RESTORE AMERICA'S ESTUARIES AND ITS SUBSIDIARY
(a nonprofit organization)

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Year Ended December 31, 2022
with Summarized Comparative Information for the year ended December 31, 2021

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INDEPENDENT AUDITORS' REPORT

To Board of Directors
Restore America's Estuaries and its Subsidiaries
Arlington, Virginia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Restore America's Estuaries and its subsidiary (collectively, the Organization), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

As explained in Note 10 to the financial statements, net assets without donor restrictions and net assets with donor restrictions have been restated as of December 31, 2021 to account for net asset restrictions. We have not modified our opinion with respect to this matter.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

• Exercise professional judgment and maintain professional skepticism throughout the audit.

• Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.

• Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

• Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards* , we have also issued our report dated August 31, 2023, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and the consolidating statement of activities are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the Organization's 2021 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated August 22, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Renner and Company, CPA, P.C.

Alexandria, Virginia
August 31, 2023

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RESTORE AMERICA'S ESTUARIES AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2022 (with Comparative Information as of December 31, 2021)

ASSETS

	2022	2021 Restated
CURRENT ASSETS		
Cash	$ 681,644	$ 525,091
Investments	385,855	385,293
Accounts receivable	21,864	88,487
Grants receivable	1,001,654	814,417
Prepaid expenses	29,519	80,706
TOTAL CURRENT ASSETS	2,120,536	1,893,994
OTHER ASSETS		
Operating right-of-use asset	34,863	-
Security deposit	4,452	4,452
TOTAL OTHER ASSETS	39,315	4,452
TOTAL ASSETS	$ 2,159,851	$ 1,898,446

LIABILITIES AND NET ASSETS

	2022	2021 Restated
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 992,521	$ 865,284
Deferred revenue	4,500	5,000
Operating lease liability	39,868	-
Deferred rent	-	6,228
TOTAL CURRENT LIABILITIES	1,036,889	876,512
LONG-TERM LIABILITIES		
Deferred rent, net of current portion	-	5,006
TOTAL LIABILITIES	1,036,889	881,518
NET ASSETS		
Without donor restrictions	853,525	602,282
With donor restrictions	269,437	414,646
TOTAL NET ASSETS	1,122,962	1,016,928
TOTAL LIABILITIES AND NET ASSETS	$ 2,159,851	$ 1,898,446

See Notes to Financial Statements.

RESTORE AMERICA'S ESTUARIES AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended December 31, 2022 (with Summarized Comparative Information for the year ended December 31, 2021)

	2022			
SUPPORT AND REVENUE	Without Donor Restrictions	With Donor Restrictions	Total	2021
Government grants	$ 2,668,064	$ -	$ 2,668,064	$ 3,134,199
Conferences and meetings	972,553	-	972,553	152,795
Grants and contributions	276,212	335,000	611,212	667,486
Other income	80,000	-	80,000	3,867
Affiliate dues	45,300	-	45,300	45,300
Investment income	(279)	-	(279)	207
Net assets released from restriction:				
Satisfaction of program restrictions	480,209	(480,209)	-	-
TOTAL SUPPORT AND REVENUE	4,522,059	(145,209)	4,376,850	4,003,854
EXPENSES				
Program services	3,950,213	-	3,950,213	3,520,069
General and administrative	195,291	-	195,291	164,964
Fundraising	125,312	-	125,312	113,834
TOTAL EXPENSES	4,270,816	-	4,270,816	3,798,867
CHANGE IN NET ASSETS	251,243	(145,209)	106,034	204,987
NET ASSETS, beginning of year, restated	602,282	414,646	1,016,928	811,941
NET ASSETS, end of year	$ 853,525	$ 269,437	$ 1,122,962	$ 1,016,928

See Notes to Financial Statements.

