

ARIZONA COUNCIL ON ECONOMIC EDUCATION

**Financial Statements and
Independent Auditor's Report**

For the Year Ended December 31, 2025

**With Summarized Comparative Information
For the Year Ended December 31, 2024**

ARIZONA COUNCIL ON ECONOMIC EDUCATION
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December 31, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Arizona Council on Economic Education
Phoenix, Arizona

Opinion

We have audited the accompanying financial statements of Arizona Council on Economic Education (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Arizona Council on Economic Education 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 Arizona Council on Economic Education's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, including omissions, 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 generally accepted 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 Arizona Council on Economic Education'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 Arizona Council on Economic Education'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.

Report on Summarized Comparative Information

Other auditors previously audited Arizona Council on Economic Education's 2024 financial statements, and they expressed an unmodified audit opinion on those audited financial statements in their report dated May 8, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Snyder & Brown CPAs, PLLC

Snyder & Brown, CPAs, PLLC
Tempe, Arizona
May 2, 2026

Arizona Council on Economic Education
Statement of Financial Position
December 31, 2025
(With Summarized Comparative Totals as of December 31, 2024)

	<u>2025</u>	<u>2024</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 775,604	\$ 839,287
Investments	668,674	551,712
Contributions receivable	7,590	32,000
Accounts receivable	1,440	1,300
Prepaid expenses	13,931	16,727
Inventory	-	1,787
Total current assets	<u>1,467,239</u>	<u>1,442,813</u>
Noncurrent assets:		
Property and equipment, net	29,851	46,406
Total assets	<u><u>\$ 1,497,090</u></u>	<u><u>\$ 1,489,219</u></u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 16,572	\$ 21,470
Deferred revenue	7,000	8,000
Operating lease liability	19,040	16,145
Total current liabilities	<u>42,612</u>	<u>45,615</u>
Noncurrent liabilities:		
Operating lease liability	17,955	32,312
Total noncurrent liabilities	<u>17,955</u>	<u>32,312</u>
Total liabilities	<u>60,567</u>	<u>77,927</u>
Net Assets:		
Without donor restrictions	1,409,023	1,287,292
With donor restrictions	27,500	124,000
Total net assets	<u>1,436,523</u>	<u>1,411,292</u>
Total liabilities and net assets	<u><u>\$ 1,497,090</u></u>	<u><u>\$ 1,489,219</u></u>

See accompanying notes to financial statements.

Arizona Council on Economic Education
Statement of Activities
For the Year Ended December 31, 2025
(With Summarized Comparative Totals for the Year Ended December 31, 2024)

	2025			
	Without Donor Restrictions	With Donor Restrictions	Total	2024
Revenue and Other Support				
Revenue and other support:				
Foundation contributions	\$ 323,490	\$ -	\$ 323,490	\$ 292,480
Corporate contributions	206,157	7,500	213,657	255,165
Individual contributions	55,995	-	55,995	42,981
Affiliate contributions	5,000	-	5,000	4,600
Program service fees	65,685	-	65,685	71,407
Investment income	36,546	-	36,546	38,295
In-kind contributions	45,850	-	45,850	2,248
Other revenue	-	-	-	100
Net assets released from restrictions	104,000	(104,000)	-	-
Total revenue and support before special events revenue	842,723	(96,500)	746,223	707,276
Special events:				
Revenue from special events	217,812	-	217,812	226,054
Less cost of direct donor benefits	(42,822)	-	(42,822)	(62,729)
Special events, net	174,990	-	174,990	163,325
Total revenue and other support	1,017,713	(96,500)	921,213	870,601
Expenses				
Program services	755,045	-	755,045	673,436
Management and general	88,823	-	88,823	94,494
Fundraising	52,114	-	52,114	42,112
Total expenses	895,982	-	895,982	810,042
Change in net assets	121,731	(96,500)	25,231	60,559
Net assets at beginning of year	1,287,292	124,000	1,411,292	1,350,733
Net assets at end of year	\$ 1,409,023	\$ 27,500	\$ 1,436,523	\$ 1,411,292

See accompanying notes to financial statements.

