

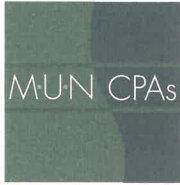
**SOLAR COOKERS INTERNATIONAL, INC.**

FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2016 and 2015

**SOLAR COOKERS INTERNATIONAL, INC.**  
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JUNE 30, 2016 and 2015

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Solar Cookers International, Inc.  
Sacramento, California

### Report on the Financial Statements

We have audited the accompanying financial statements of Solar Cookers International, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Solar Cookers International, Inc. as of June 30, 2016, 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.

**Prior Period Financial Statements**

The financial statements of Solar Cookers International, Inc. as of June 30, 2015, were audited by other auditors whose report dated August 31, 2015, expressed an unmodified opinion on those statements.

*Maun Urrutia Nelson CPA*  
Sacramento, CA  
September 16, 2016

**SOLAR COOKERS INTERNATIONAL, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2016 AND 2015**

	<b>2016</b>	<b>2015</b>
<b><u>ASSETS</u></b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 2)	\$ 582,344	\$ 350,932
Certificate of deposit	-	25,138
Accounts receivable	2,900	4,041
Grants receivable	82,500	82,500
Unconditional promise to give (Note 3)	-	90,000
Inventory	7,524	3,797
Prepaid expenses	<u>4,857</u>	<u>13,612</u>
<b>Total Current Assets</b>	<b><u>680,125</u></b>	<b><u>570,020</u></b>
<b>Non-Current Assets</b>		
Property and equipment, net (Note 4)	6,129	2,392
Beneficial interest in Community Foundation assets (Note 8)	<u>33,740</u>	<u>34,949</u>
<b>Total Non-Current Assets</b>	<b><u>39,869</u></b>	<b><u>37,341</u></b>
<b>Total Assets</b>	<b><u>\$ 719,994</u></b>	<b><u>\$ 607,361</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 3,122	\$ 3,390
Accrued expenses	<u>36,774</u>	<u>26,787</u>
<b>Total current liabilities</b>	<b><u>39,896</u></b>	<b><u>30,177</u></b>
<b>Net Assets</b>		
Unrestricted	397,011	314,435
Temporarily restricted (Note 6)	233,087	212,749
Permanently restricted (Note 6)	<u>50,000</u>	<u>50,000</u>
<b>Total Net Assets</b>	<b><u>680,098</u></b>	<b><u>577,184</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 719,994</u></b>	<b><u>\$ 607,361</u></b>

The accompanying notes are an integral part of these financial statements.

**SOLAR COOKERS INTERNATIONAL, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Support and Revenues</b>				
Contributions	\$ 410,205	\$ 127,044	\$ -	\$ 537,249
Grants and contracts	-	77,300	-	77,300
Sales of cookers & materials	28,698	-	-	28,698
Special events	956	-	-	956
Less: Direct donor benefits	(199)	-	-	(199)
In-kind contributions (Note 7)	21,894	-	-	21,894
Interest and dividends	371	-	-	371
Other revenue	<u>5,268</u>	<u>-</u>	<u>-</u>	<u>5,268</u>
 Total Support and Revenues	 <u>467,193</u>	 <u>204,344</u>	 <u>-</u>	 <u>671,537</u>
 <b>Net assets released from restriction</b>	 <u>184,006</u>	 <u>(184,006)</u>	 <u>-</u>	 <u>-</u>
 <b>Total Revenues</b>	 <u>651,199</u>	 <u>20,338</u>	 <u>-</u>	 <u>671,537</u>
 <b>Expenses</b>				
Program services	428,575	-	-	428,575
Fund development	87,784	-	-	87,784
General and administrative	<u>52,264</u>	<u>-</u>	<u>-</u>	<u>52,264</u>
<b>Total Expenses</b>	<u>568,623</u>	<u>-</u>	<u>-</u>	<u>568,623</u>
 <b>Change in Net Assets</b>	 82,576	 20,338	 -	 102,914
 <b>Net Assets - July 1, 2015</b>	 <u>314,435</u>	 <u>212,749</u>	 <u>50,000</u>	 <u>577,184</u>
 <b>Net Assets - June 30, 2016</b>	 <u>\$ 397,011</u>	 <u>\$ 233,087</u>	 <u>\$ 50,000</u>	 <u>\$ 680,098</u>

The accompanying notes are an integral part of these financial statements.

