

**PALESTINIAN AMERICAN MEDICAL ASSOCIATION**

**FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

**AND INDEPENDENT AUDITORS' REPORT THEREON**

## TABLE OF CONTENTS

Independent Auditors' Report	1 - 2
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Statements of Functional Expenses	6-7
Notes to the Financial Statements	8-14



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Palestinian American Medical Association

### Opinion

We have audited the accompanying financial statements of Palestinian American Medical Association (the Organization) which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Palestinian American Medical Association as of December 31, 2024 and 2023, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Palestinian American Medical Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

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

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

- 2100 Reston Pkwy, Suite 400, Reston, VA 20191  
Tel: 703.437.8877 • Fax: 703.437.8937
- Email: [info@millermusmar.com](mailto:info@millermusmar.com) • [www.millermusmar.com](http://www.millermusmar.com)

### **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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Palestinian American Medical Association'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 Palestinian American Medical Association'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.

*Miller Musmar*

**MillerMusmar**

Reston, Virginia  
November 26, 2025

**PALESTINIAN AMERICAN MEDICAL ASSOCIATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2024 AND 2023**

	<u>2024</u>			<u>2023</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
	<b>Assets</b>					
Current assets						
Cash and cash equivalents	\$ 12,344,678	\$ 10,774,292	\$ 23,118,970	\$ 4,956,028	\$ 7,210,441	\$ 12,166,469
Undeposited funds	443,858	-	443,858	398,625	-	398,625
Accounts receivable	413,325	-	413,325	12,226	-	12,226
Investments	2,766,834	-	2,766,834	763,888	-	763,888
Prepaid expenses	7,273.00	-	7,273	-	-	-
Total current assets	<u>15,975,968</u>	<u>10,774,292</u>	<u>26,750,260</u>	<u>6,130,767</u>	<u>7,210,441</u>	<u>13,341,208</u>
Non-current assets						
Security deposit	3,548	-	3,548	2,248	-	2,248
Total non-current assets	<u>3,548</u>	<u>-</u>	<u>3,548</u>	<u>2,248</u>	<u>-</u>	<u>2,248</u>
Total assets	<u>\$ 15,979,516</u>	<u>\$ 10,774,292</u>	<u>\$ 26,753,808</u>	<u>\$ 6,133,015</u>	<u>\$ 7,210,441</u>	<u>\$ 13,343,456</u>
	<b>Liabilities and Net Assets</b>					
Current liabilities						
Accounts payable	7,336,770	\$ -	\$ 7,336,770	\$ -	\$ -	\$ -
Refundable advance	266,775	-	266,775	-	-	-
Accrued expenses	45,401	-	45,401	21,978	-	21,978
Total current liabilities	<u>7,648,946</u>	<u>-</u>	<u>7,648,946</u>	<u>21,978</u>	<u>-</u>	<u>21,978</u>
Total liabilities	<u>7,648,946</u>	<u>-</u>	<u>7,648,946</u>	<u>21,978</u>	<u>-</u>	<u>21,978</u>
Net assets						
Net assets without donor restrictions	8,330,570	-	8,330,570	6,111,037	-	6,111,037
Net assets with donor restrictions	-	10,774,292	10,774,292	-	7,210,441	7,210,441
Total net assets	<u>8,330,570</u>	<u>10,774,292</u>	<u>19,104,862</u>	<u>6,111,037</u>	<u>7,210,441</u>	<u>13,321,478</u>
Total liabilities and net assets	<u>\$ 15,979,516</u>	<u>\$ 10,774,292</u>	<u>\$ 26,753,808</u>	<u>\$ 6,133,015</u>	<u>\$ 7,210,441</u>	<u>\$ 13,343,456</u>

