



CONSOLIDATED FINANCIAL STATEMENTS

The MITRE Corporation
Years Ended December 31, 2024 and 2023
With Report of Independent Auditors



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The MITRE Corporation
Consolidated Financial Statements
and Single Audit Report
Year Ended December 31, 2024 and 2023

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Report of Independent Auditors

To Management and the Board of Trustees
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of The MITRE Corporation (the Corporation), which comprise the consolidated statement of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the MITRE Corporation at December 31, 2024 and 2023, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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



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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 the Corporation'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 the Corporation's ability to continue as a going concern for a reasonable period of time.



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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards for the year ended December 31, 2024, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is 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 GAAS. 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 April 24, 2025 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

Ernst + Young LLP

April 24, 2025

The MITRE Corporation
Consolidated Balance Sheets
(In Millions)

	December 31	
	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 147	\$ 108
Accounts receivable, net	78	131
Unbilled receivables, net	221	200
Prepaid expenses and other current assets, net	40	32
Total current assets	486	471
Property and equipment, net	613	582
Operating lease right-of-use assets	56	47
Other long-term assets, net	32	30
Total assets	\$ 1,187	\$ 1,130
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 49	\$ 35
Accrued compensation and related expenses	174	151
Line of credit	40	105
Deferred revenue	16	19
Operating lease liabilities, current portion	14	15
Other current liabilities	8	6
Total current liabilities	301	331
Operating lease liabilities, net of current portion	49	38
Postretirement benefit plan liabilities	15	11
Other long-term liabilities	5	5
Total liabilities	370	385
Net assets	817	745
Total liabilities and net assets	\$ 1,187	\$ 1,130

See accompanying notes.

The MITRE Corporation

Consolidated Statements of Activities
(In Millions)

	Year Ended December 31	
	2024	2023
Revenue from operations	\$ 2,470	\$ 2,368
Cost of revenues	2,181	2,104
General and administrative	188	183
Total operating expenses	<u>2,369</u>	<u>2,287</u>
Operating income	<u>101</u>	<u>81</u>
Other income (expense):		
Unallowable expenses	(22)	(19)
Postretirement health benefits gain (loss)	(3)	5
Interest expense	(3)	(7)
Other income (expense), net	<u>(1)</u>	<u>(1)</u>
Change in net assets	72	59
Net assets – January 1	745	686
Net assets – December 31	<u>\$ 817</u>	<u>\$ 745</u>

See accompanying notes.

The MITRE Corporation

Consolidated Statements of Cash Flows (In Millions)

	Year Ended December 31	
	2024	2023
Operating activities		
Change in net assets	\$ 72	\$ 59
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	65	56
Other adjustments	6	1
Changes in assets and liabilities:		
Accounts receivable and unbilled receivables, net	31	14
Prepaid expenses and other current and noncurrent assets, net	(11)	(6)
Accounts payable and accrued expenses	13	(5)
Accrued compensation and related expenses	24	(1)
Deferred revenue	(4)	(4)
Other liabilities	1	2
Net cash provided by operating activities	197	116
Investing activities		
Purchases of property and equipment	(90)	(66)
Purchases of software	(2)	(7)
Purchases of investments and financial assets	(8)	(1)
Sale of investments	7	-
Net cash used in investing activities	(93)	(74)
Financing activities		
Draws on revolving line of credit	198	616
Repayments on revolving line of credit	(263)	(681)
Payments of long-term debt	-	(28)
Net cash (used in)/provided by financing activities	(65)	(93)
Net (decrease)/increase in cash and cash equivalents	39	(51)
Cash and cash equivalents at January 1	108	159
Cash and cash equivalents at December 31	\$ 147	\$ 108
Supplemental disclosure of cash flow information		
Cash paid for interest, net of amounts capitalized	\$ 3	\$ 7

See accompanying notes.

The MITRE Corporation

Notes to the Consolidated Financial Statements

December 31, 2024

1. Description of Business and Basis of Presentation

Description of Business

The MITRE Corporation (referred to in this report as “we,” “our,” the “Corporation,” or “MITRE”) is a private, not-for-profit corporation that is chartered in the public interest and provides systems engineering, research and development, and information technology support to the United States (“U.S.”) federal government to solve some of the nation’s most critical challenges. The Corporation operates federally funded research and development centers (“FFRDCs”) for the Department of Defense (“DOD”), Federal Aviation Administration (“FAA”), Internal Revenue Service and Department of Veterans Affairs, Department of Homeland Security, Centers for Medicare & Medicaid Services, and National Institute of Standards and Technology.

The Corporation’s consolidated financial statements include two wholly-owned subsidiaries, MITRE Engenuity, LLC (“Engenuity” or “MITRE Engenuity”) and MITRE Australia Limited (“Australian Subsidiary”). MITRE Engenuity is a single-member limited liability corporation with MITRE as the single member that provides research and development services to commercial customers in order to solve some of the nation’s most critical challenges. The Australian Subsidiary is a single-member limited liability not-for-profit with MITRE as the single member, founded in Australia in 2023 to advance and expand in-country operations.

MITRE currently operates two international, not-for-profit branches; one in Singapore to help the country’s aviation authority to improve the safety, efficiency, and capacity of its aviation infrastructure, as well as a branch in Australia as part of MITRE’s strategic effort to partner with the Commonwealth of Australia to serve as an objective, trusted advisor working in the Australian public interest.

