



MAGDI YACOUB
GLOBAL HEART
FOUNDATION

MAGDI YACOUB GLOBAL HEART FOUNDATION

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2025 AND 2024**

**MUN CPAs, LLP
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**MAGDI YACOUB GLOBAL HEART FOUNDATION
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Magdi Yacoub Global Heart Foundation
Alamo, California

Opinion

We have audited the accompanying financial statements of Magdi Yacoub Global Heart Foundation (a nonprofit Foundation), 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 financial statements referred to above present fairly, in all material respects, the financial position of Magdi Yacoub Global Heart Foundation as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Magdi Yacoub Global Heart Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Magdi Yacoub Global Heart Foundation'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 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 Magdi Yacoub Global Heart Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Magdi Yacoub Global Heart Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

MUN CPAs, LLP

Sacramento, California
April 1, 2026

**MAGDI YACOUB GLOBAL HEART FOUNDATION
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2025 AND 2024**

	<u>2025</u>	<u>(Restated) 2024</u>
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents (Note 3)	\$ 961,283	\$ 466,590
Investments (Notes 4 and 5)	9,500,326	7,406,281
Promise to give	-	330,000
Other current assets	<u>-</u>	<u>59,663</u>
Total Current Assets	<u>10,461,609</u>	<u>8,262,534</u>
Non-Current Assets		
Assets held for sale (Notes 5 and 7)	56,050	56,050
Property and equipment, net of accumulated depreciation (Note 6)	<u>3,416</u>	<u>3,630</u>
Total Non-Current Assets	<u>59,466</u>	<u>59,680</u>
TOTAL ASSETS	<u>\$ 10,521,075</u>	<u>\$ 8,322,214</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable	\$ 17,200	\$ 1,355
Accrued expenses and other current liabilities	<u>355</u>	<u>-</u>
Total Current Liabilities	<u>17,555</u>	<u>1,355</u>
TOTAL LIABILITIES	<u>17,555</u>	<u>1,355</u>
NET ASSETS		
Without donor restrictions	7,609,712	8,220,859
With donor restrictions (Note 8)	<u>2,893,808</u>	<u>100,000</u>
TOTAL NET ASSETS	<u>10,503,520</u>	<u>8,320,859</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 10,521,075</u>	<u>\$ 8,322,214</u>

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

**MAGDI YACOUB GLOBAL HEART FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>SUPPORT AND REVENUES</u>			
Contributions	\$ 2,629,096	\$ 4,564,850	\$ 7,193,946
In-kind contributions (Note 9)	5,126,641	-	5,126,641
Investment income	<u>357,225</u>	<u>-</u>	<u>357,225</u>
Total Support and Revenues	<u>8,112,962</u>	<u>4,564,850</u>	<u>12,677,812</u>
Net assets released from restriction	<u>1,771,042</u>	<u>(1,771,042)</u>	<u>-</u>
Total Revenues	<u>9,884,004</u>	<u>2,793,808</u>	<u>12,677,812</u>
<u>EXPENSES</u>			
Program services	9,530,340	-	9,530,340
Management and general	160,063	-	160,063
Fundraising	<u>804,748</u>	<u>-</u>	<u>804,748</u>
Total Expenses	<u>10,495,151</u>	<u>-</u>	<u>10,495,151</u>
CHANGE IN NET ASSETS	(611,147)	2,793,808	2,182,661
NET ASSETS - BEGINNING OF YEAR	<u>8,220,859</u>	<u>100,000</u>	<u>8,320,859</u>
NET ASSETS - END OF YEAR	<u>\$ 7,609,712</u>	<u>\$ 2,893,808</u>	<u>\$ 10,503,520</u>

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

**MAGDI YACOUB GLOBAL HEART FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024 (RESTATED)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>SUPPORT AND REVENUES</u>			
Contributions	\$ 2,842,488	\$ 100,000	\$ 2,942,488
In-kind contributions (Note 9)	893,396	-	893,396
Investment income	333,007	-	333,007
Loss on impairment of intangible asset	<u>(51,475)</u>	<u>-</u>	<u>(51,475)</u>
Total Support and Revenues	<u>4,017,416</u>	<u>100,000</u>	<u>4,117,416</u>
Net assets released from restriction	<u>77,212</u>	<u>(77,212)</u>	<u>-</u>
Total Revenues	<u>4,094,628</u>	<u>22,788</u>	<u>4,117,416</u>
<u>EXPENSES</u>			
Program services	1,358,833	-	1,358,833
Management and general	85,221	-	85,221
Fundraising	<u>986,547</u>	<u>-</u>	<u>986,547</u>
Total Expenses	<u>2,430,601</u>	<u>-</u>	<u>2,430,601</u>
CHANGE IN NET ASSETS	1,664,027	22,788	1,686,815
NET ASSETS - BEGINNING OF YEAR	<u>6,556,832</u>	<u>77,212</u>	<u>6,634,044</u>
NET ASSETS - END OF YEAR (NOTE 11)	<u>\$ 8,220,859</u>	<u>\$ 100,000</u>	<u>\$ 8,320,859</u>

