

**FLORIDA INTERNATIONAL UNIVERSITY  
RESEARCH FOUNDATION, INC.  
(A DIRECT SUPPORT ORGANIZATION)**

**FINANCIAL STATEMENTS**

**JUNE 30, 2020 AND 2019**

**FLORIDA INTERNATIONAL UNIVERSITY RESEARCH FOUNDATION, INC.**  
**(A DIRECT SUPPORT ORGANIZATION)**  
**TABLE OF CONTENTS**  
**JUNE 30, 2020 AND 2019**

	<u>Page(s)</u>
<b>Independent Auditors' Report</b>	1 – 2
<b>Required Supplementary Information</b>	
Management's Discussion and Analysis	3 – 6
<b>Financial Statements</b>	
Statements of Net Position	7
Statements of Revenues, Expenses and Changes in Net Position	8
Statements of Cash Flows	9
Notes to Financial Statements	10 – 12
<b>Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i></b>	13 – 14

## INDEPENDENT AUDITORS' REPORT

Board of Directors,  
Florida International University Research Foundation, Inc.:

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

We have audited the accompanying financial statements of the Florida International University Research Foundation, Inc. (the "Research Foundation"), a direct support organization and component unit of Florida International University, as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Research Foundation's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

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

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

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

- 1 -

121 Executive Circle  
Daytona Beach, FL 32114-1180  
Telephone: 386-257-4100

133 East Indiana Avenue  
DeLand, FL 32724-4329  
Telephone: 386-738-3300

5931 NW 1st Place  
Gainesville, FL 32607-2063  
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200  
Tallahassee, FL 32308-4386  
Telephone: 850-386-6184

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Research Foundation as of June 30, 2020 and 2019, and the changes in financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

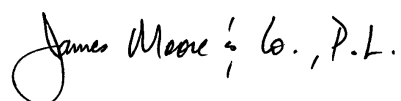
## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 – 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2020, on our consideration of the Research Foundation'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 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 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 Research Foundation's internal control over financial reporting and compliance.

James Moore & Co., P.L.

Gainesville, Florida  
October 2, 2020

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FLORIDA INTERNATIONAL UNIVERSITY RESEARCH FOUNDATION, INC.**  
**(A DIRECT SUPPORT ORGANIZATION)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2020 AND 2019**

Management's discussion and analysis (MD&A) provides an overview of the financial position and activities of the Florida International University Research Foundation, Inc. (the "Research Foundation") for the fiscal years ended June 30, 2020, 2019 and 2018, and should be read in conjunction with the financial statements and notes thereto. The MD&A, financial statements, and notes thereto are the responsibility of management.

**FINANCIAL HIGHLIGHTS**

The Research Foundation's assets totaled \$127,854 at June 30, 2020. This balance decreased by approximately \$8,000 or 6.0% and \$16,000 or 11.0%, compared to June 30, 2019 and 2018, respectively, entirely resulting from a decrease in cash. While assets decreased, liabilities also decreased by approximately \$300 or 4.0% and \$20,000 or 71.0%, compared to June 30, 2019 and 2018, respectively. As a result, the Research Foundation's net position decreased by approximately \$7,500 and \$3,700, compared to June 30, 2019 and 2018, respectively, reaching a year-end balance of \$120,071.

The Research Foundation had operating revenues of \$10 and \$10,005 for the June 30, 2020 and 2019 fiscal year, respectively. There were no transfers from Florida International University (FIU) for the 2020 fiscal year. Transfers from Florida International University totaled \$20,000 for the 2019 fiscal year. Operating expenses totaled approximately \$7,500 for the 2020 fiscal year, representing a decrease of 72.0% and an increase of 52.0%, compared to June 30, 2019 and 2018, respectively.

**OVERVIEW OF FINANCIAL STATEMENTS**

The Research Foundation's financial report includes three basic sets of financial statements: the statements of net position; the statements of revenues, expenses and changes in net position; and the statements of cash flows.

***The Statements of Net Position***

The statements of net position reflect the assets and liabilities of the Research Foundation, using the accrual basis of accounting, and present the financial position of the Research Foundation at a specified time. The difference between total assets and total liabilities, which is known as net position, is one indicator of the Research Foundation's current financial condition. The changes in net position that occur over time indicate improvement or deterioration in the Research Foundation's financial condition.

