



**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**Years Ended December 31, 2014 and 2013**

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Herbein + Company, Inc.  
Gulf Tower  
707 Grant Street, Suite 2900  
Pittsburgh, PA 15219

P: 412-392-2345  
F: 412-392-2379  
[www.herbein.com](http://www.herbein.com)

**To the Board of Directors  
Global Links  
Pittsburgh, Pennsylvania**

## Independent Auditor's Report

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Global Links (a nonprofit organization) (the "Organization"), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 audits. We conducted our audits 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 Organization'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 Organization'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.

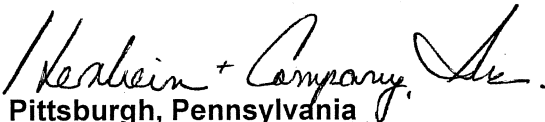
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Global Links as of December 31, 2014 and 2013, and the results of its activities, functional expenses, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

## Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Activities by Asset Class with Comparative Totals is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information included in this report is fairly stated, in all material respects, in relation to the financial statements as a whole.

  
Pittsburgh, Pennsylvania  
June 22, 2015

Global Links

Statements of Financial Position

	December 31	
	2014	2013
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 786,329	\$ 836,987
Investments, at fair value	929,489	888,093
Accounts receivable	37,285	81,395
Contributions receivable	29,885	492,555
Grants receivable	-	10,000
Inventory	3,273,042	3,550,315
Prepaid expenses	39,727	28,726
<b>TOTAL CURRENT ASSETS</b>	<b>5,095,757</b>	<b>5,888,071</b>
<b>PROPERTY AND EQUIPMENT</b>		
Building and improvements	2,475,871	2,418,155
Furniture, fixtures, and equipment	181,664	160,586
	<b>2,657,535</b>	<b>2,578,741</b>
Accumulated depreciation and amortization	(280,904)	(209,805)
<b>NET PROPERTY AND EQUIPMENT</b>	<b>2,376,631</b>	<b>2,368,936</b>
<b>OTHER ASSETS</b>		
Contributions receivable	20,909	38,714
Loan origination fees, net of accumulated amortization (2014 - \$974; 2013 - \$487)	6,564	7,051
<b>TOTAL ASSETS</b>	<b>\$ 7,499,861</b>	<b>\$ 8,302,772</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 25,589	\$ 145,895
Deferred revenue	545,337	592,758
Current portion of long-term debt	120,000	120,000
<b>TOTAL CURRENT LIABILITIES</b>	<b>690,926</b>	<b>858,653</b>
<b>NONCURRENT LIABILITIES</b>		
Long-term debt	1,440,000	1,560,000
<b>TOTAL LIABILITIES</b>	<b>2,130,926</b>	<b>2,418,653</b>
<b>NET ASSETS</b>		
Unrestricted	5,318,141	5,352,850
Temporarily restricted	50,794	531,269
<b>TOTAL NET ASSETS</b>	<b>5,368,935</b>	<b>5,884,119</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 7,499,861</b>	<b>\$ 8,302,772</b>

See accompanying notes.

**Global Links**

**Statement of Activities and Changes in Net Assets**

Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND OTHER SUPPORT</b>			
Donated materials and supplies	\$ 2,672,761	\$ -	\$ 2,672,761
Contributions and grants	1,002,516	8,638	1,011,154
Miscellaneous sales and other	92,315	-	92,315
Interest and dividends	45,577	-	45,577
Realized loss on investments	(4,056)	-	(4,056)
Net unrealized depreciation of investments	2,009	-	2,009
Special event, net of expense of \$10,447	10,672	-	10,672
In-kind contributions	4,862	-	4,862
<b>TOTAL REVENUE AND OTHER SUPPORT</b>	<b>3,826,656</b>	<b>8,638</b>	<b>3,835,294</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b>489,113</b>	<b>(489,113)</b>	<b>-</b>
<b>OPERATING EXPENSES</b>			
Program services	4,000,179	-	4,000,179
Management and general	237,273	-	237,273
Fundraising	113,026	-	113,026
<b>TOTAL OPERATING EXPENSES</b>	<b>4,350,478</b>	<b>-</b>	<b>4,350,478</b>
<b>CHANGE IN NET ASSETS</b>	<b>(34,709)</b>	<b>(480,475)</b>	<b>(515,184)</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>5,352,850</b>	<b>531,269</b>	<b>5,884,119</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 5,318,141</b>	<b>\$ 50,794</b>	<b>\$ 5,368,935</b>

See accompanying notes.

