The North Carolina Council on Economic Education, Inc.

Report on Audits of Financial Statements

for the years ended December 31, 2025 and 2024

MPCompany LLP
Certified Public Accountants
4600 MARRIOTT DRIVE, SUITE 300
RALEIGH, NC 27612

C O N T E N T S

	Page(s)
Independent Auditors' Report	1-2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4-5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8
Notes to Financial Statements	9-14

MPCompany LLP
Certified Public Accountants

4600 Marriott Drive, Suite 300 | Raleigh, North Carolina 27612
Tel (919) 836-9200 | Fax (919) 836-9288 | www.mpcllp.com

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, 2025 and 2024, 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, 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). 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 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 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, 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 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.



May 26, 2026

The North Carolina Council on Economic Education, Inc.
Statements of Financial Position
December 31, 2025 and 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	$ 789,443	$ 536,456
Accounts receivable	4,600	322
Grants receivable	12,357	-
Prepaid expenses	3,114	-
Total current assets	809,514	536,778
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 and amortization	36,399	36,181
Property and equipment, net	390	608
N.C. Section 529 Plan investments	2,993	2,786
Total assets	$ 812,897	$ 540,172
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	$ 7,454	$ 6,449
Unearned contract revenue	243,000	22,500
Total current liabilities	250,454	28,949
Net assets:		
Without donor restrictions	498,613	451,390
With donor restrictions	63,830	59,833
Total net assets	562,443	511,223
Total liabilities and net assets	$ 812,897	$ 540,172

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, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support, revenue and gains:			
Contributions	$ 19,919	$ -	$ 19,919
Sponsorships	35,000	-	35,000
Government contract revenue	450,000	-	450,000
Other contract revenue	39,325	-	39,325
Grants revenue	183,000	52,500	235,500
Investment income, net	206	-	206
Interest income	9,326	-	9,326
Miscellaneous income	3,565	-	3,565
Net assets released from restriction	48,503	(48,503)	-
Total support, revenue and gains	788,844	3,997	792,841
Expenses:			
Program service	680,963	-	680,963
Management and general	60,658	-	60,658
Total expenses	741,621	-	741,621
Changes in net assets	47,223	3,997	51,220
Net assets at the beginning of the year	451,390	59,833	511,223
Net assets at the end of the year	$ 498,613	$ 63,830	$ 562,443

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 Restrictions	With Donor Restrictions	Total
Support, revenue and gains:			
Contributions	$ 42,338	$ -	$ 42,338
Sponsorships	25,000	-	25,000
Government contract revenue	225,000	-	225,000
Other contract revenue	46,161	-	46,161
Grants revenue	352,905	45,000	397,905
Investment income, net	119	-	119
Interest income	28	-	28
Miscellaneous income	5,860	-	5,860
Net assets released from restriction	33,370	(33,370)	-
Total support, revenue and gains	730,781	11,630	742,411
Expenses:			
Program service	594,473	-	594,473
Management and general	51,362	-	51,362
Total expenses	645,835	-	645,835
Changes in net assets	84,946	11,630	96,576
Net assets at the beginning of the year	366,444	48,203	414,647
Net assets at the end of the year	$ 451,390	$ 59,833	$ 511,223

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, 2025

	Program Service	Management and General	Total
Salaries and employee benefits	$ 291,242	$ 32,361	$ 323,603
Payroll tax expense	20,392	2,267	22,659
Teacher training	188,948	-	188,948
Workshop materials and expenses	55,852	-	55,852
Travel and supplies	39,646	2,087	41,733
Stock Market Game	19,755	-	19,755
Lease expense	13,401	4,466	17,867
Scholarships and awards	14,363	-	14,363
Meals	16,560	-	16,560
Professional fees	929	14,353	15,282
Retirement plan fees	5,837	1,945	7,782
Telephone and internet	3,172	793	3,965
Office supplies and expense	2,610	652	3,262
Dues and subscriptions	2,331	583	2,914
Meetings and conferences	2,690	-	2,690
Insurance	1,849	462	2,311
Utilities	650	217	867
Postage and printing	397	44	441
Depreciation	-	218	218
Miscellaneous expenses	339	210	549
	$ 680,963	$ 60,658	$ 741,621

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 Service	Management and General	Total
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
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
Scholarships and awards	12,100	-	12,100
Meals	13,972	-	13,972
Professional fees	49,994	20,055	70,049
Retirement plan fees	950	317	1,267
Telephone and internet	2,926	732	3,658
Office supplies and expense	2,398	599	2,997
Dues and subscriptions	2,983	747	3,730
Meetings and conferences	395	-	395
Insurance	1,721	431	2,152
Utilities	664	221	885
Postage and printing	1,932	214	2,146
Depreciation	-	399	399
Miscellaneous expenses	404	199	603
	$ 594,473	$ 51,362	$ 645,835

