

**Mote Marine Laboratory, Inc.**

Financial Statements,  
Supplemental Information,  
Contract Compliance and  
Independent Auditor's Report  
September 30, 2021 and 2020

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**Kerkering, Barberio & Co.**  
Certified Public Accountants

## **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, 2021 and 2020, 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, 2021 and 2020, 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 Schedule of Expenditures of Federal Awards and State Financial Assistance 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 13, 2022 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 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 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.



Sarasota, Florida  
April 13, 2022

# Mote Marine Laboratory, Inc.

## Statements of Financial Position

September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 16,351,517	\$ 11,279,117
Accounts receivable	4,295,917	4,901,537
Pledges receivable, net	7,847,579	7,752,054
Due from Mote Marine Foundation, Inc.	529,282	719,638
Prepaid expenses and other assets	126,016	67,297
Investments - certificates of deposit	392,197	627,629
Patents, net	88,139	95,780
Investment in deferred compensation plan	595,355	604,044
Land	7,498,190	7,498,190
Property and equipment, net	14,999,685	16,381,831
Construction in progress	15,972,540	5,195,720
Beneficial interest in the net assets of Mote Marine Foundation, Inc.	<u>20,678,361</u>	<u>17,141,448</u>
Total Assets	<u>\$ 89,374,778</u>	<u>\$ 72,264,285</u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable	\$ 3,543,776	\$ 1,085,721
Accrued payroll	931,701	820,946
Memberships relating to future periods	639,825	375,913
Funds advanced on research programs	4,840,451	9,041,015
Deferred compensation payable	595,355	604,044
Lines of credit	1,402,101	1,402,101
Paycheck Protection Program forgivable loan	-	2,318,259
Notes payable	<u>6,715,042</u>	<u>6,076,783</u>
Total liabilities	<u>18,668,251</u>	<u>21,724,782</u>
Net Assets:		
Without donor restrictions:		
Undesignated	35,585,348	21,044,957
Board designated	<u>390,818</u>	<u>390,818</u>
Total net assets without donor restrictions	<u>35,976,166</u>	<u>21,435,775</u>
With donor restrictions:		
Purpose and time restrictions	24,684,247	19,064,139
Perpetual in nature	<u>10,046,114</u>	<u>10,039,589</u>
Total net assets with donor restrictions	<u>34,730,361</u>	<u>29,103,728</u>
Total net assets	<u>70,706,527</u>	<u>50,539,503</u>
Total Liabilities and Net Assets	<u>\$ 89,374,778</u>	<u>\$ 72,264,285</u>

See accompanying notes to the financial statements.

## Mote Marine Laboratory, Inc.

### Statement of Activities

Year Ended September 30, 2021

(With Summarized Totals for 2020)

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>2020 Total</b>
Support, Revenue and Reclassifications:				
Program revenue:				
Research revenue:				
Federal	\$ 4,697,906	\$ -	\$ 4,697,906	\$ 3,224,509
State	5,242,015	-	5,242,015	7,718,918
Other	7,004,272	531,674	7,535,946	4,754,268
Aquarium:				
Admission fees	5,485,931	-	5,485,931	2,740,772
Gift shop	556,749	-	556,749	266,065
Other	371,717	-	371,717	220,129
Memberships	604,506	-	604,506	1,002,248
Education	472,256	-	472,256	431,498
Protect Our Reefs-License Plate	875,077	-	875,077	893,264
Other programs	517,396	3,399,997	3,917,393	506,683
Contributions:				
Construction	-	7,833,755	7,833,755	9,255,770
Aquarium	92,085	8,600	100,685	33,334
Other programs	2,702,482	31,000	2,733,482	2,768,428
Paycheck Protection Program loan forgiveness	2,318,259		2,318,259	-
Non-cash contributions	84,381	605,700	690,081	332,563
Grants from Mote Marine Foundation, Inc.	524,748	-	524,748	985,483
Investment income	22,025	5,710	27,735	41,524
Unrealized gain (loss) on investments, net	(2,939)	(5,673)	(8,612)	1,148
Realized gain on investments, net	2,689	-	2,689	1,017
Realized gain (loss) on disposal of assets	(653)	(296)	(949)	19,876
Change in beneficial interest in the net assets of Mote Marine Foundation, Inc.	369,390	3,167,523	3,536,913	273,634
Net assets released from restrictions	9,951,357	(9,951,357)	-	-
Total support, revenue and reclassifications	41,891,649	5,626,633	47,518,282	35,471,131
Expenses:				
Program services:				
Research	16,842,052	-	16,842,052	14,110,002
Education	980,292	-	980,292	1,082,389
Aquarium	4,232,382	-	4,232,382	3,979,596
Protect Our Reefs-License Plate	505,156	-	505,156	739,137
MAP facility operations	639,506	-	639,506	498,002
Other	692,048	-	692,048	435,814
Supporting services:				
Administrative and general	1,437,163	-	1,437,163	1,942,504
Fundraising	2,022,659	-	2,022,659	2,017,957
Total expenses	27,351,258	-	27,351,258	24,805,401
Change in net assets	14,540,391	5,626,633	20,167,024	10,665,730
Net assets at beginning of year	21,435,775	29,103,728	50,539,503	39,873,773
Net assets at end of year	\$ 35,976,166	\$ 34,730,361	\$ 70,706,527	\$ 50,539,503

See accompanying notes to the financial statements.