**Global Links**

**Statement of Activities and Changes in Net Assets**

Year Ended December 31, 2013

	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND OTHER SUPPORT</b>			
Donated materials and supplies	\$ 3,326,076	\$ -	\$ 3,326,076
Contributions and grants	2,332,415	531,269	2,863,684
Miscellaneous sales and other	72,770	-	72,770
Interest and dividends	41,642	-	41,642
Realized loss on investments	(1,350)	-	(1,350)
Net unrealized appreciation of investments	(9,338)	-	(9,338)
Special event, net of expense of \$3,040	(2,485)	-	(2,485)
In-kind contributions	4,202	-	4,202
<b>TOTAL REVENUE AND OTHER SUPPORT</b>	5,763,932	531,269	6,295,201
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	848,680	(848,680)	-
<b>OPERATING EXPENSES</b>			
Program services	3,820,536	-	3,820,536
Management and general	229,545	-	229,545
Fundraising	118,990	-	118,990
<b>TOTAL OPERATING EXPENSES</b>	4,169,071	-	4,169,071
<b>CHANGE IN NET ASSETS</b>	2,443,541	(317,411)	2,126,130
<b>NET ASSETS AT BEGINNING OF YEAR</b>	2,909,309	848,680	3,757,989
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 5,352,850</u>	<u>\$ 531,269</u>	<u>\$ 5,884,119</u>

See accompanying notes.

**Global Links**

**Statement of Functional Expenses**

Year Ended December 31, 2014

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Materials, supplies, and equipment shipped	\$ 3,026,878	\$ -	\$ -	\$ 3,026,878
Personnel salaries and wages	552,962	116,477	88,126	757,565
Personnel benefits	42,093	5,598	6,882	54,573
Depreciation and amortization	68,889	2,697	-	71,586
Consulting and professional fees	12,885	26,451	1,825	41,161
Office supplies and expenses	15,800	3,902	100	19,802
Outreach activities	7,163	-	-	7,163
Postage and delivery	486	454	-	940
Miscellaneous	270	39,810	9	40,089
Printing, dues, and publications	506	2,860	16,029	19,395
Insurance	-	27,631	-	27,631
Shipping costs	153,997	-	-	153,997
Warehouse expenses and office rent	59,718	2,950	-	62,668
Interest expense	42,019	1,751	-	43,770
Travel, conferences, and training	13,296	6,692	55	20,043
Equipment repair	3,217	-	-	3,217
<b>TOTAL EXPENSES</b>	<b><u><u>\$ 4,000,179</u></u></b>	<b><u><u>\$ 237,273</u></u></b>	<b><u><u>\$ 113,026</u></u></b>	<b><u><u>\$ 4,350,478</u></u></b>

See accompanying notes.



**Global Links**

**Statement of Functional Expenses**

Year Ended December 31, 2013

	Program Services	Management and General	Fundraising	Total Expenses
Materials, supplies, and equipment shipped	\$ 2,869,101	\$ -	\$ -	\$ 2,869,101
Personnel salaries and wages	529,361	136,116	61,828	727,305
Personnel benefits	54,083	10,133	8,111	72,327
Depreciation and amortization	60,243	2,229	-	62,472
Consulting and professional fees	11,471	35,914	18,000	65,385
Office supplies and expenses	31,541	3,977	188	35,706
Outreach activities	9,308	-	-	9,308
Postage and delivery	964	1,428	535	2,927
Miscellaneous	501	867	-	1,368
Printing, dues, and publications	178	7,442	29,895	37,515
Insurance	-	24,957	-	24,957
Shipping costs	123,151	-	-	123,151
Warehouse expenses and office rent	61,714	1,986	-	63,700
Building related expenses, including interest expense	45,695	1,904	-	47,599
Travel, conferences, and training	20,775	2,592	433	23,800
Equipment repair	2,450	-	-	2,450
<b>TOTAL EXPENSES</b>	<b>\$ 3,820,536</b>	<b>\$ 229,545</b>	<b>\$ 118,990</b>	<b>\$ 4,169,071</b>

