

Mote Marine Laboratory, Inc.

Financial Statements,
Supplemental Information,
Contract Compliance and
Independent Auditor's Report
September 30, 2020 and 2019

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Independent Auditor's Report

The Board of Trustees
Mote Marine Laboratory, Inc.
Sarasota, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Mote Marine Laboratory, Inc. (Laboratory), a nonprofit organization, which comprise the statements of financial position as of September 30, 2020 and 2019, and the related statements of activities and cash flows, and statements of functional expenses for the years then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mote Marine Laboratory, Inc. as of September 30, 2020 and 2019, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Mote Marine Laboratory, Inc. as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.650, *Rules of the Auditor General*, is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of the Laboratory's 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 basic 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 State 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 February 25, 2021 on our consideration of Mote Marine Laboratory, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Mote Marine Laboratory, Inc.'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 Mote Marine Laboratory, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Beckering Barkhuis & Co." The signature is written in a cursive, flowing style.

Sarasota, Florida
February 25, 2021

Mote Marine Laboratory, Inc.

Statements of Financial Position

September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Cash and cash equivalents	\$ 11,279,117	\$ 9,287,701
Accounts receivable	4,901,537	1,555,702
Pledges receivable, net	7,752,054	3,708,836
Due from Mote Marine Foundation, Inc.	719,638	114,112
Prepaid expenses and other assets	67,297	149,299
Investments - certificates of deposit	627,629	859,887
Patents, net	95,780	100,425
Investment in deferred compensation plan	604,044	512,999
Land	7,498,190	7,498,190
Property and equipment, net	16,381,831	16,074,271
Construction in progress	5,195,720	3,021,345
Beneficial interest in the net assets of Mote Marine Foundation, Inc.	<u>17,141,448</u>	<u>16,867,814</u>
Total Assets	\$ <u>72,264,285</u>	\$ <u>59,750,581</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 1,085,721	\$ 403,847
Accrued payroll	820,946	947,249
Memberships relating to future periods	375,913	757,342
Funds advanced on research programs	9,041,015	7,181,601
Deferred compensation payable	604,044	512,999
Lines of credit	1,402,101	1,467,601
Paycheck Protection Program forgivable loan	2,318,259	-
Notes payable	<u>6,076,783</u>	<u>8,606,169</u>
Total liabilities	<u>21,724,782</u>	<u>19,876,808</u>
Net Assets:		
Without donor restrictions:		
Undesignated	20,507,308	15,006,631
Board designated	<u>390,818</u>	<u>-</u>
Total net assets without donor restrictions	<u>20,898,126</u>	<u>15,006,631</u>
With donor restrictions:		
Purpose and time restrictions	19,601,788	14,834,851
Perpetual in nature	<u>10,039,589</u>	<u>10,032,291</u>
Total net assets with donor restrictions	<u>29,641,377</u>	<u>24,867,142</u>
Total net assets	<u>50,539,503</u>	<u>39,873,773</u>
Total Liabilities and Net Assets	\$ <u>72,264,285</u>	\$ <u>59,750,581</u>

See accompanying notes to the financial statements.

Mote Marine Laboratory, Inc.

Statement of Activities

Year Ended September 30, 2020

(With Summarized Totals for 2019)

	Without Donor Restrictions	With Donor Restrictions	Total	2019 Total
Support, Revenue and Reclassifications:				
Program revenue:				
Research revenue:				
Federal	\$ 3,224,509	\$ -	\$ 3,224,509	\$ 1,793,644
State	7,718,918	-	7,718,918	3,067,174
Other	4,754,018	250	4,754,268	5,006,161
Aquarium:				
Admission fees	2,740,772	-	2,740,772	4,612,182
Gift shop	266,065	-	266,065	450,627
Other	220,129	-	220,129	514,306
Memberships	1,002,248	-	1,002,248	1,048,295
Education	431,498	-	431,498	855,688
Protect Our Reefs-License Plate	893,264	-	893,264	914,128
Other programs	506,683	-	506,683	635,074
Contributions:				
Construction	-	9,255,770	9,255,770	6,593,120
Aquarium	-	33,334	33,334	60,876
Other programs	2,738,578	29,850	2,768,428	1,989,922
Non-cash contributions	332,563	-	332,563	224,248
Grants from Mote Marine Foundation, Inc.	985,483	-	985,483	612,767
Investment income	40,441	1,083	41,524	47,184
Unrealized gain on investments, net	-	1,148	1,148	7,156
Realized gain (loss) on investments, net	1,017	-	1,017	(6,193)
Realized gain (loss) on disposal of assets	21,000	(1,124)	19,876	(25,826)
Change in beneficial interest in the net assets of Mote Marine Foundation, Inc.	-	273,634	273,634	37,245
Net assets released from restrictions	4,819,710	(4,819,710)	-	-
Total support, revenue and reclassifications	30,696,896	4,774,235	35,471,131	28,437,778
Expenses:				
Program services:				
Research	14,110,002	-	14,110,002	11,744,796
Education	1,082,389	-	1,082,389	1,252,335
Aquarium	3,979,596	-	3,979,596	3,947,754
Protect Our Reefs-License Plate	739,137	-	739,137	844,424
MAP facility operations	498,002	-	498,002	532,449
Other	435,814	-	435,814	420,224
Supporting services:				
Administrative and general	1,942,504	-	1,942,504	2,354,120
Fundraising	2,017,957	-	2,017,957	1,960,100
Total expenses	24,805,401	-	24,805,401	23,056,202
Change in net assets	5,891,495	4,774,235	10,665,730	5,381,576
Net assets at beginning of year	15,006,631	24,867,142	39,873,773	34,492,197
Net assets at end of year	\$ 20,898,126	\$ 29,641,377	\$ 50,539,503	\$ 39,873,773

See accompanying notes to the financial statements.

Mote Marine Laboratory, Inc.

Statement of Activities

Year Ended September 30, 2019

(With Summarized Totals for 2020)

	Without Donor Restrictions	With Donor Restrictions	Total	2020 Total
Support, Revenue and Reclassifications:				
Program revenue:				
Research revenue:				
Federal	\$ 1,793,644	\$ -	\$ 1,793,644	\$ 3,224,509
State	3,067,174	-	3,067,174	7,718,918
Other	5,006,161	-	5,006,161	4,754,268
Aquarium:		-	-	
Admission fees	4,612,182	-	4,612,182	2,740,772
Gift shop	450,627	-	450,627	266,065
Other	514,306	-	514,306	220,129
Memberships	1,048,295	-	1,048,295	1,002,248
Education	855,688	-	855,688	431,498
Protect Our Reefs-License Plate	914,128	-	914,128	893,264
Other programs	635,074	-	635,074	506,683
Contributions:		-		
Construction	-	6,593,120	6,593,120	9,255,770
Aquarium	-	60,876	60,876	33,334
Other programs	1,954,340	35,582	1,989,922	2,768,428
Non-cash contributions	224,248	-	224,248	332,563
Grants from Mote Marine Foundation, Inc.	612,767	-	612,767	985,483
Investment income	45,948	1,236	47,184	41,524
Unrealized gain (loss) on investments, net	8,012	(856)	7,156	1,148
Realized gain (loss) on investments, net	(6,193)	-	(6,193)	1,017
Realized gain (loss) on disposal of assets	(25,826)	-	(25,826)	19,876
Change in beneficial interest in the net assets of Mote Marine Foundation, Inc.	-	37,245	37,245	273,634
Net assets released from restrictions	3,344,582	(3,344,582)	-	-
Total support, revenue and reclassifications	25,055,157	3,382,621	28,437,778	35,471,131
Expenses:				
Program services:				
Research	11,744,796	-	11,744,796	14,110,002
Education	1,252,335	-	1,252,335	1,082,389
Aquarium	3,947,754	-	3,947,754	3,979,596
Protect Our Reefs-License Plate	844,424	-	844,424	739,137
MAP facility operations	532,449	-	532,449	498,002
Other	420,224	-	420,224	435,814
Supporting services:		-		
Administrative and general	2,354,120	-	2,354,120	1,942,504
Fundraising	1,960,100	-	1,960,100	2,017,957
Total expenses	23,056,202	-	23,056,202	24,805,401
Change in net assets	1,998,955	3,382,621	5,381,576	10,665,730
Net assets at beginning of year	13,007,676	21,484,521	34,492,197	39,873,773
Net assets at end of year	\$ 15,006,631	\$ 24,867,142	\$ 39,873,773	\$ 50,539,503

See accompanying notes to the financial statements.

