

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

*Consolidated Financial  
Statements and  
Supplemental Reports*

*June 30, 2025*

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARY

## TABLE OF CONTENTS

---

	Page
Independent Auditor's Report	1
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	4
Consolidated Statement of Activities	5
Consolidated Statement of Functional Expenses	6
Consolidated Statement of Cash Flows	7
Notes to Consolidated Financial Statements	9
SUPPLEMENTAL REPORTS	
Schedule of Expenditures of Federal Awards and State Financial Assistance	35
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	41
Schedule of Financial Responsibility Composite Ratio Score	43
Schedule of Financial Responsibility Data	44
Notes to Schedule of Financial Responsibility Composite Ratio Score and Data	45
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	47
Independent Auditor's Report on Compliance for Each Major Program and State Project and on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.650, Rules of the Auditor General	49
Schedule of Findings and Questioned Costs	52
Schedule of Prior Audit Findings	54
Schedule of Populations, Samples Tested, and Questioned Costs for Florida Student Financial Assistance Programs	55



## INDEPENDENT AUDITOR'S REPORT

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

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

#### *Opinion*

We have audited the accompanying consolidated financial statements of Florida Institute of Technology, Inc. and Subsidiary (the "University", a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the University as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Auditor's Responsibilities for the Audit of the 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***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 accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 within one year after the date that the consolidated financial statements are available to be issued.

## ***Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and *Chapter 10.650, Rules of the Auditor General*, the schedule of financial responsibility composite ratio score and related data, and the schedule of related party activity and transactions, as required by the Department of Education, are presented for purposes of additional analysis and are 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 auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance, the schedule of financial responsibility composite ratio score, and the schedule of related party activity and transactions are fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2025 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

December 16, 2025  
Melbourne, Florida

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

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARY

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2025

---

### ASSETS

Cash and cash equivalents	\$ 41,490,358
Accounts receivable, net	13,429,114
Pledges receivable, net	1,278,554
Prepaid expenses, inventories and other assets, net	10,287,934
Student loans receivable, net	551,732
Operating lease right of use assets	11,307,569
Cash held with fiduciary	6,762,851
Investments	115,893,171
Intangible assets, net	5,047,861
Long-lived assets, net	225,255,366
TOTAL ASSETS	<u>\$ 431,304,510</u>

### LIABILITIES AND NET ASSETS

#### LIABILITIES

Accounts payable and accrued expenses	\$ 20,143,516
Deposits and deferred revenue	6,915,048
Annuities payable	1,581,314
Refundable government loans	844,012
Financing lease obligations	9,271,185
Operating lease liabilities	11,639,450
Long-term debt	92,977,749
Total liabilities	<u>143,372,274</u>

#### NET ASSETS

Without donor restrictions	187,915,794
With donor restrictions	100,016,442
Total net assets	<u>287,932,236</u>

TOTAL LIABILITIES AND NET ASSETS \$ 431,304,510

See notes to consolidated financial statements.

FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>OPERATING ACTIVITIES</b>			
<i>Revenues and reclassifications:</i>			
Tuition and fees	\$ 217,776,382	\$ -	\$ 217,776,382
Student aid - tuition and fees	(63,410,183)	-	(63,410,183)
Net tuition and fees	154,366,199	-	154,366,199
Gifts	1,089,645	2,718,099	3,807,744
Interest and dividends	2,398,180	-	2,398,180
Other operating revenue	5,675,492	6,312	5,681,804
Sponsored programs			
Federal/State grants & contracts	15,030,218	-	15,030,218
Private grants & contracts	985,216	-	985,216
Other sponsored programs	204,866	-	204,866
Indirect cost recovery	3,425,194	-	3,425,194
Subtotal sponsored programs	19,645,494	-	19,645,494
Auxiliary enterprises	38,873,143	-	38,873,143
Endowment payout	4,078,877	-	4,078,877
Net assets released from restrictions	1,617,072	(1,617,072)	-
Total operating revenues and reclassifications	<u>227,744,102</u>	<u>1,107,339</u>	<u>228,851,441</u>
<i>Expenses:</i>			
Instruction and departmental	82,079,825	-	82,079,825
Academic support	7,954,337	-	7,954,337
Student services	22,973,287	-	22,973,287
Sponsored programs	10,433,625	-	10,433,625
Auxiliary enterprises	38,270,591	-	38,270,591
Institutional support	35,559,087	(154,962)	35,404,125
Total operating expenses	<u>197,270,752</u>	<u>(154,962)</u>	<u>197,115,790</u>
Operating income (loss) prior to depreciation, amortization and interest	30,473,350	1,262,301	31,735,651
Depreciation and amortization	15,180,327	-	15,180,327
Interest expense	3,595,053	-	3,595,053
Operating income (loss) after depreciation, amortization and interest	<u>11,697,970</u>	<u>1,262,301</u>	<u>12,960,271</u>
<b>NON-OPERATING ACTIVITIES</b>			
Gifts	-	1,075,990	1,075,990
Interest and dividends - endowment and other	1,035,256	3,704,218	4,739,474
Net realized and unrealized gain on investments	1,124,800	5,732,852	6,857,652
Other income (expense)	586,374	(493,583)	92,791
Gain on disposition of assets	201,832	-	201,832
Endowment payout	-	(4,078,877)	(4,078,877)
Non-operating income	<u>2,948,262</u>	<u>5,940,600</u>	<u>8,888,862</u>
CHANGE IN NET ASSETS	14,646,232	7,202,901	21,849,133
NET ASSETS - Beginning of year	<u>173,269,562</u>	<u>92,813,541</u>	<u>266,083,103</u>
NET ASSETS - End of year	<u>\$ 187,915,794</u>	<u>\$ 100,016,442</u>	<u>\$ 287,932,236</u>

See notes to consolidated financial statements.

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

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED JUNE 30, 2025**

	<b>Programs</b>				<b>Support</b>		<b>Total</b>
	<b>Instruction and departmental</b>	<b>Academic support</b>	<b>Student services</b>	<b>Sponsored programs</b>	<b>Auxiliary enterprises</b>	<b>Institutional support</b>	
Salaries	\$ 45,296,889	\$ 3,255,263	\$ 10,106,677	\$ 6,397,388	\$ 13,619,124	\$ 16,499,629	\$ 95,174,970
Benefits	12,337,725	982,794	3,088,642	1,021,703	4,066,304	3,983,147	25,480,315
Materials and supplies	1,395,030	2,493,340	1,110,984	740,368	9,069,591	4,532,124	19,341,437
Services and travel	17,683,139	401,624	6,314,783	2,210,579	(87,271)	5,580,854	32,103,708
Operations and maintenance	5,367,042	821,316	2,352,201	63,587	11,602,843	4,808,371	25,015,360
	<u>82,079,825</u>	<u>7,954,337</u>	<u>22,973,287</u>	<u>10,433,625</u>	<u>38,270,591</u>	<u>35,404,125</u>	<u>197,115,790</u>
Depreciation and amortization	4,134,469	608,859	1,708,144	-	7,481,690	1,247,165	15,180,327
Interest expense	889,669	130,977	367,454	-	1,611,243	595,710	3,595,053
Total Expenses	<u>\$ 87,103,963</u>	<u>\$ 8,694,173</u>	<u>\$ 25,048,885</u>	<u>\$ 10,433,625</u>	<u>\$ 47,363,524</u>	<u>\$ 37,247,000</u>	<u>\$ 215,891,170</u>

See notes to consolidated financial statements.

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

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED JUNE 30, 2025**

---

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 21,849,133
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization of long-lived and intangible assets	15,180,327
Amortization of right of use assets	2,214,518
Amortization of bond premium	(898,873)
Remeasurement of right of use assets	(2,165,907)
Net unrealized gain on investments	(627,533)
Change in credit loss allowance for accounts receivable	(949,037)
Change in credit loss allowance for student loans receivable	(16,426)
Change in credit loss allowance for pledges receivable	(290,374)
Gain on disposition of assets	201,832
Change in actuarial liability for annuities payable, net	39,599
Change in assets and liabilities:	
Accounts receivable	(346,453)
Pledges receivable	85,560
Prepaid expenses, inventories and other assets	(4,739,431)
Student loans receivable	280,267
Deposits and deferred revenue	3,098,600
Refundable government loans	(532,261)
Accounts payable and accrued expenses	5,069,562
Operating lease liabilities	(1,941,930)
Net cash provided by operating activities	<u>35,511,173</u>

See notes to consolidated financial statements.

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

**CONSOLIDATED STATEMENT OF CASH FLOWS (continued)**

**FOR THE YEAR ENDED JUNE 30, 2025**

---

CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investments	(164,163,876)
Proceeds from investments	158,110,861
Proceeds from disposition of assets	486,558
Purchase of long-lived assets	(20,181,752)
Net cash used in investing activities	<u>(25,748,209)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Payment of annuity obligations	(139,841)
Repayment of long-term debt	(3,080,660)
Repayment of finance lease obligations	(948,868)
Proceeds from annuities	62,349
Net cash used in financing activities	<u>(4,107,020)</u>
NET INCREASE IN CASH, CASH EQUIVALENTS, AND CASH HELD WITH FIDUCIARY	<u>5,655,944</u>
CASH, CASH EQUIVALENTS, AND CASH HELD WITH FIDUCIARY Beginning of year	
	<u>42,597,265</u>
CASH, CASH EQUIVALENTS, AND CASH HELD WITH FIDUCIARY End of year	
	<u>\$ 48,253,209</u>
AS PRESENTED ON STATEMENTS OF FINANCIAL POSITION	
Cash and cash equivalents	\$ 41,490,358
Cash held with fiduciary	6,762,851
	<u>\$ 48,253,209</u>
SUPPLEMENTAL CASH FLOW INFORMATION - Interest paid	<u>\$ 4,366,670</u>

See notes to consolidated financial statements.

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

---

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The University’s major programs are grouped as Instruction and Departmental, Academic Support, Student Services, Sponsored Programs and Auxiliary Enterprises. Sponsored Programs is comprised of grants from federal, state, local, and private entities as well as research institutes. Auxiliary Services include housing, dining services as well as revenue earned from flight instruction. Student Services include social and cultural development, counseling and career guidance, financial aid and admissions processes.

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

**Basis of Presentation** - The consolidated financial statements of the University include the accounts of the various administrative and academic divisions that are controlled by the University, including the wholly owned subsidiary of the University which is Florida Tech Research Institute (“FTRI”).

The consolidated financial statements have been prepared on the accrual basis of accounting. All intercompany balances and transactions have been eliminated.

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

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

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

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2025

---

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

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

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

**Concentration of Credit Risk** - The University maintains its cash, cash equivalents and cash held with fiduciary in financial institutions. The bank balances are as follows:

- Cash held with fiduciary - \$6,762,851
- Cash held in short term investment accounts - \$36,724,730
- Cash held in depository accounts - \$4,901,912

As of June 30, 2025, approximately \$4,597,732 of the University's balances in bank depository accounts were subject to custodial risk. Risk at this level was limited to the overnight period June 30, 2025, to July 1, 2025, as outbound payments totaling approximately \$4,440,077 were released on July 1, 2025.

