THE HEBREW HOME FOR THE AGED
AT RIVERDALE
FOUNDATION, INC.

FINANCIAL STATEMENTS
AND AUDITOR'S REPORT

DECEMBER 31, 2016 AND 2015

THE HEBREW HOME FOR THE AGED AT RIVERDALE FOUNDATION, INC.

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LOEB & TROPER LLP

Independent Auditor's Report

Board of Trustees
The Hebrew Home for the Aged
at Riverdale Foundation, Inc.

We have audited the accompanying financial statements of The Hebrew Home for the Aged at Riverdale Foundation, Inc., which comprise the balance sheet as of December 31, 2016 and 2015, 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 of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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.

Auditors and Consultants
Serving the Health Care & Not for Profit Sectors

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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 The Hebrew Home for the Aged at Riverdale Foundation, Inc. as of December 31, 2016 and 2015 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 10 to the financial statements, The Hebrew Home for the Aged at Riverdale Foundation, Inc. restated the opening net assets by class as of January 1, 2015. Our opinion is not modified in regards to this matter.

Loeb + Troper LLP

March 30, 2017

EXHIBIT A

THE HEBREW HOME FOR THE AGED AT RIVERDALE FOUNDATION, INC.

BALANCE SHEET

DECEMBER 31, 2016 AND 2015

	2016	2015 (Restated - Note 10)
ASSETS		
Cash	$ 1,280,364	$ 1,793,207
Investments (Note 4)	29,883,985	24,039,164
Prepaid expenses	115,996	172,267
Contributions receivable - net (Note 5)	16,964,210	23,219,128
Due from The Hebrew Home for the Aged at Riverdale (Note 3)	1,267,900	
Investment in real estate (Note 8)	24,111,600	22,883,965
Total assets	$ 73,624,055	$ 72,107,731
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 266,696	$ 245,692
Loan payable (Note 8)	13,000,000	13,000,000
Due to The Hebrew Home for the Aged at Riverdale (Note 3)		299,547
Total liabilities	13,266,696	13,545,239
Net assets (Exhibit B)		
Unrestricted	44,420,514	36,288,008
Temporarily restricted - time restricted	15,936,845	22,274,484
Total net assets	60,357,359	58,562,492
Total liabilities and net assets	$ 73,624,055	$ 72,107,731

See independent auditor’s report.

The accompanying notes are an integral part of these statements.

THE HEBREW HOME FOR THE AGED AT RIVERDALE FOUNDATION, INC.

EXHIBIT B

STATEMENT OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016			2015 (Restated - Note 10)		
	Unrestricted	**Temporarily Restricted**	**Total**	**Unrestricted**	**Temporarily Restricted**	**Total**
Revenues, gains and losses						
Contributions	$ 431,386		$ 431,386	$ 694,693		$ 694,693
Proceeds from sale of remainder interests (Note 9)				12,000,000		12,000,000
Special events	1,624,945		1,624,945	1,442,156		1,442,156
Less direct cost of special events	(535,391)		(535,391)	(503,014)		(503,014)
Investment income (loss) (Note 4)	966,995		966,995	(291,210)		(291,210)
Other income				11,500		11,500
Net assets released from restrictions - lapse of time restrictions	6,337,639	$ (6,337,639)		8,192,356	$ (8,192,356)	
Total revenues, gains and losses	8,825,574	(6,337,639)	2,487,935	21,546,481	(8,192,356)	13,354,125
Expenses (Exhibit C)						
Program services						
Program development	291,681		291,681	267,544		267,544
Assistance to the elderly	138,663		138,663	169,449		169,449
Total program services	430,344		430,344	436,993		436,993
Supporting services						
Management and general	230,676		230,676	203,871		203,871
Fund raising	688,506		688,506	728,556		728,556
Total supporting services	919,182		919,182	932,427		932,427
Total expenses	1,349,526		1,349,526	1,369,420		1,369,420
Change in net assets before other changes	7,476,048	(6,337,639)	1,138,409	20,177,061	(8,192,356)	11,984,705
Transfer (to) from affiliate (Note 3)	656,458		656,458	(1,875,000)		(1,875,000)
Change in unrestricted net assets (Exhibit D)	8,132,506	(6,337,639)	1,794,867	18,302,061	(8,192,356)	10,109,705
Net assets - beginning of year - as originally reported				26,675,948	21,776,839	48,452,787
Restatement (Note 10)				(8,690,001)	8,690,001	
Net assets - beginning of year - restated	36,288,008	22,274,484	58,562,492	17,985,947	30,466,840	48,452,787
Net assets - end of year (Exhibit A)	$ 44,420,514	$ 15,936,845	$ 60,357,359	$ 36,288,008	$ 22,274,484	$ 58,562,492