RESTORE AMERICA'S ESTUARIES AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2022 (with Summarized Comparative Information for the year ended December 31, 2021)

	2022						
	Program Services						
	Other Programs	Lobbying	Total Program	General and Administrative	Fundraising	Total	2021
EXPENSES							
Affiliate support	$ 2,216,844	$ -	$ 2,216,844	$ -	$ -	$ 2,216,844	$ 2,476,056
Payroll and related costs	911,132	2,371	913,503	83,189	110,593	1,107,285	868,147
National conference	505,981	-	505,981	-	2,167	508,148	-
Professional fees	122,138	45,000	167,138	8,934	6,056	182,128	215,951
Office related expense	11,446	-	11,446	66,494	1,187	79,127	80,662
Travel	43,096	-	43,096	13,087	2,804	58,987	20,822
Business related costs	31,989	-	31,989	6,911	2,000	40,900	10,933
NOAA/CRP member support	27,082	-	27,082	-	-	27,082	61,079
Meeting, conference, staff development	20,614	-	20,614	2,838	-	23,452	45,159
Communications	6,003	-	6,003	10,905	50	16,958	16,320
Marketing and advertising	4,708	-	4,708	1,700	-	6,408	-
Product production	909	-	909	-	335	1,244	2,863
Postage and delivery	900	-	900	196	120	1,216	368
Other expenses	-	-	-	1,037	-	1,037	507
TOTAL EXPENSES	$ 3,902,842	$ 47,371	$ 3,950,213	$ 195,291	$ 125,312	$ 4,270,816	$ 3,798,867

See Notes to Financial Statements.

RESTORE AMERICA'S ESTUARIES AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended December 31, 2022 (with Summarized Comparative Information for the year ended December 31, 2021)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from operations		
Support and revenue	$ 4,256,015	$ 4,772,923
Investment income	(279)	645
Total cash received from operations	4,255,736	4,773,568
Cash disbursed by operations		
Payments to suppliers and employees	4,098,621	4,723,846
NET CASH PROVIDED BY OPERATING ACTIVITIES	157,115	49,722
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and transfer of investments	-	200,000
Purchase of investments and reinvested dividends	(562)	(200,629)
NET CASH USED BY INVESTING ACTIVITIES	(562)	(629)
NET INCREASE IN CASH AND RESTRICTED CASH	156,553	49,093
CASH AND RESTRICTED CASH, beginning of year	525,091	475,998
CASH AND RESTRICTED CASH, end of year	$ 681,644	$ 525,091

See Notes to Financial Statements.

RESTORE AMERICA'S ESTUARIES AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2022 (with Summarized Comparative Information for the year ended December 31, 2021)

RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	2022	2021
CHANGE IN NET ASSETS	$ 106,034	$ 204,987
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Non-cash occupancy costs	(11,234)	(4,798)
Unrealized loss on investments	-	438
NET ADJUSTMENTS	(11,234)	(4,360)
CHANGES IN ASSETS AND LIABILITIES AFFECTING OPERATIONS PROVIDING (USING) CASH		
ASSETS		
Accounts receivable	66,623	(63,372)
Grants receivable	(187,237)	827,648
Prepaid expenses	51,187	(75,370)
Operating right-of-use asset	(34,863)	-
	(104,290)	688,906
LIABILITIES		
Accounts payable and accrued expenses	127,237	(844,811)
Deferred revenue	(500)	5,000
Operating lease liability	39,868	-
	166,605	(839,811)
NET CHANGES IN ASSETS AND LIABILITIES	62,315	(150,905)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 157,115	$ 49,722
NON-CASH INVESTING ACTIVITIES		
Decrease in fair value of investments	$ -	$ (438)
Unrealized loss in fair value of investments	-	438
	$ -	$ -

See Notes to Financial Statements.

1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION, AND PURPOSE

Nature of Activities

Restore America's Estuaries (the Organization) is a national 501(c)(3) nonprofit organization established in 1995 as an alliance of community-based conservation organizations working to protect and restore the vital habitats of our nation's estuaries. The Organization is dedicated to working closely with community, private, and governmental organizations to preserve the nation's network of estuaries by protecting and restoring the lands and waters essential to the richness and diversity of coastal life.

