ASPEN CENTER FOR ENVIRONMENTAL STUDIES

FINANCIAL STATEMENTS

October 31, 2013 and 2012

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Reese Henry & Company, Inc.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Aspen Center for Environmental Studies
Aspen, Colorado

We have audited the accompanying financial statements of Aspen Center for Environmental Studies (ACES, a nonprofit organization), which comprise the statement of financial position as of October 31, 2013, and the related statements of activities 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 of 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 evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Aspen Center for Environmental Studies as of October 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously reviewed Aspen Center for Environmental Studies' October 31, 2012 financial statements, and our report dated June 5, 2013 presented we were not aware of any material modifications except as noted below in our emphasis of a matter. In our opinion, the comparative information presented herein as of and for the year ended October 31, 2012 is consistent, in all material respects, with the reviewed financial statements from which it has been derived.

Emphasis of a Matter

As discussed in Note 16 to the financial statements, pledges receivable at October 31, 2012 were reduced by $220,652 to account for an overstatement.

Reese Henry & Company, Inc.

Certified Public Accountants
Aspen, Colorado
April 17, 2014

ASPEN CENTER FOR ENVIRONMENTAL STUDIES

STATEMENTS OF FINANCIAL POSITION

October 31, 2013 and 2012

	October 31,	
		(Restated)
	2013	2012
ASSETS		
Cash and Cash Equivalents	$ 1,809,756	$ 1,368,000
Accounts Receivable	10,500	2,885
Grants Receivable	19,818	10,000
Pledges Receivable	565,311	802,206
Inventory	4,639	3,127
Land, Buildings and Equipment (Net)	6,984,689	7,028,090
TOTAL ASSETS	**$ 9,394,713**	**$ 9,214,308**

LIABILITIES AND NET ASSETS		
LIABILITES		
Accounts Payable	$ 3,003	$ 5,678
Accrued Expenses	84,643	66,291
Note Payable	-	7,022
TOTAL LIABILITIES	**87,646**	**78,991**
NET ASSETS		
Unrestricted Net Assets		
Undesignated	4,237,534	3,997,685
Temporarily Restricted Net Assets	1,119,533	1,187,632
Permanently Restricted Net Assets	3,950,000	3,950,000
TOTAL NET ASSETS	**9,307,067**	**9,135,317**
TOTAL LIABILITIES AND NET ASSETS	$ **9,394,713**	$ **9,214,308**

See accompanying notes and Independent Auditor's Report.

ASPEN CENTER FOR ENVIRONMETAL STUDIES

STATEMENTS OF ACTIVITIES

For the Years Ended October 31, 2013 and 2012

	October 31, 2013				October 31, 2012 (Restated)			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT								
Contributions and Grants	$ 1,611,261	$ 91,540	$ -	$ 1,702,801	$ 1,448,606	$ 875,448	$ -	$ 2,324,054
Membership Income	119,599	-	-	119,599	81,340	-	-	81,340
Admissions and Tuition	397,473	-	-	397,473	362,409	-	-	362,409
Store Sales, net	7,319	-	-	7,319	2,148	-	-	2,148
Other Income	64,791	-	-	64,791	19,738	-	-	19,738
Gain (Loss) on Disposed Fixed Assets	(2,822)	-	-	(2,822)	-	-	-	-
Investment Income	1,095	-	-	1,095	1,099	-	-	1,099
Net Assets Released from Restrictions:								
Satisfaction of Program Restrictions	159,639	(159,639)	-	-	787,151	(787,151)	-	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	**2,358,355**	**(68,099)**	**-**	**2,290,256**	**2,702,491**	**88,297**	**-**	**2,790,788**
EXPENSES AND LOSSES								
Program Expenses:								
Educational Expenses	1,688,392	-	-	1,688,392	1,478,852	-	-	1,478,852
Total Program Expenses	1,688,392	-	-	1,688,392	1,478,852	-	-	1,478,852
Supporting Service Expenses:								
Management and General Expenses	269,847	-	-	269,847	256,934	-	-	256,934
Fundraising Expenses	160,267	-	-	160,267	164,462	-	-	164,462
Total Supporting Service Expenses	430,114	-	-	430,114	421,396	-	-	421,396
TOTAL EXPENSES AND LOSSES	**2,118,506**	**-**	**-**	**2,118,506**	**1,900,248**	**-**	**-**	**1,900,248**
CHANGE IN NET ASSETS	**239,849**	**(68,099)**	**-**	**171,750**	**802,243**	**88,297**	**-**	**890,540**
Equity from Merged Entity	**-**	**-**	**-**	**-**	**10,122**	**-**	**-**	**10,122**
NET ASSETS, Beginning of year	**3,997,685**	**1,187,632**	**3,950,000**	**9,135,317**	**3,185,320**	**1,099,335**	**3,950,000**	**8,234,655**
NET ASSETS, End of year	**$ 4,237,534**	**$ 1,119,533**	**$ 3,950,000**	**$ 9,307,067**	**$ 3,997,685**	**$ 1,187,632**	**$ 3,950,000**	**$ 9,135,317**

