

BAITULMAAL, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2023

BAITULMAAL, INC.

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For the Year Ended December 31, 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Baitulmaal, Inc.
Irving, Texas

Opinion

We have audited the financial statements of Baitulmaal, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Baitulmaal, 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Baitulmaal, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

Baitulmaal, Inc.

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 Baitulmaal, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

1. Exercise professional judgment and maintain professional skepticism throughout the audit.
2. 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.
3. 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 Baitulmaal, Inc.'s internal control. Accordingly, no such opinion is expressed.
4. 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.
5. Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Baitulmaal, 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.

Grandizio, Wilkins, Little & Matthews, LLP

Grandizio, Wilkins, Little & Matthews, LLP
September 30, 2025

BAITULMAAL, INC.
STATEMENT OF FINANCIAL POSITION

December 31, 2023

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 8,236,496
Contributions Receivable	240,216
Employee Notes Receivable	7,750
Notes Receivable, Current Portion	752,077
Interest Receivable	<u>83,522</u>

TOTAL CURRENT ASSETS	<u>9,320,061</u>
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OTHER ASSETS

Right-of-Use Asset	82,648
Security Deposit	3,516
Notes Receivable - Net of Current Portion	<u>80,000</u>

TOTAL OTHER ASSETS	<u>166,164</u>
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TOTAL ASSETS	<u><u>\$ 9,486,225</u></u>
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The independent auditors' report and the accompanying notes
are an integral part of these financial statements.

BAITULMAAL, INC.
STATEMENT OF FINANCIAL POSITION

December 31, 2023

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts Payable and Accrued Expenses	\$ 686,408
Right-of-Use Lease Liability, Current Portion	<u>65,900</u>
TOTAL CURRENT LIABILITIES	<u>752,308</u>
LONG-TERM LIABILITIES	
Right-of-Use Lease Liability, Net of Current Portion	<u>14,402</u>
TOTAL LONG-TERM LIABILITIES	<u>14,402</u>
TOTAL LIABILITIES	<u>766,710</u>
NET ASSETS	
Without Donor Restrictions	3,526,983
With Donor Restrictions	<u>5,192,532</u>
TOTAL NET ASSETS	<u>8,719,515</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 9,486,225</u></u>

The independent auditors' report and the accompanying notes
are an integral part of these financial statements.

BAITULMAAL, INC.
STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
In-Kind Contributions	\$ 33,724,327	\$ -	\$ 33,724,327
Contributions	16,734,117	4,659,905	21,394,022
Other Income	63,969	-	63,969
	<u>50,522,413</u>	<u>4,659,905</u>	<u>55,182,318</u>
TOTAL SUPPORT AND REVENUES			
	50,522,413	4,659,905	55,182,318
Net Assets Released from Restrictions	<u>252,480</u>	<u>(252,480)</u>	<u>-</u>
TOTAL SUPPORT, REVENUES, AND RECLASSIFICATIONS	<u>50,774,893</u>	<u>4,407,425</u>	<u>55,182,318</u>
EXPENSES			
Program Services	44,007,615	-	44,007,615
Supporting Services	<u>3,569,507</u>	<u>-</u>	<u>3,569,507</u>
	<u>47,577,122</u>	<u>-</u>	<u>47,577,122</u>
TOTAL EXPENSES			
	47,577,122	-	47,577,122
CHANGE IN NET ASSETS	<u>\$ 3,197,771</u>	<u>\$ 4,407,425</u>	<u>\$ 7,605,196</u>

The independent auditors' report and the accompanying notes
are an integral part of these financial statements.

