

GLASSWING INTERNATIONAL USA, INC.

Financial Statements As Of
December 31, 2023
Together With
Auditor's Report



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Glasswing International USA, Inc.:

Opinion

We have audited the accompanying financial statements of Glasswing International USA, Inc. (the "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 Glasswing International USA, 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 Glasswing International USA, 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.

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 Glasswing International USA, 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

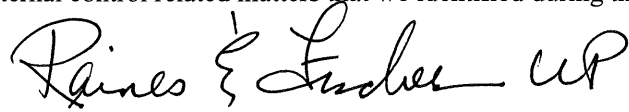
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance 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 Glasswing International USA, 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 Glasswing International USA, 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.



New York, New York
September 16, 2024

GLASSWING INTERNATIONAL USA, INC.

Statement of Financial Position

December 31, 2023

ASSETS

Cash and cash equivalents	\$ 1,138,198
Marketable securities, at fair value	30,741,230
Loan and exchange	18,208
Prepaid expenses	8,567,974
Software, net of accumulated amortization of \$33,174	<u>6,442</u>
Total Assets	<u>\$ 40,472,052</u>

LIABILITIES AND NET ASSETS

Accrued expenses	\$ 3,740
Grants received in advance	<u>22,314,859</u>
Total Liabilities	<u>22,318,599</u>
Net assets:	
Without donor restrictions	7,739,822
With donor restrictions	<u>10,413,631</u>
Total Net Assets	<u>18,153,453</u>
Total Liabilities and Net Assets	<u>\$ 40,472,052</u>

The accompanying notes are an integral part of these financial statements

GLASSWING INTERNATIONAL USA, INC.

Statement of Activities

For the Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
Revenues			
Contributions	\$ 5,386,181	\$ 11,623,940	\$ 17,010,121
Restrictions satisfied by expenditures	7,097,701	(7,097,701)	-
Investment return, net	1,925,062	-	1,925,062
Total Revenues	<u>14,408,944</u>	<u>4,526,239</u>	<u>18,935,183</u>
Expenses			
Program services	17,024,900	-	17,024,900
General and administrative	751,426	-	751,426
Fundraising	161,666	-	161,666
Total Expenses	<u>17,937,992</u>	<u>-</u>	<u>17,937,992</u>
Decrease (increase) in net assets	(3,529,048)	4,526,239	997,191
Net assets - December 31, 2022	<u>11,268,870</u>	<u>5,887,392</u>	<u>17,156,262</u>
Net assets - December 31, 2023	<u>\$ 7,739,822</u>	<u>\$ 10,413,631</u>	<u>\$ 18,153,453</u>

The accompanying notes are an integral part of these financial statements

GLASSWING INTERNATIONAL USA, INC.**Statement of Functional Expenses****For the Year Ended December 31, 2023**

	<u>Program Services</u>	<u>General & Administrative</u>	<u>Fundraising</u>	<u>Totals</u>
Grants and awards	\$ 16,449,796	\$ -	\$ -	\$ 16,449,796
Fundraising event	-	-	151,981	151,981
Fundraising fees	-	-	9,685	9,685
Office supplies and expenses	-	66,770	-	66,770
Software expense	-	3,290	-	3,290
Rent	37,787	56,680	-	94,467
Insurance	-	15,368	-	15,368
Outside services	-	47,672	-	47,672
Amortization	-	6,780	-	6,780
Filing fees	-	3,229	-	3,229
Travel and entertainment	5,732	24,150	-	29,882
Dues and subscriptions	-	46,588	-	46,588
Utilities	-	5,545	-	5,545
Professional fees	-	13,092	-	13,092
Charitable contributions	-	25,000	-	25,000
Public relations	-	77,799	-	77,799
Compensation and related	531,585	359,463	-	891,048
Total Expenses	<u>\$ 17,024,900</u>	<u>\$ 751,426</u>	<u>\$ 161,666</u>	<u>\$ 17,937,992</u>

The accompanying notes are an integral part of these financial statements

GLASSWING INTERNATIONAL USA, INC.