The University maintains its cash held with fiduciary, cash held in short term investment accounts and other investments in securities with brokerage firms that are members of the Securities Investor Protection Corporation (“SIPC”). At times, the investments in securities balance may also include cash balances. Cash and securities held at a member brokerage firm are insured by the SIPC up to \$500,000 per customer, including a maximum of \$250,000 for cash. There was no cash in the investment account subject to custodial credit risk at June 30, 2025, however approximately \$43 million in cash held by fiduciary and in short term investments is subject to custodial credit risk.

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

FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in the allowance for credit losses during the year ended June 30, 2025 were as follows:

Balance, beginning of the year	\$ 1,720,302
Increase in allowance	310,509
Write-offs	(884,942)
Change in estimate for BISK provision	<u>(374,604)</u>
Balance, end of the year	<u>\$ 771,265</u>

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

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

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

***Investments*** - The University's investments in securities are reported at fair value or net asset value, presented further as "NAV", this is the per share (or its equivalent) practical expedient for alternative investments. Contributed investments in securities are initially recorded at their fair value on the date of the gift.

***Long-Lived Assets, net*** - Long-lived assets are recorded at cost if purchased or at estimated fair value if received by gift. The University's policy is to capitalize assets acquired through purchase and gifts greater than \$10,000 and having a useful life greater than one year. Assets acquired with grant funding are capitalized if greater than \$5,000 and having a useful life of greater than one year, subject to change based on applicable Federal and State regulations relating to specific grant agreements. Depreciation of long-lived assets is recorded on the straight-line method over their estimated useful lives ranging from 2 to 50 years.

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

---

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

Description	Estimated useful life
Building and land improvements	7 to 20 years
Buildings	7 to 50 years
Leasehold improvements	Shorter of the length of the lease or the life of the asset
Vehicles and boats	7 to 10 years
Furniture and equipment	3 to 15 years
Computer software	3 to 5 years (amortized)
Computer hardware	3 to 5 years
Library materials	12 years
Airplanes and engine overhauls	2 to 12 years

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

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

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

**Conditional Promises to Give** - Because of uncertainties with regard to reliability and valuation, bequest intentions and other conditional promises are only recognized as assets if and when the specified conditions are met. Non-bequest conditional pledges whose conditions have not been met totaled approximately \$1 million as of June 30, 2025. Promises that are associated with bequests and wills whose conditions have not been met totaled approximately \$17.6 million as of June 30, 2025, which includes a bequest from a related party of \$5 million.

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

However, the University does engage in activities that may give rise to unrelated business income tax. As such, the University files an unrelated business income tax return that includes this activity.

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

---

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

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

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

The University is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The University is subject to income tax examinations by tax authorities for the prior three years.

**Advertising** - The University expenses advertising costs when incurred. Advertising expense totaled approximately \$1.6 million for the year ended June 30, 2025.

**Use of Estimates in the Preparation of Consolidated Financial Statements** - The preparation of consolidated financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

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

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

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2025**

---

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

*Liquidity and Availability of Resources (continued)* - The University's financial assets comprised the following at June 30, 2025:

Cash and cash equivalents	\$ 41,490,358
Accounts receivable, net	13,429,114
Pledges receivable, net	1,278,554
Student loans receivable, net	551,732
Cash held with fiduciary	6,762,851
Other long-term investments	<u>115,893,171</u>
Total financial assets	<u>\$ 179,405,780</u>

As of June 30, 2025, the following financial assets could readily be made available within one year of the statement of financial position date to meet general expenditures:

Cash and cash equivalents	\$ 41,490,358
Accounts receivable, net	13,429,114
Pledges receivable for operations due in 1 year or less	865,399
Payout on donor restricted endowments	4,092,771
Payout on quasi-endowments	822,998
Investments not encumbered by donor or board restrictions	<u>3,045,604</u>
Total financial assets available for general expenditures	<u>\$ 63,746,244</u>

The University's governing board has designated a portion of its resources without donor restrictions for endowment and other purposes. These funds are invested for long-term appreciation and current income but remain available and may be spent at the discretion of the board. At June 30, 2025, the following amounts were designated by the board and available to be spent at any time with board approval:

Board Designated Quasi-Endowment funds	<u>\$ 18,677,834</u>
--	----------------------

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

In addition to the assets listed above, the University has a balance of \$6,762,851 of cash held with fiduciary that is committed for debt service.

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2025

---

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

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

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

**Leases** - Under Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") 842, *Leases*, the determination of whether an arrangement is a lease is made at the lease's inception and a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed. Operating leases are included in operating lease right-of-use ("ROU") assets and operating lease liabilities in the consolidated statement of financial position. Finance leases are included in financing lease ROU assets and financing lease liabilities in the consolidated statement of financial position.

ROU assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The University uses the implicit rate when it is readily determinable. When the University's leases do not provide an implicit rate, to determine the present value of lease payments, management uses the risk-free rate at lease commencement. Operating lease ROU assets also includes any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on an effective interest rate method basis over the lease term. The University's lease terms do not include options to extend or terminate the lease. Leases with an initial term of 12 months or less are not recorded on the consolidated statement of financial position.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2025**

---

**2. ACCOUNTS RECEIVABLE, NET**

Accounts receivable consisted of the following at June 30, 2025:

Students	\$	5,336,542
Sponsored research and similar agreements		7,080,487
Aviation		1,264,334
Miscellaneous		519,016
Total		<u>14,200,379</u>
Less: allowance for credit losses		<u>(771,265)</u>
Net accounts receivable	\$	<u><u>13,429,114</u></u>

**3. PLEDGES RECEIVABLE, NET**

Pledges receivable, discounted using a risk-free rate of 4.2%, are expected to be realized in the following time frames at June 30, 2025:

Due:		
Less than one year	\$	865,399
One year to five years		546,000
Total		<u>1,411,399</u>
Less: discount		(88,731)
Less: allowance		<u>(44,114)</u>
Net pledges receivable	\$	<u><u>1,278,554</u></u>

One pledge included above had a balance of \$800,000 (62.57% of pledges receivable, net) as of June 30, 2025.

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

Prepaid expenses, inventories and other assets consisted of the following at June 30, 2025:

Prepaid expenses	\$	8,209,311
Inventories		1,537,347
Other		541,276
Net prepaid expenses, inventories, and other assets	\$	<u><u>10,287,934</u></u>

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2025**

---

**5. STUDENT LOANS RECEIVABLE, NET**

Student loans receivable consisted of the following at June 30, 2025:

Perkins	\$	840,971
Merit		101,652
Frueauff		4,863
Total		<u>947,486</u>
Less: allowance for credit losses		<u>(395,754)</u>
Student loans receivable, net	\$	<u><u>551,732</u></u>

Loans to students included participation in the Perkins Federal revolving loan program. During 2018, the Perkins Federal revolving loan program was suspended by the Federal Government. Based on this suspension, loans are no longer being disbursed to students and amounts collected are returned to the University or to the Federal Government. Funds advanced by the Federal government of \$840,971 at June 30, 2025, are ultimately refundable to the government and are classified as liabilities in the consolidated statement of financial position. Outstanding loans cancelled or paid under the program result in a decrease in the liability to the government and the liquidation of funds will be made in accordance with established guidelines to be determined by the Department of Education.

**6. INVESTMENTS**

Investments consisted of the following at June 30, 2025:

Short term investments	\$	2,860,053
US government notes and bonds		10,480,371
Corporate bonds		10,180,027
Mortgage/asset backed securities		5,939,138
Municipal bonds		2,274,866
Equity mutual funds		33,442,358
Common stocks		36,642,240
Alternative investments		13,696,531
Money market		227
Surplus notes		125,071
Accrued interest		<u>252,289</u>
Total investments	\$	<u><u>115,893,171</u></u>

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2025**

---

**6. INVESTMENTS (continued)**

Net realized and unrealized gains and losses on investments consisted of the following for the year ended June 30, 2025:

<b>Without donor restrictions</b>	
Endowments:	
Realized/unrealized gain, net	\$ 1,116,990
Short term investments:	
Realized/unrealized gain, net	7,810
Subtotal	<u>1,124,800</u>
<b>With donor restrictions</b>	
Endowments:	
Realized/unrealized gain, net	5,630,010
Annuity contracts & charitable remainder trusts:	
Realized gain, net	102,842
Subtotal	<u>5,732,852</u>
Total realized and unrealized gains, net	<u><u>\$ 6,857,652</u></u>

**7. LONG-LIVED ASSETS AND INTANGIBLE ASSETS, NET**

Long-lived assets and intangible assets consisted of the following at June 30, 2025:

Land	\$ 8,125,616
Building and land improvements	66,476,384
Buildings	201,504,712
Equipment - Siemens energy project	10,828,128
Furniture and equipment	63,052,768
Vehicles and boats	2,180,835
Airplanes and engine overhauls	7,414,149
Library materials	613,827
Intangibles	8,540,774
Construction in progress	9,510,587
Total	<u>378,247,780</u>
Less: accumulated depreciation and amortization	<u>(147,944,553)</u>
Net long-lived assets and intangible assets	<u><u>\$ 230,303,227</u></u>

Depreciation and amortization expense was \$15,180,327 for the year ended June 30, 2025.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2025**

---

**8. ENDOWMENTS**

**Spending Policy**

The University has a spending policy that governs the rate at which funds are transferred from the endowment to the operating fund. The annual allocation to the operating fund is calculated as a percentage of the endowment fair value. The policy allows for a transfer of 5% of the fair value during the subsequent fiscal year by using a moving average, computed on the last three calendar years of endowment fair values. The total transfers were \$4,078,877 for the year ended June 30, 2025. The transfers were made as applicable with the aforementioned spending policy.

**Investment Policy**

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

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

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

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

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

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2025**

**8. ENDOWMENTS (continued)**

**Investment Policy (continued)**

The endowment net asset balance consisted of the following at June 30, 2025:

Donor-restricted endowment fund	
With donor restrictions	\$ 94,169,733
Board-designated quasi-endowment fund	
Without donor restrictions	<u>18,677,834</u>
Total funds	<u><u>\$ 112,847,567</u></u>

The changes in the University's endowments as of and for the year ended June 30, 2025 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ 17,513,788	\$ 88,448,107	\$ 105,961,895
Investment income	674,574	3,400,082	4,074,656
Accrued Interest	41,481	209,009	250,490
Net realized and unrealized gain on investments - net of fees	1,116,990	5,630,010	6,747,000
Additions to investment pool - net	-	1,061,289	1,061,289
Reductions to investment pool	-	(1,051,818)	(1,051,818)
Appropriation of endowment assets for expenditure	-	(4,078,877)	(4,078,877)
Transfer for underwater endowments	-	(117,068)	(117,068)
Reclassification and releases	(668,999)	668,999	-
Endowment net assets - End of year	<u><u>\$ 18,677,834</u></u>	<u><u>\$ 94,169,733</u></u>	<u><u>\$ 112,847,567</u></u>

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

At June 30, 2025, funds with original gift values of \$302,329, fair values of \$275,169 and deficiencies of \$27,160 were reported in net assets with donor restrictions. This amount netted against values for underwater endowments in previous years results in the change of \$117,068 in the current year.

