

October 16, 2024

Artesian CPA
1312 17th Street #462
Denver, CO 80202

This representation letter is provided in connection with your audit of the financial statements of Pilgrims of Ibillin, Inc., which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the disclosures (collectively, the “financial statements”), for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of October 16, 2024, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 12, 2023, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- 6) Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- 8) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the Organization’s accounts.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
- 11) Guarantees, whether written or oral, under which the Organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

- 12) As part of your audit, you assisted with the preparation of the financial statements and disclosures and federal information return (Form 990). We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures and federal information return.

Information Provided

- 13) We have provided you with:
- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters, and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 14) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 15) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 16) We have no knowledge of any fraud or suspected fraud that affects the Organization and involves:
- a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where fraud could have a material effect on the financial statements.
- 17) We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, grantors, regulators, or others.
- 18) We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse whose effects should be considered when preparing financial statements.
- 19) We have disclosed to you all known actual or possible litigation, claims, and assessment whose effects should be considered when preparing the financial statements.
- 20) We have disclosed to you the names of all of the Organization's related parties and all the related-party relationships and transactions, including any side agreements.
- 21) The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
- 23) The Organization is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware would jeopardize the Organization's tax-exempt status, and all activities

subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up to date.

Signature: Esraa Cherin
10/29/2024

Date: _____

Pilgrims of Ibillin, Inc.

Financial Statements and Independent Auditor's Report
December 31, 2023

PILGRIMS OF IBILLIN, INC.

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To the Board of Trustees of
Pilgrims of Ibillin, Inc.
Davidson, South Carolina

INDEPENDENT AUDITOR'S REPORT

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, 2023, and the related statements 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 Pilgrims of Ibillin, Inc. as of December 31, 2023, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Pilgrims of Ibillin, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility 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 Pilgrims of Ibillin, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's 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, including omissions, 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 Pilgrims of Ibillin, Inc.'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 Pilgrims of Ibillin, Inc.'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.

Artesian CPA, LLC

Artesian CPA, LLC

Denver, Colorado

October 16, 2024

Artesian CPA, LLC

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PILGRIMS OF IBILLIN, INC.
STATEMENT OF FINANCIAL POSITION
As of December 31, 2023

ASSETS

Current Assets:

| | |
|-----------------------------------|----------------|
| Cash and equivalents-unrestricted | \$ 197,452 |
| Total Current Assets | <u>197,452</u> |

| | |
|--------------|-------------------|
| TOTAL ASSETS | <u>\$ 197,452</u> |
|--------------|-------------------|

LIABILITIES AND NET ASSETS

Current Liabilities:

| | |
|-------------------|--------------|
| Unearned income | \$ 6,000 |
| Accrued expenses | <u>1,409</u> |
| Total Liabilities | <u>7,409</u> |

Net Assets:

| | |
|----------------------------|----------------|
| Without donor restrictions | <u>190,043</u> |
| Total Net Assets | <u>190,043</u> |

| | |
|----------------------------------|-------------------|
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 197,452</u> |
|----------------------------------|-------------------|

See Independent Auditor's Report and accompanying notes, which are an integral part of these financial statements.

PILGRIMS OF IBILLIN, INC.
STATEMENT OF ACTIVITIES
For the year ended December 31, 2023

| | |
|--|--------------------------|
| Operating Activities: | |
| Public support and revenue: | |
| Contributions | \$ 329,566 |
| Pilgrimage trips | 29,150 |
| In-Kind contributions | 3,689 |
| Total public support and revenue | <u>362,405</u> |
| Expenses: | |
| Program services | 212,888 |
| Supporting services: | |
| Management and general | 54,271 |
| Fundraising | 41,416 |
| Total expenses | <u>308,575</u> |
| Change in net assets without donor restrictions from operating activities | 53,830 |
| Non-Operating Activities: | |
| Loss on disposal of asset | (132) |
| Other income | 12 |
| Change in net assets without donor restrictions from non-operating activities | <u>(120)</u> |
| Change in net assets without donor restrictions | 53,710 |
| Net assets without donor restrictions at beginning of year | <u>136,333</u> |
| Net assets without donor restrictions at end of year | <u><u>\$ 190,043</u></u> |

See Independent Auditor's Report and accompanying notes, which are an integral part of these financial statements.

