



Hebret Mutual Aid Society

Audited Financial Statements

Year Ended December 31, 2024

Hebret Mutual Aid Society

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Independent Auditor's Report

To the Board of Directors
Hebret Mutual Aid Society
Silver Spring, Maryland

Opinion

I have audited the accompanying financial statements of Friends of the **Hebret Mutual Aid Society ("HMAS"**, a nonprofit organization), which comprise the statement of financial position as of **December 31, 2024**, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **HMAS** as of **December 31, 2024**, and the changes in its net assets, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Responsibilities of Management for the Financial Statement

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 the financial statements that are free from material misstatement, whether due to fraud or to 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 HMAS' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility

My 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 my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- 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 **HMAS'** 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 **HMAS'** ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Blue Nile Falls, LLC

Aldie, Virginia

December 15, 2025

Hebret Mutual Aid Society Association
Statement of Financial Position
December 31, 2024

	December 31, 2024
Assets:	
Current Assets	
Cash and cash equivalents	\$ 262,175
Investments	-
Accrued Revenue	145,508
Other current assets	995
Total current assets	\$ 408,678
Noncurrent assets	-
Total noncurrent assets	-
Total assets	\$ 408,678
Liabilities and net assets	
Current liabilities	
Accounts Payable and Accrued Expenses	\$ -
Unearned revenue	699
Total current liabilities	\$ 699
Noncurrent liabilities	-
Total noncurrent liabilities	-
Total liabilities	\$ 699
Net assets:	
Without members' restrictions	407,979
With members' restrictions	-
Total net assets	\$ 407,979
Total liabilities and net assets	\$ 408,678

Hebret Mutual Aid Society Association
Statement of Activities
Year Ended December 31, 2024

	Without Members' Restrictions	With Members' Restrictions	Total
Revenues, gains, and other support:			
Members Benefit Contribution	\$ 451,140	-	\$ 451,140
Member Registration	46,718	-	46,718
Late fees	8,099	-	8,099
Interest income	-	-	-
Other income	654	-	654
Total support, revenues and gains	\$ 506,611	\$ -	\$ 506,611
Expenses and losses:			
Members Death Benefit Paid	\$ 379,641	\$ -	\$ 379,641
Other Program Expenses	43,226	-	43,226
General and administrative	28,145	-	28,145
	-	-	-
Total expenses	\$ 451,012	\$ -	\$ 451,012
Change in net assets	55,599	-	55,599
Net assets at beginning of year	352,380	-	352,380
Net assets at end of year	\$ 407,979	\$ -	\$ 407,979

**Hebret Mutual Aid Society Association
Statement of Functional Expenses
Year Ended December 31, 2024**

Expense Category	Program Services	Management and General	Fundraising Expenses	Supporting Subtotal	Total Expenses
Members Benefit payout	\$ 379,640	\$ -	\$ -	\$ -	\$ 379,640
Bad Debt Expense	10,120	-	-	-	10,120
Bank Fees	12,227	-	-	-	12,227
Insurance Expense	-	-	-	-	-
Office Expenses	782	-	-	-	782
Postage	474	-	-	-	474
Contractual Fee	-	-	-	-	-
Software Expenses	1,252	-	-	-	1,252
Legal Fees	5,100	5,100	-	5,100	10,200
IT Consultancy	-	-	-	-	-
Occupancy	12,540	-	-	-	12,540
Professional Fees	12,514	-	-	-	12,514
Telephone & Communications Expenses	7,884	3,379	-	3,379	11,263
Total	<u>\$ 442,533</u>	<u>\$ 8,479</u>	<u>\$ -</u>	<u>\$ 8,479</u>	<u>\$ 451,012</u>

**Hebret Mutual Aid Society Association
Statement of Cash Flows
Year Ended December 31, 2024**

Cash flows from operating activities:		
Change in net assets	\$	55,599
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation		-
(Increase)/decrease in accounts receivable		(34,383)
(Increase)/decrease in accrued expenses		-
Increase/(decrease) in accounts payable		(5,824)
Increase/(decrease) in unearned revenue		-
Net cash provided/(used) by operating activities	\$	15,392
Cash flows from investing activities:		
Purchase of equipment		-
Net cash provided/(used) by investing activities	\$	-
Cash flows from financing activities:		
Proceeds from contributions restricted for		-
Investment in land, buildings, and equipment		-
	\$	-
Other financing activities:		
Payments on notes payable		-
Payments on long-term debt		-
Net cash provided/(used) by financing activities		-
Net increase/(decrease) in cash and cash equivalents	\$	15,392
Cash and cash equivalents at beginning of year		246,783
Cash and cash equivalents at end of year	\$	262,175

Hebret Mutual Aid Society

Notes to the Financial Statements

Year Ended December 31, 2024

Note 1 – Organization:

Hebret Mutual Aid Society (“HMAS”) is a nonprofit organization incorporated in the state of Maryland on December 10, 2021 to provide financial assistance to a member’s family upon death of the member.

