

***UNITED PALESTINIAN APPEAL, INC.***

***FINANCIAL STATEMENTS***

***FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017***

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# Frank & Company, p.c.

Certified Public Accountants  
703-821-0702

## *INDEPENDENT AUDITORS' REPORT*

To the Board of Trustees of  
United Palestinian Appeal, Inc.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of United Palestinian Appeal, Inc. (UPA) (a not-for-profit corporation), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Palestinian Appeal, Inc. as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Frank & Company, P.C.*

1360 Beverly Road  
Suite 300  
McLean, Virginia 22101  
March 9, 2019

**UNITED PALESTINIAN APPEAL, INC.**

**STATEMENTS OF FINANCIAL POSITION**

DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<b>Assets:</b>		
Current assets:		
Cash and cash equivalents	\$ 1,453,642	\$ 1,698,736
Contributions receivable	84,665	127,825
Prepaid expenses	<u>22,073</u>	<u>17,734</u>
Total current assets	1,560,380	1,844,295
Property and equipment, net	266,235	283,275
Investments	<u>2,740,052</u>	<u>2,921,792</u>
Total assets	<u>\$ 4,566,667</u>	<u>\$ 5,049,362</u>
<b>Liabilities and net assets:</b>		
Current liabilities:		
Accounts payable	<u>\$ 113,901</u>	<u>\$ 33,503</u>
Net assets:		
Without donor restrictions	4,214,843	4,051,249
With donor restrictions	<u>237,923</u>	<u>964,610</u>
Total net assets	<u>4,452,766</u>	<u>5,015,859</u>
Total liabilities and net assets	<u>\$ 4,566,667</u>	<u>\$ 5,049,362</u>

See accompanying notes to financial statements.

**UNITED PALESTINIAN APPEAL, INC.**

**STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	2018
<b>Revenues and other support:</b>			
Contributions	\$ 1,776,812	\$ 123,553	\$ 1,900,365
Stock donations	81,248	-	81,248
In-kind contributions	30,990,439	-	30,990,439
Dividend and interest income, net of investment fees	107,707	-	107,707
Net realized investment gain	12,074	-	12,074
Net unrealized investment loss	(326,168)	-	(326,168)
Other income	163	-	163
Net assets released from restriction	<u>850,240</u>	<u>(850,240)</u>	<u>-</u>
Total revenues and other support	<u>33,492,515</u>	<u>(726,687)</u>	<u>32,765,828</u>
<b>Expenses:</b>			
Program services:			
Health and welfare	31,832,670	-	31,832,670
Community development	133,791	-	133,791
Outreach and public information	247,444	-	247,444
Education and scholarships	<u>499,923</u>	<u>-</u>	<u>499,923</u>
Total program services	<u>32,713,828</u>	<u>-</u>	<u>32,713,828</u>
Supporting services:			
Fundraising	292,291	-	292,291
Management and general	<u>322,802</u>	<u>-</u>	<u>322,802</u>
Total supporting services	<u>615,093</u>	<u>-</u>	<u>615,093</u>
Total expenses	<u>33,328,921</u>	<u>-</u>	<u>33,328,921</u>
Change in net assets	163,594	(726,687)	(563,093)
Net assets, beginning of year	<u>4,051,249</u>	<u>964,610</u>	<u>5,015,859</u>
Net assets, end of year	<u>\$ 4,214,843</u>	<u>\$ 237,923</u>	<u>\$ 4,452,766</u>

See accompanying notes to financial statements.

**UNITED PALESTINIAN APPEAL, INC.**

**STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED DECEMBER 31, 2017

	Without Donor Restrictions	With Donor Restrictions	2017
<b>Revenues and other support:</b>			
Contributions	\$ 1,829,845	\$ 610,351	\$ 2,440,196
Stock donations	62,738	-	62,738
In-kind contributions	21,427,202	-	21,427,202
Dividend and interest income, net of investment fees	111,357	-	111,357
Net realized investment gain	62,137	-	62,137
Net unrealized investment gain	170,191	-	170,191
Other income	15,695	-	15,695
Net assets released from restriction	<u>1,096,933</u>	<u>(1,096,933)</u>	<u>-</u>
Total revenues and other support	<u>24,776,098</u>	<u>(486,582)</u>	<u>24,289,516</u>
<b>Expenses:</b>			
Program services:			
Health and welfare	22,224,039	-	22,224,039
Community development	107,493	-	107,493
Outreach and public information	185,366	-	185,366
Education and scholarships	<u>189,605</u>	<u>-</u>	<u>189,605</u>
Total program services	<u>22,706,503</u>	<u>-</u>	<u>22,706,503</u>
Supporting services:			
Fundraising	278,605	-	278,605
Management and general	<u>240,410</u>	<u>-</u>	<u>240,410</u>
Total supporting services	<u>519,015</u>	<u>-</u>	<u>519,015</u>
Total expenses	<u>23,225,518</u>	<u>-</u>	<u>23,225,518</u>
Change in net assets	1,550,580	(486,582)	1,063,998
Net assets, beginning of year	<u>2,500,669</u>	<u>1,451,192</u>	<u>3,951,861</u>
Net assets, end of year	<u>\$ 4,051,249</u>	<u>\$ 964,610</u>	<u>\$ 5,015,859</u>