## Mote Marine Laboratory, Inc.

### Statement of Activities

Year Ended September 30, 2020

(With Summarized Totals for 2021)

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>2021 Total</b>
Support, Revenue and Reclassifications:				
Program revenue:				
Research revenue:				
Federal	\$ 3,224,509	\$ -	\$ 3,224,509	\$ 4,697,906
State	7,718,918	-	7,718,918	5,242,015
Other	4,754,018	250	4,754,268	7,535,946
Aquarium:		-	-	
Admission fees	2,740,772	-	2,740,772	5,485,931
Gift shop	266,065	-	266,065	556,749
Other	220,129	-	220,129	371,717
Memberships	1,002,248	-	1,002,248	604,506
Education	431,498	-	431,498	472,256
Protect Our Reefs-License Plate	893,264	-	893,264	875,077
Other programs	506,683	-	506,683	3,917,393
Contributions:		-		
Construction	-	9,255,770	9,255,770	7,833,755
Aquarium	-	33,334	33,334	100,685
Other programs	2,738,578	29,850	2,768,428	2,733,482
Paycheck Protection Program loan forgiveness				2,318,259
Non-cash contributions	332,563	-	332,563	690,081
Grants from Mote Marine Foundation, Inc.	985,483	-	985,483	524,748
Investment income	40,441	1,083	41,524	27,735
Unrealized gain (loss) on investments, net	-	1,148	1,148	(8,612)
Realized gain on investments, net	1,017	-	1,017	2,689
Realized gain (loss) on disposal of assets	21,000	(1,124)	19,876	(949)
Change in beneficial interest in the net assets of Mote Marine Foundation, Inc.	26,383	247,251	273,634	3,536,913
Net assets released from restrictions	4,819,710	(4,819,710)	-	-
Total support, revenue and reclassifications	30,723,279	4,747,852	35,471,131	47,518,282
Expenses:				
Program services:				
Research	14,110,002	-	14,110,002	16,842,052
Education	1,082,389	-	1,082,389	980,292
Aquarium	3,979,596	-	3,979,596	4,232,382
Protect Our Reefs-License Plate	739,137	-	739,137	505,156
MAP facility operations	498,002	-	498,002	639,506
Other	435,814	-	435,814	692,048
Supporting services:		-		
Administrative and general	1,942,504	-	1,942,504	1,437,163
Fundraising	2,017,957	-	2,017,957	2,022,659
Total expenses	24,805,401	-	24,805,401	27,351,258
Change in net assets	5,917,878	4,747,852	10,665,730	20,167,024
Net assets at beginning of year	15,517,897	24,355,876	39,873,773	50,539,503
Net assets at end of year	\$ 21,435,775	\$ 29,103,728	\$ 50,539,503	\$ 70,706,527

See accompanying notes to the financial statements.

**Mote Marine Laboratory, Inc.**  
 Statements of Cash Flows  
 Years Ended September 30, 2021 and 2020

	<b>2021</b>	<b>2020</b>
Cash Flows from Operating Activities:		
Change in net assets	\$ 20,167,024	\$ 10,665,730
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	2,879,804	2,928,660
Realized (gain) loss on disposal of assets	949	(19,876)
Unrealized / realized (gain) loss on investments, net	5,923	(2,165)
Change in beneficial interest in the net assets of Mote Marine Foundation, Inc.	(3,536,913)	(273,634)
Non-cash contributions	(690,081)	(308,479)
Proceeds from donated assets held for sale	83,209	330,496
Contribution from forgiveness of note payable	-	(2,000,000)
Paycheck Protection Program loan forgiveness	(2,318,259)	-
Change in operating assets:		
Accounts receivable	605,620	(3,345,835)
Pledges receivable, net	(95,525)	(4,043,218)
Due from Mote Marine Foundation, Inc.	190,356	(605,526)
Prepaid expenses and other assets	(58,719)	82,002
Change in operating liabilities:		
Accounts payable	2,458,055	681,874
Accrued payroll	110,755	(126,303)
Memberships relating to future periods	263,912	(381,429)
Funds advanced on research programs	(4,200,564)	1,859,414
Total adjustments	(4,301,478)	(5,224,019)
Net cash provided by operating activities	15,865,546	5,441,711
Cash Flows from Investing Activities:		
Purchases of property and equipment	(10,156,952)	(5,394,120)
Proceeds from sale of property and equipment	-	1,500
Proceeds from maturity of certificate of deposit	235,432	232,258
Patent costs	(9,467)	(13,306)
Net cash used in investing activities	(9,930,987)	(5,173,668)
Cash Flows from Financing Activities:		
Net change in lines of credit	-	(65,500)
Repayments of notes payable	(862,159)	(529,386)
Proceeds from Paycheck Protection Program loan	-	2,318,259
Net cash provided by (used in) financing activities	(862,159)	1,723,373
Net change in cash and cash equivalents	5,072,400	1,991,416
Cash and cash equivalents, beginning of year	11,279,117	9,287,701
Cash and cash equivalents, end of year	\$ 16,351,517	\$ 11,279,117
Cash and cash equivalents, end of year, consist of the following:		
Cash	15,799,009	10,977,549
Restricted cash	552,508	301,568
	\$ 16,351,517	\$ 11,279,117
Supplemental Disclosure of Non-Cash:		
Investing and Financing Activity:		
Cash paid for interest	\$ 161,922	\$ 193,237
Construction in progress purchased through financing	\$ 1,500,418	\$ -
Construction in progress non-cash contribution	\$ 600,000	\$ -
Forgiveness of note payable reclassified as contribution	\$ -	\$ 2,000,000
Forgiveness of Paycheck Protection Program Loan	\$ 2,318,259	\$ -

See accompanying notes to the financial statements.



