

MINNEAPOLIS HEART INSTITUTE FOUNDATION

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2025 AND 2024



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**MINNEAPOLIS HEART INSTITUTE FOUNDATION
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Minneapolis Heart Institute Foundation
Minneapolis, Minnesota

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Minneapolis Heart Institute Foundation, which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Minneapolis Heart Institute Foundation, as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Minneapolis Heart Institute Foundation 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 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 Minneapolis Heart Institute Foundation's ability to continue as a going concern within one year after the date that 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 Minneapolis Heart Institute 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 Minneapolis Heart Institute 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of operations is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Minneapolis, Minnesota
April 22, 2026

MINNEAPOLIS HEART INSTITUTE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and Cash Equivalents	\$ 16,007,430	\$ 11,727,537
Investment Settlement Pending	3,344,625	-
Investments (Note 3)	44,504,923	42,718,310
Contributions Receivable	80,347	109,404
Pledges Receivable, Net (Notes 5 and 7)	7,062,217	6,589,930
Other Receivables, Net of Allowance of \$220,000 in 2025 and \$-0- in 2024	3,942,798	3,036,917
Other Assets	507,305	634,701
Right-of-Use Asset, Net (Note 15)	6,542,749	7,268,768
Property and Equipment, Net (Note 6)	<u>2,095,122</u>	<u>2,371,612</u>
Total Assets	<u><u>\$ 84,087,516</u></u>	<u><u>\$ 74,457,179</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 183,315	\$ 585,382
Accrued Payroll Costs	1,552,236	1,357,884
Accrued Pension	462,306	641,882
Amounts Due for Research Study Costs	1,031,261	358,213
Deferred Revenues (Note 2)	252,424	90,760
Lease Liability (Note 15)	<u>7,366,516</u>	<u>7,574,837</u>
Total Liabilities	10,848,058	10,608,958
NET ASSETS		
Without Donor Restrictions (Note 8)	15,895,634	13,587,954
With Donor Restrictions (Note 9):		
General Support - Restricted for Time	265,285	135,899
Restricted Endowment Income	13,207,708	9,887,598
Research and Education Projects	25,489,725	21,905,468
Perpetual in Nature	<u>18,381,106</u>	<u>18,331,302</u>
Total With Donor Restrictions	<u>57,343,824</u>	<u>50,260,267</u>
Total Net Assets	<u>73,239,458</u>	<u>63,848,221</u>
Total Liabilities and Net Assets	<u><u>\$ 84,087,516</u></u>	<u><u>\$ 74,457,179</u></u>

See accompanying Notes to Financial Statements.

MINNEAPOLIS HEART INSTITUTE FOUNDATION
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES						
Contributions	\$ 3,933,981	\$ 8,545,574	\$ 12,479,555	\$ 5,158,419	\$ 9,602,154	\$ 14,760,573
Special Events, Net of Expenses of \$885,252 in 2025 and \$1,002,088 in 2024, Including \$221,502 of Nonfinancial Contributions in 2025 and \$173,620 in 2024	1,156,200	-	1,156,200	103,310	-	103,310
Grants	651,951	154,142	806,093	448,190	386,050	834,240
Research Study Revenues	6,586,853	-	6,586,853	5,423,076	-	5,423,076
Income from Services	2,590,205	-	2,590,205	1,165,212	-	1,165,212
Investment Gain (Note 3)	2,023,822	4,357,866	6,381,688	1,526,504	3,075,824	4,602,328
Net Assets Released from Restrictions (Note 9)	5,974,025	(5,974,025)	-	6,443,234	(6,443,234)	-
Total Support and Revenues	22,917,037	7,083,557	30,000,594	20,267,945	6,620,794	26,888,739
EXPENSES						
Program Services:						
Education	459,271	-	459,271	676,642	-	676,642
Research	13,339,520	-	13,339,520	12,388,264	-	12,388,264
Total Program Services	13,798,791	-	13,798,791	13,064,906	-	13,064,906
Fundraising	2,279,285	-	2,279,285	2,455,397	-	2,455,397
General and Administrative	4,531,281	-	4,531,281	3,855,266	-	3,855,266
Total Supporting Services	6,810,566	-	6,810,566	6,310,663	-	6,310,663
Total Expenses	20,609,357	-	20,609,357	19,375,569	-	19,375,569
CHANGE IN NET ASSETS	2,307,680	7,083,557	9,391,237	892,376	6,620,794	7,513,170
Net Assets - Beginning of Year	13,587,954	50,260,267	63,848,221	12,695,578	43,639,473	56,335,051
NET ASSETS - END OF YEAR	<u>\$ 15,895,634</u>	<u>\$ 57,343,824</u>	<u>\$ 73,239,458</u>	<u>\$ 13,587,954</u>	<u>\$ 50,260,267</u>	<u>\$ 63,848,221</u>

See accompanying Notes to Financial Statements.

