

100 CLUB OF ARIZONA
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024



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INDEPENDENT AUDITORS' REPORT

Board of Directors
100 Club of Arizona
Phoenix, Arizona

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of 100 Club of Arizona, 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 100 Club of Arizona 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 100 Club of Arizona 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 100 Club of Arizona's ability to continue as a going concern within one year after the that date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 100 Club of Arizona'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 100 Club of Arizona'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.



CliftonLarsonAllen LLP

Tempe, Arizona
May 1, 2026

**100 CLUB OF ARIZONA
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 9,890,030	\$ 8,611,908
Investments	-	730,812
Prepaid Expenses	129,216	138,395
Promises to Give	550,000	1,512,085
Total Current Assets	<u>10,569,246</u>	<u>10,993,200</u>
PROMISES TO GIVE, Net	-	522,500
INVESTMENTS	1,624,616	1,890,875
PROPERTY AND EQUIPMENT, Net	25,498	32,818
RESTRICTED CASH HELD FOR LONG-TERM PURPOSES	14,961	27,998
INVESTMENTS HELD FOR LONG-TERM PURPOSES	<u>568,521</u>	<u>507,752</u>
Total Assets	<u><u>\$ 12,802,842</u></u>	<u><u>\$ 13,975,143</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 124,766	\$ 104,272
Accrued Expenses	780,417	690,046
Deferred Revenue	205,878	229,092
Total Current Liabilities	<u>1,111,061</u>	<u>1,023,410</u>
NET ASSETS		
Without Donor Restrictions	9,395,018	9,152,879
With Donor Restrictions	2,296,763	3,798,854
Total Net Assets	<u>11,691,781</u>	<u>12,951,733</u>
Total Liabilities and Net Assets	<u><u>\$ 12,802,842</u></u>	<u><u>\$ 13,975,143</u></u>

See accompanying Notes to Financial Statements.

**100 CLUB OF ARIZONA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Cash Contributions and Grants	\$ 3,815,003	\$ 469,454	\$ 4,284,457
Donated Facilities, Services, and Other	217,534	-	217,534
Investment Income, Net	450,109	47,733	497,842
Other Income	25,897	-	25,897
Total Support and Revenue	<u>4,508,543</u>	<u>517,187</u>	<u>5,025,730</u>
Special Events:			
Revenues from Special Events, Net of Cost of Direct Donor Benefits of \$216,992	285,001	-	285,001
Net Assets Released from Restriction	<u>2,019,278</u>	<u>(2,019,278)</u>	<u>-</u>
Total Revenue and Other Support	6,812,822	(1,502,091)	5,310,731
EXPENSES			
Program Services Expenses:			
Safety, Education, and Training	1,805,452	-	1,805,452
Direct Crisis	<u>3,711,182</u>	<u>-</u>	<u>3,711,182</u>
Total Program Services Expenses	5,516,634	-	5,516,634
Support Services Expenses:			
Management and General	807,794	-	807,794
Fundraising	<u>246,255</u>	<u>-</u>	<u>246,255</u>
Total Support Services Expenses	<u>1,054,049</u>	<u>-</u>	<u>1,054,049</u>
Total Expenses	<u>6,570,683</u>	<u>-</u>	<u>6,570,683</u>
CHANGE IN NET ASSETS	242,139	(1,502,091)	(1,259,952)
Net Assets – Beginning of Year	<u>9,152,879</u>	<u>3,798,854</u>	<u>12,951,733</u>
NET ASSETS – END OF YEAR	<u><u>\$ 9,395,018</u></u>	<u><u>\$ 2,296,763</u></u>	<u><u>\$ 11,691,781</u></u>

See accompanying Notes to Financial Statements.

**100 CLUB OF ARIZONA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Contributions and Grants	\$ 3,649,939	\$ 1,766,869	\$ 5,416,808
Donated Facilities, Services, and Other	210,064	-	210,064
Investment Income, Net	487,863	24,295	512,158
Total Support and Revenue	4,347,866	1,791,164	6,139,030
Special Events:			
Revenues from Special Events, Net of Cost of Direct Donor Benefits of \$210,675	413,328	-	413,328
Net Assets Released from Restriction	2,081,075	(2,081,075)	-
Total Revenue and Other Support	6,842,269	(289,911)	6,552,358
EXPENSES			
Program Services Expenses:			
Safety, Education, and Training	1,911,569	-	1,911,569
Direct Crisis	2,890,952	-	2,890,952
Total Program Services Expenses	4,802,521	-	4,802,521
Support Services Expenses:			
Management and General	504,913	-	504,913
Fundraising	184,662	-	184,662
Total Support Services Expenses	689,575	-	689,575
Total Expenses	5,492,096	-	5,492,096
CHANGE IN NET ASSETS	1,350,173	(289,911)	1,060,262
Net Assets – Beginning of Year	7,802,706	4,088,765	11,891,471
NET ASSETS – END OF YEAR	<u>\$ 9,152,879</u>	<u>\$ 3,798,854</u>	<u>\$ 12,951,733</u>

