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RESTORE AMERICA'S ESTUARIES

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
REQUIRED BY THE UNIFORM GUIDANCE

YEAR ENDED DECEMBER 31, 2025

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RESTORE AMERICA'S ESTUARIES
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YEAR ENDED DECEMBER 31, 2025

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Restore America's Estuaries
Washington DC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Restore America's Estuaries (the Organization), which comprise the statement of financial position as of December 31, 2025 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 opinion.

Responsibilities of Management for the Financial Statements

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

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization' ability to continue as a going concern within one year after the date that the 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 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organizations' 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 Organizations' 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards 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 September 15, 2026, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Columbia, Maryland
September 15, 2026

RESTORE AMERICA'S ESTUARIES
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

ASSETS

CURRENT ASSETS	
Cash	$ 220,559
Restricted Cash	232,095
Investments	455,149
Contributions Receivable	152,306
Grants Receivable	1,997,574
Miscellaneous Receivable	36
Prepaid Expenses	177,629
Total Current Assets	3,235,348
OTHER ASSETS	
Security Deposit	4,499
Total Assets	$ 3,239,847

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts Payable and Accrued Expenses	$ 98,233
Subrecipient Payables	2,076,538
Deferred Revenue	76,750
Total Current Liabilities	2,251,521
Total Liabilities	2,251,521
NET ASSETS	
Without Donor Restrictions	566,614
With Donor Restrictions	421,712
Total Net Assets	988,326
Total Liabilities and Net Assets	$ 3,239,847

See accompanying Notes to Financial Statements.

RESTORE AMERICA'S ESTUARIES
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Government Grants	$ 8,294,299	$ -	$ 8,294,299
Grants and Contributions	157,492	187,166	344,658
Conferences and Meetings	88,144	-	88,144
Affiliate Dues	45,000	-	45,000
Investment Income	12,748	-	12,748
Net Assets Released from Restrictions	165,432	(165,432)	-
Total Support and Revenue	8,763,115	21,734	8,784,849
EXPENSES			
Program Services	8,342,174	-	8,342,174
General and Administrative	478,087	-	478,087
Fundraising	119,230	-	119,230
Total Expenses	8,939,491	-	8,939,491
CHANGE IN NET ASSETS	(176,376)	21,734	(154,642)
Net Assets - Beginning of Year	742,990	399,978	1,142,968
NET ASSETS - END OF YEAR	$ 566,614	$ 421,712	$ 988,326

See accompanying Notes to Financial Statements.

RESTORE AMERICA'S ESTUARIES
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025

	Program Services			Support Services			
	Other Programs	Lobbying	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total
Grants to Subrecipients	$ 6,535,376	$ -	$ 6,535,376	$ -	$ -	$ -	$ 6,535,376
Affiliate Support	68,706	-	68,706	-	-	-	68,706
Payroll and Related Costs	1,212,876	3,595	1,216,471	249,611	119,230	368,841	1,585,312
Regional and Other Conferences	63,064	-	63,064	1,700	-	1,700	64,764
Professional Fees	206,811	62,910	269,721	109,106	-	109,106	378,827
Office Related Expense	57,257	32	57,289	41,550	-	41,550	98,839
Travel	84,339	3,206	87,545	21,037	-	21,037	108,582
Other Expenses	26,856	140	26,996	2,021	-	2,021	29,017
Business Related Costs	1,132	-	1,132	11,180	-	11,180	12,312
Marketing and Advertising	2,300	77	2,377	4,490	-	4,490	6,867
Communications	588	-	588	19,820	-	19,820	20,408
Staff Development	9,286	2,503	11,789	16,842	-	16,842	28,631
Product Production	981	139	1,120	730	-	730	1,850
Total Expenses by Function	$ 8,269,572	$ 72,602	$ 8,342,174	$ 478,087	$ 119,230	$ 597,317	$ 8,939,491

See accompanying Notes to Financial Statements.

RESTORE AMERICA'S ESTUARIES
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	$ (154,642)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Changes in Operating Assets and Liabilities	
Contributions Receivable	27,285
Grants Receivable	859,175
Prepaid Expenses	(162,937)
Miscellaneous Receivable	52,824
Accounts Payable and Accrued Expenses	(238,229)
Subrecipient Payables	(293,965)
Deferred Revenue	74,250
Net Cash Provided by Operating Activities	163,761
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sale and Transfer of Investments	135,000
Purchase of Investments and Reinvested Dividends	(277,722)
Net Cash Used by Investing Activities	(142,722)
NET INCREASE IN CASH AND RESTRICTED CASH	21,039
Cash and Restricted Cash - Beginning of Year	431,615
CASH AND RESTRICTED CASH - END OF YEAR	$ 452,654

See accompanying Notes to Financial Statements.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

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.