Mote Marine Laboratory, Inc.
 Statements of Cash Flows
 Years Ended September 30, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities:		
Change in net assets	\$ 10,665,730	\$ 5,381,576
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	2,928,660	2,859,811
Realized (gain) loss on disposal of assets	(19,876)	25,826
Unrealized / realized gain on investments, net	(2,165)	(963)
Change in beneficial interest in the net assets of Mote Marine Foundation, Inc.	(273,634)	(37,245)
Non-cash contributions	(308,479)	(195,867)
Proceeds from donated assets held for sale	330,496	201,674
Contribution from forgiveness of note payable	(2,000,000)	-
Change in operating assets:		
Accounts receivable	(3,345,835)	(200,522)
Pledges receivable, net	(4,043,218)	(3,119,210)
Due from Mote Marine Foundation, Inc.	(605,526)	72,079
Prepaid expenses and other assets	82,002	484
Change in operating liabilities:		
Accounts payable	681,874	(225,002)
Accrued payroll	(126,303)	34,808
Memberships relating to future periods	(381,429)	(6,643)
Funds advanced on research programs	1,859,414	1,007,908
Total adjustments	(5,224,019)	417,138
Net cash provided by operating activities	5,441,711	5,798,714
Cash Flows from Investing Activities:		
Purchases of property and equipment	(5,394,120)	(3,699,312)
Proceeds from sale of property and equipment	1,500	10,697
Purchase of certificates of deposit	-	(250,000)
Proceeds from maturity of certificate of deposit	232,258	-
Patent costs	(13,306)	(11,626)
Net cash used in investing activities	(5,173,668)	(3,950,241)
Cash Flows from Financing Activities:		
Net change in lines of credit	(65,500)	(102,000)
Repayments of notes payable	(529,386)	(542,700)
Proceeds from Payroll Protection Program	2,318,259	-
Net cash provided by (used in) financing activities	1,723,373	(644,700)
Net change in cash and cash equivalents	1,991,416	1,203,773
Cash and cash equivalents, beginning of year	9,287,701	8,083,928
Cash and cash equivalents, end of year	\$ 11,279,117	\$ 9,287,701
Cash and cash equivalents, end of year, consist of the following:		
Cash	10,977,549	9,232,581
Restricted cash	301,568	55,120
	\$ 11,279,117	\$ 9,287,701
Supplemental Disclosure of Non-Cash:		
Investing and Financing Activity:		
Cash paid for interest	\$ 193,237	\$ 263,176
Property and equipment purchased through financing	\$ -	\$ 60,595
Forgiveness of note payable reclassified as contribution	\$ 2,000,000	\$ -

See accompanying notes to the financial statements.

Mote Marine Laboratory, Inc.

Statement of Functional Expenses

Year Ended September 30, 2020

(With Summarized Totals for 2019)

	Program Services				
	Research	Education	Aquarium	Protect our Reefs License Plate	MAP Facility Operations
Salaries and benefits	\$ 6,856,785	\$ 753,895	\$ 2,376,766	\$ 312,523	\$ 22,072
Contracted services	1,475,660	184,090	144,821	80,796	9,146
Depreciation	-	-	291,436	-	348,931
Repairs and maintenance	296,670	6,863	540,864	83,547	59,009
Travel, meals and seminars	238,679	29,598	18,934	3,664	-
Research supplies	819,440	12,522	66	27,178	-
Merchandise	-	-	13,558	-	-
Office expense	86,688	17,922	201,383	(3,357)	6,164
Electricity	23,625	-	152,314	37,156	74,342
Insurance	18,236	3,842	58,928	9,455	37,988
Telephone	26,733	6,682	17,653	12,886	3,787
Promotion and advertising	106,282	31,891	33,057	82,693	-
Expendable supplies	5,914	13,576	26,668	-	-
Printing and publication	7,742	1,469	1,503	1,405	-
Vessel	18,366	616	6,398	8,671	3,312
Vehicle	1,056	416	2,829	185	-
Interest	-	-	-	933	-
Accounting and legal	13,747	-	-	-	-
Equipment rental	40,511	1,203	3,086	1,382	2,253
Library	-	-	-	-	-
Licenses and fees	35,881	2,827	14,740	2,239	20,021
Rent	26,447	-	-	-	-
Miscellaneous	10	-	-	-	-
	10,098,472	1,067,412	3,905,004	661,356	587,025
Overhead allocation	3,724,237	-	-	63,554	(89,098)
Rental use charges allocation:					-
Vessel, vehicle and equipment	287,293	14,977	74,592	14,227	75
Total Expenses	\$ 14,110,002	\$ 1,082,389	\$ 3,979,596	\$ 739,137	\$ 498,002

Percent of Total

		Supporting Services			2020	2019
Other	Total	Administrative and General	Fund Raising	Total	Functional Expenses	Functional Expenses
\$ 285,655	\$ 10,607,696	\$ 1,908,098	\$ 1,332,248	\$ 3,240,346	\$ 13,848,042	\$ 12,542,779
9,617	1,904,130	111,254	151,704	262,958	2,167,088	1,864,459
-	640,367	2,270,342	-	2,270,342	2,910,709	2,844,714
125,513	1,112,466	366,949	18,388	385,337	1,497,803	1,484,827
32,670	323,545	29,818	241,729	271,547	595,092	709,605
1,371	860,577	10,514	-	10,514	871,091	616,764
-	13,558	-	-	-	13,558	20,671
30,905	339,705	70,133	80,453	150,586	490,291	488,526
68,474	355,911	264,013	-	264,013	619,924	666,497
64,455	192,904	299,853	-	299,853	492,757	411,423
4,310	72,051	37,605	2,400	40,005	112,056	104,471
7,303	261,226	11,280	95,079	106,359	367,585	446,525
-	46,158	90	-	90	46,248	39,733
2,065	14,184	1,890	63,548	65,438	79,622	106,035
72,440	109,803	276	200	476	110,279	54,176
204	4,690	27,163	15	27,178	31,868	42,515
-	933	192,304	-	192,304	193,237	263,176
-	13,747	65,868	-	65,868	79,615	46,853
7,575	56,010	24,252	17,167	41,419	97,429	106,996
-	-	24,362	-	24,362	24,362	21,507
761	76,469	28,973	5,895	34,868	111,337	110,620
1,000	27,447	-	-	-	27,447	48,133
-	10	17,951	-	17,951	17,961	15,197
<u>714,318</u>	<u>17,033,587</u>	<u>5,762,988</u>	<u>2,008,826</u>	<u>7,771,814</u>	<u>24,805,401</u>	<u>23,056,202</u>
(49,245)	3,649,448	(3,649,448)	-	(3,649,448)	-	-
-	-	-	-	-	-	-
(229,259)	161,905	(171,036)	9,131	(161,905)	-	-
<u>\$ 435,814</u>	<u>\$ 20,844,940</u>	<u>\$ 1,942,504</u>	<u>\$ 2,017,957</u>	<u>\$ 3,960,461</u>	<u>\$ 24,805,401</u>	<u>\$ 23,056,202</u>
	<u>84%</u>	<u>8%</u>	<u>8%</u>		<u>100%</u>	

See accompanying notes to the financial statements.

Mote Marine Laboratory, Inc.

