

The North Carolina Council on Economic Education, Inc.

Report on Audits of Financial Statements

for the years ended December 31, 2024 and 2023

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Independent Auditors' Report

Board of Directors
The North Carolina Council on Economic Education, Inc.

Opinion

We have audited the financial statements of The North Carolina Council on Economic Education, Inc., which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, 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 North Carolina Council on Economic Education, Inc. as of December 31, 2024 and 2023, 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). 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 North Carolina Council on Economic Education, Inc. 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 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.

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 North Carolina Council on Economic Education, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are 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 audits conducted in accordance with GAAS 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 audits in accordance with GAAS, 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 audits 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 North Carolina Council on Economic Education, Inc.'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 North Carolina Council on Economic Education, Inc.'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.

MPC Company LLP

May 14, 2025

The North Carolina Council on Economic Education, Inc.
 Statements of Financial Position
 December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 535,349	\$ 162,379
Accounts receivable	322	281,052
Grant receivable	-	1,250
Total current assets	535,671	444,681
Property and equipment, at cost:		
Furniture and fixtures	6,280	6,280
Equipment	8,307	8,307
Computer equipment	22,202	22,202
	36,789	36,789
Less accumulated depreciation	36,181	35,782
Property and equipment, net	608	1,007
Other assets:		
N.C. Section 529 Plan investments	3,893	3,996
Right of use asset, net	-	6,150
Total other assets	3,893	10,146
Total assets	\$ 540,172	\$ 455,834
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	\$ 6,449	\$ 34,619
Unearned contract revenue	22,500	-
Lease liability - current	-	6,568
Total current liabilities	28,949	41,187
Net assets:		
Without donor restrictions	451,390	366,444
With donor restrictions	59,833	48,203
Total net assets	511,223	414,647
Total liabilities and net assets	\$ 540,172	\$ 455,834

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

The North Carolina Council on Economic Education, Inc.
Statement of Activities
for the year ended December 31, 2024

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Support, revenue and gains:			
Contributions	\$ 42,338	\$ -	\$ 42,338
Sponsorships	25,000	-	25,000
Government contract revenue	225,000	-	225,000
Other contract revenue	215,316	-	215,316
Grants revenue	183,750	45,000	228,750
Investment income, net	119	-	119
Miscellaneous income	5,888	-	5,888
Net assets released from restriction	<u>33,370</u>	<u>(33,370)</u>	<u>-</u>
Total support, revenue and gains	<u>730,781</u>	<u>11,630</u>	<u>742,411</u>
 Expenses:			
Program service	594,473	-	594,473
Management and general	<u>51,362</u>	<u>-</u>	<u>51,362</u>
Total expenses	<u>645,835</u>	<u>-</u>	<u>645,835</u>
 Changes in net assets	84,946	11,630	96,576
 Net assets at the beginning of the year	<u>366,444</u>	<u>48,203</u>	<u>414,647</u>
 Net assets at the end of the year	\$ <u>451,390</u>	\$ <u>59,833</u>	\$ <u>511,223</u>

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

The North Carolina Council on Economic Education, Inc.
Statement of Activities
for the year ended December 31, 2023

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
Support, revenue and gains:			
Contributions	\$ 21,744	\$ -	\$ 21,744
Sponsorships	27,500	-	27,500
Government contract revenue	182,440	-	182,440
Other contract revenue	335,820	-	335,820
Grants revenue	220,779	821	221,600
Investment income, net	213	-	213
Miscellaneous income	9,138	-	9,138
Net assets released from restriction	<u>33,591</u>	<u>(33,591)</u>	<u>-</u>
Total support, revenue and gains	<u>831,225</u>	<u>(32,770)</u>	<u>798,455</u>
 Expenses:			
Program service	776,805	-	776,805
Management and general	<u>57,334</u>	<u>-</u>	<u>57,334</u>
Total expenses	<u>834,139</u>	<u>-</u>	<u>834,139</u>
 Changes in net assets	(2,914)	(32,770)	(35,684)
 Net assets at the beginning of the year	<u>369,358</u>	<u>80,973</u>	<u>450,331</u>
 Net assets at the end of the year	\$ <u>366,444</u>	\$ <u>48,203</u>	\$ <u>414,647</u>

