

**BAITULMAAL, INC.  
(FORMALLY AHED INTERNATIONAL INC.)  
AUDITED BASIC FINANCIAL STATEMENTS  
FOR THE YEAR DECEMBER 31, 2017  
(WITH AUDITOR'S REPORT THEREON)**

BAITULMAAL, INC.  
IRVING, TX  
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DECEMBER 31, 2017

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Baitulmaal, Inc.

We have audited the accompanying financial statements of Baitulmaal, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses, changes in net assets 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.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Baitulmaal, Inc. as of December 31, 2017, 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.



Gregg S. Bossen, CPA, PC  
Atlanta, Georgia  
October 22, 2018

BAITULMAAL, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2017

<u>ASSETS</u>			
	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
<b>CURRENT ASSETS:</b>			
Cash and Cash Equivalents		\$ 705,379	\$705,379
Pledges Receivable		32,135	32,135
Due from Unrestricted Net Assets		1,774,004	
Total Current Assets	<u>-0-</u>	<u>2,511,518</u>	<u>737,514</u>
<b>LONG-TERM FIXED ASSETS:</b>			
Long-Term Fixed Assets	64,006		64,006
Less Accumulated Depreciation	(38,984)		(38,984)
Total Long-Term Fixed Assets, net	<u>25,022</u>	<u>-0-</u>	<u>25,022</u>
<b>OTHER ASSETS:</b>			
Security Deposit	1,596		1,596
Total Other Assets	<u>1,596</u>	<u>-0-</u>	<u>1,596</u>
<b>TOTAL ASSETS</b>	<u>26,618</u>	<u>2,511,518</u>	<u>764,132</u>

<u>LIABILITIES AND NET ASSETS</u>			
<b>CURRENT LIABILITIES:</b>			
Due to Temporarily Restricted Net Assets	1,774,004		
Accounts Payable	7,542		7,542
Payroll Liabilities	16,212		16,212
Current portion of Note Payable	4,333		4,333
Total Current Liabilities	<u>1,802,091</u>	<u>-0-</u>	<u>28,087</u>
<b>LONG-TERM LIABILITIES:</b>			
Long-Term portion of Note Payable	6,500		6,500
Total Long-Term Liabilities	<u>6,500</u>	<u>-0-</u>	<u>6,500</u>
<b>NET ASSETS:</b>	(1,781,973)	2,511,518	729,545
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$26,618</u>	<u>\$2,511,518</u>	<u>\$764,132</u>

See Auditor's Report and Notes to Financial Statements

BAITULMAAL, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
<b>PUBLIC SUPPORT &amp; REVENUE:</b>			
Public Support:			
Corporate, Foundation & Individual Contributions	\$344,002	\$2,163,112	\$2,507,114
In-Kind Contributions	2,067,677		2,067,677
Net Assets, Restrictions Met	1,717,414	(1,717,414)	
Total Public Support and Revenue	4,129,093	445,698	4,574,791
 Total Public Support and Revenue	 4,129,093	 445,698	 4,574,791
 <b>EXPENSES:</b>			
Programs:			
Disaster Relief	657,169		657,169
Seasonal Campaigns	492,476		492,476
Sustainable Development	111,620		111,620
Poverty & Relief Aid	1,410,546		1,410,546
Family & Orphan Sponsorship	110,637		110,637
Qur'an in Braille	16,243		16,243
Health & Medical Assistance	1,159,800		1,159,800
Education & Awareness	128,238		128,238
Total Programs	4,086,729	-0-	4,086,729
 Management & General	 172,484		 172,484
Fundraising	401,454		401,454
Total Expenses	4,660,667	-0-	4,660,667
 CHANGE IN NET ASSETS	 (\$531,574)	 \$445,698	 (\$85,876)