PILGRIMS OF IBILLIN, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2023

| | Program Services | | | | | Supporting Services | | | |
|----------------------------|---------------------------------------|---------------------|-------------------|-------------------|------------------------------|---------------------------|------------------|---------------------------------|-------------------|
| | Mar Elias Educational Institute | Pilgrimage Trips | Peace Partners | Other Programs | Total Program Services | Management and General | Fundraising | Total Supporting Services | Total Expenses |
| Grant expense | \$ 120,000 | \$ - | \$ 40,800 | \$ - | \$ 160,800 | \$ - | \$ - | \$ - | \$ 160,800 |
| Salaries & Wages | - | - | - | 19,028 | 19,028 | 19,903 | 31,713 | 51,616 | 70,644 |
| Travel & Meetings Expenses | - | 31,700 | - | 365 | 32,065 | 6,835 | - | 6,835 | 38,900 |
| Professional Fees | - | - | - | - | - | 14,989 | 2,482 | 17,471 | 17,471 |
| Office Expense | - | 30 | - | 955 | 985 | 2,704 | 6,720 | 9,424 | 10,409 |
| Other Expense | - | - | - | 10 | 10 | 9,840 | 501 | 10,341 | 10,351 |
| | <u>\$ 120,000</u> | <u>\$ 31,730</u> | <u>\$ 40,800</u> | <u>\$ 20,358</u> | <u>\$ 212,888</u> | <u>\$ 54,271</u> | <u>\$ 41,416</u> | <u>\$ 95,687</u> | <u>\$ 308,575</u> |

See Independent Auditor's Report and accompanying notes, which are an integral part of these financial statements.

PILGRIMS OF IBILLIN, INC.
STATEMENT OF CASH FLOWS
For the year ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|--|--------------------------|
| Changes in net assets | \$ 53,710 |
| Adjustments to reconcile changes in net assets to net cash provided by operating activities: | |
| Loss on disposal of asset | 132 |
| Change in operating assets and liabilities: | |
| Change in prepaid expense | 1,090 |
| Change in other asset | 126 |
| Change in unearned income | 6,000 |
| Change in accrued expenses | (180) |
| Net cash provided by operating activities | <u>60,878</u> |
| Net increase in cash and cash equivalents | 60,878 |
| Cash and cash equivalents at beginning of year | <u>136,574</u> |
| Cash and cash equivalents at end of year | <u><u>\$ 197,452</u></u> |
| Supplemental Disclosure of Cash Flow Information: | |
| Interest paid | \$ - |

See Independent Auditor's Report and accompanying notes, which are an integral part of these financial statements.

PILGRIMS OF IBILLIN, INC.
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2023 and for the year then ended

NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Pilgrims of Ibillin, Inc. (the “Organization”) is a not-for-profit organization with constituents in 18 states. The Organization’s mission is to support the Mar Elias Educational Institutions and other mission projects that foster a just peace in Israel and Palestine. Pilgrims of Ibillin 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 Northern 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 their 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.

Financial Statement Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Not-for-Profit Organizations” (the “Guide”). Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization’s board may designate assets without restrictions for specific operational purposes from time to time.

Net Assets With Donor Restrictions

Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the

PILGRIMS OF IBILLIN, INC.
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2023 and for the year then ended

passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less, except those designated for long-term purposes, to be cash equivalents. The Organization's cash and cash equivalents in bank deposit accounts, at times, may exceed federally insured limits. As of December 31, 2023, the Organization did not exceed FDIC limits.

Grants and Pledges Receivable

Grants and pledges receivable are recognized as revenues in the period received. Unconditional grants and pledges with terms greater than one year are initially recorded at fair value based on their estimated future cash flows. Grants and pledges are discounted to present value using a discount rate commensurate with the risk involved. Conditional promises to give are not recognized until they become unconditional; that is when the conditions on which they depend are substantially met. Gifts of assets other than cash are recorded at their estimated fair value. For government grants, the barrier to entitlement is considered overcome when expenditures associated with each grant are determined to be allowable and all other significant conditions of the grant are met. Total grants and pledges receivable from conditional and unconditional sources was \$0 at December 31, 2023.

Property and Equipment

Property and equipment are recorded at cost when purchased. Property and equipment are depreciated using the straight-line method over the assets estimated useful lives. The Organization assesses its property and equipment for indications of impairment annually and adjusts the carrying balances if impairments are determined. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restrictions upon acquisition of the assets and the assets are placed in service. At December 31, 2023, net property and equipment totaled \$0.