Statement of Functional Expenses

Year Ended September 30, 2019

(With Summarized Totals for 2020)

	Program Services				
	<u>Research</u>	<u>Education</u>	<u>Aquarium</u>	<u>Protect our Reefs License Plate</u>	<u>MAP Facility Operations</u>
Salaries and benefits	\$ 5,729,424	\$ 727,399	\$ 2,307,725	\$ 235,730	\$ 34,844
Contracted services	1,004,294	250,240	104,847	159,508	1,148
Depreciation	-	-	302,862	-	382,609
Repairs and maintenance	261,401	15,259	556,131	92,941	62,219
Travel, meals and seminars	313,618	66,708	53,809	4,867	-
Research supplies	582,709	14,946	-	19,109	-
Merchandise	-	-	20,671	-	-
Office expense	58,900	34,219	198,445	23,645	462
Electricity	28,186	-	164,956	42,564	87,449
Insurance	16,233	3,488	45,716	32,248	34,954
Telephone	25,547	6,067	17,907	10,248	3,628
Promotion and advertising	132,318	47,931	40,109	41,938	-
Expendable supplies	-	12,359	20,594	-	48
Printing and publication	12,675	8,049	4,182	1,292	-
Vessel	5,644	-	-	-	-
Vehicle	2,298	2,231	1,623	-	158
Interest	161,509	-	5,557	5,295	-
Accounting and legal	-	-	-	-	-
Equipment rental	5,223	1,721	5,679	114	-
Library	-	-	-	-	-
Licenses and fees	29,299	3,059	5,831	3,063	19,792
Rent	33,355	14,278	-	-	-
Miscellaneous	-	-	-	-	-
	<u>8,402,633</u>	<u>1,207,954</u>	<u>3,856,644</u>	<u>672,562</u>	<u>627,311</u>
Overhead allocation	3,069,725	9,449	-	172,298	(90,077)
Rental use charges allocation:					
Vessel, vehicle and equipment	272,438	34,932	91,110	(436)	(4,785)
Total Expenses	<u>\$ 11,744,796</u>	<u>\$ 1,252,335</u>	<u>\$ 3,947,754</u>	<u>\$ 844,424</u>	<u>\$ 532,449</u>

Percent of Total

Other	Total	Supporting Services			2019	2020
		Administrative and General	Fund Raising	Total	Total Functional Expenses	Total Functional Expenses
\$ 261,162	\$ 9,296,284	\$ 2,068,143	\$ 1,178,352	\$ 3,246,495	\$ 12,542,779	\$ 13,848,042
26,839	1,546,876	133,727	183,856	317,583	1,864,459	2,167,088
-	685,471	2,159,243	-	2,159,243	2,844,714	2,910,709
86,874	1,074,825	387,557	22,445	410,002	1,484,827	1,497,803
16,568	455,570	39,167	214,868	254,035	709,605	595,092
-	616,764	-	-	-	616,764	871,091
-	20,671	-	-	-	20,671	13,558
22,004	337,675	61,685	89,166	150,851	488,526	490,291
53,680	376,835	289,662	-	289,662	666,497	619,924
67,347	199,986	211,148	289	211,437	411,423	492,757
3,401	66,798	34,358	3,315	37,673	104,471	112,056
42,619	304,915	15,799	125,811	141,610	446,525	367,585
305	33,306	6,320	107	6,427	39,733	46,248
1,762	27,960	3,742	74,333	78,075	106,035	79,622
47,867	53,511	665	-	665	54,176	110,279
26,251	32,561	9,954	-	9,954	42,515	31,868
40,821	213,182	49,994	-	49,994	263,176	193,237
-	-	46,853	-	46,853	46,853	79,615
11,144	23,881	38,571	44,544	83,115	106,996	97,429
-	-	21,507	-	21,507	21,507	24,362
2,005	63,049	34,377	13,194	47,571	110,620	111,337
500	48,133	-	-	-	48,133	27,447
100	100	15,097	-	15,097	15,197	17,961
<u>711,249</u>	<u>15,478,353</u>	<u>5,627,569</u>	<u>1,950,280</u>	<u>7,577,849</u>	<u>23,056,202</u>	<u>24,805,401</u>
(64,207)	3,097,188	(3,097,188)	-	(3,097,188)	-	-
(226,818)	166,441	(176,261)	9,820	(166,441)	-	-
<u>\$ 420,224</u>	<u>\$ 18,741,982</u>	<u>\$ 2,354,120</u>	<u>\$ 1,960,100</u>	<u>\$ 4,314,220</u>	<u>\$ 23,056,202</u>	<u>\$ 24,805,401</u>
	<u>81%</u>	<u>10%</u>	<u>9%</u>		<u>100%</u>	

See accompanying notes to the financial statements.

Mote Marine Laboratory, Inc.

Notes to Financial Statements

September 30, 2020 and 2019

I. Organization

Mote Marine Laboratory, Inc. (Laboratory), a nonprofit corporation, operates and maintains a marine and environmental sciences laboratory for the encouragement and development of the study of marine sciences and the advancement of the general knowledge of kindred subjects through education, training, scientific research, exchange of scientific information and dissemination of information to the public. The Laboratory began operations in 1955.

2. Summary of Significant Accounting Policies

Financial Statements

The financial statements and notes are representations of the Laboratory's management who is responsible for their integrity and objectivity. The accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Basis of Accounting

The Laboratory prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain 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. Accordingly, actual results could differ from those estimates and assumptions.

Accounts Receivable

Accounts receivable consist primarily of amounts due from program fees and grants receivable. A significant portion of grants receivable are research grants.

Substantially all research grants are cost reimbursement grants. Research grants receivable consists of billed and unbilled costs incurred on research contracts. Due to the nature of the grants, management considers them to be collectible and no allowance has been established. These amounts are included in accounts receivable on the statements of financial position.

Based on the Laboratory's collection history, management believes no allowance for uncollectible amounts is necessary.

Donated Assets

Donated assets are recorded at fair market value at the date of gift. Donated property and vessels, which are not classified by management for use by the Laboratory, are recorded as assets held for sale. The carrying value of such assets is adjusted to the lower of fair market value or the recorded value at the date of gift in order to more closely reflect the net realizable value.

Bequest Receivable

Bequests are recorded as support when the amount to be received can be reasonably estimated as provided by the executor of the estate.

Mote Marine Laboratory, Inc.
Notes to Financial Statements (Continued)
September 30, 2020 and 2019

2. Summary of Significant Accounting Policies (Continued)

Pledges Receivable

Pledges are recorded as support when the donor's commitment has been received. Pledges receivable due in more than one year are reflected at the present value of estimated future cash flows using an appropriate discount rate in the year pledged.

Property and Equipment

Property and equipment are stated at cost, if purchased, or fair market value at the date of gift, if donated.

Depreciation is provided over the estimated useful lives of the assets using the straight-line half-year method. Estimated useful lives are as follows:

	Years
Vehicles	3
Vessels	5
Buildings and improvements	5 - 40
Furniture, fixtures and exhibits	5 - 10
Laboratory equipment	5 - 20
Trailers	5 - 10

The Laboratory capitalizes all fixed asset purchases or donations with an estimated useful life of greater than one year and a cost or fair market value of \$1,000 or greater.

Revenue Recognition

Revenue associated with research grants or contracts is generally recognized as related costs are incurred. Membership revenue is recognized ratably throughout the membership year.

All contributions are considered to be available for use without donor restriction unless specifically restricted by the donor. Contributions which are designated by the donor to be used in future periods, or for specific purposes, are recorded as net assets with donor restrictions. When the purpose of the restriction is accomplished, or passage of time has occurred, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Gifts of cash restricted for the purpose of acquiring or constructing long-lived assets are recorded as net assets with donor restrictions until the long-lived assets are acquired or constructed at which time the net assets are released from the restriction and reclassified as net assets without donor restrictions. Any conditional gifts for which the conditions are not met at year-end are recorded as refundable advances.

Patents

Patents are stated at the cost to acquire. Amortization is provided for using the straight-line method over the estimated useful life of ten years.