See independent auditor’s report.

The accompanying notes are an integral part of these statements.

THE HEBREW HOME FOR THE AGED AT RIVERDALE FOUNDATION, INC.

EXHIBIT C

STATEMENT OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2016 AND 2015

2016

	Program Services			Supporting Services				
	Program Development	Assistance to the Elderly	Total	Management and General	Fund Raising	Direct Cost of Special Events	Total	Total
Salaries					$ 333,010		$ 333,010	$ 333,010
Payroll taxes and employee benefits					133,367		133,367	133,367
Fees and contracted services (Note 3)	$ 212,039		$ 212,039	$ 164,956	147,892		312,848	524,887
Supplies					5,862		5,862	5,862
Catering and event costs						$ 535,391	535,391	535,391
Occupancy	20,693		20,693					20,693
Grants		$ 138,663	138,663					138,663
Other expenses	58,949		58,949	65,720	68,375		134,095	193,044
Total expenses	291,681	138,663	430,344	230,676	688,506	535,391	1,454,573	1,884,917
Less special event cost deducted on Exhibit B						(535,391)	(535,391)	(535,391)
Total expenses (Exhibit B)	$ 291,681	$ 138,663	$ 430,344	$ 230,676	$ 688,506	$ -	$ 919,182	$ 1,349,526

2015

	Program Services			Supporting Services				
	Program Development	Assistance to the Elderly	Total	Management and General	Fund Raising	Direct Cost of Special Events	Total	Total
Salaries					$ 340,615		$ 340,615	$ 340,615
Payroll taxes and employee benefits					140,458		140,458	140,458
Fees and contracted services (Note 3)	$ 210,404		$ 210,404	$ 110,253	138,361		248,614	459,018
Supplies					10,772		10,772	10,772
Catering and event costs						$ 503,014	503,014	503,014
Occupancy	37,741		37,741					37,741
Grants		$ 169,449	169,449					169,449
Other expenses	19,399		19,399	93,618	98,350		191,968	211,367
Total expenses	267,544	169,449	436,993	203,871	728,556	503,014	1,435,441	1,872,434
Less special event cost deducted on Exhibit B						(503,014)	(503,014)	(503,014)
Total expenses (Exhibit B)	$ 267,544	$ 169,449	$ 436,993	$ 203,871	$ 728,556	$ -	$ 932,427	$ 1,369,420

See independent auditor’s report.

The accompanying notes are an integral part of these statements.

EXHIBIT D

THE HEBREW HOME FOR THE AGED AT RIVERDALE FOUNDATION, INC.