The accompanying notes are an integral part of the financial statements

**PALESTINIAN AMERICAN MEDICAL ASSOCIATION  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>			<u>2023</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue						
Contributions	\$ 3,878,335	\$ 15,746,467	\$ 19,624,802	\$ 3,079,376	\$ 9,433,320	\$ 12,512,696
In-kind contributions	-	5,421,146	5,421,146	-	-	-
Grants	-	385,324	385,324	-	-	-
Net assets released from restrictions	17,989,086	(17,989,086)	-	2,261,425	(2,261,425)	-
Total support and revenue	<u>21,867,421</u>	<u>3,563,851</u>	<u>25,431,272</u>	<u>5,340,801</u>	<u>7,171,895</u>	<u>12,512,696</u>
Expenses						
Program services	17,989,087	-	17,989,087	2,261,426	-	2,261,426
Supports services	1,567,573	-	1,567,573	515,064	-	515,064
Total expenses	<u>19,556,660</u>	<u>-</u>	<u>19,556,660</u>	<u>2,776,490</u>	<u>-</u>	<u>2,776,490</u>
Other income/(expenses)						
Unrealized (loss)/gain on investments	(111,725)	-	(111,725)	225,367	-	225,367
Dividends and other income	20,497	-	20,497	11,903	-	11,903
Total other income	<u>(91,228)</u>	<u>-</u>	<u>(91,228)</u>	<u>237,270</u>	<u>-</u>	<u>237,270</u>
Total change in net assets	2,219,533	3,563,851	5,783,384	2,801,581	7,171,895	9,973,476
Net assets, beginning	6,111,037	7,210,441	13,321,478	3,309,456	38,546	3,348,002
Net assets, ending	<u>\$ 8,330,570</u>	<u>\$ 10,774,292</u>	<u>\$ 19,104,862</u>	<u>\$ 6,111,037</u>	<u>\$ 7,210,441</u>	<u>\$ 13,321,478</u>

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

**PALESTINIAN AMERICAN MEDICAL ASSOCIATION  
STATEMENTS OF CASHFLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 5,783,384	\$ 9,973,476
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Unrealized loss/(gain) on investments	111,725	(225,367)
(Increase)/decrease in assets		
Undeposited funds	(45,233)	(349,322)
Accounts receivable	(401,099)	(12,226)
Prepaid expenses	(7,273)	-
Security deposit	(1,300)	-
Increase/(decrease) in liabilities		
Accounts payable	7,336,770	-
Refundable advance	266,775	-
Accrued expenses	23,423	21,775
Net cash provided by operating activities	<u>13,067,172</u>	<u>9,408,336</u>
<b>Cash flows from investing activities</b>		
Purchase of investments, net	<u>(2,114,671)</u>	<u>(4,680)</u>
Net cash used in investing activities	<u>(2,114,671)</u>	<u>(4,680)</u>
Net increase in cash and cash equivalents	10,952,501	9,403,656
Cash and cash equivalents, beginning	<u>12,166,469</u>	<u>2,762,813</u>
Cash and cash equivalents, ending	<u>\$ 23,118,970</u>	<u>\$ 12,166,469</u>

The accompanying notes are an integral part of the financial statements

**PALESTINIAN AMERICAN MEDICAL ASSOCIATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Program Services					Supporting Services			Total
	Capacity Building	Clinical Services	Crisis Interventions	Education Fund	Program Services Total	Management and General	Fundraising	Supporting Services Total	
International grant	\$ -	\$ 170,117	\$ 8,615,896	\$ -	\$ 8,786,013	\$ -	\$ -	\$ -	\$ 8,786,013
Medical and surgical supplies	-	3,801,104	159,229	-	3,960,333	-	-	-	3,960,333
Medical mission staff	-	3,197,760	-	-	3,197,760	-	-	-	3,197,760
Food assistance	-	-	1,164,234	-	1,164,234	-	-	-	1,164,234
Scholarships	-	-	-	530,219	530,219	-	-	-	530,219
Salaries and wages	-	24,237	-	-	24,237	426,942	-	426,942	451,179
Fundraising events	-	-	-	-	-	-	353,731	353,731	353,731
Travel	7,618	98,348	2,291	-	108,257	5	140,059	140,064	248,321
Professional services	-	-	-	-	-	188,826	-	188,826	188,826
Merchant processing fees	-	-	-	-	-	133,465	-	133,465	133,465
WASH supplies	-	41,500	86,320	-	127,820	-	-	-	127,820
Supplies and materials	40,400	15,164	170	-	55,734	16,133	28,318	44,451	100,185
Rent	-	23,000	-	-	23,000	51,541	-	51,541	74,541
Printing and postage	-	-	-	-	-	13,446	55,659	69,105	69,105
Advertising services	-	-	-	-	-	31,523	4,580	36,103	36,103
Membership and dues	-	-	-	-	-	29,654	1,800	31,454	31,454
Payroll taxes	-	-	-	-	-	27,229	-	27,229	27,229
Licenses and permits	-	8,780	-	-	8,780	16,566	-	16,566	25,346
Contract labor	-	2,700	-	-	2,700	16,692	1,500	18,192	20,892
Employee benefits	-	-	-	-	-	19,603	-	19,603	19,603
Insurance	-	-	-	-	-	3,646	326	3,972	3,972
Organizational events	-	-	-	-	-	-	2,935	2,935	2,935
Bank charges and fees	-	-	-	-	-	1,556	21	1,577	1,577
Telephone and internet	-	-	-	-	-	930	-	930	930
Exchange gain or loss	-	-	-	-	-	887	-	887	887
<b>Total expenses after allocation</b>	<b>\$ 48,018</b>	<b>\$ 7,382,710</b>	<b>\$ 10,028,140</b>	<b>\$ 530,219</b>	<b>\$ 17,989,087</b>	<b>\$ 978,644</b>	<b>\$ 588,929</b>	<b>\$ 1,567,573</b>	<b>\$ 19,556,660</b>