Basis of Presentation

The *accompanying* financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Cash, Cash Equivalents, and Restricted Cash

We consider all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Restricted cash and cash equivalents are required to be held in separate accounts by a contractual agreement with a funder and restricted for use in Tampa Bay environmental restoration activities.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position to the sum of the corresponding amounts within the statement of cash flows.

Cash	$	220,559
Restricted Cash		232,095
Total	$	452,654

Cash and cash equivalents held within brokerage accounts are included in investments.

Contributions and Grants Receivable

The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Allowance for uncollectible promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. Contributions and grants receivable at December 31, 2025 are expected to be collected within one year and management believes that all grants and contributions receivable are fully collectible.

Investments

The Organization maintains investments in cash and a money market mutual fund. Cash is valued at cost and the money market mutual fund is valued at fair value. Investment return is reported in the statement of activities and is primarily comprised of interest and dividends. Realized and unrealized gains and losses are generally not significant because the fund seeks to maintain a stable value of $1.00 per share.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization reports contributions and grants restricted by donors, that were initially conditional, as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) simultaneous to conditions being met. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenue and Revenue Recognition

Grants and Contributions

We recognize contributions when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Government Grants

A portion of our revenue is derived from cost-reimbursable federal government grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when we have incurred expenditures in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization received cost-reimbursable grants of $29,488,319 that have not been recognized at December 31, 2025 because qualifying expenditures have not yet been incurred. No amounts have been received in advance under the Organization’s federal government grants.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Revenue Recognition (Continued)

Conferences and Meetings

The Organization hosts conferences and meetings which gather coastal professionals who are involved in policy, science, strategy, business, and on-the-ground restoration and management. Included in these events is a biennial National Coastal and Estuarine Summit that was last held in 2024. Conference and meeting revenue is recorded in the year in which the event is held (point in time). Payment for registrations and sponsorships are due in advance of the events. Deferred revenue is recorded for any amounts received prior to December 31, which represent the following year's registration fees and sponsorships. For the years ended December 31, 2025 and 2024, deferred revenue was comprised of deferred conference registration fees and sponsorships for the following year and totaled $76,750 and $2,500, respectively.

Affiliate Dues

Income from affiliate dues is recognized ratably over the membership period to which it relates (over time). Membership is on a calendar-year basis. Deferred revenue is recorded for any amounts received prior to December 31, which represent the following years' dues. There were no deferred affiliate dues for the years ended December 31, 2025 and 2024.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include payroll related costs based on time and effort.

Income Taxes

The Organization has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under IRC Section 501(a) as an organization described in Internal Revenue Code (IRC) Section 501(c)(3), that qualifies for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be a private foundation under IRC Sections 509(a)(1) and (3), respectively. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes, however, there were no such taxable activities in 2025.

Management believes that the Organization has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Financial Instruments and Credit Risk

The Organization manages deposit concentration risk by placing cash and money market accounts with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor, per insured bank, for each account ownership category. As of December 31, 2025, the Organization had approximately $552,000 in excess of FDIC insurance limits. To date, we have not experienced losses in any of these accounts.

Change in Accounting Principle

Management elected to change the presentation of operating cash flows from the direct method to the indirect method beginning with the year ended December 31, 2025. The indirect method is an acceptable presentation under ASC 230.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 15, 2026, the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY OF ASSETS

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following for the year ended December 31, 2025:

Financial Assets at Year-End:	
Cash	$ 220,559
Restricted Cash	232,095
Investments	455,149
Contributions Receivable	152,306
Grants Receivable	1,997,574
Total Financial Assets	3,057,683
Less Amounts Not Available to be Used Within One Year:	
Net Assets With Donor Restrictions	(421,712)
Financial Assets Available to Meet General Expenditures Within One Year	$ 2,635,971

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES

The organization reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset.

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)

The Organization maintains investments in cash and a money market mutual. Cash is valued at cost. The money market mutual fund has a readily determinable fair values based on daily redemption values and is classified within Level 1.

The following table presents investments measured at fair value on a recurring basis at December 31, 2025 and includes investments at cost to reconcile to the statement of financial position.