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
Cash flows from operating activities		
Change in net assets (Exhibit B)	$ 1,794,867	$ 10,109,705
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Net loss (gain) on investments	(301,043)	474,703
Decrease (increase) in assets		
Prepaid expenses	56,271	(101,097)
Contributions receivable	6,254,918	8,007,239
Due from The Hebrew Home for the Aged at Riverdale	(1,267,900)	104,316
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	21,004	99,687
Due to The Hebrew Home for the Aged at Riverdale	(299,547)	299,547
Net cash provided by operating activities	6,258,570	18,994,100
Cash flows from investing activities		
Investment in real estate	(1,227,635)	(941,683)
Purchase of investments	(18,128,754)	(21,354,702)
Proceeds from sale of investments	12,584,976	4,950,819
Net cash used by investing activities	(6,771,413)	(17,345,566)
Net change in cash	(512,843)	1,648,534
Cash - beginning of year	1,793,207	144,673
Cash - end of year	$ 1,280,364	$ 1,793,207

See independent auditor's report.

The accompanying notes are an integral part of these statements.

NOTE 1 - NATURE OF ORGANIZATION

The Hebrew Home for the Aged at Riverdale Foundation, Inc. (the Foundation) was incorporated in 2005 as a not-for-profit corporation in New York State to provide assistance to programs for the elderly in the New York area. The Foundation began operations in 2006. The Foundation's primary support is from contributions, special events and investment income.

The Foundation is affiliated with RiverSpring Health Holding Corp., RiverSpring Services Corp. (RSSC), The Hebrew Home for the Aged at Riverdale (HHAR), Palisade Nursing Home Company, Inc. (PNH), RiverSpring Licensed Home Care Services Agency, Inc., Hebrew Home Housing Development Fund Company, Inc., Hudson House Housing Development Fund Company, Inc., Elderserve Health, Inc. a/k/a RiverSpring Health Plans (ESH), Riverdale Terrace Housing Development Fund Company, Inc., 1880 Boston Road Housing Development Fund Corporation, Boston Apartments, Inc., and 1880 HDFC Ventures, LLC. The affiliates are related either indirectly or directly through some common board members, through common management or common control.

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting - The financial statements are prepared on the accrual basis of accounting.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investments - Investments are recorded at fair value. The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, based upon the markets' fluctuations, and that such changes could materially affect the Foundation's financial statements.

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements

Fair Value Measurements establishes a framework for measuring fair value. The 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below. Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation 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.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2016, as compared to those used at December 31, 2015.

Money market funds **-** Valued at the closing price reported on the active market on which the individual securities are traded.

Corporate bonds **-** Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar securities, the security is valued under a discounted cash flows approach that maximizes observable inputs such as current yields of similar instruments but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote if available.

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THE HEBREW HOME FOR THE AGED AT RIVERDALE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements (continued)

Mutual funds **-** Valued at the net asset value (NAV) of shares held at year-end.

Multi-asset fund **-** There are no observable inputs, certain of the underlying investments are not publicly traded, and there is no secondary market for such funds. The multi-asset fund is valued at the fair value using NAV as a practical expedient.

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

Contributions receivable and allowance for doubtful collections **-** Unconditional promises to give that are expected to be collected within one year are recorded as receivables and revenues at their net realizable value when the promises are made. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

The Foundation determines whether an allowance for doubtful collections should be provided for contributions receivable. Such estimates are based on management’s assessment of the aged basis of its receivables, current economic conditions, subsequent receipts and historical information. Receivables are charged to bad debt expense when they are deemed to be uncollectible based upon a periodic review of the accounts by management.

Investment in real estate **-** Investment in real estate is reflected at historical cost. The balance represents the cost of land acquisition, capitalized interest, project development and maintenance costs of real estate undergoing development by the Foundation for its affiliates.

Remainder interests **-** The Foundation is the beneficiary of several real estate partnership remainder interests, the value of which is undeterminable. Accordingly, these interests have not been reflected in these financial statements.

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net assets **-** Unrestricted net assets include funds having no restriction as to use or purpose imposed by donors. Temporarily restricted net assets are those whose use by the Foundation has been limited by donors to a specific purpose or time period.

Contributions **-** Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Functional expenses **-** The costs of providing the Foundation’s programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Grants - Unconditional grants are expensed in the year that they are approved by the Board of Trustees.

