



**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

Years Ended December 31, 2016 and 2015

TABLE OF CONTENTS

PAGE

Independent Auditor's Report

1-2

Financial Statements:

Statements of Financial Position

3

Statements of Activities

4-5

Statements of Functional Expenses

6-7

Statements of Cash Flows

8

Notes to Financial Statements

9-18

Supplementary Information:

Schedule of Activities by Asset Class with Comparative Totals

20



217 South Pennsylvania Avenue ■ Greensburg, PA 15601-3006
724-832-8585 ■ Fax: 724-832-8590 ■ www.DelisiKeenan.com ■ email: contact@delisikeenan.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Global Links

We have audited the accompanying financial statements of Global Links (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit 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 entity'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 entity'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, 2016, 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.

Prior Period Financial Statements

The financial statements of Global Links as of December 31, 2015, were audited by other auditors whose report dated April 27, 2016, expressed an unmodified opinion on those statements.

Report on Supplementary Information

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 is fairly stated, in all material respects, in relation to the financial statements as a whole. The 2015 and 2014 information on the schedule of activities by asset class with comparative totals was subjected to the auditing procedures applied in the 2015 and 2014 audits of the basic financial statements by other auditors, whose report on such information stated that it was fairly stated in all material respects in relation to the 2015 and 2014 financial statements as a whole.

Delisi, Keenan & Associates, P.C.

Greensburg, Pennsylvania
June 30, 2017

Global Links
Statements of Financial Position
December 31, 2016 and 2015

	Assets	
	<u>2016</u>	<u>2015</u>
Current Assets		
Cash and cash equivalents	\$ 345,007	\$ 350,997
Investments, at fair value	936,034	908,453
Accounts receivable	39,281	39,887
Contributions receivable	13,346	17,556
Inventory	3,789,858	3,879,907
Prepaid expenses	<u>17,966</u>	<u>34,788</u>
Total Current Assets	5,141,492	5,231,588
Property and Equipment		
Building and improvements	2,485,910	2,485,770
Furniture, fixtures, and equipment	<u>267,666</u>	<u>173,116</u>
	2,753,576	2,658,886
Accumulated depreciation	<u>(418,559)</u>	<u>(338,149)</u>
Net Property and Equipment	2,335,017	2,320,737
Other Assets		
Contributions receivable	11,500	11,600
Loan origination fees, net of accumulated amortization (2016 - \$1,945; 2015 - \$1,459)	<u>5,591</u>	<u>6,078</u>
Total Other Assets	<u>17,091</u>	<u>17,678</u>
Total Assets	<u>\$ 7,493,600</u>	<u>\$ 7,570,003</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 26,111	\$ 26,464
Deferred revenue	283,452	297,858
Current portion of long-term debt	<u>120,000</u>	<u>120,000</u>
Total Current Liabilities	429,563	444,322
Noncurrent Liabilities		
Long-term debt	<u>1,200,000</u>	<u>1,320,000</u>
Total Liabilities	1,629,563	1,764,322
Net Assets		
Unrestricted	5,703,447	5,776,525
Temporarily restricted	<u>160,590</u>	<u>29,156</u>
Total Net Assets	<u>5,864,037</u>	<u>5,805,681</u>
Total Liabilities and Net Assets	<u>\$ 7,493,600</u>	<u>\$ 7,570,003</u>

See accompanying notes.

Global Links
Statement of Activities
Year Ended December 31, 2016

	Unrestricted	Temporarily Restricted	Total
Revenue and Other Support			
Donated materials and supplies	\$ 3,047,199	\$ -	\$ 3,047,199
Contributions and grants	1,147,827	135,744	1,283,571
Miscellaneous sales and other	92,551	-	92,551
Interest and dividends	23,661	-	23,661
Realized loss on investments	(23,225)	-	(23,225)
Net unrealized appreciation of investments	27,264	-	27,264
Special events, net of expenses of \$18,525	38,697	-	38,697
In-kind contributions	4,158	-	4,158
Net assets released from restrictions	4,310	(4,310)	-
Total Revenue and Other Support	4,362,442	131,434	4,493,876
Operating Expenses			
Program services	4,115,484	-	4,115,484
Management and general	200,670	-	200,670
Fundraising	119,366	-	119,366
Total Operating Expenses	4,435,520	-	4,435,520
Change In Net Assets	(73,078)	131,434	58,356
Net Assets at Beginning of Year	5,776,525	29,156	5,805,681
Net Assets at End of Year	\$ 5,703,447	\$ 160,590	\$ 5,864,037

See accompanying notes.

