Florida Institute for Human and Machine Cognition

Proposal #342: National Center for Collaborative Autonomy (NCCA)

APPLICANT INFORMATION:

Name of Entity/Organization: Florida Institute for Human and Machine Cognition, Inc. (IHMC)

Background of Applicant Individual/Entity/Organization: Not-for-profit Research Institute of State University System of Florida

Federal Employer Identification Number: 20-0760849

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Identify any co-applicants, partners, or other entities or organizations that will have a role in the proposed project or program and such partners proposed roles.

Total amount of funding requested from Triumph Gulf Coast: **$6,720,805**

Has the applicant in the past requested or applied for funds for all or part of the proposed project/program?

☐ Yes ☒ No

If yes, please provide detailed information concerning the prior request for funding, including:

- the date the request/application for funding was made;
- the source to which the request/application for funding was made,
- the results of the request/application for funding, and
- projected or realized results and/or outcomes from prior funding.

Describe the financial status of the applicant and any co-applicants or partners:

IHMC is a 501(c)3 statewide research institute created pursuant to Section 1004.447 F.S. and is a part of the State University System of Florida. IHMC is in good financial standing. The most recent 2023 audited financial statements are attached in Attachment M.

In a separate attachment, please provide financial statements or information that details the financial status of the applicant and any co-applicants or partners.

See Attachment M: Audited Financial Statements

Has the applicant or any co-applicants, partners or any associated or affiliated entities or individuals filed for bankruptcy in the last ten (10) years?

☐ Yes ☒ No

If yes, please identify the entity or individual that field for bankruptcy and the date of filing.

ELIGIBILITY:

Pursuant to Section 288.8017, Triumph Gulf Coast, Inc. was created to make awards from available funds to projects or programs that meet the priorities for economic recovery, diversification, and enhancement of the disproportionately affected counties. The disproportionately affected counties are: Bay County, Escambia County, Franklin County, Gulf County, Okaloosa County, Santa Rosa County, Walton County, or Wakulla County. *See*, Section 288.08012.

1. From the choices below, please check the box that describes the purpose of the proposed project or program (check all that apply):

- ☐ Ad valorem tax rate reduction within disproportionately affected counties; Local match requirements of s. 288.0655 for projects in the disproportionately affected counties;
- ☐ Public infrastructure projects for construction, expansion, or maintenance which are shown to enhance economic recovery, diversification, and enhancement of the disproportionately affected counties;
- ☐ Grants to local governments in the disproportionately affected counties to establish and maintain equipment and trained personnel for local action plans of response to respond to disasters, such as plans created for the Coastal Impacts Assistance Program;
- ☐ Grants to support programs that prepare students for future occupations and careers at K-20 institutions that have campuses in the disproportionately affected counties. Eligible programs include those that increase students' technology skills and knowledge; encourage industry certifications; provide rigorous, alternative pathways for students to meet high school graduation requirements; strengthen career readiness initiatives; fund high-demand programs of emphasis at the bachelor's and master's level designated by the Board of Governors; and, similar to or the same as talent retention programs created by the Chancellor of the State University System and the Commission of Education, encourage students with interest or aptitude for science, technology, engineering, mathematics, and medical disciplines to pursue postsecondary education at a state university or a Florida College System institution within the disproportionately affected counties;
- ☒ Grants to support programs that provide participants in the disproportionately affected counties with transferable, sustainable workforce skills that are not confined to a single employer; and
- ☐ Grants to the tourism entity created under s. 288.1226 for the purpose of advertising and promoting tourism and Fresh From Florida, and grants to promote workforce and infrastructure, on behalf of all the disproportionately affected counties.

2. Provide the title and a detailed description of the proposed project or program, including the location of the proposed project or program, a detailed description of, and quantitative evidence demonstrating how the proposed project or program will promote economic recovery, diversification, and enhancement of the disproportionately affected counties, a proposed timeline for the proposed project or program, and the disproportionately affected counties that will be impacted by the proposed project or program.

   Project Title: National Center for Collaborative Autonomy (NCCA)
   Project Details: See Attachment A: NCCA Project Description

3. Explain how the proposed project or program is considered transformational and how it will affect the disproportionately affected counties in the next ten (10) years.

   See Attachment B: NCCA Transformational Impact

4. Describe data or information available to demonstrate the viability of the proposed project or program.

   See Attachment C: NCCA Viability

5. Describe how the impacts to the disproportionately affected counties will be measured long term.

   See Attachment D: NCCA Long-Term Impact

6. Describe how the proposed project or program is sustainable. (Note: Sustainable means how the proposed project or program will remain financially viable and continue to perform in the long-term after Triumph Gulf Coast, Inc. funding.)

   See Attachment E: NCCA Sustainability

7. Describe how the deliverables for the proposed project or program will be measured.

   See Attachment: NCCA Deliverables

PRIORITIES:

1. Please check the box if the proposed project or program will meet any of the following priorities (check all that apply):

   - [x] Generate maximum estimated economic benefits, based on tools and models not generally employed by economic input-output analyses, including cost-benefit, return-on-investment, or dynamic scoring techniques to determine how the long-term economic growth potential of the disproportionately affected counties may be enhanced by the investment.
   - [x] Increase household income in the disproportionately affected counties above national average household income.
   - [x] Leverage or further enhance key regional assets, including educational institutions,

research facilities, and military bases.

- ☐ Partner with local governments to provide funds, infrastructure, land, or other assistance for the project.
- ☐ Benefit the environment, in addition to the economy. Provide outcome measures.
- Partner with K-20 educational institutions or school districts located within the disproportionately affected counties as of January 1, 2017.
- ☒ Are recommended by the board of county commissioners of the county in which the project or program will be located.
- ☐ Partner with convention and visitor bureaus, tourist development councils, or chambers of commerce located within the disproportionately affected counties.

2. Please explain how the proposed project meets thepriorities identified above.

See Attachment G: NCCA Meeting Triumph Priorities

3. Please explain how the proposed project or program meets the discretionary priorities identified by the Board.

See Attachment H: NCCA Meeting Triumph Discretionary Priorities

4. In which of the eight disproportionately affected county/counties is the proposed project or program located? (Circle all that apply)

Escambia Santa Rosa Okaloosa Walton Bay Gulf Franklin Wakulla

5. Was this proposed project or program on a list of proposed projects and programs submitted to Triumph Gulf Coast, Inc., by one (or more) of the eight disproportionately affected Counties as a project and program located within its county?

☐ Yes ☒ No

6. Does the Board of County Commissioners for each County listed in response to question 5, above, recommend this project or program to Triumph.

☒ Yes ☐ No

Please attach proof of recommendation(s) from each County identified.

See Attachment I: NCCA Letters of Support

APPROVALS AND AUTHORITY:

If the Applicant is awarded grant funds based on this proposal, what approvals must be obtained before Applicant can execute an agreement with Triumph Gulf Coast, Inc.?

No additional approvals are required

1. If approval of a board, commission, council or other group is needed prior to execution of an agreement between the entity and Triumph Gulf Coast:
   A. Provide the schedule of upcoming meetings for the group for a period of at least six months.
   B. State whether that group can hold special meetings, and if so, how many days' notice.

Not Applicable

2. Describe the timeline for the proposed project or program if an award of funding is approved, including milestones that will be achieved following an award through completion of the proposed project or program.

Please see Attachment L: NCCA Budget Details; and Attachment K: NCCA Budget Narrative for anticipated program timing.

3. Attach evidence that the undersigned has all necessary authority to execute this proposal on behalf of the entity applying for funding. This evidence may take a variety of forms, including but not limited to: a delegation of authority, citation to relevant laws or codes, policy documents, etc. In addition, please attach any support letters from partners.

IHMC and its authority are established by Florida Statute 1004.447 FS.
See Attachment J: Florida Statute 1004.447 FS.

FUNDING AND BUDGET:

Pursuant to Section 288.8017, awards may not be used to finance 100 percent of any project or program. An awardee may not receive all the funds available in any given year.

1. Identify the amount of funding sought from Triumph Gulf Coast, Inc. and the time period over which funding is requested.

   To assist in the establishing the NCCA, IHMC is requesting $6,921,375, which will be utilized for equipment, supplies, and personnel. The funding will be requested and executed over the first six (6) years of the project.
   See Attachment: NCAA Budget Details

2. What percentage of total program or project costs does the requested award from Triumph Gulf Coast, Inc. represent? (Please note that an award of funding will be for a defined monetary amount and will not be based on percentage of projected project costs).

   23%

3. Please describe the types and number of jobs expected from the proposed project or program and the expected average wage.

   The project is expected to create a minimum of twelve (12) new permanent high wage-earning jobs in the first four (4) years focused on advanced research. The average wage is anticipated to be well over 115% of the current county average and will be composed of Research Scientist, Research Associates, and support personnel. IHMC also plans to hire a minimum of five (5) PhD students to facilitate the growth of the program. The intent is to eventually convert the PhD students to permanent hires.

4. Does the potential award supplement but not supplant existing funding sources? If yes, describe how the potential award supplements existing funding sources.

   The potential award will not supplant external funding sources. It is needed to supplement IHMC's investment to date and any future competitively awarded funding that may arise stemming from the program.

5. Please provide a Project/Program Budget. Include all applicable costs and other funding sources available to support the proposal.

   A. Project/Program Costs:

Equipment/Supplies	$ 2,952,699
Personnel	$ 6,735,539
Other (Funding to support)	$ 20,000,000
Total Project Costs:	**$ 29,688,238**

B. Other Project Funding Sources:

Example Funding Sources (Note: Not an exhaustive list of possible Funding)

City/County	$ 00.00
Grantee (personnel)	$ 2,967,433
Other (e.g., grants, etc.)	$ 20,000,000
Total Other Funding	$ 22,967,433
Total Amount Requested:	**$ 6,720,805**

Note: The total amount requested must equal the difference between the costs in 3A. and the other project funding sources in 3.B.

C. Provide a detailed budget narrative, including the timing and steps necessary to obtain the funding and any other pertinent budget-related information.

See Attachment K: NCCA Budget Narrative

Applicant understands that the Triumph Gulf Coast, Inc. statute requires that the award contract must include provisions requiring a performance report on the contracted activities, must account for the proper use of funds provided under the contract, and must include provisions for recovery of awards in the event the award was based upon fraudulent information, or the awardee is not meeting the performance requirements of the award.

☒ Yes ☐ No

Applicant understands that awardees must regularly report to Triumph Gulf Coast, Inc. the expenditure of funds and the status of the project or program on a schedule determined by Triumph Gulf Coast, Inc.

☒ Yes ☐ No

Applicant acknowledges that Applicant and any co-Applicants will make books and records and other financial data available to Triumph Gulf Coast, Inc. as necessary to measure and confirm performance metrics and deliverables.

☒ Yes ☐ No

Applicant acknowledges that Triumph Gulf Coast, Inc. reserves the right to request additional information from Applicant concerning the proposed project or program.

☒ Yes ☐ No

A. Does this project have a local match amount? If yes, please describe the entity providing the match and the amount.
☐ Yes ☒ No

B. Provide any additional information or attachments to be considered for this proposal.

See all attachments

I, the undersigned, do hereby certify that I have express authority to sign this on behalf of the above-described entity, organization, or governmental entity:

Name of Applicant: Florida Institute for Human and Machine Cognition, Inc.

Name and Title of Authorized Representative: Morley O. Stone, Ph.D., Chief Executive Officer

Representative Signature: Morley O. Stone

Signature Date: November 15, 2024

Attachment A: Project Description

National Center for Collaborative Autonomy (NCCA): The estimated market value for aerial drones in 2023 was US$15,364 million and it is expected to grow to US$91,304 million by the end of 2033 with a compound annual growth rate of 19.3%[1]. Autonomous maritime systems are also seeing increased investment: autonomous underwater systems are a US$3,420 million market with a growth rate of 15.6%[2], and autonomous surface vehicles are a US$2,160 million market with a growth rate of 4.7%[3]. Commercial interest in developing and deploying autonomous platforms and systems is at an all-time high. However, to achieve continued growth and meaningful success using autonomous systems requires that we move away from the current model of a single operator controlling a single vehicle. Currently each drone is flown by one pilot (unless the movement is fully pre-planned), which is not scalable. The vision for the future demands that scaling current autonomy successes will require a multitude of autonomous platforms to coordinate and collaborate with each other as well as with humans, which is why we need collaborative autonomy.

IHMC proposes to establish a National Center for Collaborative Autonomy (NCCA). In the context of this proposal, Collaborative Autonomy refers to autonomous platforms operating in multiple domains such as maritime (surface, underwater), ground, air, and space while operating with limited human input that still provides valuable oversight. IHMC is focused on its goal to advance collaborative autonomy, and to develop methods for human operators to guide the systems and ensure their safe and effective operation. IHMC is uniquely positioned to take the research lead in this arena, due to its experience with a broad range of systems, such as its expertise in the field of AI and autonomy, and its focus on the human and machine teamwork.