# Global Links

## Statements of Cash Flows

	Year Ended December 31	
	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ (515,184)	\$ 2,126,130
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	71,586	62,471
Unrealized (appreciation) depreciation of investments	(2,009)	9,338
Realized loss on sale of investments	4,056	-
Changes in:		
Accounts receivable	44,110	16,438
Contributions receivable	480,475	(531,269)
Grants receivable	10,000	(10,000)
Inventory	277,273	(857,037)
Prepaid expenses	(11,001)	(475)
Accounts payable and accrued expenses	(120,306)	91,635
Deferred revenue	(47,421)	(299,990)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>191,579</b>	<b>607,241</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	301,752	250,121
Purchase of investments	(345,195)	(288,607)
Payment of loan origination fees	-	-
Additions to property and equipment:		
Building and improvements	(57,716)	(543,884)
Furniture, fixtures, and equipment	(21,078)	(6,826)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>(122,237)</b>	<b>(589,196)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long-term debt	(120,000)	(120,000)
<b>NET DECREASE IN CASH</b>	<b>(50,658)</b>	<b>(101,955)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>836,987</b>	<b>938,942</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 786,329</b>	<b>\$ 836,987</b>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash paid during the year for interest	\$ 43,770	\$ 47,599

See accompanying notes.

## **Global Links**

### **Notes to Financial Statements**

**December 31, 2014 and 2013**

Global Links ("the Organization") is a not-for-profit, medical relief and development organization dedicated to supporting health improvement initiatives in resource-poor communities, and promoting environmental stewardship in the U.S. healthcare system.

Global Links' collaborative efforts include:

- Redirecting still-useful materials away from U.S. landfills to support public health programs in targeted communities throughout the hemisphere.
- Sharing expertise and technical knowledge with international and domestic partners.
- Educating partners, volunteers, and the community on issues of global health and environmental stewardship.

Founded in 1989, Global Links provides U.S. healthcare institutions and manufacturers with an environmentally and socially responsible alternative to the disposal of surplus medical materials, while simultaneously aiming to ensure that one hundred percent of the materials it donates are needed and can be used. Global Links is committed to collaborative, transparent engagement with the U.S. community and with international partners in the collection, preparation, and donation of humanitarian aid.

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The significant accounting policies of Global Links, all of which are in conformity with accounting principles generally accepted in the United States of America, are summarized below:

##### **Basis of Presentation**

Global Links reports amounts for its total assets, liabilities, and net assets in a statement of financial position, the change in its net assets in a statement of activities, and the change in its cash and cash equivalents in a statement of cash flows. Also, its net assets and its revenues, expenses, gains, and losses are classified in these financial statements based on the existence or absence of donor imposed restrictions, as temporarily restricted, permanently restricted, or unrestricted. Temporarily restricted net assets are those whose use by Global Links has been limited by donors to a specific time period or purpose. Global Links has no permanently restricted net assets. Unrestricted net assets are those currently available at the discretion of the Board for unlimited use in the Organization's operations.

##### **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 certain 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 may differ from those estimates.

## **Global Links**

### **Notes to Financial Statements**

**December 31, 2014 and 2013**

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

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##### **Cash and Cash Equivalents**

Cash and cash equivalents consist of highly liquid debt instruments purchased with an original maturity of three months or less and cash held in checking, savings, money market accounts, and certificates of deposit. At year-end and at various times during the years ended December 31, 2014 and 2013, the Organization had cash balances in excess of the federally insured limits. The deposits were held at various financial institutions.

