

Higher Ground Sun Valley, Inc.

Financial Statements

Years ended April 30, 2017 and 2016



Higher Ground Sun Valley, Inc.

Contents
April 30, 2017 and 2016

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Higher Ground Sun Valley, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Higher Ground Sun Valley, Inc., which comprise the statements of financial position as of April 30, 2017 and 2016, and the related statements of activities, 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; 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. 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 Higher Ground Sun Valley, Inc. as of April 30, 2017 and 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.



Wipfli, LLP
CPAs and Consultants

Idaho Falls, Idaho
September 11, 2017

Higher Ground Sun Valley, Inc.

Statements of Financial Position April 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	1,117,689	1,599,661
Investment securities	107,530	
Pledges receivable	400,000	240,000
Prepaid expenses and other assets	35,120	20,857
Total current assets	<u>1,660,339</u>	<u>1,860,518</u>
PROPERTY AND EQUIPMENT		
Property and improvements	445,824	445,824
Equipment, furniture, and vehicles	314,082	298,032
Accumulated depreciation	(339,765)	(301,358)
Total property and equipment	<u>420,141</u>	<u>442,498</u>
OTHER ASSETS		
Pledges receivable, long-term		230,000
Total assets	<u><u>2,080,480</u></u>	<u><u>2,533,016</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	6,336	1,897
Accrued payroll and related liabilities	84,854	63,241
Credit cards payable	34,128	9,133
Current portion of notes payable	13,756	23,737
Total current liabilities	<u>139,074</u>	<u>98,008</u>
LONG-TERM LIABILITIES		
Note payable, net of current portion	80,442	94,123
Total liabilities	<u>219,516</u>	<u>192,131</u>
NET ASSETS		
Unrestricted	1,089,670	1,601,652
Temporarily restricted	771,294	739,233
Total net assets	<u>1,860,964</u>	<u>2,340,885</u>
Total liabilities and net assets	<u><u>2,080,480</u></u>	<u><u>2,533,016</u></u>

The accompanying notes are an integral part of these statements.

Higher Ground Sun Valley, Inc.

Statement of Activities
Year Ended April 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Public support			
Donations and grants	304,270	863,200	1,167,470
In-kind contributions	897,713		897,713
Special fundraising events, net of \$191,590 expenses	627,851	331,467	959,318
Rental income	16,850		16,850
Interest, dividend, and investment income	6,158		6,158
Loss on disposal of assets	(8,621)		(8,621)
Net assets released from restrictions	<u>1,162,606</u>	<u>(1,162,606)</u>	<u>0</u>
 Total revenue and support	<u>3,006,827</u>	<u>32,061</u>	<u>3,038,888</u>
 EXPENSES			
Program	3,114,619		3,114,619
Fundraising	228,661		228,661
Administration	<u>175,529</u>		<u>175,529</u>
 Total expenses	<u>3,518,809</u>	<u>0</u>	<u>3,518,809</u>
 Increase (decrease) in net assets	(511,982)	32,061	(479,921)
 Net assets at beginning of year	<u>1,601,652</u>	<u>739,233</u>	<u>2,340,885</u>
 Net assets at end of the year	<u>1,089,670</u>	<u>771,294</u>	<u>1,860,964</u>

The accompanying notes are an integral part of these statements.

Higher Ground Sun Valley, Inc.

Statement of Activities
Year Ended April 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Public support			
Donations and grants	171,871	1,345,379	1,517,250
In-kind contributions	960,494		960,494
Special fundraising events, net of \$161,842 expenses	900,298		900,298
Rental income	16,300		16,300
Interest and dividend income	4		4
Loss on disposal of assets	(10,027)		(10,027)
Net assets released from restrictions	<u>1,397,923</u>	<u>(1,397,923)</u>	<u>0</u>
 Total revenue and support	 <u>3,436,863</u>	 <u>(52,544)</u>	 <u>3,384,319</u>
 EXPENSES			
Program	2,649,388		2,649,388
Fundraising	232,859		232,859
Administration	<u>138,468</u>		<u>138,468</u>
 Total expenses	 <u>3,020,715</u>	 <u>0</u>	 <u>3,020,715</u>
 Increase (decrease) in net assets	 416,148	 (52,544)	 363,604
 Net assets at beginning of year	 <u>1,185,504</u>	 <u>791,777</u>	 <u>1,977,281</u>
 Net assets at end of the year	 <u>1,601,652</u>	 <u>739,233</u>	 <u>2,340,885</u>

The accompanying notes are an integral part of these statements.

Higher Ground Sun Valley, Inc.