At June 30, 2025, funds with an original gift value of \$7,233 were received but not yet invested.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2025**

---

**9. ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

Accounts payable and accrued expenses consisted of the following at June 30, 2025:

Accounts payable	\$	9,501,745
Accrued expenses		
Accrued salaries and wages		771,239
Accrued vacation		5,414,869
Due to Bisk Education		2,421,490
Other accrued expenses		2,034,173
		<u>2,034,173</u>
Total accounts payable and accrued expenses	\$	<u>20,143,516</u>

**10. DEPOSITS AND DEFERRED REVENUE**

Deposits and deferred revenue consisted of the following at June 30, 2025:

Deposits	\$	5,066,536
Deferred revenue/tuition		1,848,512
		<u>1,848,512</u>
Total deposits and deferred revenue	\$	<u>6,915,048</u>

**11. ANNUITIES PAYABLE**

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

During the term of the agreement, funds are invested with the objective of providing income to fund periodic payments to beneficiaries and provide some growth through appreciation for the remainder interest. At June 30, 2025 the University was a party to the following types of split-interest agreements:

- Annuity contracts
- Charitable remainder trusts

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

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2025**

---

**11. ANNUITIES PAYABLE (continued)**

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

Annuities payable consisted of the following at June 30, 2025:

Charitable remainder trusts	\$	1,490,493
Annuities payable		<u>90,821</u>
Total annuities payable	\$	<u><u>1,581,314</u></u>

**12. RIGHT-OF-USE ASSETS AND LEASE OBLIGATIONS**

**Financing Leases**

Siemens Performance Contract

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

The initial finance lease under the Siemens contract was refinanced on September 24, 2014 to reduce the effective annual interest rate from 5.77% to 3.0%, and to extend the term to allow for payment of the previous balloon payment over an additional nine years through September 2029.

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

The Center for Aeronautics and Innovation

On April 17, 2013, the University entered into an agreement with the City of Melbourne Airport Authority to lease the property now known as the Center for Aeronautics and Innovation (“CAI”). The agreement is a 40 year lease with monthly payments beginning January 1, 2014. It contains both a finance lease component for the building and an operating lease component for the land. The University has the option to extend the lease for two additional terms of five years each. The initial rent is based on 31,000 square feet of floor space and includes a building lease rate of \$6.26 per square foot and a nominal interest rate of 3.47%.

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

---

### 12. RIGHT-OF-USE ASSETS AND LEASE OBLIGATIONS (continued)

#### Financing Leases (continued)

##### The Center for Aeronautics and Innovation (continued)

The operating land lease includes an incremental escalation every five years, equal to the percentage increase in the Consumer Price Index. The increase will not be less than 2% or more than 5% per year.

#### Operating Leases

##### Melbourne Airport Authority

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

Additionally, the University entered into an improved land operating lease with Melbourne Airport Authority on March 1, 2009. The rent is based upon the Melbourne Airport Authority's construction expenses, amortized over a 35- year period at the rate of 3.771%.

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

##### L3 Harris Commons

The University entered into a 15-year triple net operating office lease with Broadstone FIT Florida, LLC in March 2012. The University leases 62,523 square footage in total, of which 20,841 is for the University's own use. Gross rental payments (base rent) for the first twelve (12) months of the term are equal to \$18.75 per square foot, and are paid monthly. According to the terms of the agreement, the annual percentage increase based on the changes in the consumer price index will not be less than 1.5% or more than 3% per year. The University is responsible for real estate taxes, fees, and assessments on the property.

The University entered a 4-year sublease agreement with Burrell College of Osteopathic Medicine, LLC ("Burrell") on July 1, 2023. Burrell subleases 41,682 of the 62,523 square feet included in the L3 Harris Commons building, and pays 66.67% of the University's monthly base rent. According to the terms of the agreement, the annual percentage increase based on the changes in the consumer price index will not be less than 1.5% or more than 3% per year. The total rent received under this agreement for the year ended June 30, 2025 was \$1,243,161.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2025**

---

**12. RIGHT-OF-USE ASSETS AND LEASE OBLIGATIONS (continued)**

**Operating Leases (continued)**

L3 Harris Commons (continued)

In addition to base rent, Burrell incurs maintenance overhead charges for services provided by the University. The total maintenance overhead charges for the year ended June 30, 2025 was \$383,258.

Trigate/Baldwin Park

The University entered into the Trigate/Baldwin Park lease on October 7, 2005. The lease has since been amended twice, and the University has exercised their option to renew the lease, which is now extended until April 30, 2027. Outlined in the most recent lease amendment is a rent schedule that begins at \$10,200 per month, at the effective date of the amendment and ends at \$11,900 per month. The average monthly expense in the current year was \$11,009. The space at Baldwin Park is 4,148 square feet and offers various masters level programs and certificates.

Applied Research

The University entered into a 20 year agreement with the City of Melbourne Airport Authority in 2013, with an option to extend for two additional terms of five years each. The average monthly expense for the lease is \$8,611, which will increase per a CPI calculation as outlined in the agreement. The lease agreement provided the University with approximately 3 acres of leased property, including an approximately 30,000 sq. ft. building. The Applied Research Laboratory houses research in various fields such as ocean engineering, advanced materials, lasers and electro-optics, psychology and others.

Dex Imaging Copier Lease

In August 2023 the University signed a copier lease agreement with Dex Imaging, LLC. This agreement was for 106 copier machines, and a 5 year digital subscription. The term of this lease was 5 years, and the rate is approximately \$22,000 a month.

**Operating and Finance Lease Expense Summary**

Finance lease cost:	
Depreciation of the assets under finance leases	\$ 688,439
Interest on lease liabilities	328,320
Operating lease cost	<u>2,712,051</u>
Total lease cost	<u>\$ 3,728,810</u>

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2025**

---

**12. RIGHT-OF-USE ASSETS AND LEASE OBLIGATIONS (continued)**

**Operating and Finance Lease Expense Summary (continued)**

Lease term and discount rate

Weighted average remaining lease term (years):	
Operating leases	15.49
Finance leases	15.00
Weighted average discount rate:	
Operating leases	4.03%
Finance leases	3.30%

Maturity of lease liabilities

	Operating leases	Finance leases
2026	\$ 2,430,021	\$ 1,277,188
2027	2,184,391	1,277,188
2028	742,053	1,277,188
2029	598,124	1,279,057
2030	535,916	787,087
Thereafter	10,137,440	6,291,239
Less imputed	<u>(4,988,495)</u>	<u>(2,917,762)</u>
Total	<u>\$ 11,639,450</u>	<u>\$ 9,271,185</u>

**13. LINE OF CREDIT**

On February 1, 2024, the University was granted a revolving line of credit with a commercial bank under a promissory note agreement. The University may borrow up to \$10,000,000 for working capital in the normal course of business to support the seasonality of student tuition and fee collections. The First Amendment to Revolving Credit Agreement dated January 31, 2025 provides for the payment of interest on any outstanding principal balance at the floating rate of 1.35% over the Secured Overnight Financing Rate as published by the Federal Reserve Bank of New York (“SOFR”). In addition, the loan is subject to an unused commitment fee in the amount of 0.25% per annum, payable quarterly, based on the unused balance. The loan is collateralized by a security interest in the University’s tuition and fee revenues. This credit facility expires on January 30, 2026. There is no outstanding balance on the line of credit as of June 30, 2025 and the line of credit was not used at all during fiscal year 2025.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2025**

---

**14. LONG-TERM DEBT**

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

Long-term debt consisted of the following at June 30, 2025:

18 year annuity contract mortgage, fixed interest rate of 5.824%, maturing January 15, 2032, collateralized by real estate.	\$ 1,028,396
2019 Series from the Higher Educational Facilities Financing Authority. Educational Facilities Revenue Bonds. Fixed interest rate 3.56%. Matures April 30, 2050.	84,920,000
Unamortized Premium, 2019 Series	<u>7,029,353</u>
Long-term debt	<u><u>\$ 92,977,749</u></u>

The 2019 Series Bonds were issued at a premium of \$12,547,161, which is amortized over the life of the bonds and recognized as interest expense on the Statement of Activities. Premium amortization of \$898,873 was recognized for the year ended June 30, 2025.

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

	Long-term debt payments	Premium amortization	
2026	\$ 3,243,477	\$ 686,542	
2027	3,411,761	652,991	
2028	3,590,541	621,079	
2029	3,774,846	590,727	
2030	3,969,708	561,858	
Thereafter	<u>67,958,063</u>	<u>3,916,156</u>	
Total	<u><u>\$ 85,948,396</u></u>	<u><u>\$ 7,029,353</u></u>	<u><u>\$ 92,977,749</u></u>

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

Interest expense for all debt obligations and leases for the year ended June 30, 2025 totaled \$3,594,842.

The bonds contain certain financial covenants with respect to cash flow and debt ratios for which the University was in compliance at June 30, 2025.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2025**

---

**15. RESTRICTIONS ON NET ASSETS**

Net assets with donor restrictions consisted of the following at June 30, 2025:

Programs and passage of time	\$ 3,908,393
Annuity and similar funds	1,581,314
General endowments	9,466,810
Endowed chairs	28,505,539
Scholarship endowments	39,342,848
Departmental endowments	16,827,375
Endowed pledges	<u>384,163</u>
Total net assets with donor restrictions	<u>\$ 100,016,442</u>

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

**16. OTHER OPERATING REVENUES**

Other revenues included in the consolidated statement of activities consisted of the following for the year ended June 30, 2025:

Fees for services	\$ 4,503,206
Commissions and fundraising	343,964
Admissions and miscellaneous fees	797,456
Student organizations revenue	<u>37,178</u>
Total other revenues	<u>\$ 5,681,804</u>

**17. FUNDRAISING**

Fundraising expenses consisted of general expenses of \$2,545,229 for the year ended June 30, 2025.

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

**18. EMPLOYEE BENEFIT PLAN**

The University maintains a defined contribution plan. An employee is eligible to contribute to the plan on date of hire. After 30 days of continued service, if an employee elects to contribute to the plan, the University may match this contribution up to 5% of the employee's salary. Retirement plan contributions for the year ended June 30, 2025, were \$3,779,038.

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2025

---

#### 19. RELATED PARTY TRANSACTIONS

Transactions between the University and any of its trustees, officers or employees are subject to the University's conflict of interest policies, which require disclosure of conflicting interests.

The University has liabilities due to parties related through current and former employment and board relationships, including lifetime annuities and charitable remainder trust lifetime annuities. Payment terms vary from monthly to quarterly. The total liabilities and related investments outstanding at June 30, 2025 were \$162,450 and \$189,359, respectively. In addition, there were current year contributions received from related parties totaling \$324,741, as well as an outstanding pledge commitment of \$19,863 at June 30, 2025.

#### 20. COMMITMENTS AND CONTINGENCIES

##### Legal

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

##### BISK

On January 13, 2006, the University entered into a 20-year agreement which became effective in February 2009, with BISK for collaboration of development and marketing of the University's for-credit distance learning program. BISK and the University will comply with accreditation standards of The Southern Association of Colleges and Schools, and any accreditation body that the University elects to join. The payment terms to the University are based on a sharing arrangement of gross revenue adjusted for expenses in accordance with the contractually negotiated percentages for each respective program. During the year ended June 30, 2024 the agreement with BISK was amended to transition and terminate the original agreement at the end of the Summer 2024 semester. The amended agreement calls for a teachout of current students that will be completed in the summer of 2031.