See accompanying Notes to Financial Statements.

100 CLUB OF ARIZONA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025

	Program Services					
	Safety, Education, and Training	Direct Crisis	Program	Management and General	Fundraising	Total
Personnel Costs	\$ 200,487	\$ 437,364	\$ 637,851	\$ 510,887	\$ 131,038	\$ 1,279,776
Scholarships	511,275	-	511,275	-	-	511,275
Other Benefits	449,989	3,060,765	3,510,754	-	-	3,510,754
Safety Equipment Stipends	546,038	-	546,038	-	-	546,038
Occupancy	24,075	52,519	76,594	61,349	15,742	153,685
Professional Fees	46,751	101,988	148,739	138,978	32,112	319,829
Telephone and Internet	2,134	4,655	6,789	4,745	1,218	12,752
Marketing and Public Relations	-	-	-	-	3,777	3,777
Supplies	3,940	8,596	12,536	26,106	300	38,942
Bank and Credit Card Fees	-	-	-	18,770	8,580	27,350
Insurance	4,359	9,508	13,867	16,488	650	31,005
Travel, Meetings, and Conferences	3,766	8,216	11,982	-	2,198	14,180
Postage and Printing	3,375	7,363	10,738	5,438	5,122	21,298
Other Expenses	9,263	20,208	29,471	17,713	23,505	70,689
Depreciation and Amortization	-	-	-	7,320	-	7,320
Special Event Expenses	-	-	-	-	239,005	239,005
Total Expenses by Function	1,805,452	3,711,182	5,516,634	807,794	463,247	6,787,675
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Cost of Direct Donor Benefit	-	-	-	-	(216,992)	(216,992)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 1,805,452	\$ 3,711,182	\$ 5,516,634	\$ 807,794	\$ 246,255	\$ 6,570,683

See accompanying Notes to Financial Statements.

100 CLUB OF ARIZONA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services					
	Safety, Education, and Training	Direct Crisis	Program	Management and General	Fundraising	Total
Personnel Costs	\$ 266,184	\$ 433,138	\$ 699,322	\$ 220,544	\$ 79,668	\$ 999,534
Scholarships	500,000	-	500,000	-	-	500,000
Other Benefits	440,801	2,291,725	2,732,526	-	-	2,732,526
Safety Equipment Stipends	602,513	-	602,513	-	-	602,513
Occupancy	36,392	59,217	95,609	28,812	10,673	135,094
Professional Fees	40,416	65,765	106,181	178,426	35,217	319,824
Telephone and Internet	3,135	5,101	8,236	2,482	919	11,637
Marketing and Public Relations	-	-	-	-	4,412	4,412
Supplies	8,577	13,956	22,533	15,471	199	38,203
Bank and Credit Card Fees	-	-	-	15,253	11,545	26,798
Insurance	-	-	-	28,321	-	28,321
Travel, Meetings, and Conferences	7,100	11,552	18,652	115	844	19,611
Postage and Printing	2	3	5	4,191	719	4,915
Other Expenses	6,449	10,495	16,944	7,401	1,508	25,853
Depreciation and Amortization	-	-	-	3,897	-	3,897
Special Event Expenses	-	-	-	-	249,633	249,633
Total Expenses by Function	1,911,569	2,890,952	4,802,521	504,913	395,337	5,702,771
Less: Expenses Netted Against Revenues on the Statement of Activities:	-	-	-	-	(210,675)	(210,675)
Cost of Direct Donor Benefit	-	-	-	-	-	-
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 1,911,569	\$ 2,890,952	\$ 4,802,521	\$ 504,913	\$ 184,662	\$ 5,492,096

See accompanying Notes to Financial Statements.

