

Global Links

Financial Statements and Supplementary Information

Years Ended December 31, 2021 and 2020
with Independent Auditor's Report

MaherDuessel

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GLOBAL LINKS

YEARS ENDED DECEMBER 31, 2021 AND 2020

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Independent Auditor's Report

**Board of Directors
Global Links**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Global Links (Organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information listed in the table of contents 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 supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Mahe Duessel

Pittsburgh, Pennsylvania
June 22, 2022

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STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

<u>Assets</u>	<u>2021</u>	<u>2020</u>
Current assets:		
Cash and cash equivalents	\$ 855,564	\$ 1,962,383
Investments	1,343,577	699,078
Contributions receivable	14,701	9,316
Grants receivable	15,000	70,000
Inventory	3,097,196	2,998,948
Prepaid expenses	12,283	11,441
Total current assets	<u>5,338,321</u>	<u>5,751,166</u>
Property and equipment:		
Building and improvements	2,488,800	2,488,800
Furniture, fixtures, and equipment	391,064	391,064
	<u>2,879,864</u>	<u>2,879,864</u>
Less: accumulated depreciation	<u>(769,893)</u>	<u>(675,439)</u>
Property and equipment, net	<u>2,109,971</u>	<u>2,204,425</u>
Total Assets	<u><u>\$ 7,448,292</u></u>	<u><u>\$ 7,955,591</u></u>
<u>Liabilities and Net Assets</u>		
Liabilities:		
Current liabilities:		
Accounts payable and accrued expenses	\$ 23,218	\$ 302,172
Deferred procurement revenue	-	348,500
Refundable advance	-	167,936
Current portion of long-term debt	28,860	120,000
Total current liabilities	<u>52,078</u>	<u>938,608</u>
Noncurrent liabilities:		
Long-term debt, net of unamortized loan costs	769,610	713,394
Total Liabilities	<u>821,688</u>	<u>1,652,002</u>
Net Assets:		
Without donor restrictions	6,441,467	5,747,967
With donor restrictions	185,137	555,622
Total Net Assets	<u>6,626,604</u>	<u>6,303,589</u>
Total Liabilities and Net Assets	<u><u>\$ 7,448,292</u></u>	<u><u>\$ 7,955,591</u></u>

See accompanying notes to financial statements.

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STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Donated materials and supplies	\$ 1,434,738	\$ -	\$ 1,434,738
Contributions and grants	1,191,706	175,207	1,366,913
United States government grants	-	-	-
Non-United States government grants	206,635	-	206,635
Special events, net of expenses of \$45	8,234	-	8,234
In-kind contributions	3,841	-	3,841
Net assets released from restrictions	545,692	(545,692)	-
Total support	<u>3,390,846</u>	<u>(370,485)</u>	<u>3,020,361</u>
Procurement	951,600	-	951,600
Miscellaneous sales and other income	62,560	-	62,560
Interest and dividends	21,662	-	21,662
Realized and unrealized gain (loss) on investments, net	20,884	-	20,884
Total support and revenue	<u>4,447,552</u>	<u>(370,485)</u>	<u>4,077,067</u>
Expenses:			
Program services	3,234,048	-	3,234,048
Management and general	330,266	-	330,266
Fundraising	189,738	-	189,738
Total expenses	<u>3,754,052</u>	<u>-</u>	<u>3,754,052</u>
Change in Net Assets	693,500	(370,485)	323,015
Net Assets:			
Beginning of year	<u>5,747,967</u>	<u>555,622</u>	<u>6,303,589</u>
End of year	<u>\$ 6,441,467</u>	<u>\$ 185,137</u>	<u>\$ 6,626,604</u>

See accompanying notes to financial statements.