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

The North Carolina Council on Economic Education, Inc.
Statement of Functional Expenses
for the year ended December 31, 2024

	Program <u>Service</u>	Management and <u>General</u>	<u>Total</u>
Salaries and employee benefits	\$ 186,208	\$ 20,690	\$ 206,898
Payroll tax expense	13,263	1,474	14,737
Teacher training	207,551	-	207,551
Professional fees	49,994	20,055	70,049
Workshop materials and expenses	36,866	-	36,866
Travel and supplies	26,203	1,379	27,582
Stock Market Game	22,226	-	22,226
Lease expense	11,717	3,905	15,622
Meals	13,972	-	13,972
Scholarships and awards	12,100	-	12,100
Dues and subscriptions	2,983	747	3,730
Telephone and internet	2,926	732	3,658
Office supplies and expense	2,398	599	2,997
Insurance	1,721	431	2,152
Postage and printing	1,932	214	2,146
Retirement plan fees	950	317	1,267
Utilities	664	221	885
Depreciation and amortization	-	399	399
Meetings and conferences	395	-	395
Miscellaneous expenses	404	199	603
	\$ <u>594,473</u>	\$ <u>51,362</u>	\$ <u>645,835</u>

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

The North Carolina Council on Economic Education, Inc.
Statement of Functional Expenses
for the year ended December 31, 2023

	Program <u>Service</u>	Management and <u>General</u>	<u>Total</u>
Salaries and employee benefits	\$ 186,558	\$ 20,729	\$ 207,287
Payroll tax expense	13,574	1,509	15,083
Teacher training	357,595	-	357,595
Professional fees	56,208	23,120	79,328
Workshop materials and expenses	43,327	2,280	45,607
Travel and supplies	39,483	-	39,483
Stock Market Game	16,795	-	16,795
Lease expense	11,099	3,699	14,798
Meals	20,979	-	20,979
Scholarships and awards	15,381	-	15,381
Dues and subscriptions	2,251	564	2,815
Telephone and internet	2,862	715	3,577
Office supplies and expense	2,484	621	3,105
Insurance	3,927	982	4,909
Postage and printing	891	99	990
Retirement plan fees	1,565	521	2,086
Utilities	626	209	835
Depreciation and amortization	-	2,161	2,161
Meetings and conferences	950	-	950
Miscellaneous expenses	250	125	375
	\$ <u>776,805</u>	\$ <u>57,334</u>	\$ <u>834,139</u>

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

The North Carolina Council on Economic Education, Inc.
 Statements of Cash Flows
 for the years ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Changes in net assets	\$ 96,576	\$ (35,684)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	399	2,161
Realized and unrealized (gain) loss on N. C. Section 529 Plan investments, net	(121)	(210)
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	280,730	(277,184)
Grant receivable	1,250	48,750
Prepaid expenses	-	4,012
Right of use asset, net	6,150	14,487
Increase (decrease) in liabilities:		
Accounts payable	(28,170)	23,506
Unearned contract revenue	22,500	(182,440)
Lease liability	(6,568)	(15,326)
Net cash provided by (used in) operating activities	<u>372,746</u>	<u>(417,928)</u>
Cash flows for investing activities:		
Capital expenditures	-	(1,772)
Proceeds from sale of N.C. Section 529 Plan investments	255	-
Purchases of N.C. Section 529 Plan investments, net	(31)	(23)
Net cash provided by (used in) investing activities	<u>224</u>	<u>(1,795)</u>
Net increase (decrease) in cash and cash equivalents	372,970	(419,723)
Cash and cash equivalents - beginning of year	<u>162,379</u>	<u>582,102</u>
Cash and cash equivalents - end of year	\$ <u>535,349</u>	\$ <u>162,379</u>

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

The North Carolina Council on Economic Education, Inc.
Notes to Financial Statements
December 31, 2024 and 2023

1. ORGANIZATION

Founded in 1970, The North Carolina Council on Economic Education, Inc. (Council) is a nonprofit organization that seeks to enhance and advance economic and financial education for K-12 educators and students of North Carolina. The Council provides financial literacy courses, workshops and programs, and economic education training to more than 1,000 North Carolina teachers each year.