Contributions

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promises to give contains a donor or grantor condition when both of the following are present: A) an explicit indication of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized; B) An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met. Conditional contributions

PILGRIMS OF IBILLIN, INC.
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2023 and for the year then ended

are recognized when barriers to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending upon the existence and nature of any donor restrictions. When a restriction expires, 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 restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

In-Kind Support

The Organization recognizes the value of donated food, goods and services in accordance with FASB ASU No. 2020-07, Not for Profit Entities, Topic 958, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*, if services are recorded if they (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. A number of volunteers have contributed significant amounts of their time in the Organization's program services but are not recognized as contributions in the financial statements because they do not meet the aforementioned criteria. For the year ended December 31, 2023, in-kind support totaled \$3,689.

Measure of Operation

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing activities. Non-operating activities are limited to resources that generate return from investments, proceeds from sale of assets and other activities considered to be of a more unusual or nonrecurring nature.

Leases

On January 1, 2022, the Organization adopted ASC 842, *Leases*, as amended, which supersedes the lease accounting guidance under Topic 840, and generally requires lessees to recognize operating and finance lease liabilities and corresponding right-of-use (ROU) assets on the statement of financial position and to provide enhanced disclosures surrounding the amount, timing and uncertainty of cash flows arising from lease arrangements. The Organization elected transitional practical expedients for existing leases which eliminated the requirements to reassess existing lease classification, initial direct costs, and whether contracts contain leases. Also, the Organization elected to present the payments associated with short-term leases as an expense in statement of operations. Short-term leases are leases with a lease term of 12 months or less.

Functional Allocation of Expenses

The costs of providing various programs and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and payroll taxes and benefits are

PILGRIMS OF IBILLIN, INC.
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2023 and for the year then ended

allocated based on time and effort. Indirect costs such as depreciation and amortization expenses are allocated based upon utilization and square footage. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different results.

Income Tax

No provision has been made for income taxes, since the Organization is exempt from Federal income tax pursuant to Internal Revenue Code Section 501(c)(3). There was no unrelated business taxable income during the year.

The Organization has not recognized any unrecognized tax benefits to be disclosed as of December 31, 2023. Uncertainty in income taxes for a not-for-profit organization would include the status of its exemption from taxes, status of filings in local jurisdictions, and unrelated business income, if any. The Organization's information returns filings for the years 2021 to 2023 remains subject to examination by the Internal Revenue Service. The Organization has adopted "Accounting for Uncertainty in Income Taxes," which requires the Organization to determine whether a tax position (and the related tax benefit) is more likely than not to be sustained upon examination by the applicable taxing authority, based solely on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement, presuming that the tax position is examined by the appropriate taxing authority that has full knowledge of all relevant information. During the year ended December 31, 2023, the Organization's management evaluated its tax positions to determine the existence of uncertainties and did not note any matters that would require recognition, or which may have an effect on its tax-exempt status.

Recent Accounting Pronouncements

Management does not believe that any other recently issued, but not yet effective, accounting standards could have a material effect on the accompanying financial statement. As new accounting pronouncements are issued, we will adopt those that are applicable under the circumstances.

NOTE 2: FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board ("FASB") guidance specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. 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). The three levels of the fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 primarily consists of financial instruments whose value is based on quoted market prices such as exchange-traded instruments and listed equities.

PILGRIMS OF IBILLIN, INC.
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2023 and for the year then ended

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (e.g., quoted prices of similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active).

Level 3 – Unobservable inputs for the asset or liability. Financial instruments are considered Level 3 when their fair values are determined using pricing models, discounted cash flows or similar techniques and at least one significant model assumption or input is unobservable.

The carrying amount reported in the statement of financial position approximate their fair value.

NOTE 3: COMMITMENTS AND CONTINGENCIES

The Organization has received grants for specific purposes that are subject to review and audit by grantor agencies. Such audits may result in grantor agencies requiring a reimbursement from the foundation for expenditures disallowed by the grant terms. Management does not expect any such disallowances to be material.

NOTE 4: CONCENTRATIONS

The Organization has certain concentrations on specific categories; these concentrations represent 10% or more of the total revenues. If a significant reduction in the level of these revenue sources occurs, it may have an effect on the Organization's programs and activities. For the year ended December 31, 2023, there was one individual contributor that represented over 10% of revenues and represented a concentration of risk which was approximately 17% of total revenues.

