



PAN-AFRICAN ACADEMY OF CHRISTIAN
SURGEONS

Financial Statements
With Independent Auditors' Report

June 30, 2024 and 2023

PAN-AFRICAN ACADEMY OF CHRISTIAN SURGEONS

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Pan-African Academy of Christian Surgeons
Palatine, Illinois

Opinion

We have audited the accompanying financial statements of Pan-African Academy of Christian Surgeons, which comprise the statement of financial position as of June 30, 2024, and the related statement of activities, functional expenses, and cash flows for the year 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 Pan-African Academy of Christian Surgeons as of June 30, 2024, 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. 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 Pan-African Academy of Christian Surgeons 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.

Other Matter

As discussed in Note 10 to the financial statements, certain errors were identified by Pan-African Academy of Christian Surgeons that required correction. Accordingly, beginning of year net assets as of July 1, 2023, have been restated in the 2024 financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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, 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 Pan-African Academy of Christian Surgeons' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors
Pan-African Academy of Christian Surgeons
Palatine, Illinois

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 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 Pan-African Academy of Christian Surgeons' 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 Pan-African Academy of Christian Surgeons' 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.

Capin Crouse LLP

Indianapolis, Indiana
October 11, 2024

PAN-AFRICAN ACADEMY OF CHRISTIAN SURGEONS

Statement of Financial Position

June 30, 2024

ASSETS:

Cash and cash equivalents	\$	808,852
Investments		6,459,217
Accounts receivable		10,267
Prepaid expenses and other assets		22,130
Endowment investments		<u>1,296,064</u>

Total Assets	\$	<u><u>8,596,530</u></u>
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LIABILITIES AND NET ASSETS:

Liabilities:

Accounts payable	\$	48,363
Accrued expenses		<u>48,150</u>
Total liabilities		<u>96,513</u>

Net assets:

Without donor restrictions		5,008,569
With donor restrictions		<u>3,491,448</u>
Total net assets		<u>8,500,017</u>

Total Liabilities and Net Assets	\$	<u><u>8,596,530</u></u>
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See notes to financial statements

PAN-AFRICAN ACADEMY OF CHRISTIAN SURGEONS

Statement of Activities

Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:			
Contributions	\$ 2,874,512	\$ 1,452,701	\$ 4,327,213
Contributed nonfinancial assets	2,274,606	-	2,274,606
Investment income, net	309,745	127,049	436,794
Other income	78,528	-	78,528
Total Support and Revenue	5,537,391	1,579,750	7,117,141
RECLASSIFICATIONS:			
Net assets released from satisfaction of restrictions	1,896,730	(1,896,730)	-
EXPENSES:			
Program services	5,948,369	-	5,948,369
General and administrative	543,321	-	543,321
Fundraising	575,664	-	575,664
Total Expenses	7,067,354	-	7,067,354
Change in Net Assets	366,767	(316,980)	49,787
Net Assets, Beginning of Year			
As previously stated	4,784,001	3,808,428	8,592,429
Prior period adjustment	(142,199)	-	(142,199)
As restated	4,641,802	3,808,428	8,450,230
Net Assets, End of Year	\$ 5,008,569	\$ 3,491,448	\$ 8,500,017

See notes to financial statements

PAN-AFRICAN ACADEMY OF CHRISTIAN SURGEONS

Statement of Functional Expenses

Year Ended June 30, 2024

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Contributions to other nonprofit organizations	\$ 2,422,951	\$ -	\$ -	\$ 2,422,951
Medical training and education services	2,274,606	-	-	2,274,606
Salaries and benefits	540,452	354,344	396,550	1,291,346
Travel	305,477	46,722	44,489	396,688
Professional fees	190,315	93,721	32,668	316,704
Supplies, postage, and office expenses	44,077	25,821	86,223	156,121
Information technology	55,168	15,491	4,643	75,302
Other	115,323	7,222	11,091	133,636
	<u>\$ 5,948,369</u>	<u>\$ 543,321</u>	<u>\$ 575,664</u>	<u>\$ 7,067,354</u>