Climate Steward, LLC was formed in 2021 by the Organization to be a vehicle for the secure long-term custody and warehousing of emission allowances as part of the Organization's goal of reducing greenhouse emissions for the benefit of the environment.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Restore America's Estuaries and Climate Steward, LLC. All significant intercompany transactions and accounts have been eliminated in consolidation accordingly.

Basis of Accounting

The Organization prepares its consolidated financial statements on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses are recognized when obligations are incurred.

Cash and Cash Equivalents

As of December 31, 2022 and 2021, cash consisted of two checking accounts and a savings account. Cash held within brokerage accounts is considered as investment holdings. All highly liquid investments available for current use within an initial maturity of three months or less are considered to be cash equivalents. There were no cash equivalents as of December 31, 2022 and 2021.

Accounts and Grants Receivable

Accounts and grants receivable are stated at the amount management expects to collect from outstanding balances. Receivables are generally due thirty days after they are billed and are considered past due if unpaid within thirty days. The Organization recognizes bad debts when, in the opinion of management, a specific account becomes uncollectible.

1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION, AND PURPOSE (CONTINUED)

Investments

Investments are recorded at fair value. Realized and unrealized gains and losses are included in investment income in the accompanying statement of activities.

Property and Equipment

The Organization has adopted a capitalization policy to capitalize all purchases greater than $5,000 that meet the criteria for capitalization. Routine repairs and maintenance are expensed as incurred.

Fair Value Measurements

The Organization applies accounting principles generally accepted in the United States (U.S. GAAP) for fair value measurements of financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis.

Deferred Revenue

Amounts received in advance for governmental grant activities of the Organization and sponsorships are deferred and recognized in the year to which they apply.

Net Assets

The net assets of the Organization are divided into two classes: net assets without donor restriction and net assets with donor restriction.

Without donor restrictions

Net assets without donor restriction include revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of the Organization and include both internally designated and undesignated resources. There were no designated net assets as of the year ended December 31, 2022.

1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION, AND PURPOSE (CONTINUED)

Net Assets (Continued)

With donor restrictions

Net assets with donor restriction include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statement of activities and change in net assets as net assets released from restrictions.

Revenue Recognition

The Organization provides membership and affiliate membership services to its members located in the United States for the purpose of furthering its mission. The Organization also hosts a biennial National Coastal and Estuarine Summit which gathers coastal professionals who are involved in policy, science, strategy, business, and on-the-ground restoration and management.

The Organization recognizes all unconditional contributed support in the period in which the commitment is made. Grants and cooperative agreements with federal and local government agencies are deemed to be exchange transactions and, accordingly, revenue is recognized when funds are utilized by the Organization to carry out the activity stipulated in the grant or cooperative agreement. Accordingly, amounts received but not recognized as revenue are classified in the statement of financial position as deferred revenue and amounts expended but not yet received are classified as accounts receivable. Conversely, revenue from fixed-price agreements are recorded as costs and are incurred in relation to the grant agreements.

Disaggregation of Revenue

The Organization disaggregates revenue according to the services it provides. These range from membership dues, sponsorships and conference registrations. Additionally, the Organization disaggregates revenue by source using two categories: governmental and nongovenmental. For the years ended December 31, 2022 and 2021, revenue disaggregated by source is as follows:

	2022	2021
Revenue from governmental sources	$ 2,668,064	$ 3,134,199
Revenue from nongovernmental sources	1,708,786	869,655
	$ 4,376,850	$ 4,003,854

1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION, AND PURPOSE (CONTINUED)

Performance Obligations

Membership dues are recognized over the membership period. The contract for membership dues is established once payment is received, for which the Organization provides membership rights and privileges for one year. The membership rate for the years ended December 31, 2022 and 2021 was $4,500.