Arizona Council on Economic Education
Statement of Functional Expenses
For the Year Ended December 31, 2025
(With Summarized Comparative Totals for the Year Ended December 31, 2024)

	2025					
	Supporting Services			Cost of Direct Benefits to Donors	Total	2024
	Program Services	Management and General	Fundraising			
Personnel expenses:						
Salaries and wages	\$ 402,466	\$ 23,131	\$ 37,008	\$ -	\$ 462,605	\$ 428,099
Payroll taxes and employee benefits	54,030	3,104	4,969	-	62,103	61,602
Total personnel expense	<u>456,496</u>	<u>26,235</u>	<u>41,977</u>	<u>-</u>	<u>524,708</u>	<u>489,701</u>
Other expenses:						
Professional fees	150,068	40,047	7,500	-	197,615	160,702
Marketing and outreach	15,569	-	-	-	15,569	25,233
Occupancy	17,299	994	1,591	-	19,884	16,127
Repairs and maintenance	4,095	235	377	-	4,707	2,108
Printing, copying and mail	1,987	114	183	-	2,284	4,845
Telecommunications	3,109	178	286	-	3,573	3,905
Subscriptions, memberships and affiliate fees	-	12,944	-	-	12,944	6,376
Travel and mileage	22,581	-	-	-	22,581	22,594
Materials and supplies	27,161	-	-	-	27,161	13,237
Awards and stipends	40,689	-	-	-	40,689	37,944
Depreciation	557	32	51	-	640	1,463
Event costs	-	-	-	42,822	42,822	62,729
Insurance	1,620	93	149	-	1,862	1,963
Other	13,814	7,951	-	-	21,765	23,844
	<u>755,045</u>	<u>88,823</u>	<u>52,114</u>	<u>42,822</u>	<u>938,804</u>	<u>872,771</u>
Less amount reported in revenue and support on the statement of activities:						
Cost of direct benefit to donors	-	-	-	(42,822)	(42,822)	(62,729)
Total expenses	<u>\$ 755,045</u>	<u>\$ 88,823</u>	<u>\$ 52,114</u>	<u>\$ -</u>	<u>\$ 895,982</u>	<u>\$ 810,042</u>

See accompanying notes to financial statements.

Arizona Council on Economic Education
Statement of Cash Flows
For the Year Ended December 31, 2025
(With Summarized Comparative Totals for the Year Ended December 31, 2024)

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 25,231	\$ 60,559
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	640	1,463
Unrealized (gain)loss on investments	(5,063)	(13,643)
Donated equities	-	(9,016)
Amortization of operating lease	15,915	15,282
(Increase) decrease in assets:		
Contributions and grants receivable	24,410	(32,000)
Accounts receivable	(140)	755
Prepaid expenses	2,796	(6,156)
Inventory	1,787	-
Decrease in liabilities:		
Accounts payable	(4,898)	(21,676)
Accrued payroll and related	-	(3,283)
Deferred revenue	(1,000)	(20,780)
Principal reduction of operating lease liability	(11,462)	(14,314)
Net cash provided (used) by operating activities	<u>48,216</u>	<u>(42,809)</u>
 Cash Flows From Investing Activities		
Purchases of investments	(544,899)	(758,057)
Proceeds from sale of investments	433,000	637,901
Net cash used by investing activities	<u>(111,899)</u>	<u>(120,156)</u>
 Net decrease in cash and cash equivalents	(63,683)	(162,965)
 Cash and cash equivalents, at beginning of year	839,287	1,002,252
Cash and cash equivalents, at end of year	<u>\$ 775,604</u>	<u>\$ 839,287</u>

See accompanying notes to financial statements.

Arizona Council on Economic Education
Notes to Financial Statements
December 31, 2025 and 2024
(With Summarized Comparative Totals for the Year Ended December 31, 2024)

Note 1 - Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

The Arizona Council on Economic Education (ACEE or the "Organization") is a statewide 501(C)(3) nonprofit organization dedicated to improving economic and financial literacy, entrepreneurship, and workforce development for all youth in Arizona. ACEE's mission is to reach and teach every Arizona student to become financially and economically responsible in work and life.