Mote Marine Laboratory, Inc.
Notes to Financial Statements (Continued)
September 30, 2020 and 2019

2. Summary of Significant Accounting Policies (Continued)

Donated Services

A substantial number of volunteers have made significant contributions of their time to the operations of the Laboratory. The amount of volunteer hours contributed to the Laboratory during the years ended September 30, 2020 and 2019 were 156,660 and 233,613 hours, respectively. The estimated value of these donated services has not been recorded in the accompanying financial statements because it does not meet the criteria for recognition under generally accepted accounting principles. However, management estimates the fair value of these services contributed to the Laboratory during the years ended September 30, 2020 and 2019 amounted to \$4,261,152 and \$5,940,779, respectively. These estimates are based on an article published in the NonProfit Times that estimates volunteer time to be worth \$27.20 and \$25.43 per hour in 2020 and 2019, respectively, according to the Independent Sector, a Washington D.C. based coalition of nonprofits and foundations.

Advertising and Promotion

Advertising and promotion costs are expensed as incurred. Advertising and promotion expense for the years ended September 30, 2020 and 2019 totaled \$367,584 and \$446,525, respectively.

Income Tax Status

The Laboratory is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Under the Income Taxes topic of the FASB Accounting Standards Codification, the Laboratory has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Laboratory.

The Laboratory files income tax returns in the U.S. federal jurisdiction and the State of Florida. The tax periods open to examination by the major taxing jurisdictions to which the Laboratory is subject include fiscal years ended September 30, 2017 through September 30, 2020.

Financial Instruments Not Measured at Fair Value

Certain of the Laboratory's financial instruments are not measured at fair value on a recurring basis but nevertheless certain financial instruments are recorded at amounts that approximate fair value due to their liquid or short-term nature. Such financial assets and financial liabilities include cash and cash equivalents, accounts receivable, due from Mote Marine Foundation, Inc., prepaid expenses and other assets, accounts payable, accrued payroll, memberships relating to future periods, funds advanced on research programs and deferred compensation payable.

Overhead Allocation

Overhead is allocated to research programs at a rate established with the cognizant federal agency, The Department of Commerce and National Oceanic and Atmospheric Administration. Certain research contracts limit the amount of reimbursement for overhead expenses to a rate specified in the individual contracts.

Mote Marine Laboratory, Inc.
Notes to Financial Statements (Continued)
September 30, 2020 and 2019

2. Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services that benefited. The expenses that are allocated include salaries, benefits, payroll taxes, depreciation, and other expenses for services which are allocated on the basis of estimated time and effort.

Cash and Cash Equivalents

Cash on hand and highly liquid investments with a maturity of three months or less at date of acquisition are considered to be cash and cash equivalents. Cash restricted for the endowment and included as cash and cash equivalents in the financial statements amounted to \$301,568 and \$55,120 as of September 30, 2020 and 2019, respectively.

Beneficial Interest in the Net Assets of Mote Marine Foundation, Inc.

The Laboratory follows the *Not-for-Profit Entities* Topic of the FASB Accounting Standards Codification. The *Not-for-Profit Entities* Topic establishes standards for transactions in which a donor makes a contribution to a not-for-profit organization (the recipient) that agrees to transfer those assets to another entity (the beneficiary). The statement requires that, if the specified beneficiary is financially interrelated to the recipient organization, the beneficiary must recognize its interest in the net assets of the recipient organization. As presented in the financial statements, the Laboratory is financially interrelated to Mote Marine Foundation, Inc. and therefore, is required to report its beneficial interest in the net assets of Mote Marine Foundation, Inc.

Accounting Pronouncements Adopted

During the year ended September 30, 2020, the Laboratory adopted (ASU) No. 2018-08, "Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made". The amendments in ASU 2018-08 apply to all entities that receive or make contributions. The adoption of ASU 2018-08 did not have a material impact on the measurement, nor on the contributions made and received. Therefore, no cumulative adjustment has been made to the opening balance of net assets at October 1, 2019.

Reclassifications

To facilitate comparison of financial data, certain amounts in the 2019 financial statements have been reclassified to conform to the 2020 reporting presentation. Such reclassifications had no effect on the change in net assets previously reported.

Mote Marine Laboratory, Inc.
Notes to Financial Statements (Continued)
September 30, 2020 and 2019

3. Liquidity and Availability

Financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 11,279,117	\$ 9,287,701
Accounts receivable	4,901,537	1,555,702
Pledges receivable	7,752,054	3,708,836
Due from Mote Marine Foundation, Inc.	719,638	114,112
Investments - certificates of deposit	627,629	859,887
Beneficial interest in the net assets of Mote Marine Foundation, Inc.	<u>17,141,448</u>	<u>16,867,814</u>
Total financial assets available	<u>42,421,423</u>	<u>32,394,052</u>
Less: Amounts unavailable for general expenditures within one year due to:		
Investments - certificates of deposit without donor restrictions maturing after one year	(627,629)	(256,875)
Restricted by donors with purpose and time restrictions	(19,601,788)	(14,834,851)
Restricted by donors in perpetuity	<u>(10,039,589)</u>	<u>(10,032,291)</u>
Total amounts unavailable for general expenditures within one year	<u>(30,269,006)</u>	<u>(25,124,017)</u>
Less: Amounts unavailable to management without Board approval:		
Board designated for SEA project	<u>(390,818)</u>	<u>-</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 11,761,599</u>	<u>\$ 7,270,035</u>

The Laboratory manages its liquid assets in accordance with regular budgeting processes developed through the coordinated efforts of management and the Board of Trustees. Monthly reporting by management to those charged with governance ensures the results from operating activities are monitored closely.

The Board of Trustees has designated \$390,818 and \$0 as of September 30, 2020 and 2019, respectively, for the construction of the Mote Science Education Aquarium. Although the Laboratory does not intend to spend from board designated funds, these amounts could be made available if necessary.

4. Pledges Receivable

At September 30, 2020 and 2019, the Laboratory held written unconditional pledges receivable in the amounts of \$7,810,000 and \$3,902,176, respectively. The pledges have been restricted by the donors for future projects. Management considers all pledges receivable to be fully collectible as of September 30, 2020, therefore no allowance has been established uncollectible pledges against these assets.

Mote Marine Laboratory, Inc.
Notes to Financial Statements (Continued)
September 30, 2020 and 2019

4. Pledges Receivable (Continued)

Pledges receivable consist of the following as of September 30:

	<u>2020</u>	<u>2019</u>
Pledges receivable	\$ 7,810,000	\$ 3,902,176
Less: discount to net present value (rate of .40%)	(57,946)	(193,340)
Pledges receivable, net	<u>7,752,054</u>	<u>3,708,836</u>
Less amount due in less than one year	2,177,500	937,000
Amount collectible in one to five years	<u>\$ 5,574,554</u>	<u>\$ 2,771,836</u>

5. Accounts Receivable

Accounts receivable consists of the following at September 30:

	<u>2020</u>	<u>2019</u>
Costs billed on research grants and other contracts	\$ 3,401,103	\$ 618,492
Unbilled costs incurred on research grants	1,497,584	931,046
Accounts receivable - other	2,850	6,164
	<u>\$ 4,901,537</u>	<u>\$ 1,555,702</u>

During the years ended September 30, 2020 and 2019, the Laboratory had no write-offs of uncollectible accounts receivable.

6. Investments

The Laboratory has certificates of deposit that earn interest at rates ranging from 1.70% to 3.45% and mature in one to five years. As of September 30, 2020, the certificates of deposit totaled \$627,629 and are stated at fair value. As of September 30, 2019, the certificates of deposit totaled \$859,887 and are stated at fair value. Of these amounts, \$370,754 and \$603,012 is restricted for endowments as of September 30, 2020 and 2019, respectively. The Laboratory had unrealized gains on the certificates of deposit of \$0 and \$8,012 for the years ended September 30, 2020 and 2019, respectively.

