

Financial Statements

Pilgrims of Ibillin, Inc.
(a nonprofit organization)
Years Ended December 31, 2020 and 2019



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Pilgrims of Ibillin, Inc.
South Milwaukee, WI

Report on the Financial Statements

We have audited the accompanying financial statements of Pilgrims of Ibillin, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020 and the related statements of activities, functional expenses, and cash flows for the year 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 audit. 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 our audits to obtain reasonable assurance about whether the financial statements are free of 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 risk 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 Pilgrims of Ibillin, Inc., as of December 31, 2020 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.

Report on Summarized Comparative Information

We have previously audited the Pilgrims of Ibillin, Inc.'s 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our reported dated May 21, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Harris CPAs

Meridian, Idaho
May 27, 2021



PILGRIMS OF IBILLIN, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2020
With Comparative Totals as of December 31, 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 225,650	\$ 317,062
Prepaid expenses	<u>715</u>	<u>1,761</u>
Total Current Assets	226,365	318,823
Property, Plant, and Equipment, net	<u>892</u>	<u>0</u>
Total Assets	<u>\$ 227,257</u>	<u>\$ 318,823</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts and salaries payable	\$ 7,355	\$ 2,418
Pilgrimage trip deposits	<u>0</u>	<u>14,950</u>
Total Liabilities	7,355	17,368
Net Assets		
Without Donor Restrictions	70,240	75,435
With Donor Restrictions	<u>149,662</u>	<u>226,020</u>
Total Net Assets	<u>219,902</u>	<u>301,455</u>
Total Liabilities and Net Assets	<u>\$ 227,257</u>	<u>\$ 318,823</u>

See notes to financial statements.

PILGRIMS OF IBILLIN, INC.
STATEMENTS OF ACTIVITIES
For the Year Ended December 31, 2020
With Comparative Totals for the Year Ended December 31, 2019

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>2020</u> <u>Total</u>	<u>2019</u> <u>Total</u>
Revenue and Other Support				
Contributions	\$ 160,466	\$ 392,184	\$ 552,650	\$ 271,031
Pilgrimage trips	1,150		1,150	54,378
Other income	<u>53</u>		<u>53</u>	<u>9,351</u>
	161,669	392,184	553,853	334,760
Net assets released from restriction	<u>468,542</u>	<u>(468,542)</u>	<u>0</u>	<u>0</u>
Total Revenue and Support	630,211	(76,358)	553,853	334,760
Expenses				
Program services				
Mar Elias Educational Institute	462,172		462,172	105,106
Pilgrimage trips	7,784		7,784	68,327
Peace Partners	75,317		75,317	46,993
Other programs	<u>15,531</u>		<u>15,531</u>	<u>25,975</u>
Total Program Services	560,804	0	560,804	246,401
Supporting services				
General & administrative	59,061		59,061	81,029
Fundraising	<u>15,541</u>	<u>0</u>	<u>15,541</u>	<u>23,040</u>
Total Supporting Services	<u>74,602</u>		<u>74,602</u>	<u>104,069</u>
Total Expenses	<u>635,406</u>	<u>0</u>	<u>635,406</u>	<u>350,470</u>
Change in Net Assets	(5,195)	(76,358)	(81,553)	(15,710)
Net Assets				
Beginning of Year	<u>75,435</u>	<u>226,020</u>	<u>301,455</u>	<u>317,165</u>
End of Year	<u>\$ 70,240</u>	<u>\$ 149,662</u>	<u>\$ 219,902</u>	<u>\$ 301,455</u>

See notes to financial statements.