Statement of Cash Flows

For the Year Ended December 31, 2023

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows from Operating Activities:

Change in net assets	\$ 997,191
Amortization	6,780
Increase in prepaid expenses	(8,506,971)
Increase in loan and exchange	(18,209)
Decrease in accrued expenses	(1,933)
Increase in grants received in advance	4,317,525
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Net cash used in operating activities	(3,205,617)

Cash Flows from Investing Activities:

Decrease in marketable securities	2,242,857
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Net cash provided by investing activities	2,242,857
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Net decrease in cash	(962,760)
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Cash and Cash Equivalents - December 31, 2022	2,100,958
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Cash and Cash Equivalents - December 31, 2023	\$ 1,138,198
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Supplementary disclosures:

Interest paid	\$ -
Income taxes paid	-

The accompanying notes are an integral part of these financial statements

GLASSWING INTERNATIONAL USA, INC.
Notes to Financial Statements
For the Year Ended December 31, 2023

(1) **Organization and Nature of Activities**

GLASSWING INTERNATIONAL USA, INC. (“Glasswing USA”) was organized in 2007 as a not-for-profit corporation under the laws of the State of Delaware. Glasswing USA’s main objective is to generate awareness and resources in the United States on behalf of Glasswing International in Central America.

(2) **Summary of Significant Accounting Policies**

Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting.

Support and Revenues:

Glasswing USA’s revenues consist of unrestricted and restricted donations from public and private entities and individuals and earnings from temporary cash investments and investments in marketable securities. Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

Support received related to conditional grants is not reported as revenues until the related restriction has been satisfied through the expenditure of funds in accordance with the terms of the grant. However, funds received by Glasswing USA in advance of the actual expenditure are accounted for as grants received in advance. Similarly, payments made by Glasswing USA related to these conditional grants are recognized as prepaid expenses until such time as the grant is recognized as revenue.

Use of 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, disclosure of contingent assets and liabilities at year-end and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

(3) **Income Taxes**

Glasswing USA is recognized as an organization exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes is required in the financial statements.

Effective January 1, 2009, Glasswing USA adopted the authoritative guidance for uncertainty in income taxes included in ASC 740, *Income Taxes*, as amended by Accounting Standards Update (“ASU”) 2009-06, *Implementation Guidance on*

GLASSWING INTERNATIONAL USA, INC.
Notes to Financial Statements
For the Year Ended December 31, 2023

(3) Income Taxes (continued)

Accounting for Uncertainty in Taxes and Disclosures Amendments for Nonpublic Entities. This guidance requires Glasswing USA to determine whether a tax position of the Organization is more likely than not to be sustained upon examination by the applicable taxing authority, including the resolution of any related appeals or litigation processes, based on the technical merits of the position. The Organization determined there are no uncertain tax positions that require financial statement recognition. The Organization's tax returns remain open for examination by tax authorities for a period of three years from when they are filed; the 2020, 2021 and 2022 Federal, New York, Connecticut, Washington DC, New Jersey, Florida, and California tax returns are currently open for examination.

(4) Functional Allocation of Expenses

The costs of providing Glasswing USA's grants and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the grants and supporting services benefited; these costs require allocation on a reasonable basis that is consistently applied.

(5) Significant Contributors

In 2023, support received from three contributors equaled 50%, 7%, and 6%, respectively, of total contributions.

(6) Fair Value Measurements

Glasswing USA utilizes various methods to measure fair value of most of its investments on a recurring basis. Financial Accounting Standards Board Accounting Standards Codification 820 ("ASC 820") establishes a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are:

Level I – Unadjusted quoted prices in active markets for identical assets or liabilities that Glasswing USA has the ability to access.