Global Links
Statement of Activities
Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Total
Revenue and Other Support			
Donated materials and supplies	\$ 3,504,826	\$ -	\$ 3,504,826
Contributions and grants	1,055,042	-	1,055,042
Miscellaneous sales and other	95,493	-	95,493
Interest and dividends	37,950	-	37,950
Realized loss on investments	(2,571)	-	(2,571)
Net unrealized depreciation of investments	(47,172)	-	(47,172)
Special events, net of expenses of \$23,125	27,100	-	27,100
In-kind contributions	4,254	-	4,254
Net assets released from restrictions	<u>21,638</u>	<u>(21,638)</u>	<u>-</u>
Total Revenue and Other Support	4,696,560	(21,638)	4,674,922
Operating Expenses			
Program services	3,958,749	-	3,958,749
Management and general	166,774	-	166,774
Fundraising	<u>112,653</u>	<u>-</u>	<u>112,653</u>
Total Operating Expenses	<u>4,238,176</u>	<u>-</u>	<u>4,238,176</u>
Change In Net Assets	458,384	(21,638)	436,746
Net Assets at Beginning of Year	<u>5,318,141</u>	<u>50,794</u>	<u>5,368,935</u>
Net Assets at End of Year	<u>\$ 5,776,525</u>	<u>\$ 29,156</u>	<u>\$ 5,805,681</u>

See accompanying notes.

Global Links
Statement of Functional Expenses
Year Ended December 31, 2016

	Program Services	Management and General	Fundraising	Total
Materials, supplies, and equipment shipped	\$ 3,170,369	\$ -	\$ -	\$ 3,170,369
Personnel salaries and wages	509,645	106,018	88,707	704,370
Personnel benefits	41,163	5,770	7,241	54,174
Depreciation and amortization	61,965	18,931	-	80,896
Consulting and professional fees	18,516	24,220	1,322	44,058
Office supplies and expenses	22,805	9,107	-	31,912
Outreach activities	14,511	-	-	14,511
Postage and delivery	682	322	-	1,004
Miscellaneous	162	741	-	903
Printing, dues, and publications	125	2,700	22,054	24,879
Insurance	-	24,383	-	24,383
Shipping costs	161,210	-	-	161,210
Warehouse expenses	47,128	2,971	-	50,099
Interest expense	40,313	2,102	-	42,415
Travel, conferences, and training	24,177	3,405	42	27,624
Medical equipment refurbishment	2,713	-	-	2,713
Total Expenses	\$ 4,115,484	\$ 200,670	\$ 119,366	\$ 4,435,520

See accompanying notes.

Global Links
Statement of Functional Expenses
Year Ended December 31, 2015

	Program Services	Management and General	Fundraising	Total
Materials, supplies, and equipment shipped	\$ 2,990,736	\$ -	\$ -	\$ 2,990,736
Personnel salaries and wages	530,873	94,671	90,339	715,883
Personnel benefits	49,621	5,261	7,047	61,929
Depreciation and amortization	69,193	1,804	-	70,997
Consulting and professional fees	14,154	22,026	4,177	40,357
Office supplies and expenses	14,264	2,314	40	16,618
Outreach activities	7,508	-	-	7,508
Postage and delivery	424	182	-	606
Miscellaneous	109	5,817	-	5,926
Printing, dues, and publications	126	2,966	11,043	14,135
Insurance	-	23,853	-	23,853
Shipping costs	157,785	-	-	157,785
Warehouse expenses	58,998	3,578	-	62,576
Interest expense	39,371	1,640	-	41,011
Travel, conferences, and training	22,729	2,662	7	25,398
Equipment repair	2,858	-	-	2,858
Total Expenses	\$ 3,958,749	\$ 166,774	\$ 112,653	\$ 4,238,176

See accompanying notes.