See notes to financial statements

PAN-AFRICAN ACADEMY OF CHRISTIAN SURGEONS

Statement of Cash Flows

Year Ended June 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 49,787
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:	
Contributions restricted for long-term investment in endowment	(192,400)
Net realized and unrealized gain on investments	(319,860)
Changes in operating assets and liabilities:	
Grant and other receivables	358
Prepaid expenses and other assets	23,354
Accounts payable	(125,125)
Accrued expenses	16,096
Net Cash Used by Operating Activities	<u>(547,790)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of investments	(2,921,590)
Proceeds from sale of investments	104,656
Net Cash Used by Investing Activities	<u>(2,816,934)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Contributions restricted for long-term investment in endowment	<u>192,400</u>
Net Cash Provided by Financing Activities	<u>192,400</u>

Net Change in Cash and Cash Equivalents	(3,172,324)
Cash and Cash Equivalents, Beginning of Year	<u>3,981,176</u>
Cash and Cash Equivalents, End of Year	<u>\$ 808,852</u>

See notes to financial statements

PAN-AFRICAN ACADEMY OF CHRISTIAN SURGEONS

Notes to Financial Statements

June 30, 2024

1. NATURE OF ORGANIZATION:

Pan-African Academy of Christian Surgeons (PAACS) is a not-for-profit organization described in Section 501(c)(3) of the Internal Revenue Code (Code) and recognized by the IRS as a publicly supported organization that is not a private foundation as described in Section 509(a)(2) of the Code. As such, it is exempt from federal and state income tax, and contributions by the public are deductible for income tax purposes. PAACS was incorporated on July 29, 2019, under the laws of the state of Illinois.

PAACS is a non-denominational, multinational service organization that trains African physicians to become surgeons, anesthesiologists, and obstetrician/gynecologists who are willing to remain in the under-resourced areas of Africa. The surgical and spiritual training of these residents is offered at several well-established mission hospitals in Africa, under the direction of experienced, board-certified missionary surgeons and related specialists.

The mission of PAACS is to glorify God by training African surgeons and related specialists to become Christ-like leaders and servants providing excellent and compassionate care to those most in need. PAACS envisions a growing number of African surgeons and related specialists living out the gospel and ministering to the sick. The mission and vision of PAACS is accomplished by facilitating surgical residency programs mission hospitals in Africa. Both long and short-term missionary surgeons and related specialists provide the training of these surgical residents and related specialists.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the financial statements. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash, checking, savings, and money market accounts as well as highly liquid investments with maturity dates of less than three months. These accounts may at times exceed federally insured limits. The uninsured amount as of June 30, 2024, was approximately \$559,000.

INVESTMENTS

Investments in mutual funds, all equity securities with readily determinable fair values, and all debt and governmental securities are reported at fair value with gains and losses included in the statement of activities. Other investments are reported at cost.

PAN-AFRICAN ACADEMY OF CHRISTIAN SURGEONS

Notes to Financial Statements

June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

ACCOUNTS RECEIVABLE

The Organization's accounts receivable consist of conference costs to be paid by conference participants that are a part of PAACS. These are expected to be paid fully; thus, the Organization has not recorded an allowance for doubtful accounts as of June 30, 2024.

Estimated allowances for credit losses on these accounts receivable are maintained at levels that, in the judgment of management, are adequate to meet the present and potential future risks of uncollectible receivable balances. Management's judgment is based on prior write-offs and scrutiny of individual accounts receivable.

NET ASSETS

The financial statements report amounts by classification of net assets:

- *Net assets without donor restrictions* are currently available for purposes under the direction of the board or are designated by the board for specific use.
- *Net assets with donor restrictions* are contributed with donor stipulations for specific operating purposes or programs, time restrictions, or not currently available for use until commitments regarding their use have been fulfilled or lifetime beneficiary interests have ceased. Some contributions with donor restrictions are required to be held in perpetuity related to the endowment (see Note 8).

