

Higher Ground Sun Valley, Inc.

Financial Statements

Years Ended April 30, 2021 and 2020



WIPFLI

Independent Auditor's Report

To the Board of Directors of
Higher Ground Sun Valley, Inc.
Ketchum, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of Higher Ground Sun Valley, Inc. (the "Organization"), which comprise the statements of financial position as of April 30, 2021 and 2020, and the related statements of activities, cash flows, and functional expenses 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 the financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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. 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 Higher Ground Sun Valley, Inc. as of April 30, 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.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP
January 24, 2022
Idaho Falls, Idaho

Higher Ground Sun Valley, Inc.

Statements of Financial Position

<i>As of April 30,</i>	2021	2020
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,299,552	\$ 211,998
Investment securities	675,161	674,161
Pledges receivable, current	428,799	143,700
Grants receivable	-	155,508
Prepaid expenses and other assets	49,138	162,320
Total current assets	3,452,650	1,347,687
PROPERTY AND EQUIPMENT		
Buildings and building improvements (held for lease)	340,769	1,120,824
Program equipment	286,638	153,290
Furniture and office equipment	66,481	52,207
Vehicles	255,664	255,664
Construction in progress	70,000	70,000
Accumulated depreciation	(424,188)	(425,727)
Property and equipment, net	595,364	1,226,258
OTHER ASSETS		
Pledges receivable, long term	225,000	170,000
Total assets	\$ 4,273,014	\$ 2,743,945
CURRENT LIABILITIES		
Accounts payable	\$ 38,881	\$ 22,442
Accrued liabilities	186,014	82,546
Credit cards payable	92,006	16,190
Deferred revenue	-	59,525
Security deposits	250	3,000
Current portion of note payable	-	15,859
Total current liabilities	317,151	199,562
LONG-TERM LIABILITIES		
Note payable, net of current portion	-	35,239
Total liabilities	317,151	234,801
NET ASSETS		
Without donor restrictions	2,854,750	1,649,385
With donor restrictions	1,101,113	859,759
Total net assets	3,955,863	2,509,144
Total liabilities and net assets	\$ 4,273,014	\$ 2,743,945

See accompanying notes to financial statements.

Higher Ground Sun Valley, Inc.

Statement of Activities

Year Ended April 30,	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Public Support			
Donations and grants	\$ 1,019,195	\$ 2,083,279	\$ 3,102,474
In-kind contributions	786,148	-	786,148
Special fundraising events, net of \$65,865 expenses	169,505	21,100	190,605
Federal grants - Paycheck Protection Program	626,140	-	626,140
Rental income	30,958	-	30,958
Investment income, net	1,378	-	1,378
Gain on sale of assets	207,299	-	207,299
Net assets released from restrictions	1,863,025	(1,863,025)	-
Total revenue and support	4,703,648	241,354	4,945,002
EXPENSES			
Program	2,977,282	-	2,977,282
Fundraising	297,610	-	297,610
Administration	223,391	-	223,391
Total expenses	3,498,283	-	3,498,283
Increase (decrease) in net assets	1,205,365	241,354	1,446,719
Net assets at beginning of year	1,649,385	859,759	2,509,144
Net assets at end of year	\$ 2,854,750	\$ 1,101,113	\$ 3,955,863

See accompanying notes to financial statements.

Higher Ground Sun Valley, Inc.

Statement of Activities

<i>Year Ended April 30,</i>	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Public Support			
Donations and grants	\$ 837,203	\$ 1,446,881	\$ 2,284,084
In-kind contributions	1,136,196	-	1,136,196
Special fundraising events, net of \$273,275 expenses	564,993	14,686	579,679
Rental income	48,118	-	48,118
Investment income, net	5,386	-	5,386
Gain on sale of assets	500	-	500
Net assets released from restrictions	1,488,385	(1,488,385)	-
Total revenue and support	4,080,781	(26,818)	4,053,963
EXPENSES			
Program	3,660,908	-	3,660,908
Fundraising	233,265	-	233,265
Administration	238,657	-	238,657
Total expenses	4,132,830	-	4,132,830
Increase (decrease) in net assets	(52,049)	(26,818)	(78,867)
Net assets at beginning of year	1,701,434	886,577	2,588,011
Net assets at end of year	\$ 1,649,385	\$ 859,759	\$ 2,509,144

See accompanying notes to financial statements.

Higher Ground Sun Valley, Inc.

