CBIZ CPAs

CORAL RESTORATION FOUNDATION INC

FINANCIAL STATEMENTS

For the Years Ended December 31, 2025 and 2024

CORAL RESTORATION FOUNDATION INC

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Independent Auditors' Report

To the Board of Directors
Coral Restoration Foundation Inc

Report on the Financial Statements

Opinion

We have audited the financial statements of the Coral Restoration Foundation Inc (the "Foundation"), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years 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 Foundation as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date of the financial statements are issued or available to be issued.

Auditors' Responsibilities for the Audits 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 Foundation'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 Foundation'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.

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 (CFR) 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. Such 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 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2026, on our consideration of Coral Restoration Foundation 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 Coral Restoration Foundation 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 Coral Restoration Foundation Inc's internal control over financial reporting and compliance.

CBIZ CPAs P.C.

Indianapolis, Indiana
September 28, 2026

CORAL RESTORATION FOUNDATION INC

STATEMENTS OF FINANCIAL POSITION

December 31, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash	$ 13,862,452	$ 10,599,329
Receivables, net	328,584	881,495
Other current assets	299,813	258,224
Total Current Assets	14,490,849	11,739,048
Property and Equipment, net (Note 2)	1,361,908	1,262,871
Other Assets		
Deposits	142,970	157,970
Right of use assets - operating lease, net (Note 3)	99,000	158,713
Total Other Assets	241,970	316,683
Total Assets	$ 16,094,727	$ 13,318,602

The accompanying notes are an integral part of these financial statements.

CORAL RESTORATION FOUNDATION INC

STATEMENTS OF FINANCIAL POSITION

December 31, 2025 and 2024

	2025	2024
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 132,981	$ 138,255
Accrued expenses	109,134	134,957
Refundable advances (Note 7)	2,226,034	1,266,847
Lease liability - operating lease, current portion (Note 3)	66,938	78,981
Total Current Liabilities	2,535,087	1,619,040
Long-term Liabilities		
Lease liability - operating lease, less current portion (Note 3)	35,788	83,228
Total Liabilities	2,570,875	1,702,268
Net Assets		
Net assets without donor restrictions	13,223,852	11,466,334
Net assets with donor restrictions (Note 6)	300,000	150,000
Total Net Assets	13,523,852	11,616,334
Total Liabilities and Net Assets	$ 16,094,727	$ 13,318,602

The accompanying notes are an integral part of these financial statements.

CORAL RESTORATION FOUNDATION INC

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Years Ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support						
Grants (Note 7)	$ 3,251,782	$ --	$ 3,251,782	$ 3,453,498	$ --	$ 3,453,498
Contributions and non governmental grants	4,556,448	300,000	4,856,448	4,696,227	150,000	4,846,227
Special events, net (Note 5)	--	--	--	137,097	--	137,097
Merchandise sales	25,589	--	25,589	31,668	--	31,668
Other revenue	339,904	--	339,904	288,008	--	288,008
Total Revenue and Other Support	8,173,723	300,000	8,473,723	8,606,498	150,000	8,756,498
Net Assets Released from Restrictions						
Education programming, scholarships, grants, awards, and administrative expenses (Note 6)	150,000	(150,000)	--	323,000	(323,000)	--
Total Revenue, Support and Gains	8,323,723	150,000	8,473,723	8,929,498	(173,000)	8,756,498
Expenses						
Program services	5,502,434	--	5,502,434	5,520,290	--	5,520,290
Management and general	706,409	--	706,409	825,658	--	825,658
Fundraising	357,362	--	357,362	321,359	--	321,359
Total Expenses	6,566,205	--	6,566,205	6,667,307	--	6,667,307
Change in Net Assets	1,757,518	150,000	1,907,518	2,262,191	(173,000)	2,089,191
Net Assets, Beginning of Year	11,466,334	150,000	11,616,334	9,204,143	323,000	9,527,143
Net Assets, End of Year	$ 13,223,852	$ 300,000	$ 13,523,852	$ 11,466,334	$ 150,000	$ 11,616,334

The accompanying notes are an integral part of these financial statements.

