

HASER, INC.
AUDITED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

JOSE A. CABALLERO AMADOR
CERTIFIED PUBLIC ACCOUNTANT

HASER, INC.
AUDITED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

TO the board of directors of
Haser, Inc.
San Juan, Puerto Rico

Opinion

I have audited the accompanying financial statements of Haser, Inc. which comprise the statements of financial position as of December 31, 2023, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. The financial statements of Haser, Inc. as of December 31, 2022, were audited by other auditors whose report dated October 4, 2023, expressed an unqualified opinion on those statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Haser, Inc. as of December 31, 2023, and the results of its operations 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

I conducted my audits in accordance with auditing standards generally accepted in the United States of America (GAAS). My responsibilities under the standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. I am required to be independent of Haser, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirement relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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. 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 Haser, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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 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 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 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 Haser, 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 Haser, Inc.'s 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.

Jose A. Caballero Amador
License Number 3150
Expires December 1, 2026
February 12, 2025



Stamp # 02803052
of the PR Society of CPAs
Is affixed to the record copy of this report.

HASER, INC.
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2023 AND 2022

ASSETS	<u>2023</u>	<u>2022</u>
Cash	\$ 3,154,003	\$ 2,575,590
Accounts receivable	1,122,520	28,549
Equipment and vehicles - net of depreciation	127,458	-
Other assets	5,604	5,702
	<u><u>\$ 4,409,585</u></u>	<u><u>\$ 2,609,841</u></u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 65,431	\$ 81,047
Accrued expenses	14,490	8,461
Deferred revenues	128,287	2,203,950
	<u>208,208</u>	<u>2,293,458</u>
Net assets:		
Without donor restrictions	1,627,871	230,375
With donor restrictions	<u>2,573,506</u>	<u>86,008</u>
	<u>4,201,377</u>	<u>316,383</u>
	<u><u>\$ 4,409,585</u></u>	<u><u>\$ 2,609,841</u></u>

See notes to financial statements.

HASER, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	Without donor Restrictions	With donor Restrictions	TOTAL	2022
SUPPORT AND REVENUES				
Grants	\$ 1,699,137	\$ 3,052,648	\$ 4,751,785	\$ 1,711,807
Donations	17,340	100,844	118,184	11,979
Services	17,309	366,289	383,598	24,384
Products				11,736
Interest	13,720		13,720	3,702
Net assets released from restrictions	121,697	(121,697)		
Total	1,869,203	3,398,084	5,267,287	1,763,608
EXPENSES				
Programs and related expenses	409,024	874,234	1,283,258	1,359,865
General and administrative	62,683	36,352	99,035	283,883
Total	471,707	910,586	1,382,293	1,643,748
Change in net assets	1,397,496	2,487,498	3,884,994	119,860
Net assets at beginning of year	230,375	86,008	316,383	196,523
NET ASSETS AT END OF YEAR	\$ 1,627,871	\$ 2,573,506	\$ 4,201,377	\$ 316,383

See notes to financial statements.

HASER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2023 AND 2022

<u>Description</u>	<u>Program Service</u>	<u>General and Administrative</u>	<u>TOTAL</u>	<u>2022</u>
Grants and other assistance	\$ 442,566		\$ 442,566	\$ 1,047,635
Salaries and payroll taxes	300,029	96,123	396,152	254,722
Travel	18,074	4,047	22,121	25,768
Supplies and materials	82,980	8,213	91,193	78,637
Rent	18,140	11,610	29,750	22,302
Professional fees	105,873	121,766	227,639	112,388
Other taxes and licenses		3,230	3,230	67,640
Insurance	13,086		13,086	6,879
Miscellaneous	44,036		44,036	17,170
Utilities	1,440	559	1,999	6,596
Bank charges	653	1,524	2,177	4,011
Repairs and maintenance	44,907	45,748	90,655	
Depreciation	17,689		17,689	
	<u>\$ 1,089,473</u>	<u>\$ 292,820</u>	<u>\$ 1,382,293</u>	<u>\$ 1,643,748</u>

See notes to financial statements.

HASER, INC.
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Cash flows from operating activities		
Change in net assets	\$ 3,884,994	\$ 119,860
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	17,659	
(Increase) decrease in:		
Accounts receivable	(1,093,971)	(24,593)
Other assets	98	(146)
Increase (decrease) in:		
Accounts payable	(15,616)	2,331
Accrued expenses	6,029	8,983
Deferred revenue	(2,075,663)	1,334,405
Net cash provided (used) by operating activities	723,530	1,440,840
Investing activities		
Purchase of office equipment	(27,500)	
Purchase of vehicles	(117,617)	
Net cash used by investing activities	(145,117)	
Net increase in cash	578,413	1,440,840
Cash at beginning of year	2,575,590	1,134,750
Cash at end of year	\$ 3,154,003	\$ 2,575,590

See notes to financial statements.

HASER, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. ORGANIZATION

Haser, Inc. is a nonprofit organization incorporated under the laws of the Commonwealth of Puerto Rico on July 3, 2016. Haser, Inc.'s mission is to promote social well-being in Puerto Rico through community-based projects working towards equity and quality of life. The organization is supported mainly through donors contributions and grants.

2. summary of significant accounting policies

Financial statements presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with the United States generally accepted accounting principles, as promulgated by the Financial Accounting Standard Board (FASB). Resources are presented in accordance with FASB ASC Topic 958, Financial Statements of Not-for-Profit Organizations, which requires that all not-for-profit organizations provide a statement of financial position, a statement of activities, and a statement of cash flows. FASB ASC Topic also requires that net assets, revenues, expenses, gains and losses be presented in the financial statements according to the following two classes of net assets: Net Assets Without Donor Restrictions and Net Assets with Donor Restrictions.

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 disclosures of contingent assets and liabilities at 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.

Equipment and vehicles

Equipment and vehicles are recorded at cost. Depreciation is calculated on a straight-line basis over the estimated useful lives of the respective assets.

HASER, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

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 classified and reported as follows:

Net Assets Without Donor Restrictions: Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions: Net assets subject to donor imposed restrictions. 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 resources 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 both.

Income taxes

The Organization is a nonprofit organization that is exempt from taxes under Section 501(c)(3) of the Internal Revenue Code of the United States of America and the Puerto Rico Tax Code pursuant to Section 1101.01(a)(2)(B).

Functional allocation of expenses

The cost of providing various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among programs and supporting services benefited. Expenses that benefit more than one function of the Organization are allocated among the functions based generally on the amount of time spent by contractor on each function.

HASER, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

3. Concentration of risks

The Organization maintains its cash accounts in local commercial banks. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2023 and 2022 one account exceeded the insurance limit by \$2,604,889 and \$2,325,590 respectively.

4. Deferred revenue

Represents funds received in advance in the current year, which will be recognized as income during the next fiscal year.

5. Availability of financial assets

The Organization routinely monitors availability of funds for grants appropriations and operations in accordance with its financial policies. Financial assets consist principally of cash to fulfill grant monitoring procedures, operating expenditures and to provide grants to other organizations.

6. Subsequent events

Management has evaluated subsequent events through February 12, 2025, the date the financial statements were available to be issued. At the end of year 2024 the Organization acquired a property in Hato Rey for its program services. Estimated cost and betterments will be around \$1,500,000.