The Council seeks to accomplish its mission through standards-based workshops and a variety of resources for educators, academic competitions for students, and advocacy for financial education and training in school systems throughout the state.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Council have been prepared in conformity with accounting principles generally accepted in the United States of America using the accrual basis of accounting.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Council considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents. The Council places its cash and cash equivalents on deposit with local financial institutions in the United States. The Federal Deposit Insurance Corporation (FDIC) provides coverage up to \$250,000 for substantially all depository accounts and temporarily provides unlimited coverage for certain qualifying and participating non-interest-bearing transaction accounts. At December 31, 2024 and 2023, there were \$295,484 and \$0 in excess of amounts insured by the FDIC, respectively.

Receivables

Accounts receivable consist of (a) expenses paid by the Council due from other organizations from collaborative events; (b) fees due from government contracts; (c) stock market game fees due from individuals and other organizations; (d) reimbursements due from teachers in accordance with certain grant requirements; and (e) reimbursements due from third parties for other reasons. Grant receivable consists of funding awarded to the Council during the year and was not yet received.

Accounts receivable is stated at the amount management expects to collect from outstanding balances. The accounts receivables are determined to be fully collectable based on history and unchanged current and future conditions and, therefore, an allowance is not deemed necessary.

For the years ended December 31, 2024 and 2023, the Council determined that the expected credit losses are immaterial to the financial statements. This conclusion is based on a comprehensive analysis of the credit quality of the Council's accounts receivables, the nature of its financial assets, and the effectiveness of its credit risk management practices.

The North Carolina Council on Economic Education, Inc.
Notes to Financial Statements
December 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables (Continued)

The Council writes off receivables when there is information that indicates there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the Council's accounting policy election. The total amount of write offs was immaterial to the financial statements as a whole for the years ended December 31, 2024 and 2023.

Property and Equipment and Website Design

Property and equipment acquisitions of \$500 or more are capitalized at cost when purchased or at fair market value at date of gift when donated. The Council uses the direct expense method of recording all major maintenance activities related to its facilities. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Furniture and fixtures	5 years
Equipment	5 years
Computer equipment	5 years

Depreciation expense for the years ended December 31, 2024 and 2023 was \$399 and \$1,910, respectively.

Costs associated with the Council's website design and development are amortized over a 5-year period. Amortization expense for the year ended December 31, 2023 was \$251.

Leases

The Council entered into an operating lease for office space recognized as a right of use asset on the statements of financial position based on the initial value of the lease liability with adjustments for payments prior to the commencement of the lease, lease incentives, and indirect costs. The obligation associated with the lease has been recognized as a liability on the statements of financial position based on future lease payments, discounted by the incremental borrowing rate for the Council's operating lease.

The right of use leased asset is amortized over the shorter of the lease term or the useful life of the underlying asset using the straight-line method.

Net Assets

Net assets and revenues received are classified based on the existence or absence of donor-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 restrictions.

The North Carolina Council on Economic Education, Inc.
Notes to Financial Statements
December 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (Continued)

Net assets with donor restrictions – net assets subject to donor-imposed restrictions that are temporary or perpetual in nature. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed and/or when the stipulated purpose for which the resource was restricted has been fulfilled.

Revenue from Contracts

Revenues from contracts are recognized in the period for which they are earned. Contract revenues received prior to the period earned are reported as unearned contract revenue as described in Note 7.

Grants and Contributions

Grants and contributions that are restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the support is recognized. All other donor-restricted grants and contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Income Tax Status

The Council is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from North Carolina income taxes, accordingly, no provision for income taxes has been made in the accompanying financial statements.

