

**PALESTINIAN AMERICAN
MEDICAL ASSOCIATION**

REVIEWED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

**PALESTINIAN AMERICAN MEDICAL ASSOCIATION
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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Palestinian American Medical Association
12475 Greenwood Street
Olathe, Kansas

We have reviewed the accompanying financial statements of Palestinian American Medical Association (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – cash basis as of December 31, 2018 and the related statement of revenues, expenses, and other changes in net assets – cash basis for the year then ended and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of any opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible 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.

Accountant's Responsibility

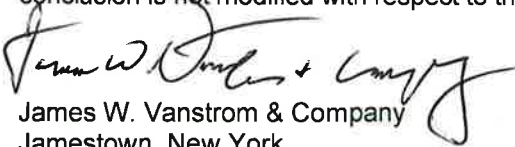
Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.


James W. Vanstrom & Company
Jamestown, New York

November 21, 2019

**PALESTINIAN AMERICAN MEDICAL ASSOCIATION
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS – CASH BASIS
DECEMBER 31, 2018**

ASSETS

Cash \$ 262,787

LIABILITIES AND NET ASSETS

LIABILITIES \$ -

NET ASSETS

Without donor restrictions 14,750
With donor restrictions 248,037

Total net assets 262,787

Total liabilities and net assets \$ 262,787

**PALESTINIAN AMERICAN MEDICAL ASSOCIATION
STATEMENT OF REVENUES, EXPENSES, AND OTHER CHANGES
IN NET ASSETS - CASH BASIS
YEAR ENDED DECEMBER 31, 2018**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT			
Contributions	\$ 26,503	\$ 352,485	\$ 378,988
Special events	12,735	-	12,735
Net assets released from restrictions	193,081	(193,081)	-
Total revenues and other support	232,319	159,404	391,723
EXPENSES			
Program expenses	195,551	-	195,551
Legal and professional fees	4,499	-	4,499
Fundraising expense	3,000	-	3,000
Promotion expense	2,936	-	2,936
Office expenses	2,480	-	2,480
Bank charges and fees	1,142	-	1,142
Supplies and materials	395	-	395
Total expenses	210,003	-	210,003
Change in net assets	22,316	159,404	181,720
Net assets (deficit) at beginning of year	(7,566)	88,633	81,067
Net assets at end of year	\$ 14,750	\$ 248,037	\$ 262,787

See independent accountant's review report and notes to financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Founded in 2013, the founders of Palestinian American Medical Association (PAMA) are Palestinian healthcare professionals who practiced or are practicing in the United States. PAMA fills an unmet need for an umbrella to embrace Palestinian and other health care professionals who care about Palestine. Driven by such need, a group of Palestinian physicians gathered in Dearborn, Michigan and held their first PAMA meeting. Since then, PAMA has been reaching out to all healthcare professionals in the West Bank, Gaza and the United States, helping to build bridges between U.S. and Palestinian health professionals and institutions and collaborating with other local and international non-governmental organizations to help achieve PAMA's mission. PAMA's membership is open to all healthcare professionals, which include physicians, nurses, pharmacists, dentists, therapists and healthcare technology professionals.

PAMA's main purpose is to promote health care in Palestine through its various programs, including:

The PAMA Education Fund – this program provides either one-time scholarships totaling \$1,000 or full tuition totaling approximately \$6,000 per year to medical students in Gaza and the West Bank. Applicants must show proof of financial hardship and average to excellent academic progress. PAMA utilizes a rigorous process to review scholarship applications and coordinates with university officials to choose the final beneficiaries.

Cornea Transplant Surgery – PAMA collaborates with Public Aid Hospitals in Gaza to assist patients who have lost their sight because of corneal disease or injury and whose sight cannot be restored without a corneal transplant. The patients have severe financial hardships and are unable to afford the costs of such an operation, which amounts to approximately \$2,000 per patient, including the cost of purchasing cornea tissue from eye banks in the United States and shipping it to Gaza on the day of surgery.

Pediatric Congenital Surgery – the national health system in Palestine is overwhelmed and unable to meet the needs of patients in a timely manner, resulting in long waiting lists. PAMA collaborates with Palestine Medical Complex in Ramallah and other hospitals to add an after-hours shift. This allows PAMA to provide surgeries for children who, otherwise, would have had to wait as much as two years for surgery, putting them at risk of having serious complications. These surgeries are complicated and lengthy, with the cost per child amounting to approximately \$2,000.

Gaza Hospital Fund - this program was adopted in response to an appeal from Gaza hospitals, which lacked supplies for orthopedic and trauma cases. To date, PAMA has funded supplies for forty-one emergency trauma cases, saving patients' limbs and lives.

Basis of Accounting

The financial statements of the Organization are maintained on the modified cash basis of accounting. Under that basis, revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets

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

Net Assets without Donor Restrictions – net assets available for use in general operations and not subject to donor restrictions.

Net Assets with Donor Restrictions – net assets subject to donor-imposed restrictions. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-imposed restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of revenues, expenses, and other changes in net assets as net assets released from restrictions.

Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of revenues, expenses, and other changes in net assets. Accordingly, certain costs have been allocated by management based on estimates among the programs and supporting services benefited, as further disclosed in Note D.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization is not considered to be a "private foundation" within the meaning of Section 509(a) of the code. The Organization files U.S. federal exempt organization returns and also files in various states in which it is registered. Tax filings are subject to examination by taxing authorities, generally for three years after the filing date.

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash accounts in financial institutions. Although the cash accounts may exceed the federally insured deposit amount, management does not anticipate nonperformance by the financial institutions.

Accounting Estimates

The process of preparing financial statements in conformity with the modified cash basis of accounting requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, actual results may differ from estimated amounts.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

The Organization has evaluated events and transactions that occurred between January 1, 2019 and November 21, 2019, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

NOTE B – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization regularly reviews its financial position and operations, including liquidity required to meet general expenditures, liabilities, and obligations that may come due. The following reflects the Organization's financial assets as of December 31, 2018, reduced by amounts not available for general use because of donor imposed restrictions within one year of the statement of assets, liabilities, and net assets.

Financial assets at December 31, 2018:

Cash	\$ 262,787
Less those unavailable for general expenditures within one year, due to:	
Donor-imposed restrictions	<u>(248,037)</u>
Financial assets available to meet cash needs for general expenditures within one year.	<u>\$ 14,750</u>

NOTE C – NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2018, net assets with donor restrictions include amounts restricted by donors for the following programs:

PAMA education fund	\$ 43,800
Cornea transplant surgery	90,991
Pediatric congenital surgery	49,753
Gaza hospital fund	26,061
Other programs	<u>37,432</u>
	<u>\$ 248,037</u>

NOTE D - FUNCTIONAL CLASSIFICATION OF EXPENSES

Expenses are summarized and categorized based upon their functional classification as either program or supporting services as follows:

	Program Services	Management and General	Fundraising	Total
Program expenses	\$ 195,551	\$ -	\$ -	\$ 195,551
Legal and professional fees	-	4,499	-	4,499
Fundraising expense	-	-	3,000	3,000
Promotion expense	-	2,936	-	2,936
Office expenses	-	2,480	-	2,480
Bank charges and fees	-	1,142	-	1,142
Supplies and materials	-	395	-	395
	\$ 195,551	\$ 11,452	\$ 3,000	\$ 210,003