Founded in 1974, ACEE has served 2,249 public, charter, tribal, private, home, and juvenile detention schools with a network of more than 12,000 K-12 teachers in Arizona who use ACEE's professional development and curriculum resources regularly. ACEE's engaging student programs annually serve approximately 300,000 socioeconomically diverse and primarily low to moderate income students. ACEE has teacher, student, and community programs to achieve the mission. ACEE's 12,000 K-12 educators teach various subjects.

ACEE is viewed as a leader in financial literacy and economics education statewide and nationwide. ACEE has a strong academic base and affiliations with many universities and community colleges and provides proven economic education curriculum resources to schools free of charge. ACEE works closely with many private and public organizations, including the Arizona Department of Education and the Federal Reserve Banks.

Comparative Financial Statements

The financial statements include certain prior-year summarized information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the financial statements for the year ended December 31, 2024, from which the summarized information was derived. Certain prior year amounts have been reclassified to conform with current year financial statement presentation.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Arizona Council on Economic Education
Notes to Financial Statements
December 31, 2025 and 2024
(With Summarized Comparative Totals for the Year Ended December 31, 2024)

Note 1 - Nature of Activities and Summary of Significant Accounting Policies (Continued)

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Concentration of credit risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Organization's cash and cash equivalent accounts have been placed with high credit quality financial institutions. At December 31, 2025, and 2024, the Organization had cash and cash equivalents that exceeded federally insured limits by a total of \$106,190 and \$199,674, respectively. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

Contributions receivable

Unconditional promises to give are recognized as revenues in the period the promise is received and as assets, decreases of liabilities or expenses depending on the form of the benefits received. Unconditional promises to give that are to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. At December 31, 2025, and 2024, management considers all contributions receivable to be fully collectible and, therefore, no allowance for credit losses has been provided. At December 31, 2025, and 2024, all contributions receivable were due in less than 1 year, accordingly, management does not consider a discount necessary.

Accounts receivable

Accounts receivable consists of program service fees due relating to financial literacy and education programs. No allowance for credit losses was considered necessary at December 31, 2025 or 2024.

Arizona Council on Economic Education
Notes to Financial Statements
December 31, 2025 and 2024
(With Summarized Comparative Totals for the Year Ended December 31, 2024)

Note 1 - Nature of Activities and Summary of Significant Accounting Policies (Continued)

Property and Equipment

The Organization capitalizes all expenditures for property and equipment and major additions and improvements that materially prolong the useful life of an asset in excess of \$1,000. Property and equipment is carried at cost or fair value at the date of donation. Depreciation is recognized using the straight-line method over the assets' estimated life as follows:

Furniture and Equipment	3 to 5 years
Computer Equipment	3 to 5 years

When assets are retired or otherwise disposed of, the related costs and accumulated depreciation are removed from the accounts and gains and losses are included in operations.

Leases

The Organization categorizes leases with contractual terms longer than twelve months as either operating or finance leases. Finance leases are generally those leases that allow the Organization to substantially utilize or pay for the entire asset over its estimated useful life. All other leases are categorized as operating leases. Leases with contractual terms of 12 months or less are not recorded on the statement of financial position.

Certain lease contracts include obligations to pay for other services such as operations, property taxes and maintenance. For leases of property, the services are accounted for separately and payments are allocated to the lease and other services components based on stand-alone prices.

Lease liabilities are recognized at the present value of the fixed lease payments, using a discount rate based on similarly secured borrowings available. Right of use assets are recognized based on the initial present value of the fixed lease payments, plus any direct costs from executing the leases. Lease assets are tested for impairment in the same manner as long-lived assets used in operations. Options to extend lease terms, terminate leases before the contractual expiration date, or purchase the lease assets, are evaluated for their likelihood of exercise. If it is reasonably certain that the option will be exercised, the option is considered in determining the classification and measurement of the lease.

Costs associated with operating lease assets are recognized on a straight-line basis within operating expenses over the term of the lease.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. Management does not believe impairment indicators are present.