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STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Donated materials and supplies	\$ 2,287,489	\$ -	\$ 2,287,489
Contributions and grants	1,563,810	732,218	2,296,028
United States government grants	153,300	-	153,300
Non-United States government grants	210,826	182,601	393,427
Special events, net of expenses of \$8,621	(2,384)	-	(2,384)
In-kind contributions	2,778	-	2,778
Net assets released from restrictions	676,517	(676,517)	-
Total support	<u>4,892,336</u>	<u>238,302</u>	<u>5,130,638</u>
Procurement	2,217,335	-	2,217,335
Miscellaneous sales and other income	62,186	-	62,186
Interest and dividends	24,317	-	24,317
Realized and unrealized gain (loss) on investments, net	61,475	-	61,475
Total support and revenue	<u>7,257,649</u>	<u>238,302</u>	<u>7,495,951</u>
Expenses:			
Program services	6,159,066	-	6,159,066
Management and general	197,726	-	197,726
Fundraising	155,791	-	155,791
Total expenses	<u>6,512,583</u>	<u>-</u>	<u>6,512,583</u>
Change in Net Assets	745,066	238,302	983,368
Net Assets:			
Beginning of year	<u>5,002,901</u>	<u>317,320</u>	<u>5,320,221</u>
End of year	<u>\$ 5,747,967</u>	<u>\$ 555,622</u>	<u>\$ 6,303,589</u>

See accompanying notes to financial statements.

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STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Materials, supplies, and equipment shipped	\$ 2,164,469	\$ -	\$ -	\$ 2,164,469
Salaries	538,965	123,301	130,342	792,608
Payroll taxes and benefits	90,539	17,501	16,094	124,134
Shipping costs	140,822	-	-	140,822
Consulting and professional fees	136,556	53,095	9,294	198,945
Building and warehouse expenses	25,334	53,043	-	78,377
Insurance	23,330	7,835	3,579	34,744
Office supplies and expenses	18,103	20,960	631	39,694
Travel, conferences, and training	5,264	2,381	-	7,645
Printing, dues, and publications	-	1,450	15,861	17,311
Outreach activities	2,136	12,885	-	15,021
Postage and delivery	2,598	2,028	817	5,443
Depreciation and amortization	68,191	22,411	10,460	101,062
Interest expense	17,340	5,823	2,660	25,823
Miscellaneous	401	7,553	-	7,954
Total expenses	<u>\$ 3,234,048</u>	<u>\$ 330,266</u>	<u>\$ 189,738</u>	<u>\$ 3,754,052</u>

See accompanying notes to financial statements.

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STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2020

	Program Services	Management and General	Fundraising	Total
Materials, supplies, and equipment shipped	\$ 4,954,023	\$ -	\$ -	\$ 4,954,023
Salaries	545,160	91,863	95,888	732,911
Payroll taxes and benefits	94,547	13,120	12,123	119,790
Shipping costs	135,389	-	-	135,389
Consulting and professional fees	164,789	40,554	6,203	211,546
Building and warehouse expenses	73,472	7,556	6,879	87,907
Insurance	21,982	7,381	3,372	32,735
Office supplies and expenses	39,282	11,113	5,030	55,425
Travel, conferences, and training	8,126	131	-	8,257
Printing, dues, and publications	20	1,575	9,868	11,463
Outreach activities	19,322	5,641	-	24,963
Postage and delivery	3,504	1,360	-	4,864
Depreciation and amortization	79,858	10,032	10,434	100,324
Interest expense	19,409	6,518	2,977	28,904
Miscellaneous	183	882	3,017	4,082
	<u>\$ 6,159,066</u>	<u>\$ 197,726</u>	<u>\$ 155,791</u>	<u>\$ 6,512,583</u>

See accompanying notes to financial statements.