SUPPORT AND REVENUE

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of donated assets is transferred to PAACS. 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.

PAACS reports gifts of cash and other assets as with donor restrictions support if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, with donor restrictions net assets are reclassified to without donor restrictions net assets and reported in the statements of activities as net assets released from restrictions.

Donated gifts (including investments) are recorded at fair value at the date of the gift.

PAN-AFRICAN ACADEMY OF CHRISTIAN SURGEONS

Notes to Financial Statements

June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE, continued

Contributed nonfinancial assets consist of donated services and various other gift-in-kind given for fundraising activities. Donated services and gift-in-kind for fundraising activities are \$2,274,606 for the year ended June 30, 2024. Donated services are recognized for those services that require specialized skills and would typically need to be purchased if not donated. In connection with overseas short-term surgical training, PAACS receives skilled donated services including surgical training, conducting rounds, and additional instructions. These are recognized as support and expense. The services are valued based on salary rates as determined by using a medical profession compensation survey. Other gift-in-kind given to PAACS are valued at an estimated fair market value. See further disclosures in Note 9.

CONCENTRATION OF CREDIT RISK

No concentrations existed for the year ended June 30, 2024.

EXPENSES

Expenses are recorded when incurred in accordance with the accrual basis of accounting. The costs of providing various program services and supporting activities of PAACS have been summarized on a functional basis with natural classifications in the statement of functional expenses. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of PAACS. These expenses include professional fees, information technology, and office expenses. Costs of other categories were allocated on estimates of time and effort. There were no joint costs for the year ended June 30, 2024. PAACS had approximately \$0 in advertising expense for the year ended June 30, 2024.

FOREIGN OPERATIONS

PAACS's operations are located in Africa. All account balances relating to foreign operations are reflected in the financial statements in United States dollars. As of June 30, 2024, no assets or liabilities were held and related to activities in Africa, respectively.

ADOPTION OF NEW ACCOUNTING POLICY

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 are accounts receivable.

The Organization adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

PAN-AFRICAN ACADEMY OF CHRISTIAN SURGEONS

Notes to Financial Statements

June 30, 2024

3. LIQUIDITY:

Because donor restrictions require resources to be used in a particular manner or in a future period, PAACS must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of PAACS's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following reflects PAACS financial assets available to meet cash needs for general expenditures within one year.

Financial assets:	
Cash and cash equivalents	\$ 808,852
Investments	6,459,217
Accounts receivable	10,267
Endowment investments	1,296,064
Financial assets, at year end	<u>8,574,400</u>
Less those unavailable for general expenditures within one year:	
Net assets with donor restrictions	(960,560)
Endowment funds	<u>(1,517,114)</u>
	<u>(2,477,674)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 6,096,726</u>

PAACS is substantially supported by contributions, some of which are restricted. Because a donor's restriction requires resources to be used in a particular manner or in a future period, PAACS must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. Net assets with donor restrictions of \$1,013,774 as of June 30, 2024, are included in financial assets available to meet cash needs (above) because they represent resources available for operational expenditure within one year. As part of its liquidity management, PAACS has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

PAN-AFRICAN ACADEMY OF CHRISTIAN SURGEONS

Notes to Financial Statements

June 30, 2024

4. INVESTMENTS:

Investments consist of the following:

	June 30, 2024		
	Fair Value	Level 1	Level 2
Investments held at fair value:			
Mutual funds:			
Intermediate bonds	\$ 1,731,673	\$ 1,731,673	\$ -
Equity funds	2,222,218	2,222,218	-
Exchange-traded funds:			
Ultrashort bond	818,253	818,253	-
Treasury bills	73,871	-	73,871
 Total investments held at fair value	 4,846,015	 \$ 4,772,144	 \$ 73,871
 Investments other than at fair value:			
Cash and cash equivalents	2,909,266		
	\$ 7,755,281		