Functional Allocation of Expenses

The cost of providing the various programs and supporting services of the Council have been summarized on a functional basis in the statements of functional expenses. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Certain costs have been allocated on the basis of estimates made by the Council's management.

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The North Carolina Council on Economic Education, Inc.
Notes to Financial Statements
December 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications

Certain reclassifications have been made to the 2024 financial statements in order to conform to the 2024 presentation. Such reclassifications had no effect on net assets.

Subsequent Events

Subsequent events have been evaluated through May 14, 2025, which is the date the financial statements were available to be issued.

3. LIQUIDITY AND AVAILABILITY

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

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 535,349	\$ 162,379
Accounts receivables	322	281,052
Grant receivable	<u>-</u>	<u>1,250</u>
Total financial assets	535,671	444,681
Less amounts not available for general expenditures within one year:		
Purpose restricted contributions	<u>(59,833)</u>	<u>(48,203)</u>
Total financial assets available to meet general expenditures within one year	\$ <u>475,838</u>	\$ <u>396,478</u>

Management believes these assets are sufficient to provide for operations in the coming year as the total represents approximately one year of the Council's operating expenditures. In addition, the Council has a reliable and expanding donor base, service contracts, and stable leadership. To manage liquidity, management regularly prioritizes expenditures and adheres to the Council's detailed monthly budget plan.

4. FAIR VALUE MEASUREMENTS

At December 31, 2024 and 2023, the Council had mutual funds that were carried at fair value. There are three levels of inputs that may be used to measure fair value: Level 1: Quoted prices in active markets for identical assets or liabilities at the measurement date; Level 2: Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active market for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or Level 3: Unobservable inputs that are supported by little or no market activity and that reflect the Council's own assumptions about market participants and prices.

The North Carolina Council on Economic Education, Inc.
Notes to Financial Statements
December 31, 2024 and 2023

4. FAIR VALUE MEASUREMENTS (Continued)

Fair value of assets measured on a recurring basis at December 31 are as follows:

<u>2024</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
Mutual funds	\$ <u>3,893</u>	\$ <u>Level 1</u> <u>3,893</u>	\$ <u>Level 2</u> <u>-</u>	\$ <u>Level 3</u> <u>-</u>

<u>2023</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
Mutual funds	\$ <u>3,996</u>	\$ <u>Level 1</u> <u>3,996</u>	\$ <u>Level 2</u> <u>-</u>	\$ <u>Level 3</u> <u>-</u>

5. SECTION 529 ACCOUNTS

The Council maintains several N.C. Section 529 accounts with the College Foundation of North Carolina. These accounts are established as scholarship awards that are granted to the first-place winners of a localized version of the statewide stock market game competition. Established in 2012, this program is a joint effort of the Youth Education for Savings Consortium, The North Carolina Council on Economic Education, and the Garner Road Community Center. Individuals are typically granted between \$250 and \$500 each, and funding for the program is received from Square 1 Bank of Durham. Withdrawals are made as disbursements to educational institutions in accordance with state and federal regulations. Balances for the N.C. Section 529 accounts are presented at fair market value for the years ended December 31, 2024 and 2023 as follows:

	<u>2024</u>	<u>2023</u>
Beginning value	\$ 3,996	\$ 3,763
Investment fees	(3)	(3)
Interest earned	31	23
Realized gains	2	-
Withdrawals	(252)	-
Change in market value	<u>119</u>	<u>213</u>
Ending value	\$ <u>3,893</u>	\$ <u>3,996</u>

6. OPERATING LEASE AND LEASE LIABILITY

The Council such has recognized both right of use asset and corresponding lease liability on the statements of financial position for its executed lease at December 31, 2024 and 2023. The asset and liability are amortized over the life of the lease. The lease liability is presented net of a discount on future cash flows under the lease terms. The rate implicit in the lease (2.50%) is used to discount the lease liability.