**SOLAR COOKERS INTERNATIONAL, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Support and Revenues:</b>				
Contributions	\$ 406,864	\$ 92,230	\$ 25,000	\$ 524,094
Grants and contracts	-	165,000	-	165,000
Sales of cookers and materials	22,371	-	-	22,371
Special events	9,600	-	-	9,600
Less: Direct donor benefits	(5,301)	-	-	(5,301)
In-kind contributions (Note 7)	\$ 4,116	\$ -	\$ -	\$ 4,116
Interest and dividends	335	-	-	335
Other revenue	845	-	-	845
	<u>438,830</u>	<u>257,230</u>	<u>25,000</u>	<u>721,060</u>
<b>Total Support and Revenues</b>				
	<u>438,830</u>	<u>257,230</u>	<u>25,000</u>	<u>721,060</u>
<b>Net assets released from restriction</b>	<u>53,358</u>	<u>(53,358)</u>	<u>-</u>	<u>-</u>
<b>Total Revenues</b>	<u>492,188</u>	<u>203,872</u>	<u>25,000</u>	<u>721,060</u>
<b>Expenses:</b>				
Program services	322,212	-	-	322,212
Fund Development	59,436	-	-	59,436
General & Administration	51,557	-	-	51,557
	<u>433,205</u>	<u>-</u>	<u>-</u>	<u>433,205</u>
<b>Total Expenses</b>				
	<u>433,205</u>	<u>-</u>	<u>-</u>	<u>433,205</u>
<b>Change in Net Assets</b>	58,983	203,872	25,000	287,855
<b>Net Assets - July 1, 2014</b>	<u>255,452</u>	<u>8,877</u>	<u>25,000</u>	<u>289,329</u>
<b>Net Assets - June 30, 2015</b>	<u>\$ 314,435</u>	<u>\$ 212,749</u>	<u>\$ 50,000</u>	<u>\$ 577,184</u>

The accompanying notes are an integral part of these financial statements.

**SOLAR COOKERS INTERNATIONAL, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Program Services</u>	<u>Fund Development</u>	<u>General and Administrative</u>	<u>Total 2016</u>	<u>Total 2015</u>
Salaries and wages	\$ 253,223	\$ 50,709	\$ 9,427	\$ 313,359	\$ 219,678
Payroll taxes	21,082	4,536	1,032	26,650	18,426
Employee benefits	6,359	749	2,102	9,210	5,343
Accounting & audit fees	-	-	21,919	21,919	16,408
Bank & payroll charges	-	-	9,235	9,235	7,654
Cookers & other materials	23,976	4,017	925	28,918	15,811
Depreciation	-	-	1,259	1,259	636
Dues & subscription	281	-	-	281	512
In-kind expense	17,946	2,444	802	21,192	4,116
Insurance	3,706	1,169	322	5,197	4,271
Grants	40,054	-	-	40,054	36,107
Miscellaneous	3,401	607	603	4,611	4,409
Office expenses	396	1,404	-	1,800	1,755
Postage & shipping	442	1,804	958	3,204	1,870
Printing & copying	14	55	31	100	189
Professional fees	13,254	1,135	-	14,389	4,873
Program expenses	14,035	-	-	14,035	48,683
Publication costs	2,354	16,397	-	18,751	23,876
Rent	21,669	1,524	2,091	25,284	13,214
Supplies	2,401	986	569	3,956	1,484
Telephone, fax & email	3,272	153	221	3,646	3,189
Travel & meetings	710	95	768	1,573	701
<b>Total Expenses</b>	<b><u>\$ 428,575</u></b>	<b><u>\$ 87,784</u></b>	<b><u>\$ 52,264</u></b>	<b><u>\$ 568,623</u></b>	<b><u>\$ 433,205</u></b>

The accompanying notes are an integral part of these financial statements.



**SOLAR COOKERS INTERNATIONAL, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

	<b>2016</b>	<b>2015</b>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 102,914	\$ 287,855
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,259	636
Decrease (Increase) in:		
Accounts receivable	1,141	(3,550)
Grants receivable	-	(82,500)
Promises to give	90,000	(89,500)
Beneficial interest in Community Foundation assets	1,209	51
Inventory	(3,727)	1,813
Prepaid expenses	8,755	21,842
Increase (Decrease) in:		
Accounts payable	(303)	363
Accrued expenses	<u>10,022</u>	<u>7,820</u>
Net Cash Provided by Operating Activities	<u>211,270</u>	<u>144,830</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of time deposits	-	(38)
Maturity of time deposits	25,138	-
Transfer to Community Foundation for beneficial interest	-	(25,000)
Purchase of equipment	<u>(4,996)</u>	<u>(1,236)</u>
Net Cash Provided by (Used in) Investing Activities	<u>20,142</u>	<u>(26,274)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<u>231,412</u>	<u>118,556</u>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>350,932</u>	<u>232,376</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 582,344</u>	<u>\$ 350,932</u>

The accompanying notes are an integral part of these financial statements.