NCCA will establish and support multiple areas of research, including multi-domain collaborative autonomous systems, robust communication and networking techniques, collaborative manipulation, coordinated behavior, distributed artificial intelligence, machine learning techniques for multiple distributed autonomous systems, and human-machine teaming strategies for heterogeneous autonomous systems.

The research to be conducted by NCCA will also be of keen interest to the federal government and particularly to the US military. As observed in recent conflicts, unmanned systems in general and drones in particular, are transforming modern warfare. The ability for inexpensive drones to disable and/or destroy expensive equipment is creating a stark asymmetry, one that will be amplified by collaborative autonomy. Indeed, scaling an operator's span of control from 1 to many, if not 100s, of autonomous platforms simultaneously to fight an adversary will vastly improve our effectiveness in combat. Collaborative autonomy reduces dependance on operators, exponentially increasing both utility and application for unmanned systems making it one of the most important and needed research areas across the Federal Government. We expect that establishing NCCA will result in many funding opportunities with the Federal Government (and with the commercial sector) that currently are not tapped into by the northwest Florida region. Given the demonstrated importance of autonomous platforms in modern and future warfare, NCCA will position IHMC to serve the defense and industrial priorities of not just Northwest Florida, but the United States as a whole.

[1] https://www.factmr.com/report/autonomous-drone-market
[2] https://www.factmr.com/report/autonomous-underwater-vehicle-market
[3] https://www.fortunebusinessinsights.com/unmanned-surface-vehicle-usv-s-market-102526

In addition to military applications, capabilities developed at NCCA could help mitigate the effects of natural disasters that threaten to disrupt the economy of Northwest Florida. For example, teams of autonomous systems could quickly survey damage after a natural disaster, direct relief efforts and help locate missing assets. Autonomous teams could rapidly inspect damage to infrastructure such as roads, bridges, and the electrical grid. Investing in the development of autonomous systems at NCCA can help protect Northwest Florida's economy against the impact of future natural disasters.

Furthermore, Northwest Florida is uniquely positioned to conduct research in Collaborative Autonomy given its proximity to the Gulf of Mexico and various other bodies water (bay, sound, bayou). Our history in naval aviation, and robust military presence with the Air Force Research Laboratory at Eglin, Special Operations Command at Hurlburt Field, and the Navy Surface Warfare Center in Panama City make this a unique and arguably best suited location to conduct research in collaborative autonomy. There are very few regions of the country that offer access to Air, Space, Sea, and Land resources.

IHMC will leverage the geographic features of Northwest Florida to perform one-of-a-kind research on multi-domain collaborative autonomous systems. The artificial reef at Park East, the USS Oriskany, the Joe Patti Barge, and other underwater sites provide rich features for testing navigation and perception algorithms on water-surface and underwater autonomous systems. Littoral environments around Pensacola allow for testing autonomous teams of all domains: ground, underwater, water surface, and aerial all working in conjunction. The bayous provide calm water for water-surface robots and their low visibility can allow stress testing of perception and navigation of underwater robots. These unique geographic assets will allow NCCA's work on collaborative autonomy to have significant national impact.

NCCA will catalyze the development of a robust ecosystem of industrial innovation in collaborative maritime and land-based autonomy in Northwest Florida through collaborations with local entrepreneurial entities, including CO: LAB and TechFarm Capital. NCCA will facilitate access to additional funding opportunities targeted to small businesses, which often requires significant existing equipment to be in place. Possible collaboration for robot hardware design could be through Boardwalk Robotics, a local technology partner. Prior collaborations with the Pensacola Police Department and Santa Rosa SWAT, providing novel custom drones, show that regional entities can be strengthened by integrating autonomous systems developed through NCCA.

IHMC is internationally recognized in three (3) distinct fields of research prominence: Robotics, Artificial Intelligence, and Healthspan, Resilience, and Performance. The envisioned NCCA will combine two of IHMC's research focus areas: Robotics and Artificial Intelligence. Scaling IHMC's robotics research to large, multi-domain collaborating autonomous teams will strengthen IHMC's position as a leader in robotics and AI research. NCCA will leverage advances in both research areas to spearhead the next generation of advancement provided by collaborative autonomy.

IHMC's partnership with UWF to offer the Intelligent Systems and Robotics program allows a seamless talent recruitment and development pipeline, helping to develop the next generation of innovators. Unique outreach activities will connect with the broader public and drive recruitment efforts. The NCCA infrastructure, will support the economy by adding high earning jobs in Northwest Florida through new federal funding for this increasingly important area of research.

NCCA research and associated technologies involve the incorporation of export-controlled technologies and federally designated "Controlled Unclassified Information (CUI)." The CUI designation is an unclassified handling control aimed at preventing the loss of information that does not meet the requirement to be classified (Confidential, Secret or Top Secret) but is nevertheless valuable to the security goals of the United States Government. Recent Federal laws and regulations have strengthened the logical controls placed on CUI and export-controlled information within IT systems. These controls have developed into a Cyber Maturity Model Certification (CMMC) requirement. Obtaining this certification requires significant re-tooling and acquisition of services not currently in place at IHMC.

As a critical component of this project, IHMC proposes to develop a CMMC qualified IT solution to directly support the sensitive NCCA research throughout its development. This solution includes the use of Microsoft's compliant and scalable Government Commercial Cloud (GCC) services. GCC serves as the backbone of a CMMC compliant enclave within our IT design providing a ready-built cloud-based solution for the secure storage, transmission, and processing of CUI data. IHMC intends to abide by these requirements to better serve our end users and Federal customers. As a leader in research within Northwest Florida, IHMC must establish a capability which can be extended to our partners and subcontractors.

Attachment B: Transformational Impact

The establishment of the National Center for Collaborative Autonomy (NCCA) by IHMC will be a transformative force for Northwest Florida, positioning the region as a hub of innovation and research in Collaborative Autonomous Systems. IHMC's renowned expertise and leadership in the field will amplify the center's impact, setting a global standard for excellence in autonomous systems research and development.

With IHMC's reputation and experience, NCCA is poised to attract substantial federal funding, bringing a steady stream of resources into the region. The center will conduct groundbreaking research that will not only influence academic discourse but also have practical, real-world applications, attracting top-tier talent from around the globe. IHMC will ensure that NCCA's projects are aligned with federal research priorities, enhancing the center's ability to secure large-scale grants and contracts that will fuel a cycle of innovation and development.

NCCA, under the leadership of IHMC, will catalyze economic growth in Northwest Florida. The advanced technologies developed at the center may lead to the creation of spin-off companies and the licensing of intellectual property, generating high-wage job opportunities and fostering a vibrant, technology-driven economy. This will not only attract highly skilled professionals to the region may provide career pathways for local graduates, helping to retain homegrown talent.

NCCA will leverage IHMC's extensive network and expertise to play a critical role in supporting and expanding the local entrepreneurial ecosystem focused on autonomous systems. By partnering with entities such as CO: Lab and TechFarms Capital, NCCA will help cultivate a dynamic network of startups and small businesses. NCCA will also facilitate access to federal funding opportunities, such as SBIR and STTR programs, which are crucial for small business innovation and growth.

NCCA will elevate Northwest Florida's profile on the international stage. Through collaborations with prestigious universities and research institutions across Europe and other nations, including NATO member countries, the NCCA will position Northwest Florida as a key player in global research and development. These partnerships will not only enhance the region's visibility but also attract further investment and talent.

Cyber security is increasingly important to business in today's connected world. Threats from criminals and foreign nations have been extremely effective at disrupting and extorting businesses over the last ten 10 years. These threats have depleted the already small pool of professionals in Northwest Florida. IHMC proposes to bring additional cyber security professionals to Northwest Florida with this project. IHMC can form a cornerstone of cyber compliance and capability to strengthen the region's defenses against those that would seek to cripple our scientific and business communities. Within 10 years, IHMC will develop extension services in outreach, design and implementation to assist others seeking compliance with CMMC and security for their data.

Attachment C: NCCA Viability

IHMC's proven track record of developing and growing robustly funded, world-class research programs underpin the viability of the National Center for Collaborative Autonomy (NCCA). Over the past two (2) decades, IHMC has successfully built a highly respected robotics program from the ground up, expanding from zero to over forty (40) full-time positions, and securing a continuous stream of significant federal and private funding. This growth is a testament to IHMC's capability to establish and sustain cutting-edge research initiatives.

IHMC's focus on Human Resilience and Performance continues to demonstrate substantial success in securing federal funding from prestigious sources. This success is not only a result of the organization's scientific excellence but also of its strategic alignment with national research priorities. IHMC's collaborations with agencies such as the US Air Force, US Army, US Navy, and NASA underscore its capability to lead research efforts across all four operational domains—air, land, sea, and space. This breadth of expertise positions NCCA as a viable and strategic initiative capable of leveraging existing relationships and expanding into new research areas.

Autonomous systems research has been recognized as a critical area of opportunity by numerous federal agencies. The NCCA's focus will enable IHMC to tap into a variety of new funding streams tailored to this field. For example:

NOAA: The National Oceanic and Atmospheric Administration's initiatives on maritime autonomy align with NCCA's capabilities, creating opportunities for research and development of autonomous marine systems for environmental monitoring and exploration.

ONR: The Office of Naval Research's programs in maritime autonomy present avenues for NCCA to contribute to the development of unmanned surface and underwater vehicles, enhancing national security and maritime operations.

USDA: The United States Department of Agriculture's research funding on aquaculture and precision agriculture offers opportunities for developing autonomous systems that improve productivity and sustainability in the agricultural sector.

DOE: The Department of Energy's focus on maintaining offshore energy infrastructure aligns with NCCA's capabilities to develop autonomous systems for inspection, maintenance, and repair of energy assets in challenging environments.

These funding opportunities highlight NCCA's potential to secure robust financial support from multiple federal sources, demonstrating its viability and strategic fit within the national research landscape.

NCCA will be strategically positioned to help Northwest Florida capture value from large and rapidly growing market sectors, such as autonomous systems for defense, agriculture, energy, and maritime applications. The global market for autonomous systems is projected to grow significantly over the next decade, driven by advancements in artificial intelligence, machine learning, and robotics. By establishing the NCCA, Northwest Florida will become a key player in these high-growth industries, attracting investment and creating high-wage job opportunities in the region.

NCCA's viability is further reinforced by its strategic approach to building partnerships and collaborations. Through ongoing relationships with federal agencies, industry partners, and academic institutions, NCCA will be able to leverage a wide range of resources and expertise. These collaborations will enable the center to stay at the forefront of autonomous systems research, adapt to changing market needs, and sustain its impact over the long term.

IHMC's establishment of the NCCA is backed by a solid foundation of proven expertise, strategic alignment with national research priorities, and a clear vision for regional economic impact. This combination of factors makes the NCCA a viable and transformative initiative for Northwest Florida, poised to drive innovation, economic growth, and workforce development.

Attachment D: NCCA Long-Term Impact

NCCA will serve as a regional capstone for autonomous systems development in general and collaborative autonomous systems in particular. NCCA will strengthen the economy of Northwest Florida by providing significant outreach and mentorship using its world-class researchers. IHMC already conducts significant outreach efforts targeted at a variety of age groups. The outreach efforts of NCCA will extend and deepen IHMC's already impactful interaction with the local community. For instance, NCCA will enhance school-related activities such as Science Saturdays at IHMC, which motivates kids to pursue STEM-related education. NCCA will directly and indirectly stimulate local high wage job growth through its interaction with UWF and the local entrepreneurial ecosystem.

The core of the proposed effort is to develop the NCCA as a research organization that stimulates and catalyzes economic growth and diversification in Northwest Florida resulting in the infusion of new federal spending and venture creation in the region impacted by the BP Oil Spill. The economic benefits of this effort include:

- NEW external dollars coming into our region that would not otherwise exist.

- Increases to federal spending in Northwest Florida: New federal investment will both directly create employment opportunities at NCCA and will indirectly raise the profile of Northwest Florida, improving its ability to attract the highly skilled workforce that will serve as the backbone of economic diversification.

- High wage job creation: New job creation through NCCA will be driven both directly by new FTE positions opened at NCCA and the results of the local entrepreneurial ecosystem that NCCA contributes to. NCCA will recruit scientists, engineers, and technicians to Northwest Florida.