NOTE 5: REVENUE FROM CONTRACTS WITH CUSTOMERS

The Organization's revenue from contracts with customers is recognized within the following category for the year ended December 31, 2023:

| | |
|------------------|-----------|
| Pilgrimage trips | \$ 29,150 |
|------------------|-----------|

A description of the Organization's revenue stream is as follows:

Pilgrimage trips: The Organization coordinates pilgrimage trips from the United States to visit a mixture of holy sites and peacemaking groups in Israel. The Organization recognizes revenue upon completion of the trip. The change in the Organization's deferred revenue account for the year ended December 31, 2023, is comprised of the following:

| | |
|------------------------------|-----------------|
| January 1, 2023 | \$ - |
| Pilgrimage revenues received | 35,150 |
| Pilgrimage revenues earned | (29,150) |
| December 31, 2023 | <u>\$ 6,000</u> |

See accompanying Independent Auditor's Report

PILGRIMS OF IBILLIN, INC.
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2023 and for the year then ended

Contract assets and liabilities from contracts with customers were as follows:

| | Deferred Revenues |
|-------------------|----------------------|
| January 1, 2023 | \$ - |
| December 31, 2023 | \$ 6,000 |

NOTE 6: LIQUIDITY

The following reflects the Organization's financial assets of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Amounts not available include amounts the Organization's board of directors have designated for specific operating purposes, regardless of whether those designated amounts were reclassified if the board so chooses.

| | |
|---|-------------------|
| Financial Assets at Year End | \$ 197,452 |
| Less: Funds unavailable for general expenditures due to contractual or donor-imposed restrictions (time or purpose) | |
| Restricted by donor with time or purpose restriction | - |
| Financial Assets available to meet cash needs for general expenditures within one year | <u>\$ 197,452</u> |

NOTE 7: SUBSEQUENT EVENTS

Management's Evaluation

Management of the Organization has evaluated events and transactions that occurred after the balance sheet date through October 16, 2024, the date the financial statements were available to be issued and has determined that no subsequent events occurred that require recognition or disclosure in these financial statements.

