

**FINANCIAL STATEMENTS**



**FOR THE YEARS ENDED  
DECEMBER 31, 2015 AND 2014**

**SISTER CITIES INTERNATIONAL**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Sister Cities International  
Washington, D.C.

We have audited the accompanying financial statements of Sister Cities International (Sister Cities), 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 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sister Cities as of December 31, 2015 and 2014, 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.

*Gelman, Rosenberg & Freedman*

June 24, 2016

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**SISTER CITIES INTERNATIONAL**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2015 AND 2014**

**ASSETS**

	<u>2015</u>	<u>2014</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 95,051	\$ 103,881
Investments (Notes 2, 4 and 8)	522,896	531,081
Grants receivable	97,689	36,521
Other receivables and advances	44,211	49,380
Prepaid expenses	<u>36,162</u>	<u>34,161</u>
Total current assets	<u>796,009</u>	<u>755,024</u>
<b>FURNITURE AND EQUIPMENT</b>		
Furniture and equipment, net of accumulated depreciation of \$252,305 and \$242,664 for 2015 and 2014, respectively	<u>7,334</u>	<u>16,975</u>
<b>NONCURRENT ASSETS</b>		
Investments, net of current portion (Notes 2, 4 and 8)	71,828	83,636
Security deposits	<u>33,535</u>	<u>39,285</u>
Total noncurrent assets	<u>105,363</u>	<u>122,921</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 908,706</u></b>	<b><u>\$ 894,920</u></b>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Lines of credit (Note 3)	\$ 105,709	\$ 127
Accounts payable and accrued expenses	172,280	65,848
Refundable advances	136	136
Deferred membership dues	81,420	66,770
Deferred event revenue	3,150	10,200
Deferred rent, current portion (Note 7)	<u>6,381</u>	<u>-</u>
Total current liabilities	<u>369,076</u>	<u>143,081</u>
<b>NONCURRENT LIABILITIES</b>		
Deferred rent, net of current portion (Note 7)	<u>71,253</u>	<u>77,529</u>
Total liabilities	<u>440,329</u>	<u>220,610</u>
<b>NET ASSETS</b>		
Unrestricted:		
Undesignated	(181,614)	55,054
Board-designated (Note 4)	<u>649,991</u>	<u>619,256</u>
Total unrestricted net assets	<u>468,377</u>	<u>674,310</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 908,706</u></b>	<b><u>\$ 894,920</u></b>

## SISTER CITIES INTERNATIONAL

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>Unrestricted</u>	
	<u>2015</u>	<u>2014</u>
<b>SUPPORT AND REVENUE</b>		
U.S. Government awards	\$ 509,672	\$ 271,525
Contributions and grants	343,561	212,787
In-kind contributions	239,307	85,398
Conferences and events	293,427	387,386
Membership dues	349,510	308,602
Awards and visa fees	-	2,000
Interest and investment income (Note 2)	1,351	30,785
Other	<u>21,909</u>	<u>4,223</u>
Total support and revenue	<u>1,758,737</u>	<u>1,302,706</u>
<b>EXPENSES (Note 5)</b>		
Salaries, taxes and related benefits (Note 6)	834,203	760,389
Professional fees	143,742	112,048
Office supplies and expense	10,257	12,676
Telecommunications	8,666	14,095
Postage and shipping	15,438	8,318
Occupancy (Note 7)	155,423	157,547
Equipment expense	10,529	8,239
Printing and publications	33,473	52,043
Travel	69,439	196,033
Conferences, conventions and meetings	306,346	364,606
Depreciation	9,641	13,165
Grants and contracts	119,078	156,803
Insurance	9,248	10,454
Consultants	150,144	54,365
Bad debt	3,000	898
Interns	6,250	6,919
Computer and website	40,074	49,245
Bank fees	18,643	18,452
Interest expense	1,700	1,483
Other	<u>19,376</u>	<u>11,358</u>
Total expenses	<u>1,964,670</u>	<u>2,009,136</u>
Changes in net assets	(205,933)	(706,430)
Unrestricted net assets at beginning of year	<u>674,310</u>	<u>1,380,740</u>
<b>UNRESTRICTED NET ASSETS AT END OF YEAR</b>	<u>\$ 468,377</u>	<u>\$ 674,310</u>

See accompanying notes to financial statements.