CORAL RESTORATION FOUNDATION INC

STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended December 31, 2025 and 2024

	2025				2024			
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
Salaries and wages	$ 2,271,117	$ 406,333	$ 220,492	$ 2,897,942	$ 1,962,270	$ 420,132	$ 240,178	$ 2,622,580
Professional fees	2,001,612	122,000	67,506	2,191,118	1,923,840	257,672	26,944	2,208,456
Insurance	275,421	15,673	1,205	292,299	239,703	13,288	1,031	254,022
Supplies and equipment	155,152	21,887	--	177,039	122,621	16,169	--	138,790
Payroll taxes	121,623	27,103	16,306	165,032	103,997	20,462	17,045	141,504
Repairs and maintenance	134,522	--	--	134,522	136,394	322	--	136,716
Depreciation	125,589	3,623	1,960	131,172	135,699	2,627	1,419	139,745
Rent	107,521	8,347	--	115,868	74,440	8,104	--	82,544
Program event	2,510	--	7,006	9,516	422,051	1,473	--	423,524
Employee benefits	90,429	37,348	15,633	143,410	74,107	34,428	15,372	123,907
Office expenses	67,485	15,426	4,065	86,976	61,069	13,164	2,688	76,921
Marketing	25,994	12,573	411	38,978	19,283	7,447	--	26,730
Other operating expenses	10,233	12,903	15,877	39,013	27,872	14,886	13,711	56,469
Travel	98,935	23,193	5,370	127,498	199,961	14,961	2,817	217,739
Development and training	14,291	--	521	14,812	16,983	523	108	17,614
Donor meals and entertainment	--	--	1,010	1,010	--	--	46	46
Total Functional Expenses	$ 5,502,434	$ 706,409	$ 357,362	$ 6,566,205	$ 5,520,290	$ 825,658	$ 321,359	$ 6,667,307

The accompanying notes are an integral part of these financial statements.

CORAL RESTORATION FOUNDATION INC

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Change in net assets	$ 1,907,518	$ 2,089,191
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Lease expense adjustment, net	230	909
Depreciation	131,172	139,745
Gain on disposal of property and equipment	(300)	(15,966)
Changes in assets and liabilities:		
Receivables, net	552,911	(734,389)
Other current assets	(41,589)	23,447
Deposits	15,000	(152,900)
Accounts payable	(5,274)	(198,499)
Accrued expenses	(25,823)	(18,367)
Refundable advances	959,187	596,047
Net Cash Provided by Operating Activities	3,493,032	1,729,218
Cash Flows from Investing Activities		
Acquisition of property and equipment	(230,209)	(75,677)
Proceeds from sale of property and equipment	300	35,999
Net Cash Used in Investing Activities	(229,909)	(39,678)
Net Increase in Cash and Cash Equivalents	3,263,123	1,689,540
Cash, Beginning of Year	10,599,329	8,909,789
Cash, End of Year	$ 13,862,452	$ 10,599,329

The accompanying notes are an integral part of these financial statements.

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

The Coral Restoration Foundation Inc (the "Foundation") was incorporated in the State of Florida in September 2000 and is a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code. The fundamental mission of the Foundation since its inception is to create offshore nurseries and restoration programs for threatened coral species. The Foundation has facilities in Key Largo, Key West, and Tavernier, Florida, as well as St. Croix, U.S. Virgin Islands, consisting of administrative and education facilities, and a warehouse.

PROGRAMS

The major program activities of the Foundation are as follows:

- Coral Restoration: Create and maintain offshore nurseries and outplant corals. Through this program, the Foundation is actively restoring coral reefs.
- Education: Educate individuals on how they can make a difference from anywhere in the world to better the oceans.
- Science: Develop new innovative techniques, monitor previously out planted colonies, and facilitate outside collaborations.
- Global: Advocate, promote, and provide resources for the global community of coral restoration implementation.

USE OF ESTIMATES

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 the reported amounts of certain 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. Actual results could differ from those estimates.

REVENUE RECOGNITION

Revenues from Grants

The Foundation recognizes grant revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, Not-for-Profit Entities. Grant revenue is recognized when the underlying conditions stipulated by the grantor are substantially met or when the grant is unconditional.

