

global links

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

Years Ended December 31, 2012 and 2011

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HERBEIN+COMPANY, INC.

CERTIFIED PUBLIC ACCOUNTANTS

Members of PKF North America, Pennsylvania Institute of CPAs,
American Institute of Certified Public Accountants Private Companies Practice Section
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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, 2012 and 2011, 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 of 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.

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HERBEIN+COMPANY, INC.

CERTIFIED PUBLIC ACCOUNTANTS

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, 2012 and 2011, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Organization's basic financial statements. 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 basic financial statements.

The Schedule of Activities by Asset Class with Comparative Totals is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Activities by Asset Class with Comparative Totals is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Herbein + Company, Inc.
Pittsburgh, Pennsylvania
March 2, 2013

Global Links

Statements of Financial Position

	December 31	
	2012	2011
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 938,942	\$ 1,421,100
Investments, at fair value	858,945	780,907
Accounts receivable	97,833	120,259
Inventory	2,693,278	2,457,359
Prepaid expenses	28,251	21,886
TOTAL CURRENT ASSETS	4,617,249	4,801,511
PROPERTY AND EQUIPMENT		
Building and improvements	1,874,271	-
Leasehold improvements	23,186	23,186
Furniture, fixtures, and equipment	153,760	151,260
	<u>2,051,217</u>	<u>174,446</u>
Accumulated depreciation and amortization	(170,763)	(139,043)
NET PROPERTY AND EQUIPMENT	1,880,454	35,403
OTHER ASSETS		
Loan origination fees, net of accumulated amortization (2012 - \$243; 2011 - \$0)	7,294	-
TOTAL ASSETS	<u>\$ 6,504,997</u>	<u>\$ 4,836,914</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 54,260	\$ 16,772
Deferred revenue	892,748	1,107,176
Current portion of long-term debt	110,000	-
	<u>1,057,008</u>	<u>1,123,948</u>
NONCURRENT LIABILITIES		
Long-term debt	1,690,000	-
TOTAL LIABILITIES	2,747,008	1,123,948
NET ASSETS		
Unrestricted	2,909,309	2,901,566
Temporarily restricted	848,680	811,400
TOTAL NET ASSETS	<u>3,757,989</u>	<u>3,712,966</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,504,997</u>	<u>\$ 4,836,914</u>

See accompanying notes.

Global Links

Statements of Activities and Changes in Net Assets

	Year Ended December 31	
	2012	2011
UNRESTRICTED REVENUES AND SUPPORT		
Donated materials and supplies	\$ 4,270,146	\$ 3,780,371
Grants and contributions	1,314,894	1,256,528
Miscellaneous sales and other	75,138	27,589
Special events, net of expenses (2012 - \$0; 2011 - \$1,854)	394	(1,409)
In-kind contributions	4,935	3,228
Interest and dividends	55,573	30,871
Net unrealized appreciation (depreciation) of investments	37,436	(382)
TOTAL UNRESTRICTED REVENUES AND SUPPORT	5,758,516	5,096,796
EXPENSES		
Program services:		
Materials, supplies, and equipment shipped	4,455,387	3,463,789
Personnel and other operating expenses	658,800	701,067
Shipping costs	173,318	182,582
Warehouse expense and office rent	124,806	147,980
Building related expenses	52,383	-
Travel and conference expenses	20,217	31,164
Equipment repair expenses	2,004	5,555
	5,486,915	4,532,137
Management and general	207,530	125,066
Fundraising	56,328	45,352
TOTAL EXPENSES	5,750,773	4,702,555
INCREASE IN UNRESTRICTED NET ASSETS	7,743	394,241
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	37,280	-
INCREASE IN NET ASSETS	45,023	394,241
NET ASSETS AT BEGINNING OF YEAR	3,712,966	3,318,725
NET ASSETS AT END OF YEAR	\$ 3,757,989	\$ 3,712,966

See accompanying notes.