PILGRIMS OF IBILLIN, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2020
With Comparative Totals for the Year Ended December 31, 2019

	2020						2019	
	Program Services							
	Mar Elias Educational Institute	Pilgrimage Trips	Peace Partners	Other Programs	General & Administrative	Fundraising	Total	Total
Grants to other organizations	\$ 456,033	\$	\$ 70,712	\$	\$	\$	\$ 526,745	\$ 144,204
Salaries and related expenses	6,139	7,674	4,605	15,348	12,279	15,348	61,393	57,418
Contract services				183	24,364	182	24,729	24,725
Office expenses					11,613		11,613	17,369
Travel and meeting expenses		110					110	99,242
Other					10,806	10	10,816	7,512
	<u>\$ 462,172</u>	<u>\$ 7,784</u>	<u>\$ 75,317</u>	<u>\$ 15,531</u>	<u>\$ 59,062</u>	<u>\$ 15,540</u>	<u>\$ 635,406</u>	<u>\$ 350,470</u>

See notes to financial statements

PILGRIMS OF IBILLIN, INC.
STATEMENTS OF CASH FLOWS
For the Year Ended December 31, 2020
With Comparative Totals for the Year Ended December 31, 2019

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Change in net assets	\$ (81,553)	\$ (15,710)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation Expense	298	0
Changes in operating assets and liabilities:		
Prepaid expenses	1,046	4,630
Accounts and salaries payable	4,937	2,293
Pilgrim trip deposits	<u>(14,950)</u>	<u>14,950</u>
Net Cash Provided (Used) by Operating Activities	(90,222)	6,163
Cash Flows From Investing Activities		
Purchase of Equipment	<u>(1,190)</u>	<u>0</u>
Net Change in Cash and Cash Equivalents	(91,412)	6,163
Cash and Cash Equivalents - Beginning of Year	<u>317,062</u>	<u>310,899</u>
Cash and Cash Equivalents - End of Year	<u>\$ 225,650</u>	<u>\$ 317,062</u>

See notes to financial statements.

PILGRIMS OF IBILLIN, INC.

NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies

Nature of Organization

Pilgrims of Ibillin, Inc. (the Organization) is a nonprofit corporation with constituents in all of the 50 states. The Organization's mission is to support the Mar Elias Educational Institutions and other mission projects that cultivate a just peace in Israel and Palestine. The Organization provides this support through financial resources, education, and peace building projects. The Organization operates a number of different programs to assist in achieving its mission. The largest of the Organizations programs are as follows: Mars Elias Educational Institution and Pilgrimage trips.

Mars Elias Educational Institution is the core of the work of Pilgrims of Ibillin, Inc. It's an intentionally interfaith peace-building K-12 school in Norther Israel – near Haifa – in the town of Ibillin. This program brings together students from faith traditions and villages across the Galilee region. Pilgrims of Ibillin was an early partner for the school when it first began, and our partnership continues the support in the form of scholarships for students in need, building the new learning center, and supplementing support for the growing range of extra-curricular opportunities.

Pilgrimage trips are bi-annual opportunities for groups or individuals from the United States to visit a mixture of holy sites and peacemaking groups on both sides of the green lines (Israel and West Bank, but does not go to the Gaza Strip). The trip also includes visits to the Organization's peace partners as often as possible and a few days at the Mar Elias schools. These groups are typically comprised of Christian communities, typically protestant, from all over the United States, and are open to everybody.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The Organization reports net assets and revenues, expenses, gains and losses are classified according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. Net asset with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

PILGRIMS OF IBILLIN, INC.
NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value

The Organization uses fair value reporting for financial assets and liabilities. A hierarchy for reporting the reliability of input measurements used to assess fair value for all assets and liabilities. Fair value is defined as the selling price that would be received for an asset, or paid to transfer a liability, in the principal or most advantageous market on the measurement date. The hierarchy established, prioritizes fair value measurements based on the types of inputs used in the valuation technique. Certain financial instruments are carried at cost on the balance sheet, which approximates fair value due to their short term, highly liquid nature.

Cash and Cash Equivalents

The Organization considers all short-term investments purchased with maturity of three months or less to be cash equivalents.

Concentration of Credit and Income Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash. Accounts at these financial institutions are insured by the Federal Deposit Insurance Corporation for up to \$250,000. The Organization held uninsured cash balances of \$30,924 and \$67,062, as of December 31, 2020 and 2019, respectively.