Global Links
Statements of Cash Flows
Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ 58,356	\$ 436,746
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	80,896	70,997
Unrealized (appreciation) depreciation of investments	(27,264)	47,172
Realized loss on sale of investments	23,225	2,571
Gain on sale of fixed assets	-	(4,000)
(Increase) Decrease in accounts receivable	606	(2,602)
(Increase) Decrease in contributions receivable	4,310	21,638
(Increase) Decrease in inventory	90,049	(606,865)
(Increase) Decrease in prepaid expenses	16,822	4,939
Increase (Decrease) in accounts payable and accrued expenses	(353)	875
Increase (Decrease) in deferred revenue	<u>(14,406)</u>	<u>(247,479)</u>
Net Cash Provided (Used) by Operating Activities	232,241	(276,008)
Cash Flows From Investing Activities		
Purchase of fixed assets		
Building and improvements	(140)	(9,899)
Furniture, fixtures, and equipment	(94,550)	(4,718)
Proceeds from sale of property and equipment	-	4,000
Proceeds from sale of investments	358,312	627,220
Purchase of investments	<u>(381,763)</u>	<u>(655,927)</u>
Net Cash Provided (Used) by Investing Activities	(118,141)	(39,324)
Cash Flows From Financing Activities		
Repayment of long-term debt	<u>(120,000)</u>	<u>(120,000)</u>
Net Cash Provided (Used) by Financing Activities	<u>(120,000)</u>	<u>(120,000)</u>
Net Decrease in Cash and Cash Equivalents	(5,900)	(435,332)
Cash and Cash Equivalents at Beginning of Year	<u>350,907</u>	<u>786,239</u>
Cash and Cash Equivalents at End of Year	<u>\$ 345,007</u>	<u>\$ 350,907</u>
Supplemental Disclosures of Cash Flow Information		
Cash paid during the year for interest	\$ 42,415	\$ 41,011
Income taxes paid	-	-

See accompanying notes.

Global Links
Notes to Financial Statements
December 31, 2016 and 2015

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 for the disposal of surplus medical materials, while simultaneously aiming to ensure that one hundred percent of the materials it provides through the programs are needed and can be used. Global Links is committed to collaborative, transparent engagement with the U.S. community and with international partners in all aspects of its programs.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2016 and 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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, 2016 and 2015, 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 losses, 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 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 at 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 at 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.

Global Links
Notes to Financial Statements
December 31, 2016 and 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 materials and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used.

Grants

Grants generally represent monies received that are granted to cover the international and domestic 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. Grants represent a significant portion of revenues received by the Organization.

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 generally accepted accounting principles 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 statement of activities. All items included in inventory are to be used for program services and are not available for liquidation.

Property and Equipment

Buildings, 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 \$80,409 and \$70,511 for 2016 and 2015, 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.

Global Links
Notes to Financial Statements
December 31, 2016 and 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 provisions for income taxes has been included.

In accordance with generally accepted accounting principles relative to uncertainty in income taxes, the Organization recognizes the income tax benefit (or liability), if applicable, from an uncertain tax position when it is more likely than not that, based on technical merits, the position will be sustained upon examination, including resolutions of any related appeals or litigation process. As of December 31, 2016 and 2015, no uncertain tax positions were noted.

The Organization's Form 990, *Return of Organization Exempt from Income Tax*, is generally subject to review and examination for three years after filing.

Subsequent Events

In preparing these financial statements, Global Links has evaluated events and transactions for potential recognition or disclosure through June 30, 2017, the date the financial statements were available to be issued.

NOTE 2 – LINE OF CREDIT

Global Links entered a line of credit borrowing agreement with a regional bank on October 13, 2015. 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 line of credit is revolving, with no expiration date; however, it was closed in April 2017.

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 line of credit expires on June 30, 2017.

The outstanding balance on these lines of credit was \$0 at December 31, 2016 and 2015.

Global Links
Notes to Financial Statements
December 31, 2016 and 2015

NOTE 3 – VOLUNTEER SERVICES

There were 445 individuals who contributed a total of more than 8,300 hours of volunteer service at Global Links during 2016. Also during 2016, 132 groups volunteered a total of 315 times with a total of 3,064 participants (individuals who came more than once were counted as participants for each time they came). On average, these groups volunteered for approximately two hours each visit, thereby contributing over 7,700 hours of volunteer service.

Combined, Global Links received approximately 16,100 hours of volunteer service from approximately 3,500 individuals during 2016.

During 2015, there were 238 individuals who contributed a total of more than 9,300 hours of volunteer service at Global Links. Also during 2015, 102 groups volunteered a total of 249 times with a total of 1,994 participants equating to over 4,000 hours of volunteer service.

Combined, Global Links received approximately 14,100 hours of volunteer service from approximately 2,220 individuals in 2015.

These services have been valued by management to be approximately \$384,000 and \$325,000 for the years ended December 31, 2016 and 2015, respectively.