Global Links

Statement of Functional Expenses

Year Ended December 31, 2012

	Program Services	Management and General	Fundraising	Total Expenses
Materials, supplies, and equipment shipped	\$ 4,455,387	\$ -	\$ -	\$ 4,455,387
Personnel salaries and wages	551,635	138,160	34,674	724,469
Personnel benefits	36,871	3,390	4,065	44,326
Depreciation and amortization	35,404	1,559	-	36,963
Consulting and professional fees	13,684	25,715	12,000	51,399
Office supplies and expenses	10,141	3,267	-	13,408
Outreach activities	7,849	-	-	7,849
Postage and delivery	2,691	1,290	551	4,532
Miscellaneous	367	384	-	751
Printing, dues, and publications	158	6,591	4,923	11,672
Insurance	-	18,533	-	18,533
Shipping costs	173,318	-	-	173,318
Warehouse expenses and office rent	124,806	4,162	-	128,968
Building related expenses	52,383	2,040	-	54,423
Travel, conferences, and training	20,217	2,439	115	22,771
Equipment repair	2,004	-	-	2,004
TOTAL EXPENSES	\$ 5,486,915	\$ 207,530	\$ 56,328	\$ 5,750,773

See accompanying notes.

Global Links

Statement of Functional Expenses

Year Ended December 31, 2011

	Program Services	Management and General	Fundraising	Total Expenses
Materials, supplies, and equipment shipped	\$ 3,463,789	\$ -	\$ -	\$ 3,463,789
Personnel salaries and wages	584,058	75,710	34,177	693,945
Personnel benefits	33,616	4,131	4,228	41,975
Depreciation and amortization	13,151	-	-	13,151
Consulting and professional fees	39,930	12,942	1,925	54,797
Office supplies and expenses	11,095	5,178	-	16,273
Outreach activities	9,926	-	-	9,926
Postage and delivery	4,137	1,589	546	6,272
Miscellaneous	458	805	-	1,263
Printing, dues, and publications	4,696	7,287	4,476	16,459
Insurance	-	9,150	-	9,150
Shipping costs	182,582	-	-	182,582
Warehouse expenses and office rent	147,980	3,948	-	151,928
Travel, conferences, and training	31,164	4,326	-	35,490
Medical equipment refurbishment	5,555	-	-	5,555
TOTAL EXPENSES	\$ 4,532,137	\$ 125,066	\$ 45,352	\$ 4,702,555

See accompanying notes.

Global Links

Statements of Cash Flows

	Year Ended December 31	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 45,023	\$ 394,241
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	36,963	13,151
Unrealized (appreciation) depreciation of investments	(37,436)	382
Changes in:		
Accounts receivable	22,426	(34,420)
Inventory	(235,919)	(530,517)
Prepaid expenses	(6,365)	7,495
Accounts payable and accrued expenses	37,488	(19,505)
Deferred revenue	(214,428)	(49,132)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(352,248)	(218,305)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	-	33,095
Purchase of investments	(40,602)	(776,235)
Payment of loan origination fees	(7,537)	-
Additions to property and equipment:		
Building and improvements	(74,271)	-
Furniture, fixtures, and equipment	(7,500)	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(129,910)	(743,140)
NET DECREASE IN CASH	(482,158)	(961,445)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,421,100	2,382,545
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 938,942	\$ 1,421,100
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Long-term debt incurred for the purchase of building	\$ 1,800,000	\$ -

See accompanying notes.

Global Links

Notes to Financial Statements

December 31, 2012 and 2011

Global Links ("the Organization") (a non-profit corporation) is a not-for-profit, medical relief and development organization dedicated to promoting environmental stewardship and improving health in developing countries.

Global Links' collaborative efforts include:

- Sharing expertise and technical knowledge with international and domestic partners.
- Redirecting still useful materials away from U.S. landfills to public health improvement efforts in targeted countries throughout the hemisphere.
- Educating partners and volunteers 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 or incineration of surplus medical materials, while simultaneously aiming to ensure that one hundred percent of the materials it ships are needed and can be used. Global Links is committed to collaborative, transparent engagement with the U.S. community and with international recipients 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, 2012 and 2011

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, 2012 and 2011, 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 and Contributions Receivable

Accounts and contributions receivable represent amounts committed by donors, 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 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 shipment to developing countries, and equipment donated for internal administrative use. 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.

Grants

Grants generally represent monies received that are granted to cover the shipping program and administration expenses associated with the delivery of materials and supplies to a particular country. 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.