**SISTER CITIES INTERNATIONAL**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ (205,933)	\$ (706,430)
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Depreciation	9,641	13,165
Unrealized loss on investments	44,291	477
Realized gain on sales of investments	(223)	-
Bad debt	3,000	898
(Increase) decrease in:		
Grants receivable	(61,168)	28,425
Other receivables and advances	2,169	24,604
Prepaid expenses	(2,001)	42,783
Security deposits	5,750	42,270
Increase (decrease) in:		
Accounts payable and accrued expenses	106,432	32,011
Refundable advances	-	(13,513)
Deferred membership dues	14,650	13,240
Deferred event revenue	(7,050)	(7,625)
Deferred rent	105	3,701
Net cash used by operating activities	<u>(90,337)</u>	<u>(525,994)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(60,031)	(462,367)
Proceeds from sales of investments	<u>35,956</u>	<u>10,000</u>
Net cash used by investing activities	<u>(24,075)</u>	<u>(452,367)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Borrowings from lines of credit	105,709	101,483
Repayments on lines of credit	<u>(127)</u>	<u>(101,356)</u>
Net cash provided by financing activities	<u>105,582</u>	<u>127</u>
Net decrease in cash and cash equivalents	(8,830)	(978,234)
Cash and cash equivalents at beginning of year	<u>103,881</u>	<u>1,082,115</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 95,051</u>	<u>\$ 103,881</u>
<b>SUPPLEMENTAL INFORMATION:</b>		
Interest Paid	<u>\$ 1,700</u>	<u>\$ 1,483</u>

See accompanying notes to financial statements.

**SISTER CITIES INTERNATIONAL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**

**Organization -**

Sister Cities International (Sister Cities) is a non-profit organization incorporated under the laws of the District of Columbia on June 12, 1967. Sister Cities was formed to promote local community development and volunteer action to provide opportunities for citizens of different countries to share culture, develop trade relationships and provide an atmosphere for learning and problem solving between nations.

**Basis of presentation -**

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with FASB ASC 958, *Not-for-Profit Entities*.

**Cash and cash equivalents -**

For financial statement presentation, cash and money market accounts, with maturities of three months or less, are considered to be cash equivalents. Included in cash and cash equivalents as of December 31, 2015 and 2014 are \$65,676 and \$4,813, respectively, which have been internally designated by the Board of Directors (see Note 4).

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, Sister Cities maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

**Grants and other receivables and advances -**

Grants and other receivables and advances are recorded at net realizable value, which approximates fair value. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

**Investments -**

Investments are recorded at their readily determinable fair value. Realized and unrealized gains and losses are included in interest and investment income in the accompanying Statements of Activities and Changes in Net Assets. For the years ended December 31, 2015 and 2014, \$584,315 and \$614,443 of investments, respectively, have been internally designated by the Board of Directors (see Note 4).

**Furniture and equipment -**

Furniture and equipment, with an acquisition value in excess of \$1,000, are recorded at cost and are depreciated on a straight-line basis over an estimated useful life of five years. Expenditures for major repairs and improvements are capitalized; conversely, expenditures for minor repairs and maintenance costs are expensed when incurred.

**Income taxes -**

Sister Cities is exempt from Federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision has been made for Federal income taxes in the accompanying financial statements. Sister Cities is not a private foundation.

**SISTER CITIES INTERNATIONAL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**  
**(Continued)**

Uncertain tax positions -

For the years ended December 31, 2015 and 2014, Sister Cities has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

In-kind contributions -

In-kind contributions are reported at their fair value, based on the acquisition price in the market, estimates of the number of donated hours and/or market rates for the services provided. In-kind contributions have been recorded as revenue and expenses in the accompanying financial statements for the years ended December 31, 2015 and 2014 and consist of the following:

	<b>2015</b>	<b>2014</b>
Consulting	\$ 120,000	\$ 1,300
Event and meeting items	69,972	37,980
Board travel and meals	46,675	18,212
Legal	2,660	4,403
Marketing	-	23,503
<b>TOTAL IN-KIND CONTRIBUTIONS</b>	<b><u>\$ 239,307</u></b>	<b><u>\$ 85,398</u></b>

Volunteer services -

Sister Cities also receives additional donated time from various volunteers. These donated services are not reflected in the accompanying financial statements since these services do not meet the criteria for recognition as contributed services. The amount of volunteer services received for the years ended December 31, 2015 and 2014 totaled \$187,738 and \$5,363, respectively.

Contributions and grants -

Unrestricted and temporarily restricted contributions and grants are recorded as revenue in the year notification is received from the donor. Temporarily restricted contributions and grants are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Temporarily restricted contributions and grants received in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements.

Sister Cities receives funding under grants and contracts from the U.S. Government, private organizations and other grantors for direct and indirect program costs. This funding is subject to contractual restrictions, which must be met through incurring qualifying expenses for particular programs. Accordingly, such grants are considered exchange transactions and are recorded as unrestricted income to the extent that related expenses are incurred in compliance with the criteria stipulated in the grant agreements.

Grants receivable represents amounts due from funding organizations for reimbursable expenses incurred in accordance with the grant agreements. Amounts received in advance of expenditures are classified as refundable advance.