Conference registrations are recognized at the time the conference is held. The contract for conference registrations is established once payment is received, for which the Organization provides access to the biennial summit held on even-numbered years and all rights and privileges of a summit participant. On off-summit years, the Organization holds other events for which it also provides participant privileges in exchange of consideration. Registration rates for the year ended December 31, 2022 ranged from $145 to $850 contingent on the date the participant purchased the registration, whether it was virtual or in-person, and according to registration type. Registration rates for the year ended December 31, 2021 ranged from $195 to $265 depending on the type of registration selected and the date of purchase.

Sponsorships are recognized at a point in time, when the event occurs. The contract for sponsorships is established on payment, for which the Organization provides sponsorship benefits to sponsors in exchange of consideration based on sponsorship level rates. In addition, the Organization provides registrations to sponsor attendees based on sponsorship levels. Sponsorship rates ranged from $500 to $50,000 and $1,200 to $20,000 for the years ended December 31, 2022 and 2021, respectively.

Significant Judgments

The Organization's Board of Directors determines the price for its membership dues each year. The price for conferences and events is determined by management which accounts for all the expenses to be incurred and includes it in the transaction price.

Income Taxes

The Organization is exempt from federal income taxes under 501(c)(3) of the Internal Revenue Code. However, the Organization is subject to tax on net income generated by activities considered to be unrelated business income. Climate Steward, LLC, is a disregarded entity and its activities are included with the Organization's activities for tax reporting purposes. Income taxes are provided on income regardless of when such taxes are payable.

1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION, AND PURPOSE (CONTINUED)

Income Taxes (Continued)

In accounting for uncertainty in income taxes, accounting standards require an entity to recognize the financial statement impact of a tax position when it is more-likely-than-not that the position will not be sustained upon examination. Management evaluated the Organization's tax positions and concluded no uncertain tax positions that require adjustment to the consolidated financial statements to comply with the provisions of this guidance were taken.

Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions about the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Government Grants

The Organization participates in federal grant programs which are subject to financial and compliance audits by the federal agencies or their representatives. As such, there is a possibility that questioned costs might result from such an audit in the future. Management estimates that there are no material unallowable costs.

Allocated Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Statement of Functional Expenses. Accordingly, certain costs including payroll and related costs, professional fees, office related expenses, travel, business-related costs, communications, and postage and delivery have been allocated among program services, general and administrative, and fundraising costs based on time expended or space occupied. Meeting, conference, staff development and marketing and advertising expense have been allocated among program services and general and administrative costs based on time expended or space occupied. National conference and product production have been allocated among program and fundraising costs based on time expended or space occupied. Affiliate support and NOAA/CRP member support have been allocated to program services costs and other expenses has been allocated to general and administrative costs based on time expended or space occupied.

1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION, AND PURPOSE (CONTINUED)

Summarized Comparative Information

The consolidated financial statements include certain summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Adoption of New Accounting Standard

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. This guidance is intended to increase transparency and comparability among lessees by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. ASU 2016-02 requires lessees to report a right-of-use asset along with a lease liability.

The Organization adopted ASU 2016-02 as of January 1, 2022. As a result, the statement of financial position as of December 31, 2022 includes the right-of-use asset and operating lease liability, which are not reflected in the statement of financial position as of December 31, 2021. There was no effect on beginning net assets without donor restrictions.

The Organization elected to apply all practical expedients available under the ASU, allowing it to not reassess whether any expired or existing contracts previously assessed as not containing leases are, or contain, leases; not reassess the lease classification for any expired or existing leases; and not reassess initial direct costs for any existing leases.

Liquidity and Availability of Assets

The Organization maintains a liquid cash balance in checking and savings accounts in an amount necessary to meet its anticipated expenditures in the next thirty days. Cash in excess of this amount is invested in short-term investments.

The Organization reconciles the balance of financial assets subject to donor restrictions monthly based on restricted amounts used and received. Restricted cash and investments are separately identified and monitored as part of the Organization's monthly financial reporting process.

The Organization also maintains a $50,000 credit limit on its credit cards to help manage cash flow.