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

**MAGDI YACOUB GLOBAL HEART FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 169,596	\$ 69,595	\$ 141,330	\$ 380,521
Grants paid to foreign foundations	9,345,269	-	-	9,345,269
Fundraising expenses	-	-	17,208	17,208
Insurance	-	3,113	-	3,113
Postage	-	341	384	725
Subscriptions	-	575	235	810
Web hosting and IT expenses	-	26,001	-	26,001
Bank charges and fees	-	1,754	44,934	46,688
Utilities	-	2,560	-	2,560
Payroll processing fee	-	1,272	-	1,272
Legal and professional services	-	47,851	340,260	388,111
Advertising and marketing	-	2,300	243,134	245,434
Office supplies	-	3,375	-	3,375
Amortization and depreciation expense	-	214	-	214
Other business expenses	<u>15,475</u>	<u>1,112</u>	<u>17,263</u>	<u>33,850</u>
Total	<u>\$ 9,530,340</u>	<u>\$ 160,063</u>	<u>\$ 804,748</u>	<u>\$ 10,495,151</u>

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

**MAGDI YACOUB GLOBAL HEART FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 183,337	\$ 45,218	\$ 446,314	\$ 674,869
Grants paid to foreign foundations	1,174,141	-	-	1,174,141
Fundraising expenses	-	-	65,102	65,102
Fundraising events	-	-	37,206	37,206
Fundraising travel	-	-	22,061	22,061
Insurance	-	-	3,139	3,139
Postage	-	-	2,098	2,098
Subscriptions	-	358	1,074	1,432
Web hosting and IT expenses	-	-	3,750	3,750
Management and other fees	-	3,618	3,618	7,236
Bank charges and fees	-	1,570	-	1,570
Utilities	-	1,931	-	1,931
Payroll processing fee	-	1,231	-	1,231
Legal and professional services	-	-	22,264	22,264
Advertising and marketing	1,355	-	332,114	333,469
Office supplies	-	2,956	47,327	50,283
Amortization and depreciation expense	-	27,962	-	27,962
Other business expenses	-	377	480	857
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 1,358,833</u>	<u>\$ 85,221</u>	<u>\$ 986,547</u>	<u>\$ 2,430,601</u>

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

**MAGDI YACOUB GLOBAL HEART FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

	2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 2,182,661	\$ 1,686,815
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	214	2,225
Amortization	-	25,737
Loss on impairment of intangible asset	-	51,476
(Increase) decrease in:		
Promise to give	330,000	(330,000)
Assets held for sale	-	(22,544)
Other current assets	59,663	(59,663)
Increase (decrease) in:		
Accounts payable	15,845	(38,645)
Accrued expenses and other current liabilities	<u>355</u>	<u>-</u>
Net Cash Provided by Operating Activities	<u>2,588,738</u>	<u>1,315,401</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of investments	(6,127,980)	(2,255,598)
Proceeds from sale of investments	<u>4,033,936</u>	<u>-</u>
Net Cash Used in Investing Activities	<u>(2,094,044)</u>	<u>(2,255,598)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>494,694</u>	<u>(940,197)</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>466,589</u>	<u>1,406,787</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 961,283</u>	<u>\$ 466,590</u>

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

**MAGDI YACOUB GLOBAL HEART FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Foundation and Nature of Activities

Magdi Yacoub Global Heart Foundation ("MYGHF" or the "Foundation") is a 501(c)(3) public benefit non-profit Foundation. The Foundation was organized on April 4, 2014. The Foundation is committed to helping change the health outcomes of the most vulnerable patients with heart disease, particularly children in underserved populations. MYGHF supports the Magdi Yacoub Aswan Heart Center (AHC) in providing state-of-the-art, 100% free-of-charge comprehensive, advanced cardiac care to the less fortunate regardless of their color, religion, or gender.

The Foundation is supported primarily through individual and institutional donor contributions.

The following is a description of the Foundation's programs:

Medical Care, Research, and Innovation: Medical care, research, and innovation provides free, advanced cardiac care to underserved populations through the Aswan Heart Centre and the developing Magdi Yacoub Global Heart Centre. The program integrates direct patient care with applied clinical and scientific research to advance the diagnosis and treatment of cardiovascular disease and improve long-term patient outcomes.