The Laboratory had realized gains of \$1,017 and realized losses of \$6,193 on the sales of investments in for the years ended September 30, 2020 and 2019, respectively.

Additionally, assets held at a community foundation during the years ended September 30, 2020 and 2019 incurred restricted unrealized gains of \$1,148 and unrealized losses of \$856, respectively.

7. Property and Equipment

Property and equipment consists of the following as of September 30:

	<u>2020</u>	<u>2019</u>
Vehicles	\$ 705,541	\$ 776,986
Vessels	1,575,515	1,577,554
Buildings and improvements	42,616,856	42,423,543
Furniture, fixtures and exhibits	8,560,012	7,997,978
Laboratory equipment	11,082,647	8,672,341
Trailers	109,902	95,223
	<u>64,650,473</u>	<u>61,543,625</u>
Less accumulated depreciation	<u>48,268,642</u>	<u>45,469,354</u>
	<u>\$ 16,381,831</u>	<u>\$ 16,074,271</u>

Mote Marine Laboratory, Inc.
Notes to Financial Statements (Continued)
September 30, 2020 and 2019

7. Property and Equipment (Continued)

Depreciation expense was \$2,910,709 and \$2,844,714 for the years ended September 30, 2020 and 2019, respectively.

Construction in progress consists of the following at September 30:

	2020	2019
Mote Science Education Aquarium preconstruction	\$ 5,195,720	\$ 2,984,885
Connector building west wing addition	-	36,460
	\$ 5,195,720	\$ 3,021,345

In accordance with contract provisions, the Laboratory has segregated and identified property and equipment that has been purchased or improved with funds received from government agencies. Title to these assets acquired with government agency funds vests with the Laboratory as long as the Laboratory has a contract with the agency. Upon contract termination, title to these assets reverts to the agencies. At September 30, 2020 and 2019, property and equipment purchased or improved with funds received from government agencies, net of accumulated depreciation, totaled \$111,942 and \$146,631, respectively.

8. Patents

During the years ended September 30, 2020 and 2019, the Laboratory incurred costs to maintain certain patents. The costs capitalized and the related amortization provided for is as follows:

	2020	2019
Patents	\$ 190,453	\$ 177,147
Less: accumulated amortization	94,673	76,722
	\$ 95,780	\$ 100,425

No significant residual value is estimated for these patents. Amortization expense for the years ended September 30, 2020 and 2019 totaled \$17,951 and \$15,097, respectively.

The following table represents the total estimated amortization of patents for the five succeeding years and thereafter ending September 30:

2021	\$ 14,693
2022	13,554
2023	13,198
2024	12,286
2025	10,094
Thereafter	31,955
	\$ 95,780

Mote Marine Laboratory, Inc.
Notes to Financial Statements (Continued)
September 30, 2020 and 2019

9. Long-Term Debt

Notes Payable

Notes payable consists of the following as of September 30:

	<u>2020</u>	<u>2019</u>
Note payable in semiannual installments of \$12,500 principal plus accrued interest, at LIBOR plus 2.5% with a 2.85% floor, due in full October 10, 2019, secured by Mote Marine Foundation, Inc.'s investments. Interest rate at maturity was 4.55%.	\$ -	\$ 5,050
Note payable in 180 monthly installments of \$17,579 plus interest based on overnight LIBOR plus 2.18%, maturing on August 5, 2028 and secured with personal property and pledges and guaranteed by Mote Marine Foundation, Inc. with a \$1,500,000 limitation. Interest rate at September 30, 2020 was 2.26%.	2,091,909	2,302,858
Note payable in 60 monthly installments of \$624, interest at 2.39% due 2021, secured by vehicle.	8,002	15,206
Note payable in 48 monthly installments of \$348, interest at 3.64% due 2022, secured by vehicle.	5,431	9,335
Note payable in 60 monthly installments of \$665, interest at 2.39% due 2021, secured by vehicle.	8,530	16,211
Note payable in 48 monthly installments of \$382, interest at 3.64% due 2022, secured by vehicle.	5,957	10,240
Note payable in 60 monthly installments of \$413, interest at 2.39% due 2021, secured by vehicle.	5,289	10,051
Note payable in 60 monthly installments of \$427, interest at 4.44% due 2024, secured by vehicle.	18,060	21,852
Note payable in 60 monthly installments of \$695, interest at 3.99% due 2024, secured by vehicle.	27,180	34,276
Note payable in 60 monthly installments of \$612, interest at 3.15% due 2019, secured by vehicle.	-	611
Note payable in 119 monthly installments of \$13,668 plus 4.2% interest, with final payment of \$1,348,395 due on October 1, 2028, secured by mortgage on real property located in Sarasota County.	2,066,425	2,140,479

Mote Marine Laboratory, Inc.
Notes to Financial Statements (Continued)
September 30, 2020 and 2019

9. Long-Term Debt (Continued)
Notes Payable (Continued)

	2020	2019
Note payable, interest only at 0.5% payable annually, commencing one year from the date of issuance of Certificate of Occupancy. Starting January 17, 2018, a principal reduction payment of \$200,000 per year, with all principal to be due and payable in full ten years from the Loan Repayment commencement date. In July 2020, \$2,000,000 of the note payable was forgiven by the note holder and reclassified as a contribution restricted for capital construction projects. Additionally, the payment scheduled for fiscal year 2021 is due as part of the final balloon payment.	1,840,000	4,040,000
	6,076,783	8,606,169
Less current portion	330,146	531,303
Non-current portion	\$ 5,746,637	\$ 8,074,866

Interest expense incurred under these notes payable totaled \$155,466 and \$206,738 for the years ended September 30, 2020 and 2019, respectively.

Lines of Credit

Pursuant to loan agreements with two banks, the Laboratory has a revolving line of credit of \$1,500,000 with each bank. One loan agreement expires on December 14, 2021 and the other is open-ended subject to renewal provisions. Interest on one line of credit is charged at the bank's prime rate less a margin of 1.25% with a 3% floor and is payable monthly. At September 30, 2020 and 2019, borrowings outstanding under this line of credit and secured by pledges and accounts receivable of the Laboratory amounted to \$1,217,102.

Interest on the second revolving line of credit is charged at one month LIBOR plus 1.90% per annum, payable monthly. At September 30, 2020 and 2019, borrowings outstanding under this line of credit and secured by assets of Mote Marine Foundation, Inc. held by the bank amounted to \$0 and \$65,500, respectively.

The Laboratory also has a line of credit of \$185,000 from Sarasota-Manatee Airport Authority. The loan represents advanced funding for the improvements to the Airport Aquarium and has no expiration date or interest rate and will be repaid with any funds raised associated with the Airport Aquarium. At September 30, 2020 and 2019, borrowings outstanding totaled \$185,000.

The multiple lines of credit outstanding at September 30, 2020 and 2019 totaled \$1,402,101 and \$1,467,601, respectively.

Interest expense incurred under these lines of credit totaled \$37,771 and \$56,438 for the years ended September 30, 2020 and 2019, respectively.

Certain loan agreements described above require that the Laboratory meet certain debt covenant compliance requirements. As of September 30, 2020, the Laboratory was in full compliance with all requirements.

Mote Marine Laboratory, Inc.
Notes to Financial Statements (Continued)
September 30, 2020 and 2019

9. Long-Term Debt (Continued)

Paycheck Protection Program Forgivable Loan

On April 16, 2020, the Laboratory qualified for and received a loan pursuant to the Paycheck Protection Program, a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act for an aggregate principal amount of \$2,318,259 (the PPP Loan). The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. The principal amount of the PPP Loan is subject to forgiveness under the Paycheck Protection Program upon the Laboratory's request to the extent that the PPP Loan proceeds are used to pay expenses permitted by the Paycheck Protection Program, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by the Laboratory. The Laboratory applied for forgiveness of the PPP Loan with respect to these covered expenses in September 2020. To the extent that all or part of the PPP Loan is not forgiven, the Laboratory will be required to pay interest on the PPP Loan at a rate of 1.0% per annum, and commencing in November 2020 principal and interest payments will be required through the maturity date in April 2022. The terms of the PPP Loan provide for customary events of default including, among other things, payment defaults, breach of representations and warranties, and insolvency events. The PPP Loan may be accelerated upon the occurrence of an event of default.