**100 CLUB OF ARIZONA
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (1,259,952)	\$ 1,060,262
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	7,320	3,897
Contributions Restricted for Long-Term Investment	-	(200,000)
Net Realized/Unrealized Gain on Investments	(84,803)	(80,686)
Change in Discount to Present Value of Pledges Receivable	(27,500)	(65,300)
(Increase) Decrease in Cash Resulting from Changes in:		
Prepaid Expenses	9,179	(74,320)
Promises to Give	1,512,085	877,134
Accounts Payable	20,494	(23,007)
Accrued Expenses	90,371	(157,681)
Deferred Revenue	(23,214)	173,906
Net Cash Provided by Operating Activities	<u>243,980</u>	<u>1,514,205</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	-	(19,965)
Proceeds from Sales of Investments	3,701,008	2,527,074
Purchases of Investments	(2,679,903)	(829,275)
Change in Restricted Cash	-	(118,250)
Net Cash Provided by Investing Activities	<u>1,021,105</u>	<u>1,559,584</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions Restricted for Long-Term Investment	-	200,000
Net Cash Provided by Financing Activities	<u>-</u>	<u>200,000</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,265,085	3,273,789
Cash and Cash Equivalents – Beginning of Year	<u>8,639,906</u>	<u>5,366,117</u>
CASH AND CASH EQUIVALENTS – END OF YEAR	<u>\$ 9,904,991</u>	<u>\$ 8,639,906</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF FINANCIAL POSITION		
Cash and Cash Equivalents	\$ 9,890,030	\$ 8,611,908
Restricted Cash	14,961	27,998
Total	<u>\$ 9,904,991</u>	<u>\$ 8,639,906</u>

See accompanying Notes to Financial Statements.

**100 CLUB OF ARIZONA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1 NATURE OF ORGANIZATION

The 100 Club of Arizona (the Club) is a nonprofit Arizona corporation dedicated to supporting public safety officers, firefighters, and their families through financial assistance when these officers are seriously injured or killed in the line of duty, and to providing resources to enhance their safety and welfare. The Club pays surviving families of public safety officers and firefighters a one-time benefit of \$20,000 for those killed in the line of duty, \$15,000 for those who die on duty, and \$10,000 for those who die off duty. Officers and firefighters, who are seriously injured, and their families receive benefits up to \$18,000. The Club provides assistance to improve the safety and welfare of public safety officers and firefighters by awarding safety equipment stipends to qualifying agencies each quarter. Peer 100 offers mental health and wellness training, resources, and financial aid to enhance the wellbeing of first responders along with online mental health resources through the Club's Bulletproof and Fireproof apps. The Club also awards scholarships to family members of officers and firefighters to assist them with their pursuit of higher education.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements are presented in accordance with American Institute of Certified Public Accountants (AICPA) *Not-for-Profit Industry Guidance* within the Financial Accounting Standards Board (FASB) Codification (Guidance). Net assets and revenues, gains, and losses are classified based on donor-imposed restrictions. Accordingly, net assets of the Club and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantors) restrictions. Resources over which the board of directors has discretionary control.

Net Assets With Donor Restrictions – Those resources subject to donor-imposed restrictions which will be satisfied by actions of the Club or passage of time.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted explicitly by donor stipulation or by law. Expirations of net assets with donor restrictions, i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed, are reported as reclassifications between the applicable classes of net assets.

**100 CLUB OF ARIZONA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 a number of 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.

Cash and Cash Equivalents

The Club considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Restricted Cash

The Club had restricted cash of \$14,962 and \$27,998 as of December 31, 2025 and 2024, respectively. These amounts are held in a separate bank account and are restricted as part of the endowment for use in granting future scholarships. The restricted cash is classified as a noncurrent asset on the balance sheet because the restriction is expected to remain in place for more than one year.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Club uses historical loss information based on aging of receivables as the basis to determine expected credit losses for receivables. A loss rate is developed for each risk category based on aging. Management believes the composition of receivables at year-end is consistent with historical conditions as credit terms and practices and the customer base has not changed significantly. As of December 31, 2025 and 2024, management estimated the credit loss percentage to calculate expected credit losses at 0% and accordingly no allowance for an estimate of expected credit losses has been recorded in the financial statements.

Promises to Give

Promises to give represent unconditional promises to give that are acknowledged in writing by donating parties prior to December 31 but not transmitted to the Club until after that date. Conditional promises to give are recognized when the conditions on which they depend are substantially met. We record unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the consolidated statements of activities. Allowance for uncollectible promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. Management's estimate of the allowance for doubtful accounts was \$-0- as of December 31, 2025 and 2024, respectively.