Training and Apprenticeship: Training and apprenticeship provides clinical training and hands-on education for cardiac surgeons, physicians, nurses, and allied healthcare professionals. The program builds sustainable medical capacity by equipping participants with advanced skills and experience to deliver specialized cardiovascular care within their home regions.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America (GAAP). Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and are available for general operations. The Foundation's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by actions of the Foundation and/or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a restriction expires, 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.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. These reclassifications were made to enhance comparability between periods and had no impact on previously reported net income, total assets, or total liabilities.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**MAGDI YACOUB GLOBAL HEART FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Foundation considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of three months or less at the time of purchase.

The Foundation maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. Management believes the Foundation is not exposed to any significant credit risk related to cash.

Investments

Investments are carried at estimated fair value on the statements of financial position. Fair values of investments are estimated based on quoted market prices where available. Net investment return (loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Promise to Give

Promise to give consists of an unconditional promise to give from an individual donor. The promise to give was received by the Foundation in January 2025. An allowance for credit losses was not recognized based on management's evaluation of the specific donor.

Assets Held for Sale

Assets donated to the Foundation that are not designated for use in programs are classified as held for sale when management has determined that the items will be sold to support the Foundation's mission. Assets held for sale are reported at the lower of their carrying amount or fair value less costs to sell.

Property and Equipment

The Foundation capitalizes property and equipment over \$2,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are capitalized at their estimated fair value at the date contributed. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those dated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Foundation reclassifies net assets with donor restrictions at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five years for furniture and vehicles to thirty years for buildings.

When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as incurred.

Revenue Recognition

Contributions are generally available for unrestricted use in the related year unless specifically restricted by the donor. Unconditional promises to give are recorded as received. Unconditional promises to give that are due in the following year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give that are due in more than one year are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts. Allowance for uncollectible promises is provided based on management's evaluation of potential uncollectible promises receivable at year end.

**MAGDI YACOUB GLOBAL HEART FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 substantially met. Conditional gifts received prior to the satisfaction of conditions are recorded as refundable deposits.

In-kind Contributions

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Functional Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The Foundation exists to raise funds for Magdi Yacoub's work in Egypt. All efforts in the US are aimed at fundraising. The Foundation splits the salary expenses as such: Executive Director's salaries are allocated at 25% / 50% / 25% to program activities, fundraising activities and management activities. Medical Director's salaries are allocated at 75% / 25% to program activities and fundraising activities. Contract labor expenses are all allocated to fundraising activities. At the end of each year, a re-evaluation of the year progress will be made by a part of the Board of Directors and Executive Committee to make annual adjustment meeting the factual efforts put forth during the preceding year and applying changes to the percentage basis if warranted.

Income Taxes

The Foundation qualifies for exemption from income taxes under provision Section 501(c)(3) of the Internal Revenue Code and exempt from state income taxes. Accordingly, there is no provision for income taxes recorded in the financial statements. As required by the Income Tax Topic of FASB ASC 740, the Foundation recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. The Foundation does not believe its financial statements include any uncertain tax positions.

Advertising Costs

Advertising costs are expensed as incurred.

Subsequent Events

Subsequent events were evaluated through April 1, 2026, which is the date the financial statements were available to be issued.

**MAGDI YACOUB GLOBAL HEART FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 2: LIQUIDITY AND AVAILABILITY

The Foundation's 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 for general expenditures are as follows:

	<u>2025</u>	<u>2024</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 961,283	\$ 466,590
Investments	9,500,326	7,406,281
Promise to give	<u>-</u>	<u>330,000</u>
Total financial assets	<u>10,461,609</u>	<u>8,202,871</u>
Less those unavailable for general expenditures within one year due to:		
Donor restricted funds (by time or purpose)	<u>(2,893,808)</u>	<u>(100,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 7,567,801</u>	<u>\$ 8,102,871</u>

As part of the Foundation's liquidity management, it structures its financial assets as its general expenditures, liabilities, and other obligations come due.

NOTE 3: CASH AND CASH EQUIVALENTS

The Foundation maintains its cash balances at multiple financial institutions. As of December 31, 2025, the Foundation's total bank balance was \$962,699, of which \$712,699 was not covered by FDIC insurance coverage. As of December 31, 2024, the Foundation's total bank balance was \$466,590, of which \$216,590 was not covered by FDIC insurance coverage.

NOTE 4: INVESTMENTS

At December 31, 2025 and 2024, investments consisted of the following:

	<u>2025</u>	<u>2024</u>
Mutual funds	<u>\$ 9,500,326</u>	<u>\$ 7,406,281</u>

Investment return for the years ended December 31, 2025 and 2024, are summarized as follows:

	<u>2025</u>	<u>2024</u>
Interest and dividends	<u>\$ 357,225</u>	<u>\$ 333,008</u>

**MAGDI YACOUB GLOBAL HEART FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 5: FAIR VALUE MEASUREMENT

FASB Accounting Standards Codification 820, Fair Value Measurement, established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
- Level 2 Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the assets or liabilities;
 - Inputs that are derived principally from or corroborated by observable market data correlation or other means.
- If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded.