- Outreach and assistance to local entrepreneurial and educational entities focused on autonomous systems: NCCA will conduct extensive outreach to local entities focused on autonomous systems. These outreach efforts will inspire the next generation of scientists and engineers to pursue careers that will drive long term, significant economic growth to Northwest Florida. Outreach to entrepreneurial entities will provide mentorship and support to de-risk job growth in the autonomous systems sector.

- New intellectual property generation and spin-off ventures: Technologies developed at NCCA will provide significant opportunities for technology transfer efforts and will promote the growth of a local high tech entrepreneurial ecosystem.

NCCA will play a pivotal role in stimulating economic growth, educational enrichment, and job creation in the disproportionately affected counties of Northwest Florida. NCCA will not only demonstrate its immediate impact but also ensure that its efforts lead to sustained, long-term benefits for the disproportionately affected counties. The center will continuously assess its performance and adapt its strategies to meet the evolving needs of the region, ensuring that its transformative potential is fully realized.

Attachment E: NCCA Sustainability

The proposed National Center for Collaborative Autonomy (NCCA) at IHMC is strategically designed to be a sustainable, long-term asset for Northwest Florida, fostering economic growth and innovation while building a robust research and development ecosystem focused on autonomous systems. The sustainability of NCCA is underpinned by several key elements: strategic resource utilization, diversified funding sources, and a self-reinforcing ecosystem of innovation and economic development.

Triumph Gulf Coast funding will serve as a critical component in the establishment of the NCCA. The initial funding will be used to acquire state-of-the-art research equipment and enhance IT infrastructure, ensuring that NCCA is equipped to conduct cutting-edge research in autonomous systems. This investment will provide the necessary tools for researchers to attract high-level federal grants and contracts, laying the groundwork for long-term financial sustainability.

Strategic hiring will focus on bringing in experts in autonomous systems and collaborative technologies. These key hires will enable NCCA to quickly establish itself as a leading research center, capable of securing competitive funding and fostering innovation.

During the initial phase supported by Triumph Gulf Coast, NCCA will actively transition to external funding sources, becoming fully self-sufficient as soon as possible. NCCA will leverage its capabilities and strategic partnerships to secure funding from federal agencies such as the Department of Defense (DoD), National Science Foundation (NSF), National Aeronautics and Space Administration (NASA), the Office of Naval Research (ONR), and others. IHMC's proven track record in securing and managing federal research grants ensures that NCCA will be able to establish a consistent pipeline of external funding.

Research conducted at NCCA will generate innovative technologies and intellectual property. By strategically managing and licensing this IP, NCCA plans to create revenue streams that contribute to its financial sustainability. Additionally, the center will support the formation of spin-off companies, further driving economic growth and creating additional funding opportunities.

NCCA's efforts in supporting local entrepreneurship and education will create a self-reinforcing cycle of innovation, talent development, and economic growth in Northwest Florida. NCCA will actively engage with local entrepreneurial entities, such as CO: Lab and TechFarms Capital, to support the growth of startups and small businesses focused on autonomous systems. As these businesses grow, they will contribute to the region's economic development and provide further opportunities for collaboration and funding.

Through its integration \ with the Intelligent Systems and Robotics program at the University of West Florida (UWF), NCCA will help develop a highly skilled workforce trained in collaborative autonomous systems. By providing students with hands-on experience in cutting-edge research, NCCA will create a talent pipeline that benefits local industries and attracts new businesses to the region. This expanded talent base will, in turn, support the growth of the local entrepreneurial ecosystem, creating a positive feedback loop of innovation and economic development.

The region's combination of bay, sound, bayou, and littoral beach/gulf environments provides a unique setting for research in multi-domain collaborative autonomous systems. This diversity of environments cannot be easily replicated elsewhere, positioning NCCA to conduct research that addresses critical challenges in air, land, sea, and space domains. Being located near military installations, NCCA will have direct access to potential research partners and practical applications for its autonomous systems. This proximity will foster collaborations that lead to impactful research outcomes, ensuring that NCCA remains relevant and well-funded through defense-related research opportunities.

NCCA will engage with the local community through outreach programs, public lectures, and STEM education initiatives. This engagement will not only inspire the next generation of scientists and engineers but also build broad-based support for NCCA's mission, ensuring its long-term viability as a community-centered institution.

By implementing this comprehensive strategy, NCCA will achieve financial self-sufficiency and become a cornerstone of innovation and economic growth in Northwest Florida. This approach will ensure that the center remains a vibrant and impactful institution, driving the region's economic diversification and resilience for years to come.

Attachment F: NCCA Deliverables

NCCA's success will be measured primarily by NEW federal dollars (grants and contracts) proposed and awarded to IHMC. The specific metrics are:

Performance Metric 1: The addition of three (3) new FTE positions within the first-year post award receipt of the Triumph funds.

Performance Metric 2: The addition of three (3) more newly created FTE positions within the first (2) two years (year 2) of receipt of the Triumph funds. For an overall project total of six (6) new FTE positions by the end of year two (2).

Performance Metric 3: The addition of three (3) more newly created FTE positions within the first three (3) years (year 3) of receipt of the Triumph funds. For an overall project total of nine (9) new FTE positions by the end of year three (3).

Performance Metric 4: The addition of three (3) more newly created FTE positions within the first four (4) years (year 4) of receipt of the Triumph funds. For an overall project total of twelve (12) new FTE positions by end of year three (3).

Performance Metric 5: The addition of five (5) Ph.D. students within the first four (4) years (year 4) post award of the Triumph funds.

Performance Metric 6: Submission of a minimum of Fifteen Million Dollars ($15,000,000) in competitively awarded research grant proposals focused on the objectives of NCCA in the first five (5) years.

Performance Metric 7: Successful award of a minimum of Three Million Dollars ($3,000,000) in competitively awarded research grant proposals in the first four (4) years.

Performance Metric 8: Successful award of a minimum of an additional seventeen million dollars ($17,000,000) in competitively awarded research grants within ten (10) years of the first disbursement of grant funds. For an overall project total of Twenty Million Dollars ($20,000,000) by the end of year ten (10).

Performance Metric 9: Provide substantive collaborative assistance and mentoring via local entrepreneurial outreach and mentorship. NCCA researchers will conduct a minimum of twenty (20) research outreach activities delivered to groups of all ages.

Attachment G: NCCA Meeting Triumph Priorities

The National Center for Collaborative Autonomy (NCCA) at IHMC is positioned to deliver substantial economic and social benefits to Northwest Florida's disproportionately affected counties, achieving transformative impacts that go beyond traditional economic metrics. The establishment of NCCA will generate maximum economic benefits by attracting new federal investments, creating high-wage jobs, and fostering a robust ecosystem of innovation and entrepreneurship.

Generating Maximum Estimated Economic Benefits: The NCCA will serve as a catalyst for economic growth in Northwest Florida by leveraging IHMC's proven track record in securing substantial federal research funding and generating high-impact research programs. The center's focus on collaborative autonomous systems will attract new federal grants, contracts, and private investments that would otherwise not be directed to the region. This influx of external funding will create a robust pipeline of resources, stimulating local business growth, and increasing overall economic activity. The combination of direct and indirect job creation increased federal spending, and entrepreneurial activity will drive significant long-term economic benefits for the region.

Increasing Household Income Above National Averages: NCCA will directly impact household incomes in the region by creating high-wage jobs in research, engineering, and technology development. The center will attract top-tier talent to the area, including scientists, engineers, and technicians, offering competitive salaries that exceed national averages. Additionally, NCCA's support for local startups and small businesses in the autonomous systems sector will generate new job opportunities, contributing to the growth of a highly skilled, high-wage workforce. Providing outreach to educational institutions such as the University of West Florida (UWF) and local community colleges, NCCA will help develop a pipeline of skilled workers who are well-prepared for high-paying careers in emerging technology fields.

Leveraging and Enhancing Key Regional Assets: NCCA will enhance the region's key assets, including educational institutions, research facilities, and military bases, by integrating its research and development activities with these resources. The center will collaborate with UWF's Intelligent Systems and Robotics program to expand research capabilities and provide students with unique educational opportunities in autonomous systems. NCCA's proximity to military installations such as Eglin Air Force Base and Naval Air Station Pensacola will facilitate strategic collaborations on defense-related research and applications of autonomous systems. These partnerships will not only support national security initiatives but also attract additional federal funding to the region, enhancing the role of Northwest Florida as a hub for cutting-edge research and innovation.

Support and Recommendations from County Commissioners: please see Attachment I for letters for support for this important project. By addressing local needs for economic growth and high-wage job creation, NCCA aligns with the strategic vision of regional leaders. The center's establishment will support the counties' efforts to build a resilient, diversified economy that benefits all residents. The project's broad support from stakeholders will be instrumental in its successful implementation and sustainability.

The National Center for Collaborative Autonomy at IHMC will serve as a transformative force for economic development in Northwest Florida. By generating maximum economic benefits, increasing household incomes, leveraging key regional assets, and aligning with local priorities, NCCA will

position the region for sustainable, long-term growth. This strategic investment will create a thriving ecosystem of innovation, education, and high-wage employment, driving economic and social prosperity across the disproportionately affected counties.

Attachment H: NCCA Discretionary Priorities

The National Center for Collaborative Autonomy (NCCA) at IHMC will play a significant role in addressing Triumph Gulf Coast's discretionary priorities of Economic Diversification, Research and Development, and Business Development and Expansion, as outlined below:

Economic Diversification: NCCA will drive economic diversification in Northwest Florida by establishing the region as a hub for advanced research and development in autonomous systems. This initiative will promote the growth of high-tech sectors, such as robotics, artificial intelligence, and collaborative autonomous systems. By attracting new businesses and research initiatives focused on these areas, NCCA will reduce the region's reliance on traditional industries and broaden the economic base. The center will provide support for new ventures and startups through partnerships with local entrepreneurial entities. By facilitating access to resources, mentorship, and federal funding opportunities, NCCA will foster a robust entrepreneurial ecosystem around autonomous systems. NCCA will capitalize on existing regional strengths, such as the proximity to military installations and natural environments conducive to multi-domain autonomous systems research (air, land, sea, and space), to create a unique competitive advantage for Northwest Florida in the autonomous systems sector.

Research and Development: The NCCA is poised to become a leading research institution in the field of collaborative autonomous systems, significantly enhancing the region's research capabilities. It will conduct cutting-edge research in autonomous systems through partnering with federal agencies like the Department of Defense (DoD), NASA, and NOAA. This will attract substantial federal and private research funding to the region, boosting the local economy and raising the profile of Northwest Florida as a center of innovation. NCCA will work closely with institutions like the University of West Florida (UWF) to integrate research and educational initiatives. This collaboration will support the development of new academic programs and training opportunities, preparing a highly skilled workforce for emerging industries in autonomous systems and related fields. The center will also facilitate the commercialization of new technologies through patents, licenses, and spin-off companies. This will contribute to the growth of a high-tech entrepreneurial ecosystem in the region, driving long-term economic development.

Business Development and Expansion: The NCCA will significantly contribute to business development and expansion in Northwest Florida by fostering an environment conducive to innovation and growth. Establishing itself as a premier research and development facility, NCCA will attract top-tier researchers, engineers, and scientists to the region. This influx of talent will support existing businesses and encourage the growth of new enterprises in high-tech fields. By offering access to state-of-the-art research equipment and specialized knowledge, the center will enable local companies to innovate and compete in national and global markets. The NCCA's focus on collaborative autonomous systems, combined with its strategic partnerships with local businesses, educational institutions, and government agencies, will enhance the economic competitiveness of Northwest Florida. This will position the region as a leader in a high-growth, high-wage sector, driving sustained economic expansion and prosperity.

Overall, NCCA will serve as a catalyst for transforming Northwest Florida's economy, creating a diversified and resilient economic landscape supported by cutting-edge research, innovation, and business development**.**

Attachment I: NCCA Letters of Support

Florida House of Representatives

Representative Michelle Salzman

District 1

September 12, 2024

The Florida Institute for Human & Machine Cognition (IHMC)
40 S. Alcaniz St.
Pensacola, FL 32502

Subject: Letter of Support on IHMC Triumph Request

Dear Dr. Ken Ford,

As the Representative for Florida House District 1, I am writing to express my full support for IHMC's proposal for the National Center for Collaborative Autonomy (NCCA). The vision and potential of this initiative are critical for advancing technology and innovation on a national scale.

The establishment of NCCA will also have significant economic benefits for our region and beyond, positioning Northwest Florida at the forefront of collaborative autonomy and advancing technologies that will have profound implications for industries like defense, healthcare, and manufacturing. The creation of this center will also contribute significantly to our local economy, fostering new industries, creating jobs, and driving innovation in ways that will benefit our community for years to come.

The work IHMC has done in human-machine collaboration is unparalleled, and this initiative further cements its leadership in the field. The vision of NCCA aligns with Florida's commitment to embracing advanced technologies while supporting economic resilience and future preparedness.