MINNEAPOLIS HEART INSTITUTE FOUNDATION
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025				2024			
	Program Services	Fundraising	General and Administrative	Total	Program Services	Fundraising	General and Administrative	Total
Salaries and Wages	\$ 7,484,181	\$ 1,247,605	\$ 2,114,428	\$ 10,846,214	\$ 6,528,018	\$ 1,380,573	\$ 1,960,656	\$ 9,869,247
Payroll Taxes and Employee Benefits	1,762,339	256,534	491,957	2,510,830	1,440,776	299,269	423,348	2,163,393
Outside Services	2,391,897	48,271	1,058,791	3,498,959	3,251,943	73,231	878,666	4,203,840
Community Relations	1,006	301,722	42,499	345,227	3,513	269,062	28,298	300,873
Rent	763,586	85,555	121,859	971,000	762,973	104,712	147,414	1,015,099
Direct Special Event Expenses	-	885,252	-	885,252	-	1,002,088	-	1,002,088
Equipment Maintenance	22,085	2,045	2,557	26,687	18,862	2,226	2,396	23,484
Legal and Accounting	48,866	316	101,404	150,586	43,057	7,535	104,975	155,567
Insurance	92,630	-	59,930	152,560	95,287	-	58,452	153,739
Printing and Publication	39,250	84,083	3,252	126,585	13,066	92,034	545	105,645
Travel	538,146	124,708	133,307	796,161	365,975	93,073	116,359	575,407
Telephone	28,519	4,034	823	33,376	25,842	3,533	808	30,183
Office and Supplies	114,021	35,378	16,047	165,446	107,912	25,086	8,837	141,835
Employee Dues and Memberships	31,892	-	24,244	56,136	13,542	3,147	26,010	42,699
Employee Seminar Fees	61,477	798	2,734	65,009	30,416	2,779	1,599	34,794
Depreciation	328,683	25,674	33,578	387,935	262,043	31,990	34,937	328,970
Provision for Credit Losses	-	-	244,010	244,010	-	-	-	-
Miscellaneous	90,213	62,562	79,861	232,636	101,681	67,147	61,966	230,794
Subtotal	13,798,791	3,164,537	4,531,281	21,494,609	13,064,906	3,457,485	3,855,266	20,377,657
Direct Special Event Expenses	-	(885,252)	-	(885,252)	-	(1,002,088)	-	(1,002,088)
Total Functional Expenses	\$ 13,798,791	\$ 2,279,285	\$ 4,531,281	\$ 20,609,357	\$ 13,064,906	\$ 2,455,397	\$ 3,855,266	\$ 19,375,569

See accompanying Notes to Financial Statements.

MINNEAPOLIS HEART INSTITUTE FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 9,391,237	\$ 7,513,170
Adjustments to Reconcile Changes in Net Assets to Net Cash		
Provided by Operating Activities:		
Contributions Perpetual in Nature	(49,804)	(185,717)
Net Realized and Unrealized Gain on Investments	(5,166,985)	(3,490,409)
Depreciation	387,935	328,970
Credit Loss Expense	244,010	-
(Increase) Decrease in Assets:		
Contributions Receivable	29,057	421,919
Pledges Receivable	(472,287)	1,163,347
Investment Settlement Pending	(3,344,625)	-
Other Receivables	(1,149,891)	(805,279)
Other Assets	127,396	(125,371)
Right-of-Use Asset	726,019	706,961
Increase (Decrease) in Liabilities:		
Accounts Payable	(402,067)	(30,480)
Accrued Payroll Costs	194,352	412,172
Accrued Pension	(179,576)	88,336
Accrued Research Study Costs	673,048	258,904
Lease Liability	(208,321)	(519,519)
Deferred Revenues	161,664	3,099
Net Cash Provided by Operating Activities	961,162	5,740,103
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Furniture and Equipment	(111,445)	(915,114)
Purchase of Investments	(43,395,426)	(1,889,430)
Proceeds from Sale of Investments	46,775,798	3,206,113
Net Cash Provided by Investing Activities	3,268,927	401,569
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions Perpetual in Nature	49,804	185,717
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,279,893	6,327,389
Cash and Cash Equivalents - Beginning of Year	11,727,537	5,400,148
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 16,007,430</u>	<u>\$ 11,727,537</u>

See accompanying Notes to Financial Statements.

MINNEAPOLIS HEART INSTITUTE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 1 ORGANIZATION

The Minneapolis Heart Institute Foundation (the Foundation) is a nonprofit corporation organized under the laws of the state of Minnesota. The Foundation seeks to improve cardiovascular health through education and clinical research. The principal focus of the Foundation's work is in the following areas:

- Developing new clinical knowledge about prevention, diagnosis, and treatment of cardiovascular diseases;
- Translating new knowledge and technology into effective practice in health care systems;
- Educating health professionals about advances in managing cardiovascular health; and
- Educating individuals, families, and communities about promoting cardiovascular health and preventing cardiovascular disease.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Foundation conform to accounting principles generally accepted in the United States of America (U.S. GAAP). The following is a summary of the more significant accounting policies:

Basis of Presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting.

