AMERICAN FRIENDS OF SHEBA MEDICAL CENTER, INC.

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2025 AND 2024

AMERICAN FRIENDS OF SHEBA MEDICAL CENTER, INC.

TABLE OF CONTENTS

DECEMBER 31, 2025 AND 2024

	Page No.
Independent Auditor's Report	1
Consolidated Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Functional Expenses	6
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	9

Independent Auditor's Report

To the Board of Directors
American Friends of Sheba Medical Center, Inc.

We have audited the accompanying consolidated financial statements of American Friends of Sheba Medical Center, Inc. (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of American Friends of Sheba Medical Center, Inc., as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of American Friends of Sheba Medical Center, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about American Friends of Sheba Medical Center, Inc.'s ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

1011 Centre Road • Suite 310 | Wilmington • DE 19805 | Phone: 302.225.0600 | Fax: 302.225.0625

A Professional Service Corporation with Offices in Wilmington, Delaware and West Chester, Pennsylvania
Member of the American Institute of Certified Public Accountants • An Independent Member Firm of Prime Global

To the Board of Directors
American Friends of Sheba Medical Center, Inc.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 American Friends of Sheba Medical Center, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about American Friends of Sheba Medical Center, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Belfint, Lyons & Shuman, P.A.

November 10, 2026
Wilmington, Delaware

AMERICAN FRIENDS OF SHEBA MEDICAL CENTER, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 742,110	$ 4,198,619
Investments	2,842,055	2,107,978
Pledge Receivables	3,206,695	8,065,786
Prepaid Expenses and Deposits	129,585	72,856
TOTAL CURRENT ASSETS	6,920,445	14,445,239
NONCURRENT ASSETS		
Pledge Receivables, Long-Term Portion	4,947,956	6,487,983
Right-of-Use Asset - Operating Lease	19,977	49,448
Right-of-Use Asset - Initial Operating Lease Cost, LSC	-	1,000,000
TOTAL NONCURRENT ASSETS	4,967,933	7,537,431
FIXED ASSETS, NET	8,830	12,937
TOTAL ASSETS	$ 11,897,208	$ 21,995,607
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	$ 191,547	$ 298,934
Grants Payable	337,829	4,343,256
Current Maturities of Operating Lease Liabilities	21,208	30,681
TOTAL CURRENT LIABILITIES	550,584	4,672,871
NONCURRENT LIABILITIES		
Operating Lease Liabilities, Net of Current Maturities	-	21,208
TOTAL LIABILITIES	550,584	4,694,079
NET ASSETS		
Without Donor Restrictions		
Undesignated	1,923,750	856,884
Investment in Property and Equipment	8,830	12,937
Total Without Donor Restrictions	1,932,580	869,821
With Donor Restrictions		
Purpose Restrictions	9,414,044	16,431,707
TOTAL NET ASSETS	11,346,624	17,301,528
TOTAL LIABILITIES AND NET ASSETS	$ 11,897,208	$ 21,995,607

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

AMERICAN FRIENDS OF SHEBA MEDICAL CENTER, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND PUBLIC SUPPORT			
Contributions	$ 2,406,815	$ 4,793,800	$ 7,200,615
Special Events	128,005	-	128,005
Program Revenue	125,000	-	125,000
Interest Income	128,689	-	128,689
Gains on Investments	112,448	-	112,448
Government Grant - Employee Retention Tax Credit	187,251	-	187,251
Net Assets Released from Restrictions			
Satisfaction of Purpose	8,112,603	(8,112,603)	-
TOTAL REVENUE AND PUBLIC SUPPORT	11,200,811	(3,318,803)	7,882,008
EXPENSES			
Program Services	6,476,982	-	6,476,982
General and Administrative	1,108,114	-	1,108,114
Fundraising	1,392,327	-	1,392,327
Cost of Direct Special Events Expense	160,629	-	160,629
TOTAL EXPENSES	9,138,052	-	9,138,052
CHANGE IN NET ASSETS FROM OPERATIONS	2,062,759	(3,318,803)	(1,256,044)
OTHER GAINS AND (LOSSES)			
Loss from Write-off of Donor-Restricted Pledges Receivable	-	(3,698,860)	(3,698,860)
Reduction of Right-of-Use Asset - LSC	(1,000,000)	-	(1,000,000)
TOTAL OTHER GAINS AND (LOSSES)	(1,000,000)	(3,698,860)	(4,698,860)
CHANGE IN NET ASSETS	1,062,759	(7,017,663)	(5,954,904)
NET ASSETS - Beginning of Year	869,821	16,431,707	17,301,528
NET ASSETS - End of Year	$ 1,932,580	$ 9,414,044	$ 11,346,624