# Mote Marine Laboratory, Inc.

Statement of Functional Expenses

Year Ended September 30, 2021

(With Summarized Totals for 2020)

	<b>Program Services</b>				
	<b>Research</b>	<b>Education</b>	<b>Aquarium</b>	<b>Protect our Reefs License Plate</b>	<b>MAP Facility Operations</b>
Salaries and benefits	\$ 7,756,169	\$ 616,372	\$ 2,586,002	\$ 175,997	\$ 74,126
Contracted services	1,972,978	214,158	130,951	61,981	2,863
Depreciation	-	-	230,583	-	320,971
Repairs and maintenance	409,849	1,121	508,227	123,970	72,257
Travel, meals and seminars	236,841	8,819	11,484	5,170	-
Research supplies	1,325,336	15,090	2,647	22,805	57
Merchandise	-	250	23,304	-	-
Office expense	128,654	27,872	358,019	5,858	2,210
Electricity	45,210	21	164,357	51,285	82,547
Insurance	21,912	-	46,768	10,304	37,989
Telephone	23,950	5,596	10,198	12,953	3,855
Promotion and advertising	135,047	38,520	36,830	9,062	-
Expendable supplies	697	4,625	11,963	-	-
Printing and publication	6,439	1,967	10,312	307	-
Vessel	44,262	-	7,966	(105)	2,408
Vehicle	-	-	2,123	2,239	-
Interest	-	-	-	-	-
Accounting and legal	5,074	1,586	1,586	-	-
Equipment rental	23,171	8	3,043	1,292	19,966
Library	-	-	-	-	-
Licenses and fees	69,233	2,547	25,595	2,202	20,257
Rent	25,501	21,705	-	-	-
Miscellaneous	-	-	-	-	-
	<u>12,230,323</u>	<u>960,257</u>	<u>4,171,958</u>	<u>485,320</u>	<u>639,506</u>
Overhead allocation	4,320,607	8,965	-	16,185	-
Rental use charges allocation:					
Vessel, vehicle and equipment	291,122	11,070	60,424	3,651	-
Total Expenses	<u>\$ 16,842,052</u>	<u>\$ 980,292</u>	<u>\$ 4,232,382</u>	<u>\$ 505,156</u>	<u>\$ 639,506</u>

Percent of Total

		<b>Supporting Services</b>			<b>2021</b>	<b>2020</b>
<b>Other</b>	<b>Total</b>	<b>Administrative and General</b>	<b>Fund Raising</b>	<b>Total</b>	<b>Functional Expenses</b>	<b>Functional Expenses</b>
\$ 243,444	\$ 11,452,110	\$ 2,018,456	\$ 1,465,197	\$ 3,483,653	\$ 14,935,763	\$ 13,848,042
12,866	2,395,797	129,863	141,591	271,454	2,667,251	2,167,088
-	551,554	2,311,142	-	2,311,142	2,862,696	2,910,709
180,206	1,295,630	322,639	8,561	331,200	1,626,830	1,497,803
18,032	280,346	10,730	97,708	108,438	388,784	595,092
4,148	1,370,083	17,229	-	17,229	1,387,312	871,091
-	23,554	-	-	-	23,554	13,558
47,592	570,205	85,470	99,372	184,842	755,047	490,291
62,815	406,235	276,601	-	276,601	682,836	619,924
31,447	148,420	362,241	-	362,241	510,661	492,757
4,437	60,989	38,284	2,099	40,383	101,372	112,056
9,468	228,927	6,864	110,045	116,909	345,836	367,585
-	17,285	-	-	-	17,285	46,248
155	19,180	640	72,680	73,320	92,500	79,622
97,559	152,090	232	-	232	152,322	110,279
76	4,438	39,839	-	39,839	44,277	31,868
5,573	5,573	156,349	-	156,349	161,922	193,237
107,509	115,755	59,937	4,440	64,377	180,132	79,615
10,537	58,017	46,987	675	47,662	105,679	97,429
40,525	40,525	-	-	-	40,525	24,362
26,571	146,405	44,502	13,353	57,855	204,260	111,337
100	47,306	-	-	-	47,306	27,447
17,108	17,108	-	-	-	17,108	17,961
920,168	19,407,532	5,928,005	2,015,721	7,943,726	27,351,258	24,805,401
3,786	4,349,543	(4,349,543)	-	(4,349,543)	-	-
(231,906)	134,361	(141,299)	6,938	(134,361)	-	-
<u>\$ 692,048</u>	<u>\$ 23,891,436</u>	<u>\$ 1,437,163</u>	<u>\$ 2,022,659</u>	<u>\$ 3,459,822</u>	<u>\$ 27,351,258</u>	<u>\$ 24,805,401</u>
	<u>87%</u>	<u>6%</u>	<u>7%</u>		<u>100%</u>	

See accompanying notes to the financial statements.