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – This classification contains net assets that are not subject to donor stipulations and are available for support of the operations of the Foundation. As reflected in the statements of financial position, the Foundation's board has designated net assets for research, operating reserves, and other purposes.

MINNEAPOLIS HEART INSTITUTE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Net Assets With Donor Restrictions – This category includes net assets subject to donor stipulations that may or will be met either by actions of the Foundation and/or the passage of time as well as donor restrictions that are perpetual in nature. The net assets with perpetual donor restrictions include the Founders, T. Peterson, Education, Gobel/Van Tassel, Nicoloff, Kiser, Giel, Ireland, Patient Safety and Advocacy, Van Tassel Innovation Center, Novogratz Family Heart Rhythm Center, and Founders Endowment Fund for the Van Tassel Innovation Center (Barry) endowments. The earnings from the Founders, T. Peterson, and Ireland endowments have no donor restrictions and are available for research or education programs. The earnings from the Education endowment are restricted to education programs. The earnings from the Gobel/Van Tassel endowment are restricted to cardiology research. The earnings from the Nicoloff endowment are restricted to cardiac surgery research. The earnings from the Kiser endowment are restricted to collaborative projects with Children's Heart Link, a Minnesota nonprofit organization. The Giel endowment earnings support research chairs and physician research. The Patient Safety and Advocacy endowment earnings support patient safety and advocacy programs. The Novogratz Family Heart Rhythm Center earnings are restricted for heart rhythm research, education, and leadership. The Van Tassel Innovation Center and the Founders Endowment Fund for the Van Tassel Innovation Center (Barry) provide support for physician-initiated research to design and lead innovative research across a continuum of cardiovascular care — from prevention to diagnosis and treatment.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Foundation considers all highly liquid securities purchased with an original maturity of three months or less to be cash equivalents.

Investments

The Foundation's investments include mutual funds, index funds, limited partnership investments, and a multi-strategy fund of funds. Investments in mutual funds and index funds are reported at fair value based on quoted market prices at year-end. The investments in the limited partnerships are reported at fair value, using net asset value as a practical expedient, as determined by the partnership's general partner. Using net asset value as a practical expedient, the multi-strategy fund of funds is recorded as estimated fair value of the underlying assets. The estimated fair value as determined by the general partners or the fund manager may differ from the value that would have been used had ready markets for the investment existed and the differences could be significantly higher or lower for any specific holding.

Receivables and payables with settlements pending arise out of the ordinary course of purchases and sales within the Foundation's investment portfolio. These items are short-term in nature and are settled the next year.

MINNEAPOLIS HEART INSTITUTE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Grants

Contributions and grants, which include unconditional promises to give, are recognized as revenues in the period received. All contributions and grants are available for use unless specifically restricted by the donor.

Contributed materials, fixed assets, or investments are recorded at fair value when received.

Contributions and grants with donor restrictions that are met in the same year as they are received are reported as revenues without donor restrictions. Contributions and grants with donor restrictions that are not met in the same year as they are received are reported as revenues with donor restrictions and are reclassified to net assets without donor restrictions when the donor condition is met.

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. The Foundation received contributions and grants of \$164,583 and \$2,158 for which conditions have not yet been met which are included in deferred revenues on the statements of financial position as of December 31, 2025 and 2024, respectively.

A portion of the Foundation's revenue is derived from cost reimbursable federal contracts, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Foundation has incurred expenditures in compliance with specific contract or grant provisions.

Contributions receivable are current contributions anticipated to be collected within the following year. Pledges receivable are multi-year contributions that are expected to be received over several years and all pledges receivable to be received after one year are discounted using a rate ranging from 3.38% to 4.38%. Amortization of discounts is included in contribution revenue. An allowance for uncollectible pledges and contributions receivable is provided based upon management's estimate of unconditional promises to give which will ultimately not be collected. The change in this allowance is presented as contribution (loss) gain in the statements of activities.

Other Receivables

Other receivables include amounts earned under research agreements prior to year-end that have been invoiced to the sponsor and remained outstanding at year-end. The Foundation uses the allowance method to determine uncollectible accounts receivable. The Foundation uses a combination of historical loss experience, current economic conditions and forward-looking information to estimate credit losses for financial assets.

Other receivables for the years ended December 31 consists of the following:

	2025	2024	2023
Other Receivables	\$ 4,162,798	\$ 3,036,917	\$ 2,235,068
Allowance	(220,000)	-	-
Other Receivables, Net	<u>\$ 3,942,798</u>	<u>\$ 3,036,917</u>	<u>\$ 2,235,068</u>

MINNEAPOLIS HEART INSTITUTE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

All expenditures over \$2,500 for property and equipment are capitalized at cost and recorded at cost, less accumulated depreciation. Depreciation is provided using the straight-line method. Estimated useful lives of property and equipment range from 2 to 10 years.