Global Links

Notes to Financial Statements

December 31, 2012 and 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 they are either not considered specialists or are directly related to Global Links (i.e. Board Member) (see Note 4).

Inventory

Inventory, representing donated materials awaiting shipment to developing countries, 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.

Leasehold Improvements and Equipment

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 five to seven years. Leasehold improvements, which are stated at cost, are amortized over the lease term. Depreciation expense was \$36,720 and \$13,151 for 2012 and 2011, respectively.

Allocation of Expenses

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

Income Taxes

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

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

The tax years of 2009 and forward are open for examination by federal and state taxing authorities.

Subsequent Events

In preparing these financial statements, Global Links has evaluated events and transactions for potential recognition or disclosure through March 2, 2013, the date the financial statements were available to be issued.

Global Links

Notes to Financial Statements

December 31, 2012 and 2011

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 expiration date is set at July 2, 2015.

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

The outstanding balance on these lines of credit was \$0 at December 31, 2012 and 2011.

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 161 individuals who contributed a total of more than 6,000 hours of volunteer service at Global Links during 2012 (219 individuals contributed more than 6,300 hours during 2011).

Also during 2012, 70 groups volunteered a total of 284 times with a total of 1,796 participants (individuals who came more than once were counted as participants for each time they came). On average, these groups volunteered for approximately 2 hours each visit, and thereby contributing over 3,600 hours of volunteer service (83 groups volunteered a total of 257 times with a total of 1,812 participants equating to over 3,600 hours of volunteer service during 2011).

Combined, Global Links received annually almost 10,000 hours of volunteer service from more than 2,000 individuals during 2012 and more than 11,000 hours of volunteer service from more than 2,000 individuals during 2011. These services have been valued by management to be approximately \$217,500 and \$224,100 for the years ended December 31, 2012 and 2011, respectively.

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

Global Links

Notes to Financial Statements

December 31, 2012 and 2011

NOTE 5 - NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	December 31	
	2012	2011
New offices and warehouse	\$ 848,680	\$ 811,400

No net assets were released from donor restrictions during the years ended December 31, 2012 and 2011.

NOTE 6 - COMMITMENTS AND CONTINGENCIES

As of January 2010, Global Links entered into an 18-month lease extension ending in June 2011, which was not renewed, for office space at a monthly rate of \$2,900.

As of October 2010, Global Links signed a two-year extension ending in August 2012, which was not renewed, for warehouse space at a monthly rate of \$3,850. In 2009, Global Links entered into a three-year lease ending in January 2012, which was not renewed, for warehouse space at a monthly rate of \$1,333. Global Links also rents space for \$2/square foot for surgical supplies for which there is no formal lease commitment.

Rent expense totaled \$90,825 and \$119,391 for 2012 and 2011, respectively. Global Links has no future minimum lease payments that have remaining terms in excess of one year as of December 31, 2012.

NOTE 7 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments

The carrying amounts and market values of Global Links' investments at December 31, 2012 and 2011 are as follows:

	December 31, 2012		December 31, 2011	
	Cost	Market Value	Cost	Market Value
Investments:				
Money market funds	\$ 57,641	\$ 57,641	\$ 17,133	\$ 17,133
Mutual funds	758,928	795,249	758,927	758,546
Common stock	5,228	6,055	5,228	5,228
	\$ 821,797	\$ 858,945	\$ 781,288	\$ 780,907

Global Links

Notes to Financial Statements

December 31, 2012 and 2011

NOTE 7 - INVESTMENTS AND FAIR VALUE MEASUREMENTS - CONTINUED

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, 2012.

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

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

Global Links

Notes to Financial Statements

December 31, 2012 and 2011

NOTE 7 - INVESTMENTS AND FAIR VALUE MEASUREMENTS - CONTINUED

Assets at Fair Value as of December 31, 2012:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 57,640	\$ -	\$ -	\$ 57,640
Mutual funds:				
Fixed income	629,796	-	-	629,796
Income and growth	143,575	-	-	143,575
Real estate	21,879	-	-	21,879
	<u>795,250</u>	<u>-</u>	<u>-</u>	<u>795,250</u>
Common stock	6,055	-	-	6,055
Donated inventory	-	-	2,693,278	2,693,278
Total	\$ 858,945	\$ -	\$ 2,693,278	\$ 3,552,223