Under its bylaws, the Trustees of the Corporation have the power to dissolve the Corporation and wind up its affairs. In such a case, the remaining property and assets existing after the wind up would not inure to the benefit of any individual. A successor, charitable or not-for-profit corporation would be designated to take over all or substantially all the functions and purposes of the Corporation; if none were so designated, a charitable or nonprofit corporation would be designated to be the recipient of any property or assets remaining after the wind up.

The MITRE Corporation

Notes to the Consolidated Financial Statements (continued)

1. Description of Business and Basis of Presentation (continued)

Basis of Presentation

The Corporation's consolidated financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted ("GAAP") in the U.S. and includes two wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Management evaluates these estimates and assumptions on an ongoing basis. The results of any changes in accounting estimates are reflected in the consolidated financial statements in the period in which the changes become evident.

Concentration of Credit Risk

Financial instruments which potentially subject MITRE to concentrations of credit risk consist primarily of cash equivalents, accounts receivable, and unbilled receivable. The Corporation's cash equivalents are generally invested in liquid money market deposit accounts with various high-credit-quality financial institutions. The Corporation believes any exposure to credit risk for either the accounts receivable balance or the unbilled receivable balance is limited, as the majority of these amounts are due from the U.S. government or prime contractors to the federal government.

Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash in banks and highly liquid instruments with original maturities of three months or less, and primarily consist of money market investments.

The MITRE Corporation

Notes to the Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Accounts Receivable, net

Accounts receivable include amounts which have been billed under the Corporation's contracts. The Corporation maintains allowances for expected credit losses against certain accounts receivable based upon the latest information regarding whether specific invoices are ultimately collectible. Assessing the recoverability of charges and collectability of customer receivables requires management judgment. The Corporation's allowance for expected credit losses for billed receivables was \$1.0 million and \$2.4 million as of December 31, 2024 and 2023, respectively.

Contract Assets and Contract Liabilities

The Corporation may record contract assets and contract liabilities arising from delivery of contracts with customers. Contract assets represent amounts earned through delivery of contracts but not yet billed to the customer (unbilled receivables – a current asset); this includes amounts currently billable, amounts not contingent on any event other than the passage of time until the next billing cycle, and other recoverable contract costs not yet billable under specific contract terms. Contract liabilities represent amounts billed to customers but not yet earned via contract delivery (deferred revenue – a current liability). The Corporation's allowance for expected credit losses for unbilled receivables was \$1.9 million as of December 31, 2024 and 2023.

Property and Equipment

Property and equipment are recognized at cost less accumulated depreciation and accumulated impairment losses, if any. Maintenance and repairs are expensed as incurred. Improvements and additions which increase the operating functionality or extend the life of the related assets are capitalized. Upon retirement or sale of an asset, its cost and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the determination of the change in net assets. As of December 31, 2024 and 2023, the Corporation had an immaterial amount of accrued expenses related to property and equipment.

Eligible internally developed software costs are capitalized during the application development phase. This phase occurs after preliminary project planning, but prior to the software being used in operations. Such costs may include costs related to design, coding, and testing of software and are included in the other long-term assets, net financial statement line. After all substantial testing and deployment is completed and the software is ready for its intended use, any capitalized costs are amortized over the estimated useful life of the software and any additional costs are expensed as incurred.

The MITRE Corporation

Notes to the Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Depreciation and amortization are computed on the various classes of fixed assets as follows:

Type	Depreciation method	Estimated useful lives
Buildings and building improvements	Straight-line	5 – 39.5 years
Leasehold improvements	Straight-line	Shorter of 5 years or remaining life of the lease term
Furniture and fixtures	Straight-line	10 years
Computer hardware	Straight-line, half-year convention	3 years
Non-computer equipment	Straight-line, half-year convention	5 years
Land	Not depreciated	Indefinite

In addition to the equipment purchased by the Corporation, which is included in the accompanying consolidated balance sheets, the Corporation also uses certain government-furnished equipment for which it is accountable to the U.S. government.

Leases

The Corporation leases certain buildings, office space, and other facilities with original terms in excess of one year which expire at various dates through 2033. Under ASC 842, we determine whether a contract is or contains a lease at contract inception, as well as whether the lease should be classified as an operating or finance lease. We have determined that each of our leases constitutes an operating lease. Operating lease balances are included in operating lease right-of-use (“ROU”) assets and operating lease liabilities, current and net of current portions, in our consolidated balance sheet.

The Corporation recognizes operating lease right-of-use assets and operating lease liabilities based on the present value of the future minimum lease payments over the lease term at commencement date. We use a risk-free discount rate to determine the present value of future payments, calculated by using the Federal Reserve’s interest rates for US government securities under treasury constant maturities. Many of our leases include renewal options; we define the initial lease term to exclude renewal options unless determined to be reasonably certain. The Corporation does not recognize a right-of-use asset and lease liability for leases with an initial term of 12 months or less; we recognize lease expense for these leases on a straight-line basis over the lease term. We do not separate lease components from non-lease components, applying the practical expedient to all material classes of leased assets.