Trademark License Revenue

The Foundation entered into an agreement with a related party, which grants the related party the right to use certain licensed trademarks in connection with the provision of health care service related to the prevention, diagnosis and treatment of cardiovascular disease provided at its hospital-based clinics, and facilities and outreach clinics primarily staffed in cardiology by the MHI Physicians.

The term of the trademark license agreement is 12 years commencing on January 8, 2018. The Foundation will receive an annual royalty of \$25,000 per year each January for the term of this agreement. Revenue is recognized upon receipt. Accordingly, no receivable has been recognized by the Foundation for amounts due under the trademark license agreement through the conclusion of its term.

Charitable Donation Agreement

The Foundation entered into a conditional agreement with Allina Health System, where Allina will pay to the Foundation a voluntary nonreciprocal charitable contribution in the amount of \$23,700,000 in equal consecutive monthly installments of \$164,583 with the first monthly installment in January 2018, and the final installment to be paid in December 2029.

Revenue is recognized as earned according to the agreement. The amounts have been recognized in the statements of activities as contribution revenue in the amount of \$1,975,000 for the years ended December 31, 2025 and 2024. As of December 31, 2025, the Foundation has received \$15,800,000 of the total \$23,700,000 commitment, with \$7,900,000 remaining to be collected under the agreement.

Research Study Revenues

The Foundation conducts research activities and programs under various agreements. Amounts received are recognized as earned and are reported as revenue when the work has been performed. Amounts received but not yet earned are reported as deferred revenues in the statements of financial position. The Foundation received research study revenue of \$74,265 and \$42,596 in advance of work being performed which has been included in deferred revenues as of December 31, 2025 and 2024, respectively.

Income from Services

Income from services includes amounts from various programs related to education and research. Amounts received are recognized as earned and are reported as revenue when the work has been performed. Amounts received but not yet earned are reported as deferred revenues on the statements of financial position. The Foundation received income from services of \$13,576 and \$46,006 in advance of work being performed which has been included in deferred revenues as of December 31, 2025 and 2024, respectively.

MINNEAPOLIS HEART INSTITUTE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Volunteers

A number of volunteers have made significant contributions of time to the Foundation's policymaking, program, and support functions. The value of this contributed time does not meet the criteria for recognition as contributed service revenue and, accordingly, is not reflected in the accompanying financial statements.

Leases

The Foundation 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 Foundation's right to use an underlying asset for the lease term and lease liabilities represent the Foundation's 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 Foundation will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Foundation has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right-of-use assets on the statements of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Foundation has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of the lease liability.

The Foundation has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain general and administrative costs have been allocated among the programs and supporting services benefited. A portion of the chief executive officer's salary, benefits, and rent expense are allocated to fundraising based on a percentage of direct labor hours expended. Equipment maintenance, printing and publication, telephone, and office and supplies are allocated to the various programs and supporting services based on a percentage of the total number of Foundation employees.

MINNEAPOLIS HEART INSTITUTE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Foundation has received a determination letter from the Internal Revenue Service indicating it is classified as a tax-exempt organization under Section 501(c)(3) and is not a private foundation under Sections 509(a)(1) and 170(b)(1)(A)(iii) of the Internal Revenue Code (IRC). The Foundation is also exempt from Minnesota income taxes under Minnesota Statute Chapter 290.05. The Foundation is subject to federal and state income taxes only on any unrelated business income under the provisions of Section 511 of the IRC.

The Foundation follows accounting standards for uncertain tax positions and files as a tax-exempt organization. The Foundation has no uncertain income tax positions and no liability has been recognized by the Foundation under this standard.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through April 22, 2026, the date the financial statements were available to be issued.

NOTE 3 INVESTMENTS

Investments consist of the following at December 31:

	2025	2024
U.S. Large-Cap Equity	\$ 17,524,300	\$ 12,745,836
U.S. Small/Mid-Cap Equity	-	4,191,934
International Equity	10,044,727	8,564,784
Fixed Income	9,934,558	8,684,466
Real Assets	-	581,581
Real Estate	2,000,000	-
Hedge Fund of Funds	1,338	1,949,709
Certificates of Deposit	5,000,000	6,000,000
Total	<u>\$ 44,504,923</u>	<u>\$ 42,718,310</u>

Investment gain consists of the following for the years ended December 31:

	2025	2024
Interest and Dividends Net of Investment Expenses of \$125,151 in 2025 and \$88,902 in 2024	\$ 1,214,703	\$ 1,111,919
Net Realized and Unrealized Gains (Losses)	5,166,985	3,490,409
Total	<u>\$ 6,381,688</u>	<u>\$ 4,602,328</u>

MINNEAPOLIS HEART INSTITUTE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 4 FAIR VALUE MEASUREMENTS

The Foundation uses Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC 820), *Fair Value Measurements*, which established a three-level 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 lowest priority to unobservable inputs (Level 3 measurements).

The Foundation early adopted the standard on disclosures for investments in certain entities that calculate net asset value per share or its equivalent which removes those investments that calculate net asset value per share from the fair value disclosure.