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

AMERICAN FRIENDS OF SHEBA MEDICAL CENTER, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND PUBLIC SUPPORT			
Contributions	$ 4,643,763	$ 17,218,288	$ 21,862,051
Special Events	-	1,989,291	1,989,291
Program Revenue	250,060	-	250,060
Interest Income	13,058	-	13,058
Gains on Investments	74,143	-	74,143
Net Assets Released from Restrictions Satisfaction of Purpose	19,483,916	(19,483,916)	-
TOTAL REVENUE AND PUBLIC SUPPORT	24,464,940	(276,337)	24,188,603
EXPENSES			
Program Services	21,533,320	-	21,533,320
General and Administrative	1,357,374	-	1,357,374
Fundraising	1,514,761	-	1,514,761
Cost of Direct Special Events Expense	976,144	-	976,144
TOTAL EXPENSES	25,381,599	-	25,381,599
CHANGE IN NET ASSETS FROM OPERATIONS	(916,659)	(276,337)	(1,192,996)
OTHER GAINS AND (LOSSES)			
Loss from Write-off of Donor-Restricted Pledges Receivable	-	(1,620,364)	(1,620,364)
CHANGE IN NET ASSETS	(916,659)	(1,896,701)	(2,813,360)
NET ASSETS - Beginning of Year	1,786,480	18,328,408	20,114,888
NET ASSETS - End of Year	$ 869,821	$ 16,431,707	$ 17,301,528

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

AMERICAN FRIENDS OF SHEBA MEDICAL CENTER, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025

	Program Services	Supporting Services: General and Administrative	Supporting Services: Fundraising	Supporting Services: Direct Special Events	Total
EXPENSES					
Salaries	$ 375,835	$ 283,919	$ 668,570	$ -	$ 1,328,324
Payroll Taxes	26,704	20,173	47,505	-	94,382
Benefits	32,730	24,726	58,224	-	115,680
Total Personnel Costs	435,269	328,818	774,299	-	1,538,386
Grants	5,912,882	-	-	-	5,912,882
Direct Special Events Expense	-	-	-	160,629	160,629
Occupancy	8,542	6,454	15,196	-	30,192
Professional Services	14,383	639,250	272,088	-	925,721
Office Expenses	6,179	6,093	10,994	-	23,266
Information Technology	38,958	29,469	69,392	-	137,819
Bank Charges	-	-	42,368	-	42,368
Travel	28,745	28,850	49,875	-	107,470
Contract Services	3,537	2,672	6,291	-	12,500
Insurance	-	40,666	-	-	40,666
Marketing	28,487	21,735	151,824	-	202,046
Depreciation	-	4,107	-	-	4,107
TOTAL EXPENSES	$ 6,476,982	$ 1,108,114	$ 1,392,327	$ 160,629	$ 9,138,052