Conditional grants are recognized as revenue when the conditions on which they depend have been substantially met. Amounts received in advance of fulfilling these conditions are reported as refundable advances on the statement of financial position. Unconditional grants and contributions are recognized as revenue when pledged or received, whichever is earlier. Revenue from cost-reimbursable grants is recognized as qualifying expenditures are incurred and all other grant conditions have been met.

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION (CONTINUED)

Revenues from Grants (Continued)

The Foundation has adopted a policy to report contributions with donor-imposed restrictions that are met in the same reporting period as revenue without donor restrictions, in accordance with the simultaneous release option under ASC 958-605-45. This policy applies to donor-restricted grants and contributions where the restriction is satisfied in the same period that the revenue is recognized. The Foundation evaluates whether grants are exchange transactions (reciprocal) or contributions (nonreciprocal) and records revenue accordingly. Grants that are considered exchange transactions are recognized as revenue as the related services are provided or costs are incurred.

Under ASU 2018-08, a refundable advance is recorded when the Foundation receives assets (i.e., cash) in advance of the satisfaction of the conditions within these arrangements. As of December 31, 2025 and 2024, there was $2,226,034 and $1,266,847 in refundable advances recorded related to government grants and contracts. Of the aforementioned amounts, as of December 31, 2025 and 2024, refundable advances related to a symposium amounts to $420,000 and $641,010, respectively.

Contributions

Unconditional donor promises to give cash and other assets are reported at fair value at the date that there is sufficient verifiable evidence documenting that a promise was made by the donor and received by the Foundation. The promises are reported as contributions with donor restrictions if received with donor stipulations that sufficiently limit the use of the donated assets.

The Foundation recognizes contributed professional services from third parties and contributed goods as revenue and as expense or assets, at the fair value of the goods or services when received. The Foundation received $0 and $60,000 for the years ended December 31, 2025 and 2024 of donated goods and services.

Revenue from Exchange Contracts

The Foundation recognizes revenue when it satisfies a performance obligation by performing a service for a customer. The amount of revenue recognized reflects the consideration the Foundation expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, the Foundation combines it with other performance obligations until a distinct bundle of goods or services exists. Performance obligations are satisfied over time and the related revenue is recognized as services are rendered. Management expects that the period between when the transfer of services to their customer and when the customer pays for those services will be one year or less. Invoices resulting from contracts with customers are generally due within 30 days of the invoice date.

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION (CONTINUED)

Volunteer Services

The Foundation benefits from the efforts of many volunteers. These in-kind contributions by volunteers are not recorded as revenue in the financial statements because they do not meet the requirements for recognition under U.S. generally accepted accounting principles.

LEASES

The Foundation applies judgment in determining whether a contract contains a lease and whether a lease is classified as an operating lease or a finance lease. The Foundation determines the lease term as the non-cancellable term of the lease, which may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. The lease term is used in determining classification between operating lease and finance lease, calculating the lease liability, and determining the appropriate discount rate.

The Foundation elected to utilize the transition package of practical expedients permitted within the new standard, which among other things, allows the Foundation to carry forward the historical lease classification.

The Foundation has made an accounting policy election not to recognize right-of-use assets and lease liabilities that arise from short-term leases for any class of underlying asset. Short-term leases have an initial term of 12 months or less with purchase options or extension options that are not reasonably certain to be exercised.

The Foundation has made an accounting policy election to use a risk-free discount rate for present value lease calculations when the rate implicit in the lease is not readily determinable.

Operating Leases

Operating leases are included in right-of-use assets, and current portion of lease liability and noncurrent portion of lease liability, as appropriate. Right-of-use assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The right-of-use asset also includes any lease payments made and initial direct costs incurred at lease commencement and excludes lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

CASH FLOWS

The Foundation considers all highly liquid instruments purchased within three months or less of an instrument's maturity date to be cash and cash equivalents.