The MITRE Corporation

Notes to the Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Many of the Corporation's real property lease agreements contain incentives for tenant improvements, rent abatements, or rent escalation clauses. For tenant improvement incentives, if the incentive is determined to be a leasehold improvement owned by the lessee, the Corporation will record it against the ROU asset and amortize over the term of the lease as a reduction to rent expense. For rent abatements and rent escalation clauses during the lease term, the Corporation records rental expense on a straight-line basis over the term of the lease. For these lease incentives, the Corporation uses the date of initial possession as the commencement date, which is generally when the Corporation is given the right of access to the space and begins to make improvements in preparation for intended use.

The Corporation holds no finance leases, nor is the Corporation a lessor in any material arrangements. We do not have any material restrictions or covenants in our lease agreements.

Long-Lived Assets

The Corporation reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be fully recoverable. If the total of the expected undiscounted future net cash flows is less than the carrying amount of the asset, a loss is recognized for any excess of the carrying amount over the fair value of the asset. The Corporation did not record any material impairment losses during the years ended December 31, 2024 and 2023.

Capitalized Cloud Software Implementation Costs

Eligible implementation costs associated with cloud-based services arrangements are capitalized during the application development stage. Such costs primarily include contractor costs; however, in certain instances, such costs may also include internal salaries, fringe costs. Once the project is complete, these items are included in the prepaid expenses and other current assets, net financial statement line. After all substantial testing and deployment is completed and the cloud-based arrangement is ready for its intended use, the capitalized implementation costs are amortized over the estimated term of the arrangement with the cloud service organization.

The MITRE Corporation

Notes to the Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Net Assets

Apart from an immaterial amount of net assets with donor restrictions for time or purpose, MITRE's net assets are not subject to donor restrictions. MITRE defines net asset types as:

- *Net assets without donor restrictions:* Represents the accumulated excess of contract revenue and other income over total costs and expenses which are not subject to donor-imposed stipulations. Any donor-restricted contributions would also be classified as such if the restrictions are met in the same year as the contribution is received.
- *Net assets with donor restrictions for time or purpose:* Also known as temporary restrictions, are net assets subject to donor-imposed stipulations which will be met either by the actions of MITRE in accordance with those stipulations and/or by the passage of time.

MITRE does not have any assets with permanent donor restrictions (restrictions in perpetuity).

Revenue Recognition

The Corporation provides engineering, research and development, and IT services, primarily under long-term service arrangements with the U.S. government. The Corporation recognizes revenue from a customer only when a contract is legally enforceable such that the contract is approved by all parties, rights of the parties are identified, payment terms are identified, and collectability is probable.

The Corporation evaluates whether two or more contracts should be combined and accounted for as a single contract, including the task orders issued under an indefinite delivery/indefinite quantity ("IDIQ") award. MITRE assesses contract modifications to determine whether changes to the existing contracts should be accounted for as a part of the original contract or a separate contract. The majority of the Corporation's contracts are comprised of the following types:

- *Cost reimbursable:* Under cost reimbursable contracts, customers are billed for the Corporation's costs, including both direct and indirect costs, plus, in certain cases, a fixed negotiated fee.

The MITRE Corporation

Notes to the Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

- *Firm fixed-price:* Under fixed-price contracts, the Corporation's customers are billed at defined milestones for an agreed-upon amount negotiated in advance for a specified scope of work.
- *Time-and-materials:* Under the Corporation's time-and-materials contracts, the Corporation negotiates hourly billing rates and charges the customer based on the actual time that is expended, in addition to other direct costs incurred in connection with the contract.

A performance obligation reflects promises which the Corporation must transfer a distinct good or service to the customer. We identify performance obligations when contractual promises are capable of being distinct and are distinct within the context of the contract.

The majority of the Corporation's contracts contain a single performance obligation involving a significant integration of various activities which are performed together to deliver a combined service or solution. Performance obligations may be satisfied over time or at a point in time, but virtually all of the Corporation's performance obligations are satisfied over time. The Corporation selects the appropriate measure of progress for revenue recognition based on the nature of the performance obligation, contract type, and other pertinent contract terms.

The Corporation generally recognizes revenue over time, as there is a continuous transfer of control to the customer over the duration of the contract as the promised services are performed. For the Corporation's cost reimbursable and time-and-materials contracts, revenue is generally recognized using the right-to-invoice practical expedient, given that the Corporation is contractually able to invoice the customer based on the control transferred to the customer. For the Corporation's firm fixed-price contracts, progress is measured on performance obligations using a cost input measure (cost to cost), whereby revenue is recognized based on the ratio of costs incurred to total estimated costs.

Recognizing revenue on long-term contracts involves estimates and judgments. The transaction price is the estimated amount of consideration expected to be received for performance under contracts. Contract terms may include variable consideration, such as reimbursable costs, fees, or other provisions which can either increase or decrease the transaction price. The Corporation includes variable consideration in the transaction price only to the extent it is probable and reasonably estimable. Provisions for estimated losses on uncompleted contracts are recorded during the period in which such losses become evident.

The MITRE Corporation

Notes to the Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

In addition to the contract types above, the Corporation also receives contributions and memberships from donors, primarily through MITRE Engenuity, which are recognized when received.