If this proposal is funded, I look forward to working closely with IHMC and its partners to support the ongoing efforts of the NCCA. Should you have any questions or require additional information, please feel free to contact me.

Respectfully,

Michelle Salzman
State Representative
Florida House District 1

PENSACOLA
FLORIDA'S FIRST & FUTURE

D.C. REEVES
Mayor

September 20, 2024

Subject: Letter of Support on IHMC Triumph Request

Dear Dr. Ken Ford,

As Mayor of the City of Pensacola, I am writing to express my support for IHMC's proposal for the National Center for Collaborative Autonomy (NCCA).

The NCCA represents a pivotal opportunity for Pensacola and the Northwest Florida region to establish ourselves as leaders in a fastest-growing, high-tech sector. The development of this center will not only enhance our standing in cutting-edge research but will also provide a major boost to local economic development. By creating an environment that fosters innovation in collaborative autonomy, the NCCA has the potential to attract high-tech industries, diversify our local economy, and create high-paying, future-proof jobs.

IHMC's leadership in human-machine collaboration is well known, and the NCCA will serve as a magnet for talent, investment, and opportunities. The center will have ripple effects across industries such as defense, healthcare, and manufacturing, positioning Pensacola as a key player in the technological and economic landscape of the future.

This initiative aligns with the city's long-term strategy to foster innovation-driven economic growth, strengthen our workforce, and build a more resilient local economy. With support from Triumph Gulf Coast, we can ensure that Pensacola continues to be a driving force in shaping the future of advanced technologies and economic development.

I am fully committed to supporting IHMC in this endeavor and look forward to the economic impact and opportunities this project will bring to our community. Should you have any questions or need additional information, please feel free to contact me.

Sincerely,

D.C. Reeves
Mayor, City of Pensacola

222 West Main Street Pensacola, Florida 32502
www.cityofpensacola.com

Board of County Commissioners
Escambia County, Florida

Jeff Bergosh, District One | Mike Kohler, District Two | Lumon J. May, District Three | Steven Barry, District Five, Chairman

September 19, 2024

The Florida Institute for Human & Machine Cognition (IHMC)
40 S. Alcaniz St.
Pensacola, FL 32502

Subject: Letter of Support on IHMC Triumph Request

Dear Dr. Ken Ford,

As the Chair of the Escambia County Board of Commissioners and Commissioner for District 5, I am pleased to offer my full support for IHMC's proposal for the National Center for Collaborative Autonomy (NCCA).

The creation of the NCCA will position Escambia County and Northwest Florida as leaders in the rapidly advancing field of collaborative autonomy. By driving innovation across key sectors such as defense, healthcare, and manufacturing, this initiative has the potential to significantly enhance the economic development of our region. The NCCA's focus on cutting-edge research will foster high-quality job creation, provide educational and training opportunities for our workforce, and strengthen the technological capabilities of our community.

IHMC has a proven track record of leadership in human-machine collaboration, and the NCCA will be a cornerstone of their continued efforts to advance both technological innovation and economic resilience. With support from Triumph Gulf Coast, this initiative will offer long-lasting benefits to our region.

I look forward to supporting IHMC and its partners in bringing the NCCA to life and contributing to the continued growth of Northwest Florida. Should you have any questions or need additional information, please do not hesitate to contact me.

Sincerely,

Steven Barry
Chairman, Escambia County Board of Commissioners

221 Palafox Place, Suite 400 | Pensacola, FL 32502 | (850) 595-4900

Florida West
economic development alliance

September 12, 2024

The Florida Institute for Human & Machine Cognition (IHMC)
40 S. Alcaniz St.
Pensacola, FL 32502

Subject: Letter of Support on IHMC Triumph Request

Dear Dr. Ken Ford,

As representatives of the FloridaWest Economic Development Alliance, we are thrilled to offer our enthusiastic endorsement of IHMC's proposal for the National Center for Collaborative Autonomy (NCCA).

The NCCA holds the promise of significantly enhancing Pensacola's and Northwest Florida's position in the realm of advanced technology. This ambitious initiative is not just a research center but a beacon of innovation that could redefine our region's role in the tech industry. By spearheading developments in collaborative autonomy, the NCCA is set to attract an abundance of high-tech industries, diversify our economic base, and create a wealth of high-quality employment opportunities.

IHMC's impressive track record in advancing human-machine interaction is well-known, and the NCCA will build on this foundation to draw top-tier talent and investment to our area. The center will have a broad impact across various sectors, including defense, healthcare, and manufacturing, further establishing Pensacola as a leading hub for technological and economic advancement.

This project aligns seamlessly with FloridaWest's goals of fostering innovation, strengthening our workforce, and building a robust, future-ready economy. With the support of Triumph Gulf Coast, we are confident that Pensacola will continue to thrive as a key player in shaping the future of technology and economic development.

We are excited to support IHMC's vision and look forward to the transformative impact the NCCA will have on our community. Please do not hesitate to reach out if you need any further information or assistance.

Warm regards,

Charles (Rick) Byars
Interim, Chief Executive Officer
FloridaWest Economic Development Alliance

T: 850.898.2201
admin@floridawesteda.com
floridawesteda.com

3 West Garden Street
Suite 618
Pensacola, Florida 32502

Attachment J: Florida Statue 1004.447 FS

Select Year: 2024 Go

The 2024 Florida Statutes

Title XLVIII EARLY LEARNING-20 EDUCATION CODE | Chapter 1004 PUBLIC POSTSECONDARY EDUCATION | View Entire Chapter

1004.447 Florida Institute for Human and Machine Cognition, Inc.—

(1)(a) There is created a not-for-profit corporation, to be known as the "Florida Institute for Human and Machine Cognition, Inc.," which shall be registered, incorporated, organized, and operated in compliance with chapter 617. The Florida Institute for Human and Machine Cognition, Inc., is established at the University of West Florida.

(b) The corporation is authorized to create not-for-profit corporate subsidiaries that are organized under the provisions of chapter 617 upon the prior approval of the Board of Governors, as necessary, to fulfill its mission.

(2) The corporation and any authorized and approved subsidiary:

(a) Shall be a corporation primarily acting as an instrumentality of the state, pursuant to s. 768.28(2), for purposes of sovereign immunity.

(b) Is not an agency within the meaning of s. 20.03(1).

(c) Is subject to the open records and meeting requirements of s. 24, Art. I of the State Constitution, chapter 119, and s. 286.011.

(d) May receive, hold, invest, and administer property and any moneys acquired from private, local, state, and federal sources, as well as technical and professional income generated or derived from practice activities of the institute, for the benefit of the institute and the fulfillment of its mission.

(e) May perform all things necessary to secure letters of patent, copyrights, and trademarks on any work products and to enforce its rights therein. The corporation must consider contributions by a state university and university personnel in the development of trademarks, copyrights, and patents and shall enter into written contracts establishing the interests of the university and such personnel in each trademark, copyright, or patent.

(f) May secure comprehensive general liability protection, including professional liability protection, for the not-for-profit corporation and its subsidiaries.

(g) May enter into affiliation agreements with other universities or research institutes.

(h) Is not subject to the provisions of chapter 287.

(3) The officers, directors, and employees of the corporation or any authorized and approved subsidiary shall be governed by the code of ethics for public officers and employees as set forth in part III of chapter 112.

(4) The articles of incorporation of the corporation or any authorized and approved subsidiary must be approved in a written agreement by the Board of Governors. The agreement and the articles of incorporation shall:

(a) Provide that the corporation and any authorized and approved subsidiary shall provide equal employment opportunities for all persons regardless of race, color, religion, gender, national origin, age, handicap, or marital status.

(b) Provide that the corporation and any authorized and approved subsidiary are subject to the public records and meeting requirements of s. 24, Art. I of the State Constitution.

(c) Provide that all officers, directors, and employees of the corporation and any authorized and approved subsidiary shall be governed by the code of ethics for public officers and employees as set forth in part III of chapter 112.

(d) Provide that members of the board of directors of the corporation are responsible for the prudent use of all public and private funds and that they will ensure that the use of funds is in accordance with all applicable laws, bylaws, and contractual requirements.

(e) Provide that the fiscal year of the corporation and any authorized and approved subsidiary is from July 1 to June 30.

(5) The affairs of the corporation shall be managed by a board of directors who shall serve without compensation. Each director shall have only one vote.

(a) The board of directors shall consist of:

1. The chair of the Board of Governors or the chair's designee.
2. The chair of the Board of Trustees of the University of West Florida or the chair's designee.
3. The President of the University of West Florida or the president's designee.
4. Three state university representatives.
5. Nine public representatives who are neither state university employees nor state employees.

(b) The Governor, the President of the Senate, and the Speaker of the House of Representatives shall each make one initial appointment of a state university representative to the board of directors. Each director who is a representative of a state university shall be appointed for an initial term of 3 years. The Governor shall make three initial appointments of public representatives to the board of directors. The President of the Senate and the Speaker of the House of Representatives shall each make two initial appointments of public representatives to the board of directors. The chair of the Board of Trustees of the University of West Florida shall make two initial appointments of public

representatives to the board of directors. Each director who is a representative of the public shall be appointed to serve an initial term of 2 years.

(c) Upon the completion of the initial terms, a director appointed under paragraph (b) shall be appointed by a majority vote of the directors to an additional 3-year term.

(d) Any vacancy in office of a director appointed under paragraph (b) shall be filled for the remainder of the term by majority vote of the directors.

(e) Any director may be reappointed by a majority vote of the board of directors.

(f) The chair of the board of directors shall be selected by a majority vote of the directors, a quorum being present.

(6) No later than 30 days following approval of the corporation's articles of incorporation by the Board of Governors, the corporation shall enter into an affiliation agreement with the Board of Trustees of the University of West Florida for:

(a) The use or mutual provision of or participation in university programs or services, including use of the university's moneys, facilities, furnishings, equipment, other chattels, personnel, or services.

(b) The use of facilities and personnel for mutually approved teaching and research programs conducted by universities or research institutes.

(c) The preparation of an annual postaudit of the corporation's financial accounts and the financial accounts of any authorized and approved subsidiary to be conducted by an independent certified public accountant. The annual audit report shall include management letters and be submitted to the Auditor General and the Board of Governors for review.

(d) Use of the facilities of the University of West Florida, including all furnishings, equipment, and other chattels used in the operation of those facilities.

If the agreement between the corporation and the Board of Trustees of the University of West Florida is terminated, all property, including buildings, land, furnishings, equipment, and other chattels originally leased to the corporation, as well as any subsequently constructed or otherwise acquired facilities in connection with the operation of the institute, automatically reverts to full ownership by the University of West Florida. Such a reversionary interest of the state in all after-acquired facilities of the corporation is in furtherance of the goals of this section, and such a present ownership interest by the university is a continuing and insurable public interest.

(7) The corporation shall employ a chief executive officer to administer the affairs of the Florida Institute for Human and Machine Cognition, Inc. The chief executive officer shall be appointed by and serve at the pleasure of the board of directors. The chief executive officer shall exercise the following powers and duties, subject to the approval of the board of directors:

(a) Establish programs that fulfill the mission of the institute, as one of the nation's premier information-technology-related research organizations, in research, education, scientific advancement, and economic development. However, the chief executive officer may not establish academic programs for which academic credit is awarded, or programs that culminate in the conferring of a degree, without prior approval of the University of West Florida.

(b) Control the budget and the moneys appropriated or donated to the institute from private, local, state, and federal sources, as well as technical and professional income generated or derived from research activities of the institute. However, income generated by university faculty from research activities at the institute shall be shared between the institute and the university, as determined by the chief executive officer and the appropriate university president or the president's designee.

(c) Appoint representatives of the institute to carry out the research and educational activities of the institute and establish the compensation, benefits, and terms of service of such representatives. Representatives may hold concurrent appointments at affiliated academic institutions. University faculty may hold concurrent appointments at the institute.

(d) Control the use and assignment of space and equipment within the facilities.

(e) Create the administrative structure necessary to carry out the mission of the institute.

(f) Annually report in writing to the Board of Governors on the activities of the institute and state budget allocation expenditures.

(g) Provide a copy of the institute's annual report to the Governor, the President of the Senate, the Speaker of the House of Representatives, the chair of the Board of Governors, and the University of West Florida.

(h) Appoint a council of scientific advisers to the chief executive officer comprised of leading researchers and scientists who shall review programs and recommend research priorities and initiatives to maximize the state's investment in the institute.