BAITULMAAL, INC.
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2023

	Program Services										Supporting Services			
	WASH	Shelter	Healthcare	Education & Livelihood	Food Security & Nutrition	Orphans Support	Emergency Aid	Islamic Giving	General Programs	Program Services Total	Management & General	Fundraising	Supporting Services Total	Total
In-Kind Assistance	\$ -	\$ -	\$ 33,945,327	\$ -	\$ -	\$ -	\$ 18,211	\$ -	\$ -	\$ 33,963,538	\$ -	\$ -	\$ -	\$ 33,963,538
Financial & Material Assistance	545,853	281,429	389,472	960,478	1,331,789	1,601,265	1,417,104	248,355	3,406	6,779,151	315,693	-	315,693	7,094,844
Salaries & Wages	33,106	18,737	3,156	24,707	47,657	52,575	295,582	40,117	517,517	1,033,154	568,549	434,773	1,003,322	2,036,476
Contractual Services	8,944	8,799	853	6,684	34,330	17,204	79,854	10,838	404,847	572,353	333,317	258,116	591,433	1,163,786
Contributions	2,970	1,681	283	41,716	7,314	4,716	26,515	3,599	58,413	147,207	67,761	115,002	182,763	329,970
Travel & Transportation	126	-	-	529	1,296	544	944	-	114,068	117,507	73,513	136,266	209,779	327,286
Credit Card Processing Fees	19,282	10,913	1,838	14,389	27,756	30,620	172,150	23,364	163,113	463,425	35,818	-	35,818	499,243
Venue Rental Fees & Banquet Cost	1,669	945	707	2,235	3,824	2,651	32,258	2,023	63,697	110,009	36,980	54,849	91,829	201,838
Fringe Benefits	9,100	5,150	868	6,791	13,100	14,452	81,248	11,027	7,478	149,214	156,280	119,509	275,789	425,003
Rent, Parking & Utilities	487	276	46	418	701	774	4,351	590	980	8,623	71,288	711	71,999	80,622
Payroll Tax Expense	3,634	2,057	346	2,712	5,232	5,772	32,449	4,404	37,221	93,827	62,417	47,730	110,147	203,974
Information Technology	1,129	639	2,469	843	1,626	1,793	10,082	1,368	15,239	35,188	76,356	4,734	81,090	116,278
Advertising & Marketing	2,559	9,554	244	1,910	3,683	4,063	24,645	3,101	391,975	441,734	151,405	59,006	210,411	652,145
Bad Debt Expense	-	-	-	-	-	-	-	-	-	-	162,098	-	162,098	162,098
Licenses & Permits	1,841	1,042	176	1,374	2,650	2,924	16,436	2,231	18,853	47,527	17,083	-	17,083	64,610
Printing	123	69	12	92	177	195	1,095	149	1,350	3,262	3,698	4,748	8,446	11,708
Telephone	7	4	1	1	10	12	63	8	73	179	211	-	211	390
Supplies	88	50	8	65	126	139	783	106	6,143	7,508	15,809	19,299	35,108	42,616
Bank & Service Charges	155	87	15	115	223	246	1,380	187	1,583	3,991	22,636	-	22,636	26,627
Dues & Subscriptions	843	477	80	629	1,213	1,338	7,524	1,021	9,082	22,207	123,285	414	123,699	145,906
Postage & Shipping	310	176	30	232	447	493	2,770	376	3,177	8,011	6,638	12,015	18,653	26,664
Miscellaneous	-	-	-	-	-	-	-	-	-	-	1,500	-	1,500	1,500
TOTAL EXPENSES	\$ 632,226	\$ 342,085	\$ 34,345,931	\$ 1,065,920	\$ 1,483,154	\$ 1,741,776	\$ 2,225,444	\$ 352,864	\$ 1,818,215	\$ 44,007,615	\$ 2,302,335	\$ 1,267,172	\$ 3,569,507	\$ 47,577,122

The independent auditors' report and the accompanying notes
are an integral part of these financial statements.

BAITULMAAL, INC.
STATEMENT OF CHANGES IN NET ASSETS

For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
NET ASSETS - JANUARY 1, 2023	\$ 329,212	\$ 785,107	\$ 1,114,319
Change in Net Assets	<u>3,197,771</u>	<u>4,407,425</u>	<u>7,605,196</u>
NET ASSETS - DECEMBER 31, 2023	<u><u>\$ 3,526,983</u></u>	<u><u>\$ 5,192,532</u></u>	<u><u>\$ 8,719,515</u></u>

The independent auditors' report and the accompanying notes
are an integral part of these financial statements.

BAITULMAAL, INC.
STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 7,605,196
Adjustments to Reconcile Change in Net Assets to Net Cash and Cash Equivalents Provided by (Used In) Operating Activities:	
Amortization of Right-of-Use Asset	80,901
Accretion of Right-of-Use Lease Liability	3,713
Origination of Right-of-Use Asset	(34,493)
Origination of Right-of-Use Lease Liability	34,493
Decrease (Increase) in Operating Assets:	
Contribution Receivable	(216,810)
Other Receivables	103,272
Interest Receivable	(62,714)
Employee Notes Receivable	(7,750)
Security Deposit	(1,920)
Increase (Decrease) in Operating Liabilities:	
Accounts Payable and Accrued Expenses	479,567
Operating Lease Liability	<u>(88,625)</u>

NET CASH PROVIDED BY (USED IN) OPERATING
ACTIVITIES

7,894,830

CASH FLOWS FROM INVESTING ACTIVITIES

Issuance of Notes Receivable	<u>(150,000)</u>
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NET CASH PROVIDED BY (USED IN) INVESTING
ACTIVITIES

(150,000)

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

7,744,830

Cash and Cash Equivalents - Beginning of Year

491,666

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 8,236,496

The independent auditors' report and the accompanying notes
are an integral part of these financial statements.