## Mote Marine Laboratory, Inc.

Statement of Functional Expenses

Year Ended September 30, 2020

(With Summarized Totals for 2021)

	<b>Program Services</b>				
	<u>Research</u>	<u>Education</u>	<u>Aquarium</u>	<u>Protect our Reefs License Plate</u>	<u>MAP Facility Operations</u>
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	-	-	-	-
	<u>10,098,472</u>	<u>1,067,412</u>	<u>3,905,004</u>	<u>661,356</u>	<u>587,025</u>
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
<b>Total Expenses</b>	<u>\$ 14,110,002</u>	<u>\$ 1,082,389</u>	<u>\$ 3,979,596</u>	<u>\$ 739,137</u>	<u>\$ 498,002</u>

Percent of Total

Other	Total	Supporting Services			2020 Total Functional Expenses	2021 Total Functional Expenses
		Administrative and General	Fund Raising	Total		
\$ 285,655	\$ 10,607,696	\$ 1,908,098	\$ 1,332,248	\$ 3,240,346	\$ 13,848,042	\$ 14,935,763
9,617	1,904,130	111,254	151,704	262,958	2,167,088	2,667,251
-	640,367	2,270,342	-	2,270,342	2,910,709	2,862,696
125,513	1,112,466	366,949	18,388	385,337	1,497,803	1,626,830
32,670	323,545	29,818	241,729	271,547	595,092	388,784
1,371	860,577	10,514	-	10,514	871,091	1,387,312
-	13,558	-	-	-	13,558	23,554
30,905	339,705	70,133	80,453	150,586	490,291	755,047
68,474	355,911	264,013	-	264,013	619,924	682,836
64,455	192,904	299,853	-	299,853	492,757	510,661
4,310	72,051	37,605	2,400	40,005	112,056	101,372
7,303	261,226	11,280	95,079	106,359	367,585	345,836
-	46,158	90	-	90	46,248	17,285
2,065	14,184	1,890	63,548	65,438	79,622	92,500
72,440	109,803	276	200	476	110,279	152,322
204	4,690	27,163	15	27,178	31,868	44,277
-	933	192,304	-	192,304	193,237	161,922
-	13,747	65,868	-	65,868	79,615	180,132
7,575	56,010	24,252	17,167	41,419	97,429	105,679
-	-	24,362	-	24,362	24,362	40,525
761	76,469	28,973	5,895	34,868	111,337	204,260
1,000	27,447	-	-	-	27,447	47,306
-	10	17,951	-	17,951	17,961	17,108
714,318	17,033,587	5,762,988	2,008,826	7,771,814	24,805,401	27,351,258
(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>\$ 27,351,258</u>
	<u>84%</u>	<u>8%</u>	<u>8%</u>		<u>100%</u>	

See accompanying notes to the financial statements.

# Mote Marine Laboratory, Inc.

Notes to Financial Statements

September 30, 2021 and 2020

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## **1. 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.

### **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.

### **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.

**Mote Marine Laboratory, Inc.**  
Notes to Financial Statements (Continued)  
September 30, 2021 and 2020

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**2. Summary of Significant Accounting Policies (Continued)**

**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:

	<b>Years</b>
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 \$5,000 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.

**Contributed Services and Nonfinancial Assets**

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, 2021 and 2020 were 160,208 and 156,660 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, 2021 and 2020 amounted to \$4,572,324 and \$4,261,152, respectively. These estimates are based on an article published in the NonProfit Times that estimates volunteer time to be worth \$28.54 and \$27.20 per hour in 2021 and 2020, respectively, according to the Independent Sector, a Washington D.C. based coalition of nonprofits and foundations.

**Mote Marine Laboratory, Inc.**  
Notes to Financial Statements (Continued)  
September 30, 2021 and 2020

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**2. Summary of Significant Accounting Policies (Continued)**  
**Contributed Services and Nonfinancial Assets (Continued)**

Contributed nonfinancial assets are recognized at their estimated fair value when they create or enhance nonfinancial assets, they require specialized skills that would need to be purchased if they were not donated, or they are nonfinancial assets which are directed by the Laboratory for its benefit and have been provided at no cost. Amounts are recorded at their estimated fair value at the date of donation using published rates and prices. Contributed nonfinancial assets for the year ended September 30, 2021 totaled \$600,000 and is included in construction in progress on the statements of financial position. There were no contributed nonfinancial assets for the year ended September 30, 2020.

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.

**Advertising and Promotion**

Advertising and promotion costs are expensed as incurred. Advertising and promotion expense for the years ended September 30, 2021 and 2020 totaled \$345,836 and \$367,585, 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, 2018 through September 30, 2021.

**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, 2021 and 2020

**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 \$552,508 and \$301,568 as of September 30, 2021 and 2020, 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.

**Reclassifications**

To facilitate comparison of financial data, certain amounts in the 2020 financial statements have been reclassified to conform to the 2021 reporting presentation. Such reclassifications had no effect on the change in net assets previously reported.