| | Adj 12/31/2022 | Unadj 12/31/2023 | AJE | Adj 12/31/2023 | Final FS Grouping |
|---|----------------|------------------|---------|-------------------|-----------------------------|
| | | | | | <<C> |
| 1030 Cash:PayPal | - | - | - | - | Cash and cash equivalents |
| 1050 Cash:WF Checking x2439 | 136,574 | 197,452 | - | 197,452 | Cash and cash equivalents |
| 1400 Other Current Assets | 126 | - | - | - | Other Current Assets |
| 1420 Other Current Assets:Prepaid Expenses | 1,090 | - | - | - | Prepaid expenses |
| 1499 Undeposited Funds | - | - | - | - | Cash and cash equivalents |
| 1640 Fixed Operating Assets:Furniture, Fixtures, Equip | 1,190 | - | - | - | Property and equipment, net |
| 1745 Accum Depreciation - Fixed Operating Assets:Accum Deprec - Furn, Fix, Equip | (1,058) | - | - | - | Property and equipment, net |
| 2000 Accounts Payable | - | - | - | - | Accounts payable |
| 2210 Accrued Liabilities:Accrued Payroll | (1,124) | (2,369) | 1,237 | (1,132) | Accrued expenses |
| 2220 Accrued Liabilities:Pilgrimage Trip Deposits - Spring | - | (6,000) | - | (6,000) | Unearned revenue |
| 1410 Other Current Assets:Pilgrimage Trip Deposits | - | - | - | - | Accrued expenses |
| Direct Deposit Payable | - | - | - | - | Accrued expenses |
| North Carolina Department of Revenue Payable | - | - | - | - | Accrued expenses |
| Payroll Liabilities:CO Income Tax | (76) | (18) | (114) | (132) | Accrued expenses |
| Payroll Liabilities:CO Paid Family and Medical Leave | - | (45) | - | (45) | Accrued expenses |
| Payroll Liabilities:MA Unemployment Tax | 2 | - | - | - | Accrued expenses |
| Payroll Liabilities:WA Cares Fund | - | (33) | - | (33) | Accrued expenses |
| Payroll Liabilities:WA Paid Family and Medical Leave Tax | (27) | (37) | - | (37) | Accrued expenses |
| Payroll Liabilities:WA SUI Employer | (364) | (29) | - | (29) | Accrued expenses |
| 3000 Unrestricted Net Assets | (70,240) | (70,240) | - | (70,240) | Unrestricted Net Assets |
| 3100 Temporarily Restricted Net Assets | (149,662) | (149,662) | - | (149,662) | Unrestricted Net Assets |
| 3800 Opening Bal Equity | - | 58,278 | - | 58,278 | Unrestricted Net Assets |
| 3900 Retained Earnings | 23,879 | 28,628 | (3,337) | 25,291 | Unrestricted Net Assets |
| 4010 Contributed Revenue:Revenue from Direct Contributions:Individual Contributions | (231,918) | (291,366) | - | (291,366) | Contributions |
| 4030 Contributed Revenue:Revenue from Direct Contributions:Corporate Contributions | (32) | (36) | - | (36) | Contributions |
| 4040 Contributed Revenue:Revenue from Direct Contributions:Nonprofit Contributions | (31,000) | (38,164) | - | (38,164) | Contributions |
| 4050 Contributed Revenue:Revenue from Direct Contributions:Bequest Income | - | - | - | - | Contributions |
| 4100 Contributed Revenue:Donated Goods & Services Revenue | - | (145) | - | (145) | In-Kind |
| 4110 Contributed Revenue:Donated Goods & Services Revenue:Donated Professional Ser | (256) | - | - | - | In-Kind |
| 4140 Contributed Revenue:Donated Goods & Services Revenue:Gifts in Kind - Goods | (1,866) | - | - | - | In-Kind |
| 4600 Earned Revenue:Special Project Income:Pilgrimage Trip | - | (100) | - | (100) | Special Project Income |
| 4610 Earned Revenue:Special Project Income:Pilgrimage Trip - Spring | (20,552) | (29,050) | - | (29,050) | Special Project Income |
| 4630 Earned Revenue:Special Project Income:Board Travel GIK | - | (3,544) | - | (3,544) | In-Kind |
| 4650 Earned Revenue:Special Project Income:Other Special Project Income | - | (12) | - | (12) | Special Project Income |
| 5490 Misc Revenue | - | - | - | - | Misc Revenue |
| 7290 Administrative Expenses:Workers Comp | 487 | - | - | - | Contract expenses |
| 7510 Fundraising Expenses:Donor/Contact Management | 8,879 | - | - | - | Contract expenses |
| 7515 Administrative Expenses:Accounting Fees | 13,853 | - | - | - | Contract expenses |
| 7530 Professional Fees - Other | - | - | - | - | Contract expenses |
| 7540 Program Expenses:Contract Service Expenses:Honorariums | - | - | - | - | Contract expenses |
| Administrative Expenses:7535 Charitable Registration Service Fee | 20 | - | - | - | Other Expense |
| 7555 Administrative Expenses:Website work | 505 | - | - | - | Other Expense |
| 8270 Administrative Expenses:Facility & Equipment Expenses:Depreciation & Amortizati | 397 | - | - | - | Other Expense |
| 8520 Administrative Expenses:Other Expenses:Insurance - Non-Employee Related | 870 | - | - | - | Other Expense |
| 8540 Administrative Expenses:Other Expenses:Recruitment & Staffing | - | - | - | - | Other Expense |
| 8550 Administrative Expenses:Other Expenses:Bank Fees | 503 | - | - | - | Other Expense |
| 8560 Administrative Expenses:Other Expenses:Merchant Processing Fees | 2,088 | - | - | - | Other Expense |
| 8580 Administrative Expenses:Other Expenses:State Filing Fees | 2,121 | - | - | - | Other Expense |
| 8590 Administrative Expenses:Other Expenses:Other Expenses | 142 | - | - | - | Other Expense |
| 8410 Fundraising Expenses:End of Year Mailing | 2,235 | - | - | - | Other Expense |
| 8570 Fundraising Expenses:Advertising/Donor Relations | 1,220 | - | - | - | Other Expense |
| PayPal Fees | 11 | - | - | - | Other Expense |
| 7010 Program Expenses:Grants, Contracts, & Direct Assistance:Grants to Individuals | - | - | - | - | Grant expense |
| 7020 Program Expenses:Grants, Contracts, & Direct Assistance:Grants & Assistance to Or | 204,122 | 160,800 | - | 160,800 | Grant expense |