See accompanying notes to financial statements.

**UNITED PALESTINIAN APPEAL, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

*FOR THE YEAR ENDED DECEMBER 31, 2018*

	Health and Welfare	Community Development	Outreach and Public Information	Education and Scholarships	Fundraising	Management and General	2018
Salaries	\$ 164,660	\$ 36,877	\$ 102,687	\$ 36,877	\$ 140,698	\$ 134,622	\$ 616,421
Employee benefits	9,334	3,910	10,888	3,910	14,918	14,274	57,234
Payroll taxes	5,260	2,203	6,135	2,203	8,406	8,042	32,249
Project grants and expenses	454,592	80,308	-	184,513	-	-	719,413
In-kind grants	30,990,439	-	-	-	-	-	30,990,439
Student grants	-	-	-	261,927	-	-	261,927
Travel	-	-	-	-	-	36,679	36,679
Occupancy	12,620	5,286	14,720	5,286	20,169	19,297	77,378
Telephone	1,314	550	1,532	550	2,099	2,009	8,054
Postage and shipping	132,358	-	9,721	-	37,399	3,639	183,117
Printing and advertising	-	-	88,795	-	50,837	8,387	148,019
Conferences and meetings	24,666	-	-	-	-	2,607	27,273
Office and miscellaneous	32,264	2,494	6,944	2,494	9,514	27,220	80,930
Professional fees	-	-	-	-	-	683	683
Accounting services	-	-	-	-	-	20,322	20,322
Website and consultant	-	-	-	-	-	6,666	6,666
Bank charges and fees	-	-	-	-	-	30,462	30,462
Depreciation	<u>5,163</u>	<u>2,163</u>	<u>6,022</u>	<u>2,163</u>	<u>8,251</u>	<u>7,893</u>	<u>31,655</u>
Total expenses	<u>\$ 31,832,670</u>	<u>\$ 133,791</u>	<u>\$ 247,444</u>	<u>\$ 499,923</u>	<u>\$ 292,291</u>	<u>\$ 322,802</u>	<u>\$ 33,328,921</u>

See accompanying notes to financial statements.

**UNITED PALESTINIAN APPEAL, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

*FOR THE YEAR ENDED DECEMBER 31, 2017*

	Health and Welfare	Community Development	Outreach and Public Information	Education and Scholarships	Fundraising	Management and General	2017
Salaries	\$ 183,267	\$ 35,073	\$ 43,186	\$ 41,257	\$ 139,090	\$ 103,680	\$ 545,553
Employee benefits	7,905	4,325	5,325	5,087	17,151	12,785	52,578
Payroll taxes	4,349	2,379	2,930	2,799	9,436	7,033	28,926
Project grants and expenses	480,183	54,737	26,576	62,809	-	-	624,305
In-kind grants	21,427,202	-	-	-	-	-	21,427,202
Student grants	-	-	-	64,737	-	-	64,737
Travel	-	-	15,998	-	-	12,059	28,057
Occupancy	9,399	5,142	6,331	6,049	20,392	15,200	62,513
Telephone	1,361	745	917	876	2,954	2,202	9,055
Postage and shipping	8,272	-	26,923	-	27,310	5,279	67,784
Printing and advertising	-	-	50,909	-	39,077	4,835	94,821
Conferences and meetings	64,293	-	-	-	-	1,066	65,359
Office and miscellaneous	32,235	2,746	3,382	3,231	13,891	16,004	71,489
Professional fees	-	-	-	-	-	5,063	5,063
Accounting services	-	-	-	-	-	17,671	17,671
Website and consultant	-	-	-	-	-	5,054	5,054
Bank charges and fees	-	-	-	-	-	25,544	25,544
Depreciation	5,573	2,346	2,889	2,760	9,304	6,935	29,807
<b>Total expenses</b>	<b><u>\$ 22,224,039</u></b>	<b><u>\$ 107,493</u></b>	<b><u>\$ 185,366</u></b>	<b><u>\$ 189,605</u></b>	<b><u>\$ 278,605</u></b>	<b><u>\$ 240,410</u></b>	<b><u>\$ 23,225,518</u></b>

See accompanying notes to financial statements.