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

AMERICAN FRIENDS OF SHEBA MEDICAL CENTER, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services	Supporting Services: General and Administrative	Supporting Services: Fundraising	Supporting Services: Direct Special Events	Total
EXPENSES					
Salaries	$ 742,759	$ 406,749	$ 618,966	$ -	$ 1,768,474
Payroll Taxes	48,092	26,336	40,077	-	114,505
Benefits	64,859	35,519	54,049	-	154,427
Total Personnel Costs	855,710	468,604	713,092	-	2,037,406
Grants	20,173,556	-	-	-	20,173,556
Direct Special Events Expense	-	-	-	976,144	976,144
Occupancy	13,026	7,134	10,855	-	31,015
Professional Services	-	743,955	373,263	-	1,117,218
Office Expenses	42,467	18,300	29,646	-	90,413
Information Technology	31,345	23,606	42,153	-	97,104
Bank Charges	-	302	47,694	-	47,996
Travel	3,558	3,606	150,988	-	158,152
Insurance	19,809	10,848	16,508	-	47,165
Marketing	393,849	76,701	130,562	-	601,112
Depreciation	-	4,318	-	-	4,318
TOTAL EXPENSES	$ 21,533,320	$ 1,357,374	$ 1,514,761	$ 976,144	$ 25,381,599

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

AMERICAN FRIENDS OF SHEBA MEDICAL CENTER, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	$ (5,954,904)	$ (2,813,360)
Adjustments to Reconcile Changes in Net Assets to Net Cash from Operating Activities		
Depreciation	4,107	4,318
Increase (Decrease) in Discount on Pledges Receivable	(293,306)	(283,995)
Pledge Receivable Write-Offs	3,698,860	1,620,364
Unrealized Gains on Investments	(112,448)	(74,143)
Reduction of Right-of-Use Asset - LSC	1,000,000	-
Changes in Assets and Liabilities		
Pledges Receivable	2,993,564	1,681,243
Prepaid Expenses and Deposits	(56,729)	(45,700)
Right-of-Use Asset - Operating Leases	29,471	28,903
Accounts Payable and Accrued Expenses	(107,387)	(281,391)
Grants Payable	(4,005,427)	4,197,830
Operating Lease Liabilities	(30,681)	(29,162)
Deferred Revenue	-	(119,901)
NET CASH FROM OPERATING ACTIVITIES	(2,834,880)	3,885,006
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Purchases of Investments	(621,629)	(1,983,439)
Purchases of Fixed Assets	-	(3,605)
NET CASH USED BY INVESTING ACTIVITIES	(621,629)	(1,987,044)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(3,456,509)	1,897,962
CASH AND CASH EQUIVALENTS - Beginning of Year	4,198,619	2,300,657
CASH AND CASH EQUIVALENTS - End of Year	$ 742,110	$ 4,198,619

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

AMERICAN FRIENDS OF SHEBA MEDICAL CENTER, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1: NATURE OF ACTIVITIES

American Friends of Sheba Medical Center, Inc. ("AFSMC") is a national nonprofit organization dedicated to raising awareness and philanthropic support for Sheba Medical Center, the largest hospital in Israel. Sheba Medical Center provides clinical care, conducts medical research, and supports medical education and training. In December 2020, American Friends of Sheba Medical Center - Tel Hashomer, Inc., a Delaware nonprofit corporation, merged into Friends of Sheba Medical Center, Inc., a California nonprofit corporation, which then changed its name to American Friends of Sheba Medical Center, Inc.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation **-** The consolidated financial statements include the accounts of American Friends of Sheba Medical Center, Inc. and its wholly owned limited liability company, Liberty Science ARC HealthSpace 2030, LLC (LAH 2030) (collectively, AFSMC). All significant intercompany balances and transactions have been eliminated in consolidation. LAH 2030 was formed in July 2022 as a Delaware limited liability company organized exclusively for charitable and educational purposes in furtherance of AFSMC's exempt mission.

Basis of Accounting - The consolidated financial statements of AFSMC have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

Consolidated Financial Statement Presentation - The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. These standards require that AFSMC report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Cash and Cash Equivalents - For the purposes of the consolidated financial statements, with the exception of cash equivalents held in the investment portfolio which are included with investments in the consolidated statements of financial position, AFSMC considers all highly liquid debt instruments purchased with a maturity date of three months or less to be cash equivalents.