The Organization received bequest income from one donor which comprised 64% and 23% of total revenue for the years ended December 31, 2020 and 2019, respectively.

Property and Equipment

Property and equipment is stated at cost and depreciated using the straight-line method over the assets estimated useful life. When property and equipment is retired or sold, the cost and accumulated depreciation is eliminated and any resulting gain or loss is included in income for the year.

PILGRIMS OF IBILLIN, INC.
NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

Contributions and Donor Imposed Restrictions

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as contributions with donor restrictions that increases that net asset class. When donor restrictions expire, that is, when a time restriction ends and/or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. Salaries and related expenses are allocated based on Management's estimate of time and effort associated with staff duties and functions. General and administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. Fundraising expenses include expenses for publicizing and conducting fundraising campaigns and any other activities that involve soliciting contributions.

Advertising

The Organization expenses advertising as costs are incurred. Advertising expenses totaled \$10 and \$59 for the year ended December 31, 2020 and 2019, respectively.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law. Accordingly, no provision for income taxes is made in the financial statements.

Presentation of Certain Taxes

The Organization collects various taxes from customers and remits these amounts to applicable taxing authorities. The Organization's accounting policy is to exclude these taxes from income and program expenses.

PILGRIMS OF IBILLIN, INC.
NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

Uncertain Tax Positions

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of that position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal 2020. The Organization files Form 990 in the U.S. federal jurisdiction. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2017.

Prior Year Comparative Totals

The financial statements include certain 2019 summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a complete presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the 2019 financial statement from which the summarized information was derived.

Subsequent Events

The Organization has evaluated subsequent events through May 27, 2021, which is the date the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, the Organization has determined that no pilgrimages will be made during 2021 and that the Organization will begin to plan and advertise for the 2022 pilgrimages. Other economic uncertainties may arise which negatively impact operations; however the related financial impact and duration cannot be reasonably estimated at this time.

PILGRIMS OF IBILLIN, INC.
NOTES TO FINANCIAL STATEMENTS

Note B – Liquidity and Availability of Resources

The Organization’s financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Financial assets available within one year:		
Cash and cash equivalents	\$	225,650
Less amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose restrictions		<u>(149,662)</u>
Total financial assets available within one year after restriction	\$	<u>75,988</u>

As part of the Organization’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. At December 31, 2020, all net assets with donor restrictions are available for payment of any major expenditures incurred.

Note C – Property and Equipment

At December 31, property and equipment consisted of the following:

	<u>2020</u>	<u>2019</u>
Equipment	1,190	0
Less accumulated depreciation	<u>298</u>	<u>0</u>
Total Property and Equipment	<u>\$ 892</u>	<u>\$ 0</u>

For the years ended December 31, 2020 and 2019, depreciation expense was \$298 and \$0, respectively.

PILGRIMS OF IBILLIN, INC.
NOTES TO FINANCIAL STATEMENTS

Note D – Net Assets

The Organization reports net assets according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. Net asset with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. All net assets with donor restrictions are restricted for the purpose of use within the program for which the grants or donations were received.

The detail of the Organization’s net asset categories at December 31, is as follows:

	<u>2020</u>	<u>2019</u>
Net assets without donor restrictions:		
Invested in property and equipment	\$ 892	\$ 0
Undesignated surplus	<u>69,348</u>	<u>75,435</u>
Total net assets with donor restrictions	70,240	75,435
Net assets with donor restrictions:		
Mar Elias Educational Institute for purpose of education and scholarships	<u>149,662</u>	<u>226,020</u>
Total net assets	<u>\$ 219,902</u>	<u>\$ 301,455</u>

Note E – Risks and Uncertainties

The COVID-19 pandemic is having significant effects on markets, supply chains, businesses, and communities. The extent of the impact of COVID-19 on the Organization’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Organization’s funding sources, volunteers, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Organization’s financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic. Management is actively monitoring the situation on its financial condition, liquidity, operations, suppliers, industry, and workforce.