Arizona Council on Economic Education
Notes to Financial Statements
December 31, 2025 and 2024
(With Summarized Comparative Totals for the Year Ended December 31, 2024)

Note 1 - Nature of Activities and Summary of Significant Accounting Policies (Continued)

Income Taxes

The Organization is a public charity, nonprofit organization as defined in the Internal Revenue Code Section 501(c)(3) and is therefore exempt from federal and state income taxes. It is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Use of 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, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and wages	Time and Effort
Employee benefits	Time and Effort
Payroll taxes	Time and Effort
Occupancy	Effort
Depreciation	Percentage of use

Arizona Council on Economic Education
Notes to Financial Statements
December 31, 2025 and 2024
(With Summarized Comparative Totals for the Year Ended December 31, 2024)

Note 1 - Nature of Activities and Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Special Event Revenue

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Organization recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Organization recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

Contributions

Unconditional contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. 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 statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions. The Organization has reported \$7,000 as deferred revenue for conditional contribution proceeds received. The Organization did not have conditional grants as of December 31, 2024. At December 31, 2025, the Organization has a grant of \$300,000 that is to be received in future years in \$150,000 increments upon meeting certain conditions.

Contributed property and equipment

Contributed property is recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions. The Organization recognized \$9,016 of contributed investments during 2024 and none in 2025. The Organization did not receive any contributions of nonfinancial assets during 2025 or 2024.

Program service revenue

Program service revenue primarily consists of fees for participating in the financial literacy and economic education programs of the Organization and are recognized as the services or performed or the period of the performance obligation. The Organization has reported \$1,440 and \$1,300 of accounts receivable relating to program services revenue as of December 31, 2025, and 2024, respectively, and has reported \$0 and \$8,000 of deferred revenue relating to contract payments received in advance of the period of performance as of December 31, 2025, and 2024, respectively.

Arizona Council on Economic Education
Notes to Financial Statements
December 31, 2025 and 2024
(With Summarized Comparative Totals for the Year Ended December 31, 2024)

Note 1 - Nature of Activities and Summary of Significant Accounting Policies (Continued)

Donated Services

Contributions of professional services are recorded at their estimated values on the date of the contribution if they enhance the Organization's nonfinancial assets or require specialized skills that the Organization would normally purchase, if not provided by a contribution. The Organization recognized \$45,850 and \$2,248 relating to donated services for the years ending December 31, 2025, and 2024, respectively. The donated services were unrestricted and were for programmatic purposes.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available.

A three-tier hierarchy categorizes the inputs as follows:

Level 1 - Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2 - Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability; and,
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 – Valuation generated from model-based techniques that use significant assumptions not observable in the market that reflect management's own estimate of assumptions that market participants would use in pricing the asset or liability.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a

Arizona Council on Economic Education
Notes to Financial Statements
December 31, 2025 and 2024
(With Summarized Comparative Totals for the Year Ended December 31, 2024)

Note 1 - Nature of Activities and Summary of Significant Accounting Policies (Continued)

particular input to an entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

Income Tax Status

The Organization is an Arizona nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code and as an organization described, in Section 501(c)(3), qualifies for the charitable contribution deduction under Sections 170(b)(1) (A)(vi) and (viii), and has been determined not to be a private organization under Sections 509(a)(1) and (3), respectively. The Organization is annually required to file a Return of Organization Exempt from Income Tax, Form 990, with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Management has determined that the Organization is not subject to unrelated business income tax, and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Date of Management's Review

In preparing these consolidated financial statements, the Organization's management has evaluated events and transactions for potential recognition or disclosure through May 2, 2026, the date the consolidated financial statements were available for issuance.

Note 2 – Availability and Liquidity

The Organization's goal is generally to maintain financial assets to meet one year of total expenses (approximately \$800,000). As part of its liquidity plan, the entity maintains the majority of its short-term assets in cash accounts, including interest bearing money market accounts.