| 7225 Program Expenses:Salaries & Related Expenses:Salaries & Wages:Executive Director | 36,500 | 40,400 | - | 40,400 | Salaries & Wages |
| 7226 Program Expenses:Salaries & Related Expenses:Salaries & Wages:Administrative Assi | 2,990 | - | - | - | Salaries & Wages |
| 7227 Program Expenses:Salaries & Related Expenses:Salaries & Wages:Operations Admini | 17,333 | 23,026 | - | 23,026 | Salaries & Wages |
| 7230 Administrative Assistant Compensation | - | - | - | - | Salaries & Wages |
| 7240 Program Expenses:Salaries & Related Expenses:Payroll Taxes | 7,854 | 5,694 | 570 | 6,264 | Salaries & Wages |
| 7250 Program Expenses:Salaries & Related Expenses:Payroll Service Fees | 964 | 954 | - | 954 | Salaries & Wages |
| 7290 Expenditures:Administrative Expenses:Workers Comp | - | 364 | - | 364 | Contract expenses |
| 7515 Expenditures:Administrative Expenses:Accounting Fees | - | 14,500 | - | 14,500 | Contract expenses |
| 7530 Expenditures:Administrative Expenses:Professional Fees - Other | - | 125 | - | 125 | Contract expenses |
| Expenditures:Administrative Expenses:7535 Charitable Registration Service Fee | - | 2,700 | - | 2,700 | Other Expense |
| 8500 Expenditures:Administrative Expenses:Other Expenses | - | 377 | - | 377 | Other Expense |
| 8520 Expenditures:Administrative Expenses:Other Expenses:Insurance - Non-Employee Related | - | 870 | - | 870 | Other Expense |
| 8550 Expenditures:Administrative Expenses:Other Expenses:Bank Fees | - | 396 | - | 396 | Other Expense |
| 8560 Expenditures:Administrative Expenses:Other Expenses:Merchant Processing Fees | - | 2,756 | - | 2,756 | Other Expense |
| 8580 Expenditures:Administrative Expenses:Other Expenses:State-Filing Fees | - | 2,141 | - | 2,141 | Other Expense |
| 7510 Expenditures:Fundraising Expenses:Donor/Contact Management | - | 2,482 | - | 2,482 | Contract expenses |
| 8570 Expenditures:Fundraising Expenses:Advertising/Donor Relations | - | 501 | - | 501 | Other Expense |
| 7550 Program Expenses:Contract Service Expenses:Marketing Expenses | 588 | - | - | - | Contract expenses |
| 8000 Program Expenses:Program Events & Outreach | 9 | - | - | - | Travel & Meetings Expenses |
| 8030 Program Expenses:Program Events & Outreach:Pilgrimages | 97 | 886 | - | 886 | Travel & Meetings Expenses |
| 8031 Program Expenses:Program Events & Outreach:Pilgrimages:Lodging | - | 8,820 | - | 8,820 | Travel & Meetings Expenses |
| 8032 Program Expenses:Program Events & Outreach:Pilgrimages:Meals | - | 3,705 | - | 3,705 | Travel & Meetings Expenses |
| 8033 Program Expenses:Program Events & Outreach:Pilgrimages:Transportation in Country | - | 5,020 | - | 5,020 | Travel & Meetings Expenses |
| 8035 Program Expenses:Program Events & Outreach:Pilgrimages:Entrance Fee | - | 901 | - | 901 | Travel & Meetings Expenses |
| 8036 Program Expenses:Program Events & Outreach:Pilgrimages:Guide Fees | - | 450 | - | 450 | Travel & Meetings Expenses |
| 8037 Program Expenses:Program Events & Outreach:Pilgrimages:Gratuities | - | 5,330 | - | 5,330 | Travel & Meetings Expenses |
| 8038 Program Expenses:Program Events & Outreach:Pilgrimages:Trip Planning | - | 5,700 | - | 5,700 | Travel & Meetings Expenses |
| 8039 Program Expenses:Program Events & Outreach:Pilgrimages:Miscellaneous | - | 539 | - | 539 | Travel & Meetings Expenses |
| 8050 Program Expenses:Program Events & Outreach:Webinars | 480 | 365 | - | 365 | Travel & Meetings Expenses |
| 8051 Program Expenses:Program Events & Outreach:Webinars: Honoraria | - | 400 | - | 400 | Travel & Meetings Expenses |
| 8110 Program Expenses:Nonpersonnel Expenses:Supplies | 30 | 27 | - | 27 | Office expense |
| 8130 Program Expenses:Nonpersonnel Expenses:Telephone & Telecommunications | 362 | 324 | - | 324 | Office expense |
| 8140 Program Expenses:Nonpersonnel Expenses:Postage & Shipping | 3,038 | 4,285 | - | 4,285 | Office expense |
| 8160 Program Expenses:Nonpersonnel Expenses:Computer Software & Hardware | 1,364 | 1,132 | - | 1,132 | Office expense |
| 8170 Program Expenses:Nonpersonnel Expenses:Printing & Copying | 1,698 | 4,339 | - | 4,339 | Office expense |
| 8190 Program Expenses:Nonpersonnel Expenses:Internet/Web/Hosting Fees | 732 | 303 | - | 303 | Office expense |
| 8300 Program Expenses:Travel & Meetings Expenses | 398 | - | - | - | Travel & Meetings Expenses |
| 8310 Program Expenses:Travel & Meetings Expenses:Transportation | 1,086 | 188 | - | 188 | Travel & Meetings Expenses |
| 8320 Program Expenses:Travel & Meetings Expenses:Meals | 294 | 777 | - | 777 | Travel & Meetings Expenses |
| 8330 Program Expenses:Travel & Meetings Expenses:Lodging | 556 | - | - | - | Travel & Meetings Expenses |
| 8340 Program Expenses:Travel & Meetings Expenses:Airfare | 437 | (527) | - | (527) | Travel & Meetings Expenses |
| 8350 Program Expenses:Travel & Meetings Expenses:Conferences, Conventions Meetings | - | 124 | - | 124 | Travel & Meetings Expenses |
| 8360 Program Expenses:Travel & Meetings Expenses:Board Travel GIK | 2,375 | 3,298 | - | 3,298 | Travel & Meetings Expenses |
| 8370 Program Expenses:Travel & Meetings Expenses:Board Lodging and Meals | 2,254 | 2,924 | - | 2,924 | Travel & Meetings Expenses |
| Melio Service Fees | - | 2 | - | 2 | Other Expense |
| Paypal Fees | - | 14 | - | 14 | Other Expense |
| 8420 Program Expenses:Pilgrimage Trip Costs | 26,425 | - | - | - | Travel & Meetings Expenses |
| 9200 Bad Debt Expense | - | - | - | - | Other Expense |
| 66900 Reconciliation Discrepancies | - | (918) | 1,512 | 594 | Other Expense |
| Loss on asset written off | - | - | 132 | 132 | Loss on asset written off |
| | 0 | (0) | - | (0) | |