See Auditor's Report and Notes to Financial Statements

BAITULMAAL, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2017

**PROGRAMS**

	DISASTER RELIEF		SEASONAL CAMPAIGNS		SUSTAINABLE DEVELOPMENT		FAMILY & ORPHAN RELIEF AID SPONSORSHIP		HEALTH & MEDICAL ASSISTANCE		EDUCATION & AWARENESS		MANAGEMENT & GENERAL FUNDRAISING		TOTAL
Financial & Material Assistance	\$563,686	\$425,794	\$44,758	\$1,328,962	\$71,850	\$1,132,926	\$112,500								\$3,680,476
Salaries & Wages	24,074	20,074	20,074	24,074	16,802	10,522	16,584	10,304	47,915	119,334					309,757
Bad Debt Expense	59,619	40,768	40,948	42,942	16,409	600	4,738	400							206,424
Contractual Services				2,750						26,450	135,077				164,277
Travel									291	83,240					83,531
Credit Card Fees									52,194						52,194
Advertising and Marketing	1,291	1,291	1,291	5,103	1,291	1,290	1,290	1,290	656	14,067					28,860
Printing	3,629			1,844					455	22,739					28,667
Rent, Parking & Utilities	2,664	2,664	2,664	2,664	2,664	2,664	2,664	2,664	2,663	2,663					26,638
Payroll Tax Expense	1,956	1,635	1,635	1,957	1,371	854	1,348	830	2,988	11,471					26,045
Professional Fees									10,914						10,914
Depreciation									7,413						7,413
Venue Rental Fees											7,130				7,130
Bank & Service Charges									6,851						6,851
Postage and Shipping								63	2,172	2,858					5,093
Telephone									3,920						3,920
Supplies									1,097	2,165					3,262
Fringe Benefits	250	250	250	250	250	250	250	250	250	250					2,500
Insurance									2,066						2,066
Dues & Subscriptions									1,749						1,749
Information Technology									1,383						1,383
Licenses & Permits									1,057						1,057
Equipment Rental & Maintenance											460				460
<b>TOTAL EXPENSES</b>	<b>\$657,169</b>	<b>\$492,476</b>	<b>\$111,620</b>	<b>\$1,410,546</b>	<b>\$110,637</b>	<b>\$16,243</b>	<b>\$1,159,800</b>	<b>\$128,238</b>	<b>\$172,484</b>	<b>\$401,454</b>	<b>\$460</b>	<b>\$460</b>	<b>\$460</b>	<b>\$4,660,667</b>	

See Auditor's Report and Notes to Financial Statements

BAITULMAAL, INC.  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
BALANCE, DECEMBER 31, 2016, BEFORE PRIOR PERIOD ADJUSTMENT	\$815,421	\$-0-	\$815,421
PRIOR PERIOD ADJUSTMENT	(2,065,820)	2,065,820	815,421
BALANCE, DECEMBER 31, 2016, AFTER PRIOR PERIOD ADJUSTMENT	<u>(1,250,399)</u>	<u>2,065,820</u>	<u>815,421</u>
CHANGE IN NET ASSETS	<u>(531,574)</u>	<u>445,698</u>	<u>(85,876)</u>
BALANCE, DECEMBER 31, 2017	<u><u>(\$1,781,973)</u></u>	<u><u>\$2,511,518</u></u>	<u><u>\$729,545</u></u>

See Auditor's Report and Notes to Financial Statements

BAITULMAAL, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in Net Assets	(\$85,876)
Adjustments to reconcile Excess to net cash provided by operating activities:	
Depreciation	7,413
Decrease in Pledges Receivable	206,362
Decrease in Donated Inventory	113,934
(Decrease) in Accounts Payable & Accrued Expenses	(19,035)
(Decrease) in Payroll Liabilities	(338)
Net cash provided by operating activities	222,460
CASH FLOWS FROM FINANCING ACTIVITIES:	
Payments made on the Note Payable in 2017	(4,333)
Net cash (used) by financing activities	(4,333)
NET CHANGE IN CASH	218,127
CASH AT DECEMBER 31, 2016	487,252
CASH AT DECEMBER 31, 2017	\$705,379

See Auditor's Report and Notes to Financial Statements



BAITULMAAL, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

NOTE 1: ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Nature of organization and operations:

Established in 2004, Baitulmaal, Inc. institutes compassionate projects worldwide to improve the lives of disaster victims, underprivileged children, the sick, elderly, orphans, widows, and needy families, regardless of nationality, race, or religion. Baitulmaal, Inc.'s activities are based on the principals of Islamic teachings, which stress the dignity and sanctity of human life. Baitulmaal, Inc.'s goal is to restore dignity and instill hope in communities hit hard by poverty and disaster. Baitulmaal, Inc. accomplishes its goal through short-term emergency disaster relief in the form of food, medical supplies, clothing and shelter, and in two ways: 1) through the long-term distribution of basic necessities, and 2) through the repair of social infrastructure by building and supporting family housing, orphanages, and healthcare facilities. For the year ended December 31, 2017, Baitulmaal, Inc. operated the following programs:

(i) Disaster Relief – Baitulmaal, Inc. has worked tirelessly to aid those suffering from calamities both man-made and otherwise no matter what their background. Whether it is through providing food supplies, basic necessities, shelter or medical treatment, Baitulmaal, Inc. is committed to doing whatever it can to support people in their time of need. A disaster often leaves communities destroyed and feeling helpless and Baitulmaal, Inc. has always been, and will continue to be, a source of hope and comfort in perilous times. Baitulmaal, Inc. always responds to areas in need that have not received assistance and must rely on aid to survive.