The accompanying notes are an integral part of the financial statements

**PALESTINIAN AMERICAN MEDICAL ASSOCIATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Program Services					Supporting Services			Total
	Capacity Building	Clinical Services	Crisis Interventions	Education Fund	Program Services Total	Management and General	Fundraising	Supporting Services Total	
Food assistance	\$ -	\$ -	\$ 139,604	\$ -	\$ 139,604	\$ -	\$ -	\$ -	\$ 139,604
Medical and surgical supplies	-	831,411	51,780	-	883,191	-	-	-	883,191
Scholarships	-	-	-	697,846	697,846	-	-	-	697,846
Cash distributions	-	-	-	4,218	4,218	-	-	-	4,218
Medical grants	-	57,040	-	-	57,040	-	-	-	57,040
International grant	-	275,001	-	-	275,001	-	-	-	275,001
Salaries and wages	8,335	8,335	8,335	8,335	33,340	145,167	-	145,167	178,507
Payroll taxes	-	-	-	-	-	11,657	-	11,657	11,657
GAZA contract labor	21,086	6,072	6,072	11,705	44,935	4,268	13,612	17,880	62,815
Organizational events	-	-	-	-	-	7,900	5,000	12,900	12,900
Professional development	-	-	-	-	-	714	-	714	714
Advertising services	-	-	-	-	-	-	48,006	48,006	48,006
Professional services	3,000	3,000	3,000	3,000	12,000	26,113	-	26,113	38,113
Travel	-	37,679	-	16,040	53,719	1,056	19,422	20,478	74,197
Fundraising events	-	231	-	-	231	-	125,578	125,578	125,809
Bank charges and fees	-	-	-	-	-	988	-	988	988
Insurance	-	-	-	-	-	7,555	-	7,555	7,555
Membership and dues	-	-	-	1,000	1,000	5,331	-	5,331	6,331
Supplies and materials	2,710	-	-	766	3,476	9,819	-	9,819	13,295
Printing and postage	-	-	-	-	-	-	46,422	46,422	46,422
Professional fees	-	-	-	5,901	5,901	-	-	-	5,901
Rent	3,303	3,303	3,303	3,303	13,212	25,505	-	25,505	38,717
Telephone and internet	-	-	-	-	-	773	-	773	773
Investment fees	-	-	-	-	-	7,223	-	7,223	7,223
Merchant processing fees	738	4,867	29,905	1,202	36,712	2,955	-	2,955	39,667
<b>Total expenses after allocation</b>	<b>\$ 39,172</b>	<b>\$ 1,226,939</b>	<b>\$ 241,999</b>	<b>\$ 753,316</b>	<b>\$ 2,261,426</b>	<b>\$ 257,024</b>	<b>\$ 258,040</b>	<b>\$ 515,064</b>	<b>\$ 2,776,490</b>

The accompanying notes are an integral part of the financial statements

**PALESTINIAN AMERICAN MEDICAL ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

---

**1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Palestinian American Medical Association, Inc. (the Organization) is a nonprofit organization incorporated in the State of Kansas and 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:

Capacity Building - PAMA works closely with healthcare professionals and hospitals to identify and fill critical needs by providing supplies and equipment to resolve specific problems and improve healthcare services in Palestine.

Clinical Services - PAMA provides a wider range of clinical service programs targeting specific medical, surgical, and psychological conditions, including medical missions, corneal transplants, congenital surgeries, cochlear implants, and psychosocial rehab, among others.

Crisis Interventions - PAMA's Crisis Fund is utilized during emergencies and crises to support the overwhelmed health system in Palestine by providing lifesaving supplies, medicine, and equipment to Palestinian doctors and hospitals.

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.

**Basis of Accounting**

The Organization prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Use of Estimates**

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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**PALESTINIAN AMERICAN MEDICAL ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

---

**Cash and Cash Equivalents**

The Organization considers all highly liquid investments with original maturities of three months or less to be cash and cash equivalents.