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GRANTS, CONTRIBUTIONS AND OTHER RECEIVABLES, NET

Grants and contributions receivable, which represent unconditional promises to give, are recognized in the period received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected over periods in excess of one year are recorded at the net present value of their estimated cash flows beyond one year using a risk-adjusted rate of return appropriate for the expected term of the promise to give. Conditional promises to give, which depend on the occurrence of a specified future and uncertain event to bind the promisor, are recorded when the conditions on which they depend are substantially met.

Other receivables are recorded when billed or accrued and represent claims against third parties that will be settled in cash. The carrying value of receivables, net of the allowance for credit losses, represents their estimated net realizable value.

The Foundation assesses its receivables for expected credit losses and records an allowance for credit losses when necessary. Management estimates expected credit losses based on historical collection experience, current economic conditions, and reasonable and supportable forecasts. Receivables are written off when collection efforts have been exhausted and amounts are determined to be uncollectible. For the years ended December 31, 2025 and 2024, management determined that no allowance for credit losses was necessary.

PROPERTY, EQUIPMENT, LEASEHOLD IMPROVEMENTS AND DEPRECIATION

Property, equipment and leasehold improvements are carried at cost and include expenditures for new additions and those which substantially increase the useful lives of existing assets. Depreciation has been provided on the straight-line method over the estimated service lives of the assets. Depreciable lives generally range from 3–20 years.

Expenditures for normal repairs and maintenance are charged to operations as incurred. The cost of property or equipment retired or otherwise disposed of and the related accumulated depreciation are removed from the accounts in the year of disposal with the resulting gain or loss reflected in earnings.

NET ASSETS

The financial statements report amounts separately by class of net assets as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations and are, therefore, available for the general operation of the Foundation.

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NET ASSETS

Net assets with donor restrictions – Net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature; for example, restrictions that may or will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature; for example, stipulating that resources be maintained in perpetuity. The donors of these assets permit the Foundation to use all of the income earned on related investments for general or specific purposes. More specifically, items included in fund balances with donor restrictions are gifts for which restrictions have not been met.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and supporting services have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services in reasonable ratios determined by management.

FAIR VALUE MEASUREMENTS

The Foundation categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

INCOME TAXES

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as an other than private foundation.

Authoritative accounting standards require the Foundation to examine its tax positions for uncertain positions. Management is not aware of any tax positions that are more likely than not to change in the next 12 months or that would not sustain an examination by applicable taxing authorities. Although the Foundation has not incurred any interest and penalties associated with these positions, it is their policy to expense them in the Statements of Activities.

MANAGEMENT EVALUATION OF SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through September 28, 2026, the date on which the financial statements were available to be issued.

NOTE 2 – PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Property, equipment and leasehold improvements are comprised of the following at December 31, 2025 and 2024:

	2025	2024
Vehicles	$ 568,795	$ 487,512
Dive equipment	52,680	52,680
Office equipment	361,156	299,441
Buildings	669,177	584,395
Land	463,500	463,500
Accumulated depreciation	(753,400)	(624,657)
Property and Equipment, net	$ 1,361,908	$ 1,262,871

The provision for depreciation amounted to $131,172 and $139,745 for the years ended December 31, 2025 and 2024, respectively.

NOTE 3 – LEASES

The Foundation leases a boat slip under an agreement, executed in October 2020 had been extended through October 2023. The lease has been extended again through October 2026. The agreement requires monthly payments of $650. The agreement does not include any renewal options.

The Foundation leases its education center under an agreement and subsequent amendment executed in October 2019, which originally expired in December 2023. The lease was renewed for an additional year, expiring in December 2024. The agreement included a renewal option, which the Foundation exercised to extend the lease term for an additional three years. The lease requires monthly payments of $2,318 and $2,251 at December 31, 2025 and 2024, respectively.

The Foundation leases an office in Key West, Florida, under a lease agreement executed in July 2022. The lease was extended through July 2026 and continues on a month-to-month basis thereafter. The agreement requires monthly payments of $1,800 at inception, with $2,000 monthly payments effective July 2023, monthly payments of $2,100 effective July 2024, and monthly payments of $2,200 effective July 2025. The agreement does not include any renewal options.