Assets held for sale: Valued based on independent appraisals performed by qualified professionals. The valuation considers factors such as material quality, craftsmanship, brand and current demand. Unobservable market data is used due to the unique and specialized nature of the items. This results in Level 3 valuation.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods 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 a different fair value measurement at the reporting date.

The following table set forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2025 and 2024:

	<i>Assets at Fair Value as of December 31, 2025</i>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 9,500,326	\$ -	\$ -	\$ 9,500,326
Assets held for sale	<u>-</u>	<u>-</u>	<u>56,050</u>	<u>56,050</u>
Total assets at fair value	<u>\$ 9,500,326</u>	<u>\$ -</u>	<u>\$ 56,050</u>	<u>\$ 9,556,376</u>

**MAGDI YACOUB GLOBAL HEART FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 5: FAIR VALUE MEASUREMENT (CONTINUED)

	<i>Assets at Fair Value as of December 31, 2024</i>			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 7,406,281	\$ -	\$ -	\$ 7,406,281
Assets held for sale	<u>-</u>	<u>-</u>	<u>56,050</u>	<u>56,050</u>
Total assets at fair value	<u>\$ 7,406,281</u>	<u>\$ -</u>	<u>\$ 56,050</u>	<u>\$ 7,462,331</u>

Fair value measurements using significant unobservable inputs (Level 3):

	<u>Jewelry</u>
Beginning balance - January 1, 2025	\$ 56,050
Donations	-
Sales	<u>-</u>
Ending balance - December 31, 2025	<u>\$ 56,050</u>

The significant unobservable inputs used in the fair value measurement of the Foundation's donated jewelry are independent appraisals conducted by certified jewelry experts, material quality, craftsmanship and design, market demand, and condition. Significant increases (decreases) in any of those inputs in isolation would result in a significantly lower (higher) fair value measurement.

NOTE 6: PROPERTY AND EQUIPMENT

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

	<u>2025</u>	<u>2024</u>
Computers and camera	\$ 5,856	\$ 5,856
Less: accumulated depreciation	<u>(2,440)</u>	<u>(2,226)</u>
Total property and equipment	<u>\$ 3,416</u>	<u>\$ 3,630</u>

Depreciation expense for the years ended December 31, 2025 and 2024 totaled \$214 and \$2,225, respectively.

NOTE 7: ASSETS HELD FOR SALE

During the year ended December 31, 2024, the Foundation committed to a plan to sell donated jewelry not designated for program use. The items are available for immediate sale, are being actively marketed, however, the sale is not considered probable within one year.

As of December 31, 2025 and 2024, the carrying amount of assets held for sale was \$56,050.

**MAGDI YACOUB GLOBAL HEART FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 8: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions, which are all subject to use for a specific purpose, consisted of the following at December 31:

	<u>2025</u>	<u>2024</u>
Purchase of equipment	\$ 2,859,308	\$ 100,000
For the Kids	25,000	-
Training	<u>9,500</u>	<u>-</u>
	<u>\$ 2,893,808</u>	<u>\$ 100,000</u>

NOTE 9: IN-KIND CONTRIBUTIONS

The Foundation received the following contribution of non-financial assets for the years ended December 31:

	<u>Valuation Method</u>	<u>2025</u>	<u>2024</u>
Medicines and medical equipment	Fair value based on supplier publications	\$ 5,126,641	\$ 832,346
Jewelry	Fair value based on appraisal valuations	<u>-</u>	<u>61,050</u>
Total contributed non-financial assets		<u>\$ 5,126,641</u>	<u>\$ 893,396</u>

The Foundation received in-kind contributions in the form of medical equipment. The value of these donated medical equipment have been recognized as revenues and expenses in the financial statements at their estimated fair value of the donated medical equipment on the date of the donation. The donated medical equipment was distributed to beneficiary hospitals as part of the Foundation's program activities and was not monetized.

The Foundation received in-kind contributions in the form of jewelry. The value of the donated jewelry has been recognized as revenue and expenses in the financial statements at their estimated fair value of donated jewelry on the date of the donation. The Foundation did not receive in-kind contributions with donor restrictions.

NOTE 10: CONCENTRATIONS

During the year ended December 31, 2025, approximately 75%, of the Foundation's total revenue was provided by two donors.

NOTE 11: RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS

During the year ended December 31, 2025, management determined a certain cash contribution from a donor was incorrectly recorded as an unrestricted contribution during the Foundation's 2024 year end. The 2024 financial statements have been restated to increase net assets with donor restrictions by \$100,000 and decrease net assets without donor restrictions by the same amount. There were no changes to the total change in net assets for 2024 and no change to total ending net assets at December 31, 2024. During 2025, the donor restriction related to these funds was satisfied and the amount was released from restriction.