##### **Investments**

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value based on quoted market prices in the Statements of Financial Position. Dividends, interest, and other investment income or loss, including realized gains and losses and unrealized appreciation and depreciation, are reported in the period earned as increases or decreases in unrestricted net assets unless the use of the assets received is limited by donor-imposed restrictions or by law. Donor-restricted investment income would be reported as an increase in temporarily restricted net assets or, if and when applicable, permanently restricted net assets.

##### **Accounts Receivable**

Accounts receivable represent amounts committed by grantors or others that have not been received by the Organization by year-end. All amounts are due within one year. Management has determined that no allowance is necessary based on an analysis of each open account.

##### **Contributions Receivable**

Contributions receivable represent amounts committed by donors that have not been received by the Organization by year-end. Contributions to be received after one year are discounted at an appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. Management has determined that no allowance is necessary based on an analysis of each open account.

##### **Contributions and Support**

Contributions, gifts, and unconditional promises to give cash and other assets to Global Links are reported at fair value at the date received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is physically received. The contributions are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions. Contributions whose restrictions have been met in the same year are reported as unrestricted.

##### **Donated Materials, Supplies, and Equipment**

Donations include materials, supplies, and equipment donated for use in resource-poor communities. The dollar value of such donations and the related "materials and supplies shipped" expense can fluctuate significantly from year to year. Global Links reports gifts of material and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used.

## Global Links

### Notes to Financial Statements

December 31, 2014 and 2013

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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##### **Grants**

Grants generally represent monies received that are granted to cover the international medical aid program and administration expenses. Deferred revenue consists of grant funds received for specific projects that have not yet been spent. As the requisite costs are incurred, the revenue is recognized.

##### **In-Kind Contributions**

In-kind contributions represent donated professional services from unrelated parties. Contributions of services shall be recognized if the services received (a) create or enhance a non-financial asset or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Global Links receives a substantial amount of volunteered support from individuals and charitable organizations whose time is not recognized as a contribution in the financial statements since the recognition criteria under GAAP were not met (see Note 4).

##### **Inventory**

Inventory, representing donated and purchased materials awaiting shipment to partners or resource-poor communities, is stated at estimated fair market value. Due to the timing of receipts and shipments of donated materials and supplies, significant fluctuations in inventory levels may occur which will also significantly impact the change in net assets as presented in the Statements of Activities. All items included in inventory are to be used for program services and are not available for liquidation.

##### **Property and Equipment**

Buildings and furniture, fixtures, and equipment are stated at cost (or estimated fair value for donated items). Depreciation is provided on the straight-line method over an estimated useful life of forty years for buildings and five to seven years for furniture, fixtures, and equipment. Depreciation expense was \$71,099 and \$62,471 for 2014 and 2013, respectively.

##### **Allocation of Expenses**

The costs of providing the various programs and supporting activities of Global Links have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the program and supporting activities benefited in a rational and systematic manner.

##### **Income Taxes**

Global Links has been determined to be an exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, is not subject to income tax under present laws. Accordingly, no provision for income taxes has been included.

In accordance with generally accepted accounting principles, the Organization accounts for uncertain tax positions relative to unrelated business income, if any, as required. Using that guidance, management has determined that there are no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

The tax years of 2011 and forward are open for examination by federal and state taxing authorities.

## **Global Links**

### **Notes to Financial Statements**

**December 31, 2014 and 2013**

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

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##### **Subsequent Events**

In preparing these financial statements, Global Links has evaluated events and transactions for potential recognition or disclosure through June 22, 2015, the date the financial statements were available to be issued.

#### **NOTE 2 - LINE OF CREDIT**

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Global Links entered a line of credit borrowing agreement with a regional bank on July 2, 2012. This line of credit provides a maximum borrowing limit of \$500,000 with interest payable monthly on any outstanding balance. The annual rate of interest is based on the one-month LIBOR rate plus 2.50 percentage points. This agreement is secured by all assets of Global Links, collateralized with an investment account maintained at the bank, and requires the maintenance of a debt service coverage ratio of at least 1.20 to 1 measured on an annual basis. The expiration date is set at June 30, 2015.