1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION, AND PURPOSE (CONTINUED)

Liquidity and Availability of Assets (Continued)

The Organization's financial assets available within one year to meet cash needs for general expenditures through December 31, 2023 are as follows:

Financial Assets	
Cash	$ 681,644
Investments	385,855
Accounts receivable	21,864
Grants receivable	1,001,654
Total financial assets	2,091,017
Less amounts not available within one year	
Purpose restricted net assets	(269,437)
Financial assets available within one year to meet cash needs for general expenditures within one year	$ 1,821,580

2. CASH

Cash as of December 31, 2022 and 2021 consisted of the following:

	2022	2021
Checking accounts	$ 681,643	$ 524,941
Saving accounts	-	150
	$ 681,643	$ 525,091

The balances in financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor. Bank balances as of December 31, 2022 and 2021 not covered by FDIC deposit insurance were $592,963 and $482,021, respectively.

The Organization maintained restricted cash in the amounts of $269,437 and $414,646 for the years ended December 31, 2022 and 2021, respectively.

3. ACCOUNTS AND GRANTS RECEIVABLE

Receivables as of December 31, 2022 and 2021 consisted of the following:

	2022	2021
Accounts receivable - program and miscellaneous	$ 21,864	$ 88,487
Grants receivable		
NOAA	57,030	330
EPA	792,934	763,899
TBEP TBERF	99,712	50,188
Other grants	51,978	-
	1,001,654	814,417
	$ 1,023,518	$ 902,904

No allowance for uncollectible amounts was recorded for the years ended December 31, 2022 and 2021.

4. INVESTMENTS

Investments as of December 31, 2022 and 2021 are comprised of the following:

	2022		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Money market	$ 385,855	$ 385,855	$ -

	2021		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Money market	$ 385,293	$ 385,293	$ -

4. INVESTMENTS (CONTINUED)

Investment income consisted of the following for the years ended December 31 2022 and 2021:

	2022	2021
Interest and dividends	$ (279)	$ 645
Unrealized loss on investments	-	(438)
	$ (279)	$ 207

5. FAIR VALUE MEASUREMENTS

The Organization records investments based on fair value on a recurring basis. Financial accounting and reporting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants at the measurement date. The standard emphasizes that fair value is a market-based measurement, not an entity specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, a fair value hierarchy was established that distinguishes between market participant assumptions based on market data obtained from sources independent from the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

Level 1 - inputs utilize unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 - inputs are inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets or liabilities in active markets, as well as inputs that are observable for the assets or liabilities (other than quoted prices), such as interest rates, foreign exchange rates and yield curves that are observable at common quoted intervals.

Level 3 - inputs are unobservable inputs for the assets or liabilities, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The determination of the fair value level within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Organization's assessment of the significance of the particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the assets or liabilities.

5. FAIR VALUE MEASUREMENTS (CONTINUED)

The following summarizes investments, measured at fair value on a recurring basis, aggregated by the level in the fair value hierarchy within which those measurements fall, as of December 31, 2022 and 2021:

	2022		
	Fair Value	Level 1	Level 2
Money market	$ 385,855	$ 385,855	$ -

	2021		
	Fair Value	Level 1	Level 2
Money market	$ 385,293	$ 385,293	$ -

6. DEFERRED REVENUE

For the year ended December 31, 2022, deferred revenue was comprised of deferred membership dues for the following year and totaled $4,500. As of December 31, 2021, deferred revenue consisted of deferred conference sponsorships and totaled $5,000.

7. RELATED PARTIES

The Organization receives contributions from member affiliates for support of advocacy programs. The President, CEO or other comparable position of these affiliates are members of the Organization's Board of Directors. During the years ended December 31, 2022 and 2021, the Organization received $45,000 for both years from these member affiliates. In addition, during the years ended December 31, 2022 and 2021, the Organization awarded subgrants to these member affiliates totaling $103,170 and $159,969, respectively.