EC

2023 Adjusting Journal Entries

| AJE # | Account | Debit | Credit | |
|-------|--|-----------------|-----------------|------|
| | <i>To adjust net assets to actual and reverse property and equipmet and write off asset.</i> | | | |
| 1 | 2210 Accrued Liabilities:Accrued Payroll | \$ 1,693 | | |
| | 3900 Retained Earnings | | \$ 3,337 | |
| | Payroll Liabilities:CO Income Tax | | 114 | |
| | 2210 Accrued Liabilities:Accrued Payroll | | 456 | |
| | 7240 Program Expenses:Salaries & Related Expenses:Payroll Taxes | 570 | | |
| | 66900 Reconciliation Discrepancies | 1,512 | | |
| | Loss on asset written off | 132 | | |
| | | <u>\$ 3,907</u> | <u>\$ 3,907</u> | \$ - |

EC

Document History

SignNow E-Signature Audit Log

All dates expressed in MM/DD/YYYY (US)

| | |
|--------------------------|---|
| Document name: | Management Representation Letter-Pilgrims |
| Document created: | 10/29/2024 17:54:24 |
| Document pages: | 19 |
| Document ID: | b9f6f641f86d4e61b090aa121973eb322031ce8b |
| Document Sent: | 10/29/2024 17:56:05 UTC |
| Document Status: | Signed |
| | 10/29/2024 18:16:58UTC |