BAITULMAAL, INC.
NOTES TO FINANCIAL STATEMENTS

December 31, 2023

Note 1: Organization and Summary of Significant Accounting Policies

Nature of Organization

Baitulmaal, Inc. (Organization) is a nonprofit organization incorporated under the laws and statutes of the Commonwealth of Virginia in 2004. The Organization is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code.

The purpose of the Organization is to improve the lives of disaster victims, underprivileged children, the sick, elderly, orphans, widows, and needy families, regardless of nationality, race, or religion.

The Organization's goal is to restore dignity and instill hope in communities hit hard by poverty and disaster. The Organization 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, 2023, the Organization operated the following programs:

- **WASH:** The Water, Sanitation, and Hygiene (WASH) Program provides access to clean drinking water, improves sanitation facilities, and promotes hygiene education in underserved areas. By reducing waterborne diseases, the program helps communities lead healthier, more productive lives with clean water and reducing waterborne diseases.
- **Shelter:** The Shelter Program ensures access to safe and dignified living conditions for crisis-affected populations and needy groups. It includes shelter solutions (emergency, transitional, and permanent), non-food items (NFIs) like clothes, mattresses, and blankets (winter aid), technical guidance for safe construction, and site planning, following Sphere standards.
- **Healthcare:** Through the Healthcare Program, we deliver primary and advanced medical services and health education to marginalized communities. This includes building and equipping health facilities, medical surgery camps and mobile clinics, mother and child healthcare initiatives, and capacity-building initiatives for medical staff. This program is dedicated to improving overall well-being and ensuring access to healthcare services for all.
- **Education & Livelihood:** The Education Program provides school supplies, scholarships, and safe learning environments for children in underserved communities. The Program builds and/or equips schools or classrooms with school supplies, and creates safe learning environments. It also includes rehabilitating special needs children, literacy initiatives, teacher training to uplift generations and providing scholarships to create pathways for a brighter future.

The Livelihood Program focuses on empowering vulnerable communities by fostering sustainable livelihoods. Through vocational training, microfinance opportunities, and entrepreneurship support, the program equips individuals with the skills and resources they need to break free from the cycle of poverty, ensuring long-term stability and dignity.

- **Food Security & Nutrition:** The Food Security & Nutrition Program addresses hunger and malnutrition by distributing food parcels, hosting community feeding programs, and supporting agricultural projects. It ensures no family goes hungry, especially during economic hardship, displacement, or disaster.

BAITULMAAL, INC.
NOTES TO FINANCIAL STATEMENTS

December 31, 2023

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Nature of Organization (Continued)

- Orphans Support: The Orphans Support Program provides comprehensive care for children who have lost their breadwinner, ensuring they receive education, healthcare, and psychological support. By nurturing their potential, the program creates a safe and loving environment where children can thrive and achieve their dreams.
- Emergency Aid: When disasters strike, the Emergency Program responds swiftly and effectively. Whether providing shelter, food, water and sanitation, medical aid, or psychological support, this program ensures that families affected by crises have the resources they need to save their lives with dignity and resilience.
- Islamic Giving: The Islamic Giving Program is rooted in faith and compassion. The Islamic Giving Program allows donors to fulfill their religious obligations through zakat, sadaqah, and other charitable contributions. Baitulmaal directs these funds towards impactful initiatives that uplift vulnerable families, restore dignity, and foster hope through culture and education.

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 is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions.

- Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor stipulations.
- Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that expire by passage of time, can be fulfilled and removed by actions of the Board pursuant to those stipulations or if the donor authorizes the Organization to expend the net assets. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that restrictions be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or when the donor authorizes the expenditure.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash and cash equivalents includes amounts in operating cash accounts and money market accounts.