Revenue Recognition for Contributions and Grants **-** In accordance with accounting principles generally accepted in the United States of America, contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor limitations on the use of the support. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

AFSMC 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. There were no conditional promises to give as of December 31, 2025. As of December 31, 2024, pledged support of $1,000,000 has not been recognized in the accompanying consolidated statements of activities because the condition on which it depends has not yet been met.

Revenue Recognition for Contracts with Customers - In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606, *Revenue Recognition*, AFSMC recognizes revenue resulting from contracts with customers when it satisfies its performance obligations by transferring control over a product or service to a customer. The following is a description of principal exchange transactions from which AFSMC generates revenue:

Mission Trips - AFSMC conducts humanitarian mission trips to Israel. Participants register for these missions by paying registration fees. In return, AFSMC provides travel and coordination of mission-related programming. The performance obligations consist of delivering the mission trip services. The proceeds from registration are recognized as revenue at a point in time when the trip occurs. Amounts received in advance are recorded as deferred revenue when received and recognized as revenue when the trip takes place.

Membership Fees - LAH 2030 enters into membership agreements with healthcare institutions and corporate partners. Members pay membership fees to obtain access to certain benefits, including opportunities for collaboration through LAH 2030's programs. The performance obligations consist of LAH 2030 providing membership services that are consumed by members ratably, over time, throughout the membership period. Amounts received in advance of the membership period are recorded as deferred revenue and recognized as revenue as the performance obligations are satisfied.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Pledges Receivable - Unconditional promises to give are recognized as revenues or gains in the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded 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 contributions revenue in the consolidated statements of activities. The discount rates used on long-term receivables ranged from 2.11% to 4.82% and 1.31% to 4.82% as of December 31, 2025 and 2024, respectively. AFSMC determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. There was no allowance for uncollectible promises to give as of December 31, 2025 and 2024.

Donated Services and Nonfinancial Assets - AFSMC recognizes, as support only, those donated services which create or enhance nonfinancial assets, or which require specialized skills which AFSMC would otherwise have paid for. Donated materials are recognized as contributions at their fair values at the date of donation. No amounts have been reflected in the consolidated financial statements for donated services or materials as of December 31, 2025 and 2024. AFSMC does not sell donations of nonfinancial assets when received.

Functional Allocation of Expenses - The costs of providing programs and supporting services have been summarized on a functional basis in the consolidated statements of activities and in the consolidated statements of functional expenses. Accordingly, salaries, occupancy, office expenses, travel, and information technology have been allocated between programs and supporting services based upon time and effort.

Property and Equipment - Property and equipment are recorded at historical cost and are being depreciated using the straight-line method over the estimated useful life of the assets. The following lives have been issued:

Computer and Equipment	5 Years
Furniture	5 Years

Expenditures for maintenance, repairs, and renewals of minor items are charged to expense as incurred. Major renewals and improvements are capitalized. Upon disposition, the cost and related accumulated depreciation are removed from the accounts, and the resulting gain or loss is reflected in operations for the period.

Grants - Grants to Sheba Medical Center and other beneficiaries are made pursuant to authorization of AFSMC's Board of Directors.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fair Value - AFSMC follows the provisions of FASB ASC 820, *Fair Value Measurements and Disclosure*. Under FASB ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. FASB ASC 820 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

> *Level 1* - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that AFSMC has the ability to access. Since valuations are based on quoted market prices that are readily and regularly available in an active market, they do not entail a significant degree of judgment.
>
> *Level 2* - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
>
> *Level 3* - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Advertising - Advertising costs are charged to operations when incurred and are included in the consolidated statements of functional expenses. Advertising expense was $11,600 and $73,200, for the years ended December 31, 2025 and 2024, respectively.

Tax Status - American Friends of Sheba Medical Center, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is exempt from California franchise taxes under Section 23701(d) of the State Revenue and Taxation Code. LAH 2030 is classified for federal tax purposes as a business entity that has a single owner and is thus disregarded as an entity separate from its owner. Accordingly, no provision for income taxes has been recorded.

