



**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

Years Ended December 31, 2015 and 2014

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**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, 2015 and 2014, 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, 2015 and 2014, 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.

Herbein + Company, Inc.

Pittsburgh, Pennsylvania
April 27, 2016

Global Links

Statements of Financial Position

	December 31	
	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 350,997	\$ 786,329
Investments, at fair value	908,453	929,489
Accounts receivable	39,887	37,285
Contributions receivable	17,556	29,885
Inventory	3,879,907	3,273,042
Prepaid expenses	34,788	39,727
TOTAL CURRENT ASSETS	<u>5,231,588</u>	<u>5,095,757</u>
PROPERTY AND EQUIPMENT		
Building and improvements	2,485,770	2,475,871
Furniture, fixtures, and equipment	173,116	181,664
	<u>2,658,886</u>	<u>2,657,535</u>
Accumulated depreciation and amortization	(338,149)	(280,904)
NET PROPERTY AND EQUIPMENT	<u>2,320,737</u>	<u>2,376,631</u>
OTHER ASSETS		
Contributions receivable	11,600	20,909
Loan origination fees, net of accumulated amortization (2015 - \$1,459; 2014 - \$973)	6,078	6,564
TOTAL ASSETS	<u><u>\$ 7,570,003</u></u>	<u><u>\$ 7,499,861</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 26,464	\$ 25,589
Deferred revenue	297,858	545,337
Current portion of long-term debt	120,000	120,000
TOTAL CURRENT LIABILITIES	<u>444,322</u>	<u>690,926</u>
NONCURRENT LIABILITIES		
Long-term debt	1,320,000	1,440,000
TOTAL LIABILITIES	<u>1,764,322</u>	<u>2,130,926</u>
NET ASSETS		
Unrestricted	5,776,525	5,318,141
Temporarily restricted	29,156	50,794
TOTAL NET ASSETS	<u>5,805,681</u>	<u>5,368,935</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 7,570,003</u></u>	<u><u>\$ 7,499,861</u></u>

See accompanying notes.

Global Links

Statement of Activities and Changes in Net Assets

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 event, net of expense of \$23,125	27,100	-	27,100
In-kind contributions	4,254	-	4,254
TOTAL REVENUE AND OTHER SUPPORT	4,674,922	-	4,674,922
NET ASSETS RELEASED FROM RESTRICTIONS	21,638	(21,638)	-
OPERATING EXPENSES			
Program services	3,958,749	-	3,958,749
Management and general	166,774	-	166,774
Fundraising	112,653	-	112,653
TOTAL OPERATING EXPENSES	4,238,176	-	4,238,176
CHANGE IN NET ASSETS	458,384	(21,638)	436,746
NET ASSETS AT BEGINNING OF YEAR	5,318,141	50,794	5,368,935
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 Activities and Changes in Net Assets

Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Total
REVENUE AND OTHER SUPPORT			
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 appreciation of investments	2,009	-	2,009
Special event, net of expense of \$10,477	10,672	-	10,672
In-kind contributions	4,862	-	4,862
TOTAL REVENUE AND OTHER SUPPORT	3,826,656	8,638	3,835,294
NET ASSETS RELEASED FROM RESTRICTIONS	489,113	(489,113)	-
OPERATING EXPENSES			
Program services	4,000,179	-	4,000,179
Management and general	237,273	-	237,273
Fundraising	113,026	-	113,026
TOTAL OPERATING EXPENSES	4,350,478	-	4,350,478
CHANGE IN NET ASSETS	(34,709)	(480,475)	(515,184)
NET ASSETS AT BEGINNING OF YEAR	5,352,850	531,269	5,884,119
NET ASSETS AT END OF YEAR	<u>\$ 5,318,141</u>	<u>\$ 50,794</u>	<u>\$ 5,368,935</u>

See accompanying notes.

Global Links

Statement of Functional Expenses

Year Ended December 31, 2015

	Program Services	Management and General	Fundraising	Total Expenses
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 and office rent	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

Statement of Functional Expenses

Year Ended December 31, 2014

	Program Services	Management and General	Fundraising	Total Expenses
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
Building related expenses, including 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
TOTAL EXPENSES	\$ 4,000,179	\$ 237,273	\$ 113,026	\$ 4,350,478

See accompanying notes.