Assets at Fair Value as of December 31, 2011:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 17,133	\$ -	\$ -	\$ 17,133
Mutual funds:				
Fixed income	608,530	-	-	608,530
Income and growth	130,702	-	-	130,702
Real estate	19,314	-	-	19,314
	<u>758,546</u>	<u>-</u>	<u>-</u>	<u>758,546</u>
Common stock	5,228	-	-	5,228
Donated inventory	-	-	2,457,359	2,457,359
Total	\$ 780,907	\$ -	\$ 2,457,359	\$ 3,238,266

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, 2012 and 2011:

	2012	2011
Balance, beginning of year	\$ 2,457,359	\$ 1,926,842
Donations	4,270,146	3,803,880
Shipments	(4,034,227)	(3,273,363)
Balance, End of Year	\$ 2,693,278	\$ 2,457,359

Global Links
Notes to Financial Statements
December 31, 2012 and 2011

NOTE 8 - LONG-TERM DEBT

Long-term debt consists of the following:

	December 31	
	2012	2011
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 (2.75% as of December 31, 2012). The note is secured by real estate owned by Global Links and has a scheduled payoff date of January 2028.	\$ 1,800,000	\$ -
Portion payable within one year and classified as current.	(110,000)	-
Total Long-Term Debt	\$ 1,690,000	\$ -

The aggregate payments required for annual periods subsequent to December 31, 2012 are as follows:

Fiscal Year:	Principal
2013	\$ 110,000
2014	120,000
2015	120,000
2016	120,000
2017	120,000
2018 - 2022	600,000
2023 - 2028	610,000
TOTAL	\$ 1,800,000

Total interest expense was \$25,097 and \$0 for the years ended December 31, 2012 and 2011, 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			2012	2011		(Summarized Financial Information)*
		Total	2012			2011	2010	
REVENUES								
Donated materials and supplies	\$ -	\$ 4,270,146	\$ 4,270,146	\$ -	\$ 4,270,146	\$ 3,780,371	\$ 3,489,282	
Grants and contributions	1,314,894	-	1,314,894	37,280	1,352,174	1,256,528	1,514,663	
Miscellaneous sales and other	75,138	-	75,138	-	75,138	27,589	35,414	
Special events	394	-	394	-	394	(1,409)	128	
In-kind contributions	4,935	-	4,935	-	4,935	3,228	1,985	
Investment income	55,573	-	55,573	-	55,573	30,871	11,982	
Net realized appreciation (depreciation) of investments	37,436	-	37,436	-	37,436	(382)	(345)	
TOTAL REVENUES	1,488,370	4,270,146	5,758,516	37,280	5,795,796	5,096,796	5,053,109	
EXPENSES								
Program services:								
Materials, supplies, and equipment shipped	-	4,455,387	4,455,387	-	4,455,387	3,463,789	3,742,384	
Pharmaceuticals shipped	-	-	-	-	-	-	12,358	
Personnel and other operating expenses	658,800	-	658,800	-	658,800	701,067	672,759	
Shipping costs	173,318	-	173,318	-	173,318	182,582	208,800	
Warehouse expenses	124,806	-	124,806	-	124,806	147,980	143,689	
Travel and conferences	20,217	-	20,217	-	20,217	31,164	25,959	
Medical equipment refurbishment	2,004	-	2,004	-	2,004	5,555	7,692	
New building	52,383	-	52,383	-	52,383	-	-	
Total Program Services	1,031,528	4,455,387	5,486,915	-	5,486,915	4,532,137	4,813,641	
Management and general Fundraising	207,530	-	207,530	-	207,530	125,066	171,818	
	56,328	-	56,328	-	56,328	45,352	48,589	
TOTAL EXPENSES	1,295,386	4,455,387	5,750,773	-	5,750,773	4,702,555	5,034,048	
INCREASE (DECREASE) IN NET ASSETS	\$ 192,984	\$ (185,241)	\$ 7,743	\$ 37,280	\$ 45,023	\$ 394,241	\$ 19,061	

*Summarized financial information - the columns are presented for 2011 and 2010 only to facilitate financial analysis.