AFSMC files Internal Revenue Service Form 990 and required state forms. Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. AFSMC recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management of AFSMC does not believe the consolidated financial statements include any uncertain tax positions.

Subsequent Events - Management has evaluated subsequent events through the date of the independent auditor's report, which is the date the consolidated financial statements were available to be issued.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

NOTE 3: LIQUIDITY AND AVAILABILITY

The following reflects AFSMC's financial assets as of the date of the consolidated statements of financial position, reduced by amounts not available for general use because of contractual, board-designated, or donor-imposed restrictions within one year of the consolidated statements of financial position date:

	2025	2024
Financial Assets as of December 31		
Cash and Cash Equivalents	$ 742,110	$ 4,198,619
Investments	2,842,055	2,107,978
Pledge Receivable, Net	8,154,651	14,553,769
Total Financial Assets as of December 31	11,738,816	20,860,366
Less: Amounts Not Available for General Expenditures Within One Year		
Net Assets with Donor Restrictions	(9,414,044)	(16,431,707)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 2,324,772	$ 4,428,659

As part of a liquidity management plan, AFSMC invests cash in excess of daily requirements in short-term investments, CDs, and money market funds.

NOTE 4: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of December 31:

	2025	2024
Sheba Medical Center Projects	$ 7,832,044	$ 12,766,707
Liberty Science Center	1,582,000	3,665,000
Total Donor-Restricted Net Assets	$ 9,414,044	$ 16,431,707

NOTE 5: PLEDGES RECEIVABLE

Promises to give are included in the consolidated financial statements as pledges receivable. Pledges receivable are deemed to be fully collectible. Accordingly, no allowance was established as of December 31:

	2025	2024
Receivable in:		
Less than One Year	$ 3,206,695	$ 8,065,786
One Year to Five Years	3,266,667	4,600,000
Greater than Five Years	2,200,000	2,700,000
	8,673,362	15,365,786
Less: Discount on Pledges	(518,711)	(812,017)
Net Pledges Receivable	$ 8,154,651	$ 14,553,769

NOTE 6: FIXED ASSETS

Fixed assets consist of the following at December 31:

	2025	2024
Furniture and Fixtures	$ 17,833	$ 17,833
Other Depreciable Property	33,285	33,285
Total Fixed Assets	51,118	51,118
Less: Accumulated Depreciation	(42,288)	(38,181)
Net Fixed Assets	$ 8,830	$ 12,937

NOTE 7: INVESTMENTS

Investments are as follows as of December 31:

	2025			
	Fair Value	Level 1	Level 2	Level 3
Investments				
Cash Funds	$ 196,837	$ 196,837	$ -	$ -
Fixed Income Mutual Funds	2,618,538	2,618,538	-	-
Israel Bonds	26,680	-	26,680	-
Total Investments	$ 2,842,055	$ 2,815,375	$ 26,680	$ -

NOTE 7: INVESTMENTS - CONTINUED

	2024			
	Fair Value	Level 1	Level 2	Level 3
Investments				
Cash Funds	$ 11,424	$ 11,424	$ -	$ -
Fixed Income Mutual Funds	635,372	635,372	-	-
U.S. Treasury Bills	1,439,202	1,439,202	-	-
Israel Bonds	21,980	-	21,980	-
Total Investments	$ 2,107,978	$ 2,085,998	$ 21,980	$ -

NOTE 8: LEASE AGREEMENTS AS LESSEE

AFSMC rents office space under a lease agreement that is classified as an operating lease. As of December 31, 2025, the lease was set to expire in August 2026. The lease was subsequently extended through August 2029.

AFSMC has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for the leases. Lease payments for short-term leases are recognized on a straight-line basis.

AFSMC elected the practical expedient to not separate lease and non-lease components.