(ii) Seasonal Campaigns – Baitulmaal, Inc. institutes annual projects that provide relief to those in need at specific times of the year in coordination with the special religious observances and holidays found in the Islamic calendar. People in need often anticipate the generosity of Baitulmaal, Inc. donors during these special times and Baitulmaal, Inc. takes great pride in facilitating these special contributions. During Ramadan, Baitulmaal, Inc. hosts the Feed a Family Campaign that brings food packages to families in need across the globe. Each food package contains staple food items to help families who rely on these donations year to year. During Eid-ul-Adha, Baitulmaal, Inc. hosts a meat distribution campaign to deliver the meat that was prepared as part of this religious holiday celebrated by millions of Muslims across the entire planet.

(iii) Sustainable Development - Baitulmaal, Inc. is committed to providing sustainable solutions to educate and empower women, children and the most needy to become self-sufficient. Through various projects like vocational training for women, orphan sponsorship, community poultry farms, education services and water management services, Baitulmaal, Inc. is able to leave people in a better situation than when it found them with hope for a future.

(iv) Poverty and Relief Aid – Baitulmaal, Inc. is committed to assist families and communities around the world, to alleviate poverty and human suffering by responding to relief and development needs of disadvantaged people. The goal of the program is to assist in poverty reduction and provide the poor with access to product.

(v) Family & Orphan Sponsorship – Family Sponsorship: Baitulmaal, Inc. sponsors impoverished needy families in Jordan Palestine and Pakistan – mainly widows and children. It is a monthly sponsorship where we provide these families with basic living needs such as food, water, rent, utilities and education. The goals of the program are:

- (1) Provide regular financial assistance to needy families in order to help them alleviate some of their daily struggles.
- (2) Provide the basic living necessities – food, water, shelter, clothing, utilities, etc.
- (3) Break the cycle of poverty and provide stability (short-term and long-term).

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BAITULMAAL, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
-continued-

NOTE 1: ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Orphan Sponsorship: The goal of Baitulmaal, Inc.'s Orphan Sponsorship Program is dedicated to improving the lives of orphaned, abandoned, and disadvantaged children in the Middle East, Asia and Africa. Baitulmaal, Inc.'s mission is to provide these children with food, nutrition, health, hygiene, school supplies, clothing and other necessities. Baitulmaal, Inc. is committed to providing them with opportunities, means and hope. Baitulmaal, Inc. strives to fulfill its humanitarian cause and see their sponsored orphans through adulthood, with happier, secure and brighter futures.

(vi)Qur'an in Braille – Qur'an in Braille for the Blind is one of the most active projects Baitulmaal, Inc. sponsors. Many sets have been printed and distributed on behalf of the sponsors and donors, to the blind Muslims and community centers all across the globe.

(vii)Health & Medical Assistance – Baitulmaal, Inc. provides medical assistance, medical supplies and medications to many countries. Since inception Baitulmaal, Inc. has made health and medical contributions a priority. In order for communities to be uplifted, they must have the opportunity to be healthy and get the treatment they need to thrive. Through monthly prescription stipends, emergency medical aid shipments, and support for clinics in refugee camps, Baitulmaal, Inc. recognizes the need to support this category of aid.

(viii)Education & Awareness: – Baitulmaal, Inc. believes that children are the future, and all children have the right to quality education. Baitulmaal, Inc. strives to improve the condition of youth through various educational initiatives across the globe. Baitulmaal, Inc. is committed to supporting worthy educational projects through the establishment of schools, providing supplies to facilitate learning, hiring qualified teachers, and implementing accountability metrics and exams to ensure the success and development of these programs.

(B)Basis of Presentation:

These financial statements are presented on the accrual basis of accounting in accordance with generally accepted accounting principles. These statements reflect application of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under these standards, all contributions are immediately recognized as revenue as soon as pledged (or if not pledged when received) regardless of any restrictions on use placed by the contributor. The basic financial statements are then shown divided into three net asset groups. These are:

Unrestricted Net Assets:

All assets who either have no imposed restrictions on use or whose restrictions have been met by December 31, 2017.