**SISTER CITIES INTERNATIONAL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**  
**(Continued)**

**Membership dues -**

Annual membership dues are billed to members in either January or July for the current fiscal year. Membership dues payments, which are received in the current fiscal year, but are attributable to a future membership period, are presented as a deferred current liability in the accompanying Statements of Financial Position.

**Classification of net assets -**

The net assets of Sister Cities are reported in the two self-balancing groups as follows:

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of Sister Cities and include both internally designated and undesignated resources.
- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of Sister Cities and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities and Changes in Net Assets as net assets released from restrictions. At December 31, 2015 and 2014, Sister Cities had no temporarily restricted net assets.

**Use of estimates -**

The preparation of the 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 amounts of assets and liabilities and disclosure 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 could differ from those estimates.

**Investment risks and uncertainties -**

Sister Cities invests in various investment securities. Investment securities are exposed to various risks such as interest rates, 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 accompanying financial statements.

**Fair value measurement -**

Sister Cities adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. Sister Cities accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

**Reclassification -**

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

**SISTER CITIES INTERNATIONAL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**2. INVESTMENTS**

Investments at December 31, 2015 and 2014 are comprised of the following:

	2015		2014	
	Fair Value	Cost Basis	Fair Value	Cost Basis
<b>Current:</b>				
Common stock	\$ 10,407	\$ 10,185	\$ -	\$ -
Mutual funds	502,170	527,051	521,328	501,906
U.S. Government securities	<u>10,319</u>	<u>10,000</u>	<u>9,753</u>	<u>10,007</u>
Subtotal - current investments	<u>522,896</u>	<u>547,236</u>	<u>531,081</u>	<u>511,913</u>
<b>Noncurrent:</b>				
Corporate bonds	61,854	60,000	73,466	71,025
Certificates of deposit	<u>9,974</u>	<u>10,000</u>	<u>10,170</u>	<u>10,000</u>
Subtotal - noncurrent investments	<u>71,828</u>	<u>70,000</u>	<u>83,636</u>	<u>81,025</u>
<b>TOTAL INVESTMENTS</b>	<b><u>\$ 594,724</u></b>	<b><u>\$ 617,236</u></b>	<b><u>\$ 614,717</u></b>	<b><u>\$ 592,938</u></b>

The following are included in interest and investment income for the years ended December 31, 2015 and 2014:

	2015	2014
Interest and dividends	\$ 45,419	\$ 31,262
Unrealized loss on investments	(44,291)	(477)
Realized gain on sales of investments	<u>223</u>	<u>-</u>
<b>TOTAL INTEREST AND INVESTMENT INCOME</b>	<b><u>\$ 1,351</u></b>	<b><u>\$ 30,785</u></b>

**3. LINES OF CREDIT**

During 2009, Sister Cities established a line of credit with a local financial institution in the amount of \$60,000. The line of credit is secured by Sister Cities' receivables. Borrowings on the line bear interest of 5.25% at December 31, 2015 and 2014. Outstanding borrowings (including accrued interest) aggregated \$127 as of December 31, 2014. The line was closed during the year ended December 31, 2015.

During 2015, Sister Cities established a line of credit with a local financial institution in the amount that is contingent upon eligible securities, cash and other instruments the borrower maintains within the financial institution that is pledged. The line of credit is secured by Sister Cities' eligible securities, cash, and other instruments pledged within the financial institution. Borrowings on the line bear interest at margin base rate (5.75% at December 31, 2015). Outstanding borrowings on the line of credit aggregated \$105,709 as of December 31, 2015.

**4. UNRESTRICTED BOARD-DESIGNATED NET ASSETS**

The Board of Directors designated a portion of Sister Cities' unrestricted net assets in the name of Lou Wozar. As of December 31, 2015 and 2014, the amounts designated by the Board of Directors totaled \$180,145 and \$177,458, respectively (Note 1).

In October of 2014, the Board of Directors voted to designate a portion of Sister Cities' unrestricted net assets to establish a Reserve fund.

**SISTER CITIES INTERNATIONAL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**4. UNRESTRICTED BOARD-DESIGNATED NET ASSETS (Continued)**

As of December 31, 2015 and 2014, the amounts designated by the Board of Directors totaled \$469,846 and \$441,798, respectively, and is included in cash (Note 1), investments and Board-designated net assets on the accompanying Statements of Financial Position.