**3. Liquidity and Availability**

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

	<b>2021</b>	<b>2020</b>
Cash and cash equivalents	\$ 16,351,517	\$ 11,279,117
Accounts receivable	4,295,917	4,901,537
Pledges receivable	7,847,579	7,752,054
Due from Mote Marine Foundation, Inc.	529,282	719,638
Investments - certificates of deposit	392,197	627,629
Beneficial interest in the net assets of Mote Marine Foundation, Inc.	20,678,361	17,141,448
Total financial assets available	50,094,853	42,421,423
 Less: Amounts unavailable for general expenditures within one year due to:		
Investments - certificates of deposit without donor restrictions maturing after one year	(392,197)	(627,629)
Restricted by donors with purpose and time restrictions	(24,684,247)	(19,064,139)
Restricted by donors in perpetuity	(10,046,114)	(10,039,589)
Total amounts unavailable for general expenditures within one year	(35,122,558)	(29,731,357)



**Mote Marine Laboratory, Inc.**  
Notes to Financial Statements (Continued)  
September 30, 2021 and 2020

**3. Liquidity and Availability (Continued)**

	<b>2021</b>	<b>2020</b>
Less: Amounts unavailable to management without Board approval: Board designated for SEA project	(390,818)	(390,818)
Total financial assets available to management for general expenditure within one year	\$ 14,581,477	\$ 12,299,248

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 as of September 30, 2021 and 2020, 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, 2021 and 2020, the Laboratory held written unconditional pledges receivable in the amounts of \$7,942,514 and \$7,810,000, 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, 2021 and 2020, therefore no allowance for uncollectible pledges has been established.

Pledges receivable consist of the following as of September 30:

	<b>2021</b>	<b>2020</b>
Pledges receivable	\$ 7,942,514	\$ 7,810,000
Less: discount to net present value (rates of 1% and .40%)	(94,935)	(57,946)
Pledges receivable, net	7,847,579	7,752,054
Less amount due in less than one year	3,739,647	2,177,500
Amount collectible in one to five years	\$ 4,107,932	\$ 5,574,554

**5. Accounts Receivable**

Accounts receivable consists of the following at September 30:

	<b>2021</b>	<b>2020</b>
Costs billed on research grants and other contracts	\$ 1,442,217	\$ 3,401,103
Unbilled costs incurred on research grants	2,844,855	1,497,584
Accounts receivable - other	8,845	2,850
	\$ 4,295,917	\$ 4,901,537

During the years ended September 30, 2021 and 2020, the Laboratory had no write-offs of uncollectible accounts receivable.

**Mote Marine Laboratory, Inc.**  
Notes to Financial Statements (Continued)  
September 30, 2021 and 2020

**6. Investments**

The Laboratory has certificates of deposit that earn interest at rates ranging between 3.0% and 3.45% and mature in one to twenty-five months. As of September 30, 2021, the certificates of deposit totaled \$392,197 and are stated at fair value. As of September 30, 2020, the certificates of deposit totaled \$627,629 and are stated at fair value. Of these amounts, \$127,576 and \$370,754 is restricted for endowments as of September 30, 2021 and 2020, respectively. There were no unrealized gains on the certificates of deposit for the years ended September 30, 2021 and 2020, respectively.

The Laboratory had realized gains of \$2,689 and \$1,017 on the sales of investments in for the years ended September 30, 2021 and 2020, respectively.

Additionally, assets held at a community foundation during the years ended September 30, 2021 and 2020 incurred unrealized losses of \$8,612 and unrealized gains of \$1,148, respectively.

**7. Property and Equipment**

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

	<u>2021</u>	<u>2020</u>
Vehicles	\$ 591,237	\$ 705,541
Vessels	1,544,500	1,575,515
Buildings and improvements	42,570,072	42,616,856
Furniture, fixtures and exhibits	5,199,638	8,560,012
Laboratory equipment	9,583,282	11,082,647
Trailers	109,131	109,902
	<u>59,597,860</u>	<u>64,650,473</u>
Less accumulated depreciation	44,598,175	48,268,642
	<u>\$ 14,999,685</u>	<u>\$ 16,381,831</u>

Depreciation expense was \$2,862,696 and \$2,910,709 for the years ended September 30, 2021 and 2020, respectively.

Construction in progress consists of the following at September 30:

	<u>2021</u>	<u>2020</u>
Mote Science Education Aquarium preconstruction	\$ 15,905,034	\$ 5,195,720
Aquarium and Laboratory improvements	67,506	-
	<u>\$ 15,972,540</u>	<u>\$ 5,195,720</u>

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, 2021 and 2020, property and equipment purchased or improved with funds received from government agencies, net of accumulated depreciation, totaled \$756,662 and \$95,831, respectively.

**Mote Marine Laboratory, Inc.**  
Notes to Financial Statements (Continued)  
September 30, 2021 and 2020

**8. Patents**

During the years ended September 30, 2021 and 2020, the Laboratory incurred costs to maintain certain patents. The costs capitalized and the related amortization provided for is as follows:

	<u>2021</u>	<u>2020</u>
Patents	\$ 197,344	\$ 190,453
Less: accumulated amortization	109,205	94,673
	<u>\$ 88,139</u>	<u>\$ 95,780</u>

No significant residual value is estimated for these patents. Amortization expense for the years ended September 30, 2021 and 2020 totaled \$17,108 and \$17,951, respectively.