The Foundation leases a warehouse in Key West, Florida, under an agreement executed in July 2023, initially set to expire in June 2024. The lease contained renewal options that were exercised by the Foundation, resulting in extensions through June 2027. Monthly lease payments during the first year consisted of $796 in base rent plus $290 in common area maintenance (CAM) charges. In the second year, monthly payments totaled $1,076. Under the current lease extension through June 2027, monthly payments are $1,086.

NOTE 3 – LEASES (CONTINUED)

In October 2024, the Foundation entered into a new lease agreement for office space in St. Croix, U.S. Virgin Islands. The lease requires monthly payments of $1,400 for the first year and $1,500 for the second year of the lease term. The agreement provides for annual renewal options at the landlord's discretion.

Lease-related costs recognized in the Statements of Activities for the years ended December 31, 2025 and 2024, are as follows:

	2025	2024
Operating lease cost	$ 89,329	$ 75,975

Other information related to leases as of and for the years ended December 31, 2025 and 2024, is as follows:

	2025 Operating Leases	2024 Operating Leases
Cash paid for amounts included in the measurement of lease liabilities:		
Operating activities cash flows	$ 89,099	$ 75,988
Right-of-use assets obtained in exchange for lease liabilities	$ 24,905	$ 88,810
Weighted average remaining lease term	1.5 years	2.2 years
Weighted average discount rate	2.75%	2.81%

Future expected lease payments on lease liabilities as of December 31, 2025, are as follows:

Year Ending December	Operating Leases
2026	$ 68,400
2027	36,038
2028	--
Total minimum lease payments	104,438
Less amounts representing interest	(1,712)
Present value of lease liabilities	102,726
Less current portion	(66,938)
Long-term portion	$ 35,788

NOTE 4 – RELATED PARTY TRANSACTIONS

The Foundation received contributions, including cash and in-kind donations, from various members of the Board of Directors amounting to approximately $16,000 and $44,700 for the years ended December 31, 2025 and 2024, respectively.

NOTE 5 – SPECIAL EVENTS

Special fundraising programs include events such the annual Gala held by the Foundation to support the Foundation's work to restore coral reefs in the Florida Keys and throughout the Caribbean. These events also help increase awareness about the problems that oceans and reefs currently face. These events raised total gross revenues of $0 in 2025 and $248,806 in 2024.

NOTE 6 – NET ASSETS

Net assets with donor restrictions are restricted for the following purposes as of December 31, 2025 and 2024:

	2025	2024
Subject to expenditure for specific purpose:		
Restricted for educational programming, scholarships, grants, awards and administrative expenses	$ 300,000	$ 150,000

Net assets were released from donor restrictions by incurring expenses and satisfying the restricted purpose, or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31, 2025 and 2024:

	2025	2024
Purpose restrictions accomplished:		
Programming, grants, awards and administrative expenses	$ 150,000	$ 323,000

NOTE 7 – SIGNIFICANT GRANT AGREEMENTS

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

During 2023, the Foundation received a government grant from the NOAA to build resilient communities in Florida, Puerto Rico, and the U.S. Virgin Islands starting June 2023 and run the course of three years, concluding in 2026. The Foundation plans to continue supporting coral restoration efforts in the Florida Keys, Puerto Rico, and the USVI after the duration of this award has concluded. The Foundation is to provide matching funds including in-kind contributions, of project-related costs from non-federal sources. For the years ended December 31, 2025 and 2024, the Foundation recognized approximately $2,400,000 and $2,670,000, respectively, in related revenues.

MONROE COUNTY TOURIST DEVELOPMENT COUNCIL

During 2025 and 2024, the Foundation was awarded various capital project grants from Monroe County Tourist Development Council (TDC). The Monroe County TDC agreed to provide funding to the Foundation to outplant two threatened species in reefs within specified state and federal waters off Monroe County, Florida. For the years ended December 31, 2025 and 2024, the Foundation recognized approximately $430,000 and $490,000, respectively, in related revenues.

THE UNITED WAY OF COLLIER AND THE KEYS, INC.