Global Links also has a line of credit borrowing agreement with another regional bank that has a borrowing limit of \$100,000 with interest payable monthly on any outstanding balance. The annual rate of interest is based on the bank's prime rate plus 1.00 percentage point. This agreement is secured by all deposits Global Links maintains at the bank.

The outstanding balance on these lines of credit was \$0 at December 31, 2014 and 2013.

#### **NOTE 3 - MATERIALS AND SUPPLIES CONTRIBUTED TO OTHER ORGANIZATIONS**

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Global Links often receives donations of large quantities of materials and supplies from donors' surplus inventories. When particular items offered are not appropriate for use in its normal endeavors, Global Links contributes these items to other charitable organizations aiding those in need in other parts of the world. This constitutes a service to both the donor and the other charities. However, because the receipt and ultimate disposition of these materials and supplies is controlled by other charities, Global Links does not include their value in revenues or expenses in the Statements of Activities.

#### **NOTE 4 - VOLUNTEER SERVICES**

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There were 235 individuals who contributed a total of more than 8,100 hours of volunteer service at Global Links during 2014 (148 individuals contributed more than 3,700 hours during 2013).

## Global Links

### Notes to Financial Statements

December 31, 2014 and 2013

#### NOTE 4 - VOLUNTEER SERVICES - CONTINUED

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Also during 2014, 83 groups volunteered a total of 206 times with a total of 1,747 participants (individuals who came more than once were counted as participants for each time they came). On average, these groups volunteered for approximately 2 hours each visit, and thereby contributing approximately 3,500 hours of volunteer service (61 groups volunteered a total of 226 times with a total of 1,523 participants equating to over 3,000 hours of volunteer service during 2013).

Combined, Global Links received annually approximately 12,600 hours of volunteer service from approximately 1,990 individuals during 2014 and approximately 6,600 hours of volunteer service from approximately 1,670 individuals during 2013. These services have been valued by management to be approximately \$283,300 and \$165,800 for the years ended December 31, 2014 and 2013, respectively.

These services were not recognized as income as they did not meet the accounting criteria.

#### NOTE 5 - NET ASSETS

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Temporarily restricted net assets are available for the following purposes:

	December 31	
	2014	2013
New offices and warehouse	\$ <u>50,794</u>	\$ <u>531,269</u>

Net assets released from donor restrictions during the years ended December 31, 2014 and 2013 were \$489,113 and \$848,680, respectively.

#### NOTE 6 - COMMITMENTS AND CONTINGENCIES

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Through May 2013, Global Links rented space for \$2/square foot for surgical supplies for which there was no formal lease commitment.

Rent expense totaled \$0 and \$15,504 for 2014 and 2013, respectively. Global Links has no future minimum lease payments that have remaining terms in excess of one year as of December 31, 2014.

## Global Links

### Notes to Financial Statements

December 31, 2014 and 2013

#### NOTE 7 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

##### Investments

The carrying amounts and market values of Global Links' investments at December 31, 2014 and 2013 are as follows:

	December 31, 2014		December 31, 2013	
	Cost	Market Value	Cost	Market Value
Investments:				
Money market funds	\$ 113,072	\$ 113,072	\$ 37,982	\$ 37,982
Mutual funds	771,144	815,272	808,577	834,576
Common stock	1,186	1,145	5,252	15,535
	<u>\$ 885,402</u>	<u>\$ 929,489</u>	<u>\$ 851,811</u>	<u>\$ 888,093</u>

Investment income is comprised of the following at December 31:

	2014	2013
Unrealized appreciation (depreciation)	\$ 2,009	\$ (9,338)
Realized gain (loss)	(4,056)	(1,350)
Interest and dividends	45,577	41,642
Total	<u>\$ 43,530</u>	<u>\$ 30,954</u>

##### Fair Value

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices to active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2: Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the asset or liability;
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.