**UNITED PALESTINIAN APPEAL, INC.**

**STATEMENTS OF CASH FLOWS**

FOR THE YEAR ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (563,093)	\$ 1,063,998
<b>Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:</b>		
Depreciation	31,655	29,807
Net realized gain on investments	(12,074)	(62,137)
Net unrealized (gain) loss on investments	326,168	(170,191)
Non-cash stock donations	(81,248)	(62,738)
(Increase) decrease in assets:		
Contributions receivable	43,160	9,501
Prepaid expenses	(4,339)	(1,096)
Increase (decrease) in liabilities:		
Accounts payable	<u>80,398</u>	<u>(98,070)</u>
Net cash provided by (used in) operating activities	<u>(179,373)</u>	<u>709,074</u>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(14,615)	(19,808)
Proceeds from sale of investments	264,497	276,004
Purchase of investments	<u>(315,603)</u>	<u>(326,656)</u>
Net cash used in investing activities	<u>(65,721)</u>	<u>(70,460)</u>
Net increase (decrease) in cash and cash equivalents	(245,094)	638,614
Cash and cash equivalents, beginning of year	<u>1,698,736</u>	<u>1,060,122</u>
Cash and cash equivalents, end of year	<u>\$ 1,453,642</u>	<u>\$ 1,698,736</u>

See accompanying notes to financial statements.

***UNITED PALESTINIAN APPEAL, INC.***

***NOTES TO FINANCIAL STATEMENTS***

*DECEMBER 31, 2018 AND 2017*

**1. Organization**

*Organization* - United Palestinian Appeal, Inc. (UPA) is a non-profit organization established in the state of New York in 1978. Its mission is to alleviate the suffering of Palestinians in the West Bank, Gaza Strip, and refugee camps in Arab countries by providing health, education, child services, community development, job creation, and emergency relief.

UPA is supported primarily through contributions from the public.

**2. Summary of Significant Accounting Policies**

*Basis of Accounting* - The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby, revenue is recognized when earned, contributions are recognized as support upon notification of the donation, and expenses are recognized when incurred.

*Uses of Estimates* - Management uses estimates and assumptions in preparing financial statements in conformity with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

*Financial Statement Presentation* - UPA follows the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 for financial statement presentation. Under FASB ASC 958, UPA is required to report information regarding its financial position and activities according to two classes of net assets as follows:

*Without donor restrictions* - Net assets not subject to donor-imposed stipulations.

*With donor restrictions* - Net assets subject to donor-imposed stipulations that may or will be met either by actions of UPA and/or the passage of time or net assets subject to donor-imposed stipulations that they be maintained permanently by UPA.

*Contributions* - UPA records contributions in accordance with FASB ASC 958. Under FASB ASC 958, contributions received are recorded as with donor restricted support

**UNITED PALESTINIAN APPEAL, INC.**

**NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2018 AND 2017

**2. Summary of Significant Accounting Policies (continued)**

if they are received with donor stipulations that limit the use of the contributed asset and such stipulations are more specific than broad limits resulting from the nature of the not-for-profit entity, the environment in which it operates, or the purposes specified in its articles of incorporation or bylaws. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions. When donor restrictions are met in the same reporting period, contributions with donor restrictions are reported as contributions without donor restrictions.

*Contributed Materials* - Contributed materials are recorded as contributions at their estimated fair value as of the date of the donation.

*Allocation of Expenses* - Expenses directly attributable to a program or supporting service are charged directly to that program or supporting service. Expenses attributable to UPA as a whole are allocated among program and supporting services based on the time and effort of employees.

*Functional Expenses* - Expenses are classified according to the programs and supporting services for which they were incurred and are reported on a functional basis in the accompanying statement of functional expenses. The program and supporting services of UPA are as follows:

*Health and Welfare* - All expenses incurred for health projects including mobile clinics, primary care clinics, emergency food distribution, medical visits, pharmaceuticals and trauma counseling for Palestinians in the West Bank, Gaza and refugee camps in the Arab countries. Expenses incurred also include projects that directly benefit handicapped, orphaned, or extremely deprived children through programs conducted by UPA's partners.