Temporarily Restricted Net Assets:

All contributions by foundations, corporations and individuals with restrictions on use that have not been met by December 31, 2017.

Permanently Restricted Net Assets:

All contributions with permanent restrictions on use that, by definition, will never be met (none here).

See Auditor's Report

BAITULMAAL, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
-continued-

NOTE 1: ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(C)Support and Revenues:

Foundations and Other Grants:

Support from these sources is recognized in the accounting period in which the grants are pledged (or if not pledged, when received) in accordance the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). See Note B.

Donations:

Revenue from this source is recognized in the accounting period during which the contribution is pledged (or if not pledged, when received) in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). See Note B.

(D)Pledges Receivable:

The pledges receivable consists of pledged promises to give made by individuals, foundations and corporate donors. Baitulmaal, Inc. carries its receivables at an amount equal to uncollected but earned revenue less an allowance for doubtful accounts. Baitulmaal, Inc. uses the allowance method to determine uncollectible receivables. Also, Baitulmaal, Inc. uses the direct write-off method for receivables which have been determined to be uncollectible. On a periodic basis, Baitulmaal, Inc. evaluates its receivables and establishes an allowance for doubtful accounts based on its past experience and current credit conditions. Based on management's evaluation of collectability of the receivables, no allowance for doubtful accounts was recorded for the year ended December 31, 2017.

The pledges receivable for Baitulmaal, Inc. are expected to be collected as follows as of December 31, 2017:

	<u>Pledges Receivable</u>	<u>Total</u>
Due within one year	\$32,135	\$32,135
Total Pledges Receivable	<u>\$32,135</u>	<u>\$32,135</u>

(E)Fixed Assets:

Baitulmaal, Inc. follows the practice of capitalizing, at cost, all expenditures for fixed assets. Depreciation is computed on the straight-line method over 3, 5 and 7 years for equipment, furniture and vehicles, respectively.

See Auditor's Report

BAITULMAAL, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
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NOTE 1: ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(F)Income Taxes

Baitulmaal, Inc. is exempt from income taxes under Section 501 (c) (3) of the United States Internal Revenue Code and is classified as an organization which is not a private foundation under Section 509 (a) of the United States Internal Revenue Code. Donations to the organization qualify for the charitable contribution's deduction. During the year ended December 31, 2017, Baitulmaal, Inc. had no unrelated business income as defined by Section 512 of the Code and, therefore no provision for income tax is necessary.

Baitulmaal, Inc. adopted the income standard related to the recognition and measurement of uncertain tax positions. The adoption of this standard had no financial statement effect for Baitulmaal, Inc. Baitulmaal, Inc. is no longer subject to federal tax examinations for the years prior to 2015 and no longer subject to state income tax examinations for the years prior to 2015.

(G)Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles 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.

(H)Functional Allocation of Expenses:

The costs of providing the various programs and other activities are summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(I)Concentration of Credit Risk:

Baitulmaal, Inc. maintains bank accounts with financial institutions whose balances are insured by the Federal Deposit Insurance Corporation (FDIC) within limits. Periodically, bank account balances may exceed FDIC coverage. No credit risk is expected from uninsured deposits.

(J)Evaluation of Subsequent Events

The Baitulmaal, Inc. has evaluated subsequent events through October 22, 2018, the date which the financial statements were available to be issued. None were found.

NOTE 2: LONG-TERM FIXED ASSETS

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets. At December 31, 2017, the value of such assets is as follows:

Vehicles	\$40,041
Furniture and Equipment	23,965
Less: Accumulated Depreciation	<u>(38,984)</u>
Total Long-Term Fixed Assets, net	<u><u>\$25,022</u></u>

See Auditor's Report

BAITULMAAL, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2017  
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NOTE 3: NOTE PAYABLE - VEHICLE

A summary of the Note Payable at December 31, 2017 is as follows:

Toyota Financial Services (original balance was \$21,665.24) due in monthly installments of \$361.08, through June 10, 2020	\$10,833
Total Note Payable	10,833
Less Current Portion	(4,333)
Note Payable, Excluding Current Portion	\$6,500

NOTE 4: DONATED HUMANITARIAN RELIEF SUPPLIES:

Baitulmaal, Inc. receives donated humanitarian relief supplies from different non-profit organizations and individuals as well. These donated humanitarian relief supplies consist of a variety of items as follows:

Disaster Relief Supplies – Water, Hygiene, Cleaning & Baby supplies	\$1,064,737
Medical & Equipment Supplies	1,002,940
Total Donated Humanitarian Relief Supplies	\$2,067,677