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

NOTE 4 – NET ASSETS

Temporarily restricted net assets were available for the following purpose:

	<u>2016</u>	<u>2015</u>
New offices and warehouse	\$ 25,846	\$ 29,156
Community Partners program	90,798	-
Volunteers with disabilities	38,292	-
Maternal and infant health	<u>5,654</u>	<u>-</u>
Totals	<u>\$ 160,590</u>	<u>\$ 29,156</u>

Net assets released from donor restrictions during the years ended December 31, 2016 and 2015 were \$4,310 and \$21,638, respectively.

Global Links
Notes to Financial Statements
December 31, 2016 and 2015

NOTE 5 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments

The carrying amounts and market values of Global Links' investments at December 31, 2016 and 2015 are as follows:

	December 31, 2016		December 31, 2015	
	Cost	Market Value	Cost	Market Value
Investments:				
Money market funds	\$ 4,582	\$ 4,582	\$ 10,683	\$ 10,683
Exchange traded funds	268,866	281,958	108,988	116,906
Bond funds	342,796	333,503	419,019	399,680
Equity funds	262,820	260,771	291,590	278,424
Loan funds	-	-	57,612	54,449
Real estate funds	24,595	29,450	22,413	28,065
Common stock	19,868	25,771	8,685	20,246
Totals	<u>\$ 923,527</u>	<u>\$ 936,035</u>	<u>\$ 918,990</u>	<u>\$ 908,453</u>

Investment income (loss) is comprised of the following at December 31:

	2016	2015
Unrealized appreciation (depreciation)	\$ 27,264	\$ (47,172)
Realized gain (loss)	(23,225)	(2,571)
Interest and dividends	23,661	37,950
Totals	<u>\$ 27,700</u>	<u>\$ (11,793)</u>

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements and the accompanying notes.

Global Links
Notes to Financial Statements
December 31, 2016 and 2015

NOTE 5 – INVESTMENTS AND FAIR VALUE MEASUREMENTS – CONTINUED

Fair Value

The framework for measuring fair value 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 in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). 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 that the Organization has the ability to access.

Level 2 – Inputs to valuation 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.

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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The 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, 2016 and 2015.

Common stock	Valued at the quoted fair market value for shares held at year end.
Mutual funds	Valued at quoted net asset values (NAV) of the 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.

Global Links
Notes to Financial Statements
December 31, 2016 and 2015

NOTE 5 – INVESTMENTS AND FAIR VALUE MEASUREMENTS – CONTINUED

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.

		Investments at Fair Value as of December 31, 2016			
		Total	Level 1	Level 2	Level 3
Money market funds	\$	4,582	\$ 4,582	\$ -	\$ -
Exchange traded funds		281,958	281,958	-	-
Bond funds		333,503	333,503	-	-
Equity funds		260,771	260,771	-	-
Real estate funds		29,450	29,450	-	-
		910,264	910,264	-	-
Common stock		25,771	25,771	-	-
Inventory		3,789,858	-	-	3,789,858
Total	\$	<u>4,725,893</u>	<u>\$ 936,035</u>	<u>\$ -</u>	<u>\$ 3,789,858</u>

		Investments at Fair Value as of December 31, 2015			
		Total	Level 1	Level 2	Level 3
Money market funds	\$	10,683	\$ 10,683	\$ -	\$ -
Exchange traded funds		116,906	116,906	-	-
Bond funds		399,680	399,680	-	-
Equity funds		278,424	278,424	-	-
Loan funds		54,449	54,449	-	-
Real estate funds		28,065	28,065	-	-
		888,207	888,207	-	-
Common stock		20,246	20,246	-	-
Inventory		3,879,907	-	-	3,879,907
Total	\$	<u>4,788,360</u>	<u>\$ 908,453</u>	<u>\$ -</u>	<u>\$ 3,879,907</u>

Global Links
Notes to Financial Statements
December 31, 2016 and 2015

NOTE 5 – INVESTMENTS AND FAIR VALUE MEASUREMENTS – CONTINUED

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, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 3,879,907	\$ 3,273,042
Donated and purchased	3,063,297	3,597,601
Shipments	<u>(3,153,346)</u>	<u>(2,990,736)</u>
Balance, end of year	\$ <u>3,789,858</u>	\$ <u>3,879,907</u>

NOTE 6 – CONTRIBUTIONS RECEIVABLE

Contributions receivable are summarized as follows as of December 31, 2016 and 2015:

Contributions receivable expected to be collected in:	<u>2016</u>	<u>2015</u>
Less than one year	\$ 13,346	\$ 17,556
One to five years	<u>11,500</u>	<u>11,600</u>
Total	\$ <u>24,846</u>	\$ <u>29,156</u>

Contributions receivable are recorded as temporarily restricted net assets at December 31, 2016 and 2015.