##### Risepoint

On January 26, 2024, the University entered a 7-year agreement with Risepoint. Risepoint provides various services as it relates to the University's managed programs, which are all online. The agreement will auto renew every 3 years, after the initial term expires, unless either party provides written notice of nonrenewal at least 270 days prior to the end of the initial term or the then current renewal term. The payment terms between the university and Risepoint are based on a sharing arrangement of gross revenue in accordance with the contract. The first session for this program began on August 26, 2024. As of June 30, 2025, the total revenue share paid to Risepoint was \$1,167,500.

##### Ellucian

The University is party to an agreement with Ellucian, to provide software licensing for computer system support. The agreement requires an annual payment for support services of approximately \$300,000, with a 8% increase each year of the contract, plus hourly fees for additional services and annual maintenance and license fees. The contract expires on September 30, 2026. Total fees paid to Ellucian for the year ended June 30, 2025 were \$545,194.

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2025

---

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

##### Workday

The University is party to a 5 year agreement with Workday, Inc. to provide a cloud hosted Enterprise Resource Planning (ERP) system. The system is an integrated financial management system that will control and automate business processes for accounting, finance, payroll and human resources, and grants and project management. The agreement has an annual base fee of approximately \$700,000, with a 6% increase each year of the contract, and annual user charges. The fees paid to Workday totaled \$1,008,191 for the year ending June 30, 2025.

##### WFIT Building Contingency

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

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

##### Insurance Pool

The University is a member of the Florida Independent Colleges and Universities Risk Management Association, Inc. (“FICURMA”) insurance pool which includes, but is not limited to, coverage of property, general and auto liability, workers’ compensation, and excess crime. FICURMA was formed to assist universities in the State of Florida in controlling insurance costs. There is a risk that additional assessments could be incurred by the University as the result of this insurance pool. However, management does not believe any additional assessments exist as of June 30, 2025.

##### Ground Lease

The University is party to an agreement with Madrone-Florida Tech Student Housing I, LLC (the LLC), a Florida limited liability company, whose sole member is Madrone Community Development Foundation, to lease property for a student housing facility. The University will act as the manager of the facility and collect and remit all student housing revenue for the facility to the LLC. The University will provide retained services, per the ground lease, and be reimbursed by the LLC. Annually, a ground rent payment will be made to the University following the Pro Forma within the ground lease, based on net available cash flow. The term of the lease is the earlier of 50 years or the bonds and obligations for the facility being repaid and Indenture discharged.

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2025**

---

### 20. COMMITMENTS AND CONTINGENCIES (continued)

#### Grant Revenue

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

### 21. FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements and Disclosure*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 fair value measurements) and the lowest priority to unobservable inputs (level 3 fair value measurements).

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

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

Level 2            Inputs to the valuation methodology include:

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

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

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

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

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2025**

---

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

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

*Level 3 Fair Value Measurements*

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

Type	Fair value	Valuation technique	Significant unobservable inputs	Rate or range of rates
			Discount rate	10.63%
Surplus Notes	\$ 125,071	Discounted expected futures cash flows	Expected rate of return	10%

The following table represents changes in the University's level 3 investments measured at fair value on a recurring basis for the years ending June 30, 2025:

Balance, beginning of year	\$ 6,984,130
Change in valuation method	(6,473,918)
Purchases, sales, issuances and settlements	
Settlements	(385,141)
Balance, end of year	\$ 125,071

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

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2025**

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

The following table sets forth by level, within the fair value hierarchy, the University's investments at fair value as of June 30, 2025.

Description	Total	(Level 1)	(Level 2)	(Level 3)	Investments Measured at NAV
Equity Mutual Funds	\$ 33,442,358	\$ 33,442,358	\$ -	\$ -	\$ -
Common Stock	36,642,240	36,642,240	-	-	-
Alternatives	13,696,531	-	-	-	13,696,531
US Government Notes and Bonds	10,480,371	5,276,614	5,203,757	-	-
Corporate Bonds	10,180,027	-	10,180,027	-	-
Municipal Bonds	2,274,866	-	2,274,866	-	-
Mortgage/Asset Backed Securities	5,939,138	-	5,939,138	-	-
Short-term investments	2,860,053	2,860,053	-	-	-
Money Market	227	227	-	-	-
Surplus Notes	125,071	-	-	125,071	-
Total Investments	115,640,882	78,221,492	23,597,788	125,071	13,696,531
Accrued Interest	252,289	252,289	-	-	-
Total Investments & Accrued Interest	\$ 115,893,171	\$ 78,473,781	\$ 23,597,788	\$ 125,071	\$ 13,696,531

During fiscal year 2025, the University elected to measure certain alternative investments, including private equity, private credit, and real estate funds, using the net asset value ("NAV") per share (or its equivalent) practical expedient in accordance with ASC 820, Fair Value Measurement. Previously, these investments were valued using a combination of third-party appraisals and other valuation techniques and classified within Level 3 of the fair value hierarchy. Management believes the use of the NAV practical expedient better reflects the amount that would be received in an orderly transaction with market participants at the measurement date, and is consistent with industry practice among higher education institutions.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2025**

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

The change in valuation technique did not have a material effect on the University's change in net assets for the year ended June 30, 2025. Accordingly, the change has been applied prospectively. The investments measured at NAV are not classified in the fair value hierarchy. Additional information regarding these investments is provided in the table below.

Limited Partnerships (a)	Fair Value	Unfunded Committments	Redemption Frequency	Redemption Notice Period
Private Equity Holdings	\$1,779,586	\$8,574,754	-	-
<b>Fixed Income (b)</b>				
Private Debt Holdings	\$6,540,175	-	Quarterly	30 days
<b>Real Assets (c)</b>				
Private Real Estate Holdings - Holding 1	\$3,554,094	-	Quarterly	-
Private Real Estate Holdings - Holding 2	\$1,822,676	-	Monthly	2nd to last business day
<b>Total Investments</b>	<b>\$13,696,531</b>	<b>\$8,574,754</b>		

(a) Limited Partnerships: Investments include interests in private equity and real asset funds. These funds offer exposure to a diversified range of private market strategies, including buyouts, venture capital, secondary interests, and co-investments, across various global markets and industry sectors.

(b) Fixed Income: Investments also include private credit funds that focus on diversified portfolios of corporate debt and lending strategies across multiple industries. These funds provide exposure to private credit markets, which are generally less liquid than traditional publicly traded fixed income securities.

(c) Real Assets: Investments include private real estate funds that seek to generate current income and long-term capital appreciation through diversified holdings in commercial real estate properties across various sectors and geographic regions.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2025**

---

**22. DEFERRED INCOME TAXES**

The University has unrelated business income which is not exempt from Federal income taxes. For the year ended June 30, 2025 there was no provision for Federal income taxes because the total of these activities resulted in a net loss and the benefit derived therefrom has been offset by a valuation allowance.

The University's deferred tax asset is based on operating loss carryforwards. A deferred income tax valuation allowance has been provided as of June 30, 2025. The valuation allowance reduces the deferred tax asset to an amount that represents management's best estimate of the amount of such deferred tax asset that will actually be realized.

As of June 30, 2025, the University had Federal net operating loss carryforwards of approximately \$17 million, \$16 million of which are subject to expiration and will begin to expire in 2038.

The University's deferred tax asset is as follows at June 30, 2025:

Deferred tax assets:	
Non-current:	
Net operating loss carryforwards	\$ 5,300,000
Valuation allowance for net non-current deferred tax assets	<u>(5,300,000)</u>
Total deferred tax asset	<u><u>\$ -</u></u>

**23. SUBSEQUENT EVENTS**

The Authority has evaluated subsequent events through the date noted on the Independent Auditor's Report, the date the financial statements were available to be issued and has determined that no material transactions have occurred that would warrant additional adjustments or disclosure in the financial statements.

**FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**YEAR ENDED JUNE 30, 2025**

Federal Grantor / Pass-through Grantor / Program Title	Assistance Listing Numbers	Agency Contract/Grant Number	Federal / State Expenditures	Passed Through to Subrecipient
<b>FEDERAL</b>				
<b>RESEARCH AND DEVELOPMENT CLUSTER:</b>				
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>				
Development and optimization of mild hydrothermal preprocessing for high ash biomass into pelletized biorefinery feedstocks	10.215	2019-67019-31594	\$ 27,500	\$ -
Investigation of Substances Derived from Garlic Scape as Potential Anti-Diabetic Nutraceuticals	10.216	241058A	9,398	-
<i>USDA National Institute of Food and Agriculture (NIFA)</i>				
Engineered Solutions for Prevention and Control of Eutrophication using Novel Biosorbents	10.310	2021-67022-34487	80,447	38,194
DSFAS-AI: Deep-Learning Framework for Optimal Selection of Soil Sampling Sites	10.310	2022-67021-38911	68,494	14,298
AI-Enabled Droplet Tracking for Crop Spraying Systems	10.310	2021-67022-38910	3,111	-
<i>North Dakota State University (NDSU)</i>				
Sustainable bio-based high value fire retardant additive derived from agricultural byproducts	10.310	FAR0037951	30,665	-
<i>The Ohio State University (OSU)</i>				
Sustainable Hydrothermal manure management practice to improve nutrient use efficiency for enhanced agroecosystem services	10.310	SPC-1000012388: GR131999	128,097	-
<b>Subtotal, U.S. Department of Agriculture:</b>			<b>347,712</b>	<b>52,492</b>
<b><u>U.S. DEPARTMENT OF COMMERCE</u></b>				
<i>National Oceanic and Atmospheric Administration (NOAA)</i>				
Application of IMTA-Technology to Revive and Sustain Livelihood of Fishing Communities in Puerto Rico	11.427	NA20NMF4270194	65,787	-
Diagnostic Phycotoxin Analyses in Support of Marine Mammal Stranding-Based Research	11.439	NA25NMF439C001-T1-01	32,271	-
Diagnostic Phycotoxin Analyses in support of Marine Mammal Stranding-Based Research	11.439	NA23NMF4390312	53,469	-
Exploring the physical mechanisms of the role of soil moisture, topography, and diurnal cycle of insolation on S2S precipitation in the Maritime Continent	11.431	NA22OAR4310612-T1-01	225,860	12,005
Remediation of Alexandrium, Pyrodinium, and Karenia along with their Toxins by PAC-Modified Biochar	11.478	SA07529137_PO142071	107,885	17,740
Intensive Practical Training of Women in Integrative multi-trophic Aquaculture: Towards a Sustained Mariculture Workforce in Puerto Rico	11.454	ACQ-210-039-2021-FIT	18,286	17,417
<i>University of Florida (UF)</i>				
Controlling Pyrodinium Outbreaks in the Indian River Lagoon Estuarine System (IRLES) using Low-cost Biochars	11.417	SUB00003198	64,682	20,480
<i>Southeast Coastal Ocean Observing Regional Association (SECOORA)</i>				
Partnering to meet the needs of coastal communities for actionable information to protect lives and property	11.012	IOOS.21(097)FIT.SL.HFR.2	69,850	-
<i>Corporation for Public Broadcasting (CPB)</i>				
2024 Radio Community Service (CSG) [CPB]	N/A	1347 WFIT-Melbourne	18,728	-
2025 Radio Community Service (CSG) [CPB]	N/A	WFIT-FM 1348	64,921	-
<b>Subtotal, U.S. Department of Commerce:</b>			<b>721,739</b>	<b>67,641</b>
<b><u>U.S. DEPARTMENT OF DEFENSE</u></b>				
<i>Air Force Office of Scientific Research Directorate (AFOSR)</i>				
Cleaning Tool Development and Researching Techniques for Quantifying the Impact of Cleaning on Follow-on Coating Performance	12.800	FA-7000-22-2-0001	129,187	-
Quantum Signatures in Redox Cell Biology	12.800	FA9550-24-1-0255	48,157	-
<i>Department of Defense - Air Force Research Lab (AFRL)</i>				
Trust Dynamics in Heterogenous Human-Agent Teams: Applying Multilevel and Unobtrusive Perspectives	12.800	FA9550-21-1-0294	159,398	-
Acoustic Edge Analytics - MEAMS	N/A	FPH70-S009/ PO 191286	10,992	-
Multi-domain, Multi-sensor, Cyber-physical Tactical Exploitation (M2CTE)	N/A	FA8650-21-C-1147	360,155	-
<i>University of Illinois - Urbana Champaign (UIUC)</i>				
Ultra-high-Stability Micro-Ovenized Micromechanical References	12.910	112646-19455	25,706	-
<i>Department of Defense - Office of Naval Research (ONR)</i>				
Using Ultraviolet Light for Improved Antifouling Performance on Ship Hulls & Niche Areas (Version 2)	12.300	N00014-23-1-2433	135,764	-
Advanced Non-Toxic Antifouling Coatings Research Test Site Facility	12.300	N00014-23-1-2452	274,462	-
Transparent AF/FR Coatings Program: Candidate Field Testing and the Development of Active Solutions	12.300	N00014-21-1-2198	71,503	-
Inspiring Students to Pursue U.S. Navy STEM Careers through Experiential Learning	12.330	N00014-20-1-2669	42,157	-
Educational Approaches and Curriculum to Engage and Educate a More Diverse Cybersecurity Workforce	12.330	N00014-21-1-2732	80,866	-
Support for Underwater Diver-Applied Composite Patch Repair for Crack SBIR N231-051	N/A	A-30227G-500-01-SC2071 Option I	7,799	-
Bioufouling Assessment	N/A	N6660424PO206	25,616	-
AY2024-2025 Lockheed Martin Senior Design Projects	N/A	N/A	7,389	-
Next Generation Teams and Organizational Subsystems Research	N/A	R1A608	71,021	-
<i>Naval Surface Warfare Center Dahlgren Division (NSWCDD)</i>				
Deep Sea Biofilm Research	N/A	N6660425P0062	27,863	-
NUWC Clear Panels- Biofouling Analysis	N/A	PO 4522635089	5,577	-
<i>North Dakota State University (NDSU)</i>				
Understanding the Principles of Solid Shedding Surfaces	12.300	FAR0036416	69,633	-
<i>University of South Carolina (USC)</i>				
Signal Processing and Expert Systems for Perception of Autonomous Platforms in the Littorals	12.300	24-5514	69,825	-
Precision Processing of Autonomous Maritime Perception System Data - Phase III	12.910	Subaward No. 24-5818	1,046	-