Statements of Cash Flows

<i>Years Ended April 30,</i>	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from members and public	\$ 3,114,828	\$ 3,127,555
Cash received from other income	28,208	51,118
Cash received from federal grant - Paycheck Protection Program	626,140	-
Interest and dividends received	404	1,052
Cash paid for program expenses	(1,815,749)	(2,640,066)
Cash paid for administrative expenses	(220,910)	(232,511)
Cash paid for fundraising expenses	(355,679)	(493,195)
Net cash flows provided (used) by operating activities	1,377,242	(186,047)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(136,212)	(180,200)
Proceeds from the sale of assets	897,648	500
Purchase of investment securities, net	(26)	(287,088)
Net cash flows provided (used) by investing activities	761,410	(466,788)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on notes payable	(51,098)	(15,058)
Net increase (decrease) in cash and cash equivalents	2,087,554	(667,893)
Cash and cash equivalents at beginning of year	211,998	879,891
Cash and cash equivalents at end of year	\$ 2,299,552	\$ 211,998

See accompanying notes to financial statements.

Higher Ground Sun Valley, Inc.

Statements of Cash Flows (Continued)

<i>Years Ended April 30,</i>	2021	2020
RECONCILIATION OF CHANGE IN NET ASSETS TO CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,446,719	\$ (78,867)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Depreciation	76,757	70,017
Gain on disposition of assets	(207,299)	(500)
Net (gain) loss on investment securities	(974)	(4,334)
Decrease (increase) in		
Pledges receivable	(340,099)	121,300
Grants receivable	155,508	(155,508)
Prepaid expense and other assets	113,182	(31,793)
Increase (decrease) in		
Accounts payable	16,439	(37,738)
Deferred revenue	(59,525)	24,725
Accrued payroll and related liabilities	103,468	(41,987)
Credit cards payable	75,816	(54,362)
Security deposits	(2,750)	3,000
Total adjustments	(69,477)	(107,180)
Net cash flows provided (used) by operating activities	\$ 1,377,242	\$ (186,047)

See accompanying notes to financial statements.

Higher Ground Sun Valley, Inc.

Statement of Functional Expenses

<i>Year ended April 30, 2021</i>	Program	Fundraising	Administration	Total
FUNCTIONAL EXPENSES				
Salaries and benefits	\$ 1,282,411	\$ 235,783	\$ 180,809	\$ 1,699,003
Staff education	4,594	-	98	4,692
Information services	24,991	5,467	3,442	33,900
Marketing and development	33,676	10,572	1,135	45,383
Insurance	74,899	14,606	13,245	102,750
Office expense	99,529	8,506	4,100	112,135
Occupancy	125,355	7,868	3,420	136,643
Professional services	49,075	4,242	14,552	67,869
Program related expenses	1,207,605	3,963	280	1,211,848
Repairs and maintenance	5,272	-	-	5,272
Staff travel	1,562	462	7	2,031
Depreciation	68,313	6,141	2,303	76,757
Total expenses	\$ 2,977,282	\$ 297,610	\$ 223,391	\$ 3,498,283
	85.1 %	8.5 %	6.4 %	100 %

See accompanying notes to financial statements.

Higher Ground Sun Valley, Inc.

Statement of Functional Expenses

<i>Year ended April 30, 2020</i>	Program	Fundraising	Administration	Total
FUNCTIONAL EXPENSES				
Salaries and benefits	\$ 1,271,140	\$ 147,858	\$ 192,121	\$ 1,611,119
Staff education	18,724	505	106	19,335
Information services	26,542	5,344	2,820	34,706
Marketing and development	67,666	24,087	1,497	93,250
Insurance	76,684	10,252	13,743	100,679
Occupancy	114,732	10,439	12,166	137,337
Office expense	86,409	7,943	7,725	102,077
Professional services	103,434	9,226	6,172	118,832
Program related expenses	1,796,904	80	30	1,797,014
Repairs and maintenance	15,034	-	-	15,034
Staff travel	21,324	11,930	176	33,430
Depreciation	62,315	5,601	2,101	70,017
Total expenses	\$ 3,660,908	\$ 233,265	\$ 238,657	\$ 4,132,830
	88.6 %	5.6 %	5.8 %	100 %

See accompanying notes to financial statements.

Higher Ground Sun Valley, Inc.