**100 CLUB OF ARIZONA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Promises to Give (Continued)

Conditional promises to give are not recognized as contribution or grant revenue and receivables until the conditions have been substantially met. Conditional contributions received in advance of meeting the conditions and included in deferred revenue for the years ended December 31, 2025 and 2024 were \$205,878 and \$173,906, respectively.

Investments

Investments are recorded at fair value. Investment income, including gains and losses on investments, is recorded as increases or decreases in net assets without donor restrictions unless its use is limited by donor-imposed restrictions or law.

Contributions and Revenue Recognition

Revenue is recognized when earned. The Club recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Accordingly, at December 31, 2025 and 2024, contributions approximating \$584,000 and \$1,018,000, respectively, have not been recognized in the accompanying statement of activities because the condition(s) on which they depend have not yet been met. As of December 31, 2025, of the total conditional contributions, approximately \$584,000 depend on supporting organizational infrastructure which will enhance growth and improve sustainability, and approximately \$-0- of contributions depend on providing sleep study services to first responders. As of December 31, 2024, of the total conditional contributions, approximately \$800,000 depend on supporting organizational infrastructure which will enhance growth and improve sustainability, and, approximately \$218,000 of contributions depend on providing sleep study services to first responders.

Contributions and grants are considered nonexchange transactions and are also considered to be available for unrestricted use unless they contain conditions or specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions.

The Club records special events revenue equal to the cost of direct benefits to donors, and contribution income for the excess received at the event.

Donated Materials and Services

Donated services are reported as contributions when the services (a) create or enhance nonfinancial assets or (b) would be purchased if they had not been provided by contribution, require specialized skills, and are provided by individuals possessing those skills. Donated equipment or materials, if significant, are included at fair value.

**100 CLUB OF ARIZONA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Materials and Services (Continued)

In addition, the Club received numerous hours of donated services by volunteers dedicated to the Club's programs. The fair value of these donated services is not recognized in the statements of activities since they do not meet the criteria for recognition under accounting principles generally accepted in the United States of America.

Property and Equipment

Property and equipment having a unit cost greater than \$2,500 and a useful life of more than one year are capitalized at cost when purchased. Donated assets are capitalized at the estimated fair value at the date of receipt and restrictions are released once the asset has been placed into service. Betterments or acquisition are capitalized. Depreciation and amortization of property and equipment is computed on a straight-line basis over their estimated useful lives, which range from three to seven years. Maintenance and repairs are charged to operations when incurred. When property and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

Impairment of Long-Lived Assets

The Club reviews long-lived assets for impairment whenever events or changes in circumstances indicate 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 undiscounted 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 carrying amount or fair value less costs to sell. Management does not believe impairment indicators were present at December 31, 2025 and 2024.

Fair Value Measurements

Fair value measurements of financial assets and financial liabilities and fair value measurements of nonfinancial items are recognized or disclosed at fair value in the financial statements on a recurring basis. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**100 CLUB OF ARIZONA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

The Club utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Club determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

Level 1 – Unadjusted quoted prices in active markets for identical assets (or liabilities) that the reporting entity has the ability to access at the measurement date.

Level 2 – Prices for a similar asset (or liability), other than quoted prices included in Level 1 inputs that are observable for the asset (or liability), either directly or indirectly. If the asset (or liability) has a specified term, a Level 2 input must be observable for substantially the full term of the asset (or liability).

Level 3 – Unobservable inputs for the asset (or liability) used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset (or liability) at measurement date.

Leases

The Club determines if an arrangement is a lease at inception. Leases are reported on the statements of financial position as a right-of-use (ROU) asset and lease liability. ROU assets represent the Club's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Club will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

The Club has a one-year operating lease for its offices that renews each year in January, the rent of which is donated (see Note 9). Consequently, there are no future minimum payments.

In addition, the Club has a copier lease that was entered into January 2024 which terminates in January 2028 that has monthly rental payments of \$161 plus tax and insurance. In addition, there is a postage machine lease that was entered into January 2020 that terminates April 2025 with monthly rental payments of \$56. This postage machine lease was renewed during 2025 and terminates in March 2031. The monthly rental payments are \$70. The Club determined the copier and postage machine leases were immaterial and, accordingly, a ROU asset and liability was not recorded on the statements of financial position as of December 31, 2025 and 2024.