1. The board of directors shall ratify the appointments of scientific advisers to the council.

2. Each member of the council shall be appointed to serve a 2-year term and may be reappointed.

(8) The Board of Governors, the Board of Trustees of the University of West Florida, the Auditor General, and the Office of Program Policy Analysis and Government Accountability may require and receive from the corporation and any subsidiary, or from their independent auditor, any detail or supplemental data relative to the operation of the corporation or subsidiary.

(9) The Board of Trustees of the University of West Florida shall annually certify to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Board of Governors that the corporation and its authorized subsidiaries are complying with the requirements of this section and are acting in the best interests of the state.

History.—s. 1, ch. 2003-294; s. 99, ch. 2007-217; s. 159, ch. 2023-8.

Attachment K: NCCA Budget Narrative

Personnel: To establish the National Center for Collaborative Autonomy (NCCA) at IHMC as a premier research facility, it is critical to build a strong and diverse team of experts who will lead and support groundbreaking research initiatives. The proposed personnel structure includes the strategic hiring of twelve (12) highly qualified professionals over a four (4) year period to address key research areas in collaborative autonomy.

Year 1: Research Associate, Scientist, and Security Personnel: One (1) Research Scientists, one (1) Research Associate and one (1) Security personnel will be hired to spearhead and protect research in the following critical areas:

- Autonomous Maritime Systems: A research scientist who is an expert in underwater autonomous systems will be hired to build upon IHMC's existing expertise in ground and aerial robotics. This role will be pivotal in expanding NCCA's capabilities to encompass comprehensive research in the maritime domain.

- Communications Infrastructure: A research associate expert in communications technologies will be hired to develop robust systems that enable seamless integration and coordination of diverse autonomous platforms. This role is essential to ensure reliable and effective communication across land, sea, and air domains.

- To support the administrative and compliance needs of NCCA, a Security Lead and a Certified Information Systems Security Manager will be required. Their roles are crucial to ensure that NCCA adheres to Department of Defense Cybersecurity Maturity Model Certification (CMMC) requirements for handling Controlled Unclassified Information (CUI).

Year 2: Research Scientists and Security Personnel: Two (2) additional Research Scientist and one (1) Security professional will be brought on board to focus on:

- Human-Machine-Robot Teaming: A specialist in human-machine interaction will lead research into optimizing team dynamics between humans, robots, and autonomous systems, enhancing overall system performance and safety.

- Novel Coordination Techniques: A researcher will focus on developing innovative algorithms and frameworks for autonomous systems to work collaboratively, improving efficiency and reliability in complex, multi-domain operations.

- To support the continued growth of the CMMC compliant system to operate the NCCA, a Microsoft Certified administrator will be required.

Year 3: Research Associates: Three (3) additional Research Associates will join the team, focusing on:

- Machine Learning: researcher will develop and implement advanced machine learning algorithms that will enable autonomous systems to learn and adapt in real-time environments.

- Embedded systems programming: a programmer will be hired to ensure optimization of data processing, sensor integration, and actuator control. These systems require the capability to process data in real-time for navigation, decision-making, and interaction with other systems.

- Hardware and Systems Integration: A specialist will be hired to support the integration of new hardware and systems, ensuring that the autonomous platforms operate harmoniously across different domains

and under various conditions.

Year 4: Research Associates and Scientist: Three (3) experts, one (1) Research Scientist two (2) Research Associates will be recruited to further advance research in collaborative autonomy, focusing on integrating research findings into practical applications. Their expertise will be critical in developing real-world solutions that leverage the unique capabilities of autonomous systems.

Ph.D. Student Support: NCCA will sponsor five (5) Ph.D. students from the University of West Florida -IHMC joint program in Intelligent Systems and Robotics. These students will engage in cutting-edge research on collaborative autonomy, contributing to the growth of local scientific talent and establishing a pipeline for future researchers and employees at NCCA. The Ph.D. candidates will be selected competitively from the United States and globally, ensuring that NCCA attracts the brightest minds to advance its research agenda.

Equipment: To conduct and protect pioneering research in multi-domain collaborative autonomy, NCCA requires state-of-the-art equipment that enables comprehensive exploration and experimentation across undersea, sea-surface, ground, and air domains. The proposed equipment purchase includes:

Unmanned Platforms: A range of autonomous systems, including underwater vehicles, aerial drones, and ground robots, will be built or procured to enable extensive research in each domain. These platforms will be equipped with advanced sensors and computational capabilities to perform complex tasks in various environments.

Networking Radios: To facilitate seamless communication and coordination among these diverse autonomous platforms, a suite of advanced networking radios will be acquired. This infrastructure is essential for developing and testing collaborative autonomy technologies, ensuring that multiple systems can operate cohesively in dynamic scenarios.

Security Hardware and Software: As a critical component of this project, IHMC proposes to develop a Cyber Maturity Model Certification (CMMC) compliant IT solution to directly support the sensitive NCCA research throughout its development.

By investing in these resources, NCCA will position itself as a leader in multi-domain collaborative autonomy research. This capability will not only attract significant federal and private funding but also enhance the reputation of Northwest Florida as a hub for cutting-edge autonomous systems research.

The personnel and equipment investment are essential for NCCA to achieve its strategic objectives. The diverse team of research scientists and associates will bring specialized expertise necessary to tackle the complex challenges of collaborative autonomy. The equipment will provide the physical infrastructure needed to conduct high-quality research, test new theories, and validate experimental results.

Together, these investments will enable NCCA to develop innovative solutions in autonomous systems, secure substantial research funding, and generate economic growth in the region. The center will serve as a catalyst for technological advancement and workforce development in Northwest Florida, driving long-term economic diversification and resilience.

Attachment L: NCCA Budget Details

Budget	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
NCCA Competitvely Awarded Funding Required to Support Cluster Development				$3,000,000						$17,000,000	$20,000,000
IHMC Personnel Match	$ 494,572	$ 494,572	$ 494,572	$ 494,572	$494,572	$494,572					$ 2,967,433
Personnel											
Research Scientist	$ 162,500	$ 81,250	$ 40,625	$ -	$ -	$ -					$ 284,375
Research Scientist	$ -	$ 143,000	$ 71,500	$ 35,750	$ -	$ -					$ 250,250
Research Scientist	$ -	$ 143,000	$ 71,500	$ 35,750	$ -	$ -					$ 250,250
Research Scientist	$ -	$ -	$ -	$ 143,000	$ 71,500	$ 35,750					$ 250,250
Research Associate	$ 107,200	$ 53,600	$ 26,800	$ -	$ -	$ -					$ 187,600
Research Associate	$ -	$ -	$ 107,200	$ 53,600	$ 26,800	$ -					$ 187,600
Research Associate	$ -	$ -	$ 107,200	$ 53,600	$ 26,800	$ -					$ 187,600
Research Associate	$ -	$ -	$ 107,200	$ 53,600	$ 26,800	$ -					$ 187,600
Research Associate	$ -	$ -	$ -	$ 107,200	$ 53,600	$ 26,800					$ 187,600
Research Associate	$ -	$ -	$ -	$ 107,200	$ 53,600	$ 26,800					$ 187,600
PhD Student	$ 56,000	$ 28,000	$ 14,000	$ -	$ -	$ -					$ 98,000
PhD Student	$ 56,000	$ 28,000	$ 14,000	$ -	$ -	$ -					$ 98,000
PhD Student	$ -	$ 56,000	$ 28,000	$ 14,000	$ -	$ -					$ 98,000
PhD Student	$ -	$ -	$ 56,000	$ 28,000	$ 14,000	$ -					$ 98,000
PhD Student	$ -	$ -	$ -	$ 56,000	$ 28,000	$ 14,000					$ 98,000
Security Lead	$ 141,009	$ 141,009	$ 141,009	$ -	$ -	$ -					$ 423,027
CMMC Auditor	$ -	$ 175,000	$ -	$ -	$ -	$ -					$ 175,000
Microsoft Certified Cloud Administrator	$ 114,912	$ 114,912	$ 114,912	$ -	$ -	$ -					$ 344,736
Grant Admininstration & Compliance Support	$ 17,462	$ 17,462	$ 17,462	$ 17,462	$ 17,462	$ 17,462	$17,462	$17,462	$17,462	$ 17,462	$ 174,618
Subtotal: Triumph Seed Funding - Programming/Personnel	**$ 655,083**	**$ 981,233**	**$ 917,408**	**$ 705,162**	**$318,562**	**$120,812**	**$17,462**	**$17,462**	**$17,462**	**$ 17,462**	**$ 3,768,106**
TOTAL Personnel	**$1,149,655**	**$1,475,805**	**$1,411,980**	**$1,199,734**	**$813,134**	**$615,384**	**$17,462**	**$17,462**	**$17,462**	**$ 17,462**	**$ 6,735,539**
Equipment / Supplies											
WaveRelay MPU5 Radios for Unmanned Systems		$ 180,000									$ 180,000
TrellisWare Ghost Radios for Unmanned Systems	$ 216,000										$ 216,000
Shared GPU Server for Machine Learning for Collaborative Autonomy Research	$ -										$ -
2 SPOT with Arm	$ 173,500										$ 173,500
10 custom drones	$ 50,000	$ 50,000									$ 100,000
2 VTOL drones		$ 50,000									$ 50,000
2 UGV (husky)	$ 15,000	$ 15,000									$ 30,000
Laser cutter	$ 10,000										$ 10,000
Small CNC	$ 6,000										$ 6,000
5-axis CNC	$ 15,000										$ 15,000
workshop tools	$ 10,000										$ 10,000
Autonomous underwater robot with manipulator arms	$ 500,000										$ 500,000
Lightweight autonomous underwater robots	$ 50,000	$ 100,000									$ 150,000
Autonomous surface vehicle		$ 150,000									$ 150,000
Spares, maintenance equipment for maritime systems	$ 20,000										$ 20,000
Machine learning workstation	$ 11,250										$ 11,250
Materials for custom fabrication	$ 50,000										$ 50,000
Field laptop	$ 9,000										$ 9,000
Autonomous maritime system deployment gear	$ 5,000										$ 5,000
Electronics lab and tools	$ 10,000										$ 10,000
CAD license 4 years	$ 2,500	$ 2,500	$ 2,500	$ 2,500							$ 10,000
Boat Rental - Gear rental for field deployments	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000						$ 25,000
Optical modems	$ 28,000										$ 28,000
Microsoft GCC-H P2 Azure License (3 Year)	$ 6,406										$ 6,406
Microsoft GCC-H O365 G-3 License (3 Year)	$ 67,800										$ 67,800
Microsoft GCC-H O365 G-5 License (3Year)	$ 44,700										$ 44,700
Microsoft Extended Service Agreement for Export Compliance	$ 38,750										$ 38,750
Azure Windows Virtual Desktop Solutions (Monthly)	$ 105,768										$ 105,768
Azure DataLake (Monthly)	$ 148,752										$ 148,752
Teams Secure Call (3 Year)	$ 149,460										$ 149,460
Jamf Pro Apple Device Management (3 Year)	$ 164,370										$ 164,370
RedHat Linux (3 Year)	$ 116,860										$ 116,860
MATLAB Cloud Enabled (3 Year)	$ 269,250										$ 269,250
Desktop Central Third Party Patching Tool	$ 33,101										$ 33,101
GIT/HUB-Lab for Cloud	$ 19,446										$ 19,446
Dell Inspiron Laptops (CMMC Hardened)	$ 23,750										$ 23,750
HP Color LaserJet (CMMC Hardened)	$ 5,536										$ 5,536
Total Equipment	**$2,380,199**	**$ 552,500**	**$ 7,500**	**$ 7,500**	**$ 5,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 2,952,699**
Triumph Gulf Coast Request	**$3,035,282**	**$1,533,733**	**$ 924,908**	**$ 712,662**	**$323,562**	**$120,812**	**$17,462**	**$17,462**	**$17,462**	**$ 17,462**	**$ 6,720,805**
IHMC Matach	**$ 494,572**	**$ 494,572**	**$ 494,572**	**$3,494,572**	**$494,572**	**$494,572**	**$ -**	**$ -**	**$ -**	**$17,000,000**	**$22,967,433**
Total NCCA Project	**$3,529,854**	**$2,028,305**	**$1,419,480**	**$4,207,234**	**$818,134**	**$615,384**	**$17,462**	**$17,462**	**$17,462**	**$17,017,462**	**$29,688,238**

Attachment M: Audited Financial Statements

Saltmarsh

Saltmarsh, Cleaveland & Gund

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.

PENSACOLA, FLORIDA

FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.

PENSACOLA, FLORIDA

FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

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Saltmarsh
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CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Florida Institute for Human and Machine Cognition, Inc.
Pensacola, Florida

Opinion

We have audited the accompanying financial statements of Florida Institute for Human and Machine Cognition, Inc. ("IHMC") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IHMC as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. 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 IHMC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Management's Responsibility for the Financial Statements

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.