**SOLAR COOKERS INTERNATIONAL, INC.**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016 AND 2015

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Organization

Solar Cookers International, Inc. (SCI) is a non-profit organization whose primary purpose is to promote the spread of solar cooking and solar water pasteurization for health, social, and environmental benefits worldwide. SCI strives to reduce and alleviate the widespread suffering resulting from fuel scarcity, waterborne diseases, and environmental deterioration by sharing knowledge about solar cooking and solar water pasteurization with all people.

Basis of Presentation

The financial statements of SCI have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets are classified based on the existence of absence of donor-imposed restrictions. Accordingly, SCI classifies its net assets and changes in net assets as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed restrictions or the restrictions have expired.

Temporarily restricted net assets - Net assets that are subject to donor-imposed restrictions that may or will be met either by actions of SCI and/or the passage of time.

Permanently restricted net assets - Net assets to be held in perpetuity as directed by donors. The income from the contributions is available to support activities as designated by donors.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on assets and liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor restriction or by law.

Cash and Equivalents

Cash and equivalents consist of cash on hand and highly liquid investments with original or remaining maturities of three months or less at the time of purchase.

Inventory

Inventories consist of solar cookers and educational materials which are sold to the public and are stated at the lower of cost or market, with cost determined by the first-in first-out method.

Property and Equipment

Acquisitions of property and equipment of \$500 or more are capitalized. Property and equipment are stated at cost if purchased or fair value if donated.

Functional Expenses

The costs of providing the program and supporting services have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services based on estimates of employees' time and on the usage of resources.

**SOLAR COOKERS INTERNATIONAL, INC.**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016 AND 2015

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Income Tax Status

SCI is exempt from income taxes under Internal Revenue Code (IRC) Section 501(c)(3) and Section 23701(d) of the California Revenue and Taxation Code, and is considered a publicly supported organization. Accordingly, no provision for income taxes has been included in the accompanying financial statements.

SCI has accounted for uncertainty of income taxes as required by the *Accounting for Uncertainty in Income Taxes* topic of the FASB Accounting Standards Codification. SCI uses a comprehensive model for recognizing, and measuring, presenting and disclosing in the financial statements tax positions taken or expected to be taken on a tax return. A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The effect of applying this model and the resulting identification of uncertain tax positions, if any, were not considered significant for financial reporting purposes. SCI is no longer subject to income tax examinations by federal authorities for years ending on or before June 30, 2013, and by state authorities for years ending on or before June 30, 2012.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year financial statement presentation.

Subsequent Events

Subsequent events have been evaluated through September 16, 2016, which is the date the financial statements were available to be issued.

Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles in the United States of America, management is required to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates under different assumptions or conditions.

**NOTE 2: CASH AND CASH EQUIVALENTS**

At June 30, 2016, cash and cash equivalents included \$506,488 held in commercial banks of which \$250,000 was insured by the Federal Deposit Insurance Corporation, and \$80,427 held in credit unions of which \$80,427 was insured by the National Credit Union Administration. At June 30, 2015, cash and cash equivalents included \$303,595 held in commercial banks of which \$250,000 was insured by the Federal Deposit Insurance Corporation, and \$80,226 held in credit unions of which \$80,226 was insured by the National Credit Union Administration.

**NOTE 3: UNCONDITIONAL PROMISE TO GIVE**

Unconditional promises to give, all of which management considered collectible within one year, consisted of a bequest which totaled \$90,000 at June 30, 2015. The bequest was received during the year ended June 30, 2016.

**SOLAR COOKERS INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016 AND 2015**

**NOTE 4: PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of June 30:

	<b>2016</b>	<b>2015</b>
Furniture and equipment	\$ 20,824	\$ 15,828
Less: accumulated depreciation	(14,695)	-
Total property and equipment	\$ 6,129	\$ 15,828

Depreciation expense was \$1,259 and \$636 for the years ended June 30, 2016 and June 30, 2015, respectively.

**NOTE 5: LEASE COMMITMENTS**

SCI leases its office space in Sacramento under a noncancelable operating lease which expires during the year ended June 30, 2017. Future minimum rental payments under the lease total \$9,342. Rent expense totaled \$25,210 and \$13,214 for the years ended June 30, 2016 and June 30, 2015, respectively.

**NOTE 6: RESTRICTED NET ASSETS**

Temporarily restricted net assets consist of contributions restricted by donors for use in future periods and totaled \$233,087 and \$212,749 at June 30, 2016 and June 30, 2015, respectively.

Permanently restricted net assets consist of assets to be held indefinitely. The income from the assets can be used to support SCI's general activities. Permanently restricted net assets totaled \$50,000 and \$50,000 at June 30, 2016 and June 30, 2015, respectively, and are held as a beneficial interest in Community Foundation assets (See Note 7).