## Global Links

### Notes to Financial Statements

December 31, 2014 and 2013

#### NOTE 7 - INVESTMENTS AND FAIR VALUE MEASUREMENTS - CONTINUED

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2014.

Common Stock	Valued at the quoted fair market value for shares held at year end.
Mutual Funds	Valued at the net asset value (NAV) for shares held at year end.
Money Market	Valued at the quoted fair market value for shares held at year end.
Donated inventory	Valued based on research of similar items on the internet with discounts if applicable

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while Global Links believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

#### Assets at Fair Value as of December 31, 2014:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 113,071	\$ -	\$ -	\$ 113,071
Mutual funds:				
Fixed income	532,008	-	-	532,008
Income and growth	1,145	-	-	1,145
Real estate	27,419	-	-	27,419
	<u>560,572</u>	<u>-</u>	<u>-</u>	<u>560,572</u>
Common stock	255,846	-	-	255,846
Inventory	-	-	3,273,042	3,273,042
Total	\$ <u>929,489</u>	\$ <u>-</u>	\$ <u>3,273,042</u>	\$ <u>4,202,531</u>

**Global Links**  
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**December 31, 2014 and 2013**

**NOTE 7 - INVESTMENTS AND FAIR VALUE MEASUREMENTS - CONTINUED**

Assets at Fair Value as of December 31, 2013:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 37,982	\$ -	\$ -	\$ 37,982
Mutual funds:				
Fixed income	591,083	-	-	591,083
Income and growth	221,614	-	-	221,614
Real estate	21,879	-	-	21,879
	<u>834,576</u>	<u>-</u>	<u>-</u>	<u>834,576</u>
Common stock	15,535	-	-	15,535
Donated inventory	-	-	3,550,315	3,550,315
Total	\$ <u>888,093</u>	\$ <u>-</u>	\$ <u>3,550,315</u>	\$ <u>4,438,408</u>

The following table presents changes in Global Links' Level 3 assets measured at fair value on a recurring basis for the years ended December 31, 2014 and 2013:

	2014	2013
Balance, beginning of year	\$ 3,550,315	\$ 2,693,278
Donated and purchased	2,749,605	3,726,138
Shipments	(3,026,878)	(2,869,101)
Balance, End of Year	\$ <u>3,273,042</u>	\$ <u>3,550,315</u>

**NOTE 8 - CONTRIBUTIONS RECEIVABLE**

Contributions receivable are summarized as follows as of December 31, 2014 and 2013:

Contributions receivable expected to be collected in:	2014	2013
Less than one year	\$ 29,885	\$ 492,555
One to five years	20,909	38,714
Total	\$ <u>50,794</u>	\$ <u>531,269</u>

Contributions receivable are recorded as temporarily restricted net assets at December 31, 2014 and 2013.

## Global Links

### Notes to Financial Statements

December 31, 2014 and 2013

#### NOTE 9 - CAPITAL CAMPAIGN

During the year ended December 31, 2013, Global Links entered into a capital campaign. The purpose of the campaign is to raise \$3,166,000 for a new building that houses both operations and warehouse facilities. As of December 31, 2014 and 2013, Global Links has raised \$2,627,383 and \$2,477,368, respectively, of which \$50,794 and \$531,269 is receivable at December 31, 2014 and 2013, respectively. The balance is deemed fully collectible by management. Cumulative building expenses related to the capital campaign approximated \$2,574,637 for the year ended December 31, 2014 (\$156,482 and \$543,884 for the years ended December 31, 2014 and 2013, respectively).