Internal research and development

As part of its activities, the Corporation conducts an Internal Research and Development (“IR&D”) program. The progress and outcome of this program is reviewed by the Science and Technology Advisory Committee. The costs of this program include salaries, fringe costs, overhead, and general and administrative costs and are charged to operations as incurred. The Corporation had \$112.6 million and \$110.1 million of IR&D costs for the years ended December 31, 2024 and 2023, respectively; these costs are included in the general and administrative financial statement line. The Corporation records IR&D in the same manner as costs are defined in the Corporation’s disclosure statements required by the U.S. government Cost Accounting Standards (“CAS”).

Fair value

The Corporation measures the fair value of its financial instruments using observable and unobservable inputs based on a hierarchy which gives the highest priority to assets and liabilities with readily available quoted prices in an active market and gives the lowest priority to unobservable inputs which require a higher degree of judgment when measuring fair value. In cases where inputs used to measure fair value fall into different categories within the fair value hierarchy, an investment’s fair value is based on the lowest level of input that is significant to fair value measurement. The three categories of the fair value hierarchy are as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities as of the measurement date.

Level 2 – Quoted prices in markets which are not active or other pricing inputs which are either directly or indirectly observable as of the measurement date.

Level 3 – Prices or valuation techniques in which one or more significant value drivers are unobservable as of the measurement date. The determination of fair value for these financial instruments requires one or more inputs subject to significant management judgment or estimation.

The MITRE Corporation

Notes to the Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Most investments are carried at estimated fair value using the valuation hierarchy framework or based on the equity method of accounting. Certain investments without readily determinable fair value are presented using the initial investment in the underlying investment adjusted for impairment and observable price changes.

Income Taxes

Under provisions of the U.S. Internal Revenue Code Section 501(c)(3), the Corporation is exempt from taxes on income other than unrelated business income. For the years ended December 31, 2024 and 2023, the Corporation had no unrelated taxable business income and, therefore, no provision for income taxes was made. The Corporation takes no tax positions which it considers to be uncertain.

3. Revenue Recognition

The following table presents our revenues disaggregated by contract type for the years ended December 31, 2024 and 2023:

	2024	2023
	<i>(In Millions)</i>	
Cost-reimbursable	\$ 2,367	\$ 2,283
Firm fixed-price and time-and-materials	93	73
Contributions and memberships	10	12
Total revenue	<u>\$ 2,470</u>	<u>\$ 2,368</u>

Contract assets which consisted of net unbilled receivables were \$221 million and \$200 million as of December 31, 2024 and 2023, respectively; contract liabilities which consisted of deferred revenue were \$16 million and \$19 million as of December 31, 2024 and 2023, respectively. There were no significant impairment losses related to our contract assets during the years ended December 31, 2024 and 2023.

The MITRE Corporation

Notes to the Consolidated Financial Statements (continued)

4. Fair Value of Financial Instruments

The following estimates and assumptions were used to determine the fair value of each class of financial instrument held by the Corporation as of December 31, 2024 and 2023:

Cash Equivalents – Money Market: Cash equivalents include, but are not limited to, investments in money market funds which are actively traded. These are priced by independent market prices in the primary trading market and are classified as Level 1.

Deferred Compensation Plan Assets: These plan assets include mutual funds, such as money market funds, small capitalization funds, bond mutual funds, and other funds. Mutual funds have daily quotes which are able to support observable data. These assets are classified as Level 1. As of December 31, 2024 and 2023, the fair value of these assets was \$8.5 million and \$7.2 million, respectively.

The Corporation held no financial instruments classified as Level 2 or 3 as of December 31, 2024 and 2023, or during any portion of those years.

5. Property and Equipment

Property and equipment consists of the following as of December 31, 2024:

	2024	2023
	<i>(In Millions)</i>	
Buildings, building improvements, and leasehold improvements	\$ 794	\$ 714
Machinery and equipment	386	356
Land	61	61
Construction in progress	37	68
	1,278	1,199
Less: accumulated depreciation	(665)	(617)
Total net property and equipment	\$ 613	\$ 582

Depreciation expense was \$58.7 million and \$50.9 million for the years ended December 31, 2024 and 2023, respectively.

The MITRE Corporation

Notes to the Consolidated Financial Statements (continued)

6. Debt

Line of Credit

The Corporation holds a \$375.0 million Line of Credit with a five-year term through March 23, 2028. The Line of Credit has a \$100.0 million accordion on which we are charged interest based on varying leverage ratios. The interest on borrowings under the Line of Credit varies based upon SOFR, range of 1.25% up to 2.00% or the prime rate 0.25% to 1.00%, at the choice of the Corporation, with annual commitment fees ranging from 0.175% to 0.30% of the daily unused amount available. Interest on the prime loans is due monthly, and interest on SOFR loans is due the earlier of the loan's maturity or three months after the original borrowing date, unless the Corporation defaults on a borrowing outstanding, in which case both principal and any unpaid interest are due immediately.

The Corporation may issue letters of credit against the Line of Credit up to \$10.0 million. We had a total of \$2.2 million in letters of credit under the Line of Credit as of December 31, 2024. Letters of credit expire at various dates through November 30, 2025. The Corporation had \$40.0 and \$105.0 million of borrowings outstanding under the Line of Credit as of December 31, 2024 and 2023, respectively.