See independent auditor's report.

**FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**YEAR ENDED JUNE 30, 2025**

Federal Grantor / <i>Pass-through Grantor</i> / Program Title	Assistance Listing Numbers	Agency Contract/Grant Number	Federal / State Expenditures	Passed Through to Subrecipient
<i>University of Florida (UF)</i> Advanced Numerical Methods for Multi-Material Modeling and Simulation	12.300		11,250	-
<i>US Army Corps of Engineers (USACE)</i> Information Theoretic Learning and Explainable Convolutional Neural Networks	12.630	W912HZ-23-2-0055	15,628	-
<i>U.S. Army Engineer Research and Development Center (USACE-ERDC)</i> Mutual Information-based Analysis of Latent Neural Representations for Interpretable Computer Vision	12.630	W912HZ-24-2-0056	15,999	-
<i>TRI Austin, Inc.</i> Composite Patch Project – Phase II: Underwater Diver-Applied Composite Patch Repair for Crack Arresting	N/A	F-30249G-500-01-SC2113	8,736	-
<i>Patrick Air Force Base (PAFB)</i> Improve Detection of Lightning Peak Current: Phase 3	N/A	FA252123P0066/ Requisition Number F3KFB3220AW01	31,710	-
<i>Maryland Procurement Office (MPO)</i> Florida Tech GenCyber Camp	N/A	H98230-23-1-0147/ Purchase req No. 1-	83,142	-
<i>Defense Threat Reduction Agency (DTRA)</i> A deep learning approach for enhanced detection of nuclear weapons testing (SBIR) Phase II GDAIS RASA 2023-2024	N/A N/A	HDTRA1-22-C-0005 PO 51P152054	218 33,337	- -
<i>Creare LLC</i> Generating 3-D Models of Unknown Space Systems STTR Phase II	N/A	PO 135668	160,724	-
<i>DCS Corporation</i> Swas-P: FutureTech AI Data, Modeling and Systems Support	N/A	PO 251864/SWAS-P-SSX02	98,847	-
<i>JSA, LLC/Jefferon Lab</i> EIC Detector R&D by eRD108 Collaboration	N/A	PO 25-M0745	8,410	-
<i>Naval Air Warfare Center Training Systems Division (NAWCSTSD)</i> Development of a Competency-based Model of Pilot Expertise	N/A	SOW #1809-01/NAW0046 RD&E for CATS	79,603	-
<i>US Special Operations Command (USSOCOM)</i> Determine Effects of Oceanic Propagation on Lightning-Emitted Broadband and VHF Signatures	N/A	TO-025 Oceanic Propagation	78,118	-
<i>Army Research Institute (ARI)</i> Cross Domain Self Regulation for Junior Leaders in Multi-Domain Operations	N/A	W911NF22C0053	374,241	-
<i>Defense Advanced Research Projects Agency (DARPA)</i> Modeling and Analysis Toolkit for Realizable Intrinsic Cognitive Security (MATRICS) Evaluation of Dual Band Infrared (IR) Gradient Refractive Index (GRIN) Strategies for SWaP Reduction	N/A N/A	PO4509075814 PO-UCF-00046608/ GR109106	61,549 33,974	- -
<i>Brookhaven National Laboratory (BNL)</i> R&D for the FCC-ee at CERN	N/A	No. 449717/BNL-QA-101	15,498	-
<b>Subtotal, U.S. Department of Defense:</b>			<b>2,735,100</b>	<b>-</b>
<b><u>U.S. DEPARTMENT OF THE INTERIOR</u></b>				
<i>U.S. Fish and Wildlife Service (USFWS)</i> 2024 MSCGP - Integrative modeling to predict the distribution of essential fish habitat under future climate change scenarios in the southeastern USA	15.628	F24AP00079-00	82,703	-
<i>Timucuan Ecological &amp; Historic Preserve</i> CESU-SOFL-Create Marine Hazard Warning System for Timucuan Ecological and Historic Preserve (TIMU)	15.945	P24AC00040-00	8,664	-
<b>Subtotal, U.S. Department of the Interior:</b>			<b>91,367</b>	<b>-</b>
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>				
<i>Federal Bureau of Investigation (FBI)</i> FBI CAST Certification Instruction	N/A	15F06723C0002228	22,849	9,940
<i>U.S. Central Intelligence Agency (CIA)</i> Five Factor Model Corpora Development for Computational Psychology Research (Crystal Forest - Amethyst Pine)	N/A	2018-18061400003	176,594	89,420
<i>West Virginia University (WVU)</i> FY20 Automatic Face Recognition Best Practices FY24 Automatic Face Recognition Best Practices	16.301 16.301	09-097BBBB-FIT/PO #MM000298285 09-097BBBB-FIT/PO #MM000298285	- 419,324	9,940 192,805
<b>Subtotal, U.S. Department of Justice:</b>			<b>618,767</b>	<b>302,105</b>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>				
<i>Federal Aviation Administration</i> FAA Center of Excellence PEGASUS Project 36: Weather Information Representativeness and Uncertainty Resolution for Low Altitude Operations	20.109 20.108	12-C-GA-FIT 12-C-GA-FIT Amendment No. 57	2,612 30,520	- -
<i>National Academy of Sciences (NAS)</i> Development of a Compaction Quality Control Standard for the Small Diameter Pressuremeter	20.200	NCHRP-224 PO SUB0001912 Proj. 163522/0399	2,629	-
<i>Florida Department of Transportation (FDOT)</i> Evaluation of Coatings Materials Using Accelerated Laboratory Weathering Test Protocol Design and Detailing of Anchorages for Externally Bonded CFRP - Phase	N/A N/A	Agreement No. BEF90, FP ID 4423251B201 FEID No F596046500029 BEG88/ Financial Project ID 444325-1-B2-01	25,478 67,890	- -
<i>Embry Riddle Aeronautical University (ERAU)</i> NEXTGEN Concrete - Tests of the Future: Chloride and Sulfate Durability	N/A	ERAU BEE02	16,466	-
<b>Subtotal, Department of Transportation:</b>			<b>145,595</b>	<b>-</b>

See independent auditor's report.

**FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**YEAR ENDED JUNE 30, 2025**

Federal Grantor / Pass-through Grantor / Program Title	Assistance Listing Numbers	Agency Contract/Grant Number	Federal / State Expenditures	Passed Through to Subrecipient
<b><u>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</u></b>				
<i>National Shared Services Center</i>				
Using Parker Solar Probe (PSP) observations to test and constrain models of the solar wind and solar-wind turbulence	43.001	80NSSC21K1768	118,810	17,757
Mapping changes in hydroclimatic risk in High Mountain Asia (19-HMA19-0016)	43.001	80NSSC20K1300	40,966	36,688
Determining the radiation level of galactic cosmic rays and solar energetic particles in the heliospheric magnetic field based on magnetogram measurements of the solar photosphere	43.001	80NSSC21K0004	169,690	109,547
DEEP - Developing Efficient Exploration Probes: Cryo-vacuum chamber for enhancing the shape and heating configuration of cryobots for the exploration of Ocean Worlds	43.001	80NSSC24K0781	75,768	-
Jupiter Impact Modeling	43.001	80NSSC22K1376	114,137	33,518
The source of warm plasma cloak due to ion heating by EMIC waves	43.001	80NSSC22K1019	209,683	43,155
Investigating the radial evolution of the scaling properties of intermittency in the solar wind	43.001	80NSSC24K0564	120,221	-
On the origin of energetically-dominant sunward-propagating Alfvén waves in the solar wind	43.001	80NSSC23K0776	43,934	-
Spectral Analyses of Fermi-GBM Terrestrial Gamma-Ray Flashes and Electron Beams	43.001	80NSSC23K1424	34,121	-
Prediction of solar energetic particle radiation timing and dosage using physics-guided machine learning algorithms with remote observations of the solar photosphere, corona and interplanetary medium	43.012	80NSSC20K0298	333,171	-
Spacecraft Formation Flight by Smartphone Video Guidance Sensor	43.009	80NSSC24M0057	43,144	-
Contactless Magnetic Joint Actuator for Space Applications	43.003	80NSSC23M0185	8,079	-
Investigating the space time correlation of solar wind turbulence	43.001	80NSSC24K137	192,847	-
Neural networks for orphan afterglow parameter estimation of Rubin & Roman data	43.001	80NSSC25K7013	58,025	-
SVGS and Lunar Habitat	N/A	80NSSC23PC477	104,582	-
A Joined SQL-AI Driven Recommender System for Standards	N/A	80NSSC24PB634	41,144	-
<i>Johns Hopkins University Applied Physics Laboratory (JHUAPL)</i>				
Evolution of alpha and Proton Populations in the Inner Heliosphere: Role of Coulomb Collisions and Turbulence Fluctuations	43.001	Subaward No. 181298	21,191	-
Strange New Worlds: Characterizing Nearby M-dwarf Habitable Zone Planets	43.001	185815	28,080	-
<i>Trustees of Boston University (BU)</i>				
Roles of Stellar Flares and Storms in Exoplanetary Atmospheric Losses and Evolution (BU)	43.001	4500004920	8,734	-
<i>The Regents of the University of California, Berkeley (UC Berkeley)</i>				
Diverse Convective Styles on Jupiter and Saturn	43.001	11089	12,498	-
<i>Southwest Research Institute (SwRI)</i>				
The missing link: Relating decades of solar and cosmic ray observations to lightning and extreme weather patterns on Earth	43.001	Q99001EH	108,644	-
<i>University of Alabama Huntsville (UAH)</i>				
Cosmic rays in the turbulent heliosheath and very local interstellar medium	43.001	Subaward No. 2022-1576	15,455	-
Investigating the solar wind dynamics, interstellar, pickup ions, and turbulence throughout space based on 3D time-dependent modeling and multiple spacecraft observations	43.001	2020-1272	28,161	-
<i>Smithsonian Astrophysical Observatory (SAO)</i>				
Understanding Quasar Jet Physics in the X-Rays	43.001	G01-22111A	25,573	-
<i>University of New Hampshire (UNH)</i>				
Smoke on the Water: Lake-based calibration of Amazonian fire histories	43.001	L0110	5,879	-
<i>Rutgers, The State University</i>				
Machine learning-based flash flood forecasting in West Africa with satellite observations	43.001	SUB00002900	71,227	-
<i>University of Rochester (UR)</i>				
Characterizing Atmospheric Techosignatures (CATS): A Systematic Approach	43.001	SUB00000584/ UR FAO: GR533601	8,584	-
<i>University of Central Florida (UCF)</i>				
3D Reconstruction of Space Debris for RPO Using Machine Learning - Timothy Jacob Huber - Timothy Jacob Huber	43.008	GR104013	15,198	-
Studying the Effects of Ionizing Radiation Exposure on Cardiovascular System using Functional 3D Bioprinted Vascularized Cardiac Tissue	43.008	TO #7/ Master Agreement No. FSGC7 GR-104012	1,506	-
<i>A.I. Solutions, Inc.</i>				
Leveraging Computer Vision Study	N/A	AIS-E3-25-001	23,676	-
<i>Analytical Mechanics Associates (AMA)</i>				
User-Centered Design of Multi-UAS Ground Control Station	N/A	PO ID R5-00243	74,809	-
Automated Data Labeling and Assurance for Autonomous Aircraft Vision System (ADLAAVS)	N/A	PO R5-40153/80LARC23DA003	31,780	-
<i>The Boeing Company</i>				
Engineering Services - KSC	N/A	Strategic Agreement 19PW001	15,345	-
<b>Subtotal, National Aeronautics and Space Administration:</b>			<b>2,204,662</b>	<b>240,665</b>

See independent auditor's report.

**FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**YEAR ENDED JUNE 30, 2025**

Federal Grantor / Pass-through Grantor / Program Title	Assistance Listing Numbers	Agency Contract/Grant Number	Federal / State Expenditures	Passed Through to Subrecipient
<b><u>NATIONAL SCIENCE FOUNDATION</u></b>				
<i><u>National Science Foundation (NSF)</u></i>				
EAGER: Collaborative Proposal: 3D Bioprinted Organoids for Studying the Mechanism of Cerebrovascular Aging	47.041	2317757	59,158	-
NSF Graduate Research Fellowship Program (GRFP) Zach Ferris	47.076	2240237	35,465	-
Research Initiation: Investigating the Connection Among Undergraduate Engineering Students Data Proficiency, Motivation, and Engineering Identity	47.041	2245022	43,184	-
REU Site: Statistical Models with Applications to Geoscience	47.050	1950768	26,226	-
Collaborative Research: P2C2 - Unravelling the signals in tropical Pacific lake archives: Towards improved holocene hydroclimate reconstructions	47.050	2002419	3,106	-
Thermal Stress and Differential Recovery of Coral Reefs	47.050	2048319	124,560	-
LEAPS - MPS: Artificial Intelligence Techniques for Automatic NMR Metabolomics Data Processing	47.049	2245530	99,919	-
LEAPS-MPS: Diffusive Partial Differential Equations in the Physical Sciences	47.049	2213407	3,326	-
ERI: Multilevel Inverse Robust CoDesign of Materials, Products and Manufacturing Processing	47.041	2301808	82,127	-
ERI: Ultrafast, Robust, Novel Four-bore Carbon-fiber Microelectrodes for Simultaneous Electrochemical Sensing of Multiple Neurotransmitters and Toxic Metals	47.041	2301577	64,797	-
ERI: Simultaneous Interactions between Gases, Liquids, and Adsorbents in Adsorbent-Coated Microchannels	47.041	2347493	89,099	-
ERI: Improving the Learning Efficiency of Adaptive Optimal Control Systems in Information-Limited Environments	47.041	2138206	80,850	-
Characterization of upward leaders and the attachment process in downward cloud-to-ground lightning	47.050	AGS-1934066	63,829	-
Assessing the Effects of Human Activity on the Composition of Tropical Forests	47.075	2148984	70,388	3,417
Understanding mixed-mode fracture mechanics in additively manufacturable functionally graded microcellular solids	47.041	2317406	79,833	-
Collaborative Research: Numerical Methods and Differential Geometry	47.049	2411209	36,211	-
Collaborative Research: Topology and Infection Dynamics of Bacteriophage Viruses	47.049	2318053	50,864	-
EAGER: Creating a composite EL Nino record record from the lowland Neotropics	47.050	2417794	23,442	-
Collaborative Research: SCH: Therapeutic and Diagnostic System for Inflammatory Bowel Diseases: Integrating Data Science, Synthetic Biology, and Additive Manufacturing	47.070	2306740	7,212	-
IUCRC Planning Grant - Florida Tech: Center for Science, Technology and Advanced Research in Space (C-STARS)	47.041	2413027	16,962	-
Travel: US Participation at the 11th International Conference on Inverse Problems in Engineering	47.041	2347919	22,348	-
Collaborative Research: Data-driven Realization of State-space Dynamical Systems via Low-complexity Algorithms	47.049	2410678	9,152	-
Powerful gamma-ray and radio-frequency radiation from thunderstorms	47.050	2430849	34,666	-
CRII: OAC: Extrapolative Exploration of High-Entropy Alloys for Optimized Nitrate Adsorption During Nitrate Reduction to Ammonia	47.070	2451423	19,986	-
Conference: US-FAPESP Cybersecurity and Privacy Workshop	47.070	47.070	84,667	-
Collaborative Research: Are Amazonian and Andean Ecosystems Close to a Tipping Point?	47.074	DEB-2029649 (Proposal #)	94,812	-
Exploring Advanced Manufacturing and Microelectronics to Empower Youth Aging out of Foster Care	47.076	2347143	87,712	-
MRI: Acquisition of a Cryo-enabled Scanning Electron Microscope for Research and Education at the Florida Institute of Technology and Partners.	47.083	2808574	448,383	-
<i><u>Wake Forest University (WFLU)</u></i>				
Collaborative Research: BEE: Impacts of abiotic environment, pathogen resistance and PreColumbian human management on Neotropical canopy palm abundances	47.074	23-003	38,101	-
<i><u>Cornell University</u></i>				
US CMS Upgrades for the High-Luminosity Large Hadron Collider	47.049	79433-20662	83,657	-
<i><u>Board of Regents, Nevada System of Higher Education on behalf of Desert Research Institute</u></i>				
INFWS/T2: Organic Waste Lifecycles at the Interface of Food, Energy, Water Systems (OWL-FEWs)	47.041	GR12848	5,574	-
<i><u>Arizona State University</u></i>				
EFRI ELIS: Bioweathering dynamics and ecophysiology of microbially catalyzed soil genesis of Martian regolith	47.041	ASUB00001187	28,142	-
<i><u>University of Texas at Austin (UT Austin)</u></i>				
Natural Hazards Engineering Research Infrastructure: Cyberinfrastructure (DesignSafe) 2020-2025	47.041	UTA20-000983	36,880	-
<i><u>Florida International University (FIU)</u></i>				
Empirical vulnerability model to assess impact of windborne tree debris on low-rise construction USAA Portion	47.041	Subaward No. 000761	1,608	-
Empirical vulnerability model to assess impact of windborne tree debris on low-rise construction FIU-TTU	47.041	Subaward No. 000761/000830	27,431	-
<i><u>Texas Tech University (TTU)</u></i>				
WHIP2023-04: Risk vulnerability model for components of refinery plants or industrial facilities	47.041	Agreement #28P060-06	21,550	-
Risk vulnerability model for components of refinery plants or industrial facilities (WHIP 2024-2025 )	47.041	Agreement #28P092-02	32,742	-
Vulnerability Model to Assess Wind-Induced Tree Fall Risk on Low-Rise Construction	N/A	Agreement #28P092-01	20,144	-
<b>Subtotal, National Science Foundation:</b>			<b>2,158,113</b>	<b>3,417</b>

See independent auditor's report.

**FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**YEAR ENDED JUNE 30, 2025**

Federal Grantor / <i>Pass-through Grantor</i> / Program Title	Assistance Listing Numbers	Agency Contract/Grant Number	Federal / State Expenditures	Passed Through to Subrecipient
<b><u>ENVIRONMENTAL PROTECTION AGENCY</u></b>				
Prevention and Control of Harmful Algal Blooms in St. Lucie Estuary by Low-cost Sargassum-derived Biochar	66.484	02D20522	80,325	4,117
<i>IRL Council</i> A Preliminary Characterization of Microcystin in Coastal-Dwelling Mammals in the Indian River Lagoon, Florida	N/A	IRL2022-11 Encumbrance #GL01-2214	3,315	-
<i>Tampa Bay Estuary Program (TBEP)</i> Controlling Pyrodinium Outbreaks of Tampa Bay Estuary using Low-cost Biochars	66.456	Biochar Pyrodinium Control Project	16,284	-
<b>Subtotal, Environmental Protection Agency:</b>			<b>99,924</b>	<b>4,117</b>
<b><u>U.S. DEPARTMENT OF ENERGY</u></b>				
Surface heat flux and its association with MJO in the tropical western Pacific using ARM observations	81.049	DE-SC0023059	6,901	-
Experimental High Energy Physics Research	81.049	DE-SC0013794	146,989	-
Space Coast RESCUE (Resilience Solutions for Climate, Urbanization, and Environment)	81.049	DE-SC0025237	166,980	-
Exploring the land-sea breeze circulation and its association with moist static energy using TWP ARM observations	81.049	DE-SC0025171	61,026	-
<i>UT-Battelle</i> Materials and Chemical Sciences Research for Direct Air Capture of Carbon Dioxide	N/A	CW22352/ PO 4000196251	74,119	-
<i>The Ohio State University (OSU)</i> Biological routes for synthesizing the industrial platform chemical, propylene, from deconstructed lignin waste and captured carbon dioxide produced during lignin valorization into bio-oil	81.049	SPC-1000012761/GR134276	227,270	-
<i>JSA, LLC/Jefferon Lab</i> Development of Double-sided Thin-gap GEM-μRWELL for Tracking at the EIC	N/A	PO 24-D0626	19,344	-
<b>Subtotal, U.S. Department of Energy:</b>			<b>702,629</b>	<b>-</b>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>				
<i>National Institutes of Health</i> 3D printed biomimetic bioglass-gradient matrices for aCL reconstruction Kishore	93.846	2R15AR071102-02	72,500	650
Dual Role of HSP70 in Diabetes-Induced Vascular Dysfunction	93.847	1R15DK131511-01A1	89,960	-
Enantioselective Catalytic Chlorosilane Reactions	93.959	1R15GM139087-01	7,459	-
Development of Light Triggered Molecular Tools Critical for Understanding the Brain's Network	93.958	2R15GM112119-02	40,593	-
Increasing clinical access by reducing scan time of dynamic nuclear cardiac imaging with superior diagnosis	93.286	1R15EB030807-01A1	75,245	17,458
The Role of Calcium Transients in Fertilization and Early Embryogenesis in <i>C. elegans</i>	93.865	1R15HD111986-01	48,343	-
Development of Light Triggered Molecular Tools Critical for Understanding the Brain's Network Renewal	93.242	9R15MH139078-03	87,464	-
The role of PHR signaling in tauopathy-related neurodegeneration	93.853	1R15NS137207-01	17,242	-
Enantioselective Catalytic Chlorosilane Reactions - Renewal	93.859	2R15GM139087-02	64,882	-
<i>Vanderbilt University Medical Center (VUMC)</i> Beyond Urea Kinetics: Balancing Tradeoffs in Dialyzer Design for the Next 50 Years	93.847	VUMC127045	38,142	-
<b>Subtotal, U.S. Department of Health and Human Services:</b>			<b>541,830</b>	<b>18,108</b>
<b>Subtotal, Research and Development Cluster:</b>			<b>10,367,439</b>	<b>688,546</b>
<b><u>NATIONAL ENDOWMENT FOR THE HUMANITIES (NEH)</u></b>				
Ancient Script Digitization and Archival (ASDA) of Indus Valley Artifacts using Deep Learning: A Tier I NEH Research and Development Proposal	45.149	PR-290075-23	6,954	-
<b>Subtotal, National Endowment for the Humanities (NEH):</b>			<b>6,954</b>	<b>-</b>
<b><u>U.S. SMALL BUSINESS ADMINISTRATION</u></b>				
<i>Small Business Administration</i> weVENTURE WBC CORE Grant 2023-2024	59.043	SBAOEDWB210023-03-00	41,797	-
weVENTURE Women's Business Center CORE Grant 2024-2027	59.043	SBAOEDWB240305-01-01	106,834	-
REEFSTARTER SAGARM Development	N/A	N/A	28,204	-
<b>Subtotal, U.S. Small Business Administration:</b>			<b>176,835</b>	<b>-</b>
<b><u>U.S. DEPARTMENT OF VETERANS AFFAIRS</u></b>				
Post 9/11 Veterans Educational Assistance	64.028	N/A	6,112,150	-
<b>Subtotal, U.S. Department of Veterans Affairs:</b>			<b>6,112,150</b>	<b>-</b>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>				
<i>Student Financial Assistance Cluster</i> Federal Pell Grant Program	84.063	N/A	8,312,124	-
Federal Supplemental Educational Opportunity Grants	84.007	N/A	826,109	-
Federal Direct Student Loans	84.268	N/A	67,212,132	-
Federal Work Student Program (FWS) & Job Location and Development (JLD)	84.033	P033A200882	703,346	-
<i>Florida Department of Education (FDoEd)</i> American Rescue Plan Act Stabilization Funds CPB Florida Inst of Technology CARES ACT Funds CPB	N/A	N/A	19,045	-
	N/A	N/A	41,510	-
<b>Subtotal, U.S. Department of Education:</b>			<b>77,114,266</b>	<b>-</b>
<b>Subtotal, Student Financial Aid Cluster:</b>			<b>83,349,651</b>	<b>-</b>
<b>TOTAL FEDERAL EXPENDITURES</b>			<b>93,777,645</b>	<b>688,546</b>

See independent auditor's report.

**FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**YEAR ENDED JUNE 30, 2025**

Federal Grantor / Pass-through Grantor / Program Title	Assistance Listing Numbers	Agency Contract/Grant Number	Federal / State Expenditures	Passed Through to Subrecipient
<b>STATE</b>				
<b>INDIAN RIVER (IRL) NATIONAL ESTUARY PROGRAM</b>				
Suffocating Sand; Mapping Hypoxia and its Impacts on Benthic Nutrient Fluxes in the IRL Phase II	N/A	Contract # IRL2023-05 Encumbrance #GL02-2215	55,914	-
Understanding Changes in Sediment Chemistry to Improve Seagrass Restoration Success: Developing Sediment Based Metrics to Evaluate Habitat Suitability for Restoration	N/A	Contract #IRL2024-14 Encumbrance# GL-01-1411	5,550	-
<b>Subtotal, Indian River (IRL) National Estuary Program:</b>			<b>61,464</b>	<b>-</b>
<b>FLORIDA DEPARTMENT OF EDUCATION</b>				
Public Radio Stations Grant 2023-2024	N/A	Project Number 857-99790-4Q001/TAPS 24A066	12,505	-
Florida Tech - Biomedical Aerospace Manufacturing Phase III (BAM)	48.180	Project No. 857-93740-4Q001 (TAPS 24A181)	8,393	-
Florida Tech -CAMID Upgrade Aerospace Cybersecurity Engineering Development (ASCEND)	N/A	TAPS 24A314	2,191,564	-
Specialty License Plate	76.049	N/A	29,225	-
Florida Tech: Aerospace Cybersecurity Engineering Development – ASCEND Phase 2 Equipment	N/A	Project Number 857-90345-5Q001/TAPS25A359	2,415,813	-
Florida Public Radio Stations Grant 2024-2025	N/A	Project Number 857-99790-5Q001/TAPS 25A066	106,629	-
Florida International University (FIU)	N/A	Subaward No. 000854 PID 800019827	12,387	-
State of Florida Honorably Discharged Graduate Assistance Program	N/A		1,000	-
External State Financial Aid Awards	N/A		3,550	-
<b>Subtotal, Florida Department of Education:</b>			<b>4,781,066</b>	<b>-</b>
<b>FLORIDA DEPARTMENT OF TRANSPORTATION</b>				
Using the PENCEL PMT to Evaluate Shallow Foundations at Florida's Fine Sand Sites	N/A	BED28	49,081	-
<b>Subtotal, Florida Department of Transportation:</b>			<b>49,081</b>	<b>-</b>
<b>FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION</b>				
<i>Brevard County Board of County Commissioners</i>				
Seasonal Sampling of Seagrasses, Benthic Invertebrates and Sediment Conditions at the Mims Dredging Site	N/A	Task order No. 0005	68,047	-
Ecosystem Level Impacts of Hypoxia: Bridging Data Gaps for Improved Management and Restoration	N/A	AT023/ FY23-24 GAA 1678	618,087	162,600
An innovative bioreactor utilizing repurposed materials to remove nitrogen and phosphorus in the Indian River Lagoon	N/A	INV21	30,475	-
Samson's Island Submerged Lands Restoration (SISLR) Phase 2	N/A	Samson's Island Submerged Lands Restoration (SISLR) Phase 2	6,327	-
<b>Subtotal, Florida Department of Environmental Protection:</b>			<b>722,936</b>	<b>162,600</b>
<b>FLORIDA DEPARTMENT OF HEALTH</b>				
A Shared Geospatial Artificial Intelligence Cancer Treatment Recommender System for Optimal Outcome	N/A	MOAAT	234,300	-
<b>Subtotal, Florida Department of Health:</b>			<b>234,300</b>	<b>-</b>
<b>SEBASTIAN INLET TAX DISTRICT</b>				
Wave, Weather and Tide Data Collection System at Sebastian Inlet, Florida for FY 2023	N/A	Work Order No. 2223-009-FIT	43,752	-
Wave, Weather and Tide Data Collection at Sebastian Inlet, Florida 2025-2026	N/A	Work order No. 2425-013-FIT	4,035	-
2024-2025 Wave, Weather and Tide Data Collection System at Sebastian Inlet, Florida	N/A	Work Order No. 2324-010-FIT	133,593	-
State of the Inlet Analysis - 2023	N/A	Work Order No. 2223-019-FIT	11,457	-
State of the Inlet Analysis - 2024	N/A	Work Order No. 2324-017-FIT	82,459	-
<b>Subtotal, Sebastian Inlet Tax District:</b>			<b>275,296</b>	<b>-</b>
<b>FLORIDA STUDENT FINANCIAL ASSISTANCE</b>				
Florida Student Assistance Grant (FSAG)	48.054	N/A	626,034	-
Effective Access to Student Education (EASE)	48.064	N/A	3,584,080	-
Bright Futures Scholarships	48.059	N/A	3,207,958	-
Children of Disabled or Deceased Veterans	48.055	N/A	246,870	-
<b>Subtotal, Florida Student Financial Assistance:</b>			<b>7,664,942</b>	<b>-</b>
<b>TOTAL STATE, FINANCIAL ASSISTANCE AND BRIGHT FUTURES EXPENDITURES</b>			<b>\$ 13,789,085</b>	<b>\$ 162,600</b>

See independent auditor's report.

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

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

**FOR THE YEAR ENDED JUNE 30, 2025**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Basis of Presentation* - The accompanying schedule of expenditures of federal awards and state financial assistance summarizes the expenditures incurred under all federal and state awards received by Florida Institute of Technology, Inc. (the “University”) for the year ended June 30, 2025. For purposes of this schedule, federal awards and state projects include all grants, contracts, loans, and loan guarantee agreements entered into directly between the University and agencies and departments of the federal and state government and federal and state awards passed through other agencies. Expenditures for federal and state awards programs are recognized on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and Chapter 10.650, *Rules of the Auditor General*; therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the consolidated financial statements.

**2. PROGRAM CLUSTERS**

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

**3. LOANS OUTSTANDING**

The University had the following loan balances due to the federal government at June 30, 2025:

<u>Cluster/Program title</u>	<u>Number</u>	<u>Outstanding</u>
Federal Perkins Loan Program	84.038	<u>\$ 840,971</u>

**4. GUARANTEED STUDENT LOAN PROGRAMS**

During the year ended June 30, 2025, the University processed loans under the following Guaranteed Student Loan Programs:

Stafford Loans	<u>\$ 45,030,968</u>
Parents' Loans for Undergraduate and Graduate Students	<u>22,181,164</u>
Total Guaranteed Student Loan Program	<u>\$ 67,212,132</u>

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

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

**FOR THE YEAR ENDED JUNE 30, 2025**

---

**5. INDIRECT COST RATE**

Under the current federally negotiated rate agreement, the University uses a predetermined indirect cost rate using a modified total direct cost base. This rate is in effect until June 30, 2026. The University applies a 44.87% indirect cost rate or a 28.45% off campus rate on a modified total direct cost basis to all federal grants, unless otherwise restricted by the granting agency.