#### NOTE 10 - LONG-TERM DEBT

Long-term debt consists of the following:

	December 31	
	2014	2013
Mortgage note in the original amount of \$1,800,000 payable to a regional bank. The note requires 180 monthly payments of principal (\$10,000) plus interest, which is based on the one-month LIBOR plus 2.50 percentage points (2.67% and 2.75% as of December 31, 2014 and 2013, respectively). The note is secured by real estate owned by Global Links, with a net book value of \$2,345,706 and \$2,342,988 at December 31, 2014 and 2013, respectively, and has a scheduled payoff date of January 2028.	\$ 1,560,000	\$ 1,680,000
Portion payable within one year and classified as current.	(120,000)	(120,000)
Total Long-Term Debt	\$ <u>1,440,000</u>	\$ <u>1,560,000</u>

The aggregate payments required for annual periods subsequent to December 31, 2014 are as follows:

Fiscal Year:	Principal
2015	\$ 120,000
2016	120,000
2017	120,000
2018	120,000
2019	120,000
2020 - 2024	600,000
2025 - 2028	360,000
TOTAL	\$ <u>1,560,000</u>

Total interest expense was \$43,770 and \$47,599 for the years ended December 31, 2014 and 2013, respectively.

## SUPPLEMENTARY INFORMATION

Global Links

Schedule of Activities by Asset Class with Comparative Totals

Year Ended December 31

	Unrestricted Net Assets			Temporarily Restricted Net Assets	Total Net Assets		
	Cash and Other	Materials and Supplies	Total		(Summarized Financial Information)*		
					2014	2013	2012
<b>REVENUES</b>							
Donated materials and supplies	\$ -	\$ 2,672,761	\$ 2,672,761	\$ -	\$ 2,672,761	\$3,326,076	\$ 4,270,146
Grants and contributions	1,002,516	-	1,002,516	8,638	1,011,154	2,863,684	1,352,174
Miscellaneous sales and other	92,315	-	92,315	-	92,315	72,770	75,138
Special events	10,672	-	10,672	-	10,672	(2,485)	394
In-kind contributions	4,862	-	4,862	-	4,862	4,202	4,935
Interest and dividends	45,577	-	45,577	-	45,577	41,642	55,573
Realized gain (loss) on investments	(4,056)	-	(4,056)	-	(4,056)	(1,350)	-
Net unrealized appreciation (depreciation) of investments	2,009	-	2,009	-	2,009	(9,338)	37,436
Net assets released from restriction	489,113	-	489,113	(489,113)	-	-	-
<b>TOTAL REVENUES</b>	<b>1,643,008</b>	<b>2,672,761</b>	<b>4,315,769</b>	<b>(480,475)</b>	<b>3,835,294</b>	<b>6,295,201</b>	<b>5,795,796</b>
<b>EXPENSES</b>							
Program services:							
Materials, supplies, and equipment shipped	-	3,026,878	3,026,878	-	3,026,878	2,869,101	4,455,387
Personnel and other operating expenses	701,054	-	701,054	-	701,054	697,650	658,800
Shipping costs	153,997	-	153,997	-	153,997	123,151	173,318
Warehouse expenses	59,718	-	59,718	-	59,718	61,714	124,806
Travel and conferences	13,296	-	13,296	-	13,296	20,775	20,217
Medical equipment refurbishment	3,217	-	3,217	-	3,217	2,450	2,004
New building	42,019	-	42,019	-	42,019	45,695	52,383
Total Program Services	973,301	3,026,878	4,000,179	-	4,000,179	3,820,536	5,486,915
Management and general	237,273	-	237,273	-	237,273	229,545	207,530
Fundraising	113,026	-	113,026	-	113,026	118,990	56,328
<b>TOTAL EXPENSES</b>	<b>1,323,600</b>	<b>3,026,878</b>	<b>4,350,478</b>	<b>-</b>	<b>4,350,478</b>	<b>4,169,071</b>	<b>5,750,773</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>\$ 319,408</b>	<b>\$ (354,117)</b>	<b>\$ (34,709)</b>	<b>\$ (480,475)</b>	<b>\$ (515,184)</b>	<b>\$ 2,126,130</b>	<b>\$ 45,023</b>

\*Summarized financial information - the columns are presented for 2013 and 2012 only to facilitate financial analysis.