8. REVENUE CONCENTRATION

Approximately 61% and 78% of the Organization's revenue for each of the years ended December 31, 2022 and 2021, respectively, was derived from grants and contracts awarded by agencies of the United States Government. The Organization has no reason to believe that relationships with these agencies will be discontinued in the foreseeable future. However, any interruption of these relationships (i.e., the failure to renew grant agreements or withholding of funds) would adversely affect the Organization's ability to finance ongoing operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022 (with Comparative Information as of and for the year ended December 31, 2020)

9. NET ASSETS WITH DONOR RESTRICTION

A summary of activity in net assets with donor restriction for the years ended December 31, 2022 and 2021 is as follows:

	2022			
	Balance Dec. 31, 2021	Support and revenue	Net assets released from restrictions	Balance Dec. 31, 2022
Purpose restrictions:				
Packard Foundation	$ 221,277	$ -	$ (159,147)	$ 62,130
Tampa Bay projects	129,803	75,000	(65,874)	138,929
Scotts CRP	6,176	180,000	(186,176)	-
CITGO	55,090	80,000	(67,646)	67,444
PSDOH Sponsorship	1,800	-	(866)	934
Wilcox Farms	500	-	(500)	-
	$ 414,646	$ 335,000	$ (480,209)	$ 269,437

	2021 Restated			
	Balance Dec. 31, 2020	Support and revenue	Net assets released from restrictions	Balance Dec. 31, 2021
Purpose restrictions:				
Packard Foundation	$ -	$ 250,000	$ (28,723)	$ 221,277
Tampa Bay projects	134,923	75,000	(80,120)	129,803
Scotts CRP	180,000	-	(173,824)	6,176
CITGO	30,000	60,000	(34,910)	55,090
PSDOH Sponsorship	-	1,800	-	1,800
Wilcox Farms	500	-	-	500
	$ 345,423	$ 386,800	$ (317,577)	$ 414,646

10. PRIOR PERIOD ADJUSTMENT

Net assets with donor restrictions and net assets without donor restrictions as of December 31, 2021 have been restated to account for the proper recognition of releases. Prior period adjustments as of December 31, 2021 are as follows:

	As Originally Presented	Prior Period Adjustment	As Restated
Net assets with donor restrictions			
December 31, 2021	$ 522,282	$ 80,000	$ 602,282
Net assets without donor restrictions			
December 31, 2021	$ 494,646	$ (80,000)	$ 414,646

11. RETIREMENT PLAN

The Organization maintains a qualified retirement plan and a voluntary 401(k) plan. Regular full-time employees are eligible for retirement benefits and the voluntary 401(k) plan upon completion of 90 days of continuous employment. Employees hired prior to March 2, 2009 are fully vested in the 401(k) plan employer contributions after 90 days of continuous employment. Employees hired after March 2, 2009 are fully vested in the 401(k) plan employer contributions after one year of continuous employment. The Organization contributes a percentage of the eligible employee's annual salary. Retirement plan expense of the Organization under this plan was $40,876 and $38,128 for the years ended December 31, 2022 and 2021, respectively.

12. OPERATING LEASE

The Organization signed a five year office lease on March 11, 2013 that expired March 31, 2018, but was extended through August 31, 2023 during the fiscal year. The lease contains a provision for annual rent increase of 2.5% and requires the Organization to pay, as additional rent, a proportionate share of any increase over the base year of all taxes assessed on the property and operating expenses. Additionally, the lease extension includes an abatement of rent for the first five months of lease extension. There are no plans by the Organization to request an extension to the current lease agreement as of December 31, 2022.

Rent expense for the years ended December 31, 2022 and 2021 was $53,249 and $53,246, respectively. Cash payments made for the operating lease totaled $58,609 and $57,180 for the years ended December 31, 2022 and 2021, respectively.