*Community Development* - All expenses incurred to rebuild and rehabilitate Palestinian community infrastructures as well as environmental and agricultural projects, and to implement micro-finance, micro-enterprise and other projects that stimulate employment.

*Outreach and Public Information* - All expenses incurred to educate the general public and raise awareness about Palestinian history, language, and culture.

**UNITED PALESTINIAN APPEAL, INC.**

**NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2018 AND 2017

**2. Summary of Significant Accounting Policies (continued)**

*Education and Scholarships* - Financial assistance in the form of university scholarships, work study opportunities and fellowships and vocational training provided to needy Palestinian students who are living in or intend to return to Palestine.

*Fundraising* - All expenses incurred with the purpose of raising funds.

*Management and General* - All other operating expenses incurred by UPA in the accomplishment of its tax exempt purposes.

*Income Taxes* - UPA has received a tax determination letter from the Internal Revenue Service (IRS) and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. As such, only unrelated business income is subjected to income tax. For the years ended December 31, 2018 and 2017, there was no unrelated business income.

*Accounting for uncertain tax positions* - UPA believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

UPA's federal Return of Organization Exempt from Income Tax (Form 990) is open to examination by the IRS, generally for three years after it was filed.

*Cash and Cash Equivalents* - For purposes of the statement of cash flows, cash consists of demand deposits and money market funds held in banks.

*Contributions Receivable* - Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Contributions receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Management periodically reviews the collectibility of contributions receivable. Management determines the allowance for doubtful accounts by using the historical experience applied to an aging of contributions receivable. Contributions receivable are written off when considered uncollectible. At December 31, 2018 and 2017, there was no allowance for doubtful accounts and all contributions receivable were expected to be collected within one year.

*Fixed Assets* - UPA capitalizes fixed assets greater than \$500. Fixed assets are recorded at cost and depreciated using the straight-line method over the estimated useful

**UNITED PALESTINIAN APPEAL, INC.**

**NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2018 AND 2017

**2. Summary of Significant Accounting Policies (continued)**

lives of three years for the website, seven years for furniture and equipment, five to seven years for improvements, and thirty-nine years for the condominium unit.

*Valuation of Long-lived Assets* - UPA reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of long-lived assets is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of carrying amount or fair value, less cost to sell. There were no impaired assets at December 31, 2018 and 2017.

*Investments* - Investments in marketable equity securities with readily determinable fair values are reported at fair value based on quoted prices in active markets in the statement of financial position. Changes in fair values are reported as unrealized gains and losses and included in the change in net assets.

*Advertising* - Advertising is expensed as incurred and is classified as printing and advertising on the statement of functional expenses. For the years ended December 31, 2018 and 2017, advertising expense totaled \$78,878 and \$23,345, respectively.

**3. Concentration of Credit Risk**

UPA maintains accounts at a number of financial institutions both within and outside of the United States. The bank accounts in the United States are insured by the Federal Deposit Insurance Corporation up to \$250,000 per depositor at each bank. UPA maintains cash balances that may exceed federally insured limits. UPA has not experienced any losses.

UPA invests in a professionally managed portfolio that contains various securities. Such investments are exposed to various risks such as market and credit. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements.

**UNITED PALESTINIAN APPEAL, INC.**

**NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2018 AND 2017

**3. Concentration of Credit Risk (continued)**

Security investments are held at brokerage firms that are members of Securities Investor Protection Corporation (SIPC). UPA maintains balances at those firms that may be in excess of federally insured limits. UPA has not experienced any such losses.

**4. Property and Equipment**

Property and equipment consists of the following:

	<u>2018</u>	<u>2017</u>
Office condominium	\$ 254,523	\$ 254,522
Condo improvements	71,111	83,096
Furniture and equipment	41,198	66,110
Website	8,874	44,490
Land	<u>84,840</u>	<u>84,840</u>
	460,546	533,058
Less: Accumulated depreciation	<u>(194,311)</u>	<u>(249,783)</u>
	<u>\$ 266,235</u>	<u>\$ 283,275</u>

**5. Investments**

Investments consist of the following publicly traded securities:

	<u>2018</u>	<u>2017</u>
Stocks	\$ 87,544	\$ 78,835
Exchange-traded funds	267,449	288,225
Mutual funds	<u>2,385,059</u>	<u>2,554,732</u>
	<u>\$ 2,740,052</u>	<u>\$ 2,921,792</u>

*UNITED PALESTINIAN APPEAL, INC.*

*NOTES TO FINANCIAL STATEMENTS*

*DECEMBER 31, 2018 AND 2017*

**6. Fair Value Measurement**

UPA follows FASB ASC 820 to disclose fair value measurements of assets and liabilities. FASB ASC 820 requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

In determining the appropriate levels, UPA performs a detail analysis of the assets and liabilities that are subject to FASB ASC 820. There were no changes in valuation techniques and related inputs in 2018 or 2017.