Level II – Observable inputs other than unadjusted quoted prices in active markets for identical assets or liabilities. All significant inputs are observable, either directly or indirectly. These inputs may include quoted prices for identical instrument on an inactive market, prices for similar instruments, yield curves, default rates, or other similar data.

Level III – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available. Unobservable inputs reflect the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

GLASSWING INTERNATIONAL USA, INC.
Notes to Financial Statements
For the Year Ended December 31, 2023

(6) Fair Value Measurements (continued)

The availability of observable inputs can vary and is affected by a variety of factors. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is the greatest for assets or liabilities categorized in Level III.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Glasswing USA's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

The following table summarizes the valuation of Glasswing USA's investments as of December 31, 2023:

<u>Assets</u>	Quoted Prices in Active Markets for Identical Assets <u>Level I</u>	Significant Other Observable Inputs <u>Level II</u>	Significant Unobservable Inputs <u>Level III</u>	Balance at December 31, <u>2023</u>
Investment in marketable securities, at fair value	\$30,741,230	\$ -	\$ -	\$30,741,230

The change in investment measured at fair value for which Glasswing USA has used Level I inputs to determine fair value are as follows:

Balance at December 31, 2022	\$32,984,087
Purchases of investments	39,667,725
Dividend and interest income	1,248,444
Donated securities	1,126,619
Sales of investments	(45,057,467)
Realized gain on investments	586,232
Unrealized gain on investments	<u>185,590</u>
Balance at December 31, 2023	<u>\$30,741,230</u>

GLASSWING INTERNATIONAL USA, INC.
Notes to Financial Statements
For the Year Ended December 31, 2023

(7) Commitments and Contingencies

On October 1, 2021, Glasswing USA entered into an operating lease which expired February 28, 2022. This agreement has been renewed for three successive periods of one year each; the current lease expires February 28, 2025. Glasswing USA entered into an additional lease which upon expiration on September 27, 2022 was renewed for a period of two years. Future minimum rental payments under these non-cancelable operating leases are as follows:

Year ended December 31, 2024	\$ 83,292
December 31, 2025	<u>8,880</u>
	<u>\$ 92,172</u>

Glasswing USA maintains an additional office space in Colombia at a cost which varies on a monthly basis.

(8) Cash and Cash Equivalents

Glasswing USA maintains cash accounts which at times may exceed federally insured limits. Glasswing USA has not experienced any losses related to these accounts and does not believe it is exposed to any significant credit risk.

(9) Investment return, net

Investment return, net consists of the following:

Dividend and interest income	\$1,248,444
Net realized and unrealized gain on investments	771,822
Investment expenses	<u>(95,204)</u>
Total	<u>\$1,925,062</u>

(10) Restrictions on Net Assets

Net assets with donor restrictions are subject to expenditure for specified purposes:

Payments in support of programs maintained by foreign affiliates in Costa Rica, Guatemala, Honduras, Mexico, Nicaragua, Panama, and El Salvador	<u>\$10,413,631</u>
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GLASSWING INTERNATIONAL USA, INC.
Notes to Financial Statements
For the Year Ended December 31, 2023

(11) Liquidity and Availability of Financial Assets

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

Financial assets at year-end	\$31,879,428
Less those unavailable for general expenditures within one year, due to donor-restricted to payments in support of programs maintained by foreign affiliates in Costa Rica, Guatemala, Honduras, Mexico, Nicaragua, Panama, and El Salvador	<u>24,139,606</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$7,739,822</u></u>

(12) COVID-19

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The outbreak could have a continued material adverse impact on economic and market conditions and continue to trigger periods of global economic slowdown. While the continuing development and distribution of vaccines presents the real possibility of ultimate containment of COVID-19, the outbreak continues to present ongoing uncertainty and risk with respect to Glasswing USA, its performance, and its financial results.

(13) Evaluation of Subsequent Events

Glasswing USA has evaluated subsequent events through September 16, 2024, the date which the financial statements were available to be issued. Glasswing USA does not note any subsequent events requiring disclosure or adjustment to the financial statements.