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

2022	\$ 16,971
2023	16,284
2024	15,320
2025	13,619
Thereafter	25,945
	<u>\$ 88,139</u>

**9. Long-Term Debt**

**Notes Payable**

Notes payable consists of the following as of September 30:

	<u>2021</u>	<u>2020</u>
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, 2021 was 2.26%.	\$ 1,880,960	\$ 2,091,909
Note payable in 60 monthly installments of \$624, interest at 2.39% due 2021, secured by vehicle.	622	8,002
Note payable in 48 monthly installments of \$348, interest at 3.64% due 2022, secured by vehicle.	1,381	5,431
Note payable in 60 monthly installments of \$665, interest at 2.39% due 2021, secured by vehicle.	663	8,530
Note payable in 48 monthly installments of \$382, interest at 3.64% due 2022, secured by vehicle.	1,516	5,957
Note payable in 60 monthly installments of \$413, interest at 2.39% due 2021, secured by vehicle.	411	5,289
Note payable in 60 monthly installments of \$427, interest at 4.44% due 2024, secured by vehicle.	13,654	18,060

**Mote Marine Laboratory, Inc.**  
Notes to Financial Statements (Continued)  
September 30, 2021 and 2020

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

	<b>2021</b>	<b>2020</b>
Note payable in 60 monthly installments of \$695, interest at 3.99% due 2024, secured by vehicle.	19,794	27,180
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.	1,989,276	2,066,425
Note payable annually at \$200,000 plus 0.5% interest. A final balloon payment is due July 11, 2027. Additionally, the payment scheduled for fiscal year 2021 is due as part of the final balloon payment.	1,840,000	1,840,000
Note payable for insurance premiums financed by a third party. The note is payable in 22 installments of \$63,845, which include principal and interest at 3.99%, due in 2023.	966,765	-
	6,715,042	6,076,783
Less current portion	1,250,216	330,146
Non-current portion	\$ 5,464,826	\$ 5,746,637

Interest expense incurred under these notes payable totaled \$140,352 and \$155,466 for the years ended September 30, 2021 and 2020, 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 0% floor and is payable monthly. At September 30, 2021 and 2020, 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. There were no borrowings outstanding at September 30, 2021 and 2020. This line of credit is secured by assets of Mote Marine Foundation, Inc.

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, 2021 and 2020, borrowings outstanding totaled \$185,000.

The multiple lines of credit outstanding at September 30, 2021 and 2020 totaled \$1,402,101.

Interest expense incurred under these lines of credit totaled \$21,570 and \$37,771 for the years ended September 30, 2021 and 2020, respectively.

Certain loan agreements described above require that the Laboratory meet certain debt covenant compliance requirements. As of September 30, 2021, the Laboratory was in full compliance with all requirements.

**Mote Marine Laboratory, Inc.**  
Notes to Financial Statements (Continued)  
September 30, 2021 and 2020

**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 (the SBA) under the Coronavirus Aid, Relief, and Economic Security Act for an aggregate principal amount of \$2,318,259 (the PPP Loan). The Laboratory applied for forgiveness of the PPP Loan in September 2020. On April 30, 2021, the Laboratory received notice of forgiveness from the SBA of the entire principal of \$2,318,259 and the 1% calculated accrued interest of \$24,072. The Laboratory has recorded \$2,318,259 as Paycheck Protection Program loan forgiveness in the statement of activities for the year ended September 30, 2021. The Laboratory did not accrue interest on the PPP Loan. The outstanding balance of the PPP Loan was \$2,318,259 as of September 30, 2020.

**Future Maturities of Long-Term Debt**

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

2022	\$	1,250,216
2023		736,170
2024		508,469
2025		503,993
2026		507,977
Thereafter		3,208,217
Total	\$	<u>6,715,042</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:	<b>2021</b>	<b>2020</b>
Future projects	\$ 659,700	\$ 119,697
Construction	13,660,702	11,741,595
Library expenses	26,587	26,587
Beneficial interest in net assets of Mote Marine Foundation, Inc.	<u>10,337,258</u>	<u>7,176,260</u>
Total purpose restrictions	<u>24,684,247</u>	<u>19,064,139</u>
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.	<u>9,434,064</u>	<u>9,427,539</u>
Total perpetual in nature restrictions	<u>10,046,114</u>	<u>10,039,589</u>
Total net assets with donor restrictions	<u>\$ 34,730,361</u>	<u>\$ 29,103,728</u>

**11. Net Assets Released from Restrictions**

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

	<b>2021</b>	<b>2020</b>
Aquarium expenses	\$ 32,883	\$ 33,334
Other	-	345,349
Library	2,000	-
Construction	<u>9,916,474</u>	<u>4,441,027</u>
	<u>\$ 9,951,357</u>	<u>\$ 4,819,710</u>

**Mote Marine Laboratory, Inc.**  
Notes to Financial Statements (Continued)  
September 30, 2021 and 2020

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**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 \$578,363 and \$612,105 for the years ended September 30, 2021 and 2020, 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 2021 and 2020.

**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, 2021 and 2020, the Laboratory received grants from the Foundation in the amount of \$524,748 and \$985,483, respectively.

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, 2021 and 2020, the Foundation owed the Laboratory \$529,282 and \$719,638 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, 2021 and 2020, 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, 2021 and 2020 is estimated to be \$2,603 and \$2,364, 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.

**Mote Marine Laboratory, Inc.**  
Notes to Financial Statements (Continued)  
September 30, 2021 and 2020

**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, 2021, 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	14,281
Total donor-restricted endowment funds	<u>\$ 626,331</u>

As of September 30, 2020, 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	10,809
Total donor-restricted endowment funds	<u>\$ 622,859</u>

Changes in endowment net assets for the year ended September 30, 2021 are as follows:

	<u>With Donor Restrictions</u>
Endowment net assets, October 1, 2020	\$ <u>622,859</u>
Endowment investment return:	
Investment income	205
Realized and unrealized gains	<u>3,267</u>
Total endowment investment return	3,472
Appropriation of endowment for expenditures	<u>-</u>
Endowment net assets, September 30, 2021	<u>\$ 626,331</u>

**Mote Marine Laboratory, Inc.**  
Notes to Financial Statements (Continued)  
September 30, 2021 and 2020

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**18. Endowments (Continued)**

**Changes in Endowment Net Assets (Continued)**

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	344
Realized and unrealized gains	<u>23</u>
Total endowment investment return	367
Appropriation of endowment for expenditures	<u>-</u>
Endowment net assets, September 30, 2020	\$ <u><u>622,859</u></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, 2021 and 2020.