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STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Cash Flows From Operating Activities:		
Change in net assets	\$ 323,015	\$ 983,368
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	101,062	100,324
Realized and unrealized (gain) loss on investments, net	(20,884)	(61,475)
Change in:		
Contributions receivable	(5,385)	40,421
Grants receivable	55,000	(19,000)
Inventory	(98,248)	4,740
Prepaid expenses	(842)	(1,372)
Accounts payable and accrued expenses	(278,954)	225,852
Deferred procurement revenue	(348,500)	348,500
Refundable advance	(167,936)	78,085
Net cash provided by (used in) operating activities	<u>(441,672)</u>	<u>1,699,443</u>
Cash Flows From Investing Activities:		
Purchase of fixed assets	-	(87,708)
Proceeds from sale of investments	256,086	-
Purchase of investments	<u>(879,701)</u>	<u>(15,145)</u>
Net cash provided by (used in) investing activities	<u>(623,615)</u>	<u>(102,853)</u>
Cash Flows From Financing Activities:		
Repayment of long-term debt	(858,808)	(120,000)
Refinanced long-term debt	817,276	-
Repayment of line of credit	<u>-</u>	<u>(22,981)</u>
Net cash provided by (used in) financing activities	<u>(41,532)</u>	<u>(142,981)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,106,819)	1,453,609
Cash and Cash Equivalents:		
Beginning of year	<u>1,962,383</u>	<u>508,774</u>
End of year	<u>\$ 855,564</u>	<u>\$ 1,962,383</u>
Supplementary Disclosures of Cash Flow Information:		
Cash paid during the year for interest	<u>\$ 25,823</u>	<u>\$ 28,904</u>

See accompanying notes to financial statements.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

1. Organization

Global Links (Organization) is a Pittsburgh-based non-profit dedicated to improving health in communities with need. Since 1989, Global Links has been collaborating with partners to improve health for vulnerable populations by sharing surplus rescued from the U.S. healthcare system to support health programs globally and locally. The Organization works with public health authorities to strengthen health systems for measurable impact in the countries with the most need in the Western Hemisphere through the International Medical Aid Program. The Organization serves its local community through three programs designed to work together to improve life in Western Pennsylvania: Medical Surplus Recovery Program, Community Engagement/Volunteer Service Program, and the Domestic Medical Aid Program. The Organization affirms its foundational commitment to Diversity, Equity and Inclusion. These important themes are at the forefront of the Organization's mind and the work is woven throughout all that they do. Respect for all people and the environment guides the Organization's mission. The Organization recognizes that everyone has value and deserves to be included equitably. The Organization recognizes that everyone is a neighbor, and they are dedicated to helping all people live with dignity, independence, mobility, and in good health. The Organization will call out inequities and injustice and work to lift up all.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues and support are recorded when earned and expenses are recognized when the liabilities are incurred.

Net Asset Classes

Net assets and revenues are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and its Board of Directors.

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With Donor Restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount 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.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments purchased with an original maturity of three months or less and cash held in checking, savings, and money market accounts.

The Organization maintains cash and cash equivalents at financial institutions, which may at times exceed federally insured amounts. The amount in excess of the FDIC limit totaled \$445,110 and \$1,778,738 at December 31, 2021 and 2020, respectively.

Investments

Investments are reported at fair value. Those investments received as gifts or donations are recorded at their fair value on the date received.

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 net assets without donor restrictions 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 net assets with donor restrictions.

Cash and cash equivalents, reported with investments on the statements of financial position, are available to be invested, with the assistance of external advisors, in equity or

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longer-term debt instruments. Since there is no intent to liquidate the cash and cash equivalents for short-term operating needs, they are presented as investments.

The Organization has investments in mutual funds and exchange traded funds. 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 statements of financial position.

Contributions and Grants Receivable

Contributions and grants receivable are unconditional promises to give. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. All contributions and grants receivable are expected to be collected within one year.

Contributions and grants receivable are written off when deemed uncollectible. Management has determined that no allowance was considered necessary at December 31, 2021 and 2020.

Inventory

Inventory primarily consists of undistributed in-kind materials at-year end. The Organization receives a substantial amount of in-kind goods from various regional donors, primarily consisting of medical supplies and equipment. Upon receipt of the materials, a value is assigned and recorded in an inventory management software program. These materials are included in the financial statements at amounts that approximate net realizable value on the date of donation. In accordance with accounting principles generally accepted in the United States of America, net realizable value was determined using transactional data in similar markets.

From time to time, the Organization will purchase materials as needed and those items are recorded at cost. The ending inventory consists of approximately \$49,000 and \$416,000 of purchased materials at December 31, 2021 and 2020, respectively.