Statements of Cash Flows
Years Ended April 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from members and public	2,388,378	2,459,390
Interest, dividends, and rents received	21,374	16,304
Cash paid for program expenses	(2,177,070)	(1,647,373)
Cash paid for administrative expenses	(182,968)	(108,274)
Cash paid for fundraising expenses	(371,799)	(391,010)
Net cash flows provided (used) by operating activities	<u>(322,085)</u>	<u>329,037</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(105,896)	
Purchase of property and equipment	(30,329)	(27,880)
Net cash flows provided (used) by investing activities	<u>(136,225)</u>	<u>(27,880)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on notes payable	(23,662)	(23,437)
Net cash flows provided (used) by financing activities	<u>(23,662)</u>	<u>(23,437)</u>
Net increase (decrease) in cash and cash equivalents	(481,972)	277,720
Cash and cash equivalents at beginning of period	<u>1,599,661</u>	<u>1,321,941</u>
Cash and cash equivalents at end of period	<u><u>1,117,689</u></u>	<u><u>1,599,661</u></u>

The accompanying notes are an integral part of these statements.

Higher Ground Sun Valley, Inc.

Statements of Cash Flows
Years Ended April 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	(479,921)	363,604
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Depreciation	44,065	43,018
Loss on disposed equipment	8,621	10,027
Net gain on investment securities	(1,634)	
Decrease (increase) in		
Pledges receivable	70,000	(120,000)
Prepaid expense and other assets	(14,263)	27,243
Increase (decrease) in		
Accounts payable	4,439	(19,290)
Accrued payroll and related liabilities	21,613	29,941
Credit cards payable	24,995	(5,506)
Net cash flows provided (used) by operating activities	<u>(322,085)</u>	<u>329,037</u>
NONCASH INVESTING AND FINANCING ACTIVITIES		
None		

The accompanying notes are an integral part of these statements.

Higher Ground Sun Valley, Inc.

Statement of Functional Expenses
Year Ended April 30, 2017

	<u>Program</u>	<u>Fundraising</u>	<u>Administration</u>	<u>Total</u>
Salaries and benefits	1,219,903	178,473	143,236	1,541,612
Staff education	50,720	1,582	830	53,132
Recruiting expense	1,129			1,129
Fundraising		15,579		15,579
Information services	17,808	1,744	2,764	22,316
Insurance	108,772	8,733	4,367	121,872
Office expense	167,856	17,324	20,586	205,766
Professional services	43,033	1,055	528	44,616
Program related expenses	1,463,574			1,463,574
Interest expense	4,563	390	195	5,148
Depreciation	<u>37,261</u>	<u>3,781</u>	<u>3,023</u>	<u>44,065</u>
Total expenses	<u>3,114,619</u>	<u>228,661</u>	<u>175,529</u>	<u>3,518,809</u>
	88.5%	6.5%	5.0%	100.0%

The accompanying notes are an integral part of these statements.

Higher Ground Sun Valley, Inc.

Statement of Functional Expenses
Year Ended April 30, 2016

	<u>Program</u>	<u>Fundraising</u>	<u>Administration</u>	<u>Total</u>
Salaries and benefits	1,015,369	186,116	107,359	1,308,844
Staff education	16,053	107	66	16,226
Fundraising		14,817		14,817
Information services	22,006	1,427	900	24,333
Insurance	76,189	8,038	8,040	92,267
Office expense	148,277	17,943	18,306	184,526
Professional services	16,941			16,941
Program related expenses	1,313,388			1,313,388
Interest expense	4,789	720	846	6,355
Depreciation	36,376	3,691	2,951	43,018
	<u>2,649,388</u>	<u>232,859</u>	<u>138,468</u>	<u>3,020,715</u>
Total expenses	87.7%	7.7%	4.6%	100.0%

The accompanying notes are and integral part of these statements.

Higher Ground Sun Valley, Inc.

Notes to Financial Statements
April 30, 2017 and 2016

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Organization and Operations. Higher Ground Sun Valley, Inc. (HGSV), formerly Sun Valley Adaptive Sports, Inc. 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 four major programs: *Higher Ground Military Program* is a nationally recognized veteran rehabilitation program that combines sports, family, and coping therapies to restore and rehabilitate injured men and women of the armed forces. *Higher Ground Winter Recreation Program* serves children, teens, and adults with disabilities who are interested in skiing, snowboarding, sled hockey, or Nordic skiing, and is partnered with the Sun Valley Company. The *Higher Ground Summer Recreation Program* consists of three summer day camps that serve individuals with physical and cognitive disabilities. The local chapter of *Special Olympics* empowers athletes with cognitive disabilities to be healthy, productive, and respected members of their communities through athletic training and competition.

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.

2. Basis of Accounting. The financial statements of HGSV have been prepared in accordance with accounting principles generally accepted in the United States of America 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.

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 three separate classes of net assets - permanently restricted, temporarily restricted, and unrestricted. Certain restricted support is reported as unrestricted if the restrictions are met in the reporting period.