As of May 2019, the Council leases its office space under a noncancelable operating lease agreement for 5 years. The current operating lease agreement, which provides for graduated monthly payments of between \$1,225 and \$1,319 expired in April 2024. The Council is currently leasing on a month-to-month rental basis. Rental expense under this lease was \$15,622 and \$14,798 for the years ended December 31, 2024 and 2023, respectively.

Amortization expense on the lease asset was \$6,150 and \$14,487 for the years ended December 31, 2024 and 2023, respectively.

The North Carolina Council on Economic Education, Inc.
Notes to Financial Statements
December 31, 2024 and 2023

7. UNEARNED CONTRACT REVENUE

In July 2019, the North Carolina Legislature passed House Bill 924 which mandates an economics and personal finance course for high school students must be completed prior to graduation. Accordingly, the Council entered into an \$1,063,000 contract with the State to provide teacher training programs. Revenue is recognized as the Council expends resources for providing training to the teachers throughout the state. These funds are contractually required to be utilized for providing training to teachers prior to June 30, 2023 or be returned to the North Carolina Department of Public Instruction. All funds were contractually utilized prior to the deadline and recognized during the year ended December 31, 2023.

In July 2023, the Council entered into a contract to provide monthly financial educational workshops for three years. Revenue is recognized as the Council provides the monthly workshops and services are billed annually. During 2024, the Council received the annual fees for workshops prior to completing the contractual obligations for the year. At December 31, 2024, the Council has \$22,500 of unearned contract revenue.

8. EMPLOYEE BENEFIT PLANS

The Council has a qualified deferred compensation plan in the form of a retirement savings plan with a section 401(k) provision. Employees aged eighteen and older are allowed to enter the plan after 90 days of employment and are eligible to receive a matching contribution from the Council. Contributions to the plan are made through voluntary contributions by eligible participants not to exceed limits set by the Internal Revenue Code. The Council makes nonelective matching employer contributions to eligible participants equal up to 5% of their eligible compensation each year. Total contributions were \$9,808 and \$8,587 for the years ended December 31, 2024 and 2023, respectively.

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions of \$59,833 and \$48,203 are restricted for special events for the years ended December 31, 2024 and 2023, respectively.

Net assets of \$33,370 and \$33,591 were released from donor restrictions by incurring expenses satisfying the special event restriction for the years ended December 31, 2024 and 2023, respectively.

10. CONCENTRATIONS

Approximately 99% of the Council's receivables were due from one government agency as of December 31, 2023. Approximately 53% and 58% of the Council's revenues were from one government agency at December 31, 2024 and 2023, respectively. Approximately 76% and 96% of the Council's payables were due to one vendor and two vendors at December 31, 2024 and 2023, respectively.

11. RELATED PARTY AND AFFILIATE TRANSACTIONS

The Council is an affiliate of the Council for Economic Education (CEE), a national organization which focuses on the economic and financial education of students from kindergarten through high school. The Council received \$72,750 and \$29,500 during the years ended December 31, 2024 and 2023, respectively. The Council paid \$2,000 and \$8,943 to CEE for membership dues and educational materials during the years ended December 31, 2024 and 2023, respectively.

The North Carolina Council on Economic Education, Inc.
Notes to Financial Statements
December 31, 2024 and 2023

11. RELATED PARTY AND AFFILIATE TRANSACTIONS (Continued)

The Council's board of directors contributed \$7,641 and \$4,750 during the years ended December 31, 2024 and 2023, respectively.

12. CONDITIONAL GRANTS

During the year ended December 31, 2024, the Council was award a conditional grant totaling \$35,000. During 2024, the Council received and recorded grant revenue of \$17,500 as conditions were met. The remainder of the grant, \$17,500, is due upon meeting certain conditions. As these conditions have not been met as December 31, 2024, they have not been recorded as grant revenue in 2024.

During the year ended December 31, 2023, the Council was awarded conditional grants totaling \$56,500. During 2023, the Council recognized grant revenue of \$1,250 as conditions were met. During 2024, all conditions were and the remaining \$55,250 of conditional funds were recognized as revenue.