The debt agreements outlined above contain certain financial covenants, including a leverage ratio and a minimum debt service coverage. The Corporation was in compliance with all covenants as of December 31, 2024 and 2023.

The Corporation had no long-term debt as of December 31, 2024.

Total interest expense (including capitalized interest) for the years ended December 31, 2024 and 2023 was as follows:

	2024	2023
	<i>(In Millions)</i>	
Total interest expense	\$ 5	\$ 10
Interest capitalized	(2)	(3)
Net interest expense	<u>\$ 3</u>	<u>\$ 7</u>

The MITRE Corporation

Notes to the Consolidated Financial Statements (continued)

7. Employee Benefit Plans

Defined Contribution Plan

The Corporation has a defined contribution employee retirement program covering substantially all employees. Employees may elect to contribute a percentage of their annual base salary and the Corporation will contribute a percentage of the participant's base salary, subject to certain limits.

The Corporation contributed \$137.6 million and \$132.5 million to the plan, which is included in cost of revenues, for the years ended December 31, 2024 and 2023, respectively.

Deferred Compensation Plan for Officers

The Corporation has a deferred compensation plan providing deferred compensation for executive officers. The cost of these benefits was \$0.6 million and \$0.7 million for the years ended December 31, 2024 and 2023, respectively. Plan assets, which are invested in a Rabbi Trust, were \$8.5 million and \$7.2 million as of December 31, 2024 and 2023, respectively. These are Level 1 assets comprised of mutual funds – refer to Note 4 for additional details. Accrued plan benefits of \$8.5 million and \$7.2 million were included in the postretirement benefit plan liabilities financial statement line as of December 31, 2024 and 2023, respectively.

Postretirement Health Benefits

The Corporation sponsors a postretirement Voluntary Employee Beneficiary Association (“VEBA”) trust plan. The plan provides postretirement health benefits terminating at age 65 and is contributory, with retiree contributions adjusted annually. A small group of grandfathered retirees have coverage until age 70. As of January 1, 2016, new employees are no longer eligible for subsidized retiree medical coverage. The accounting for the plan anticipates future cost-sharing changes to the written plan which are consistent with the Corporation's expressed intent to maintain a fixed level of proportionate cost sharing between the Corporation and retirees. The current year estimates were based on census and claims data collected as of January 1, 2024.

The postretirement health care plan is accounted for under the provisions of accounting for non-retirement, post-employment benefits topic of the Accounting Standards Codification. The Corporation recognized the unfunded portion of \$6.3 million in the postretirement benefit plan liabilities financial statement line as of December 31, 2024 and the unfunded portion of \$3.5 million in the postretirement benefit plan liabilities financial statement line as of December 31, 2023. The change in the unfunded status of the accumulated postretirement benefit

The MITRE Corporation

Notes to the Consolidated Financial Statements (continued)

7. Employee Benefit Plans (continued)

obligation is included as cost of revenues in the consolidated statement of activities. The change in the unfunded status is included in the consolidated statement of cash flows in the line item: other adjustments to reconcile change in net assets to net cash provided by operating activities. The increase in the accumulated postretirement benefit obligation for the year ended December 31, 2024 is \$2.8 million. The Corporation uses a 501(c)(9) Trust (the “Trust”) as a funding vehicle for plan assets.

The net periodic postretirement benefit cost for the years ended December 31, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
	<i>(In Millions)</i>	
Service cost – benefits earned during the year	\$ 3	\$ 3
Interest cost on projected benefit obligation	3	4
Expected return on plan assets	(4)	(4)
Net period postretirement benefit cost	<u>\$ 2</u>	<u>\$ 3</u>

The MITRE Corporation

Notes to the Consolidated Financial Statements (continued)

7. Employee Benefit Plans (continued)

The following table sets forth the plan's funded status as of December 31, 2024 and 2023:

	2024	2023
	<i>(In Millions)</i>	
Change in benefit obligation		
Projected benefit obligation at beginning of year	\$ 67	\$ 68
Service cost	3	3
Interest cost	3	4
Participant contributions	3	3
Actuarial loss/(gain)	2	(4)
Benefits paid	(7)	(7)
Projected benefit obligation for services rendered to date, end of year	71	67
Change in plan assets		
Plan assets at fair value at beginning of year	63	60
Actual return on plan assets	5	7
Participant contributions	3	3
Benefits paid	(7)	(7)
Plan assets at fair value at end of year	64	63
Funded status (accrued benefit cost)	\$ (7)	\$ (4)

The assumptions used in determining the projected benefit obligation as of December 31, 2024 and 2023 were as follows:

	2024	2023
Discount rate	5.6%	5.2%
Expected return on plan assets for the next 12 months	6.5%	6.5%
Health care cost trend rates for the next 12 months	7.0%	6.3%

The discount rate assumption is based primarily on the results of a cash flow matching analysis which matches the future cash outflows to a yield curve based on the future expected performance of above average bonds. Benefit payments are discounted at the rates on the curve to determine the year-end obligation.