**100 CLUB OF ARIZONA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status

The Club qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and, therefore, there is no provision for federal or state corporate income taxes. In addition, the Club has been determined by the Internal Revenue Service (IRS) not to be a private foundation within the meaning of Section 509(a) of the IRC.

Management believes that no uncertain tax positions exist for the Club at December 31, 2025 and 2024.

NOTE 3 LIQUIDITY AND AVAILABILITY

The following table reflects the Club's financial assets, available for general expenditure within one year of the statement of financial position date:

	<u>2025</u>	<u>2024</u>
Total Assets	\$ 12,802,842	\$ 13,975,143
Less: Assets not Available for Expenses:		
Pledges Receivable Due in More Than One Year, Net	-	(522,500)
Prepaid Expenses	(129,216)	(138,395)
Property and Equipment	<u>(25,498)</u>	<u>(32,818)</u>
Total Assets not Available for Expenses	(154,714)	(693,713)
Donor-Imposed Restrictions:		
With Donor Restricted Funds	(1,713,281)	(3,263,104)
Restricted Cash Held For Long-Term Purpose	(14,961)	(27,998)
Investments Held For Long-Term Purpose	<u>(568,521)</u>	<u>(507,752)</u>
Total Donor-Imposed Restrictions	<u>(2,296,763)</u>	<u>(3,798,854)</u>
Financial Assets Available to Meet Cash Needs for General Expenses Within One Year	<u><u>\$ 10,351,365</u></u>	<u><u>\$ 9,482,576</u></u>

The Club receives significant contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenses. The Club manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Club forecasts its future cash flows and monitors its liquidity reserves monthly. The Club has ample cash, cash equivalents, and investments to cover operating expenses.

**100 CLUB OF ARIZONA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 4 PROMISES TO GIVE

Unconditional promises to give are estimated to be collected as follows at December 31:

	2025	2024
Total Amounts Due in:		
One Year	\$ 550,000	\$ 1,512,085
Two to Five Years	-	550,000
Total	550,000	2,062,085
Less: Discount to Present Value	-	(27,500)
Total Unconditional Promises to Give, Net	<u>\$ 550,000</u>	<u>\$ 2,034,585</u>

NOTE 5 FAIR VALUE MEASUREMENTS

Fair Value of Financial Instruments

Fair value is defined as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair values of the financial instruments shown in the following tables as of December 31, 2025 and 2024, represent the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Club's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Club based on the best information available in the circumstances, including expected cash flows and appropriately risk-adjusted discount rates, and available observable and unobservable inputs.

Investments

Overall Investment Objective

The overall investment objective of the Club is preservation of principal. The Club believes it is more important to protect principal plus increases in portfolio value due to capital growth than to attempt to maximize growth by incurring additional risk. In general, the Club invests its assets in such a manner to mitigate undue risk through diversification while attempting to produce a rate of return that exceeds the stated rate of annual inflation.

Allocation of Investment Strategies

The Club may utilize common stock, corporate and government bonds, convertible securities, mutual funds (including international equities and bonds), certificates of deposit, and cash equivalents. All assets selected for the portfolio must have a readily ascertainable market value and must be readily marketable.

**100 CLUB OF ARIZONA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 5 FAIR VALUE MEASUREMENTS (CONTINUED)

The Club also invests in the Arizona Community Foundation, Inc. (ACF) pool. The fair value of these investments is based on its investment percentage in the investment pool. The ACF pool is invested in cash, equity securities, bonds, and other investments. This investment is classified within Level 3 of the valuation hierarchy.

Fair Value Hierarchy

The following table presents the placement in the fair value hierarchy of assets that are measured at fair value on a recurring basis at December 31:

December 31, 2025	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 568,521	\$ -	\$ -	\$ 568,521
Certificates of Deposit	-	1,046,053	-	1,046,053
Pooled Funds at Arizona Community Foundation	-	-	578,563	578,563
Total	<u>\$ 568,521</u>	<u>\$ 1,046,053</u>	<u>\$ 578,563</u>	<u>\$ 2,193,137</u>
December 31, 2024	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 507,752	\$ -	\$ -	\$ 507,752
Certificates of Deposit	-	2,104,414	-	2,104,414
Pooled Funds at Arizona Community Foundation	-	-	517,273	517,273
Total	<u>\$ 507,752</u>	<u>\$ 2,104,414</u>	<u>\$ 517,273</u>	<u>\$ 3,129,439</u>