NOTE 7 – 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, 2016 and 2015, Global Links has raised \$2,640,638 and \$2,639,638, respectively, of which \$24,846 and \$29,156 is receivable at December 31, 2016 and 2015, respectively. The balance is deemed fully collectible by management.

Global Links
Notes to Financial Statements
December 31, 2016 and 2015

NOTE 8 – DEFERRED REVENUE

Global Links receives grants and contracts from private foundations and other organizations to be used for specific projects. The excess of any cash receipts over reimbursable expenses is included in deferred revenue. When expenses are incurred for the related projects, contributions and grants revenue is recognized in the statement of activities. For the years ended December 31, 2016 and 2015, \$226,332 and \$461,634, respectively, were recognized as contributions and grants revenue.

NOTE 9 – LONG TERM DEBT

Long term debt consists of the following:

	<u>2016</u>	<u>2015</u>
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 (3.27% and 2.93% as of December 31, 2016 and 2015, respectively). The note is secured by real estate owned by Global Links, with a net book value of \$2,226,626 and \$2,288,633 at December 31, 2016 and 2015, respectively, and has a scheduled payoff date of January 2028.	\$ 1,320,000	\$ 1,440,000
Portion payable within one year and classified as current.	<u>(120,000)</u>	<u>(120,000)</u>
Total	<u>\$ 1,200,000</u>	<u>\$ 1,320,000</u>

The aggregate payments required for annual periods subsequent to December 31, 2016 are as follows:

<u>Fiscal Year:</u>	<u>Principal</u>
2017	\$ 120,000
2018	120,000
2019	120,000
2020	120,000
2021	120,000
2022-2026	600,000
2027-2028	<u>120,000</u>
Total	<u>\$ 1,320,000</u>

Total interest expense was \$41,992 and \$41,011 for the years ended December 31, 2016 and 2015, 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		2016	2015	2014
Revenue and Other Support							
Donated materials and supplies	\$ -	\$ 3,047,199	\$ 3,047,199	\$ -	\$ 3,047,199	\$ 3,504,826	\$ 2,672,761
Contributions and grants	1,147,827	-	1,147,827	135,744	1,283,571	1,055,042	1,011,154
Miscellaneous sales and other	92,551	-	92,551	-	92,551	95,493	92,315
Special events, net of expenses	38,697	-	38,697	-	38,697	27,100	10,672
In-kind contributions	4,158	-	4,158	-	4,158	4,254	4,862
Interest and dividends	23,661	-	23,661	-	23,661	37,950	45,577
Realized gain (loss) on investments	(23,225)	-	(23,225)	-	(23,225)	(2,571)	(4,056)
Net unrealized appreciation (depreciation) of investments	27,264	-	27,264	0	27,264	(47,172)	2,009
Net assets released from restrictions	4,310	-	4,310	(4,310)	-	-	-
Total Revenue and Other Support	1,315,243	3,047,199	4,362,442	131,434	4,493,876	4,674,922	3,835,294
Expenses							
Program services:							
Materials, supplies, and equipment shipped	-	3,170,369	3,170,369	-	3,170,369	2,990,736	3,026,878
Personnel and other operating expenses	669,574	-	669,574	-	669,574	686,272	701,054
Shipping costs	161,210	-	161,210	-	161,210	157,785	153,997
Warehouse expenses	47,128	-	47,128	-	47,128	58,998	59,718
Travel, conferences, and training	24,177	-	24,177	-	24,177	22,729	13,296
Medical equipment refurbishment	2,713	-	2,713	-	2,713	2,858	3,217
Interest expense	40,313	-	40,313	-	40,313	39,371	42,019
Total Program Services	945,115	3,170,369	4,115,484	-	4,115,484	3,958,749	4,000,179
Management and general Fundraising	200,670	-	200,670	-	200,670	166,774	237,273
	119,366	-	119,366	-	119,366	112,653	113,026
Total Expenses	1,265,151	3,170,369	4,435,520	-	4,435,520	4,238,176	4,350,478
Increase (Decrease) in Net Assets	\$ 50,092	\$ (123,170)	\$ (73,078)	\$ 131,434	\$ 58,356	\$ 436,746	\$ (515,184)

*Summarized financial information - the columns are presented for 2015 and 2014 only to facilitate financial analysis.