The MITRE Corporation

Notes to the Consolidated Financial Statements (continued)

7. Employee Benefit Plans (continued)

Plan Assets

The post-retirement health care plan's weighted-average asset allocation by asset category was as follows for the years ended December 31, 2024 and 2023:

<u>Asset Category</u>	<u>2024</u>	<u>2023</u>
Equity investments	65%	65%
Debt investments	34%	35%
Cash/Other	1%	–%
Total	<u>100%</u>	<u>100%</u>

The fundamental investment policies of the plan have been formulated so they balance the primary objectives of (1) achieving long-term growth sufficient to fund future obligations and (2) supporting the short-term requirement of meeting current benefit payments. Assets maintained under the plan are priced by independent market prices in the primary trading market and are classified as Level 1 investments.

Overall, the plan's policies have traditionally emphasized the maximization of long-term returns in a manner consistent with an asset base that consists of high-quality investments as a means of enhancing capital preservation, is broadly diversified, and generates a relatively high level of investment income in accordance with the level of risk incurred.

The MITRE Corporation

Notes to the Consolidated Financial Statements (continued)

7. Employee Benefit Plans (continued)

Cash Flows

Expected Future Benefit Payments

The following table presents estimated future benefit payments as of December 31, 2024 (in millions):

	2024
	<i>(In Millions)</i>
2025	\$ 7
2026	7
2027	8
2028	7
2029	7
Thereafter	32
Total expected future benefit payments	<u>\$ 68</u>

8. Commitments and Contingences

Litigation

The Corporation is subject to litigation relating to matters in the ordinary course of business. Based upon the current information available, MITRE is not presently a party to any legal proceedings which, in the opinion of management, if determined adversely, would individually or taken together have a material adverse effect on our business, changes in net assets, or financial condition.

The MITRE Corporation

Notes to the Consolidated Financial Statements (continued)

8. Commitments and Contingences (continued)

Government Contracting Matters

The Corporation is routinely subject to audits and reviews relating to compliance with various laws and regulations with respect to its role as a contractor to federal government customers. The Defense Contract Audit Agency (“DCAA”) routinely audits and reviews a contractor’s performance on government contracts, indirect rates, pricing practices, internal control systems, and compliance with applicable contracting and procurement laws, regulations, and standards. During the course of these audits, auditors may question incurred costs if they believe the Corporation has accounted for such costs in a manner inconsistent with the requirements of the Federal Acquisition Regulations or the CAS and may recommend that certain costs be disallowed. Historically, MITRE has not experienced significant disallowed costs as a result of these audits; however, management cannot provide assurance that future audits will not result in material disallowances of incurred costs.

The indirect cost audits by DCAA have been completed through 2020. Although the Corporation has recorded contract revenue based on an estimate of costs which the Corporation believes will be approved on final audit, MITRE does not know the outcome of any ongoing or future audits. Management has recorded reserves of estimated net amounts to be refunded to customers for potential adjustments of uncompleted audit years.

9. Leases

	2024	2023
	<i>(In Millions)</i>	
Lease cost		
Operating lease cost	\$ 18	\$ 18
Variable lease cost	1	1
Total lease cost	<u>\$ 19</u>	<u>\$ 19</u>

The MITRE Corporation

Notes to the Consolidated Financial Statements (continued)

9. Leases (continued)

Other supplemental information

Other supplemental operating lease information consists of the following:

	2024	2023
	<i>(In Millions)</i>	
Cash paid for amounts included in the measurement of lease liabilities	\$ 18	\$ 18
Right-of-use assets obtained in exchange for new operating lease liabilities	27	6
Weighted-average remaining lease term – operating leases	4 years	5 years
Weighted-average discount rate – operating leases	2.4%	1.8%

Maturities of Lease Liabilities

Maturities of operating lease liabilities as of December 31, 2024 are as follows:

	2024
	<i>(In Millions)</i>
Year ending December 31	
2025	\$ 17
2026	15
2027	13
2028	13
2029	8
Thereafter	2
Total lease payments	68
Less: imputed interest	5
Present value of operating lease liabilities	\$ 63

The MITRE Corporation

Notes to the Consolidated Financial Statements (continued)

10. Natural Classification of Expenses

The Corporation classifies costs of revenue, as well as general and administrative, in the same manner as costs are defined in the Corporation's disclosure statements as required by CAS. The following table represents these costs summarized by their natural classification for the year ended December 31, 2024:

	Costs of Revenues	General and Administrative	2024 Total
	<i>(In Millions)</i>		
Salaries and wages	\$ 1,173	\$ 134	\$ 1,307
Benefits	591	10	601
Subcontractors	117	17	134
Software	73	6	79
Depreciation and amortization	65	–	65
Equipment	32	1	33
Utilities, repairs and maintenance	34	–	34
Travel	36	6	42
Professional services	16	8	24
Taxes	11	–	11
Supplies	13	1	14
Memberships and subscriptions	5	1	6
Conferences, meetings and trainings	6	2	8
Miscellaneous	9	2	11
Total expenses	\$ 2,181	\$ 188	\$ 2,369

The MITRE Corporation

Notes to the Consolidated Financial Statements (continued)

10. Natural Classification of Expenses (continued)

The following table represents these costs summarized by their natural classification for the year ended December 31, 2023:

	Costs of Revenues	General and Administrative	2023 Total
	<i>(In Millions)</i>		
Salaries and wages	\$ 1,147	\$ 131	\$ 1,278
Benefits	579	11	590
Subcontractors	109	17	126
Software	62	5	67
Depreciation and amortization	56	–	56
Equipment	32	2	34
Utilities, repairs and maintenance	35	–	35
Travel	30	5	35
Professional services	17	5	22
Taxes	11	–	11
Supplies	10	1	11
Memberships and subscriptions	4	3	7
Conferences, meetings and trainings	5	1	6
Miscellaneous	7	2	9
Total expenses	\$ 2,104	\$ 183	\$ 2,287

The MITRE Corporation

Notes to the Consolidated Financial Statements (continued)

11. Liquidity and Availability

As of December 31, 2024 and 2023, respectively, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt, consist of the following:

	<u>2024</u>	<u>2023</u>
	<i>(In Millions)</i>	
Financial assets:		
Cash and cash equivalents	\$ 147	\$ 108
Accounts receivable, net	78	131
Unbilled receivables, net	221	200
Total financial assets available within one year	<u>446</u>	<u>439</u>
Liquidity resources:		
Line of credit	<u>335</u>	270
Total financial assets and liquidity resources available within one year	<u>\$ 781</u>	<u>\$ 709</u>

To manage liquidity, the Corporation maintains a line of credit that is drawn upon as necessary during the year to manage cash flows. Refer to Note 6 for additional details.

12. Subsequent Events

MITRE has evaluated subsequent events for disclosure and recognition through April 24, 2025, which is the date the consolidated financial statements were available to be issued.

On January 24, 2025, MITRE signed an amendment on its revolving credit facility agreement with Bank of America, effective immediately. The amendment increased the Line of Credit from \$375.0 million to \$450.0 million, to mature on March 23, 2028. Additionally, the amendment opened a delayed draw term loan (“DDTL”) in the amount of \$75.0 million, to mature on January 24, 2030. As of the issuing date of these financial statements, MITRE has drawn upon the full DDTL and holds a corresponding long-term obligation of \$75.0 million.

The MITRE Corporation

Notes to the Consolidated Financial Statements (continued)

12. Subsequent Events (continued)

During the first week of April 2025, MITRE laid off approximately 700 employees in order to improve operational efficiency and reduce costs to align with current business volumes. The Corporation incurred \$35.7 million in severance costs, which is recorded and expected to be paid out to the terminated employees during Fiscal Year 2025. The reduction in force will not have a material impact on the Company's future financial position or operating results, as the severance costs are expected to be recoverable under MITRE's Federal Government contracts.

The Corporation did not have any further subsequent events requiring disclosure.



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Report of Independent Auditors 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 Management and the Board of Trustees

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 (*Government Auditing Standards*), the consolidated financial statements of the MITRE Corporation (the Corporation), which comprise the consolidated statement of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes (collectively referred to as the “financial statements”), and have issued our report thereon date April 24, 2025.

Report on Internal Control Over Financial Reporting

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

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

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



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Report on Compliance and Other Matters

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

Purpose of This Report

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

Ernst + Young LLP

April 24, 2025

Single Audit



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Report of Independent Auditors on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

To Management and the Board of Trustees
The MITRE Corporation

Report of Independent Auditors on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited The MITRE Corporation's (the Corporation) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the Corporation's major federal program for the year ended December 31, 2024. The Corporation's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2024.

Basis for Opinion on the Major Federal Program

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

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



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Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Corporation's compliance with the requirements of the major federal program as a whole.

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

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



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

Report on Internal Control Over Compliance

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

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

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

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

Ernst + Young LLP

April 24, 2025

The MITRE Corporation
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024

Research and Development Cluster Contract/Contract No.	Federal Grantor	Assistance Listing Number	Direct Expenditures	Passthrough Expenditures	Pass Through Grantor (Pass Through Award No.)	Federal Expenditures
National Security Engineering Center FFRDC						
FA8702-13-C-0001 through 19-C-0001, FA8721-11-C-0001, 17-D-0211-0001 through 0024, W15P7T-04-C-D001-13-C-A802, FA8702-20-C-0001, W56KGU19F004	Department of Defense	12.RD	1,236,051,168	\$	-	\$ 1,236,051,168
1233381, 2096769\0001 CLASSIFIED	Department of Energy USGC/Special Projects (Classified)	81.RD 99.RD	398,174 195,208,243	-	-	398,174 195,208,243
Total National Security Engineering Center FFRDC						<u>1,431,657,585</u>
National Institute of Standards and Technology FFRDC						
SB1341-14-CQ-0010;333ND19FNB775321	Department of Commerce – NIST	11.RD	23,556,930	-	-	<u>23,556,930</u>
Total National Institute of Standards and Technology FFRDC						<u>23,556,930</u>
Center for Advanced Aviation System Design FFRDC						
FAA-0080-10/11, FAA-0080-11	Department of Transportation – Federal Aviation Administration NASA Shared Services Center USDOT	20.RD 43.RD 20.RD	162,257,240 2 1,525,472	-	-	162,257,240 2 <u>1,525,472</u>
Total Center for Advanced Aviation System Design FFRDC						<u>163,782,714</u>

The MITRE Corporation

Schedule of Expenditures of Federal Awards (continued)