The *Fair Value Measurements and Disclosure* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. PAACS uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, PAACS measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

Investments consist of the following as of June 30, 2024:

Investments- operating	\$ 6,459,217
Endowment investments	1,296,064
	\$ 7,755,281

PAN-AFRICAN ACADEMY OF CHRISTIAN SURGEONS

Notes to Financial Statements

June 30, 2024

4. INVESTMENTS, continued:

Investment income, net, consists of the following for the year ended June 30, 2024:

Interest and dividends	\$ 116,934
Realized gain on investments	47,512
Unrealized gain on investments	272,348
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	\$ 436,794
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5. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of the following as of June 30, 2024:

Subject to expenditure for specified purpose or period:	
Surgical programs	\$ 1,505,247
Grant funds	349,041
Unappropriated endowment earnings	283,314
Logos program	38,916
Faculty programs	20,000
Other	61,130
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	2,257,648
Endowment subject to PAACS's spending policy and appropriation	<hr/>
	1,233,800
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	\$ 3,491,448
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6. EMPLOYEE BENEFITS:

RETIREMENT PLAN

Beginning January 1, 2024, PAACS began participating in a retirement plan through American Funds. Under the plan, all employees who have been employed by PAACS for at least one year and work at least 20 hours per week are eligible to participate. Employees are eligible to make contributions to the plan by way of a salary reduction agreement with a maximum total contribution to a participant's account based upon the current provisions of the Code. Employees are also eligible for an employer match for each percent they contribute, up to 5%. For the time period July 1, 2023, through December 31, 2023, PAACS participated in a pension plan through its professional employer organization. Eligible employees received an employer contribution of 5% of employee compensation, regardless of the employee's contribution. Employer contributions to the plan for the year ended June 30, 2024, were approximately \$29,900.

PAN-AFRICAN ACADEMY OF CHRISTIAN SURGEONS

Notes to Financial Statements

June 30, 2024

6. EMPLOYEE BENEFITS, continued:

MEDICAL PLAN

PAACS offers medical benefits to all qualified full-time employees and their dependents. Under the Plan, employees can pay the deductible with funds from the HSA. PAACS partially funded the HSA to help with the annual deductible amount. The employees may contribute the remainder of the annual allowed amount to the HSA, if they choose. The Plan pays a portion of the employee's covered charges after the deductible has been met with a maximum out-of-pocket amount, as defined by the employer. As of June 30, 2024, PAACS paid medical premiums of approximately \$54,200, and HSA contributions of approximately \$5,000.

7. ENDOWMENTS:

PAACS's endowment consists of several individual funds established for a variety of purposes. Its endowment includes donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The board of trustees of PAACS has interpreted the Uniform Prudent Management of Institutional Funds Act (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, PAACS classifies as with donor-restricted net assets (a) the original value of gifts donated to the endowment in perpetuity, (b) the original value of subsequent gifts to the endowment in perpetuity, and (c) accumulations to the donor-restricted 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 is classified as with donor-restrictions net assets until those amounts are appropriated for expenditure by PAACS in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, PAACS considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of PAACS and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of PAACS
7. The investment policies of PAACS

Endowment net assets are composed of the following as of June 30, 2024:

Donor-restricted amounts required to be maintained in perpetuity	\$ 1,233,800
Accumulated investment gains on donor-restricted endowments	283,314
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	\$ 1,517,114
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PAN-AFRICAN ACADEMY OF CHRISTIAN SURGEONS

Notes to Financial Statements

June 30, 2024

7. ENDOWMENTS, continued:

Changes in endowment net assets consist of the following for the year ended June 30, 2024:

	With Donor Restrictions		Total
	Accumulated Gains	Original Gift Amount in Perpetuity	
Beginning balance, July 1, 2023	\$ 156,265	\$ 1,041,400	\$ 1,197,665
Investment return:			
Interest and dividend income	36,683	-	36,683
Realized and unrealized loss	90,366	-	90,366
	127,049	-	127,049
Contributions	-	192,400	192,400
	-	192,400	192,400
Endowment net assets, June 30, 2024	\$ 283,314	\$ 1,233,800	\$ 1,517,114

Funds with Deficiencies—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 PAACS to retain as a fund of perpetual duration. No funds were underwater as of June 30, 2024.