Prepaid Expenses

Prepaid expenses include prepaid insurance.

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Property and Equipment

Building and improvements, furniture, fixtures, and equipment are stated at cost (or estimated fair value for donated items). Depreciation is computed on the straight-line method over an estimated useful life of forty years for buildings and four to seven years for furniture, fixtures, and equipment. When equipment is sold or otherwise disposed of, the asset and related accumulated depreciation accounts are relieved, and any resulting gain or loss is reflected in the statements of activities.

In 2019, the Organization entered into agreements to install a reflective roof surface and solar power plant on its premises to generate electricity. The Organization contributed \$137,401 under these agreements in the form of a forgivable loan to commence installation. The Organization will be the sole owner of the roof and solar power plant at the end of the five-year initial period and has therefore, included the cost of the loan in furniture, fixtures, and equipment.

Deferred Procurement Revenue

Deferred procurement revenue represents payments received from procurement contracts in advance of meeting its performance obligations.

Refundable Advance

Refundable advance consists of conditional contributions received in advance of the condition being met.

Liquidity and Availability

The Organization manages its liquid resources by focusing on both fundraising efforts to ensure the entity has adequate contributions and grants to cover the programs that are being conducted. The Organization prepares very detailed budgets and has been very active in monitoring costs to ensure the entity remains liquid.

As discussed in Note 4, the Organization maintains a line of credit to assist in meeting cash needs if they experience a lag between the receipt of contributions and grants and the payment of costs.

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The following reflects the Organization's financial assets (cash and cash equivalents, receivables, and investments) as of December 31, 2021 and 2020 expected to be available within one year to meet the cash needs for general ongoing operational expenditures:

	<u>2021</u>	<u>2020</u>
Financial assets, at year-end	\$ 2,228,842	\$ 2,740,777
Less: those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	<u>(185,137)</u>	<u>(555,622)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,043,705</u>	<u>\$ 2,185,155</u>

Fair Value Measurement

The Organization measures its investments at fair value on a recurring basis in accordance with accounting principles generally accepted in the United States of America. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework that the authoritative guidance establishes for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement.

The levels of fair value hierarchy are as follows:

- Level 1 - Fair value is based on unadjusted quoted prices in active markets for identical assets or liabilities. These generally provide the most reliable evidence and are used to measure fair value whenever available.
- Level 2 - Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the same term of the asset or liability through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets, quoted market prices in markets that are not active for identical or similar assets, and other observable inputs.

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- Level 3 - Fair value is based on significant unobservable inputs. Examples of valuation methodologies that would result in Level 3 classification include option pricing models, discounted cash flows, and other similar techniques.

Revenue and Revenue Recognition

Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions 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 without donor restrictions. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

A portion of the Organization's revenue is derived from cost-reimbursable Non-United States government grants, which are conditioned upon certain performance requirements. Amounts received are recognized as revenue when conditions have been substantially met. Amounts received prior to meeting certain performance requirements are reported as refundable advances in the statement of financial position.

In response to the COVID-19 pandemic and the abundant need for supplies and the difficulties faced in obtaining those supplies, various entities utilized the Organization's capacity to procure necessary medical supplies. The Organization procured the requested items in bulk and was paid for the cost of the supplies plus an administrative fee, as negotiated with each entity. The revenue earned under these arrangements is recorded as procurement. The Organization recognizes procurement revenue at the time the procured items are shipped to the customer, as that is when the performance obligations are met. At December 31, 2021 and 2020, the Organization had received payments related to this activity in the amount of \$0 and \$348,500, respectively, in advance of meeting its obligations, which is recorded as deferred procurement revenue. There are no amounts owed to the Organization as of December 31, 2021 and 2020 for obligations met but not yet reimbursed.