Research and Development Cluster Contract/Contract No.	Federal Grantor	Assistance Listing Number	Direct Expenditures	Passthrough Expenditures	Pass Through Grantor (Pass Through Award No.)	Federal Expenditures
Center for Enterprise Modernization FFRDC						
TIRNO99D00005, SAQMMA16-17, 2016000771, QPN-BQF, CORHQ-17 1331L523D130S0003	Department of the Treasury – IRS	21.RD	\$ 191,520,830	\$ –		\$ 191,520,830
	Department of Commerce	11.RD	1,951,334			1,951,334
4600005243-AEROSP	National Aeronautics and Space Administration	43.RD	–	760,116	Aerospace Corporation (NNG11VHOOB)	760,116
61320619D0100	U.S. Consumer Product Safety Commission (CPSC)	87.RD	207,274			207,274
VA118A13D0037, VA118A15D0004	Veterans Administration	64.RD	86,790,335	–		86,790,335
Total Center for Enterprise Modernization FFRDC						<u>281,229,889</u>
Homeland Security Systems Engineering & Development Institute FFRDC						
HSHQDC09D0001, HSHQDC14D00006, HSHQDN16J, HSHQDC17J, HSBP1017, RAND- 9920190028-29, 70RSAT20D00000001	Department of Homeland Security	97.RD	222,754,896	–		<u>222,754,896</u>
Total Homeland Security Systems Engineering & Development Institute FFRDC						<u>222,754,896</u>
Centers for Medicare and Medicaid Services FFRDC						
75FCMC18D0047, HHSM500201200008I	Department of Health and Human Services	93.RD	248,842,185	–		<u>248,842,185</u>
Total Centers for Medicare and Medicaid Services FFRDC						<u>248,842,185</u>
Total FFRDC expenditures						<u>\$ 2,371,824,199</u>

The MITRE Corporation

Schedule of Expenditures of Federal Awards (continued)

Research and Development Cluster Contract/Contract No.	Federal Grantor	Assistance Listing Number	Direct Expenditures	Passthrough Expenditures	Pass Through Grantor (Pass Through Award No.)	Federal Expenditures
Non – FFRDC Contracts						
HQ0034-14-D-0009, HQ003417F, HQ003418F	Office of the Undersecretary of Defense-JASON Program Office	12.RD	\$ 11,275,115	\$ –		\$ 11,275,115
19AQMM22C0025, 19AQMM22P0256, 19AQMM22C0173, 19AQMM22C0171, 19AQMM22C0168, 19AQMM23C0101, 19AQMM23C0153, SAQMIP23CA0445	Department of State	19.RD	27,578,956	–		27,578,956
89303024CCR000009, DE-SC0024451	U.S. Department of Energy (DOE)	81.RD	791,677	–		791,677
EAC-EAC-24-MOR021	U.S. Election Assistance Commission	90.RD	102,024	–		102,024
11316024P0002NCD	Office of the National Cyber Director	95.RD	177,781	–		177,781
80NSSC22PA370	NASA Shared Services Center	43.RD	207,351	–		207,351
101692	National Oceanic Atmospheric Administration (NOAA)	11.RD	2,300	–		2,300
NSF2232221-NSF2240557-NSF2431961	NATIONAL SCIENCE FOUNDATION	47.RD	858,846	–		858,846
Total Non – FFRDC Contracts						<u>40,994,050</u>
Total Research and Development Cluster						<u>2,412,818,249</u>
Total Federal Expenditures			<u>\$ 2,412,058,133</u>	<u>\$ 760,116</u>		<u>\$ 2,412,818,249</u>

See accompanying notes.

The MITRE Corporation

Notes to the Schedule of Expenditures of Federal Awards

Year ended December 31, 2024

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes the federal expenditures of the Corporation to perform research and development activities for the federal government for the year ended December 31, 2024. The amounts reported as federal expenditures were obtained from the Corporation's general ledger. Because the Schedule presents only a selected portion of the operations of the Corporation, it is not intended to and does not present the financial position, the results of its operations, or its cash flows.

In accordance with the provisions of the Office of Management and Budget Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*, the Corporation has one program, the research and development cluster, and receives awards under that program. The Schedule includes all contracts and grants awarded to the Corporation under its program by agencies and departments of the federal government.

Full Assistance Listing Numbers and pass-through numbers are not available for all grants or contracts on the Schedule.

For the purpose of the Schedule, expenditures of federal award programs are recognized on the accrual basis of accounting.

2. Indirect Cost Rate

MITRE utilizes billing rates that have been negotiated with the Corporate Administrative Contracting Office (CACO) and did not elect to use the 10% de minimis rate as covered in §200.414 Indirect (F&A) costs.

The MITRE Corporation

Schedule of Findings and Questioned Costs

Year Ended December 31, 2024

Section I – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

 Yes X **No**

Significant deficiency(ies) identified?

 Yes X **None reported**

Noncompliance material to financial statements noted?

 Yes X **No**

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

 Yes X **No**

Significant deficiency(ies) identified?

 Yes X **None reported**

Type of auditor’s report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

 Yes X **No**

Identification of major federal programs:

Assistance Listing Number(s)

Name of federal program or cluster

Various

Research and Development Cluster

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

\$7,238,000

Auditee qualified as low-risk auditee?

 X **Yes** **No**

The MITRE Corporation

Schedule of Findings and Questioned Costs (continued)

Section II – Financial Statement Findings

There are no matters to be reported.

Section III – Federal Award Findings and Questioned Costs

There are no matters to be reported.

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