The following is a summary of assets measured at fair value on a recurring basis and significant unobservable inputs as of December 31:

December 31, 2025	Level 3 Fair Values	Principal Valuation Techniques	Unobservable Inputs
Investments:			
Arizona Community Foundation	<u>\$ 578,563</u>	FMV of Fund Investments	Value of Underlying Assets
December 31, 2024	Level 3 Fair Values	Principal Valuation Techniques	Unobservable Inputs
Investments:			
Arizona Community Foundation	<u>\$ 517,273</u>	FMV of Fund Investments	Value of Underlying Assets

**100 CLUB OF ARIZONA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 5 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Hierarchy (Continued)

Purchases, sales, transfers in and transfers out of Level 3 investments consist of the following for the years ended December 31:

	2025	2024
Purchase	\$ 44,552	\$ -
Transfer in	38,725	20,000
Sales	(25,458)	(25,000)

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Club believes its valuation method are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements at the reporting date.

Total investment income, gains, and losses consist of the following for the year ended December 31:

	2025	2024
Net Realized and Unrealized Gains (Losses)	\$ 84,803	\$ 84,391
Interest and Dividend Income	422,969	433,138
Less: Investment Fees	(9,930)	(5,371)
Total	<u>\$ 497,842</u>	<u>\$ 512,158</u>

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31:

	2025	2024
Cost or Donated Value:		
Office Furniture and Equipment	\$ 25,277	\$ 25,277
Software	75,845	75,845
Leasehold Improvements	15,907	15,907
Total Cost or Donated Value	<u>117,029</u>	<u>117,029</u>
Less: Accumulated Depreciation	(91,531)	(84,211)
Property and Equipment, Net	<u>\$ 25,498</u>	<u>\$ 32,818</u>

Depreciation and amortization expense totaled \$7,320 and \$3,897 for the years ended December 31, 2025 and 2024, respectively.

**100 CLUB OF ARIZONA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 7 AGENCY FUNDS

The Club maintained a cash account on behalf of the Department of Corrections Memorial (DOC). The funds were held separately from the Club's operating accounts and were used to pay expenses of the DOC. The net activity for the funds received and disbursed were not recorded on the statement of activities as the Club was acting as an agent on their behalf. During the year ended December 31, 2024, the DOC donated the unused funds amounting to \$82,725 to the Club for scholarships.

As of December 31, 2025 and 2024, the cash held on behalf of and due to the DOC upon request was \$-0-, respectively, is shown separately on the statements of financial position.

NOTE 8 RELATED PARTY TRANSACTIONS

Office space was donated by a company whose President is a board member of the Club totaling \$153,685 and \$135,094, of which \$-0- and \$12,085 was reported as a pledge receivable during the years ended December 31, 2025 and 2024, respectively.

Contributions from board members totaled \$254,534 and \$208,693 for the years ended December 31, 2025 and 2024, respectively.

The Club maintains cash at two banks where some of the Club's board members are employees. The balance as of December 31, 2025 and 2024, was \$5,604,881 and \$5,511,360, respectively.

At times, employees of the Club or their family members may qualify for the receipt of benefits within the normal course of business. One employee was awarded benefits totaling \$4,738 and \$454 for the years ended December 31, 2025 and 2024, respectively.

100 CLUB OF ARIZONA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 9 IN-KIND CONTRIBUTIONS

The Club recognizes contribution revenue for donated facilities, services and other resources received at fair value. Those donated facilities, services and other resources have been reported as follows at December 31:

December 31, 2025	Program	Management and General	Fundraising	Total
Donated Healthcare	\$ 9,483	\$ 7,595	\$ 1,948	\$ 19,026
Occupancy	76,594	61,349	15,742	153,685
Other	33,477	5,886	17,545	56,908
Total In-Kind Expenses	<u>\$ 119,554</u>	<u>\$ 74,830</u>	<u>\$ 35,235</u>	229,619
In-Kind Receivable (Asset), Net Change				(12,085)
Total In-Kind Revenue				<u>\$ 217,534</u>

December 31, 2024	Program	Management and General	Fundraising	Total
Benefits	\$ 29,048	\$ -	\$ -	\$ 29,048
Donated Healthcare	25,376	8,003	2,891	36,270
Occupancy	95,609	28,812	10,673	135,094
Other	-	9,652	-	9,652
Total In-Kind Revenue	<u>\$ 150,033</u>	<u>\$ 46,467</u>	<u>\$ 13,564</u>	<u>\$ 210,064</u>

Program related in-kinds consist of donated travel, goods, and other services used in the delivery of the benefits. The Club estimates the fair value of program related in-kinds on the basis of estimates of the current market rates for similar travel, goods, and other services in the Club's market. Professional services and donated health care are valued and reported at the estimated fair value based on current rates for similar services. Donated rent is valued and reported at the estimated fair value on the basis of comparable lease agreements in the Club's market.