3. 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.
4. Cash and Cash Equivalents. HGSV treats as cash and cash equivalents, demand deposits, and all investments with original maturities of 90 days or less.
5. 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 statement 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 unrestricted net assets if the restrictions are met in the reporting period in which the income and gains or losses are recognized.
6. 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.

Higher Ground Sun Valley, Inc.

Notes to Financial Statements
April 30, 2017 and 2016

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

7. 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.
8. Contributions. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities in net assets released from restriction.
9. 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.
10. 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.
11. New Accounting Standard. On August 18, 2016, the FASB issued ASU 2016-14 (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities ("Update"). The Update reduces the number of net asset classes from three to two, those with donor restrictions and those without, requires all nonprofits to report expenses by nature and function and improves information presented in financial statements and notes that is useful in assessing a not-for-profit's liquidity, financial performance, and cash flows. The amendments in this Update are effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Early application of the Update amendments is permitted. HGSV has not elected to early implement the amendment.

NOTE B CASH AND CASH EQUIVALENTS

At April 30, 2017 and 2016, the carrying amount of HGSV's cash and cash equivalents was comprised of the following:

	<u>2017</u>	<u>2016</u>
Cash and cash equivalents held at Wells Fargo	1,100,755	1,582,602
Cash held in money market and cash funds at Charles Schwab	16,934	17,059
Total	<u>1,117,689</u>	<u>1,599,661</u>

Bank balances totaled \$1,159,745 at April 30, 2017, of which 21.6% was covered by federal depository insurance and 1.5% was covered by Securities Investor Protection Corporation. Bank balances totaled \$1,642,924 at April 30, 2016, of which 15.2% was covered by federal depository insurance and 1.0% was covered by Securities Investor Protection Corporation.

Higher Ground Sun Valley, Inc.

Notes to Financial Statements
April 30, 2017 and 2016

NOTE C INVESTMENT SECURITIES

Investment securities consist of mutual funds and other marketable securities held at Wells Fargo Advisors. At April 30, 2017 these investment securities were reported at market value of \$107,530, with a related historical cost of \$105,896, and a net unrealized gain of \$1,634. During the year ended April 30, 2017, net realized and unrealized gains (losses) totaled \$1,634.

NOTE D PLEDGES RECEIVABLE

HGSV has received unconditional promises to give and as of April 30, 2017, pledges receivables totaled \$400,000 and are expected to be collected as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2018	400,000
2019	<u>0</u>
Total	<u>400,000</u>

Management of HGSV evaluated whether an allowance was necessary for possible uncollected pledges receivable and concluded that no such allowance was necessary.

NOTE E CREDIT CARDS PAYABLE

HGSV has multiple credit cards through Wells Fargo and Capital One with a combined credit limit of \$150,000 and interest rates at 13.99%. 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, 2017 and 2016, totaled \$34,128 and \$9,133, respectively.

NOTE F LEASE OBLIGATIONS / CONDITIONAL PLEDGE

Effective June 1, 2014, Higher Ground Sun Valley, Inc. entered into an office space lease. The lease requires monthly rents of \$7,850 from June 1, 2014, through December 31, 2017, with extension. Future minimum lease payments under this operating lease total \$62,800, which is all due in the fiscal year ending April 30, 2018.

HGSV received a \$74,100 pledge to be received between June 1, 2014 and December 31, 2016, or the equivalent of \$3,900 per month over the initial lease term and a pledge of \$50,400 to be received between January 1, 2017, and December 31, 2017, or the equivalent of \$2,100 per month over the subsequent two years with the extended lease. The pledge is conditional upon maintaining the effective office space lease as described above and payments will be made in semi-annual installments in December and June; the final payment will be December 2017.

Effective February 3, 2015, HGSV entered into a phone system lease. The lease requires monthly payments of \$538 through February 3, 2018. Future minimum lease payments under this operating lease total \$5,377, which is all due in the fiscal year ending April 30, 2018.

Higher Ground Sun Valley, Inc. leases storage space and other items on a month to month basis.

Total rent expense for all operating leases for the years ended April 30, 2017 and 2016, was \$106,490 and \$104,916, respectively.

Higher Ground Sun Valley, Inc.

Notes to Financial Statements
April 30, 2017 and 2016

NOTE G NOTES PAYABLE

HGSV has a promissory note with Wells Fargo Bank due in monthly installments of \$1,494 bearing interest at 4.75% and matures on May 15, 2023. The promissory note is collateralized by certain real estate. The balance as of April 30, 2017 and 2016, was \$94,198 and \$107,242, respectively.

HGSV also had a promissory due to Wells Fargo Bank and is payable in monthly installments of \$987. The note bore interest at 4.13% and matured on March 20, 2017. The promissory note was collateralized by a vehicle. The balance as of April 2017 and 2016, was \$0 and \$10,618, respectively.