Notes to the Financial Statements

Years Ended April 30, 2021 and 2020

Note 1: Summary of Significant Accounting Policies

Organization and Operations

Higher Ground Sun Valley, Inc. ("HGSV" or the "Organization"), is a non-profit organization located in Ketchum, Idaho for the purpose of enriching the lives of people with disabilities through sports and recreation. HGSV's mission is accomplished by providing the following two major programs: *Higher Ground Veteran Program* is a nationally recognized veteran rehabilitation program with locations in Idaho, California, and New York that combines sports, family, and coping therapies to restore and rehabilitate injured men and women of the armed forces. *Higher Ground Adaptive Sports* serves children, teens, and adults with disabilities who are interested in winter sports, including skiing, snowboarding, sled hockey, and nordic skiing, and is partnered with the Sun Valley Company. The Higher Ground Adaptive Sports summer programs consist of day camps, cycling, golf, and other activities that serve individuals with physical and cognitive disabilities. These programs empower athletes with cognitive disabilities to be healthy, productive, and respected members of their communities.

HGSV receives the majority of its support in the form of donations from individuals. Higher Ground Sun Valley, Inc. is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation.

Basis of Presentation

The financial statements of HGSV have been prepared in accordance with accounting principles generally accepted in the United States for not-for-profit organizations. Those principles require reporting amounts for an organization's total assets, liabilities, and net assets in a statement of financial position; reporting the change in an organization's net assets in a statement of activities; and reporting the change in its cash and cash equivalents in a statement of cash flows as well as a statement of functional expenses.

Those principles also require classification of an organization's net assets and its revenues, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions into two separate classes of net assets – those with donor restrictions and those without donor restrictions.

Estimates

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

Cash and Cash Equivalents

The Organization treats as cash and cash equivalents, demand deposits, and all investments with original maturities of 90 days or less.

Higher Ground Sun Valley, Inc.

Notes to the Financial Statements

Years Ended April 30, 2021 and 2020

Note 1: Summary of Significant Accounting Policies (Continued)

Investment Securities

Investments in marketable securities with readily determinable fair values and all investment in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the changes in net assets. Investment income and gains or losses restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met in the reporting period in which the income and gains or losses are recognized.

Pledges Receivable

A pledge is a promise to make a contribution at a later date. Pledges that include the amount of the pledge, a defined payment schedule or due date, are signed by the donor and are unconditional in nature are reflected as receivables and revenue in these financial statements. If considered significant, pledges receivable are discounted to their estimated present value. Conditional promises received to make a contribution are not reflected in the financial statements until all conditions have been satisfied except for the passage of time.

Property and Equipment

Property and equipment is stated at cost, or if donated, is recorded at the estimated fair market value at the date of donation. Maintenance and repairs that do not improve or extend the life of assets are currently expensed. Depreciation is computed using the straight-line method over the estimated useful lives of the assets which range from thirty-nine years for buildings and improvements, to five to seven years for furniture, equipment, and vehicles.

Contribution Revenue

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized;
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Higher Ground Sun Valley, Inc.

Notes to the Financial Statements

Years Ended April 30, 2021 and 2020

Note 1: Summary of Significant Accounting Policies (Continued)

Contribution Revenue (Continued)

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Organization.

Grant Revenue

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

Grant Awards That Are Contributions - Grants awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.

Grant Awards That Are Exchange Transactions - Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

Advertising and Promotion

HGSV uses advertising and promotion in the form of brochures, newsletters, newspaper and magazine advertisement, and television programming to promote its mission to the community it serves and to reach potential donors. Some promotional exposure is contributed in-kind to the HGSV. The costs of advertising and promotion are expensed as incurred.

Income Taxes

HGSV has been determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Organization's Form 990, Return of Organization Exempt from Income Tax, are subject to examination by the IRS, generally for three years after they were filed.

Higher Ground Sun Valley, Inc.

Notes to the Financial Statements

Years Ended April 30, 2021 and 2020

Note 1: Summary of Significant Accounting Policies (Continued)

Paycheck Protection Program Loans

Loans provided through the Paycheck Protection Program have been guaranteed through a nonexchange financial guarantee provided by the U.S. Small Business Administration. HGSV continues to report the loan as a liability until that entity is legally released from the debt. Federal grant income is recorded when the Organization is legally released from the debt.

Change in Accounting Policy

In May 2014, the FASB issued ASU 2014-09 Revenue From Contracts with Customers (Topic 606). The amendments in this ASU, along with numerous clarifications and modifications, require an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Organization adopted this guidance as of May 1, 2020 and applied Topic 606 on a retrospective basis. The impact of this ASU was not significant to the Organization and accordingly, there was no change in opening balances of net assets and no prior period results were restated.

New Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. This ASU provides guidance on the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous accounting standards and new disclosures on key information about leasing arrangements. The new standard supersedes current lease accounting requirements in FASB Accounting Standards Codification (ASC) Topic 840, *Leases*. When adopted, the amendments in the ASU must be applied using a modified retrospective approach. ASU No. 2016-02 is effective for nonpublic companies for annual periods beginning after December 15, 2021. The Company is currently evaluating the impact of the provisions of ASC 842.

Note 2: Cash and Cash Equivalents

At April 30, 2021 and 2020, the carrying amount of HGSV's cash and cash equivalents was comprised of the following:

	2021	2020
Cash and cash equivalents held at Wells Fargo	\$ 1,730,573	\$ 160,721
Cash held in money market and cash funds at Charles Schwab	1,077	1,077
Cash and cash equivalents held at Key Bank	54,516	28,344
Cash and cash equivalents held at DL Evans Bank	500,291	-
Cash and cash equivalents held at Sun Valley Company	-	17,398
Petty cash and other	13,095	4,458
Total	\$ 2,299,552	\$ 211,998

Bank balances totaled \$2,344,455 and \$280,406 at April 30, 2021 and 2020, of which 23.7% and 100% was covered by federal depository insurance.

Higher Ground Sun Valley, Inc.

Notes to the Financial Statements

Years Ended April 30, 2021 and 2020

Note 3: Investment Securities

Investment securities consist of mutual funds and other marketable securities held at Wells Fargo Advisors. At April 30, 2021, these investment securities were reported at market value of \$675,161, with a related historical cost of \$674,187, and a net unrealized gain of \$974. During the years ended April 30, 2021 and 2020, net unrealized gains (losses) totaled \$974 and \$878. At April 30, 2020, these investment securities were reported at market value of \$674,161 with a related historical cost of \$673,283.

Note 4: Pledges and Grants Receivable

HGSV has received unconditional promises to give and as of April 30, 2021 and 2020, pledges receivable totaled \$653,799 and \$313,700, respectively. Of these receivables at April 30, 2021 and 2020, \$225,000 and \$170,000 are deemed long term pledges.

As of April 30, 2021, HGSV had no grants receivable. As of April 30, 2020, HGSV had grants receivable in the amount of \$155,508 from the U.S. Department of Veterans Affairs and VA Adaptive Sports. The total federal grant award from the U.S. Department of Veterans Affairs was \$316,688 of which \$121,508 had been expended and is reflected as a receivable at April 30, 2020 and the remaining amount was expended during the year ended April 30, 2021. The entire grant in the amount of \$34,000 from VA Adaptive Sports was spent and thus reflected as a receivable at April 30, 2021.

Note 5: Property Held for Lease / Gain on Sale of Assets

Higher Ground Sun Valley, Inc. owns office space in Ketchum, ID with a historical cost of \$340,769 with accumulated depreciation of \$110,314 where they were previously headquartered. HGSV outgrew the office space and moved to a new facility in which it leases. The owned property is leased under operating leases which expire during the next two years. Future minimum rentals to be collected on noncancelable operating leases are as follows:

<i>Years ended April 30,</i>	
2022	\$ 11,000
Thereafter	-
Total	\$ 11,000

As of April 30, 2020 HGSV also owned condominium units in Ketchum, ID with a historical donated value of \$675,000 with accumulated depreciation of \$23,798 and another unit with a historical cost of \$105,055 and accumulated depreciation of \$45,906. On November 3, 2020 the donated condominium unit was sold for \$825,000, which resulted in a net gain on sale of \$163,754. On February 1, 2021 the acquired condominium unit was sold for \$100,000, which resulted in a net gain on sale of \$43,545.

Higher Ground Sun Valley, Inc.

Notes to the Financial Statements

Years Ended April 30, 2021 and 2020

Note 6: Credit Cards Payable

HGSV has multiple credit cards through Wells Fargo and American Express with interest rates from 14.74% to 23.99% and a combined credit limit of \$100,000 as of April 30, 2021. Balances are generally paid in full on a monthly basis and do not incur interest charges. Balances outstanding for credit cards payable at April 30, 2021 and 2020, totaled \$92,006 and \$16,190, respectively.

Note 7: Deferred revenue

Deferred revenue represents advance payments received for services to be provided in future periods for the annual Hero's Journey fundraising event. As of April 30, 2021 and 2020, Higher Ground Sun Valley, Inc. had deferred revenues of \$- and \$59,525, respectively.