	Level 1	Level 2	Level 3	Total
Money Market Mutual Fund	$ 351,743	$ -	$ -	$ 351,743
Cash, at Cost				103,406
Total investments				$ 455,149

NOTE 4 NET ASSETS WITH DONOR RESTRICTIONS

A summary of activity and purpose restrictions in net assets with donor restrictions for the year ended December 31, 2025 is as follows:

	Balance Beginning of Year	Support and Revenue	Net Assets Released from Restrictions	Balance End of Year
December 31, 2025				
Purpose Restrictions:				
Tampa Bay Projects	$ 251,574	$ 75,000	$ (40,583)	$ 285,991
CITGO	64,749	80,000	(77,327)	67,422
Scotts CRP	83,079	2,166	(17,522)	67,723
PSDOH Sponsorship	576	-	-	576
Cheniere CRP	-	30,000	(30,000)	-
Total	$ 399,978	$ 187,166	$ (165,432)	$ 421,712

NOTE 5 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 $61,873 for the year ended December 31, 2025.

NOTE 6 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 year ended December 31, 2025, the Organization received $45,000 from these member affiliates. In addition, during the year ended December 31, 2025, the Organization awarded subgrants to these member affiliates totaling $1,216,651 with $295,012 due to member organizations at December 31, 2025.

NOTE 7 REVENUE CONCENTRATION

Approximately 94% of the Organization's revenue for the year ended December 31, 2025, was derived from grants and contracts awarded by agencies of the United States Government. The Organization believes that contractual agreements will be completed according to their terms. 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.

NOTE 8 COMMITMENTS AND CONTINGENCIES

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.

Conditional Grants – Grant Expense

The organization provides cost – reimbursable grants to subrecipients, which are conditioned upon certain performance requirements and the incurrence of allowable expenses. As of December 31, 2025, the Organization had $8,855,877 in outstanding conditional grants to subrecipients. Grant expenses will be recognized as the conditions are substantially met.

Employment Agreement

The Organization has an employment agreement with a key employee which contains a clause whereby the Organization is liable for severance pay in the event of termination other than for cause.

Hotel and Event Management Contracts

The Organization has contracted with hotels for convention and hotel space for conferences and meetings to be held through 2028. In the event of cancellation, the Organization is required to pay various costs stipulated by the contracts, the amounts of which are dependent on the dates of cancellation.

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INDEPENDENT AUDITORS' 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*

Board of Directors
Washington DC

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, the financial statements of Restore America's Estuaries (the Organization), which comprise the Organization's statement of financial position as of December 31, 2025 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 15, 2026.

Report on Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Organization'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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be material weaknesses.

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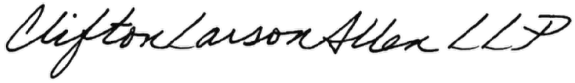
As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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.*

Restore America's Estuaries' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Organization's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



CliftonLarsonAllen LLP

Columbia, Maryland
September 15, 2026

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Restore America's Estuaries and Subsidiary
Washington DC

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Restore America's Estuaries' (the Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2025. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

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Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Government Auditing Standards requires the auditor to perform limited procedures on Restore America's Estuaries' response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Restore America's Estuaries' response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

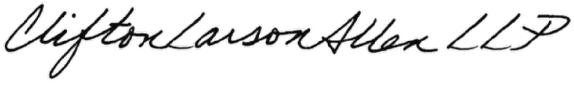
Report on Internal Control Over Compliance

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

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

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

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



CliftonLarsonAllen LLP

Columbia, Maryland
September 15, 2026

RESTORE AMERICA'S ESTUARIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2025