The following is a schedule of debt maturities subsequent to April 30, 2017:

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2018	4,168	13,756	17,924
2019	3,500	14,424	17,924
2020	2,800	15,124	17,924
2021	2,065	15,859	17,924
2022	1,295	16,629	17,924
2023	488	17,436	17,924
2024	<u>3</u>	<u>970</u>	<u>973</u>
Total	<u>14,319</u>	<u>94,198</u>	<u>108,517</u>

NOTE H NET ASSETS

Net assets were designated by the board, invested in long-term assets, or restricted by donors for the following purposes at April 30, 2017:

	<u>Designated / Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Higher Ground (HG) Military	251,744	596,458	848,202
HG Summer Recreation		55,730	55,730
HG Winter Recreation		11,350	11,350
Scholarships	65,169	107,756	172,925
Quasi-endowment	16,934		16,934
Invested in property and equipment, net of related debt	325,943		325,943
Unrestricted	<u>429,880</u>		<u>429,880</u>
Total	<u>1,089,670</u>	<u>771,294</u>	<u>1,860,964</u>

Higher Ground Sun Valley, Inc.

Notes to Financial Statements
April 30, 2017 and 2016

NOTE H NET ASSETS, continued

Net assets were designated by the board, invested in long-term assets, or restricted by donors for the following purposes at April 30, 2016:

	Designated / Unrestricted	Temporarily Restricted	Total
Higher Ground (HG) Military	694,757	520,790	1,215,547
HG Summer Recreation		100,000	100,000
Scholarships	65,176	118,443	183,619
Quasi-endowment	17,059		17,059
Invested in property and equipment, net of related debt	324,638		324,638
Unrestricted	500,022		500,022
Total	1,601,652	739,233	2,340,885

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors as follows during the years ending April 30, 2017 and 2016:

	2017	2016
Higher Ground Military	916,136	1,106,457
Special Olympics	4,466	4,985
HG Summer Recreation	106,665	167,950
HG Winter Recreation	59,136	107,501
Adaptive sports	41,015	
After school and other	16,500	11,030
Scholarships	18,688	
Total	1,162,606	1,397,923

NOTE I CONCENTRATIONS

During the years ended April 30, 2017 and 2016, HGSV received 30% and 28% of its donations and grants from two major donors in the form of a cash contribution and pledge receivable of \$350,000 and \$435,000 restricted to the Higher Ground Military program. During the years ended April 30, 2017 and 2016, HGSV received 34% and 36% 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 \$300,715 and \$348,692.

NOTE J PROPERTY HELD FOR LEASE

Higher Ground Sun Valley, Inc. owns office space in Ketchum, ID with a historical cost of \$445,824 with accumulated depreciation of \$112,889 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 five years. The following is a schedule of minimum future rentals to be collected on noncancelable operating leases as of April 30, 2017:

Fiscal Year	Amount
2018	12,700
2019	11,000
Total	23,700

Higher Ground Sun Valley, Inc.

Notes to Financial Statements
April 30, 2017 and 2016

NOTE K FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Values 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 in active markets for identical assets or liabilities (level 1 measurement) 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 that the HGSV has the ability to access.
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 methodology used for assets measured at fair value.

Investments: Valued at the net asset value (NAV) of shares held by Higher Ground Sun Valley at year-end.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Land Trust believes its valuation method is 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 following tables sets forth by level, within the fair value hierarchy, the HGSV's assets at fair value as of:

Assets at Fair Value as of March 31, 2017				
	Level 1	Level 2	Level 3	Total
Marketable investments	107,530			107,530
Total assets at fair value	107,530	0	0	107,530
Assets at Fair Value as of March 31, 2016				
	Level 1	Level 2	Level 3	Total
Marketable investments				
Total assets at fair value	0	0	0	0

Higher Ground Sun Valley, Inc.

Notes to Financial Statements
April 30, 2017 and 2016

NOTE L RETIREMENT 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 smaller of 100% of their compensation or the IRS maximum limits and the company will match up to 3% of these contributions. The Company's matching contributions charged to expense during the fiscal years ended April 30, 2017 and 2016, was \$30,839 and \$28,220.

NOTE M DONATED SERVICES, MATERIALS, AND FACILITIES

Higher Ground Sun Valley, Inc. receives donated services from unpaid volunteers who assist in special projects. No amounts have been recognized in the accompanying statement 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, 2017 and 2016, 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 \$837,713 and \$900,494. The value of these goods and services are reflected as in-kind contributions and expenses in the statement 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, 2017 and 2016, the full value of the donation had been utilized.

NOTE N SUBSEQUENT EVENTS

Management of HGSV evaluated subsequent events through September 11, 2017, which was the date the financial statements were available to be issued. There were no subsequent type events, identified by management of HGSV, that are required to be disclosed.