Note 8: Lease Obligations/Conditional Pledge

Effective January 1, 2020, Higher Ground Sun Valley, Inc. extended their office space lease with a written agreement. The lease requires monthly rents of \$7,850 from January 1, 2020, through December 31, 2021. Future minimum lease payments under this operating lease total \$62,800 for 2022.

Effective October 1, 2019, Higher Ground Sun Valley, Inc. entered into an operating lease for office space in California with a written agreement. The lease requires monthly rents of \$2 per square foot or \$2,552 per month with a 3% increase per year for the 3 years of the lease term. Future minimum lease payments under this operating lease total \$32,094 for 2022, and \$13,537 for 2023.

Effective February 3, 2015, HGSV entered into a phone system lease. The lease requires monthly payments of \$538 through March 3, 2018. HGSV renewed the lease as of April 2018 for a 36-month contract. The base amount they pay per month is \$27 plus taxes and fees depending on the number of phones they have. At April 30, 2021, the total amount they are paying is \$807 per month. Future minimum lease payments under this operating lease are \$6,288 for 2022.

Higher Ground Sun Valley, Inc. leases storage space. The lease requires monthly rents of \$330 from September 1, 2021, through August 31, 2022. Future minimum lease payments under this operating lease total \$3,840 for 2022 and \$1,320 for 2023.

Total rent expense for all operating leases for the years ended April 30, 2021 and 2020, was \$104,763 and \$118,394, respectively.

Note 9: Note Payable

HGSV had a promissory note with Wells Fargo Bank due in monthly installments of \$1,494 bearing interest at 4.75% and matured on May 15, 2023. The promissory note was paid in full during the fiscal year ended April 30, 2021 and was collateralized by certain real estate. The balance as of April 30, 2021 and 2020, was \$0 and \$51,098, respectively.

Higher Ground Sun Valley, Inc.

Notes to the Financial Statements

Years Ended April 30, 2021 and 2020

Note 10: Net Assets

Net assets were for general operations, designated by the board, invested in long-term assets, or restricted by donors for the following purposes at April 30, 2021:

<i>April 30, 2021</i>	Without Donor Restriction	With Donor Restrictions	Total
Higher Ground Veteran	\$ -	\$ 887,931	\$ 887,931
Adaptive Sports	-	118,799	118,799
Scholarships	52,138	94,383	146,521
Invested in property and equipment	595,364	-	595,364
General operations	2,207,248	-	2,207,248
Total	\$ 2,854,750	\$ 1,101,113	\$ 3,955,863

Net assets were for general operations, designated by the board, invested in long-term assets, or restricted by donors for the following purposes at April 30, 2020:

<i>April 30, 2020</i>	Without Donor Restriction	With Donor Restrictions	Total
Higher Ground Veteran	\$ -	\$ 479,900	\$ 479,900
Higher Ground Veteran LA	-	135,476	135,476
Recreation	-	150,000	150,000
Scholarships	51,921	94,383	146,304
Invested in property and equipment	1,226,258	-	1,226,258
General operations	371,206	-	371,206
Total	\$ 1,649,385	\$ 859,759	\$ 2,509,144

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose specified by donors as follows during the years ended April 30, 2021 and 2020:

<i>Years ended April 30,</i>	2021	2020
Higher Ground Veteran	\$ 1,555,948	\$ 1,248,362
Adaptive sports	300,577	237,909
Scholarships	6,500	2,114
Total	\$ 1,863,025	\$ 1,488,385

Higher Ground Sun Valley, Inc.

Notes to the Financial Statements

Years Ended April 30, 2021 and 2020

Note 11: Liquidity and Availability of Financial Resources

The following table reflects Higher Ground Sun Valley, Inc.'s financial assets as of April 30, 2021, and 2020, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of restrictions.

<i>As of April 30,</i>	2021	2020
Financial asset at year end:		
Cash and cash equivalents	\$ 2,299,552	\$ 211,998
Investment securities	675,161	674,161
Pledges receivable, current portion	428,799	143,700
Grants receivable	-	155,508
Total financial assets	3,403,512	1,185,367
Less amounts not available to be used within one year		
Net assets with donor restrictions	876,114	689,759
Total	876,114	689,759
Financial assets available to meet general expenditures over the next twelve months	\$ 2,527,398	\$ 495,608

Higher Ground Sun Valley, Inc. does not have a formal liquidity policy but generally maintains financial assets in liquid form such as cash and cash equivalents for at least two months of operating expenses.