In June 2022, the Foundation received a grant from The United Way of Collier and the Keys, Inc., to outplant and restore corals at the Carysfort North and South Reefs during the period of June 1, 2022, through June 30, 2026. For the years ended December 31, 2025 and 2024, the Foundation received refundable advances of $172,000 and $588,000, respectively, and amounts have been included in refundable advances on the Statements of Financial Position and will be recognized as revenues as work is performed. For the years ended December 31, 2025 and 2024, the Foundation recognized approximately $805,000 and $454,000, respectively, in related revenues.

NATIONAL FISH AND WILDLIFE FOUNDATION

During the years ended 2025 and 2024, the Foundation was awarded various capital project grants from the National Fish and Wildlife Foundation. For the years ended December 31, 2025 and 2024, the Foundation recognized approximately $240,000 and $129,000, respectively, in related revenues.

NATIONAL MARINE SANCTUARY FOUNDATION

In March 2021, the Foundation received a project grant from National Marine Sanctuary Foundation to outplant and restore corals at the Eastern Dry Rocks Reef during the period of March 1, 2021, through March 2024. Also, during 2024, the Foundation was awarded various capital project grants from the National Marine Sanctuary Foundation. This grant is for the increasing keys-wide coral restoration capacity through enhanced transport and nursery infrastructure projects. For the years ended December 31, 2025 and 2024, the Foundation recognized approximately $0 and $112,000, respectively, in related revenues.

NOTE 7 – SIGNIFICANT GRANT AGREEMENTS (CONTINUED)

ENVIRONMENTAL PROTECTION AGENCY

In July 2024, the Foundation received a project grant from the U.S. Environmental Protection Agency (EPA) to support educational programs for all 5th, 8th, and 12th grade students in Monroe County, Florida. The grant funds grade-specific curricula and field trips to coral nurseries. For the years ended December 31, 2025 and 2024, the Foundation recognized approximately $59,000 and $52,000 in revenue related to this grant.

NOTE 8 – CONCENTRATIONS

CREDIT RISK

The Foundation places its cash with primarily one financial institution. At times, such amounts may be in excess of the FDIC insured limit. The Foundation utilizes insured cash sweeps to minimize exposure related to this risk.

MAJOR DONORS

The Foundation had one major donor in 2025 and 2024 that accounted for approximately 28% and 30% of total revenue, respectively.

RECEIVABLES

As of December 31, 2025, receivables from two grantors represented approximately 92% of total receivables. As of December 31, 2024, receivables from one grantor represented approximately 76% of total receivables.

BUSINESS CONCENTRATION

The Foundation relies upon the successful cultivation of live corals within its underwater nurseries to supply live corals to restore reefs. The Foundation's nurseries are located in close proximity to each other within the Florida Keys National Marine Sanctuary and are vulnerable to localized events which could damage or destroy them, i.e., hurricanes and other large storms, coral diseases and coral bleaching events arising from warming ocean waters, among others. It is reasonably possible that such adverse events could disrupt these nurseries and destroy live nursery corals, which could create near term severe impact to the Foundation's operations and financial condition, including preventing the Foundation from meeting donor contractual commitments.

NOTE 9 – LIQUIDITY MANAGEMENT

The Foundation is supported by contributions. Because contributions with donor restrictions requires resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities. As such, the Foundation's strategy is to structure its financial assets to be available to satisfy general operating expenses, current liabilities and other obligations as they come due. The following reflects the Foundation's assets as of December 31, 2025, reduced by amounts not available for general expenditures due to contractual or donor-imposed restrictions within one year:

Cash	$ 13,862,452
Receivables	328,584
Financial assets as of December 31	14,191,036
Less amounts subject to donor restrictions	(300,000)
Financial assets available to meet cash needs for general expenditures within one year	$ 13,891,036

NOTE 10 – EFFECTS OF CURRENT ECONOMIC CONDITIONS ON CONTRIBUTIONS

The Foundation depends heavily on contributions and grants for its public support. The ability of certain contributors and grantors of the Foundation to continue giving amounts comparable with prior years may be dependent upon current and future overall economic conditions. While the Foundation's Board of Directors believes the Foundation has sufficient resources to continue its programs, future economic conditions may affect both its ability to do so and the extent of its program activities.