An internal special event is a fundraising event coordinated and staffed by Club personnel rather than a third-party support group or organization. It is designed to attract people for the purpose of raising mission awareness, for increasing funding from existing donors, and the cultivation of future donors. Internal special event in-kind amounts are donated items recorded at fair value that are used in facilitating the event. Examples of such donated items are generally food, beverage, facility costs, and auction items. The Club estimates the fair value of these donated items based on the current market rates for similar items in the Club's market. The Club receives auction items to be sold at its special events. Contributed auction items are valued at the gross selling price received and the value is included in internal special event revenue on the statements of activities. The amount of auction items received and sold during the years ended December 31, 2025 and 2024 was \$95,203 and \$131,974, respectively.

**100 CLUB OF ARIZONA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 10 SPECIAL EVENTS

Special fundraising revenue is comprised of an exchange element based on the value of the benefits provided, and a contribution element for the difference between total support and the exchange elements. The exchange elements which consist primarily of event costs, meals, and auction items are recognized at the point the fundraising event, meals, and auction occurs. Special fundraising revenues consisted of the following for the years ended December 31:

	2025	2024
Proceeds	\$ 210,480	\$ 206,515
Without Donor Restricted Contributions	291,513	417,488
Total Revenue and Support	501,993	624,003
Less: Direct Donor Benefits	(216,992)	(210,675)
Net Revenue and Support	<u>\$ 285,001</u>	<u>\$ 413,328</u>

NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at December 31:

	2025	2024
Subject to Expenditure for Specified Purpose:		
Scholarship Funds	\$ 108,415	\$ 122,343
H.E.R.O.S	177,998	553,489
Survivors Fund	939,534	1,021,229
Safety Equipment Stipends (SES)	62,746	210,871
Peer 100	373,454	1,220,022
Flex Funds	51,134	135,150
Total	<u>1,713,281</u>	<u>3,263,104</u>
Endowments:		
Subject to Endowment Spending Policy and Appropriation:		
Earnings on Endowment Funds	83,482	35,750
Original Donor-Restricted Gift Amount to be Maintained in Perpetuity:		
Mary Carol Sheets Memorial Endowment Fund	500,000	500,000
Total	<u>583,482</u>	<u>535,750</u>
Total Donor-Restricted Net Assets	<u>\$ 2,296,763</u>	<u>\$ 3,798,854</u>

Net assets released from restrictions were \$2,019,278 and \$2,081,075 for the years ended December 31, 2025 and 2024, respectively. All the releases were purpose restricted.

**100 CLUB OF ARIZONA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 12 ENDOWMENTS

The Club is subject to the enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and is required to make disclosures about endowment funds, both donor-restricted endowment funds and board-designated endowment funds.

The Club's endowment consists of an individual fund established to support scholarships. Net assets associated with the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment assets are reflected as investments held for long-term purposes on the statements of financial position.

Interpretation of Relevant Law

The board of directors of the Club has interpreted the Idaho UPMIFA as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Club classifies as donor-restricted net assets: (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulated earnings on the donor-restricted endowment funds. The accumulated earnings on the endowment funds remain treated as donor-restricted net assets until those amounts are appropriated for expenditure by the Club in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Club considers the following factors in deciding to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Club and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Club
- The investment policies of the Club

**100 CLUB OF ARIZONA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 12 ENDOWMENTS (CONTINUED)

Endowment fund composition by type of fund as of December 31, is as follows:

December 31, 2025	Without Donor Restriction	With Donor Restrictions	Total
Donor-Restricted Endowment Funds:			
Mary Carol Sheets Endowment Fund	\$ -	\$ 583,482	\$ 583,482
Total	<u>\$ -</u>	<u>\$ 583,482</u>	<u>\$ 583,482</u>
December 31, 2024	Without Donor Restriction	With Donor Restrictions	Total
Donor-Restricted Endowment Funds:			
Mary Carol Sheets Endowment Fund	\$ -	\$ 535,750	\$ 535,750
Total	<u>\$ -</u>	<u>\$ 535,750</u>	<u>\$ 535,750</u>
December 31, 2025	Without Donor Restriction	With Donor Restrictions Permanently	Total
Endowment Net Assets - Beginning of Year	\$ -	\$ 535,750	\$ 535,750
Investment Return, Net	-	11,469	11,469
Contributions	-	-	-
Net Appreciation	-	36,263	36,263
Endowment Net Assets - End of Year	<u>\$ -</u>	<u>\$ 583,482</u>	<u>\$ 583,482</u>
December 31, 2024	Without Donor Restriction	With Donor Restrictions Permanently	Total
Endowment Net Assets - Beginning of Year	\$ -	\$ 311,455	\$ 311,455
Investment Return, Net	-	13,500	13,500
Contributions	-	200,000	200,000
Net Appreciation	-	10,795	10,795
Endowment Net Assets - End of Year	<u>\$ -</u>	<u>\$ 535,750</u>	<u>\$ 535,750</u>

Fund Deficiencies

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Club to retain as a fund of perpetual duration. There were no fund deficiencies as of December 31, 2025 and 2024.

**100 CLUB OF ARIZONA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 12 ENDOWMENTS (CONTINUED)

Return Objectives and Risk Parameters

The Club has adopted investment and spending policies that attempt to provide a predictable stream of funding programs supported by its endowment funds while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Club must hold in perpetuity or for a donor-specified period(s). Under these policies, the endowment assets are invested in a manner that is intended to produce results that cause the value of the endowment to grow or remain relatively constant while assuming a moderate level of investment risk. The Club expects its endowment fund, over time, to provide an average rate of return of approximately 3-5% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Club relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Club targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Club has a policy of appropriating for distribution each year 5% of its endowment fund's average fair value over the prior 12 months. In establishing this policy, the Club considered the long-term expected return on its endowment. Accordingly, over the long term, the Club expects the current spending policy to allow its endowment to grow at an average of 3-5% annually. This is consistent with the Club's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE 13 FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated are as follows:

- Personnel Costs – based on estimates of time and effort.
- Occupancy, Telephone and Internet, Depreciation, and Supplies – based on personnel costs allocations.

**100 CLUB OF ARIZONA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 14 RETIREMENT

In June 2022, the Club entered into a Savings Incentive Match Plan for Employees of Small Employers (SIMPLE) plan. The Club agrees to permit salary reduction contributions to be made in each calendar year to the SIMPLE plan established by each employee. Upon creation of the SIMPLE plan, all employees were considered eligible for the plan. For each calendar year, the Club will contribute a matching contribution to each employee's SIMPLE plan equal to the employee's salary reduction contributions up to a limit of 3% of the employee's compensation for the calendar year. During the years ended December 31, 2025 and 2024, the Club contributed \$20,415 and \$14,675 to the employee's SIMPLE plans, respectively.

NOTE 15 CONCENTRATION OF CREDIT RISK

The Club manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the Club to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. As of December 31, 2025 and 2024, the Club had approximately \$5,692,947 and \$5,707,410, respectively, in excess of FDIC insurance limits. To date, we have not experienced losses in any of these accounts.

Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from board members, governmental agencies, and foundations supportive of our mission. Investments are made by diversified investment managers whose performance is monitored by us and the investment committee of the board of directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, we and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the organizations.

Cash contributions totaling \$1,930,316 and \$3,348,664 were received from one and two donors for the years ended December 31, 2025 and 2024, respectively, which represents 40% and 55% of raised revenue which consists of total public support and gross internal special event revenue. Should these contribution levels decrease, the Club may be adversely affected.

For the years ended December 31, 2025 and 2024, one donor represents 100% of the contributions receivable balance, respectively. Should these contribution levels decrease, the Club may be adversely affected.

**100 CLUB OF ARIZONA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 16 COMMITMENTS

The Club has entered into hotel agreements to provide event space, golf course usage, and room accommodations for its future fundraising events. These agreements contain clauses that provide for the loss of revenue to the hotel in the event of cancellation or nonperformance by the Club. At December 31, 2025 and 2024, the potential liability to the Club is approximately \$109,000 and \$-0-, respectively, for events through 2026. Management believes the likelihood of event cancellations to be remote.

NOTE 17 SUBSEQUENT EVENTS

Management evaluated subsequent events through May 1, 2026, the date the financial statements were available to be issued.



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