BAITULMAAL, INC.
NOTES TO FINANCIAL STATEMENTS

December 31, 2023

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Revenue Recognition

The Organization reports grants and contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the time period or manner of use of the grant or contribution. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. 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.

Contributed Goods and Services

The Organization receives donated goods and services. The estimated fair value for goods and services is determined by the donor or by management. Contributions of goods and services to be used in program operations are reported as revenue and expenses without donor restrictions at the time the goods and spaces are received.

Interest Income

The Organization recognizes interest income on its notes receivable in accordance with ASC 310-10-35, Receivables—Overall—Subsequent Measurement. Interest income is recognized using the effective interest method, which reflects the contractual interest rate applied to the outstanding principal balance over the term of the note.

Contributions Receivable

Contributions receivable are carried at their estimated collectible amounts. Contributions receivable consist of uncollected funds which the Organization has been awarded during the year. The Organization considers all contributions receivable to be collectible in the future; therefore, no allowance has been created. As of December 31, 2023, all contributions receivable were less than one year. All contributions receivable balances are deemed to be collectible by management at December 31, 2023; therefore, no allowance for doubtful accounts has been established.

Other Receivables

Other receivables are carried at their estimated collectible amounts. The allowance estimate is derived from a review of the Organization's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Organization. Management believes historical loss information is a reasonable starting point from which to calculate the expected allowance for credit losses. As of January 1, 2023, the balance of other receivables and allowance for doubtful accounts was \$169,122 and \$(65,850), respectively.

BAITULMAAL, INC.
NOTES TO FINANCIAL STATEMENTS

December 31, 2023

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Fixed Assets and Depreciation

The Organization capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from three to seven years.

Income Taxes

The Organization is exempt from federal and state taxation under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation.

The Organization's evaluation on December 31, 2023 revealed no uncertain tax positions that would have a material impact on the financial statements. The previous three tax years remain subject to examination by the IRS. The Organization does not believe that any reasonably possible changes will occur within the next 12 months that will have a material impact on the financial statements.

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 contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses

Expenses are charged directly to program, management and general, or fundraising categories based on specific identification, when determinable. Functional expenses are either charged directly to program services as incurred or allocated based on management's estimates among major classes of program services and supporting activities. Management's estimates are based on the time of usage and effort incurred in the performance of the underlying task.

Advertising Expenses

Advertising expenses are charged to operations when incurred.

FASB ASC No. 360

Statement of Financial Accounting Standards Codification (FASB) ASC No. 360 requires that long-lived assets and certain identifiable intangibles held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Application of FASB ASC No. 360 has not materially affected the Organization's reported earnings, financial condition or cash flows.

BAITULMAAL, INC.
NOTES TO FINANCIAL STATEMENTS

December 31, 2023

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Leases

The Organization leases commercial office space and determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) asset and right-of-use (ROU) lease liability on the statement of financial position.

ROU asset represents the right to use an underlying asset for the lease term and ROU lease liability represents the obligation to make lease payments arising from the leases. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Organization's leases did not provide an implicit rate, therefore the Organization elected to use the risk-free rate, which is used to determine the present value of lease payments. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The lease agreements do not contain any variable lease payments. The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if all of the rights to the underlying asset were substantially obtained through exclusivity, if the Organization has the right to direct the use of the asset and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

The Organization elected not to apply the recognition requirements of ASC 842 to all short-term leases, defined as leases with a term of 12 months or less at commencement.

Date of Management Review

The Organization has evaluated events and transactions that occurred during the period from the date of the financial statements through September 30, 2025, the date the Organization's financial statements were available to be issued. Except as disclosed in Note 9, there were no events or transactions that occurred during the period that materially impacted the amounts or disclosures in the Organization's financial statements.

BAITULMAAL, INC.
NOTES TO FINANCIAL STATEMENTS

December 31, 2023

Note 2: Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the date of the statement of financial position, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the date of the statement of financial position.

Financial Assets at Year-End:

Cash and Cash Equivalents	\$ 8,236,496
Contribution Receivable	240,216
Employee Notes Receivable	7,750
Note Receivable	752,077
Interest Receivable	<u>83,522</u>

TOTAL FINANCIAL ASSETS AT YEAR-END	9,320,061
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Donor Imposed Restricted Net Assets	<u>(5,192,532)</u>
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Financial Assets Available to Meet Cash Needs
for General Expenditures Within One Year

	<u><u>\$ 4,127,529</u></u>
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The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$3,317,000).

