Repairs, Maintenance and Construction-Fixed Capital Outlay-Private Colleges and Universities	48.203
Private Colleges and Universities- Grants and Aids	48.206

\* (Medallion Scholars Award, Academic Scholars Award and Academic Top Scholars Award)

**EMBRY-RIDDLE AERONAUTICAL  
UNIVERSITY, INC.**

Schedule of Findings and Questioned Costs  
Year ended June 30, 2024

(e) Dollar threshold used to distinguish between Type A and Type B programs:

Federal programs	\$750,000
State projects	\$750,000

(f) Auditee qualified as low-risk auditee? Yes

**(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards***

None

**(3) Findings and Questioned Costs Relating to Federal Awards**

**Finding 2024-001:** Enrollment Reporting

**Federal Agency:** U.S. Department of Education

**Federal Program:** Federal Direct Student Loans (ALN 84.268)  
Federal Pell Grant Program (ALN 84.063)

**Award Year:** July 1, 2023 to June 30, 2024

*Criteria or Specific Requirement*

Per 2 CFR 200.303, a non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Institutions are required to report enrollment information under the Pell grant and the Direct and FFEL loan programs via the National Student Loan Data System (NSLDS) (OMB No. 1845-0035). Although FFEL loans are no longer made or a part of the SFA Cluster, a student may have a FFEL loan from previous years that would require enrollment reporting for that student (Pell, 34 CFR 690.83(b)(2); FFEL, 34 CFR 682.610; Direct Loan, 34 CFR 685.309; Perkins 34 CFR 674.19(f)). The administration of the Title IV programs depends heavily on the accuracy and timeliness of the enrollment information reported by institutions. Institutions must review, update, and certify student enrollment statuses, program information, and effective dates that appear on the Enrollment Reporting Roster file or on the Enrollment Maintenance page of the NSLDS Professional Access (NSLDSFAP) website which the financial aid administrator can access for the auditor. The data on the institution's Enrollment Reporting Roster, or Enrollment Maintenance page, is what NSLDS has as the most recently certified enrollment. There are two categories of enrollment information, "Campus Level" and "Program Level," both of which need to be reported accurately and have separate record types.

**EMBRY-RIDDLE AERONAUTICAL  
UNIVERSITY, INC.**

Schedule of Findings and Questioned Costs

Year ended June 30, 2024

*Condition Found*

Of the 40 students selected for enrollment reporting testing, 3 students who had graduated from the University did not have the proper Graduation (G) status submitted to the NSLDS. This finding was identified in the prior year and management implemented a process as part of their corrective action plan from the fiscal year 2023 audit to remediate this condition. This implementation was completed in May 2024. All three students identified above were included in the period prior to the implementation. No conditions were found subsequent to May 2024.

*Cause and Possible Asserted Effect*

The University transmits student status changes to the National Student Clearinghouse (NSC) who then transmits the changes to the NSLDS. The University was submitting the status changes to the NSC, but these changes were sent back to the University on a Graduation Not Reported listing by the NSLDS. The University did not follow-up on these returned items in a timely manner.

*Questioned Costs*

None.

*Whether the Sample Was a Statistically Valid Sample*

The sample was not intended to be, and was not, a statistically valid sample.

*Identification of Whether the Audit Finding Was a Repeat Finding in the Immediately Prior Audit*

Yes, finding 2023-002.

*Recommendation*

We recommend the University continue to monitor its controls surrounding the review of student status changes that were not reported or were returned to ensure enrollment reporting requirements are accurately completed in a timely manner.

*View of Responsible Officials*

As noted, the three records identified in the fiscal year 2024 audit preceded full implementation of the fiscal year 2023 audit corrective action plan. The University continues to prioritize enhancement of its internal controls, including tighter procedures to ensure timely and accurate reporting. Additionally, not only has the Registrar's Office instituted periodic internal reviews to ensure that the enrollment and graduation reporting process meet required standards, a duplicative review process for Worldwide enrollment and graduation report submissions has been operationalized.

**(4) Findings and Questioned Costs Relating to State Projects**

None

There are no items related to state financial assistance to be reported in a management letter pursuant to Chapter 10.650, Rules of the Auditor General.

**EMBRY-RIDDLE AERONAUTICAL  
UNIVERSITY, INC.**

State of Florida Student Financial Assistance Programs  
Schedule of Populations, Samples Tested, and Questioned Costs

Year ended June 30, 2024

	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 Resident Access Grant	\$ 5,787,250	1,773	\$ 169,750	3 %	50	3 %	\$ —	— %	—	— %
Florida Medallion Scholars Award	1,667,048	384	207,177	12	50	13	—	—	—	—
Florida Academic Scholars Award	3,110,175	526	288,108	9	50	10	—	—	—	—
Florida Academic Top Scholar	1,980	2	1,980	100	2	100	—	—	—	—
Benacquisto Scholarship	371,071	16	229,084	62	10	63	—	—	—	—
Florida Student Assistance Grant (FSAG)	660,669	246	135,609	21	50	20	—	—	—	—
Scholarships for Children and Spouses of Deceased or Disabled Veterans and Servicemembers	284,217	50	77,648	27	13	26	—	—	—	—
<b>Total</b>	<b>\$ 11,882,410</b>	<b>2,997</b>	<b>\$ 1,109,356</b>		<b>225</b>		<b>\$ —</b>		<b>—</b>	

This schedule is presented in accordance with Rule 6A-20.0021 of the Florida Administrative Code and is derived from the schedule of expenditures of federal awards and state projects.

See accompanying independent auditors' report.