For the year ended December 31, 2017, the following details the donated items received and distributed:

Beginning Donated Humanitarian Relief Supplies, 1/1/2017	\$113,934
In-Kind Contributions Received in 2017 (See Note 5)	\$2,067,677
Humanitarian Relief Supplies Distributed for 2017	(2,181,611)
Ending Donated Humanitarian Relief Supplies, 12/31/2017	\$-0-

NOTE 5: IN-KIND CONTRIBUTIONS

Baitulmaal, Inc. receives substantial in-kind contributions in the form of donated humanitarian relief supplies. (See Note 4) Contributions and the corresponding expenses are booked at fair market value in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) and consist of the following:

Financial & Material Assistance	\$2,067,677
Total In-Kind Contributions	\$2,067,677

BAITULMAAL, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017

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NOTE 6: RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are available for the following purposes:

GENERAL OR LOCATION	DISASTER RELIEF	SEASONAL CAMPAIGNS	SUSTAINABLE DEVELOPMENT	POVERTY & RELIEF AID	FAMILY & ORPHAN SPONSORSHIP	HEALTH & MEDICAL	GENERAL DONATIONS FOR SPECIFIC LOCATIONS	TOTAL
GENERAL		\$923,523						\$923,523
BANGLADASH		6,702	241		334			7,277
BOSNIA	1,883							1,883
BURMA	231,250	6,169		5,193			2,236	244,848
EAST AFRICA		10,302		1,157			5,340	16,799
EGYPT	48	123	3,003	2,249	11,053		2,691	19,167
HAITI	4,216							4,216
INDIA		206						206
INDONESIA			39	966				1,005
IRAQ							6,461	6,461
JORDAN	1,635	10,468	3,364		5,392			20,859
LEBANON		3,329	430				0	3,759
LIBYA				5				5
PAKISTAN					29,457	29,455		58,912
PALESTINE	349,292	79,858	48,488	153,029	88,816	20,559	105,040	845,082
SYRIA		4,487			270,137	1,970	0	276,594
USA	22,088	8,893						30,981
YEMEN		6,209		15,094	7,935		20,703	49,941
<b>TOTALS</b>	<b>\$610,412</b>	<b>\$1,060,269</b>	<b>\$55,565</b>	<b>\$177,693</b>	<b>\$413,124</b>	<b>\$51,984</b>	<b>\$142,471</b>	<b>\$2,511,518</b>

Baitulmaal, Inc. received large contributions in 2015 and 2016 for Palestine and Syria to help with the refugee crisis. However, the organization had difficulty getting the monies over to help these countries because of the war. Also, in 2017, Baitulmaal, Inc. received large contributions to help the humanitarian crisis in Myanmar (Burma) and again has had great difficulty in getting the monies over to help due to the conflict in Myanmar(Burma). Baitulmaal, Inc. plans to distribute these funds over the next 3 years.

BAITULMAAL, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017  
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NOTE 6: PRIOR PERIOD ADJUSTMENTS

For the year ended December 31, 2016, Temporarily Restricted Net Assets was incorrectly understated which resulted in overstating Unrestricted Net Assets.

Therefore, the prior period adjustment appears on these financial statements as detailed below:

	<u>UNRESTRICTED</u>	TEMPORARILY <u>RESTRICTED</u>	<u>TOTAL</u>
Temporarily Restricted Net Assets	(\$2,065,820)	\$2,065,820	\$-0-
Total Prior Period Adjustment	(\$2,065,820)	\$2,065,820	\$-0-

In accordance with Generally Accepted Accounting Principles, the total net amount is shown on the Statement of Changes in Net Assets as a Prior Period Adjustment.

NOTE 7: OFFICE SPACE LEASE COMMITMENT

On February 1, 2018, Baitulmaal, Inc. renewed their operating lease with 2300 Valley View, L.P. for their office space. Baitulmaal, Inc.'s lease premises are located at Suite 632 in the Metropart building located at 2300 Valley View Lane, Irving, Texas 75062. The lease renewal begins on March 1, 2018 and ends on February 29, 2020. The monthly rental is \$1,950.21 from March 1, 2018 to February 28, 2019 and then goes up to \$2,066.71 per month from March 1, 2019 to February 29, 2020.

Total minimum future commitment under the lease is as follows:

For the years ended:	
December 31, 2018	\$19,502
December 31, 2019	24,568
December 31, 2020	<u>4,133</u>
	<u>\$48,203</u>

See Auditor's Report