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

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of IHMC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about IHMC'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.

Board of Directors
Florida Institute for Human and Machine Cognition, Inc.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of contract revenue is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by 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 are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 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 13, 2023, on our consideration of IHMC'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 IHMC'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 IHMC's internal control over financial reporting and compliance.

Saltmarsh, Cleaveland & Gund

Pensacola, Florida
December 13, 2023

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

ASSETS

	2023	2022
Current Assets:		
Cash	$ 3,339,616	$ 2,725,325
Restricted cash held by trustee	683,146	667,083
Grants and contracts receivables	4,561,989	4,980,341
Prepaid expenses	131,945	101,750
Total current assets	8,716,696	8,474,499
Property and Equipment, net	30,735,218	19,614,607
Right-of-Use Asset, Operating	346,086	-
Other Assets:		
Deposits	40,693	11,522
Total Assets	$ 39,838,693	$ 28,100,628

LIABILITIES AND NET ASSETS

Current Liabilities:		
Current maturities of long-term debt	$ 891,289	$ 757,358
Current maturities of operating lease liabilities	97,908	-
Accounts payable	4,828,997	1,569,920
Accrued payroll and related liabilities	275,994	986,256
Accrued interest	62,313	71,250
Refundable advances	566,396	357,384
Total current liabilities	6,722,897	3,742,168
Long-Term Liabilities:		
Long-term debt, less current maturities	11,844,250	6,654,404
Operating lease liabilities, less current maturities	249,668	-
Total long-term liabilities	12,093,918	6,654,404
Total liabilities	18,816,815	10,396,572
Net Assets:		
Without donor restrictions	20,940,278	17,608,003
With donor restrictions	81,600	96,053
Total net assets	21,021,878	17,704,056
Total Liabilities and Net Assets	$ 39,838,693	$ 28,100,628

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

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
Change in Net Assets Without Donor Restrictions:		
Support, Revenue and Reclassifications:		
Research and development grants and contracts -		
Federal grants	$ 3,753,531	$ 3,040,897
State grants	2,000,000	-
Contracts	19,648,101	20,765,572
Legislative appropriation	4,039,184	4,039,184
Contributions	143,685	75,625
Other revenue	215,668	331,838
Net assets released from restrictions	15,773	79,446
Total support, revenue and reclassifications	29,815,942	28,332,562
Expenses:		
Program services -		
Research and development grants and contracts	21,969,192	22,942,762
Other program services	97,237	77,787
Total program services	22,066,429	23,020,549
Supporting services -		
Fundraising services -		
Salaries and employee benefits	322,517	31,096
Other fundraising expenses	7,435	-
General and administrative	4,087,286	3,482,382
Total supporting services	4,417,238	3,513,478
Total expenses	26,483,667	26,534,027
Change in net assets without donor restrictions from operating activities	3,332,275	1,798,535

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

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2023 AND 2022
(Continued)

	2023	2022
Change in Net Assets With Donor Restrictions:		
Contributions	1,320	45,397
Net assets released from restrictions	(15,773)	(79,446)
Change in net assets with donor restrictions	(14,453)	(34,049)
Change in Net Assets	3,317,822	1,764,486
Net Assets, Beginning of Year	17,704,056	15,939,570
Net Assets, End of Year	$ 21,021,878	$ 17,704,056

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

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	Program					
	Research and development grants and contract	Other program services	Total program services	General and Administrative	Fundraising	2023 Total
Salaries	$ 9,005,366	$ -	$ 9,005,366	$ 4,703,047	$ 262,003	$ 13,970,416
Payroll taxes	610,728	-	610,728	286,140	20,493	917,361
Employee benefit programs	1,742,969	-	1,742,969	843,547	40,021	2,626,537
Subcontract	3,395,250	-	3,395,250	-	-	3,395,250
Travel	376,021	5,576	381,597	116,801	-	498,398
Meals and entertainment	23,191	14,753	37,944	34,138	433	72,515
Insurance	-	-	-	478,242	-	478,242
Legal and professional	218,418	61,208	279,626	427,521	6,488	713,635
Occupancy, including in-kind	-	-	-	681,858	-	681,858
Interest and amortization expense	-	-	-	361,585	-	361,585
Repairs and maintenance	-	-	-	32,611	-	32,611
Office expenses	542,046	-	542,046	320,903	514	863,463
Bad debt	-	-	-	44,920	-	44,920
Telephone	-	-	-	92,524	-	92,524
Lobbying costs	-	-	-	196,057	-	196,057
Licenses and fees	127,120	-	127,120	122,984	-	250,104
Memberships and continuing education	2,471	-	2,471	66,221	-	68,692
Employee morale and welfare	833	-	833	46,044	-	46,877
Other	12,591	15,700	28,291	110,426	-	138,717
Depreciation	-	-	-	1,033,905	-	1,033,905
Indirect applied overhead, payroll taxes and employee benefits	5,912,188	-	5,912,188	(5,912,188)	-	-
Total	$ 21,969,192	$ 97,237	$ 22,066,429	$ 4,087,286	$ 329,952	$ 26,483,667

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

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022
(Continued)

	Program					
	Research and development grants and contract	Other program services	Total program services	General and Administrative	Fundraising	2022 Total
Salaries	$ 8,315,868	$ -	$ 8,315,868	$ 4,384,871	$ 25,096	$ 12,725,835
Payroll taxes	554,898	-	554,898	269,804	1,963	826,665
Employee benefit programs	1,591,665	-	1,591,665	792,459	4,037	2,388,161
Subcontract	5,790,717	-	5,790,717	-	-	5,790,717
Travel	242,719	1,292	244,011	52,827	-	296,838
Meals and entertainment	11,279	4,495	15,774	20,034	-	35,808
Insurance	-	-	-	307,860	-	307,860
Legal and professional	439,185	60,600	499,785	430,007	-	929,792
Occupancy, including in-kind	-	-	-	510,514	-	510,514
Interest and amortization expense	-	-	-	379,101	-	379,101
Repairs and maintenance	-	-	-	24,014	-	24,014
Office expenses	436,235	-	436,235	289,786	-	726,021
Bad debt	-	-	-	144	-	144
Telephone	-	-	-	78,678	-	78,678
Lobbying costs	-	-	-	199,126	-	199,126
Licenses and fees	152,269	-	152,269	103,230	-	255,499
Memberships and continuing education	5	-	5	45,591	-	45,596
Employee morale and welfare	-	-	-	32,442	-	32,442
Other	9,588	11,400	20,988	47,570	-	68,558
Depreciation	-	-	-	912,658	-	912,658
Indirect applied overhead, payroll taxes and employee benefits	5,398,334	-	5,398,334	(5,398,334)	-	-
Total	$ 22,942,762	$ 77,787	$ 23,020,549	$ 3,482,382	$ 31,096	$ 26,534,027

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

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
Cash Flows From Operating Activities:		
Change in net assets	$ 3,317,822	$ 1,764,486
Adjustments to reconcile change in net assets to net cash provided by operating activities -		
Depreciation	1,033,905	912,658
Amortization of debt issuance costs	35,876	13,288
Bad debt expense	44,920	144
Loss on disposition of property and equipment	11,528	218
Changes in operating assets and liabilities -		
Grants and contracts receivables	373,432	(285,326)
Prepaid expenses	(30,195)	102,811
Right-of-use assets, operating	59,544	-
Other assets	(29,171)	3,000
Accounts payable	3,259,077	(959,654)
Accrued payroll and related liabilities	(710,262)	204,569
Accrued interest	(8,937)	(8,625)
Refundable advances	209,012	(159,042)
Operating lease liabilities	(58,054)	-
Net cash provided by operating activities	7,508,497	1,588,527
Cash Flows From Investing Activities:		
Purchases of property and equipment	(12,166,044)	(2,536,933)
Cash Flows From Financing Activities:		
Principal payments of long-term debt	(864,193)	(765,264)
Proceeds from mortgage refinance	-	11,619
Proceeds from bond issuance	6,152,094	-
Net cash provided by (used in) financing activities	5,287,901	(753,645)
Net Increase (Decrease) in Cash	630,354	(1,702,051)
Cash at Beginning of Year	3,392,408	5,094,459
Cash at End of Year	$ 4,022,762	$ 3,392,408
Displayed As:		
Cash	$ 3,339,616	$ 2,725,325
Restricted cash held by trustee	683,146	667,083
	$ 4,022,762	$ 3,392,408
Supplemental Disclosure of Cash Flow Information:		
Interest paid	$ 410,821	$ 374,438
Supplemental Disclosure of Noncash Investing and Financing Activities:		
Financing costs paid from long-term debt proceeds	$ -	$ 399,329
Refinancing costs paid from long-term debt proceeds	$ -	$ 1,760,934
Recognition of right-of-use assets, operating, upon adoption of ASC 842	$ 405,630	$ -

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose:

Florida Institute for Human and Machine Cognition, Inc. ("IHMC") was organized as a Florida not-for-profit corporation on February 25, 2004, pursuant to Section 1004.447, Florida Statutes, exclusively as an information-technology related organization for research, education, scientific advancement, and economic development.

Basis of Accounting:

IHMC follows standards of accounting and financial reporting prescribed for not-for-profit organizations. It uses the accrual basis of accounting, which recognizes revenue when earned and expenses as incurred.

Basis of Presentation:

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of IHMC and changes therein are classified as follows:

Net assets with donor restrictions are subject to donor-imposed stipulations that can be fulfilled by actions of IHMC pursuant to those stipulations, that expire by the passage of time, or the assets be maintained permanently, but permit IHMC to use or expend part or all of the income derived from the donated assets for either specified or unspecified purposes.

Net assets without donor restrictions are not subject to donor-imposed stipulations, or the donor-imposed restrictions have expired. Net assets without donor restrictions may be designated for specific purposes by the action of the Board of Directors, or may otherwise be limited by contractual agreements with outside parties.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Measure of Operations:

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to IHMC's ongoing activities. Non-operating activities are limited to other activities considered to be of a more unusual or nonrecurring nature.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Legislative Appropriation:

Support from legislative appropriation represents amounts received from the Florida state budget, general revenue fund.

Contributions:

Contributions are reported as revenues with donor restrictions if the donor limits the use of the donated assets. When the restrictions expire, these net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as *net assets released from restrictions*. Donor-restricted contributions are classified as revenues without donor restrictions if the restrictions are met in the same reporting period in which the contributions are received.

Unconditional promises to give are reported when the pledges are received at the present value of their net realizable value. Conditional promises to give are not recorded in the financial statements.

Noncash contributions are recorded at fair market value at the time of donation.

Grants and Contracts:

Revenue from grants and contracts, awarded to and accepted by IHMC, is recognized as earned, that is, as the related allowable costs are incurred or the performance of milestones is achieved under the grant or contract agreements. Management considers all grants and contracts receivables at June 30, 2023 and 2022 to be fully collectible; therefore, no allowance for uncollectible accounts has been established.

Facilities and administrative costs recovered on grants and contracts are recorded at rates established by IHMC with its Federal cognizant agency, or predetermined by the non-Federal sponsor. Facilities and administrative cost rates for government grants and contracts are subject to audit, and subsequent final settlements, if any, are recorded as current period adjustments. Management believes the impact of any future settlements to be immaterial to the financial statements.

Restricted Cash:

Restricted cash represents funds held by the note trustee for debt service.

Debt Issuance Costs:

Debt issuance costs are amortized over the term of the debt using the straight-line method since the difference between this method and the effective interest method is not material to the financial statements. Amortization of debt issuance costs is reported as interest expense in the statements of functional expenses and totaled $34,208 and $13,288 for the years ended June 30, 2023 and 2022, respectively.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment:

Property and equipment are recorded at cost or at their estimated fair value at date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Building	15-39 years
Computers and software	3-5 years
Machinery and equipment	5-30 years
Robotics	3-5 years
Furniture and fixtures	5 years
Vehicle	5 years

Additions and betterments of $5,000 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently. Costs of equipment that are acquired or constructed for research and development activities are generally expensed; however, equipment acquired or constructed which have alternative future uses in research and development projects or otherwise are also capitalized. Depreciation of idle equipment is discontinued until such assets are place back into service. IHMC did not incur any impairment losses related to idle equipment.

Refundable Advances:

Refundable advances represent funds received by IHMC from grantor agencies that have not been spent at the end of the year. Advances must be returned to the grantor agency if not spent for their intended purpose within the grant period unless re-appropriated or extended by the grantor.

Advertising Costs:

Advertising costs are expensed when incurred.