The Organization is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes.

HMAS was established by its members in the Washington, DC metro area with the sole objective of assisting members in a time of grieving the death of their beloved ones. It has established a unique way of pooling contributions from each member and distributing monetary assistance of \$20,000 (Twenty-Thousand Dollars) per death to the designated family representative of the deceased member to cover the funeral and other related expenses.

Note 2 - Summary of Significant Accounting Policies:

Basis of presentation - Financial statement presentation follows the U.S. generally accepted accounting principles promulgated by the Financial Accounting Standards Board. Under these principles, revenues are recognized when earned and expenses are recognized when incurred.

Cash - All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents.

Fair Value Measurements - Fair value is defined as the price received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Accounting standards establish a hierarchy for measuring fair value that gives the highest priority to unadjusted quoted prices in active markets (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are as follows:

- Level 1 Unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2 Quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in active markets, or other inputs that can be corroborated by observable market data.
- Level 3 Inputs that are not observable that reflect management's assumptions and estimates.

The Organization's has no investments which are classified within any of the levels above as at December 31, 2024.

Hebret Mutual Aid Society

Notes to the Financial Statements

Year Ended December 31, 2024

Property and Equipment: Property and equipment are recorded at cost or estimated fair value of donated property. The cost of disposed assets is removed from the respective accounts along with its accumulated depreciation or amortization. Depreciation and amortization are recorded based on the straight-line method over the estimated useful lives of the related asset over three years. HMAS's policy is to capitalize all purchases or donations of property and equipment in excess of \$500.

Net assets- Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are comprised of:

Unrestricted net assets – net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – net assets subject to donor-imposed stipulations that will be met either by action of HMAS and/or the passage of time.

Permanently restricted net assets – net assets subject to donor-imposed stipulations that the assets are to be maintained permanently by HMAS.

Net Assets Without Donor Restrictions - There were no external donor stipulations that prohibit the Organization from utilizing these funds for general operations. As such, all of the net assets are shown as "non-restricted." Net assets available for use in both general operations and to support its mission without restrictions are \$ 407,979 as at December 31, 2024.

Revenue and revenue recognition – Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Revenue from membership registration is recognized when earned. There is a six-month mandatory waiting period before members could make a claim for a death benefit. Following the qualifying six-month waiting period and the approval of death claims, HMAS recognizes the required death contributions made by all members as revenue.

Death Contribution Accounts Receivable: Accounts receivable is the sum of outstanding amounts due from members - for death contributions. HMAS provides allowance for doubtful collections, which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions. The allowance for doubtful collections was \$ 5,510 as of December 31, 2024 and the total receivable write-off was \$10,120 for year then ended.

Hebret Mutual Aid Society
Notes to the Financial Statements
Year Ended December 31, 2024

Advertising costs - Advertising costs are expensed as incurred.

Income taxes — **Hebret Mutual Aid Society** is organized as a nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as being exempt from federal income taxes under IRC section 501(a), as an organization described in IRC Section 501(c)3. The organization is required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the organization is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purpose.

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

Functional Expenses:

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Hebret Mutual Aid Society considers payments upon deaths to be program expenses.

Financial Risk: HMAS maintains cash balances, at various banks, which at times may exceed Federally insured limits. HMAS has not experienced any losses in such accounts. HMAS believes it is not exposed to any significant credit risk on cash.

Note 3 – Liquidity:

The Organization's financial assets available within the following year for general expenditures are as follows:

Cash	\$ 262,175
Short-term cash Investments	-
	<hr/>
	\$ 262,175

Note 4 – Death Contributions Receivable

For each and every death, members contribute \$20 per person who had passed away. The outstanding receivable including accrued revenue balance at December 31, 2024 was \$151,018.

Hebret Mutual Aid Society
Notes to the Financial Statements
Year Ended December 31, 2024

Note 5 – Other Assets

Other assets as of December 31, 2024 consist of rent security deposit in the amount of \$995.

Note 6 - Major Revenue Source

HMAS has earned most of its revenue from Members' Death Contributions towards death benefit payments and Membership Dues, which accounted for approximately 83%, and 17% from management fee of gross revenue for the year ended December 31, 2024.

Note 7 – Other Income

Other income as of December 31, 2024 consist of the following:

Late fees	\$	8,099
Administrative & management fees		<u>654</u>
	\$	<u>8,753</u>

Note 8 – Lease Commitments and Rent Expense

As of December 31, 2024, HMAS rents office space under a short-term lease agreement that expires on March 31, 2025 with the option of extending the lease for another year. Rent expense for 2024 was \$12,540.

Note 9 — Subsequent Events:

Subsequent events - Subsequent events were evaluated through **December 15, 2025**, which is the date the financial statement was available to be issued.