The following represents the Organization's financial assets to meet its operations needs as of December 31,:

	2025	2024
Cash and cash equivalents	\$ 775,604	\$ 839,287
Contributions receivable	7,590	32,000
Accounts receivable	1,440	1,300
Less contractual or donor-imposed restrictions:		
Restricted by donors with purpose	(27,500)	(124,000)
Financial assets available to be used		
within one year	<u>\$ 757,134</u>	<u>\$ 748,587</u>

Arizona Council on Economic Education
Notes to Financial Statements
December 31, 2025 and 2024
(With Summarized Comparative Totals for the Year Ended December 31, 2024)

Note 3 – Investments

Investments consist of the following at December 31,:

	2025			
	Total	Level 1	Level 2	Level 3
US Treasury Notes	\$ 567,449	\$ 567,449	\$ -	\$ -
Marketable CD	101,225	-	101,225	-
Total investments	<u>\$ 668,674</u>	<u>\$ 567,449</u>	<u>\$ 101,225</u>	<u>\$ -</u>

	2024			
	Total	Level 1	Level 2	Level 3
US Treasury Notes	\$ 450,259	\$ 450,259	\$ -	\$ -
Corporate Bonds	101,453	-	101,453	-
Total investments	<u>\$ 551,712</u>	<u>\$ 450,259</u>	<u>\$ 101,453</u>	<u>\$ -</u>

Note 4 - Property and Equipment

Property and equipment consist of the following at December 31,:

	2025	2024
Computer equipment	\$ 4,729	\$ 4,729
Furniture	1,683	1,683
Right-of-use asset-office space	69,041	69,041
Right-of-use asset-copier	8,179	8,179
Less accumulated depreciation and amortization	(53,781)	(37,226)
	<u>\$ 29,851</u>	<u>\$ 46,406</u>

Depreciation expense totaled \$640 and \$1,463 for the years ended December 31, 2025 and 2024, respectively.

Arizona Council on Economic Education
Notes to Financial Statements
December 31, 2025 and 2024
(With Summarized Comparative Totals for the Year Ended December 31, 2024)

Note 5 – Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following at December 31,:

	<u>2025</u>	<u>2024</u>
Purpose restricted:		
Financial Literacy programs	\$ 7,500	\$ -
Personal Finance Seal	5,000	50,000
Financial Literacy	-	32,000
Money Minutes	-	3,000
Financial Fitness in Action	-	5,000
Financial Fitness in Action	-	7,000
Econ Reads	-	10,000
\$martpath	15,000	17,000
	<u> </u>	<u> </u>
Total net assets with donor restrictions	<u>\$ 27,500</u>	<u>\$ 124,000</u>

Note 6 – Line of Credit

The Organization has a credit card line of credit with Bank of America for \$40,000. Unpaid balances are reported as accounts payable. Amounts outstanding were \$2,575 and \$15,321 as of December 31, 2025, and 2024, respectively. Outstanding balances not paid in full on or before the due date bear interest at a rate of 26.49% for purchases and 29.49% for cash advances.

Note 7 – Retirement Plan

The Organization has a SIMPLE Retirement Account Program for all full-time employees who receive compensation of at least \$5,000 in a calendar year. Employees that choose to participate may elect to make salary deferral contributions and the plan requires an employer contribution of 100% of all eligible employee compensation up to 3% of compensation on a calendar basis.

The Organization contributed \$8,232 and \$11,167 for the years ended December 31, 2025 and 2024, respectively.

Arizona Council on Economic Education
Notes to Financial Statements
December 31, 2025 and 2024
(With Summarized Comparative Totals for the Year Ended December 31, 2024)

Note 8 – Operating Leases

The Organization leases office space and equipment at various terms under long-term non-cancelable operating lease agreements. The leases expire at various dates through 2027. The equipment lease provides a renewal option of 12 months. ACEE includes in the determination of the right-of-use-assets and lease liabilities any options when they are reasonably certain to be exercised.

The weighted-average discount rate is based on the discount rate implicit in the lease. ACEE has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable and has applied the risk-free rate option to the office space and equipment, of 4.04%.

The future minimum payments required under the operating lease at December 31, 2025, were as follows:

	Operating Lease Liabilities
Years ending December 31,	
2026	\$ 23,817
2027	14,274
Total payments	38,091
Less amount representing interest	(1,096)
Reported lease liability	<u>\$ 36,995</u>