**FLORIDA INTERNATIONAL UNIVERSITY RESEARCH FOUNDATION, INC.**  
**(A DIRECT SUPPORT ORGANIZATION)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2020 AND 2019**

The following summarizes the Research Foundation's total net position for fiscal years ended:

**Condensed Statements of Net Position**

	<b>June 30,</b>		
	2020	2019	2018
<b>Assets</b>			
Current assets	\$ 127,854	\$ 135,624	\$ 151,986
<b>Total assets</b>	127,854	135,624	151,986
<b>Liabilities</b>			
Current liabilities	7,783	8,102	28,163
<b>Total liabilities</b>	7,783	8,102	28,163
<b>Net position</b>			
Unrestricted	120,071	127,522	123,823
<b>Total net position</b>	\$ 120,071	\$ 127,522	\$ 123,823

Current assets are comprised entirely of cash. The University operates the U.S. Agency for International Development (USAID) grant in Burkina Faso, West Africa. The changes in cash are related to this grant in West Africa. The activities are reflected on the statements of net position as Due to Florida International University, which are part of current liabilities.

In summary, total assets decreased by approximately \$8,000 or 6.0% and \$16,000 or 11.0%, compared to June 30, 2019 and 2018, respectively. Total liabilities decreased by approximately \$300 or 4.0% and \$20,000 or 71.0%, compared to June 30, 2019 and 2018, respectively. As a result, the net position balance at June 30, 2020, had a decrease of approximately \$7,500 or 6.0% and an increase of \$3,700 or 3.0%, compared to June 30, 2019 and 2018, respectively.

For more detailed information, see the statements of net position on page 7 of the financial statements.

***The Statements of Revenues, Expenses and Changes in Net Position***

The statements of revenues, expenses and changes in net position present the Research Foundation's revenue and expense activity, categorized as operating and non-operating. The Organization uses the accrual basis of accounting.

**FLORIDA INTERNATIONAL UNIVERSITY RESEARCH FOUNDATION, INC.**  
**(A DIRECT SUPPORT ORGANIZATION)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2020 AND 2019**

The following summarizes the Research Foundation's activity for fiscal years ended:

**Condensed Statements of Revenues, Expenses and Changes in Net Position**

	<b>June 30,</b>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Operating revenues</b>	\$ 10	\$ 10,005	\$ 10,000
<b>Operating expenses</b>	7,461	26,306	17,272
<b>Operating loss</b>	(7,451)	(16,301)	(7,272)
Transfers from Florida International University	-	20,000	-
<b>Changes in net position</b>	(7,451)	3,699	(7,272)
<b>Net position - beginning of year</b>	<u>127,522</u>	<u>123,823</u>	<u>131,095</u>
<b>Net position - end of year</b>	<u>\$ 120,071</u>	<u>\$ 127,522</u>	<u>\$ 123,823</u>

***Operating Revenues***

The Research Foundation categorizes revenues as either operating or non-operating. Operating revenues generally result from exchange transactions where each of the parties to the transaction either give up or receive something of equal or similar value. The Research Foundation has operating revenues of \$10 for the current year, related to donations received. See Note 4 for additional information.

	<b>June 30,</b>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Operating revenues	\$ 10	\$ 10,005	\$ 10,000
<b>Total operating revenues</b>	<u>\$ 10</u>	<u>\$ 10,005</u>	<u>\$ 10,000</u>

***Operating Expenses***

The Research Foundation categorizes expenses as operating or non-operating. Government Accounting Standards Board (GASB) allows financial reporting entities the choice of reporting operating expenses in the functional or natural classifications. The Research Foundation has chosen to report the expenses in their natural classification on the statements of revenues, expenses and changes in net position.



**FLORIDA INTERNATIONAL UNIVERSITY RESEARCH FOUNDATION, INC.**  
**(A DIRECT SUPPORT ORGANIZATION)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2020 AND 2019**

The following summarizes the operating expenses by natural classifications for the fiscal years ended:

	<b>Operating Expenses</b>		
	<b>June 30,</b>		
	2020	2019	2018
Audit and tax fees	\$ 7,250	\$ 18,400	\$ 16,000
Professional services	-	7,694	1,065
Other operating expenses	211	212	207
<b>Total operating expenses</b>	<b>\$ 7,461</b>	<b>\$ 26,306</b>	<b>\$ 17,272</b>

Operating expenses totaled approximately \$7,500 for the 2020 fiscal year. This represents a 72.0% decrease and 52.0% increase, compared to June 30, 2019 and 2018, respectively.

**TRANSFERS**

There were no transfers received from Florida International University (FIU) for the fiscal year ended June 30, 2020. Transfers totaled \$20,000 for the fiscal year ended June 30, 2019.

**ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE**

The FIU Research Foundation served as an agent with respect to the USAID Tanzania and Burkina Faso grants awarded to the University. This activity and the entire amount of the grants were recognized by FIU in the Sponsored Research Development Trust Fund. Both international locations have since closed, with the iWash program office in Tanzania being closed in February 2016, and the Wa/Wash program office in Burkina Faso being closed in December 2017. The iWash entity has been de-registered.