Fair value measurements at December 31, 2018 were as follows:

	<u>Fair Value</u>	<u>Level 1</u>
Mutual funds:		
Large Cap	\$ 737,987	\$ 737,987
Mid Cap	172,413	172,413
Small Cap	55,396	55,396
International	455,934	455,934
Bonds	<u>963,329</u>	<u>963,329</u>
Total mutual funds	2,385,059	2,385,059
Domestic stocks	87,544	87,544
Exchange traded funds	<u>267,449</u>	<u>267,449</u>
	<u>\$ 2,740,052</u>	<u>\$ 2,740,052</u>

**UNITED PALESTINIAN APPEAL, INC.**

**NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2018 AND 2017

**6. Fair Value Measurement (continued)**

Fair value measurements at December 31, 2017, were as follows:

	<u>Fair Value</u>	<u>Level 1</u>
Mutual funds:		
Large Cap	\$ 774,992	\$ 774,992
Mid Cap	217,189	217,189
Small Cap	64,449	64,449
International	547,033	547,033
Bonds	<u>951,069</u>	<u>951,069</u>
Total mutual funds	2,554,732	2,554,732
Domestic stocks	78,835	78,835
Exchange traded funds	<u>288,225</u>	<u>288,225</u>
	<u>\$ 2,921,792</u>	<u>\$ 2,921,792</u>

**7. Net Assets With Donor Restriction**

Net assets with donor restrictions are restricted as follows:

	<u>2018</u>	<u>2017</u>
Community development	\$ 164,866	\$ 266,307
Health and welfare	73,057	611,436
Education and scholarships	<u>-</u>	<u>86,867</u>
	<u>\$ 237,923</u>	<u>\$ 964,610</u>

**UNITED PALESTINIAN APPEAL, INC.**

**NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2018 AND 2017

**8. Contributed Materials**

UPA received gifts in-kind in the form of pharmaceuticals and clothing, which are distributed to organizations in the West Bank, Gaza and refugee camps. The gifts in-kind were recorded at an estimated fair market value of \$30,990,439 and \$21,427,202 for the years ended December 31, 2018 and 2017, respectively. These amounts are recognized as in-kind contributions and expensed in the health and welfare program as in-kind grants in the accompanying financial statements.

**9. Defined Contribution Postretirement Plan**

UPA sponsors a safe-harbor 401(k) plan (the Plan) covering all employees over the age of 21 who have attained one year of service. UPA matches 100% of employee contributions up to 3% of compensation, plus 50% of employee contributions that exceed 3% of compensation but not to exceed 5% of compensation. For the years ended December 31, 2018 and 2017, matching contribution expenses totaled \$10,380 and \$10,152, respectively. These amounts are included as part of employee benefits expense in the statements of functional expenses.

**10. Contribution from Foundation**

UPA is a beneficiary of a non-discretionary irrevocable foundation registered in the Principality of Liechtenstein whereby the net income of the foundation's assets is distributed annually and perpetually. Due to the future net income of the foundation's assets being indeterminable, proceeds from the foundation are recognized as contributions when received. Additionally, no pledge receivable has been recorded.

**11. Liquidity**

UPA's financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure consist of the following:

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 1,453,642	\$ 1,698,736
Contributions receivable	<u>84,665</u>	<u>127,825</u>
	1,538,307	1,826,561
Less: Donor restrictions	<u>237,923</u>	<u>964,610</u>
	<u>\$ 1,300,384</u>	<u>\$ 861,951</u>

*UNITED PALESTINIAN APPEAL, INC.*

*NOTES TO FINANCIAL STATEMENTS*

*DECEMBER 31, 2018 AND 2017*

**11. Liquidity (continued)**

UPA has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, UPA's investments are available for expenditure in the event of an unanticipated liquidity need.

**12. Subsequent Events**

Management has evaluated subsequent events through March 9, 2019, the date which the financial statements were available to be issued.