Allocation of Functional Expenses

The Organization charges expenses that are directly identifiable to program, management and general, and fundraising. Expenses related to more than one function are allocated to

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programs and supporting services on the basis of estimates made by management. Management and general expenses include those expenses that are not directly identifiable with any other functional classification but provide overall support and direction for the Organization. During the year ended December 31, 2020, the Organization utilized nearly all staff to assist in with COVID 19 response, including utilizing some of the experienced contractors to help. As such, the Organization realized a significant increase in program expenses reported in that year. For the fiscal year ended December 31, 2021, a portion of this staff effort has returned to its management and general purpose, resulting in a higher allocation to administrative costs.

Shipping and Handling Costs

The Organization records the costs of shipping and handling in program services.

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. The Organization reports gifts of materials and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used.

Donated Services

The Organization recognizes donated services in accordance with accounting principles generally accepted in the United States of America if the services create or enhance non-financial assets, require specialized skills, and are performed by individuals with those skills, or if the services would otherwise be purchased by the Organization. In addition, a variety of unpaid volunteers provide services in support of the Organization. No amounts have been recognized in the accompanying statements of activities for such volunteer efforts because the criteria for recognition of such efforts have not been met.

Income Taxes

The Organization is tax exempt under Section 501(c)(3) of the United States Internal Revenue Code and, therefore, is not subject to income tax under present laws. Accordingly, no provisions for income taxes have been included. In addition, the Organization annually files a Form 990 as applicable. Management asserts that they have no uncertain tax positions.

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Reclassifications

Certain reclassifications have been made to the statement of functional expenses for the years ended December 31, 2021 and 2020 to conform to the current year's presentation.

Pending Accounting Standards Updates

FASB has issued Accounting Standards Updates (individually and collectively, ASU) that will become effective in future years as outlined below. Management has not yet determined the impact of these updates on the financial statements.

ASU 2020-07, *“Not-For-Profit Entities (Subtopic 958): Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets,”* is effective for reporting periods beginning after June 15, 2021. The amendments in this update address presentation and disclosure of contributed nonfinancial assets.

Subsequent Events

Subsequent events have been evaluated through the Independent Auditor's Report date, which is the date the financial statements were available to be issued.

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3. Investments and Fair Value Measurements

Fair values of assets measured on a recurring basis at December 31, 2021 are as follows:

	Fair Value as of December 31, 2021			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 15,316	\$ 15,316	\$ -	\$ -
Exchange traded funds	1,328,261	1,328,261	-	-
Mutual funds	-	-	-	-
Total	<u>\$ 1,343,577</u>	<u>\$ 1,343,577</u>	<u>\$ -</u>	<u>\$ -</u>

Fair values of assets measured on a recurring basis at December 31, 2020 are as follows:

	Fair Value as of December 31, 2020			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 5,719	\$ 5,719	\$ -	\$ -
Exchange traded funds	604,416	604,416	-	-
Mutual funds	88,943	88,943	-	-
Total	<u>\$ 699,078</u>	<u>\$ 699,078</u>	<u>\$ -</u>	<u>\$ -</u>

4. Line of Credit

The Organization maintains a line of credit with a 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 (3.25% and 5.75% at December 31, 2021 and 2020, respectively) plus 1.00 percentage point. This agreement is secured by all deposits the Organization maintains at the bank. The line of credit expires on June 30, 2022. The outstanding balance on this line of credit was \$0 at December 31, 2021 and 2020.

GLOBAL LINKS

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

5. Long-Term Debt

In 2012, the Organization secured a mortgage note in the amount of \$1,800,000 payable to a local bank. Costs to issue the loan totaled \$11,484. The unamortized portion of these costs totaled \$0 and \$6,606 as of December 31, 2021 and 2020, respectively, and are shown as a reduction of the recorded amount of the debt.

In an effort to reduce occupancy costs, the Organization refinanced its mortgage and secured a note in the amount of \$817,276 on April 23, 2021. The note requires 119 consecutive monthly principal and interest payments of \$4,696, as well as one final principal and interest payment of \$482,112 at maturity. Interest is based on the one-month LIBOR rate plus 2.0 percent (3.33% and 2.64% as of December 31, 2021 and 2020, respectively). The note is secured by real estate and investments held by the Organization.