**REQUESTS FOR INFORMATION**

This financial statement is designed to provide a general overview of the Research Foundation's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Controller, Florida International University Research Foundation, Inc., 11200 S.W. 8<sup>th</sup> Street, MARC Building 5<sup>th</sup> Floor, Miami, Florida 33199.

## **BASIC FINANCIAL STATEMENTS**

**FLORIDA INTERNATIONAL UNIVERSITY RESEARCH FOUNDATION, INC.**  
**(A DIRECT SUPPORT ORGANIZATION)**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b><u>ASSETS</u></b>		
<b>Current assets</b>		
Cash	<u>\$ 127,854</u>	<u>\$ 135,624</u>
<b><u>LIABILITIES</u></b>		
<b>Current liabilities</b>		
Accounts payable	\$ 2,250	\$ 2,000
Due to Florida International University	5,533	6,102
Total current liabilities	<u>\$ 7,783</u>	<u>\$ 8,102</u>
<b><u>NET POSITION</u></b>		
<b>Net position</b>		
Unrestricted	<u>\$ 120,071</u>	<u>\$ 127,522</u>

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

**FLORIDA INTERNATIONAL UNIVERSITY RESEARCH FOUNDATION, INC.**  
**(A DIRECT SUPPORT ORGANIZATION)**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>Operating revenues</b>	\$ 10	\$ 10,005
<b>Operating expenses</b>		
Audit and tax fees	7,250	18,400
Professional services	-	7,694
Other operating expenses	211	212
Total operating expenses	7,461	26,306
<b>Operating loss</b>	(7,451)	(16,301)
<b>Transfer from Florida International University</b>	-	20,000
<b>Change in net position</b>	(7,451)	3,699
<b>Net position, beginning of year</b>	127,522	123,823
<b>Net position, end of year</b>	\$ 120,071	\$ 127,522

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

**FLORIDA INTERNATIONAL UNIVERSITY RESEARCH FOUNDATION, INC.**  
**(A DIRECT SUPPORT ORGANIZATION)**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities</b>		
Cash paid to Florida International University	\$ (569)	\$ (10,061)
Cash used in program activities, net	(7,201)	(26,301)
Net cash used in operating activities	(7,770)	(36,362)
<b>Cash flows from non-capital and related financing activities</b>		
Transfers from Florida International University	-	20,000
<b>Net decrease in cash</b>	(7,770)	(16,362)
<b>Cash, beginning of year</b>	135,624	151,986
<b>Cash, end of year</b>	\$ 127,854	\$ 135,624
<b>Reconciliation of operating loss to net cash used in operating activities:</b>		
Operating loss	\$ (7,451)	\$ (16,301)
Change in assets and liabilities:		
Accounts payable	250	-
Unearned revenue	-	(10,000)
Due to Florida International University	(569)	(10,061)
Net cash used in operating activities	\$ (7,770)	\$ (36,362)

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

**FLORIDA INTERNATIONAL UNIVERSITY RESEARCH FOUNDATION, INC.**  
**(A DIRECT SUPPORT ORGANIZATION)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

(1) **Summary of Significant Accounting Policies:**

The following is a summary of the significant accounting policies of the Florida International University Research Foundation, Inc. (the “Research Foundation” or “Organization”), affecting elements of the accompanying basic financial statements:

(a) **Reporting entity**—The Research Foundation, a Florida not-for-profit corporation, is a direct support organization and a component unit of Florida International University (“FIU” or “University”) and was organized in the State of Florida on November 25, 1997 for educational and scientific purposes. The Articles of Incorporation were amended and restated on July 29, 2010.

The Research Foundation is a tax-exempt organization as defined by Section 501(c)(3) of the Internal Revenue Code. The Research Foundation provides direct support to FIU in matters pertaining to research, and has been designated by the FIU Board of Trustees as a University Direct Support Organization pursuant to §1004.28, Florida Statutes.

The financial reporting entity covered by this report includes the Organization and its component unit. The financial reporting entity covered by this report has been defined by GASB as the Research Foundation and those component units for which the Research Foundation is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government’s operations, and therefore, data for these units are generally combined with the data of the Organization.

(b) **Blended component unit**—The Florida International Research iWASH Initiative Limited (iWASH) was incorporated in Tanzania on February 22, 2010, under the Tanzania Companies Act of 2002. The entity is a not-for-profit company as defined by the laws in Tanzania. This entity was established for the sole purpose of serving as the legal entity to implement the development initiative known as Tanzania iWASH Program. The iWASH program ended in 2017 and the final financial statements of iWASH were completed for the year-ended December 31, 2016. Final steps are being taken in Tanzania to properly dissolve the entity.

(c) **Basis of presentation**—The financial statements of the Research Foundation have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Research Foundation reports under the GASB standards because it meets the criteria regarding the popular election of officers or appointment of a controlling majority of the members of the Organization’s governing body by one or more state or local governments and because it is a direct support organization. Therefore, the Research Foundation is reported as a governmental entity.