Income Taxes:

IHMC is a nonprofit organization exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and has been classified by the Internal Revenue Service as a public charity. Accordingly, no provision for income taxes has been provided in the accompanying financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncement:

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, *Leases (Topic 842)*. The guidance in this topic supersedes the requirements in Accounting Standards Codification ("ASC") Topic 840, *Leases*. With the exception of short-term leases, the updated guidance requires lessees to recognize a lease liability representing the lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and a right-of-use ("ROU") asset representing the lessee's right to use, or control the use of, a specified asset for the lease term upon adoption. Lessor accounting was largely unchanged under the new guidance, except for clarification of initial direct cost which provided additional guidance on the timing of recognition of those costs. Subsequent to the issuance of this update, the FASB issued three additional ASU's that provide codification improvements and certain transition elections. IHMC adopted the standard effective July 1, 2022, using the modified retrospective transition method permitted by ASU 2018-11.

IHMC's lessee arrangements include operating leases for office space and equipment leases. Under these arrangements, IHMC records ROU assets and corresponding operating lease liabilities, each of which is based on the present value of the remaining lease payments discounted using the risk-free rate practical expedient allowable under ASC 842. ROU assets area reported as noncurrent assets and the related operating lease liabilities are reported in current and long-term liabilities on the statement of financial position. All leases are recorded on the statement of financial position except for leases with an initial term less than 12 months for with IHMC elected the short-term lease recognition under ASC 842. Lease terms may contain renewal and extension options and early termination features. Lease expense is recognized on a straight-line basis over the lease term. IHMC has included new lease disclosures in Note 5.

Subsequent Events:

Management has evaluated subsequent events through December 13, 2023, the date on which the financial statements were available for issue.

NOTE 2 - RESTRICTED CASH HELD BY TRUSTEE

Restricted cash is comprised of the following:

	2023	2022
Debt service -		
Note principal	$ 620,833	$ 595,833
Note interest	62,313	71,250
	$ 683,146	$ 667,083

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment is comprised of the following:

	2023	2022
Land	$ 3,316,994	$ 3,316,994
Buildings	17,668,532	17,651,097
Computers and software	1,210,785	1,182,327
Machinery and equipment	3,585,412	2,125,393
Robotics	1,014,362	1,014,362
Furniture and fixtures	908,293	895,169
Vehicle	54,197	54,197
	27,758,575	26,239,539
Less accumulated depreciation and amortization	9,523,868	8,495,037
	18,234,707	17,744,502
Art collection	5,950	5,950
Idle equipment, net	164,091	153,057
Construction in progress	12,330,470	1,711,098
	$ 30,735,218	$ 19,614,607

Depreciation and amortization expense for the years ended June 30, 2023 and 2022 was $1,033,905 and $912,658, respectively.

Construction in progress at June 30, 2023, represents costs for new robots and a building.

IHMC capitalizes interest costs on borrowings incurred during the construction or upgrade of qualifying assets. Capitalized interest is added to the cost of the underlying assets and is amortized over the useful lives of the assets.

Certain fixed assets of IHMC were purchased with federal, state and local grants and contracts. As a result, if such assets are disposed, the granting agency that participated in the funding of the purchase has a contractual right to participate in the proceeds from the disposition. Also, at the end of the project for which the asset was purchased, the granting agency has the right to reclaim such equipment. IHMC accounts for these items separately until final release of the item has been received by IHMC.

NOTE 3 - PROPERTY AND EQUIPMENT (Continued)

In September 2008, IHMC received a grant for $958,300 from the U.S. Department of Commerce's Economic Development Administration ("EDA") for the renovation of the Ocala, Florida facility. The grant restricts the use of the building to research and development, unless an alternate purpose is approved by the grantor agency administrators. The EDA has determined the useful life of the project for purposes of this restriction to be 20 years.

NOTE 4 - LONG-TERM DEBT

Long-term debt consists of the following:

	2023	2022
$7,700,000 Capital Improvement Refunding Revenue Bonds, Series 2018, due in monthly installments of $47,638 to $76,667, from January 1, 2019 through September 1, 2028, with an interest rate of 5%, secured by mortgage and security agreement	$ 4,985,000	$ 5,700,000
$25,000,000 Research and Development Revenue Bonds, Series 2022, due in monthly installments of $51,061 to $81,615, from April 1, 2024 through April 1, 2037, with an interest rate of 3.47%, secured by mortgage and security agreement	6,526,519	374,425
$1,800,000 Note, due in monthly installments of $9,814, from April 28, 2022 through February 28, 2037, balloon payment due March 28, 2037, with an interest rate of 4.25%, secured by mortgage and security agreement	1,614,488	1,763,681
	13,126,007	7,838,106
Less unamortized debt issuance costs	390,468	426,344
	12,735,539	7,411,762
Less current maturities	891,289	757,358
Long-term debt, less current maturities	$ 11,844,250	$ 6,654,404

NOTE 4 - LONG-TERM DEBT (Continued)

Scheduled maturities on long-term debt are as follows:

2024	$ 891,289
2025	1,453,081
2026	1,508,445
2027	1,569,765
2028	1,636,892
Thereafter	6,066,535
	$ 13,126,007

In November 2013, Escambia County, Florida ("the County"), issued a $12,000,000 industrial development revenue note to provide financial assistance to IHMC for the refunding of the Commission's 2008 $4,292,500 industrial revenue bonds, and for the financing of the construction of a new research facility. The note is payable solely from the payments received from the underlying financing agreement. Pursuant to the financing and construction agreements, IHMC agreed to make monthly installments to the County sufficient to pay all principal and interest amounts. IHMC executed and delivered a promissory note to the County, who is assigned all rights to receive payments from IHMC related to these agreements. The County has no obligation in any manner for repayment of the note. During 2014 and 2015, the County disbursed $6,460,476 to IHMC to refund the Commission's bonds payable, pay for new debt issuance costs, pay for architect costs and construction costs of the new research facility. During 2016, the County disbursed $5,316,173 to IHMC to pay for construction costs of the new research facility. The remaining $223,351 was disbursed by the County during 2018 as IHMC received the certificate of occupancy for the new research building. During 2019, the County refunded the $12,000,000 industrial development revenue note and issued $7,700,000 Capital Improvement Refunding Revenue Bonds, Series 2018.

During 2022, Florida Development Finance Corporation ("FDFC") issued a not-to-exceed $25,000,000 Revenue Bond to provide financial assistance to IHMC to finance the construction of a new building. The note is payable to Smartbank Corporation ("Smartbank") as lender, solely from the payments received from the underlying financing agreement. IHMC executed and delivered a promissory note to Smartbank, who is assigned all rights to receive payments from IHMC related to these agreements. FDFC has no obligation in any manner for repayment of the note. As of June 30, 2023, proceeds disbursed totaled $6,526,519. IHMC will make interest-only payments through April 2024, at which point in time the total outstanding principal and interest payments begin.

NOTE 5 - LEASES

IHMC leases office space and equipment under operating leases expiring through September 2026. As of June 30, 2023, the ROU assets related to operating leases totaled $346,086 and the related lease liabilities totaled $347,576. Rent expense, including operating leases, totaled $130,944 and $40,187 for the years ended June 20, 2023 and 2022 and is included in occupancy expenses in the accompanying statements of functional expenses. The following table presents supplemental information pertaining to the operating leases as of and for the year ended June 30, 2023:

Operating cash flows from operating leases	$ 67,159
ROU asset obtained in exchange for operating lease liabilities	$ 405,630
Weighted-average remaining lease term for operating leases	4.33 years
Weighted-average discount rate for operating leases	3.47%

The following table presents the maturities of IHMC's operating lease liabilities and the present value discount as of June 30, 2023:

2024	$ 108,137
2025	110,104
2026	113,113
2027	36,410
Total undiscounted cash flows	367,764
Less: present value discount	(20,188)
Total lease liabilities	$ 347,576

NOTE 6 - NET ASSETS

Net assets with donor restrictions include contributions for specific purposes that have not yet been accomplished and unconditional promises to give with payments due in future periods to be used for the activities of IHMC. Net assets with donor restrictions at June 30, 2023 and 2022 are presented as follows:

	2023	2022
Educational Outreach Youth Programs	$ 77,069	$ 79,917
Other	4,531	16,136
	$ 81,600	$ 96,053

NOTE 7 - RETIREMENT PLANS

IHMC established a defined contribution retirement plan that operates under Section 403(b) of the Internal Revenue Code on March 1, 2005. The purpose of the plan is to provide retirement benefits for participating employees. Benefits are provided through Teachers Insurance and Annuity Association ("TIAA"), College Retirement Equities Fund ("CREF"). The plan year begins on July 1 and ends on June 30. All benefits under the Plan are fully funded and provided through the funding vehicle(s) selected by the participant. Benefits are not subject to, nor covered by, federal plan termination insurance.

The plan covers substantially all employees except part-time and leased. IHMC contributes 11% of eligible employee's compensation on a bi-weekly basis. Contributions to the plan amounted to $1,328,731 in 2023 and $1,218,839 in 2022.

In addition to the defined contribution plan, IHMC also established an elective deferral plan with TIAA CREF. To participate, an eligible employee must enter into a written salary reduction agreement with IHMC. Under the salary reduction agreement, the employee's salary (paid after the agreement is signed) is reduced and the amount of the reduction is applied as premiums to the funding vehicles available under this plan.

IHMC has established an elective deferral plan that operates under Section 457(b) of the Internal Revenue Code. To participate, an eligible employee must enter into a written salary reduction agreement with IHMC. Under the salary reduction agreement, the employee's salary (paid after the agreement is signed) is reduced and the amount of the reduction is applied as premiums to the funding vehicles available under this plan's provider, Edward Jones.

NOTE 8 - RELATED PARTY TRANSACTIONS

Prior to the creation of IHMC as a separate nonprofit entity, the University of West Florida Institute for Human and Machine Cognition ("UWF IHMC") performed information-technology research as a research division of the University. To assist in the transition of UWF IHMC activities to IHMC, the University of West Florida ("the University") and IHMC have entered into an affiliation agreement ("the agreement") that addresses IHMC's use of or participation in University programs and services, including monies, personnel or services, and the use of facilities. One member of IHMC's Board of Directors serves on the Board of Trustees for the University. This individual is asked to abstain from voting on items before the Board of Directors that will be funded by the University.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Concentration of Credit Risk - Uninsured Cash Balances:

IHMC maintains cash balances with two banks. In addition to the FDIC coverage provided by the two banks, the demand deposit accounts held at one bank are also protected under Chapter 280, Florida Statutes, Public Deposits Trust Fund. At June 30, 2023, IHMC had cash balances in excess of insured limits of approximately $790,000.

Lines of Credit:

IHMC has two revolving, unsecured, lines of credit, each totaling $2,000,000 with two financial institutions. Both lines of credit carry interest of 2.5% over the one-month LIBOR rate and expire on February 22, 2024, and April 10, 2025. IHMC had no amounts outstanding as of June 30, 2023 and 2022 under the lines of credit.

Contingencies:

The Defense Contract Audit Agency ("DCAA") is the federal agency tasked with auditing grant compliance on behalf of the Office of Naval Research ("ONR"), which is IHMC's cognizant agency. As noted in their audit reports for the fiscal years ended June 30, 2008 through 2013, and again in their audit report for the fiscal year ended June 30, 2020, DCAA had questioned a portion of indirect costs included in the indirect cost pool. As of June 30, 2021, ONR had issued final indirect cost rates for the fiscal years ended June 30, 2008 through 2019. Subsequent to June 30, 2021, IHMC received final indirect cost rates for fiscal years ended June 30, 2020 and 2021. Some of the finalized rates were lower than those rates applied by IHMC during the time under audit. The overall effects of the lower rates cannot accurately be determined and as such, no provision for any possible payback has been recorded in the financial statements.

Grants and contracts require the fulfillment of certain conditions as set forth in the applicable agreements. Failure to fulfill the conditions could result in the return of funds to the grantors or contracting agencies. Although that is a possibility, IHMC deems the contingency remote, since by acceptance of the grants and contracts and their terms, it has structured the objectives of IHMC to meet the provisions of the agreements.

NOTE 10 - LIQUIDITY

IHMC's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Cash and cash equivalents	$ 3,339,616
Grants and contracts receivable	4,561,989
	$ 7,901,605

As part of IHMC's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. To help manage unanticipated liquidity needs, IHMC has two lines of credit, each in the amount of $2,000,000, which it could draw upon.