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Agency Award Number	Passed Through to Subrecipients	Total Federal Expenditures
United States Department of Commerce				
National Oceanic Atmospheric Administration				
Habitat Conservation				
Gulf of Mexico Community Based Oyster Recycling and Reef Restoration Network	11.463	NA23NMF4630087	$ 1,158,183	$ 1,344,506
Total United States Department of Commerce			1,158,183	1,344,506
United States Department of the Interior				
United States Fish and Wildlife Service				
Coastal				
2025 Living Shorelines Tech Transfer Workshop	15.630	F24AC01809-00	-	12,284
United States Environmental Protection Agency				
Geographical Programs - Southeast New England				
Coastal Watershed Restoration Program				
Support for Southeast New England Program (SNEP)	66.129	SE00A00370	1,143,575	1,257,760
Southeast New England Program (SNEP)				
Watershed Implementation Grants Program	66.129	SE00A00708	1,331,154	1,615,520
Geographic Programs - Long Island Sound Program				
BIL Long Island Sound Community Impact Fund - Transforming People and Places	66.437	4S00A01865	-	131,966
Transforming People and Places - Long Island Sound Community Impact Fund	66.437	4S00A00937	905,834	1,270,363
National Estuary Program				
RAE Support of the National Estuary Program				
Coastal Watersheds Grant	66.456	CE83967501	1,256,139	1,387,769
Support of the National Estuary Program Watersheds				
Grant, A Collaborative, Experienced Partnership	66.456	CE84044301	742,263	982,496
Geographic Programs - Great Lakes Restoration Initiative				
Great Lakes Region: Inspired Communities, Resilient Places	66.469	00E03691	215,209	617,269
Total United States Environmental Protection Agency			5,594,174	7,263,143
Total Expenditures of Federal Awards			$ 6,752,357	$ 8,619,933

See accompanying Notes to Schedule of Expenditures of Federal Awards.

RESTORE AMERICA'S ESTUARIES
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2025

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Restore America's Estuaries (the Organization), under programs of the federal government for the year ended December 31, 2025. 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). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting, except for subrecipient amounts discussed below. 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.

NOTE 3 INDIRECT COST RATE

The Organization has elected to use the de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4 SUBRECIPIENTS

The Schedule includes amounts paid to subrecipients during 2025 and accrued amounts. The below is a reconciliation of amounts passed through to subrecipients on the Schedule to government grants to subrecipients in the statement of functional expenses.

Amounts passed through to subrecipients on the schedule of expenditures of federal awards	$ 6,752,357
Less amounts paid to subreciients during 2025 but related to 2024 expenses associated with federal awards	(2,370,503)
Add amounts paid to subrecipients after December 31, 2025 and related to 2025 expenses associated with federal awards	2,055,088
Grants to subrecipients, not associated with federal awards	98,434
Grants to subrecipients in the statement of functional expenses	$ 6,535,376

RESTORE AMERICA'S ESTUARIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2025

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified?	x yes	____ no
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	____ yes	x none reported
Noncompliance material to financial statements noted?	____ yes	____ no

Federal Awards

Internal control over major federal programs:		
• Material weakness(es) identified?	____ yes	x no
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	____ yes	x none reported
Type of auditors' report issued on compliance for major federal programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	____ yes	x no

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
66.456	National Estuary Program

Aditee qualified as low-risk auditee?	x yes	____ no
Dollar threshold used to distinguish between Type A and Type B programs?	$1,000,000	

Section II – Financial Statement Findings

2025 – 001 – Subrecipient Expenses and Related Revenue

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: Expenses incurred by subrecipients in 2024 and 2025 in the amounts of $663,010 and $1,191,630, respectively, were not recorded in grants receivable and subrecipient payables at December 31 of each year. This resulted in an understatement of grants receivable and subrecipient payables at December 31, 2024 and 2025 and an understatement of the related government grant revenue and government grants to subrecipients expense for the years ended December 31, 2024 and 2025. The net impact of these adjustments resulted in equal increases in government grant revenue and government grants to subrecipients expense in 2025 of $528,620. There was no impact on net assets.

In addition, we noted that the Schedule of Expenditures of Federal Awards (SEFA) included accrued amounts due to subrecipients rather than amounts disbursed to subrecipients, as required by Uniform Guidance. This presentation difference in the SEFA was also corrected.

Criteria or specific requirement: Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP and the SEFA is prepared in accordance with the Uniform Guidance requirements.

Effect: The absence of formalized controls over the recording of expenses incurred by subrecipients increases the risk of misstatements or errors occurring and not being detected and corrected.

Cause: During the period under audit, the organization did not have a formal policy in place to provide reasonable assurance that expenses incurred by subrecipients are received on a timely basis and are recorded in the year they relate to.

Amounts reported in the SEFA for subrecipients were not limited to amounts disbursed which differs from the presentation in the financial statements.

Repeat Finding: No

Recommendation: The organization should evaluate their financial reporting processes and controls to determine whether additional controls over the proper recording of expenses incurred by subrecipients can be implemented to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP and SEFA reporting is prepared in accordance with Uniform Guidance requirements.

Views of responsible officials and planned corrective actions: There is no disagreement with the audit finding.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).



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