**Investments**

Investments in equity and debt securities with readily determinable fair values are reported at fair value with gains and losses included in the statements of activities. All income and losses related to the investments are reflected in the statement of activities.

**Net Assets**

The Organization follows ASC 958-205, *Not-for-Profit Entities, Presentation of Financial Statements*. The Organization is required to report information regarding its financial position and activities according to the following classes:

Net assets without donor restrictions: Net assets without donor restrictions include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by board designation.

Net assets with donor restrictions: Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions.

**Functional Expense Allocation**

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain expenses have been allocated among the programs and supporting services benefit.

**Tax Exempt Status**

The Organization is exempt from income tax under section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. Currently, the Organization has no obligation for any unrelated business income tax.

Management has assessed the Organization's tax positions and concluded that there are no uncertain tax positions that require recognition or disclosure in the financial statements. With a few exceptions, years ending on or before December 31, 2021 are no longer subject to examination by federal and state taxing authorities.

**Leases**

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842), which requires lessees to recognize leases on the balance sheet by recording a right-of-use asset and lease liability. The guidance also requires improved disclosures to help users of the financial statements better understand the amount, timing, and uncertainty of cash flows arising from leases. A modified retrospective transition approach is required, applying the new standard to all leases existing at the date of initial application. An entity may choose to use either (1) its effective date or (2) the beginning of the earliest comparative period presented in the financial statements as its date of initial application. The Organization leases office spaces on a month-to-month basis.

**PALESTINIAN AMERICAN MEDICAL ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

---

**Support and Revenue Recognition**

The Organization follows *ASC 958, Not-for-Profit Entities*. Under *ASC 958-605, Not-for-Profit Organizations*, Revenue Recognition the Organization recognizes revenue in the statements of activities as follows:

Contributions:

Revenue from this source is recognized in the accounting period during which the contribution is pledged (or if not pledged, when received).

In-kind contributions:

In-kind contributions are recorded at fair value of the services or items received at the time of the donation. The Organization recognizes revenue for donated services that meet the following criteria: (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Grants:

The Organization evaluates all grant agreements to determine whether they represent contributions or exchange transactions. If determined to be contributions, management further assesses whether the contributions are conditional or unconditional based on the presence of donor-imposed barriers and a right of return or release.

Substantially all of the Organization's grant agreements are conditional contributions, as they generally contain a right of return and include donor-imposed conditions requiring the Organization to incur qualifying expenditures in accordance with the terms of each agreement. Accordingly, amounts received in advance of meeting such conditions are recorded as refundable advances. Revenue is recognized as the conditions are satisfied, generally as allowable project expenditures are incurred and program activities are completed in accordance with donor requirements.

Grants with donor restrictions are reported as increases in net assets with donor restrictions when the restrictions remain in effect beyond the reporting period. If donor-imposed restrictions expire in the same period that the grant conditions are met, the related revenue is reported as without donor restrictions. When restrictions are subsequently satisfied, the applicable amounts are reclassified from net assets with donor restrictions to net assets without donor restrictions.

The Organization received a \$596,254 conditional grant, of which \$266,775 has not been recognized at December 31, 2024, because qualifying expenditures have not yet been incurred.

**PALESTINIAN AMERICAN MEDICAL ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

---

**2) LIQUIDITY AND AVAILABILITY**

The table below summarizes the Organization's financial assets that are available for general expenditure within one year as of December 31:

	2024	2023
Cash and cash equivalents	\$ 23,118,970	\$ 12,166,469
Undeposited funds	443,858	398,625
Accounts receivable	413,325	12,226
Investments	2,766,834	763,888
Total financial assets	<u>26,742,987</u>	<u>13,341,208</u>
Less those unavailable for general expenditures within one year, due to donor-imposed restrictions	<u>(10,774,292)</u>	<u>(7,210,441)</u>
Financial assets available	<u>\$ 15,968,695</u>	<u>\$ 6,130,767</u>

The Organization manages its financial assets to be available as its operating expenditures, liabilities, and other obligations come due. Accordingly, cash needs are monitored by management throughout the year and as required, funds are transferred between cash and investments.