SUPPLEMENTARY INFORMATION

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
SCHEDULE OF CONTRACT REVENUE
YEAR ENDED JUNE 30, 2023

Contract Description	CFDA Number	Revenue
VISTa: Virtual Integrated Social Task (2023-003-01)	12.430	$ 373,770
ARL Intelligent Systems (2019-035-01)	12.431	1,329,181
ARL Intelligent Systems (2019-035-03)	12.431	19,759
Robust Humanoid Walking and Recovery on Rough Terrain (2021-022-01)	12.431	216,083
Spatial Orientation Modeling Expert Workgroup (SOMEW) (2022-024-03)	12.431	9,991
Breaching and Accessing Urban Structures with Humanoid Robots (2023-004-01)	12.431	112,569
Real-Time Assessment & Augmentation of Cognitive Performance in Extreme Environments (2022-022-01)	12.800	2,534,619
Mobility and Planning Algorithms for NASA JSC Valkyrie Robot (2020-017-01)	43.009	338,285
CCRI: Planning-C: Developing a Minecraft-based Testbed for Evaluating Human-AI Teaming Research (2022-025-01)	47.070	10,000
PhD Mentorship of Daniel Pfister Summer 2023 (2023-013-01)	N/A	7,607
MetaData (2015-040-01)	N/A	9,534
CAPSTONE 2017 (2017-048-01)	N/A	22,498
SquadBot: High Performance Humanoid Robot for Urban Operations (2018-040-01)	N/A	922,346
Butler Hine IPA (2019-006-01)	N/A	174,943
Human Performance Optimization: Ketone Esters for Optimization of Operator Performance in Hypoxia (2019-010-01)	N/A	407,098
Closed-Loop Feedback Control for Transcranial Direct Current Stimulation, Phase II, STTR Topic AF17B-T002 (2019-011-01)	N/A	14,512
UWF (2019-023-01)	N/A	486,756
ASIST Predicting Effective Performance in Teams (PEPT) TA 2 (2019-039-01)	N/A	727,114
LEAP-Learning through Electrical Augmentation of Plasticity (2020-008-01)	N/A	22,680
Research and Development of Wearable Robotics to Enhance Worker Safety (2020-022-01)	N/A	1,139,747
Suri IPA - 2020-2022 (2020-023-01)	N/A	46,857
Evaluation of the U.S Air Force Performance Assessment Tool to Detect the Cognitive Performance Effects of Operator Dehydration (2020-029-01)	N/A	2,527
OTA Advance Visualization Techniques (2021-005-01)	N/A	820,734
A Low-cost IoT-based Virtual Fencing, Perimeter Monitoring, Threat Detection, and Notification System (IoT-Fence) (2021-006-01)	N/A	442,499
Improving Human Performance Through Sleep Restoration Phase II (2021-009-01)	N/A	61,866
Virtual Reality (VR) Design Workbench (2021-011-02)	N/A	742,978
Virtual Reality (VR) Design Workbench (2021-011-03)	N/A	107,054
QUASAR SBIR Individualized, Noninvasive Speech Indicators for Tracking Elevations in Phase II (2021-016-01)	N/A	6,977
Understanding Private States: Attitudes in Argumentation (2021-019-01)	N/A	54,723
RADII: Reticular Analysis of Discourse for Influence Indicators (INCAS) (2021-020-01)	N/A	407,451
Central Florida Pharmacy (2021-023-01)	N/A	6,500
Syracuse University Consulting Agreement (2021-026-01)	N/A	1,278
Dialogue Assistant for Engaging in Social-Cybermediation (2021-028-01)	N/A	659,575
FW-HTF-T/Collaborative Research: Occupational Exoskeletons and the Human-Technology Partnership: Achieving Scale and Integration into the Future of Work (2022-001-01)	N/A	114,089
Air Force Research Lab (AFRL) Headquarters (HQ): Designing for the Future (2022-002-01)	N/A	9,567
Enhancement of Pathway-Level Information Extractor for Omics Data Interpretation (EPLIER) (2022-004-01)	N/A	186,469

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
SCHEDULE OF CONTRACT REVENUE
YEAR ENDED JUNE 30, 2023
(Continued)

Contract Description	CFDA Number	Revenue
Strategies To Augment Ketosis (STAK) Mild Traumatic Brain Injury (mTBI) (2022-007-01)	N/A	1,335,518
Community Foundation for Ocala/Marion County (2022-008-01)	N/A	2,020
Optimus V2 Robot (2022-009-01)	N/A	204,234
Cockpit Electromagnetic Radiation Testing And INterpretation (CERTAIN) (2022-010-01)	N/A	49,076
COEUS: A Co-Training Methodology for Improved Performance in Human-Machine Teams (2022-011-01)	N/A	235,016
Gulf Coast State College Automation Training Program - Consulting (2022-012-01)	N/A	7,724
Halodi Agreement (2022-013-01)	N/A	52,138
PROtotype Testing Environment for User Situation awareness (PROTEUS) (2022-014-01)	N/A	928,851
Collaboration and Secure Tasking for Multi-Agent Swarms (2022-015-01)	N/A	114,920
Combat Marksmanship in Extremely Cold Environments: Assessing Impacts on Cognitive Function and Developing Data-Driven Countermeasures (2022-018-01)	N/A	172,672
JAG Consulting Agreement - Dave Morris (2022-019-01)	N/A	37,092
INCiST: Information Competition with Stance and Topics (2022-020-01)	N/A	23,472
Optimus V3 Robot (2022-021-01)	N/A	361,580
Tactile Gloves for Cold Weather (2022-023-01)	N/A	111,574
Spatial Orientation Modeling Expert Workgroup (SOMEW) (2022-024-01)	N/A	50,651
Spatial Orientation Modeling Expert Workgroup (SOMEW) (2022-024-02)	N/A	50,651
SeAR: Panama City Beach Seashore Discovery Augmented Reality App for Tourism and Citizen Science: A Path to Connect, Inform, and Educate and Support Smart Community Resiliency (2022-026-01)	N/A	33,171
Intergovernmental Personnel Act (IPA) for Dr. Niranjan Suri (2022-027-01)	N/A	124,269
Agile Information Management and Dissemination for Federated and Multi-domain Environments over Disadvantaged Tactical Networks (2022-028-01)	N/A	434,557
Tactical Personal Area Network for Ground Soldier Systems (TacPAN-GSS) Development (2022-029-01)	N/A	43,894
Assessment and Enhancement of Airman and Teams in Operational Environments (2022-030-01)	N/A	56,790
(2023-001-01)	N/A	4,379
Human Subjects Pilot Program Eyvr Foods Phase 2 (2023-002-01)	N/A	7,205
Bella Mente Quantum Racing Association Corp R&D Agreement, WO #1 (2023-005-01)	N/A	16,902
GAP(2023-006-01)	N/A	12,000
Cognitive Agent Support for CASC2 program (2023-007-01)	N/A	5,240
ShoeV4 Robot (2023-008-01)	N/A	231,912
SupplyBot: Extreme Mobility Resupply Robot Phase II (2023-010-01)	N/A	25,167
PhD Mentorship of Daniel Pfister Spring 2023 (2023-011-01)	N/A	23,310
IHMC Center for Human Healthspan, Resilience and Performance (the Center) Triumph (2021-008-01)	N/A	2,341,880
		$ 19,648,101

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Federal Grantor, Pass-through Grantor, Program or Cluster Title	CFDA Number	Pass-through Agency's Identifying Number	Expenditures	Transfer to Subrecipients
Research and Development Cluster:				
Office of Naval Research				
Michigan State	12.300	N00014-20-1-2005	$ 146,575	$ -
Human Glymphatic Function in Extreme Environments	12.300	N00014-20-1-2463	179,298	173,076
Validation of an Underwater Oculometric Assessment Tool	12.300	N00014-20-1-4002	400,787	-
Evaluating the Benefits of Intranasal Oxytocin Administration on Human Performance and Metabolism Under Extreme Conditions	12.300	N00014-21-1-2201	1,015,804	35,688
Machine Learning Approach to Identifying Hypercapnia Through Breath Sounds in Mask Worn Breathing Systems	12.300	N00014-21-1-2667	528,524	95,062
High Performance Humanoid Robot for Urban Exploration	12.300	N00014-22-1-2593	1,181,463	626,989
Total Office of Naval Research			3,452,451	930,815
National Science Foundation				
Collaborative Research: RI: Small: Modeling and Learning Ethical Principles for Embedding into Group Decision Support Systems	47.070	2008011	9,681	-
PIPP Phase I: Computational Theory of the Co-evolution of Pandemics, (Mis)information, and Human Mindsets and Behavior	47.070/47.075	2200112	280,857	105,100
Total National Science Foundation			290,538	105,100
Total Research & Development Cluster			3,742,989	1,035,915
Department of Homeland Security				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	10,542	-
Total Expenditures of Federal Awards			$ 3,753,531	$ 1,035,915

NOTE 1: This schedule is presented on the accrual basis of accounting in accordance with generally accepted accounting principles.

NOTE 2: IHMC did not use the de minimus cost rate.

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2023

State Grantor, Pass-through Grantor, Program or Cluster Title	CSFA Number	Pass-through Agency's Identifying Number	Expenditures
Florida Department of Economic Opportunity			
Space Florida	40.040	SEEDTF	$ 2,000,000

NOTE: This schedule is presented on the accrual basis of accounting in accordance with generally accepted accounting principles.

OTHER REPORTS AND SCHEDULE

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 Directors
Florida Institute for Human and Machine Cognition, Inc.
Pensacola, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Florida Institute for Human and Machine Cognition, Inc. ("IHMC"), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 13, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered IHMC's internal control over financial reporting (internal control) to determine the 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 IHMC's internal control. Accordingly, we do not express an opinion on the effectiveness of IHMC'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of IHMC's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Board of Directors
Florida Institute for Human and Machine Cognition, Inc.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether IHMC'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 determination of financial statement amounts. 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 IHMC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering IHMC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Saltmarsh Cleaveland & Gund

Pensacola, Florida
December 13, 2023

Saltmarsh
Saltmarsh, Cleaveland & Gund
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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 Directors
Florida Institute for Human and Machine Cognition, Inc.
Pensacola, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited Florida Institute for Human and Machine Cognition, Inc.'s ("IHMC") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the *Executive Office of the Governor's State Project Compliance Supplement* that could have a direct and material effect on IHMC's major federal programs and state project for the year ended June 30, 2023. IHMC's major federal programs and state project are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state project.

Auditor's Responsibility

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

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

Board of Directors
Florida Institute for Human and Machine Cognition, Inc.

Opinion on Each Major Federal Program and State Project

In our opinion, IHMC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs and state project for the year ended June 30, 2023.

Report on Internal Control Over Compliance

Management of IHMC is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered IHMC's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program or state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of IHMC's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 or 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 or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Saltmarsh Cleaveland & Gund

Pensacola, Florida
December 13, 2023

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

A. SUMMARY OF AUDITOR'S RESULTS

1. The independent auditor's report expresses an unmodified opinion on the financial statements of Florida Institute for Human and Machine Cognition, Inc.

2. No significant deficiencies in internal control relating to the audit of the financial statements are reported in the 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*.

3. No instances of noncompliance material to the financial statements of Florida Institute for Human and Machine Cognition, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

4. No significant deficiencies relating to the audit of the major federal award program or state project are reported in the Independent Auditor's Report on Compliance For Each Major Federal Program and State Project and on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.650, Rules of the Auditor General.

5. The auditor's report on compliance for the major federal award program and state project for Florida Institute for Human and Machine Cognition, Inc. expresses an unmodified opinion.

6. There are no audit findings relative to the major federal program and state project for Florida Institute for Human and Machine Cognition, Inc. which are required to be reported in accordance with Section 2 CFR section 200.516(a) of the Uniform Guidance and Chapter 10.650, Rules of the Auditor General.

7. The program/project tested as the major program/project included the following:

Federal Program

Research and Development Cluster:	
Basic and Applied Scientific Research	CFDA No. 12.300
Computer and Information Science and Engineering	CFDA No. 47.070
Social, Behavioral, and Economic Sciences	CFDA No. 47.075

State Project

Space Florida	CSFA No. 40.040

A. SUMMARY OF AUDITOR'S RESULTS (Continued)

8. The threshold used for distinguishing between Type A and B programs was $750,000 for major federal programs and state projects.

9. Florida Institute for Human and Machine Cognition, Inc. was determined to be a low-risk auditee pursuant to the Uniform Guidance.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

There were no findings relating to the financial statements which are required to be reported in accordance with *Government Auditing Standards.*

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM

There were no findings and questioned costs relating to the major federal award program which are required to be reported in accordance with the Uniform Guidance.

D. FINDINGS AND QUESTIONED COSTS - MAJOR STATE PROJECT

There were no findings and questioned costs relating to the major state project which are required to be reported in accordance with Chapter 10.650, Rules of the Auditor General.

In accordance with Rules of the Auditor General, Section 10.656(3)(e), no management letter is required because there were no findings required to be reported in the management letter.