The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets, or liabilities.

Level 2 – Pricing inputs other than identical quoted prices in active markets that are observable for the financial instrument, such as similar instruments, interest rates, and yield curves that are observable at commonly quoted intervals.

Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable. Level 3 inputs include situations where there is little, if any, market activity for the financial instrument.

The following tables summarize the Foundation's assets that were accounted for at fair value hierarchy of ASC 820 as of December 31:

<u>Description</u>	2025			
	Level 1	Level 2	Level 3	Total
Investments:				
U.S. Large-Cap Equity	\$ 17,524,300	\$ -	\$ -	\$ 17,524,300
International Equity	10,044,727	-	-	10,044,727
Fixed Income	9,934,558	-	-	9,934,558
Certificates of Deposit	-	5,000,000	-	5,000,000
Total	<u>\$ 37,503,585</u>	<u>\$ 5,000,000</u>	<u>\$ -</u>	<u>42,503,585</u>
Investments Held at Net Asset Value or its Equivalent				2,001,338
Total				<u>\$ 44,504,923</u>

MINNEAPOLIS HEART INSTITUTE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
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NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Description	2024			
	Level 1	Level 2	Level 3	Total
Investments:				
U.S. Large-Cap Equity	\$ 12,745,836	\$ -	\$ -	\$ 12,745,836
U.S. Small/Mid-Cap Equity	4,191,934	-	-	4,191,934
International Equity	8,564,784	-	-	8,564,784
Fixed Income	7,184,000	-	-	7,184,000
Real Assets	581,581	-	-	581,581
Certificates of Deposit	-	6,000,000	-	6,000,000
Total	<u>\$ 33,268,135</u>	<u>\$ 6,000,000</u>	<u>\$ -</u>	<u>39,268,135</u>
Investments Held at Net Asset Value or its Equivalent				3,450,175
Total				<u>\$ 42,718,310</u>

The following is a summary of the investments whose net asset value approximates fair value and the related unfunded commitments and redemption restrictions associated with each major category at December 31:

	2025			
	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Multi-Strategy Fund of Funds (1)	\$ 2,001,337	\$ -	Not Applicable	Not Applicable
Total	<u>\$ 2,001,337</u>	<u>\$ -</u>		

	2024			
	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Multi-Strategy Fund of Funds (1)	\$ 1,134	\$ -	Not Applicable	Not Applicable
Fixed Income Funds (2)	1,500,466	-	Monthly	60 Days
Multi-Strategy Fund of Funds (3)	1,948,575	-	Quarterly	100 Days
Total	<u>\$ 3,450,175</u>	<u>\$ -</u>		

- (1) Multi-Strategy Fund of Funds – This fund invests in hedge funds, private equity, real estate, and natural resources. The portfolio will typically include 15% – 35% opportunistic equity, 15% – 35% enhanced fixed income, 10% – 30% absolute return, 5% – 15% real estate, 5% – 15% private equity, and 5% – 15% energy and natural resources focused strategies. The net asset value (NAV) of the fund is determined monthly using the fair value of the master fund's investment in underlying managers. These values may be subject to later adjustment or revision.

If all units owned by a partner are repurchased, the partner will receive an initial payment equal to 95% of the estimated value of the units approximately 90 days after the valuation date, subject to audit adjustment, and the balance due will be determined and paid within 45 days after completion of the fund's annual audit.

MINNEAPOLIS HEART INSTITUTE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

- (2) Fixed Income Funds – This fund invests primarily in closed-end registered investment companies that invest in fixed-income securities and directly in fixed-income securities. The NAV of the fund is determined monthly using the market value, or fair value if market data is unavailable, of the underlying funds. Subsequent to the first six months of the initial investment, upon 60 days' prior written notice, all or any portion of interest in the fund, as of the last day of any month, can be withdrawn. Redemptions will be paid within 30 days after the date of withdrawal, and may be paid either in cash, in-kind, or a combination of both.
- (3) Multi-Strategy Fund of Funds – This fund invests in specialists in long/short equity strategies, risk arbitrage, statistical arbitrage, distressed securities, relative value arbitrage, multi-strategy, hedging strategies, long/short credit, convertible arbitrage, global macro, and managed futures. The net asset value (NAV) of the fund is determined monthly as total assets minus total liabilities of the fund. These values may be subject to later adjustment or revision.

Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the NAV of the funds and, consequently, the fair value of the Foundation's interests in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is, therefore, reasonably possible that if the Foundation were to settle these investments in the secondary market, a buyer may require a discount to the reported net assets value, and the discount could be significant.