Uncertainty in income taxes - The Foundation has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ended December 31, 2013 and subsequent remain subject to examination by applicable taxing authorities.

Subsequent events - Subsequent events have been evaluated through March 30, 2017, which is the date the financial statements were available to be issued.

NOTE 3 - AFFILIATES

The Foundation received a transfer of $656,458 and $225,000 of legacies and unrestricted contributions from HHAR in 2016 and 2015, respectively. In December of 2015, the Board approved a transfer of $2,100,000 to HHAR for emergency capital spending on the Gilbert Garage Renovation and Resnick Pavilion sprinkler installation.

RSSC provides management services to the Foundation. Management fees were $39,287 and $41,904 for the years ended December 31, 2016 and 2015, respectively. The amount due to RSSC was $60,228 and $70,941 as of December 31, 2016 and 2015, respectively. These amounts are included within accounts payable and accrued expenses.

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THE HEBREW HOME FOR THE AGED AT RIVERDALE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

NOTE 3 - AFFILIATES (continued)

The following non-interest-bearing balances are due from (to) affiliates:

	2016	2015
HHAR	$ 1,267,900	$ (299,547)

NOTE 4 - INVESTMENTS

The following tables set forth by level, within the fair value hierarchy, the assets at fair value as of December 31, 2016 and 2015:

	2016			
	Level 1	**Level 2**	**Level 3**	**Total**
Money market funds	$ 774,120	$ -	$ -	$ 774,120
Corporate bonds	-	9,684,160	-	9,684,160
Mutual funds				
Fixed income	5,744,162	-	-	5,744,162
Equity funds	7,043,696	-	-	7,043,696
Multi-Asset Fund	-	-	6,637,847	6,637,847
	$ 13,561,978	$ 9,684,160	$ 6,637,847	$ 29,883,985

	2015		
	Level 1	**Level 3**	**Total**
Money market funds	$ 10,330,381	$ -	$ 10,330,381
Mutual funds			
Fixed income	5,001,928	-	5,001,928
Equity funds	2,007,895	-	2,007,895
Multi-Asset Fund	-	6,698,960	6,698,960
	$ 17,340,204	$ 6,698,960	$ 24,039,164

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THE HEBREW HOME FOR THE AGED AT RIVERDALE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

NOTE 4 - INVESTMENTS (continued)

A summary of changes in Level 3 investments is as follows:

	2016	**2015**
Balance, beginning of year	$ 6,698,960	$ 7,137,198
Unrealized gains (loss)	(61,113)	(499,223)
Purchases		60,985
	$ 6,637,847	$ 6,698,960
The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses receivable to assets still held at the reporting date	$ (61,113)	$ (499,223)

The following table presents investments whose fair value is determined using NAV as a practical expedient.

	Fair Value		**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
	2016	**2015**			
Multi-Asset Fund (a)	$ 6,637,847	$ 6,698,960	-	Daily	N/A

(a) ***Multi-Asset Fund*** **-** The Multi-Asset Fund is an investment vehicle under the TIFF Investment Program, Inc. (“TIP”). TIP is a no-load, open-end management investment company that seeks to improve the net investment returns of its members. The Multi-Asset Fund is available primarily to foundations, endowments, other 501(c)(3) organizations, and certain other non-profit organizations that meet TIP’s eligibility requirements. The fund’s investment objective is to attain a growing stream of current income and appreciation of principal that at least offsets inflation.

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THE HEBREW HOME FOR THE AGED AT RIVERDALE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

NOTE 4 - INVESTMENTS (continued)

Investment income for 2016 and 2015 was as follows:

	2016	2015
Investment income		
Interest and dividend income	$ 665,952	$ 183,493
Realized gain - net	65,503	279,460
Unrealized gain (loss)	235,540	(754,163)
	$ 966,995	$ (291,210)

The Foundation's investments are used to guarantee certain debt obligations of related entities as follows:

	2016	2015	Maturity Date
HHAR			
Equipment Loan A	$ 120,731	$ 229,324	June 2018
Equipment Loan B*	53,234	157,541	June 2017
FJC Early Sense*	177,500	248,500	June 2019
	$ 351,465	$ 635,365	

* Loans formerly held by PNH and transferred to HHAR.