Sender: craig@artesiancpa.com
Signers: pilgrimsofibillin@gmail.com
CC:

| Client | Event | By | Server Time | Client Time | IP Address |
|-------------------------|---|----------------------------|----------------------------|----------------------------|----------------|
| SignNow Web Application | Uploaded the Document | craig@artesiancpa.com | 10/29/2024 17:54:24 pm UTC | 10/29/2024 17:54:21 pm UTC | 71.211.176.241 |
| SignNow Web Application | Viewed the Document | craig@artesiancpa.com | 10/29/2024 17:54:30 pm UTC | 10/29/2024 17:54:29 pm UTC | 71.211.176.241 |
| SignNow Web Application | Document Saved | craig@artesiancpa.com | 10/29/2024 17:55:57 pm UTC | 10/29/2024 17:55:56 pm UTC | 71.211.176.241 |
| SignNow Web Application | Invite Sent to: pilgrimsofibilin@gmail.com | craig@artesiancpa.com | 10/29/2024 17:56:06 pm UTC | 10/29/2024 17:56:04 pm UTC | 71.211.176.241 |
| SignNow Web Application | Viewed the Document | pilgrimsofibilin@gmail.com | 10/29/2024 18:16:08 pm UTC | 10/29/2024 18:16:07 pm UTC | 75.166.122.3 |
| SignNow Web Application | Unfinished Document | pilgrimsofibilin@gmail.com | 10/29/2024 18:16:39 pm UTC | 10/29/2024 18:16:39 pm UTC | 10.50.93.136 |
| SignNow Web Application | Unfinished Document | pilgrimsofibilin@gmail.com | 10/29/2024 18:16:55 pm UTC | 10/29/2024 18:16:54 pm UTC | 10.50.87.127 |
| SignNow Web Application | Signed the Document | pilgrimsofibilin@gmail.com | 10/29/2024 18:16:57 pm UTC | 10/29/2024 18:16:56 pm UTC | 75.166.122.3 |
| SignNow Web Application | Signed the Document | pilgrimsofibilin@gmail.com | 10/29/2024 18:16:57 pm UTC | 10/29/2024 18:16:56 pm UTC | 75.166.122.3 |
| SignNow Web Application | Signed the Document | pilgrimsofibilin@gmail.com | 10/29/2024 18:16:57 pm UTC | 10/29/2024 18:16:56 pm UTC | 75.166.122.3 |
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| SignNow Web Application | Signed the Document | pilgrimsofibilin@gmail.com | 10/29/2024 18:16:57 pm UTC | 10/29/2024 18:16:56 pm UTC | 75.166.122.3 |
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| SignNow Web Application | Signed the Document | pilgrimsofibilin@gmail.com | 10/29/2024 18:16:57 pm UTC | 10/29/2024 18:16:56 pm UTC | 75.166.122.3 |
| SignNow Web Application | Added a Text | pilgrimsofibilin@gmail.com | 10/29/2024 18:16:58 pm UTC | 10/29/2024 18:16:56 pm UTC | 75.166.122.3 |
| SignNow Web Application | Signed the Document | pilgrimsofibilin@gmail.com | 10/29/2024 18:16:58 pm UTC | 10/29/2024 18:16:56 pm UTC | 75.166.122.3 |
| SignNow Web Application | Signed the Document | pilgrimsofibilin@gmail.com | 10/29/2024 18:16:58 pm UTC | 10/29/2024 18:16:56 pm UTC | 75.166.122.3 |
| SignNow Web Application | Signed the Document | pilgrimsofibilin@gmail.com | 10/29/2024 18:16:58 pm UTC | 10/29/2024 18:16:56 pm UTC | 75.166.122.3 |
| SignNow Web Application | Signed the Document | pilgrimsofibilin@gmail.com | 10/29/2024 18:16:58 pm UTC | 10/29/2024 18:16:56 pm UTC | 75.166.122.3 |
| SignNow Web Application | Signed the Document | pilgrimsofibilin@gmail.com | 10/29/2024 18:16:58 pm UTC | 10/29/2024 18:16:56 pm UTC | 75.166.122.3 |
| SignNow Web Application | Signed the Document | pilgrimsofibilin@gmail.com | 10/29/2024 18:16:58 pm UTC | 10/29/2024 18:16:56 pm UTC | 75.166.122.3 |
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| SignNow Web Application | Sender craig@artesiancpa.com received a signed document copy | craig@artesiancpa.com | 10/29/2024 18:17:03 pm UTC | 10/29/2024 18:16:56 pm UTC | 75.166.122.3 |