As of December 31, 2021 and 2020, the total note balance was \$798,470 and \$840,000, respectively.

The aggregate payments required for annual periods subsequent to December 31, 2021 are as follows:

Year Ending December 31,	
2022	\$ 28,860
2023	31,122
2024	32,177
2025	33,268
2026	34,396
2027-2031	638,647
	<u>\$ 798,470</u>

Total interest expense on the notes were \$25,823 and \$28,876 for the years ended December 31, 2021 and 2020, respectively.

GLOBAL LINKS

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

6. Net Assets

Net assets with donor restrictions are available for the following purposes as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
COVID 19 response	\$ 10,000	\$ 320,218
Hurricane relief	-	99,576
Surplus rescue	20,000	-
Community Partners program	65,000	60,825
Seniors experiencing poverty	45,000	-
Volunteers with differing abilities	-	20,444
Solar agreement	39,740	13,740
Workplace improvements	5,397	-
IT improvements	-	40,819
Total	<u>\$ 185,137</u>	<u>\$ 555,622</u>

Net assets released from donor restrictions for the program purposes during the years ended December 31, 2021 and 2020 were \$545,692 and \$676,517, respectively.

7. Paycheck Protection Program Loan

In May 2020, the Organization received a \$153,300 United States Small Business Administration (SBA) loan through the Federal Government's Paycheck Protection Program (PPP) that resulted from the COVID-19 pandemic. The loan was eligible for 100% forgiveness if certain criteria were met. The Organization utilized the allowable 24-week period to spend the PPP loan for expenditures that meet the full forgiveness criteria.

During the year ended December 31, 2020, the Organization applied for forgiveness and anticipated that the full amount of the loan would meet the conditions for forgiveness, as the proceeds were used for eligible costs. Therefore, the Organization recorded the full \$153,300 as a United States government grant as of December 31, 2020. Subsequently, the Organization received full forgiveness of the PPP loan in June 2021.

SUPPLEMENTARY INFORMATION

GLOBAL LINKS

SCHEDULE OF ACTIVITIES BY ASSET CLASS

YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions			With Donor Restrictions	Total
	Cash and Other	Donated Materials and Supplies	Total		
Support and Revenue:					
Donated materials and supplies	\$ -	\$ 1,434,738	\$ 1,434,738	\$ -	\$ 1,434,738
Contributions and grants	1,191,706	-	1,191,706	175,207	1,366,913
United States government grants	-	-	-	-	-
Non-United States government grants	206,635	-	206,635	-	206,635
Special events, net of expenses of \$45	8,234	-	8,234	-	8,234
In-kind contributions	3,841	-	3,841	-	3,841
Net assets released from restrictions	545,692	-	545,692	(545,692)	-
Total support	1,956,108	1,434,738	3,390,846	(370,485)	3,020,361
Procurement	951,600	-	951,600	-	951,600
Miscellaneous sales and other income	62,560	-	62,560	-	62,560
Interest and dividends	21,662	-	21,662	-	21,662
Realized and unrealized gain (loss) on investments, net	20,884	-	20,884	-	20,884
Total support and revenue	3,012,814	1,434,738	4,447,552	(370,485)	4,077,067
Expenses and Losses:					
Program services:					
Materials, supplies, and equipment shipped	1,194,967	969,502	2,164,469	-	2,164,469
Personnel and other operating expenses	629,504	-	629,504	-	629,504
Shipping costs	140,822	-	140,822	-	140,822
Building and warehouse expenses	25,334	-	25,334	-	25,334
Travel, conferences, and training	5,264	-	5,264	-	5,264
Other expenses	183,124	-	183,124	-	183,124
Total program services	2,264,546	969,502	3,234,048	-	3,234,048
Management and general	330,266	-	330,266	-	330,266
Fundraising	189,738	-	189,738	-	189,738
Total expenses and losses	2,784,550	969,502	3,754,052	-	3,754,052
Change in Net Assets	\$ 228,264	\$ 465,236	\$ 693,500	\$ (370,485)	\$ 323,015