The Laboratory has recorded the PPP Loan in accordance with ASC 470, *Debt*. Interest is accrued at the stated rate; however, no interest was accrued for during the year. The proceeds will remain as debt until either: 1) the loan has been forgiven and the Laboratory has been legally released of the obligation, in whole or part; or 2) the Laboratory pays off the loan. If the PPP Loan is forgiven, the Laboratory will reduce the liability and record revenue on the statement of activities. The balance of the PPP Loan at September 30, 2020 is \$2,318,259.

Future Maturities of Long-Term Debt

Aggregate maturities of long-term debt at September 30, are as follows:

2021	\$	330,146
2022		510,016
2023		2,827,718
2024		508,617
2025		3,178,545
Thereafter		1,040,000
Total	\$	<u>8,395,042</u>

10. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes as of September 30:

Subject to expenditure for specific purpose:	<u>2020</u>	<u>2019</u>
Future projects	\$ 119,697	\$ 434,517
Construction	11,741,595	6,926,175
Library expenses	26,587	26,587
Beneficial interest in net assets of Mote Marine Foundation, Inc.	7,713,909	7,447,572
Total purpose restrictions	<u>19,601,788</u>	<u>14,834,851</u>

Mote Marine Laboratory, Inc.
Notes to Financial Statements (Continued)
September 30, 2020 and 2019

10. Net Assets with Donor Restrictions (Continued)

Net assets with donor restrictions are available for the following purposes as of September 30 (Continued):

	2020	2019
Perpetual in nature:		
Cultural endowment	600,000	600,000
Keys endowment	12,050	12,050
Beneficial interest in the net assets of Mote Marine Foundation, Inc.	9,427,539	9,420,241
Total perpetual in nature restrictions	10,039,589	10,032,291
 Total net assets with donor restrictions	 \$ 29,641,377	 \$ 24,867,142

11. Net Assets Released from Restrictions

Net assets released from donor restriction by incurring expenses satisfying the restricted purposes as of September 30:

	2020	2019
Aquarium expenses	\$ 33,334	\$ 60,876
Other	345,349	327,804
Construction	4,441,027	2,955,902
	\$ 4,819,710	\$ 3,344,582

12. Retirement Plan

The Laboratory provides a 403(b) retirement plan. The Laboratory matches employee contributions based on an employee's length of service and gross salary. Retirement plan expense was \$612,105 and \$526,230 for the years ended September 30, 2020 and 2019, respectively.

13. Matching Requirements on Governmental Grants

The Laboratory is awarded grants from federal agencies which require matching contributions by the Laboratory. The matching requirements were met or exceeded on completed federal grants during 2020 and 2019.

14. Rental Use Charges

Periodically, certain programs require utilization of vessels, vehicles and equipment provided by the Laboratory. Each program is charged rent, based on use, at a pre-established rental fee that reflects the cost of operating the asset.

15. Financial Instruments with Off-Balance Sheet Risk

The Laboratory maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At any given time, the Laboratory may have cash and investment balances exceeding the insured amount. The Laboratory has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and investments.

16. Related Party Transactions

The Mote Marine Foundation, Inc. (Foundation), a financially interrelated organization, provides support to the Laboratory in the form of grants. For the years ended September 30, 2020 and 2019, the Laboratory received grants from the Foundation in the amount of \$985,483 and \$612,767, respectively.

Mote Marine Laboratory, Inc.
Notes to Financial Statements (Continued)
September 30, 2020 and 2019

16. Related Party Transactions (Continued)

Mote Marine Foundation, Inc. is dependent on Laboratory personnel for administration and certain aspects of fund raising.

From time to time, the Laboratory will provide grants, receive donations and pay certain expenses on behalf of the Foundation. As of September 30, 2020 and 2019, the Foundation owed the Laboratory \$719,638 and \$114,112 respectively.

Certain trustee members are affiliated with organizations that transact with the Laboratory. Trustee members are required to complete conflict of interest disclosure statements and abstain from voting on related issues.

During the years ended September 30, 2020 and 2019, a trustee donated the use of an aircraft for travel accommodations for employees and trustees. The value of this donation for the years ended September 30, 2020 and 2019 is estimated to be \$2,364 and \$11,068, respectively.

From time to time, the trustees make pledges and contributions to the Laboratory.

17. Leased Facility

The Laboratory has a leasehold agreement with a municipality for real property on which the Laboratory has constructed its facilities. The agreement requires the Laboratory to pay the municipality one dollar per year until the agreement expires in the year 2050. The fair market value of the leasehold agreement is not determinable and therefore has not been recorded in the accompanying financial statements.

18. Endowments

The Laboratory's endowment consists of funds established for several purposes. Its endowment includes donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. It is typical to establish all endowment funds in Mote Marine Foundation, Inc.

Interpretation of Relevant Law

The Board of Trustees of the endowment has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Laboratory classifies as net assets with donor restrictions in perpetuity (a) the original value of gifts donated to the perpetual endowment and (b) the original value of subsequent gifts to the perpetual endowment.

Endowment Net Asset Composition

As of September 30, 2020, endowment net assets consisted of the following:

	With Donor Restrictions
Donor-restricted endowment funds:	
Endowment balance	\$ 612,050
Un-appropriated income with purpose restrictions	11,122
Total donor-restricted endowment funds	<u>\$ 623,172</u>

Mote Marine Laboratory, Inc.
Notes to Financial Statements (Continued)
September 30, 2020 and 2019

19. Endowments (Continued)

Endowment Net Asset Composition (Continued)

As of September 30, 2019, endowment net assets consisted of the following:

	<u>With Donor Restrictions</u>
Donor-restricted endowment funds:	
Endowment balance	\$ 612,050
Un-appropriated income with purpose restrictions	10,442
Total donor-restricted endowment funds	<u>\$ 622,492</u>

Changes in Endowment Net Assets

Changes in endowment net assets for the year ended September 30, 2020 are as follows:

	<u>With Donor Restrictions</u>
Endowment net assets, October 1, 2019	\$ <u>622,492</u>
Endowment investment return:	
Investment income	23
Realized and unrealized gains	657
Total endowment investment return	<u>680</u>
Appropriation of endowment for expenditures	-
Endowment net assets, September 30, 2020	<u>\$ 623,172</u>

Changes in endowment net assets for the year ended September 30, 2019 are as follows:

	<u>With Donor Restrictions</u>
Endowment net assets, October 1, 2018	\$ <u>622,783</u>
Endowment investment return:	
Investment income	866
Realized and unrealized losses	(856)
Total endowment investment return	<u>10</u>
Appropriation of endowment for expenditures	(301)
Endowment net assets, September 30, 2019	<u>\$ 622,492</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level classified as net assets with donor restrictions that are perpetual in nature. These deficiencies result from unfavorable market fluctuations that occurred shortly after the investment of new contributions of net assets with donor restrictions that are perpetual in nature and continued appropriation for certain programs that was deemed prudent by the Board of Trustees. There were no deficiencies of this nature reported in net assets without donor restrictions as of September 30, 2020 and 2019.

Mote Marine Laboratory, Inc.
Notes to Financial Statements (Continued)
September 30, 2020 and 2019

19. Endowments (Continued)

Return Objectives and Risk Parameters

The Laboratory has adopted investment policies and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Laboratory must hold in perpetuity or for donor-specified periods. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce a long-term rate of return on assets of to match or exceed the rate of return determined from the sum of the annual distribution percentage, inflation measured by the CPI, and real growth of 1%.