See accompanying notes and Independent Auditor's Report.

ASPEN CENTER FOR ENVIRONMENTAL STUDIES

STATEMENTS OF CASH FLOWS

For the Years Ended October 31, 2013 and 2012

	2013	2012 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 171,750	$ 890,540
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	105,942	102,384
Loss (Gain) on Disposed Fixed Assets	2,822	-
Non-Cash Capital Contributions	(4,361)	(12,487)
(Increase) Decrease in Accounts Receivable	(7,615)	(674)
(Increase) Decrease in Grants Receivable	(9,818)	18,802
(Increase) Decrease in Pledges Receivable	236,895	(377,480)
(Increase) Decrease in Inventory	(1,512)	1,212
Increase (Decrease) in Accounts Payable	(2,675)	(6,872)
Increase (Decrease) in Accrued Expenses	18,352	9,807
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	**509,780**	**625,232**
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash from Merged Entity	-	10,122
Purchase of Property and Equipment	(61,002)	(108,199)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	**(61,002)**	**(98,077)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Debt	(7,022)	(9,364)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**(7,022)**	**(9,364)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**441,756**	**517,791**
CASH AND CASH EQUIVALENTS, Beginning of year	**1,368,000**	**850,209**
CASH AND CASH EQUIVALENTS, End of year	**$ 1,809,756**	**$ 1,368,000**

See accompanying notes and Independent Auditor's Report.

ASPEN CENTER FOR ENVIRONMENTAL STUDIES

NOTES TO THE FINANCIAL STATEMENTS

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES
Aspen Center for Environmental Studies ("ACES") is a nonprofit corporation that was incorporated under the laws of Colorado on October 7, 1968. The organization's primary objective is environmental education. The Internal Revenue Service recognizes ACES as a charitable, tax-exempt public organization under Code Section 501(c)(3) and it is not considered a private foundation. ACES is located in the resort community of Aspen, Colorado.

ACCOUNTING POLICIES
The financial statements of ACES have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

FINANCIAL STATEMENT PRESENTATION
ACES follows FASC 958-205, *Presentation of Financial Statements for Not-for-Profit Organizations.* Under FASC 958-205, ACES is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

CASH AND CASH EQUIVALENTS
Cash and cash equivalents include all cash held in deposits and temporary investments with an original maturity of three months or less.

ACCOUNTS RECEIVABLE
Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

PLEDGES RECEIVABLE
Unconditional pledges are recognized as contribution revenue in the period the pledge is made and as assets, decreases of liabilities, or expenses depending on the form of benefits received. Pledges are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Pledges are recognized when the conditions on which they depend are substantially met.

INVENTORY
Inventory is stated at cost, which is lower than market, on the first-in, first-out method. Inventory consists of gift shop items held for resale.

FAIR VALUE MEASUREMENTS
ACES is subject to the provisions of *Fair Value Measurements and Disclosures* Topic of FASB ASC. This standard requires use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices in active markets for identical assets and liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for the asset or liability (Level 3).

LAND, BUILDING & EQUIPMENT
Donations of property and equipment are recorded as support at their estimated fair value at the date of the donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Purchased assets are recorded at their purchase price as an increase to unrestricted net assets as of the purchase date. Property and equipment are depreciated over their estimated useful lives using the straight-line method, as follows:

Buildings	3-40 years
Equipment & Furnishings	3-10 years
Vehicles	5 years

COMPENSATED ABSENCES
Compensated absences for paid vacation, sick pay and personal time have been accrued based on hours earned and current pay rates. ACES has accrued $33,284 for these compensated absences.