**NOTE 7: IN-KIND CONTRIBUTIONS**

SCI received donated goods related to its program purposes, and donated services from a variety of unpaid volunteers assisting in leadership, committees, fund-raising activities and program services. For the year ended June 30, 2016, SCI recorded in-kind revenue of \$21,894, which included \$19,836 in donated IT services and professional photography and \$2,058 in donated program supplies. For the year ended June 30, 2015, SCI recorded in-kind revenue of \$4,116, which included donated program supplies.

**NOTE 8: BENEFICIAL INTEREST IN ASSETS OF COMMUNITY FOUNDATION**

SCI has transferred assets to the Sacramento Regional Community Foundation (Foundation) to establish an endowment fund. The agreement states that the transfer is irrevocable and that the assets will not be returned to SCI. However, the Foundation will make distributions of income earned on the endowment fund to SCI, subject to the Foundation's spending policy. SCI has granted the Foundation variance power which allows the Foundation, at its sole discretion and subject to certain conditions, to modify any condition or restriction on the distribution of funds. No distributions were received for the years ended June 30, 2016 and 2015. SCI has recorded a beneficial interest in assets held by the Foundation totaling \$33,740 and \$34,949 at June 30, 2016 and June 30, 2015, respectively.

**SOLAR COOKERS INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016 AND 2015**

**NOTE 9: ENDOWMENT**

SCI's endowment includes both donor-restricted funds and unrestricted funds designated by the Board of Directors to function as general endowments. The Board has complied with the requirements of the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA), which provides statutory guidance for management, investment, and expenditures of endowed funds. UPMIFA does not distinguish between original corpus, income, and capital appreciation and permits all endowed funds to make a payout as deemed prudent by the Board and within UPMIFA.

SCI classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standards of prudence prescribed in UPMIFA. In accordance with UPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the organization
7. The investment policies of the organization

To satisfy its long-term objectives, SCI relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). SCI targets a conservative mix of investments that places an emphasis on capital preservation.

Amounts to be appropriated for expenditure, if any, are determined annually by the Board of Directors. Changes in endowment net assets for the year ended June 30, 2016, were as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment assets, July 1, 2015	\$ 9,944	\$ 4,499	\$ 50,000	\$ 64,443
Investment income	-	3	-	3
Realized and unrealized gains	<u>(1,209)</u>	<u>-</u>	<u>-</u>	<u>(1,209)</u>
Endowment assets, June 30, 2016	<u>\$ 8,735</u>	<u>\$ 4,502</u>	<u>\$ 50,000</u>	<u>\$ 63,237</u>

**SOLAR COOKERS INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016 AND 2015**

**NOTE 9: ENDOWMENT (continued)**

Changes in endowment net assets for the year ended June 30, 2015, were as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment assets, July 1, 2014	\$ 10,000	\$ 4,494	\$ 25,000	\$ 39,494
Investment income	(56)	5	-	(51)
Contributions	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>25,000</u>
Endowment assets, June 30, 2015	<u>9,944</u>	<u>4,499</u>	<u>50,000</u>	<u>64,443</u>

**NOTE 10: FAIR VALUE MEASUREMENTS**

SCI measures fair value in accordance with FASB Accounting Standards Codification ASC 820. ASC 820 applies to all financial instruments that are being measured and reported on a fair value basis. ASC 820 defines fair value 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. ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The applicable level of the fair value hierarchy is as follows:

- Level 1 - Inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities. Valuations for assets and liabilities traded in active exchange markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2 - Inputs other than quoted prices within Level 1 that are observable, either directly or indirectly. Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.
- Level 3 - Inputs are unobservable. Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets and liabilities.

SCI uses appropriate valuation techniques based on the available inputs to measure the fair value of their investments. When available, SCI measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or 2 inputs are not available.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used during the year ended June 30, 2016. Mutual Funds, Exchange Traded Funds and Money Market Funds are measured at quoted market prices for identical assets (Level 1).

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, SCI believes the 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.

**SOLAR COOKERS INTERNATIONAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016 AND 2015**

**NOTE 10: FAIR VALUE MEASUREMENTS (continued)**

Assets measured at fair value on a recurring basis at June 30, 2016 were as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Beneficial Interest in Assets of Community Foundation	\$ <u>33,740</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>33,740</u>

Assets measured at fair value on a recurring basis at June 30, 2015 were as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Beneficial Interest in Assets of Community Foundation	\$ <u>34,949</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>34,949</u>

The beneficial interest in assets held by Community Foundation is valued using Level 3 measurements, as SCI's interest is not redeemable in the near term. The following is a reconciliation of SCI's investments measured using significant unobservable measurements (Level 3) for the years ended:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Balance, beginning of year	\$ 34,949	\$ 10,000
Contributions	-	25,000
Investment (loss) income	(873)	125
Administrative fees	<u>(336)</u>	<u>(176)</u>
Balance, end of year	\$ <u>33,740</u>	\$ <u>34,949</u>