Global Links

Statements of Cash Flows

	Year Ended December 31	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 436,746	\$ (515,184)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	70,997	71,586
Unrealized (appreciation) depreciation of investments	47,172	(2,009)
Realized loss on sale of investments	2,571	4,056
Gain on sale of fixed assets	(4,000)	
Changes in:		
Accounts receivable	(2,602)	44,110
Contributions receivable	21,638	480,475
Grants receivable	-	10,000
Inventory	(606,865)	277,273
Prepaid expenses	4,939	(11,001)
Accounts payable and accrued expenses	875	(120,306)
Deferred revenue	(247,479)	(47,421)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(276,008)	191,579
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	627,220	301,752
Purchase of investments	(655,927)	(345,195)
Proceeds from sale of property and equipment	4,000	-
Additions to property and equipment:		
Building and improvements	(9,899)	(57,716)
Furniture, fixtures, and equipment	(4,718)	(21,078)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(39,324)	(122,237)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term debt	(120,000)	(120,000)
NET DECREASE IN CASH	(435,332)	(50,658)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	786,329	836,987
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 350,997</u>	<u>\$ 786,329</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the year for interest	\$ 41,011	\$ 43,770

See accompanying notes.

Global Links

Notes to Financial Statements

December 31, 2015 and 2014

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

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, 2015 and 2014

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, 2015 and 2014, 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, 2015 and 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

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 \$70,511 and \$71,099 for 2015 and 2014, 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 relative to uncertainty in income taxes, the Organization recognizes the income tax benefit (or liability as 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.

Subsequent Events

In preparing these financial statements, Global Links has evaluated events and transactions for potential recognition or disclosure through April 27, 2016, the date the financial statements were available to be issued.

Global Links

Notes to Financial Statements

December 31, 2015 and 2014

NOTE 2 - LINE OF CREDIT

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 line of credit is revolving, with no expiration date.

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, 2015 and 2014.

NOTE 3 - MATERIALS AND SUPPLIES CONTRIBUTED TO OTHER ORGANIZATIONS

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

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

Combined, Global Links received approximately 14,100 hours of volunteer service from approximately 2,200 individuals during 2015.

During 2014, there were 235 individuals who contributed a total of more than 8,100 hours of volunteer service at Global Links. Also during 2014, 83 groups volunteered a total of 206 times with a total of 1,747 participants equating to over 3,500 hours of volunteer service.

Combined, Global Links received approximately 12,600 hours of volunteer service from approximately 1,990 individuals during 2014.

Global Links

Notes to Financial Statements

December 31, 2015 and 2014

NOTE 4 - VOLUNTEER SERVICES - CONTINUED

These services have been valued by management to be approximately \$325,000 and \$283,000 for the years ended December 31, 2015 and 2014, respectively.

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

NOTE 5 - NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	December 31	
	2015	2014
New offices and warehouse	\$ 29,156	\$ 50,794

Net assets released from donor restrictions during the years ended December 31, 2015 and 2014 were \$21,638 and \$489,113, respectively.

NOTE 6 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments

The carrying amounts and market values of Global Links' investments at December 31, 2015 and 2014 are as follows:

	December 31, 2015		December 31, 2014	
	Cost	Market Value	Cost	Market Value
Investments:				
Money market funds	\$ 10,683	\$ 10,683	\$ 113,072	\$ 113,072
Exchange traded funds	108,988	116,906	38,928	57,920
Bond funds	419,019	399,680	280,061	274,493
Equity funds	291,590	278,424	298,900	310,748
Loan funds	57,612	54,449	125,000	121,271
Real Estate funds	22,413	28,065	20,756	27,419
Common stock	8,685	20,246	8,685	24,566
	\$ 918,990	\$ 908,453	\$ 885,402	\$ 929,489

Global Links
Notes to Financial Statements
December 31, 2015 and 2014

NOTE 6 - INVESTMENTS AND FAIR VALUE MEASUREMENTS - CONTINUED

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

	2015	2014
Unrealized appreciation (depreciation)	\$ (47,172)	\$ 2,009
Realized gain (loss)	(2,571)	(4,056)
Interest and dividends	37,950	45,577
Total	\$ <u>(11,793)</u>	\$ <u>43,530</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.
- 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, 2015.

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

Global Links

Notes to Financial Statements

December 31, 2015 and 2014

NOTE 6 - 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.

Assets at Fair Value as of December 31, 2015:

	Level 1	Level 2	Level 3	Total
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
	<u>888,207</u>	<u>-</u>	<u>-</u>	<u>888,207</u>
Common stock	20,246	-	-	20,246
Inventory	-	-	3,879,907	3,879,907
Total	\$ <u>908,453</u>	\$ <u>-</u>	\$ <u>3,879,907</u>	\$ <u>4,788,360</u>

Assets at Fair Value as of December 31, 2014:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 113,072	\$ -	\$ -	\$ 113,072
Exchange traded funds	57,920			57,920
Bond funds	274,493	-	-	274,493
Equity funds	310,748	-	-	310,748
Loan funds	121,271			121,271
Real estate funds	27,419	-	-	27,419
	<u>904,923</u>	<u>-</u>	<u>-</u>	<u>904,923</u>
Common stock	24,566	-	-	24,566
Donated inventory	-	-	3,273,042	3,273,042
Total	\$ <u>929,489</u>	\$ <u>-</u>	\$ <u>3,273,042</u>	\$ <u>4,202,531</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, 2015 and 2014:

	2015	2014
Balance, beginning of year	\$ 3,273,042	\$ 3,550,315
Donated and purchased	3,597,601	2,749,605
Shipments	(2,990,736)	(3,026,878)
Balance, End of Year	\$ <u>3,879,907</u>	\$ <u>3,273,042</u>

Global Links
Notes to Financial Statements
December 31, 2015 and 2014

NOTE 7 - CONTRIBUTIONS RECEIVABLE

Contributions receivable are summarized as follows as of December 31, 2015 and 2014:

Contributions receivable expected to be collected in:	2015	2014
Less than one year	\$ 17,556	\$ 29,885
One to five years	11,600	20,909
Total	<u>\$ 29,156</u>	<u>\$ 50,794</u>

Contributions receivable are recorded as temporarily restricted net assets at December 31, 2015 and 2014.

NOTE 8 - 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, 2015 and 2014, Global Links has raised \$2,639,638 and \$2,627,383, respectively, of which \$29,156 and \$50,794 is receivable at December 31, 2015 and 2014, respectively. The balance is deemed fully collectible by management. Cumulative building expenses include costs associated with the building that were capitalized as well as interest on the mortgage and utility and maintenance expenses. Cumulative building expenses related to the capital campaign approximated \$2,693,715 for the year ended December 31, 2015 (\$119,078 and \$156,482 for the years ended December 31, 2015 and 2014, respectively).

NOTE 9 - 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, contribution and grant revenue is recognized in the Statement of Activities. For the years ended December 31, 2015 and 2014, \$247,479 and \$47,429, respectively were recognized as contribution and grant revenue.

Global Links
Notes to Financial Statements
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NOTE 10 - LONG-TERM DEBT

Long-term debt consists of the following:

	December 31	
	2015	2014
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 (2.93% and 2.67% as of December 31, 2015 and 2014, respectively). The note is secured by real estate owned by Global Links, with a net book value of \$2,288,633 and \$2,339,733 at December 31, 2015 and 2014, respectively, and has a scheduled payoff date of January 2028.	\$ 1,440,000	\$ 1,560,000
Portion payable within one year and classified as current.	(120,000)	(120,000)
Total Long-Term Debt	\$ <u>1,320,000</u>	\$ <u>1,440,000</u>

The aggregate payments required for annual periods subsequent to December 31, 2015 are as follows:

<u>Fiscal Year:</u>	<u>Principal</u>
2016	\$ 120,000
2017	120,000
2018	120,000
2019	120,000
2020	120,000
2021 - 2025	600,000
2026 - 2028	240,000
TOTAL	\$ <u>1,440,000</u>

Total interest expense was \$41,011 and \$43,770 for the years ended December 31, 2015 and 2014, 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		2015	(Summarized Financial Information)* 2014 2013
REVENUES					
Donated materials and supplies	\$ -	\$ 3,504,826	\$ -	\$ 3,504,826	\$ 3,326,076
Grants and contributions	1,055,042	-	-	1,055,042	2,863,684
Miscellaneous sales and other	95,493	-	-	95,493	72,770
Special events	27,100	-	-	27,100	(2,485)
In-kind contributions	4,254	-	-	4,254	4,202
Interest and dividends	37,950	-	-	37,950	41,642
Realized gain (loss) on investments	(2,571)	-	-	(2,571)	(1,350)
Net unrealized appreciation (depreciation)	(47,172)	-	-	(47,172)	(9,338)
Net assets released from restriction	21,638	-	(21,638)	-	-
TOTAL REVENUES	1,191,734	3,504,826	(21,638)	4,674,922	6,295,201
EXPENSES					
Program services:					
Materials, supplies, and equipment shipped	-	2,990,736	-	2,990,736	2,869,101
Personnel and other operating expenses	686,272	-	-	686,272	697,650
Shipping costs	157,785	-	-	157,785	123,151
Warehouse expenses	58,998	-	-	58,998	61,714
Travel and conferences	22,729	-	-	22,729	20,775
Medical equipment refurbishment	2,858	-	-	2,858	2,450
New building	39,371	-	-	39,371	45,695
Total Program Services	968,013	2,990,736	-	3,958,749	3,820,536
Management and general	166,774	-	-	166,774	229,545
Fundraising	112,653	-	-	112,653	118,990
TOTAL EXPENSES	1,247,440	2,990,736	-	4,238,176	4,169,071
INCREASE (DECREASE) IN NET ASSETS	\$ (55,706)	\$ 514,090	\$ (21,638)	\$ 436,746	\$ 2,126,130

*Summarized financial information - the columns are presented for 2014 and 2013 only to facilitate financial analysis.