**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.



**Mote Marine Laboratory, Inc.**  
Notes to Financial Statements (Continued)  
September 30, 2021 and 2020

**18. Endowments (Continued)**

**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.

**19. 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, 2021 and 2020.

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, 2021 and 2020, 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:

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, 2021:

<u>Description</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV*</u>
Beneficial interest in the net assets of Mote Marine Foundation, Inc.	\$ 20,894,243	\$ 18,136,475	\$ 2,736,253	\$ -	\$ 21,515

**Mote Marine Laboratory, Inc.**  
Notes to Financial Statements (Continued)  
September 30, 2021 and 2020

**19. 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, 2021:

Description	Total	Level 1	Level 2	Level 3	NAV*
Beneficial interest in the net assets of Mote Marine Foundation, Inc.	\$ 16,144	\$ -	\$ -	\$ 16,144	\$ -
Pledges receivable	7,847,579	-	-	7,847,579	-
Ending balance	<u>\$ 7,863,723</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,863,723</u>	<u>\$ -</u>

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	\$ -	\$ 35,525

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	<u>\$ 7,791,851</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,791,851</u>	<u>\$ -</u>

(\*)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.

**20. Subsequent Events**

The Laboratory has evaluated all events subsequent to the statement of financial position date of September 30, 2021 and through the date these financial statements were available to be issued, April 13, 2022, and have determined that, except as set forth below, there are no subsequent events that require disclosure.

In October 2021, the Laboratory transferred cash in the amount of \$5,736,170 to an escrow account pursuant to the terms of an agreement between the Laboratory and Sarasota County. The depositing of funds into the escrow account allowed the Laboratory to begin the Enabling Work phase of construction of the Mote Science Education Aquarium.

## **Supplemental Information**

**Mote Marine Laboratory, Inc.**  
Schedule of Expenditures of Federal Awards and  
State Financial Assistance  
Year Ended September 30, 2021

Grantor	Assistance Listing # or CSFA#	Pass-through Entity Identification or Grant Number	Total Expenditures		Transfer to Subrecipients
<b>Federal Contracts and Grants</b>					
<b>RESEARCH AND DEVELOPMENT CLUSTER</b>					
<b>Department of Agriculture</b>					
Agricultural Research Service					
Agricultural Research Basic and Applied Research					
Passed through Florida Atlantic University	10.001	59-6034-9-007	\$ 135,341	\$ 135,341	\$ -
<b>Department of Commerce</b>					
National Oceanic and Atmospheric Administration (NOAA)					
Ocean Exploration					
Integrated Ocean Observing System (IOOS)	11.011	NA180AR0110291	7,260	7,260	2,516
Passed through Texas A&M University					
Passed through Southeast Coastal Ocean Observing Regional Association	11.012	NA16NOS0120018	107,158		
	11.012	NA16NOS0120028	66,556	173,714	-
Sea Grant Support					
Passed through University of Florida	11.417	NA180AR4170085	65,261		
Passed through University of Miami	11.417	NA190AR4170414	77,018	142,279	33,733
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program					
	11.427	NA20NMF4270199	124,115		
	11.427	NA18NMF4270201	38,840	162,955	16,617
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes					
Passed through Research Foundation CUNY	11.432	16126-Z7813001	6,383	6,383	-
Marine Fisheries Initiative					
	11.433	NA15NMF4330152	65,574	65,574	14,443
Marine Mammal Data Program					
	11.439	NA19NMF9390178	22,638		
	11.439	NA20NMF4390106	41,003		
	11.439	NA18NMF4390064	3,360		
	11.439	NA17NMF4390089	10,790	77,791	2,443
Unallied Management Projects					
Passed through National Fish and Wildlife Foundation					
	11.454	NA16NMF4540085	8,932		
	11.454	NA16NMF4540289	500		
	11.454	NA20NMF4540082	191,192	200,624	20,500
Habitat Conservation					
	11.463	NA19NMF4630259	740,456	740,456	-
Unallied Science Program					
Passed through National Fish and Wildlife Foundation					
	11.472	NA18NMF4720287	2,265		
	11.472	NA20NMF4720265	93,399		
	11.472	NA19NMF4720290	195,706		
Passed through Florida Fish & Wildlife Conservation Commission	11.472	NA15NMF4720018	47,374	338,744	79,862
Office for Coastal Management					
Passed through National Fish and Wildlife Foundation					
	11.473	NA18NOS4730204	505,267		
	11.473	NA20NOS4730027	170,209	675,476	-
Center for Sponsored Coastal Ocean Research Coastal Ocean Program					
	11.478	NA19NOS4780183	514,997		332,591
Passed through Florida International University	11.478	NA18NOS4780171	17,664	532,661	-
<b>Environmental Protection Agency</b>					
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	20,789	20,789	-