The Cultural Endowment Program has a primary investment constraint to preserve principal along with restrictions on investment instruments, so the Laboratory uses an alternative approved investment policy for this program.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Laboratory relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Laboratory targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Laboratory has a policy of appropriating for distribution each year 5% percent of its endowment funds average fair value over the period of 12 quarters through the calendar year end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Laboratory considered the long-term expected return on its endowment. Accordingly, over the long term, the Laboratory expects the current spending policy to allow its endowment to grow at an average of 1% percent annually. This is consistent with the Laboratory's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. The established policy for the Cultural Endowment Program distributes 100% of current income for use in operating costs for cultural activities expecting no further growth in this endowment.

20. Fair Value of Financial Assets and Liabilities

The Laboratory adopted the *Fair Value Measurements and Disclosures* Topic of the FASB Accounting Standards Codification which provides enhanced guidance for using fair value to measure assets and liabilities and clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the assets or liabilities and establishes a hierarchy that prioritizes the information used to develop those assumptions. The Laboratory has adopted Accounting Standards Update No. 2010-06, *Improving Disclosures about Fair Value Measurements*, which requires the Laboratory to present fair value measurements separately for each class of assets and liabilities held as of September 30, 2020 and 2019.

The following tables present information about the Laboratory's assets and liabilities that are measured at fair value on a recurring and non-recurring basis as of September 30, 2020 and 2019, and indicate the fair value hierarchy of the valuation techniques used to determine such fair value. The three levels for measuring fair value are based on the reliability of inputs and are as follows:

Mote Marine Laboratory, Inc.
Notes to Financial Statements (Continued)
September 30, 2020 and 2019

20. Fair Value of Financial Assets and Liabilities (Continued)

Level 1 - quoted market prices in active markets for identical assets or liabilities, such as publicly traded equity securities. This level includes common and preferred stock, cash and money market funds, mutual funds, corporate bonds and bond funds, and government obligations.

Level 2 - inputs, other than quoted prices included in Level 1 that are observable, either directly or indirectly. Such inputs may include quoted prices for similar assets, observable inputs other than quoted prices (interest rates, yield curves, etc.), or inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. The inputs reflect the Laboratory's assumptions based on the best information available in the circumstance.

The following sets forth the fair value hierarchy by level for the Laboratory's assets measured at fair value on a recurring basis as of September 30, 2020:

Description	Total	Level 1	Level 2	Level 3	NAV*
Beneficial interest in the net assets of Mote Marine Foundation, Inc.	\$ 17,516,824	\$ 14,857,801	\$ 2,623,498	\$ -	\$ 33,525

The following sets forth the fair value hierarchy by level for the Laboratory's assets measured at fair value on a non-recurring basis as of September 30, 2020:

Description	Total	Level 1	Level 2	Level 3	NAV*
Beneficial interest in the net assets of Mote Marine Foundation, Inc.	\$ 39,797	\$ -	\$ -	\$ 39,797	\$ -
Pledges receivable	7,752,054	-	-	7,752,054	-
Ending balance	\$ 7,791,851	\$ -	\$ -	\$ 7,791,851	\$ -

The following sets forth the fair value hierarchy by level for the Laboratory's assets measured at fair value on a recurring basis as of September 30, 2019:

Description	Total	Level 1	Level 2	Level 3	NAV*
Beneficial interest in the net assets of Mote Marine Foundation, Inc.	\$ 16,169,848	\$ 13,663,868	\$ 2,403,075	\$ -	\$ 102,905

Mote Marine Laboratory, Inc.
Notes to Financial Statements (Continued)
September 30, 2020 and 2019

20. Fair Value of Financial Assets and Liabilities (Continued)

The following sets forth the fair value hierarchy by level for the Laboratory's assets measured at fair value on a non-recurring basis as of September 30, 2019:

Description	Total	Level 1	Level 2	Level 3	NAV*
Beneficial interest in the net assets of Mote Marine Foundation, Inc.	\$ 242,119	\$ -	\$ -	\$ 242,119	\$ -
Pledges receivable	3,708,836	-	-	3,708,836	-
Ending balance	\$ 3,950,955	\$ -	\$ -	\$ 3,950,955	\$ -

(*)Certain investments of Mote Marine Foundation, Inc. that are measured at fair value using the net asset value (NAV) per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in the tables above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

21. Subsequent Events

The Laboratory has evaluated all events subsequent to the statement of financial position date of September 30, 2020 and through the date these financial statements were available to be issued, February 25, 2021, and have determined that there are no subsequent events that require disclosure.

Mote Marine Laboratory, Inc.
Schedule of Expenditures of Federal Awards and
State Financial Assistance
Year Ended September 30, 2020

Grantor	CFDA# or CSFA#	Pass-through Entity Identification or Grant Number	Total Expenditures		Transfer to Subrecipients
Federal Contracts and Grants					
RESEARCH AND DEVELOPMENT CLUSTER					
Department of Agriculture					
Agricultural Research Service					
Agricultural Research Basic and Applied Research					
Passed through Florida Atlantic University					
	10.001	59-6034-9-007	\$ 4,677	\$ 4,677	\$ -
National Institute of Food and Agriculture					
Small Business Innovation Research					
Passed through Live Advantage Bait, LLC					
	10.212	2019-33610-30178	64,737	64,737	-
Department of Commerce					
National Oceanic and Atmospheric Administration (NOAA)					
Ocean Exploration					
Integrated Ocean Observing System (IOOS)					
Passed through Texas A&M University					
	11.011	NA180AR0110291	116,626	116,626	52,786
Passed through Southeast Coastal Ocean Observing Regional Association					
	11.012	NA16NOS0120018	60,980		
	11.012	NA16NOS0120028	26,444	87,424	-
Sea Grant Support					
Passed through University of Florida					
	11.417	NA180AR4170085	9,067		
Passed through University of Miami					
	11.417	NA190AR4170414	315,218	324,285	-
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program					
	11.427	NA20NMF4270199	25,527		
	11.427	NA18NMF4270201	80,108	105,635	29,800
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes					
Passed through Research Foundation CUNY					
	11.432	NA19NES4320002	5,990	5,990	-
Marine Fisheries Initiative					
	11.433	NA15NMF4330152	24,385	24,385	14,153
Marine Mammal Data Program					
	11.439	NA19NMF9390178	27,462		
	11.439	NA15NMF4390044	26,118		
	11.439	NA16NMF4390135	3,942		
	11.439	NA18NMF4390064	13,749		
	11.439	NA17NMF4390089	1,030	72,301	32,057
Unallied Management Projects					
Passed through National Fish and Wildlife Foundation					
	11.454	NA16NMF4540085	10,444		
	11.454	NA16NMF4540289	168,246	178,690	57,853
Habitat Conservation					
	11.463	NA19NMF4630259	424,645	424,645	-
Unallied Science Program					
	11.472	NA18NMF4720287	85,687		
Passed through National Fish and Wildlife Foundation					
	11.472	NA20NMF4720265	5,959		
Passed through Florida Fish & Wildlife Conservation Commission					
	11.472	NA19NMF4720290	51,106		
Passed through Kampachi Farms					
	11.472	NA15NMF4720018	17,708		
	11.472	ACQ-210-039-12019-KPF	51,358	211,818	7,818
Office for Coastal Management					
Passed through National Fish and Wildlife Foundation					
	11.473	NA18NOS4730204	309,346	309,346	
Center for Sponsored Coastal Ocean Research Coastal Ocean Program					
	11.478	NA19NOS4780183	207,692		
Passed through Florida International University					
	11.478	NA18NOS4780171	53,164	260,856	93,150
Environmental Protection Agency					
Office of Water					
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act					
Passed through Florida Fish & Wildlife Conservation Commission					
	66.436	01D00820	19,165		
Passed through Florida Fish & Wildlife Conservation Commission					
	66.436	X7-00D51817	2,196	21,361	-

Mote Marine Laboratory, Inc.
Schedule of Expenditures of Federal Awards and
State Financial Assistance (Continued)
Year Ended September 30, 2020