CONTRIBUTIONS
Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

DONATED SERVICES
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 ACES. $13,296 in services was recognized as contributions in the financial statements during the year ended October 31, 2013. $8,000 was maintenance services,

$300 was technical assistance, and $4,996 was engineering and development services. There was $17,023 in services recognized as contributions in the year ended October 31, 2012.

INCOME TAX STATUS

ACES is exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the organization's tax-exempt purpose is subject to taxation as unrelated business income. Contributions to ACES are tax deductible as permitted under the Code.

FASC Topic 740-10, Accounting for Uncertainty in Income Taxes, prescribes when to recognize and how to measure the financial statement effects of income tax positions taken or expected to be taken on its income tax returns. These rules require management to evaluate the likelihood that, upon examination by relevant taxing jurisdictions, those income tax positions would be sustained. Based on that evaluation, ACES only recognizes the maximum benefit of each income tax position that is more than 50% likely of being sustained. To the extent that all or a portion of the benefits of an income tax position are not recognized, a liability would be recognized for the unrecognized benefits, along with any interest and penalties that would result from disallowance of the position. Should any such penalties and interest be incurred, they would be recognized as operating expenses. ACES had no material unrecognized tax benefits for the year ended October 31, 2013 and 2012. As a result, no interest or penalties were accrued for unrecognized tax benefits during the year.

ACES is no longer subject to income tax examinations by tax authorities for the years before 2009.

FUNCTIONAL EXPENSES

The costs of producing the various programs and activities have been summarized on a functional basis (program services, general and administrative costs, and fundraising costs) in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

ADVERTISING

ACES elects to expense advertising costs as incurred. Total expenses incurred for the periods ended October 31, 2013 and 2012 were $34,888 and $19,913 respectively.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

2. LAND, BUILDINGS & EQUIPMENT

Land, buildings and equipment are reported at cost or, if donated, at fair market value on the date donated. Land values are reduced for impairment of values based on deed restrictions or conservation easements placed on the property. Land, buildings and equipment are held in the following locations as of:

October 31, 2013

	Hallam Lake	Rock Bottom Ranch	Toklat	Spring Creek Ranch	Land	Employee Housing	Total
Land	$ 1,100,000	$ 1,005,000	$ 800,000	$ 850,000	$ 1,016,000	$ 30,000	$ 4,801,000
Buildings	1,857,887	834,953	732,412	1,000	-	296,685	3,722,937
Equipment and Furnishings	187,626	23,259	7,503	8,675	-	-	227,063
Vehicles	60,283	3,500	-	2,500	-	-	66,283
	3,205,796	1,866,712	1,539,915	862,175	1,016,000	326,685	8,817,283
Less Accumulated Depreciation	(1,279,733)	(203,111)	(163,377)	(8,568)	-	(177,805)	(1,832,594)
	$ 1,926,063	$ 1,663,601	$ 1,376,538	$ 853,607	$ 1,016,000	$ 148,880	$ 6,984,689

October 31, 2012

	Hallam Lake	Rock Bottom Ranch	Toklat	Spring Creek Ranch	Land	Employee Housing	Total
Land	$ 1,100,000	$ 1,005,000	$ 800,000	$ 850,000	$ 1,016,000	$ 30,000	$ 4,801,000
Buildings	1,825,442	819,260	732,412	-	-	296,685	3,673,799
Equipment and Furnishings	180,755	30,818	6,776	12,275	-	-	230,624
Vehicles	69,172	-	-	4,850	-	-	74,022
	3,175,369	1,855,078	1,539,188	867,125	1,016,000	326,685	8,779,445
Less Accumulated Depreciation	(1,241,287)	(188,749)	(144,785)	(8,433)	-	(168,101)	(1,751,355)
	$ 1,934,082	$ 1,666,329	$ 1,394,403	$ 858,692	$ 1,016,000	$ 158,584	$ 7,028,090

Depreciation expense for the periods ended October 31, 2013 and 2012 was $105,942 and $102,384 respectively.

3. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give, which are temporarily restricted, are as follows:

October 31, 2013	Years Ending October 31,		
	2014	2015	Total
Undesignated Pledges	$ 246,250	$ 120,000	$ 366,250
For The Forest	100,000	-	100,000
Spring Creek/Habitat Restoration	25,000	-	25,000
Capital Campaign	26,250	-	26,250
Tomorrow's Voices	50,000	-	50,000
Renewable Energy	1,000	-	1,000
Total Pledges	$ 448,500	$ 120,000	568,500
Less Present Value Discount			(3,189)
Pledges, Net of Discount			$ 565,311

October 31, 2012 (Restated)	Years Ending October 31,		
	2013	2014	Total
Undesignated Pledges	$ 216,000	$ 200,000	$ 516,000
For The Forest	125,000	125,000	250,000
Spring Creek/Habitat Restoration	20,000	20,000	40,000
Capital Campaign	1,250	2,250	3,500
Renewable Energy	1,000	-	1,000
Total Pledges	$ 363,250	$ 347,250	810,500
Less Present Value Discount			(8,294)
Pledges, Net of Discount			$ 802,206

A discount rate of .5% was determined applicable on pledges for October 31, 2013 and 2012.

4. FAIR VALUE MEASUREMENT

GAAP requires disclosure of an estimate of fair value of certain financial instruments. The fair value option was chosen to measure all financial assets and liabilities in order to mitigate volatility in reported changes in net assets. The carrying amount reported in the statement of financial position for cash and cash equivalents, accounts receivable, grants receivable, prepaid expenses, inventory, accounts payable and accrued expenses approximates fair value because of the immediate or short-term maturities of these financial instruments. Fair value of the note payable also approximates carrying value since stated rates are similar to rates currently available to ACES for debt with similar terms. Pledges receivable measured on a recurring basis and reported at fair value are classified and disclosed in one of the three hierarchy categories. The following table summarizes the valuation of the financial instruments using the fair value hierarchy as of October 31, 2013 and 2012:

	October 31, 2013		October 31, 2012 (Restated)	
	Fair Value	Level 3	Fair Value	Level 3
Pledges Receivable	$ 565,311	$ 565,311	$ 802,206	$ 802,206

The changes in assets measured at fair value for which ACES has used Level 3 inputs to determine fair value are as follows:

	October 31, 2013	(Restated) October 31, 2012
	Pledges Receivable	
Beginning Balance	$ 802,206	$ 645,678
New Instruments Received and Included in Changes in Net Assets	121,000	550,000
Payments Received on Instruments	(359,467)	(365,250)
Write-Down of Pledges	-	(39,839)
Net Present Value Discount Adjustments Included in Changes in Net Assets	1,572	11,617
Ending Balance	$ 565,311	$ 802,206

See footnote 3 for valuation techniques used to arrive at the current year net present value discount adjustments.

5. NOTE PAYABLE

On February 10, 2011 ACES signed a Retail Installment Contract in the amount of $32,772 for the purchase of a Kubota Tractor. The note is to be paid in 42 interest free payments in the amount of $780. The note matures on August 12, 2013. On October 31, 2012 the note balance was $7,022 and at October 31, 2013, the note had been paid in full.

6. LINE OF CREDIT

ACES maintained a $250,000 line of credit with Alpine Bank at October 31, 2013. The line was not in use during the year. The line of credit was renewed on June 16, 2013 for one year. When in use, the line accrues interest at the rate of the JP Morgan Chase prime plus 1%, with a floor of 6%. The line is secured by the employee housing unit owned by ACES.

7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following:

October 31, 2013		
Restricted Fund	Restriction	Amount
Temporarily Restricted Pledges	Miscellaneous	$ 201,495
Undesignated Pledges	Operational Expenses	363,816
Spring Creek	Habitat Enhancement	85,806
Green Energy	Green Energy	139,229
Bob Lewis Cabin	Toklat	149,090
Toklat	Special Projects	2,890
General Capital	Operational Expenses	177,207
		$ 1,119,533

October 31, 2012 (Restated)		
Restricted Fund	Restriction	Amount
Temporarily Restricted Pledges	Miscellaneous	$ 290,794
Undesignated Pledges	Operational Expenses	511,412
Spring Creek	Habitat Enhancement	150,175
Green Energy	Green Energy	132,501
Bob Lewis Cabin	Toklat	100,500
Toklat	Special Projects	2,250
		$ 1,187,632

8. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consist of land with permanent conservations easements. Total restricted net assets consist of the following land parcels: Hallam Lake, Rock Bottom Ranch, Northstar Land, North Ranch and Spring Creek.