Note 12: In-kind Contributions

Higher Ground Sun Valley, Inc. receives donated services from unpaid volunteers who assist in special projects. No amounts have been recognized in the accompanying statements of activities because the criteria for recognition of such volunteer effort, under generally accepted accounting principles, have not been satisfied.

During the years ended April 30, 2021 and 2020, HGSV received, as non-cash contributions, various goods and services used in its programs. These include ski passes, lift tickets, guided fishing trips, food, and other items valued at \$786,148 and \$1,136,196, respectively. The value of these goods and services are reflected as in-kind contributions and expenses in the statements of activities.

Each year, the Sun Valley Company donates \$60,000 of goods and services to be charged to a credit account at the resort. HGSV provides food, drinks, and lift tickets for participants during the ski season with this donation. As of April 30, 2021 and 2020, the full value of the donation had been utilized.

Note 13: Federal Grants - Paycheck Protection Program

In March 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act created and funded the Small Business Administration (SBA) Paycheck Protection Program (PPP) to provide loans designated to help small businesses cover their near-term operating expenses and provide an incentive to retain their employees during the COVID-19 pandemic. The Organization applied for and received PPP loans of \$626,140 under this program,

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Notes to the Financial Statements

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Note 13: Federal Grants - Paycheck Protection Program (Continued)

which were treated as a conditional grant and recognized as refundable advance liability at note issuance. The Organization applied for full loan forgiveness and received forgiveness notification from the SBA that the loans were fully forgiven on November 13, 2020 and March 23, 2021, and thus the income is recognized as other federal grants income on the 2021 financial statements in accordance with ASC 470.

Note 14: Concentration of Contributions or Grants

During the years ended April 30, 2021 and 2020, HGSV received 19% and 22% of its donations and grants from one major donor in 2021 and 2020. These donations were received in the form of cash and pledges receivable of \$585,000 in 2021, and \$509,900 in 2020, restricted to the Higher Ground Veteran program. During the year ended April 30, 2020, HGSV received 37% of its in-kind contributions from one donor in the form of condominium units valued at \$675,000.

During the years ended April 30, 2021 and 2020, HGSV received 55% and 37% of its in-kind contributions from one major donor in the form of non-cash contributions comprised of ski passes, lift tickets, accommodations, and other items valued at \$431,905 and \$415,846 from Sun Valley Company.

Note 15: Employee Benefit Plan

Higher Ground Sun Valley sponsors a 403(b) plan for their employees. The plan covers all employees with at least two months of service. Participants can make salary contributions up to the lesser of 100% of their compensation or the IRS maximum limits and HGSV will match up to 3% of these contributions. The Organization's matching contributions charged to expense during the fiscal years ended April 30, 2021 and 2020, were \$34,267 and \$32,288.

Note 16: Fair Value Measurements

The framework for measuring fair value 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 in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Plan can access at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- 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

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Years Ended April 30, 2021 and 2020

Note 16: Fair Value Measurements (Continued)

- 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 that are unobservable inputs for the asset or liability.

Following is a description of the valuation methodologies used for assets measured at fair value.

Quoted market prices are used to determine the fair value of investments in publicly traded equity securities (common and preferred stock). Equity funds, fixed income funds and exchange trade funds are valued using quotes from pricing vendors based on recent trading activity and other observable market data. The fair value of alternative investments is based on the net asset value per share as a practical expedient. Real estate investment trusts (REITS) are valued based on the value that the shares were offered for sale at year end.

The methods described above may produce a fair value calculation that may not be indicative of net, realizable value or reflective of future fair value. Furthermore, while the Organization 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.

The balances of assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy applied only to investment securities in the amounts of \$675,161 and \$674,161 as of April 30, 2021 and 2020, respectively and were all Level 1. There were no assets or liabilities measured at fair value on a nonrecurring basis as of April 30, 2021 and 2020.

Note 17: Risks and Uncertainties

Subject to the Organization, COVID-19 impacted various aspects of operations and financial results for the year ended April 30, 2021, including investment return, contribution revenue, and expenses for program services. The anticipated increasing demand for program service funding, combined with reduced investment returns in the current fiscal year, led management to apply for assistance under the Paycheck Protection Program, as discussed in Note 13. Management believes the Organization has taken appropriate actions in response to the pandemic. However, the full impact of COVID-19 remains unknown and cannot be reasonably estimated as these events are still developing.

Note 18: Subsequent Events

Management of the Organization evaluated subsequent events through January 24, 2022, which was the date the financial statements were available to be issued. There were no subsequent events that are required to be disclosed.