**Mote Marine Laboratory, Inc.**  
Schedule of Expenditures of Federal Awards and  
State Financial Assistance (Continued)  
Year Ended September 30, 2021

Grantor	Assistance Listing # or CSFA#	Pass-through Entity Identification or Grant Number	Total Expenditures		Transfer to Subrecipients
<b>Federal Contracts and Grants (Continued)</b>					
<b>RESEARCH AND DEVELOPMENT CLUSTER (Continued)</b>					
<b>National Science Foundation</b>					
Geosciences	47.050	1452538	78,272		
	47.050	2050892	114,217		
	47.050	1928817	15,421		
	47.050	OCE - 1757419	17,485		
	47.050	1923926	51,261	276,656	-
Education and Human Resources	47.076	1922351	578,250	578,250	24,263
<b>U.S. Department of Defense</b>					
Defense Advanced Research Projects Agency (DARPA)					
Research and Technology Development					
Passed through Florida Atlantic University	12.910	AWD - 001612 / AWD - 002091	110,237	110,237	-
<b>Department of the Interior</b>					
U.S. Fish and Wildlife Service					
State Wildlife Grants					
Passed through Florida Fish & Wildlife Conservation Commission	15.634	FL-T-F18AF00492	32,302	32,302	-
National Park Service					
National Park Service Conservation, Protection, Outreach and Education	15.954	P19AC01005	87,189	87,189	-
<b>Department of Treasury</b>					
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States					
Passed through The Nature Conservancy	21.015	RDCGR170068	63,353		
Passed through the Florida Institute of Oceanography	21.015	8-RCEGR020005-01-02	37,094	100,447	-
<b>Department of State</b>					
General Department of State Assistance	19.700	SIS-70017G33038	156,100	156,100	139,006
<b>TOTAL RESEARCH AND DEVELOPMENT CLUSTER</b>			<b>\$ 4,621,228</b>	<b>\$ 665,974</b>	
<b>Total Federal Contracts and Grants</b>			<b>\$ 4,621,228</b>	<b>\$ 665,974</b>	
<b>State Contracts and Grants</b>					
<b>State of Florida</b>					
<b>Florida Fish &amp; Wildlife Conservation Commission</b>					
Cooperative Red Tide Research Program - Reduction of Harmful Impacts from Red Tide - Red Tide Mitigation and Technology Development Initiative					
	77.010	15003	162,511		
	77.010	19153	3,330,116		75,609
	77.010	20034	1,026,695	4,519,322	
Marine Fisheries Assessment	77.023	16024-A1	36,142		
	77.023	16024-A3	158,256		
	77.023	20,317	85,158	279,556	-
Mote Marine Laboratory Coral Reef Restoration Program	77.036	20151	739,999	739,999	-
<b>Department of Highway Safety &amp; Motor Vehicles</b>					
Protect Wild Dolphins License Plate Project	76.011	1600	554	554	-
Protect Our Reefs License Plate Project	76.069	POR	1,016,724	1,016,724	46,043
Sea Turtle License Plate Project	76.070	20-004C	265		
	76.070	20-022R	2,551		
	76.070	21-033C	16,095	18,911	-
<b>Department of Environmental Protection</b>					
Coral Reef Protection and Restoration Grant	37.107	C2002	75,371	75,371	-
<b>Department of Economic Opportunity</b>					
Division of Housing and Community Development	40.038	HL120	1,010,268	1,010,268	-
<b>Total State Contracts and Grants</b>			<b>\$ 7,660,705</b>	<b>\$ 121,652</b>	
<b>Total Federal and State Contracts and Grants</b>			<b>\$ 12,281,933</b>	<b>\$ 787,626</b>	

**Mote Marine Laboratory, Inc.**  
Notes to the Schedule of Expenditures of Federal Awards and  
State Financial Assistance  
Year Ended September 30, 2021

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**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, 2021. 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 its cognizant agency.

## **Contract Compliance**



Kerkering, Barberio & Co.  
Certified Public Accountants

# **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, 2021, 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 April 13, 2022.

### **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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

A handwritten signature in cursive script that reads "Keckering Perkins & Co." The signature is written in black ink and is positioned above the typed name and date.

Sarasota, Florida  
April 13, 2022

## **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, 2021. 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, Mote Marine Laboratory, Inc. 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, 2021.

## **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  
April 13, 2022

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**Mote Marine Laboratory, Inc.**  
Schedule of Findings and Questioned Costs  
Year Ended September 30, 2021

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**Section I - Summary of Auditor's Results**

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***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

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**Mote Marine Laboratory, Inc.**  
Schedule of Findings and Questioned Costs (Continued)  
Year Ended September 30, 2021

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

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Identification of major programs and projects:

<b>CFDA Numbers</b>	<b>Name of Federal Program or Cluster</b>
	<b>Research and Development Cluster:</b>
10.001	Agricultural Research Basic and Applied 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

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**Mote Marine Laboratory, Inc.**  
Schedule of Findings and Questioned Costs (Continued)  
Year Ended September 30, 2021

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

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<b>CSFA Numbers</b>	<b>Name of State Projects</b>
76.069	Protect Our Reefs License Plate Project
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

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**Section II - Financial Statement Findings**

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None

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**Section III - Federal and State Award Findings and Questioned Costs**

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None

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

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No prior audit findings or questioned costs to be addressed

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**Section V - Other**

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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).