**5. FUNCTIONAL EXPENSES**

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses of Sister Cities, on a functional basis, are estimated as follows at December 31, 2015 and 2014:

	<b>2015</b>	<b>2014</b>
Program Services	\$ 1,123,527	\$ 1,396,280
Development	183,392	14,457
Management and General	657,751	598,399
<b>TOTAL EXPENSES</b>	<b>\$ 1,964,670</b>	<b>\$ 2,009,136</b>

**6. RETIREMENT PLAN**

Sister Cities offers its employees retirement benefits through a 403(b) plan. The plan covers all employees who have attained the age of 18 and have been employed for a minimum of six months. Sister Cities currently contributes 5% of each eligible employee's gross salary to the plan.

Retirement expense for the years ended December 31, 2015 and 2014 totaled \$11,447 and \$17,919, respectively.

**7. COMMITMENT**

On January 1, 2011, Sister Cities entered into a lease agreement for office space that has a lease term of ten years, expiring on December 31, 2020. Base rent is \$134,140 per year, plus a proportionate share of expenses, increasing by a factor of 2.5% per year.

Accounting principles generally accepted in the United States of America require that the total rent commitment should be recognized on a straight-line basis over the term of the lease. Accordingly, the difference between the actual monthly payments and the rent expense being recognized for financial statement purposes is recorded as a deferred rent liability. As of December 31, 2015 and 2014, the liability totaled \$77,634 and \$77,529, respectively.

The following is a schedule of future minimum payments required under the lease agreement as of December 31, 2015:

**Year Ending December 31,**

2016	\$ 153,949
2017	158,357
2018	162,316
2019	166,374
2020	170,533
Thereafter	28,538
	<b>\$ 840,067</b>

Occupancy expense for the office lease and storage fees totaled \$155,423 and \$157,547 for the years ended December 31, 2015 and 2014, respectively.

**SISTER CITIES INTERNATIONAL**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

**8. FAIR VALUE MEASUREMENT**

In accordance with FASB ASC 820, *Fair Value Measurement*, Sister Cities has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statements of Financial Position are categorized based on the inputs to valuation techniques as follows:

**Level 1.** These are investments where values are based on unadjusted quoted prices for identical assets in an active market Sister Cities has the ability to access.

**Level 2.** These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

**Level 3.** These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used at December 31, 2015 and 2014.

- *Mutual funds* - The fair value is equal to the reported net asset value of the fund, which is the price at which additional shares can be obtained.
- *Common stocks* - Valued at the closing price reported on the active market in which the individual securities are traded.
- *U.S. Government securities* - Valued at the closing price reported on the active market in which the individual securities are traded.
- *Corporate bonds* - Fair value is based upon current yields available on comparable securities of issuers with similar ratings, the security's terms and conditions, and interest rate and credit risk.
- *Certificates of deposit* - Generally valued at original cost plus accrued interest, which approximates fair value.

The table below summarizes, by level within the fair value hierarchy, Sister Cities' investments as of December 31, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Current:</b>				
Common stock	\$ 10,407	\$ -	\$ -	\$ 10,407
Mutual funds	502,170	-	-	502,170
U.S Government securities	-	10,319	-	10,319
Subtotal - current investments	<u>512,577</u>	<u>10,319</u>	<u>-</u>	<u>522,896</u>
<b>Noncurrent:</b>				
Corporate bonds	-	61,854	-	61,854
Certificates of deposit	<u>-</u>	<u>9,974</u>	<u>-</u>	<u>9,974</u>
Subtotal - noncurrent investments	<u>-</u>	<u>71,828</u>	<u>-</u>	<u>71,828</u>
<b>TOTAL</b>	<u>\$ 512,577</u>	<u>\$ 82,147</u>	<u>\$ -</u>	<u>\$ 594,724</u>

**SISTER CITIES INTERNATIONAL**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**8. FAIR VALUE MEASUREMENT (Continued)**

The table below summarizes, by level within the fair value hierarchy, Sister Cities' investments as of December 31, 2014:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Current:</b>				
Mutual funds	\$ 521,328	\$ -	\$ -	\$ 521,328
U.S. Government securities	<u>-</u>	<u>9,753</u>	<u>-</u>	<u>9,753</u>
Subtotal - current investments	<u>521,328</u>	<u>9,753</u>	<u>-</u>	<u>531,081</u>
<b>Noncurrent:</b>				
Corporate bonds	-	73,466	-	73,466
Certificates of deposit	<u>-</u>	<u>10,170</u>	<u>-</u>	<u>10,170</u>
Subtotal - noncurrent investments	<u>-</u>	<u>83,636</u>	<u>-</u>	<u>83,636</u>
<b>TOTAL</b>	<u>\$ 521,328</u>	<u>\$ 93,389</u>	<u>\$ -</u>	<u>\$ 614,717</u>

**9. SUBSEQUENT EVENTS**

In preparing these financial statements, Sister Cities has evaluated events and transactions for potential recognition or disclosure through June 24, 2016, the date the financial statements were issued.