NOTE 5 PLEDGES RECEIVABLE

Pledges receivable at December 31 are expected to be collected as follows:

	2025	2024
Due Within One Year	\$ 3,726,890	\$ 3,357,469
Two Through Five Years	3,542,796	3,435,594
Discount	(207,469)	(203,133)
Total	<u>\$ 7,062,217</u>	<u>\$ 6,589,930</u>

NOTE 6 PROPERTY AND EQUIPMENT, NET

Property and equipment, net is as follows at December 31:

	2025	2024
Leasehold Improvements	\$ 2,500,132	\$ 2,500,132
Furniture and Equipment	1,931,806	1,820,363
Less: Accumulated Depreciation	(2,336,816)	(1,948,883)
Total	<u>\$ 2,095,122</u>	<u>\$ 2,371,612</u>

MINNEAPOLIS HEART INSTITUTE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 7 RELATED PARTY TRANSACTIONS

Contributions received from board members of the Foundation during 2025 and 2024 totaled \$218,643 and \$484,401 respectively. Pledges receivable from board members of the Foundation totaled \$50,000 and \$127,500 at December 31, 2025 and 2024, respectively.

NOTE 8 NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions are designated for the following purposes at December 31:

	2025	2024
Board Designated Operating Reserve	\$ 9,100,000	\$ 13,587,954
Other Net Assets Without Donor Restrictions	6,795,634	-
Total Net Assets Without Donor Restrictions	<u>\$ 15,895,634</u>	<u>\$ 13,587,954</u>

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

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

	2025	2024
General Support - Restricted for Time	\$ 265,285	\$ 135,899
Restricted Endowment Income	13,207,708	9,887,598
Research and Education Projects:		
Education Projects	5,037,546	5,249,660
Interventional Research	14,313	14,313
Lead Registry Research	10,125	10,125
Congestive Heart Failure Research	14,693	60,276
Investigator Initiated Research	20,083,347	15,917,713
Endovascular Research	1,200	1,200
Core Imaging Research Center	328,501	652,181
Total Research and Education Projects	<u>25,489,725</u>	<u>21,905,468</u>
Perpetual in Nature	18,381,106	18,331,302
Total With Donor Restrictions	<u>\$ 57,343,824</u>	<u>\$ 50,260,267</u>

Net assets released from donor restrictions consist of the following for the years ended December 31:

	2025	2024
General Support - Restricted for Time	\$ 55,191	\$ 55,478
Restricted Endowment Payout	1,037,756	981,807
Research and Education Projects:		
Education Projects	409,929	178,064
International Outreach	-	1,276,245
Investigator Initiated Research	4,131,720	3,720,532
Core Imaging Research Center	339,429	231,108
Total Research and Education Projects	<u>4,881,078</u>	<u>5,405,949</u>
Total Net Assets Released from Donor Restrictions	<u>\$ 5,974,025</u>	<u>\$ 6,443,234</u>

MINNEAPOLIS HEART INSTITUTE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 10 FOUNDATION ENDOWMENT FUNDS

The Foundation's endowment consists of twelve individual funds established for the ongoing support of research and education activities. As required by U. S. GAAP, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor restrictions.

The Foundation follows Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA governs institutions, such as the Foundation, management and investment of endowment funds. The board of directors, in consultation with legal counsel, has interpreted UPMIFA as requiring the 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 Foundation classifies as net assets with donor restrictions: (a) the original value of the gifts donated to the endowment that is perpetual in nature, (b) the original value of subsequent gifts to the endowment that is perpetual in nature, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is temporary in nature is recorded in net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation 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 Foundation
- The investment policies of the Foundation

MINNEAPOLIS HEART INSTITUTE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 10 FOUNDATION ENDOWMENT FUNDS (CONTINUED)

Endowment Net Asset Composition by Type of Fund

2025			
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds:			
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	\$ -	\$ 18,381,106	\$ 18,381,106
Accumulated Investment Gains	-	13,207,708	13,207,708
Total	<u>\$ -</u>	<u>\$ 31,588,814</u>	<u>\$ 31,588,814</u>
2024			
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds:			
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	\$ -	\$ 18,331,302	\$ 18,331,302
Accumulated Investment Gains	-	9,887,598	9,887,598
Total	<u>\$ -</u>	<u>\$ 28,218,900</u>	<u>\$ 28,218,900</u>

Changes in Endowment Net Assets

2025			
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	\$ -	\$ 28,218,900	\$ 28,218,900
Investment Return:			
Income	-	452,684	452,684
Net Realized and Unrealized Gain	-	3,905,182	3,905,182
Total Investment Gain	-	4,357,866	4,357,866
Contributions	-	49,804	49,804
Endowment Payout	-	(1,037,756)	(1,037,756)
Endowment Net Assets - End of Year	<u>\$ -</u>	<u>\$ 31,588,814</u>	<u>\$ 31,588,814</u>
2024			
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	\$ -	\$ 25,939,165	\$ 25,939,165
Investment Return:			
Income	-	450,679	450,679
Net Realized and Unrealized Gain	-	2,625,146	2,625,146
Total Investment Gain	-	3,075,825	3,075,825
Contributions	-	185,717	185,717
Endowment Payout	-	(981,807)	(981,807)
Endowment Net Assets - End of Year	<u>\$ -</u>	<u>\$ 28,218,900</u>	<u>\$ 28,218,900</u>