Note 3: Concentrations of Credit Risk

The Organization, at various times during the year, maintained cash balances in several financial institutions in excess of \$250,000, the limit of federal insurance. At December 31, 2023, the Organization had approximately \$7,030,003 in excess of FDIC-insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant risk on cash balances.

BAITULMAAL, INC.
NOTES TO FINANCIAL STATEMENTS

December 31, 2023

Note 4: Notes Receivable

Becca Endowment Note Receivable

On August 22, 2022, the Organization issued a promissory note to Becca Endowment, a Texas nonprofit corporation ("Becca"), in the amount of \$682,077, to partially fund Becca's purchase of a real property asset. The unsecured promissory note, which is payable upon demand, accrues interest at a rate equal to the Prime Rate plus 1% per annum (9.5% at December 31, 2023).

As of December 31, 2023, the outstanding principal balance on the note receivable is \$682,077, and accrued interest receivable is \$83,522.

El Hedaya Islamic Center Note Receivable

On November 8, 2023, the Organization issued a promissory note to El Hedaya Islamic Center, a New Jersey corporation, in the amount of \$150,000. The unsecured, interest free promissory note is payable in monthly installments of \$10,000 and is due in full during August 2025.

As of December 31, 2023, the outstanding principal balance on the note receivable is \$150,000.

Notes receivable mature as follows:

<u>For the Years Ending December 31,</u>	
2024	\$ 752,077
2025	80,000
TOTAL	\$ 832,077

Note 5: Property and Equipment

The following is a summary of fixed assets at December 31, 2023:

	<u>Estimated Lives</u>	<u>2023</u>
Vehicles	5 Years	\$ 40,041
Furniture and Equipment	3-7 Years	23,965
TOTAL FIXED ASSETS		64,006
Less: Accumulated Depreciation		(64,006)
NET FIXED ASSETS		\$ -

Depreciation expense for the year ended December 31, 2023 amounted to \$-0-.

BAITULMAAL, INC.
NOTES TO FINANCIAL STATEMENTS

December 31, 2023

Note 6: In-Kind Contributions

The Organization receives substantial in-kind contributions in the form of donated humanitarian relief supplies. For the year ending December 31, 2023, the Organization received medical supplies and equipment from different non-profit Organizations. In-kind contributions and the corresponding expenses are reported at fair market value in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification ASC 958-605, Not-for-Profit Organizations, Revenue Recognition. Medical supplies, medicines, and meals received in-kind for the year ended December 31, 2023, totaled \$33,724,327.

Note 7: Net Assets with Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. Donor restricted net assets are as follows:

	<u>WASH</u>	<u>Shelter</u>	<u>Food Security & Nutrition</u>	<u>Emergency Aid</u>	<u>Total</u>
AS OF JANUARY 1, 2023	\$ -	\$ -	\$ 785,107	\$ -	\$ 785,107
Additions	204,462	173,451	-	4,281,992	4,659,905
Less: Releases	<u>-</u>	<u>-</u>	<u>(252,480)</u>	<u>-</u>	<u>(252,480)</u>
AS OF JANUARY 31, 2023	<u>\$ 204,462</u>	<u>\$ 173,451</u>	<u>\$ 532,627</u>	<u>\$ 4,281,992</u>	<u>\$ 5,192,532</u>

BAITULMAAL, INC.
NOTES TO FINANCIAL STATEMENTS

December 31, 2023

Note 8: Leases

The Organization leases office space in Texas, Chicago and California with various start and termination dates. All the leases are operating leases and are non-cancelable before their expiration date.

At December 31, 2023, the ROU lease liability was \$80,302 and ROU asset was \$82,648. Lease expense for the year ended December 31, 2023 amounted to \$88,625.

The weighted average remaining lease term is 1.15 years. The weighted average discount rate is 3.61%.

The following is a maturity analysis of the annual undiscounted cash flows of the operating lease liabilities as of December 31, 2023:

For the Years Ending December 31,

2024	\$ 65,900
2025	14,061
2026	<u>2,387</u>
Total Future Minimum Lease Payments	82,348
Less: Imputed Interest	<u>2,046</u>
TOTAL	<u><u>\$ 80,302</u></u>

Note 9: Subsequent Event

On November 1, 2024, Becca Endowment transferred property with an appraised value of \$1,800,000 to the Organization in full satisfaction of the \$682,077 loan receivable and all accrued interest (Note 4).