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

**SCHEDULE OF FINANCIAL RESPONSIBILITY COMPOSITE RATIO SCORE**

**AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

**Primary reserve ratio**

Expendable net assets	<u>\$ 92,993,394</u>	
Total expenses without donor restrictions and losses without donor restrictions	\$ 216,046,132	<u>0.4304</u>

**Equity ratio**

Modified net assets	<u>\$ 286,653,682</u>	
Modified assets	\$ 430,025,956	<u>0.6666</u>

**Net income ratio**

Change in net assets without donor restrictions	<u>\$ 14,646,232</u>	
Total revenue without donor restrictions and gains without donor restrictions	\$ 230,692,364	<u>0.0635</u>

**Ratio calculation:**

	<u>Ratio</u>	<u>Strength Factor</u>	<u>Weight</u>	<u>Composite Scores</u>
Primary reserve ratio	0.4304	4.30433	40%	1.2
Equity ratio	0.6666	3.00000	40%	1.2
Net income ratio	0.0635	3.00000	20%	0.6
<b><u>Total composite score</u></b>				<b><u><u>3.0</u></u></b>

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

FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARY

SCHEDULE OF FINANCIAL RESPONSIBILITY DATA

AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

	Amount	Financial statement title	Location in audited financial statements
<b>PRIMARY RESERVE RATIO:</b>			
<i>Expendable net assets:</i>			
Net assets without donor restrictions	\$ 187,915,794	Net assets without donor restrictions	Consolidated statement of financial position
Net assets with donor restrictions	100,016,442	Net assets with donor restrictions	Consolidated statement of financial position
Annuities with donor restrictions	(1,581,314)	Annuities payable	Consolidated statement of financial position
		Total net assets with donor restrictions, net of annuities, program and time restrictions and board designated endowment funds	Notes to the consolidated financial statements, Note 15
Net assets with donor restrictions: restricted in perpetuity	(94,526,734)		
Net assets without donor restrictions: other for purpose or time	(18,677,834)	Board-designated endowment fund	Notes to the consolidated financial statements, Note 8
Secured and Unsecured related party receivables	(1,278,554)	Pledges receivable, net	Consolidated statement of financial position
Property, plant and equipment, pre-implementation (includes Financing Leases)	(90,350,955)	Long-lived assets, net Depreciation	Prior year schedule of financial responsibility data less expense in the current year
Property, plant and equipment, post-implementation with no outstanding debt for original purchase (includes Financing Leases)	(44,132,026)	Purchase of long-lived assets	Cumulative balance of fixed asset additions with no associated debt, as reported in each year's cash flows
Property, plant and equipment, post-implementation with outstanding debt for original purchase (includes Financing Leases)	(90,772,385)	Purchase of long-lived assets	Cumulative balance of fixed asset additions with associated debt, as reported in each year's cash flows
Property, plant and equipment, net:	(225,255,366)	Long-lived assets, net	Consolidated statement of financial position
Long-term debt - for long term purposes pre-implementation	10,299,581	Financing lease obligations Long-term debt	Prior year schedule of financial responsibility data less payments in the current year
Long-term debt - for long term purposes post-implementation	91,949,353	Financing lease obligations Long-term debt	Prior year schedule of financial responsibility data less payments in the current year
Long-term debt - for long term purposes:	102,248,934	Financing lease obligations Long-term debt	Consolidated statement of financial position
	<u>\$ 92,993,394</u>		
<i>Total expenses and losses without donor restrictions:</i>			
Total expenses without donor restrictions	\$ 216,046,132	Total operating expenses	Consolidated statement of activities
Non-operating and net investment (loss)	-	Net realized and unrealized gain/(loss) on investments	Consolidated statement of activities
	<u>\$ 216,046,132</u>		
<b>EQUITY RATIO:</b>			
<i>Modified net assets:</i>			
Net assets without donor restrictions	\$ 187,915,794	Net assets without donor restrictions	Consolidated statement of financial position
Net assets with donor restrictions	100,016,442	Net assets with donor restrictions	Consolidated statement of financial position
Unsecured related party receivables	(1,278,554)	Pledges receivable, net	Consolidated statement of financial position
	<u>\$ 286,653,682</u>		
<i>Modified assets:</i>			
Total assets	\$ 431,304,510	Total assets	Consolidated statement of financial position
Unsecured related party receivables	(1,278,554)	Pledges receivable, net	Consolidated statement of financial position
	<u>\$ 430,025,956</u>		
<b>NET INCOME RATIO:</b>			
<i>Change in net assets without donor restrictions:</i>			
Change in net assets without donor restrictions	<u>\$ 14,646,232</u>	Change in net assets without donor restrictions	Consolidated statement of activities
<i>Total revenues and other gain without donor restrictions:</i>			
Total operating revenue and other additions (gains)	\$ 227,744,102	Total operating revenues and reclassifications	Consolidated statement of activities
Investment return without donor restrictions	1,124,800	Net realized and unrealized gain on investments	Consolidated statement of activities
Non-operating revenue and other gains	1,823,462	Interest and dividends - endowment Insurance recovery Gain/(loss) on disposition of assets Other income and gifts	Consolidated statement of activities
	<u>\$ 230,692,364</u>		

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

# FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARY

## NOTES TO SCHEDULE OF FINANCIAL RESPONSIBILITY COMPOSITE RATIO SCORE AND DATA

AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

---

### 1. BACKGROUND

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

The Schedule of Financial Responsibility Composite Ratio Score (the "Schedule") is prepared and submitted to the U.S. Department of Education and is prepared pursuant to Appendix B of 34 CFR Part 668 - Subpart L, Ratio Methodology for Private Nonprofit Institutions (the "Code"). The Schedule contains only the financial responsibility composite ratio scores required by the Code and are not intended to present the financial position or the results of operations of the University for the year ended June 30, 2025, in accordance with accounting principles generally accepted in the United States of America.

### 2. FINANCIAL RESPONSIBILITY COMPOSITE RATIO SCORE

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

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

#### **Required Ratios**

##### Primary Reserve Ratio

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

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

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

##### Equity Ratio

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

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

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

**NOTES TO SCHEDULE OF FINANCIAL RESPONSIBILITY COMPOSITE RATIO SCORE  
AND DATA (continued)**

**AS OF AND FOR THE YEAR ENDED JUNE 30, 2025**

---

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

**Required Ratios (continued)**

Equity Ratio (continued)

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

Net Income Ratio

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

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

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

**Strength Factors**

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

Primary Reserve Ratio

10 x Primary Reserve Ratio result

Equity Ratio

6 x Equity Ratio result

Net Income Ratio

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

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

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

**Weight Factors**

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

Primary Reserve Ratio - 40%

Equity Ratio - 40%

Net Income Ratio - 20%

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Florida Institute of Technology, Inc. and Subsidiary (the "University" a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 4, 2025.

**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 our opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been 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 consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

December 16, 2025  
Melbourne, Florida

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

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

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

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

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

We have audited Florida Institute of Technology, Inc.’s and Subsidiary (the “University”, a nonprofit organization) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement*, and the requirements described in the *Department of Financial Services’ State Projects Compliance Supplement* that could have a direct and material effect on each of the University’s major federal programs and state projects for the year ended June 30, 2025. The University’s major federal programs and state projects are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2025.

***Basis for Opinion on Each Major Federal Program and State Project***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and Chapter 10.650, Rules of the Auditor General (“Chapter 10.650”). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the 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 federal program and 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 federal programs and state projects.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the 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 generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, 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 federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, 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 the Uniform Guidance and 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 federal program and state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program and state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program and state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

December 16, 2025  
Melbourne, Florida

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

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED JUNE 30, 2025**

---

**SECTION I - SUMMARY OF AUDITOR'S RESULTS FOR FEDERAL AND STATE COMPLIANCE**

Financial Statements

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

Federal Awards

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

4. Identification of major federal award programs:

Assistance Listing

Name of Federal Program

Various

Student Financial Aid Programs  
Cluster

- |   |             |
|---|-------------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$2,813,284 |
| 6. Auditee qualified as a low-risk auditee?                                 | Yes         |

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

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

**FOR THE YEAR ENDED JUNE 30, 2025**

---

**SECTION I - SUMMARY OF AUDITOR'S RESULTS FOR FEDERAL AND STATE COMPLIANCE**

State Financial Assistance

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

Assistance Listing

Name of State Project

Various

Florida Student Financial Assistance Cluster

48.059

The Florida Bright Futures Scholarship Programs

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

**SECTION II - FINANCIAL STATEMENT FINDINGS**

None reported

**SECTION III - FINDINGS AND QUESTIONED COSTS**

None reported

**FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARY**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

---

**Reference number**

2024-001 Special Tests and Provisions: Return of Title IV Funds  
Student financial aid programs cluster  
*Significant Deficiency in Internal Control*

**Statement of Condition**

During our testing of the regulations, one student who was identified as a withdrawn student and did not have the proper calculation performed to determine if funds should be returned in accordance with the regulations. As a result of the audit inquiry, this calculation was performed and funds were returned, however the funds were returned outside of the required 45 day window. Additional analysis performed during testing confirmed that no additional students were overlooked as a result of this condition.

**Recommendations**

The University should continue to update processes and procedures to ensure compliance in the future. These updated processes should include adequate segregation of duties and review steps to ensure that all students who are subject to potential recapture and return of funds are analyzed in the time frame dictated by the CFR.

**Current year status**

Cleared.

FLORIDA INSTITUTE OF TECHNOLOGY, INC. AND SUBSIDIARY

SCHEDULE OF POPULATIONS, SAMPLES TESTED, AND QUESTIONED COSTS FOR FLORIDA STUDENT FINANCIAL ASSISTANCE PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2025

		Award Population		Award Sample			Questioned Costs				
		Amount	Recipients	Amount	% of Population Amount	Recipients	% of Population Recipients	Amount	% of Sample Amount	Recipients	% of Sample Recipients
Florida Academic Scholars Award	FLAS	\$ 2,234,897	719	\$ 255,036	11%	50	7%	\$ -	0%	-	0%
Florida Medallion Scholars Award	FLMS	973,061	429	194,139	20%	50	12%	-	0%	-	0%
Florida Student Assistance Grant	FSAG	626,034	781	89,509	14%	50	6%	-	0%	-	0%
Florida Resident Access Grant	EASE	3,584,080	2196	149,850	4%	50	2%	-	0%	-	0%
Scholarship for Children of Deceased or Disabled Veterans	CDDV	246,870	87	57,392	23%	10	11%	-	0%	-	0%
		<u>\$ 7,664,942</u>	<u>4212</u>	<u>\$ 745,926</u>		<u>210</u>		<u>\$ -</u>		<u>-</u>	

See independent auditor's report.