9. STORE SALES

Store sales are shown net of related expenses. Gross income and expenses for the periods ended October 31, 2013 and 2012 follows:

	October 31,	
	2013	2012
Gross Sales	$ 71,478	$ 53,192
Cost of Sales	(64,159)	(51,044)
Store Sales, net	$ 7,319	$ 2,148

10. COMMITMENTS

On February 19, 2013 the Organization renewed its lease for its Willits apartment for an additional year, ending on March 31, 2014. The monthly rental payments are $1525. On November 21, 2013 the parties agreed to extend the lease until May 31, 2014 at the same current rate plus utilities (approximately $38 per month) starting in December 2013. The future minimum payments as of October 31, 2013 total $10,675 for rent and approximately $228 for utilities.

11. RETIREMENT PLAN

On January 1, 2009 ACES adopted a SIMPLE plan. For the year ended October 31, 2013 and 2012 employer contributions of $10,133 and $9,445 respectively were made to the SIMPLE plan.

12. ASPEN CENTER FOR ENVIRONMENTAL STUDIES ENDOWMENT FUND

The endowment funds of ACES have been transferred to The Aspen Center for Environmental Studies Endowment Fund, a separate 501(c)(3) organization that is not controlled by ACES. A separate board determines the investing policies and reviews grant requests. ACES must submit annual grant requests to the ACES Endowment Fund. Approved grants from the ACES Endowment Fund were $320,550 and $236,000 respectively for the years ended October 31, 2013 and 2012.

ACES has granted full variance power to the endowment fund (the foundation has complete control of the funds). Therefore, none of the assets of ACES Endowment Fund are included in ACES statement of financial position. The ACES Endowment Fund has an October 31 fiscal year end. At October 31, 2013, the ACES Endowment Fund had $8,273,066 in total assets. Of this total, $508,140 of the equity was unrestricted and undesignated; $2,107,782 of the equity was board designated and $5,657,144 was permanently restricted. At October 31, 2012, the ACES Endowment Fund had $7,056,562 in total assets. Of this total, $0 of the equity was unrestricted and undesignated, $1,529,305 of the equity was board designated and $5,557,144 was permanently restricted.

There was no unrestricted, undesignated equity at October 31, 2012 due to the economic downturn in the market and the fund’s value as well as board restrictions to maintain spending power.

13. RELATED PARTY

On August 24, 2010 the board passed a resolution to take on Tomorrow’s Voices programming. Between September and October 2012, the board of Tomorrow’s Voices resigned and ACES board temporarily acted as the board until ACES merged their program with ACES program on November 1, 2013. Through the merger, ACES received $6,118 in cash and took on debt of $10,500 as of November 1, 2013.

14. CONCENTRATIONS

ACES places its cash with federally insured financial institutions. At times, the balances at these financial institutions may exceed the FDIC insured limits. ACES has not experienced any losses in these accounts and believes there is no significant risk with respect to these deposits. As of October 31, 2013, ACES had $1,287,147 of its cash and deposits exposed to credit risk and not covered under FDIC insurance.

A substantial amount of ACES' support is received from its members, local governments, and other charities, including the ACES Endowment Fund. A significant reduction in the level of this support, if it were to occur, may have an adverse effect on the organization's programs and activities.

For the year ended October 31, 2013, one donor provided more than 10% of total contributions, including pledge commitments accounted for as contributions in the fiscal year. The total cash received from the donor was $328,137, and a $200,000 multi-year pledge was also included in contributions. This contribution and pledge accounted for 31% of total contributions and grants.

For the year ended October 31, 2013, three donor pledge balances represent more than 10% each of pledges receivable. The undiscounted pledge balance from these donors was $400,000. These pledges account for 71% of total pledges at October 31, 2013.

15. SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the statement of position date, but before financial statements are issued. Recognized subsequent events are events or transactions that provide additional evidence about conditions that existed at the statement of position date, including the estimates inherent in the process of preparing financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the statement of position date, but arose after that date. Management has evaluated subsequent events through April 16, 2014, the date the October 31, 2013 financial statements were available for issuance.

16. RESTATEMENT

The October 31, 2012 financial statements were restated to reflect a reporting error in pledges receivable. At October 31, 2012, pledges receivable were reduced by $220,652 to a restated balance of $802,206; temporarily restricted net assets were reduced by $220,652 to a restated balance of $1,187,632, and temporarily restricted contributions and grants were reduced by $220,652 to a restated balance of $875,448.