Grantor	CFDA# or CSFA#	Grant Number	Total Expenditures		Transfer to Subrecipients
Federal Contracts and Grants (Continued)					
RESEARCH AND DEVELOPMENT CLUSTER (Continued)					
National Science Foundation					
Geosciences	47.050	1452538	128,435		
	47.050	OCE-1757419	126,946		
	47.050	OCE-1712240	16,548		
	47.050	1923926	25,902	297,831	-
Education and Human Resources	47.076	1922351	281,528	281,528	13,071
U.S. Department of Defense					
Research and Technology Development					
Passed through Florida Atlantic University	12.910	AWD - 001612/AWD - 002091	127,011	127,011	-
Department of the Interior					
Fish and Wildlife Service					
State Wildlife Grants					
Passed through Florida Fish & Wildlife Conservation Commission	15.634	FL-T-F18AF00492	34,037		
Passed through Florida Fish & Wildlife Conservation Commission	15.634	FL-T-F-16AF00528	17,154		
Passed through The Nature Conservancy	15.634	FL-T-F-15AF00517	11,170	62,361	-
National Park Service					
National Park Service Conservation, Protection, Outreach and Education	15.954	P19AC01005	66,950	66,950	-
Department of Treasury					
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States					
Passed through The Nature Conservancy	21.015	RDCGR170068	28,648		
Passed through the Florida Institute of Oceanography	21.015	8-RCEGR020005-01-02	7,495	36,143	-
Department of State					
General Department of State Assistance	19.700	SIS-70017G33038	93,581	93,581	90,845
TOTAL RESEARCH AND DEVELOPMENT CLUSTER			\$ 3,178,181	\$ 391,533	
Total Federal Contracts and Grants			\$ 3,178,181	\$ 391,533	
State Contracts and Grants					
State of Florida					
Florida Fish & Wildlife Conservation Commission					
Cooperative Red Tide Research Program - Reduction of Harmful Impacts from Red Tide					
	77.010	15003	1,570,273		
	77.010	19153	2,835,679		204,904
	77.010	20034	123,069	4,529,021	85,319
Marine Fisheries Assessment					
	77.023	16024	55,573		
	77.023	16024-A1	180,635		
	77.023	16024-A3	116,244	352,452	-
Department of Highway Safety & Motor Vehicles					
Protect Our Reefs License Plate Project					
	76.069	POR	921,726	921,726	65,219
Sea Turtle License Plate Project					
	76.070	19-041R	8,180		
	76.070	20-004C	6,913		
	76.070	19-013C	5,700	20,793	-
Department of Economic Opportunity					
Division of Housing and Community Development					
	40.038	HL120	989,732	989,732	-
Total State Contracts and Grants			\$ 6,813,724	\$ 355,442	
Total Federal and State Contracts and Grants			\$ 9,991,905	\$ 746,975	

Mote Marine Laboratory, Inc.
Notes to the Schedule of Expenditures of Federal Awards and
State Financial Assistance
Year Ended September 30, 2020

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award and state financial assistance activity of Mote Marine Laboratory, Inc. under programs of the federal government and State of Florida for the year ended September 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, Rules of the Auditor General. Because the Schedule presents only a selected portion of the operations of Mote Marine Laboratory, Inc. it is not intended to and does not present the financial position, changes in net assets, or cash flows of Mote Marine Laboratory, Inc.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Election

Mote Marine Laboratory, Inc. has not elected to use the 10% de minimis cost rate as allowed under the Uniform Guidance, and has a federally negotiated rate with their cognizant agency.

Supplemental Information

Contract Compliance

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

Independent Auditor's Report

The Board of Trustees
Mote Marine Laboratory, Inc.
Sarasota, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.650, *Rules of the Auditor General*, the financial statements of Mote Marine Laboratory Inc. (Laboratory), which comprise the statement of financial position as of September 30, 2020, and the related statement of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 25, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Laboratory'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 Laboratory's internal control. Accordingly, we do not express an opinion on the effectiveness of the Laboratory'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 may exist that have not been identified.

Compliance and Other Matters

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

A handwritten signature in black ink that reads "Keckering Barkhuis & Co." The signature is written in a cursive, flowing style.

Sarasota, Florida
February 25, 2021

Report on Compliance for Each Major Federal Program and State Project; and Report on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.650, Rules of the Auditor General of the State of Florida

Independent Auditor's Report

The Board of Trustees
Mote Marine Laboratory, Inc.
Sarasota, Florida

Report on Compliance for Each Major Federal Program and State Financial Assistance Project

We have audited Mote Marine Laboratory, Inc.'s (Laboratory) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the State of Florida Department of Financial Services Statements Projects Compliance Supplement that could have a direct and material effect on each of the Laboratory's major federal programs and state financial assistance projects for the year ended September 30, 2020. The Laboratory's major federal programs and state financial assistance projects 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 federal statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal programs and state financial assistance projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Laboratory's major federal programs and state financial assistance projects 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 (CFR) 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, and the 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 and state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the Laboratory'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 financial assistance project. However, our audit does not provide a legal determination of the Laboratory's compliance.

Opinion on Each Major Federal Program and State Financial Assistance Project

In our opinion, the Laboratory complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state financial assistance projects for the year ended September 30, 2020.

Report on Internal Control Over Compliance

Management of the Laboratory 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 the Laboratory's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state financial assistance 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 and state financial assistance 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 the Laboratory'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 financial assistance 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 financial assistance 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 financial assistance 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 Uniform Guidance and the Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.



Sarasota, Florida
February 25, 2021

Mote Marine Laboratory, Inc.
Schedule of Findings and Questioned Costs
Year Ended September 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: 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 and State Awards

Internal control over major programs and projects:

- Material weakness(es) identified? _____ yes ___x___ no
- Significant deficiency(ies) identified? _____ yes ___x___ none reported

Type of auditors' report issued on compliance for major programs and projects: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) and the provisions of the Florida Single Audit Act in accordance with Chapter 10.650 of the Rules of the Auditor General _____ yes ___x___ no

Mote Marine Laboratory, Inc.
Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2020

Section I - Summary of Auditor's Results (Continued)

Identification of major programs and projects:

CFDA Numbers	Name of Federal Program or Cluster
	Research and Development Cluster:
10.001	Agricultural Research Basic and Applied Research
10.212	Small Business Innovation Research
11.011	Ocean Exploration
11.012	Integrated Ocean Observing System (IOOS)
11.417	Sea Grant Support
11.427	Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program
11.432	National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes
11.433	Marine Fisheries Initiative
11.439	Marine Mammal Data Program
11.454	Unallied Management Projects
11.463	Habitat Conservation
11.472	Unallied Science Program
11.473	Office for Coastal Management
11.478	Center for Sponsored Coastal Ocean Research Coastal Ocean Program
66.436	Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements – Section 104(b)(3) of the Clean Water Act
47.050	Geosciences
47.076	Education and Human Resources
12.910	Research and Technology Development
15.634	State Wildlife Grants
15.954	National Park Service Conservation, Protection, Outreach and Education
21.015	Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States
19.700	General Department of State Assistance

Mote Marine Laboratory, Inc.
Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2020

Section I - Summary of Auditor's Results (Continued)

CSFA Numbers	Name of State Projects
40.038	Division of Housing and Community Development
77.010	Cooperative Red Tide Research Program- Reduction of Harmful Impact from Red Tide

Dollar threshold used to distinguish between type A and type B Federal programs: \$ 750,000

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

Auditee qualified as low-risk auditee? yes no

Section II - Financial Statement Findings

None

Section III - Federal and State Award Findings and Questioned Costs

None

Section IV - Summary Schedule of Prior Audit Findings and Questioned Costs

No prior audit findings or questioned costs to be addressed

Section V - Other

No management letter is required because there were no findings to be reported in a management letter as required by Section 215.97 (9)(f) and 215.97 (10)(d) of the Florida Statutes, Auditor General Rule 10.654 (1)(e) or 10.656 (3)(e).