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NOTE 5 - CONTRIBUTIONS RECEIVABLE

Contributions receivable are due to be collected as follows:

	2016	2015
Less than one year	$ 6,500,560	$ 7,760,339
One to five years	10,700,000	15,990,000
Five years and greater	200,000	300,000
	17,400,560	24,050,339
Less discount to present value (at a discount rate of approximately 2.2% - 4%)	(370,655)	(705,516)
Less allowance for doubtful receivables	(65,695)	(125,695)
	$ 16,964,210	$ 23,219,128

NOTE 6 - CONCENTRATIONS

Financial instruments which from time to time potentially subject the Foundation to a concentration of credit risk are cash and investment accounts with financial institutions in excess of FDIC and SIPC insurance limits.

NOTE 7 - SUBVENTION

On May 12, 2010, ESH issued a $6,100,000 subvention certificate to the Foundation. See Note 1 for disclosure of relationship. In exchange, ESH received funds from the Foundation. The certificate bears interest at 6% per annum. For the years ended December 31, 2016 and 2015, interest was $366,000. Total subvention balance, including accrued interest was $8,529,638 and $8,163,638 for the years ended December 31, 2016 and 2015, respectively. In accordance with generally accepted accounting principles, this interest expense was not accrued in these statements, due to the contingent nature of the subvention. The subvention certificate is redeemable at the option of ESH, subject to (i) an affirmative showing by ESH's Board of Trustees that the financial condition of ESH will permit payment without impairment of operations or injury to its creditors, (ii) the subvention agreement, and (iii) all applicable law, including Section 504 of the New York Not-for-Profit Corporation Law and Section 1307 of the New York Insurance Law. Any redemption of the subvention certificate also shall be subject to prior approval by each of the Superintendent of Insurance and the Commissioner of Health of the State of New York, as required by law. The Foundation's rights as the holder of the subvention certificate are, at all times, subordinate to the rights of any creditors of ESH.

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NOTE 8 - INVESTMENT IN REAL ESTATE

On November 16, 2011, the Foundation purchased property located at 5801 Palisade Avenue, Riverdale, NY for the development of a new project. In conjunction with the purchase on October 17, 2011, the Foundation entered into a demand promissory note (the “Note”) with a third party for $13,000,000. The Note had an interest rate of 7%, payable annually in advance. In 2015 the note was paid off in-full. On July 20, 2015, the Foundation entered into a loan agreement with Bank of America for $13,000,000 with an interest rate of 2.76% per year. The loan is collateralized by $14,500,000 of the Foundation’s investments and is guaranteed by HHHDFC. There is a five-year interest-only payment period. The loan matures on June 30, 2020, at which time any principal, interest, or other fees must be paid. Interest of $364,780 and $662,083 was paid in 2016 and 2015, respectively, and has been capitalized in the development phase and reflected within investment in real estate. The total interest capitalized as of December 31, 2016 and 2015 was $3,946,342 and $3,581,562, respectively.

NOTE 9 - PROCEEDS FROM SALE OF REMAINDER INTEREST

On August 25, 2015, the Foundation received $12,000,000 for the sale of a remainder interest in a limited liability company which owned approximately 14 acres of real property in California. This remainder interest had been donated in 2006, but was not previously recorded by the Foundation due to the fact that the value of the remainder interest was undeterminable.

NOTE 10 - RESTATEMENT

In prior years certain temporarily restricted net assets were erroneously recorded in unrestricted net assets. As a result, the January 1, 2015 balances of unrestricted and temporarily restricted net assets were restated by $8,690,001.