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, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Changes in net assets	$ 51,220	$ 96,576
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation expense	218	399
Realized and unrealized (gain) loss on N.C. Section 529 Plan investments, net	(206)	(121)
Amortization of right of use asset	-	6,150
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(4,278)	280,730
Grants receivable	(12,357)	1,250
Prepaid expenses	(3,114)	-
Increase (decrease) in liabilities:		
Accounts payable	1,005	(28,170)
Unearned contract revenue	220,500	22,500
Lease liability	-	(6,568)
Net cash provided by operating activities	252,988	372,746
Cash flows for investing activities:		
Proceeds from sale of N.C. Section 529 Plan investments	-	252
Purchases of N.C. Section 529 Plan investments, net	(1)	(1)
Net cash provided by (used in) investing activities	(1)	251
Net increase in cash and cash equivalents	252,987	372,997
Cash and cash equivalents - beginning of year	536,456	163,459
Cash and cash equivalents - end of year	$ 789,443	$ 536,456

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

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 on 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, 2025 and 2024, there were $545,175 and $295,484 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. 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.

Management reviews the allowance for credit losses on a regular basis and updates assumptions as information becomes available. Accounts receivable are written off when they are deemed uncollectible. Recoveries of amounts previously written off, if any, are recorded as income or as a reduction of credit loss expense.

Grant receivable consists of funding awarded to the Council during the year and was not yet received.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

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 and amortization are 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

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 of time and effort 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.

Reclassifications

Certain reclassifications have been made to the 2024 financial statements in order to conform to the 2025 presentation. Such reclassifications had no effect on net assets.

Subsequent Events

Subsequent events have been evaluated through May 26, 2026, 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:

	2025	2024
Cash and cash equivalents	$ 789,443	$ 536,456
Accounts receivable	4,600	322
Grants receivable	12,357	-
Total financial assets	806,400	536,778
Less amounts not available for general expenditures within one year:		
Purpose restricted contributions	(61,330)	(59,833)
Total financial assets available to meet general expenditures within one year	$ 745,070	$ 476,945

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, 2025 and 2024, 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.

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

		Fair Value Measurements Using		
2025	Fair Value	Level 1	Level 2	Level 3
Mutual funds	$ 2,993	$ 2,993	$ -	$ -

		Fair Value Measurements Using		
2024	Fair Value	Level 1	Level 2	Level 3
Mutual funds	$ 2,786	$ 2,786	$ -	$ -

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.

6. OPERATING LEASE

The Council leased its office space under a noncancelable operating lease agreement for 5 years that expired April 2024 at which point the Council began leasing on a month-to-month rental basis. Rental expense under this lease was $17,867 and $15,622 for the years ended December 31, 2025 and 2024, respectively

7. UNEARNED CONTRACT REVENUE

In July 2023, the Council entered into a three-year contract to provide monthly financial education workshops. In August 2024, the Council entered into an additional contract with a government agency to deliver professional development courses to North Carolina teachers for the period July 1, 2024 through June 30, 2026. Revenue from these arrangements is recognized as the workshops and courses are delivered.

During the year ended December 31, 2025, the Council received $243,000 in advance payments for financial education services to be provided in future periods.

7. UNEARNED CONTRACT REVENUE (Continued)

During the year ended December 31, 2024, the Council received $22,500 in advance for similar services. These services were performed in 2025 and the related contract revenue was recognized.

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions of $61,330 and $59,833 are restricted for special events for the years ended December 31, 2025 and 2024, respectively. The Council had net assets with time restrictions for Council for Economic Education programs in the amount of $2,500 as of December 31, 2025.

Net assets of $48,503 and $33,370 were released from donor restrictions by incurring expenses satisfying the special event restriction for the years ended December 31, 2025 and 2024, respectively.

9. CONDITIONAL GRANTS

During the year ended December 31, 2025, the Council was awarded two conditional grants totaling $26,000. During 2025, the Council received and recorded grant revenue of $13,000 as conditions were met. The remainder of the grants, $13,000, is due upon meeting certain conditions. As these conditions have not been met as of December 31, 2025, they have not been recorded as grant revenue in 2025.

During the year ended December 31, 2024, the Council was awarded a conditional grant totaling $35,000. During 2024, the Council recognized grant revenue of $17,500 as conditions were met. During 2025, all conditions were met and the remaining $17,500 of conditional funds were recognized as revenue.

10. 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 $14,352 and $9,808 for the years ended December 31, 2025 and 2024, respectively.

11. CONCENTRATIONS

Approximately 73% of the Council's receivables were due from a related party at December 31, 2025. Approximately 57% and 53% of the Council's revenues were from one government agency at December 31, 2025 and 2024, respectively. Approximately 68% and 76% of the Council's payables were due to two vendors and one vendor at December 31, 2025 and 2024, respectively.

12. 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 $32,500 and $72,750 during the years ended December 31, 2025 and 2024, respectively. The Council paid $2,000 and $2,000 to CEE for membership dues and educational materials during the years ended December 31, 2025 and 2024, respectively. The Council's board of directors contributed $3,708 and $7,641 during the years ended December 31, 2025 and 2024, respectively.