MINNEAPOLIS HEART INSTITUTE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 10 FOUNDATION ENDOWMENT FUNDS (CONTINUED)

Description of Amounts Classified as Net Assets With Donor Restrictions
(Endowment Only)

Endowment funds as of December 31 are as follows:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Founders Endowment	\$ -	\$ 11,316,810	\$ 11,316,810
T. Peterson Endowment	-	77,496	77,496
Education Endowment	-	548,281	548,281
Gobel/Van Tassel Endowment	-	1,504,587	1,504,587
Nicoloff Endowment	-	2,702,494	2,702,494
Kiser Endowment	-	165,632	165,632
Giel Endowment	-	8,523,192	8,523,192
Ireland Endowment	-	556,082	556,082
Patient Safety and Advocacy Endowment	-	93,749	93,749
Van Tassel Innovation Center Endowment	-	17,707	17,707
Novogratz Family Heart Rhythm Center Endowment	-	5,966,567	5,966,567
Founders Endowment Fund for the VTIC (Barry)	-	116,217	116,217
Total	<u>\$ -</u>	<u>\$ 31,588,814</u>	<u>\$ 31,588,814</u>

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Founders Endowment	\$ -	\$ 10,114,636	\$ 10,114,636
T. Peterson Endowment	-	69,093	69,093
Education Endowment	-	486,398	486,398
Gobel/Van Tassel Endowment	-	1,341,432	1,341,432
Nicoloff Endowment	-	2,408,165	2,408,165
Kiser Endowment	-	142,520	142,520
Giel Endowment	-	7,598,950	7,598,950
Ireland Endowment	-	486,247	486,247
Patient Safety and Advocacy Endowment	-	83,583	83,583
Van Tassel Innovation Center Endowment	-	15,237	15,237
Novogratz Family Heart Rhythm Center Endowment	-	5,372,639	5,372,639
Founders Endowment Fund for the VTIC (Barry)	-	100,000	100,000
Total	<u>\$ -</u>	<u>\$ 28,218,900</u>	<u>\$ 28,218,900</u>

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 Foundation to retain as a fund of perpetual duration.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce a targeted investment return of 7% annually over a long-term horizon. Actual returns in any given year may vary from this amount.

MINNEAPOLIS HEART INSTITUTE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 10 FOUNDATION ENDOWMENT FUNDS (CONTINUED)

Description of Amounts Classified as Net Assets With Donor Restrictions
(Endowment Only) (Continued)

In order to achieve its long-term rate-of-return objectives, the Foundation has implemented an investment strategy that focuses on capital appreciation (realized and unrealized). Generation of current income (through interest and dividends) is a secondary objective. The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives. An emphasis on equity-based investments implies a willingness by the Foundation to take on investment related risk in return for higher return potential.

The Foundation has a policy of appropriating for distribution each year 4% to 5% (the distribution for the years ended December 31, 2025 and 2024, respectively, were 4% and 4%) of its endowment fund's average fair value based on the prior 36-month rolling period. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long-term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 2% to 3% annually, which should exceed long-term inflation expectations in order to create real growth. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional growth through new gifts and investment return.

NOTE 11 BENEFIT PLANS

The Foundation has a 401(k) defined contribution plan covering all employees who meet the eligibility requirements of the plan. The Foundation made voluntary annual contributions to the plan in an amount equal to 5% of base employee compensation, which includes incentive compensation. Employees may also voluntarily contribute to the plan. Eligible employees are fully vested in the employer contributions to the plan. The Foundation also matches, on a one-to-one basis, up to 2.5% of an employee's contribution into the 401(k). Expense for the plan was \$633,281 and \$602,692 in 2025 and 2024, respectively.

The Foundation also has a 457(f) deferred compensation plan for some of its key leaders. The plan includes a three-year vesting period. Deferred compensation expense for the plan was \$90,360 and \$105,842 for the years ended December 31, 2025 and 2024, respectively.

NOTE 12 LEGAL MATTERS

The Foundation is involved in legal claims incidental to the normal course of its activities. The Foundation maintains liability coverage for such contingencies which could potentially be exceeded by the claims. Although the ultimate outcomes are not reasonably determinable or probable, management believes, based on their current assessment, that the final disposition on these claims will not have a material adverse effect on the financial position of the Foundation.

MINNEAPOLIS HEART INSTITUTE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 13 LIQUIDITY AND AVAILABILITY

As part of the Foundation's liquidity management, it invests cash in excess of operating requirements in short-term investments. Additionally, there is a board-designated operating reserve. The board's objective is to manage this reserve to ensure the continued operations of the Foundation within a negative environment, to allow the Foundation to take advantage of opportunities, and to define and establish the process to manage operating surpluses and deficits. Although the Foundation does not intend to spend from this reserve other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation, amounts from this reserve could be made available in the event of financial distress or an immediate liquidity need.