As of December 31, 2025, future minimum lease payments under noncancelable leases are as follows:

	Operating Leases
2026	$ 21,359
Total Future Minimum Lease Payments	21,359
Less: Amount Representing Imputed Interest	(151)
Present Value of Future Minimum Lease Payments	21,208
Less: Current Maturities	(21,208)
Lease Obligations - Net of Current Maturities	$ -

NOTE 8: LEASE AGREEMENTS AS LESSEE - CONTINUED

The following are required lease disclosures as of and for the years ended December 31:

	2025	2024
Cash Paid for Amounts in the Measurement of Lease Liabilities Operating Cash Flows for Operating Leases	$ 31,403	$ 30,451
Operating Lease Cost	$ 30,192	$ 30,192
Weighted-Average Remaining Lease Term - Operating Leases	0.67 Years	1.67 Years
Weighted-Average Discount Rate - Operating Leases	1.90%	1.90%

The weighted-average discount rate is based on the discount rate implicit in the lease. If the implicit rate is not readily determinable from the lease, AFSMC estimates an applicable incremental borrowing rate based on information available at the commencement date of the lease agreement.

On July 13, 2022, AFSMC entered into an occupancy agreement to occupy the 8th floor of a business incubation hub in the City of Jersey City, New Jersey. The occupancy agreement was classified as an operating lease under U.S. generally accepted accounting principles. Under the terms of the agreement, AFSMC was to provide up to $5 million in payments toward the construction of the space to be occupied in exchange for the right to occupy the space for an initial term of eight years. The term was to commence upon substantial completion and issuance of a certificate of occupancy. Cumulative payments under the occupancy agreement totaled $1,000,000 at both December 31, 2025 and 2024. These payments constituted initial direct lease costs. AFSMC recognized a $1,000,000 right-of-use asset as of December 31, 2024. The right-of-use asset was to be amortized on a straight-line basis over the initial eight-year term upon commencement of the lease.

As of December 2025, AFSMC was pursuing assignment of the agreement to another organization as part of winding down AFSMC's direct involvement in the project. Based on these events, AFSMC determined that the carrying amount of the right-of-use asset was not recoverable. The fair value measurement was a nonrecurring Level 3 measurement based on management's assessment of the asset's recoverable value using significant unobservable inputs, including the planned assignment and wind-down of the project. AFSMC recognized an impairment loss of $1,000,000 for the year ended December 31, 2025, included as Reduction of Right-of-Use Asset in the consolidated statement of activities. In 2026, LAH 2030, LLC entered into an assignment and assumption agreement transferring all of its rights and obligations under the occupancy agreement to the Sheba Fund for Health Services and Research, effective February 15, 2026. Following the effective date, LAH 2030 has no further obligations under the occupancy agreement. In connection with the wind-down, AFSMC returned $500,000 of contributions restricted for the project to a donor in 2026.

NOTE 9: CASH IN BANK - CONCENTRATION OF CREDIT RISK

AFSMC maintains cash at a financial institution where balances may at times exceed federally insured limits. AFSMC has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

NOTE 10: RETIREMENT PLAN

AFSMC maintains a 401(k) plan for the benefit of all eligible employees. The plan provides for employer contributions equal to 4% of the eligible employees' salary, with no employee contribution required. For the years ended December 31, 2025 and 2024, total retirement plan expense was $35,466 and $57,766, respectively.

NOTE 11: REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table disaggregates AFSMC's revenue based on the timing of satisfaction of performance obligations for the years ended December 31:

	Topic 606 Revenue 2025		
	At a Point in Time	Over Time	Total
Program Revenue	$ -	$ 125,000	$ 125,000
Exchange Portion of Event Income	14,550	-	14,550
	$ 14,550	$ 125,000	$ 139,550

	Topic 606 Revenue 2024		
	At a Point in Time	Over Time	Total
Program Revenue	$ 125,060	$ 125,000	$ 250,060
Exchange Portion of Event Income	650,018	-	650,018
	$ 775,078	$ 125,000	$ 900,078

NOTE 12: RECLASSIFICATIONS

AFSMC reclassified the presentation of its 2024 financial statements to present write-offs associated with donor-restricted pledges receivable as losses instead of expenses, as allowed by generally accepted accounting principles. This reclassification had no impact on previously reported change in net assets or total net assets.