CBIZ CPAs P.C.

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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*

To the Board of Directors
Coral Restoration Foundation Inc

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 Coral Restoration Foundation Inc (the "Foundation"), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities and changes in net assets, 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 28, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting ("internal control") to determine the 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 Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

CBIZ CPAs P.C.

Indianapolis, Indiana
September 28, 2026

CBIZ CPAs P.C.

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Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

To the Board of Directors
Coral Restoration Foundation Inc

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Coral Restoration Foundation Inc's (the "Foundation") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Foundation's major federal programs for the year ended December 31, 2025. The Foundation's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Foundation 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 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 of America; 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 Foundation 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 Foundation'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 Foundation's federal program.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the types of compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Foundation'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 types of 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 Foundation's compliance with the requirements of the 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 Foundation's compliance with the types of compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Foundation'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 Foundation'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.

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 have not been 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Foundation as of and for the year ended December 31, 2025, and have issued our report thereon dated September 28, 2026, which contained an unmodified opinion on those financial statements. 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 is presented for purposes of additional analysis as required by the Uniform Guidance 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 auditing standards generally accepted in the United States of America. 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.

CBIZ CPAs P.C.

Indianapolis, Indiana
September 28, 2026

CORAL RESTORATION FOUNDATION INC

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2025

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Assistance Listing ALN Number	Agreement Number	Federal Expenditures
United States Department of Commerce			
National Oceanic and Atmospheric Administration Habitat Conservation	11.463	NA21NMF4630484	$ 89,711
National Oceanic and Atmospheric Administration Habitat Conservation	11.463	NA23NMF4630065-T1-01	2,329,395
Pass-through National Fish and Wildlife Foundation			
Provide coral restoration education to practitioners in American Samoa.	11.482	0302.23.078764	5,506
Create a hybrid approach to enhance coastal resilience by combining traditional coral restoration with the structural augmentation of innovative coral restoration technology at Long Reef.	11.473	0318.25.084264	224,495
Total United States Department of Commerce			2,649,107
United States Environmental Protection Agency			
Geographic Programs - South Florida Geographic Initiatives Program	66.484	03D08824	111,598
Total Expenditures of Federal Awards			$ 2,760,705

CORAL RESTORATION FOUNDATION INC

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2025

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Foundation under programs of the federal government for the year ended December 31, 2025. The information in the Schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements*, *Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Although the Foundation is required to match certain grants, as defined by the grants, no such matching has been included as expenditures in the Schedule. Because the Schedule presents only a selected portion of the operations of the Coral Restoration Foundation Inc, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Coral Restoration Foundation Inc.

NOTE 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. The Coral Restoration Foundation Inc has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 - SUBRECIPIENTS, NONCASH ASSISTANCE, AND FEDERAL INSURANCE

The Foundation did not provide any federal funds to subrecipients nor did they receive any federal non-cash assistance or insurance.

CORAL RESTORATION FOUNDATION INC

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2025

Section I - Summary of Auditors' Results

Financial Statements

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

Internal control over financial reporting:

• Material weakness(es) identified?	_____ yes	**X** no
• Significant deficiency(ies) identified?	_____ yes	**X** none reported
Noncompliance material to financial statements noted?	_____ yes	**X** no

Federal Awards

Internal control over major federal programs:

• Material weakness(es) identified?	_____ yes	**X** no
• Significant deficiency(ies) identified?	_____ yes	**X** none reported
Type of auditors' report issued on compliance for major federal programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____ yes	**X** no

Identification of major federal program(s):

11.463	National Oceanic and Atmospheric Administration Habitat Conservation
Dollar threshold used to distinguish between type A and type B programs:	$1,000,000
Auditee qualified as low-risk auditee?	**X** yes _____ no

Section II - Financial Statement Findings

There are no current findings in internal control over financial reporting required to be reported in accordance with *Government Auditing Standards*.

Section III - Federal Award Findings and Questioned Costs

There are no current year findings that were considered material instances of noncompliance in accordance with Title 2 U.S. Code of Federal Regulations Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.*