The Foundation's financial assets due within one year of the statements of financial position date available for general expenditures are as follows:

	2025	2024
Cash and Cash Equivalents	\$ 5,859,379	\$ 5,013,341
Other Receivables	6,037,417	3,036,913
Pledges Receivable	11,586	419,999
Contributions Receivable	80,347	109,404
Short-Term Investments	7,839,432	6,473,055
Total	<u>\$ 19,828,161</u>	<u>\$ 15,052,712</u>

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statements of financial position date.

NOTE 14 LINE OF CREDIT

Effective November 26, 2019, the Foundation entered into a \$1,000,000 line of credit which carries a variable interest rate. The line of credit is secured by general business assets. At December 31, 2025 and 2024, there was \$-0- of outstanding line of credit.

NOTE 15 RIGHT-OF-USE ASSET AND LIABILITY

The Foundation leases office space under noncancelable lease agreements that expire on August 31, 2033 and include an optional five-year lease extension. Under the terms of the agreement, the Foundation is committed to annual rentals adjusted for defined escalations.

The existing right of use ten-year lease, executed on August 1, 2023, included an additional 4,117 square feet and replaced a prior lease that would have expired March 31, 2029. The dissolution of the prior lease resulted in the elimination of related lease assets and liabilities in tandem with recording the new lease.

MINNEAPOLIS HEART INSTITUTE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 15 RIGHT-OF-USE ASSET AND LIABILITY (CONTINUED)

The following table provides the Foundation's right of use assets and lease liability for the years ended December 31.

	<u>2025</u>	<u>2024</u>
Right of Use Assets:		
Operating Leases	<u>\$ 6,542,749</u>	<u>\$ 7,268,768</u>
Lease Liabilities:		
Current:		
Operating Leases	\$ 761,698	\$ 597,543
Noncurrent:		
Operating Leases	<u>6,604,818</u>	<u>6,977,294</u>
Total	<u>\$ 7,366,516</u>	<u>\$ 7,574,837</u>

The following table provides quantitative information concerning the Foundation's leases for the years ended December 31.

	<u>2025</u>	<u>2024</u>
Operating Lease Costs	\$ 1,001,273	\$ 1,001,273
Other Information:		
Operating Cash Flows from Operating Leases	\$ 484,182	\$ 810,627
Weighted Average Remaining Lease Term	7.6 years	8.6 years
Weighted Average Discount Rate	3.71%	3.71%

A maturity analysis of annual undiscounted cash flows for lease liability as of December 31, 2025 is as follows:

<u>Year Ending December 31,</u>	<u>Operating Leases</u>
2026	\$ 1,018,406
2027	1,042,257
2028	1,066,677
2029	1,091,809
2030	1,121,373
Thereafter	<u>3,146,353</u>
Total Lease Payments	8,486,875
Less: Interest	<u>(1,120,359)</u>
Present Value of Lease Liabilities	<u>\$ 7,366,516</u>

NOTE 16 CONCENTRATIONS

At December 31, 2025 and 2024, respectively, 37% and 58% of the pledges receivable were from two donors. During the years ended December 31, 2025 and 2024, 38% and 30%, respectively, of contribution revenue was from two and one donor.

MINNEAPOLIS HEART INSTITUTE FOUNDATION
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

	Unrestricted Operations	Temporarily Restricted and Operating Reserve	Endowments	Total
SUPPORT AND REVENUES				
Contributions	\$ 3,933,981	\$ 8,495,770	\$ 49,804	\$ 12,479,555
Special Events, Net	1,156,200	-	-	1,156,200
Grants	651,951	154,142	-	806,093
Research Study Revenues	6,586,853	-	-	6,586,853
Income from Services	2,590,205	-	-	2,590,205
Investment Gain	776,709	1,247,113	4,357,866	6,381,688
Net Assets Released from Restrictions	4,936,269	(4,936,269)	-	-
Net Assets Released - Endowment Payout	1,037,756	-	(1,037,756)	-
Total Support and Revenues	21,669,924	4,960,756	3,369,914	30,000,594
OPERATING EXPENSES				
Payroll Costs	13,357,044	-	-	13,357,044
Professional Services	2,387,590	-	-	2,387,590
Research Study Costs	1,262,957	-	-	1,262,957
Occupancy Costs	971,000	-	-	971,000
Travel and Meetings	801,161	-	-	801,161
Office and Supplies	352,096	-	-	352,096
Community Relations	36,438	-	-	36,438
Other Expenses	1,053,136	-	-	1,053,136
Total Operating Expenses	20,221,422	-	-	20,221,422
NET OPERATING GAIN	1,448,502	4,960,756	3,369,914	9,779,172
NONOPERATING EXPENSES				
Depreciation	387,935	-	-	387,935
CHANGE IN NET ASSETS	<u>\$ 1,060,567</u>	<u>\$ 4,960,756</u>	<u>\$ 3,369,914</u>	<u>\$ 9,391,237</u>



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