Return Objectives and Risk Parameters—PAACS 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 PAACS must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the board, the endowment assets are invested in a manner that is intended to produce an inflation adjusted income stream to grow the corpus above the inflation rate. PAACS expects its endowment funds, over time, to provide an average rate of return of approximately 5% to 7% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives—To satisfy its long-term rate-of-return objectives, PAACS relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). PAACS targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

PAN-AFRICAN ACADEMY OF CHRISTIAN SURGEONS

Notes to Financial Statements

June 30, 2024

7. ENDOWMENTS, continued:

Spending Policy and How the Investment Objectives Related to Spending Policy—PAACS’s donor-restricted endowments are used to fund the training of residents in PAACS surgical training programs in specified areas of Africa. There are endowments established to start a program in Togo, to fund general surgical training, and to fund orthopedic surgical training. These endowments are permanent in nature and only allow for the use of the net earnings, gains, and losses to meet their purpose. The primary investment objective for the endowment is to preserve purchasing power of endowment assets in perpetuity and achieve investment returns sufficient to sustain the level of spending necessary to fulfill the purpose of the endowment.

8. CONTRIBUTED NONFINANCIAL ASSETS:

PAACS receives skilled donated services including surgical training, conducting rounds, and additional instructions. The value of these donated services is determined by research on the salaries of the positions donated. PAACS conservatively uses the midpoint between the 25th percentile and the 50th percentile of the salaries. The number of days and hours worked and thus donated is tracked by each individual and is provided to management. As volunteers spend a portion of time performing surgery and the remaining portion of time training and educating residents, PAACS has estimated approximately 52% of the total time spent onsite as donated services. These donated services help further PAACS's mission through training of African physicians to serve in under-resourced areas of Africa. The largest portion of donated services relates to surgeons while also including other medical specialties as described in Note 1.

Additionally, in the year ended June 30, 2024, PAACS held a fundraising concert. All expenses were paid for by a donor. Therefore, these fees were recorded as contributed nonfinancial assets and gift-in-kind expense in the year ended June 30, 2024.

The table below shows the breakdown of contributed nonfinancial assets.

	Hourly Midpoint Compensation	Number of Hours	Total
Positions during year ended June 30, 2024:			
General surgeons	\$193	3,397	\$ 656,171
Specialty surgeons and medical specialists	\$206	7,578	1,558,519
Total medical training and education services		<u>10,975</u>	<u>2,214,690</u>
Other professional services			<u>59,916</u>
			<u>\$ 2,274,606</u>

PAN-AFRICAN ACADEMY OF CHRISTIAN SURGEONS

Notes to Financial Statements

June 30, 2024

9. RELATED PARTY TRANSACTIONS:

Contributions to PAACS by members of the board totaled approximately \$258,100 for the year ended June 30, 2024.

10. PRIOR PERIOD ADJUSTMENT:

PAACS identified a correction during the current year which restates beginning net assets. PAACS identified that advances previously recorded should not be held as an asset at the end of the year. Instead, when the money is sent to the programs in Africa, it should be expensed as each program is then in charge of how and when the money is spent. There is no barrier to revenue recognition for each program and thus, it is not appropriate to hold the money as an advance at year end and should have been recorded as a contribution expense. This correction decreased net assets by \$142,199 as of July 1, 2023, on the statement of activities.

11. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through October 11, 2024, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.