12. OPERATING LEASE (CONTINUED)

Future minimum lease payments under the lease extension payable in the following year are $39,927. A reconciliation of the undiscounted cash payments to the operating lease liablity for the year ended December 31, 2022 is as follows:

Undiscounted future cash flows	$ 39,927
Less: discount to present value	(59)
Operating lease liability	$ 39,868

The weighted average remaining lease term for the Organization's operating lease is 0.67 years or 8 months. The weighted average discount rate used to calculate the present value of the sum of the lease payments, which is recorded as a lease liability for the Organization's operating lease is 0.39%. This rate is determined to be the borrowing rate as of the lease agreement execution date and reflects the Organization's risk-free rate. The rate is the Treasury bill rate as of the date of transition. This is the coupon equivalent or investment yield for a 52-week bill and is based on the purchase price, discount and a 365- or 366-day year.

13. COMMITMENTS AND CONTINGENCIES - HOTEL COMMITMENTS

The Organization has entered into agreements with hotels for future meetings. The agreements indicate that the Organization is liable for liquidated damages in the event of cancellations. As of December 31, 2022, the Organization's commitments for these liquidated damages, if meetings had been canceled, totaled approximately $201,512.

14. SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through August 31, 2023, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

RESTORE AMERICA'S ESTUARIES AND ITS SUBSIDIARY

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
December 31, 2021

ASSETS

	Restore America's Estuaries	Climate Steward	Eliminating Entries	Consolidated Balance
CURRENT ASSETS				
Cash	$ 680,644	$ 1,000	$ -	$ 681,644
Investments	385,855	-	-	385,855
Accounts receivable	23,191	-	(1,327)	21,864
Grants receivable	1,001,654	-	-	1,001,654
Prepaid expenses	29,519	-	-	29,519
TOTAL CURRENT ASSETS	2,120,863	1,000	(1,327)	2,120,536
OTHER ASSETS				
Investment in Climate Steward	1,000	-	(1,000)	-
Operating right-of-use asset	34,863	-	-	34,863
Security deposit	4,452	-	-	4,452
TOTAL OTHER ASSETS	40,315	-	(1,000)	39,315
TOTAL ASSETS	$ 2,161,178	$ 1,000	$ (2,327)	$ 2,159,851

LIABILITIES AND NET ASSETS

	Restore America's Estuaries	Climate Steward	Eliminating Entries	Consolidated Balance
CURRENT LIABILITIES				
Accounts payable and accrued expenses	$ 992,521	$ 1,327	$ (1,327)	$ 992,521
Deferred revenue	4,500	-	-	4,500
Operating lease liability	39,868	-	-	39,868
TOTAL LIABILITIES	1,036,889	1,327	(1,327)	1,036,889
NET ASSETS				
Without donor restrictions	854,852	(327)	(1,000)	853,525
With donor restrictions	269,437	-	-	269,437
TOTAL NET ASSETS	1,124,289	(327)	(1,000)	1,122,962
TOTAL LIABILITIES AND NET ASSETS	$ 2,161,178	$ 1,000	$ (2,327)	$ 2,159,851

See Notes to Financial Statements.

RESTORE AMERICA'S ESTUARIES AND ITS SUBSIDIARY

CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

	Restore America's Estuaries	Climate Steward	Eliminating Entries	Consolidated Balance
SUPPORT AND REVENUE				
Government grants	$ 2,668,064	$ -	$ -	$ 2,668,064
Conferences and meetings	972,553	-	-	972,553
Grants and contributions	611,212	-	-	611,212
Other income	80,000	-	-	80,000
Affiliate dues	45,300	-	-	45,300
Investment income	(279)	-	-	(279)
TOTAL SUPPORT AND REVENUE	4,376,850	-	-	4,376,850
EXPENSES				
Program services	3,902,842	-	-	3,902,842
General and administrative	194,254	1,037	-	195,291
Lobbying	47,371	-	-	47,371
Fundraising	125,312	-	-	125,312
TOTAL EXPENSES	4,269,779	1,037	-	4,270,816
CHANGE IN NET ASSETS	107,071	(1,037)	-	106,034
NET ASSETS, beginning of year	1,017,218	710	(1,000)	1,016,928
NET ASSETS, end of year	$ 1,124,289	$ (327)	$ (1,000)	$ 1,122,962

See Notes to Financial Statements.