The Research Foundation met the criteria to use enterprise fund accounting and financial reporting. Accordingly, the financial statements are reported using the economic resources measurement focus and accrual basis of accounting, which recognizes revenue when earned and expenses when a liability is incurred, regardless of timing of the related cash flow.

**FLORIDA INTERNATIONAL UNIVERSITY RESEARCH FOUNDATION, INC.**  
**(A DIRECT SUPPORT ORGANIZATION)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

(d) **Use of estimates**—The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

(e) **Flow assumption for restricted assets**—If both restricted and unrestricted assets are available for use for a certain purpose, it is the Research Foundation's policy to use restricted assets first, then use unrestricted assets as needed.

(f) **Operating revenues and expenses**—The Research Foundation's statements of revenues, expenses and changes in net position presents operating revenues and expenses. Operating revenue results from exchange transactions associated in matters pertaining to research, which is the Research Foundation's principal activity. Operating expenses include all expenses incurred in matters pertaining to research, other than external financing costs.

(g) **Income taxes**—The Organization is a not-for-profit corporation, as described in Section 501(c)(3) of the Internal Revenue Code and as such are subject to federal income taxes only on unrelated business income. There were no income taxes resulting from unrelated business income during the year ended June 30, 2020 and 2019.

The application of GAAP requires management to evaluate tax positions taken and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management has analyzed the tax positions taken and has concluded that as of June 30, 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. If the Organization were to incur an income tax liability in the future, interest and penalties would be reported as income taxes. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Research Foundation's income tax returns for the past three years are subject to examination by tax authorities, and may change upon examination. Management believes the Organization is no longer subject to income tax examinations for years prior to 2017.

(h) **Transfers**—For the year ended June 30, 2020, there were no transfers from the University to support the operating expenses of the Research Foundation and transfers totaled \$20,000 in the prior year.

(2) **Deposits:**

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits, except for the bank account in Burkina Faso, West Africa are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of a failure of a qualified public depository the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits, except for the bank account in Burkina Faso, West Africa are insured or collateralized.

**FLORIDA INTERNATIONAL UNIVERSITY RESEARCH FOUNDATION, INC.**  
**(A DIRECT SUPPORT ORGANIZATION)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

(2) **Deposits:** (Continued)

***CONCENTRATIONS OF CREDIT RISK FOR CASH***

The Organization has a bank account in Burkina Faso, West Africa to support the operations pertaining to the West Africa Water Supply, Sanitation and Hygiene (WA-WASH) Program under a U.S. Agency for International Development (USAID) grant. The balance in this account of \$5,575 and \$6,186 as of June 30, 2020 and 2019, respectively, is not FDIC insured and is subject to foreign currency exchange risk. The Research Foundation maintains its cash balances with high quality financial institutions, which the Research Foundation believes limits these risks.

(3) **Due to Florida International University:**

The amount due to Florida International University of \$5,533 and \$6,102 as of June 30, 2020 and 2019, respectively, represents funds that were sent to Burkina Faso related to grant operations. This liability will be reduced as vendors are paid in Burkina Faso. The funds for grant operations in Burkina Faso are repaid directly to the University from the grantor.

(4) **Unearned Revenues:**

The University entered into an agreement to furnish a bus stop management system to Research Triangle Regional Public Transportation Authority. The system to be used is the Automated Transit Stop Inventory Model (ATSIM), a transit stop inventory system developed by University researchers and being managed by the Research Foundation. The agreement was for a term of 3 years beginning October 15, 2015 through June 30, 2018 with the option to renew the contract for two (2) additional one (1) year periods, unless terminated earlier. The University and the Research Foundation have entered into a Royalty Sharing Agreement beginning November 2016. The total revenue on the agreement is \$30,000 over the course of the 3 years. As of June 30, 2020, the Research Foundation has reported all revenue related to this agreement.

(5) **Risks and Uncertainties – COVID-19:**

In early 2020, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending and investment markets have been substantially impacted. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the Research Foundation as of October 2, 2020, management believes that a material impact on the Research Foundation's financial position and results of future operations is reasonably possible.



## **REPORTING SECTION**

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

Board of Directors,  
Florida International University Research Foundation, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Florida International University Research Foundation, Inc. (the "Research Foundation"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Research Foundation's basic financial statements, and have issued our report thereon dated October 2, 2020.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Research Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Research Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Research Foundation's internal control.

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

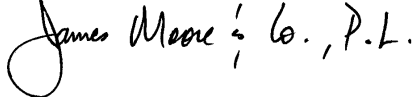
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given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

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Research Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

James Moore & Co., P.L.

Gainesville, Florida  
October 2, 2020