**3) CONCENTRATION OF CREDIT RISK**

Financial instruments that subject the Organization to a concentration of credit risk consist of deposits in accounts with financial institutions that exceed the Federal Deposit Insurance Corporation (FDIC) insured limit of \$250,000. As of December 31, 2024 and 2023, cash and cash equivalents exceeding the FDIC insured limit were \$21,510,941 and \$11,284,533, respectively. The at-risk amount changes daily based on the actual account balances with the respective financial institution. The Organization does not believe it is exposed to any significant credit risk on the uninsured amounts, nor has the Organization experienced any losses in such accounts.

As of December 31, 2024 and 2023, cash and cash equivalents include \$1,080,226 and \$327,672 respectively, held in a financial institution in Palestine, which is uninsured.

**4) FAIR VALUE MEASUREMENT**

ASC 820, *Fair Value Measurement*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement).

**PALESTINIAN AMERICAN MEDICAL ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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

Level 1 - Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Organization has the ability to access. This classification is applied to any investment of the Organization that has a readily available quoted market price from an active market where there is significant transparency in the executed/quoted market price.

Level 2 - Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability, such as quoted prices for similarly structured securities in active markets.

Level 3 - Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability. For certain financial instruments, including cash and cash equivalents, promises to give, prepaid expenses, accounts payable, and accrued expenses, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

The following tables analyze within the fair value hierarchy the Organization's investments (by class) measured at fair value on December 31:

<b>2024</b>				
	Fair Value	Level 1	Level 2	Level 3
Stocks	\$ 2,717,411	\$ 2,717,411	\$ -	\$ -
Cash	38,821	38,821	-	-
Alternative investments	9,927	-	-	9,927
Mutual funds	675	675	-	-
Total investments	<u>\$ 2,766,834</u>	<u>\$ 2,756,907</u>	<u>\$ -</u>	<u>\$ 9,927</u>

<b>2023</b>				
	Fair Value	Level 1	Level 2	Level 3
Stocks	\$ 561,105	\$ 561,105	\$ -	\$ -
Cash	9,228	9,228	-	-
Mutual funds	193,555	193,555	-	-
Total investments	<u>\$ 763,888</u>	<u>\$ 763,888</u>	<u>\$ -</u>	<u>\$ -</u>

**PALESTINIAN AMERICAN MEDICAL ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

---

**5) NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions include amounts restricted by donors for the following programs as of December 31:

	2024	2023
Crisis funds	\$ 10,357,457	\$ 7,185,608
Clinical services	378,129	-
Cochlear implant	21,164	21,164
Education fund	13,873	-
Cornea transplant surgery	3,669	3,669
	\$ 10,774,292	\$ 7,210,441

**6) NET ASSETS WITHOUT DONOR RESTRICTIONS**

Net assets without donor restrictions are available to finance the general operations of the Organization. The Board may limit net assets without donor restrictions for special purposes. Voluntary resolutions by the Organization's directors to designate a portion of its net assets without donor restrictions for specified purposes do not result in restricted funds. Since designations are voluntary and may be reversed by the Governing Board at any time, designated net assets are included with net assets without donor restrictions.

In 2022, the Board established an operating reserve investment fund which is reflected in the statements of financial position under investments. Income from the funds may be used for programs and administration of the Organization. To date, the Board has determined not to use the funds and they most likely would be drawn upon in the event of financial distress or an immediate liquidity need. As of December 31, 2024 and 2023, the fair value of the investments were \$2,766,834 and \$763,888, respectively.

**7) IN-KIND CONTRIBUTIONS**

During the year ended December 31, 2024, the Organization received in-kind contributions consisting of specialized professional medical services and donated medical supplies and equipment. In-kind contributions are recognized at fair value in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-605, *Not-for-Profit Entities - Revenue Recognition*, reflecting their value as the services are rendered or goods are received. The estimated fair value of donated medical services was approximately \$3,197,760 and the fair value of donated medical supplies and equipment was approximately \$2,223,386, resulting in a total of \$5,421,146 of in-kind contributions recognized in the accompanying statement of activities.

**PALESTINIAN AMERICAN MEDICAL ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

---

**8) RENT EXPENSE**

The Organization entered into agreements for the lease of office spaces in Gaza, the West Bank, and Virginia on a month-to-month basis. Rent expenses for the years ended December 31, 2024 and 2023 amounted to \$74,541 and \$38,717, respectively.

**9) SUBSEQUENT EVENTS**

In May 2025, the Organization entered into a two-year lease agreement for office premises located in Bethlehem, Palestine, effective July 1, 2025, with annual rent of approximately \$28,874. The lease extends through June 30, 2027.

The Organization has evaluated subsequent events through November 26, 2025, the date the financial statements were available to be issued. There were no additional subsequent events to note as of that date.