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Form

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No 1545-0047

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2009 calendar year, or tax year beginning 01/01, 2009, and ending 12/31, 2009

B Check if applicable:
☐ Address change
☐ Name change
☐ Initial return
☐ Terminated
☐ Amended return
☐ Application pending

Please use IRS label or print or type See Specific Instructions

C Name of organization Grovesee Valley Presbyterian Nursing Center
 Doing Business As Kirkhaven
 Number and street (or P.O. box if mail is not delivered to street address) 254 Alexander Street
 Room/suite
 City or town, state or country, and ZIP + 4 Rochester New York 14607-2515

D Employer identification number 22-2291346

E Telephone number (585) 461-1991

G Gross receipts \$ 12,024,177

F Name and address of principal officer JAMES E. DeVue, President/CEO
254 Alexander Street, Rochester, NY 14607

H(a) Is this a group return for affiliates? ☐ Yes ☒ No
H(b) Are all affiliates included? ☐ Yes ☐ No
 If "No," attach a list (see instructions)
H(c) Group exemption number N/A

I Tax-exempt status ☒ 501(c) (3) (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: www.kirkhaven.com

K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ☐

L Year of formation 1980

M State of legal domicile NY

Part I Summary

1 Briefly describe the organization's mission or most significant activities:
Organization is a 147 licensed-bed skilled nursing home, which provides long-term and short-term skilled nursing & rehabilitative care to seniors.

2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3 Number of voting members of the governing body (Part VI, line 1a) 3

4 Number of independent voting members of the governing body (Part VI, line 1b) 11

5 Total number of employees (Part V, line 2a) 330

6 Total number of volunteers (estimate if necessary) 30

7a Total gross unrelated business revenue from Part VIII, column (C), line 12 0

b Net unrelated business taxable income from Form 990-T, line 34 0

	Prior Year	Current Year
8 Contributions and grants (Part VIII, line 1h)	153,451	22,029
9 Program service revenue (Part VIII, line 2g)	11,771,508	11,910,584
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	23,684	8,878
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	56,756	82,686
12 Total revenue (Part VIII, column (C), line 12) (must equal Part VIII, column (A), line 12)	12,005,399	12,024,177
13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0	0
14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	7,887,544	8,265,538
16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b Total fundraising expenses (Part IX, column (D), line 25)		
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	4,418,400	4,339,990
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	12,305,944	12,605,528
19 Revenue less expenses. Subtract line 18 from line 12	<300,550>	<581,351>
20 Total assets (Part X, line 16)	11,101,268	11,086,600
21 Total liabilities (Part X, line 26)	8,908,923	8,680,605
22 Net assets or fund balances. Subtract line 21 from line 20	2,192,345	2,405,995

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

Signature of officer James E. DeVue Date 7/30/10

Type or print name and title James E. DeVue, President/CEO

Paid Preparer's Use Only

Preparer's signature _____ Date _____ Check if self-employed ☐ Preparer's identifying number (see instructions) _____

Firm's name (or yours if self-employed), address, and ZIP + 4 _____ EIN _____

Phone no. () _____

May the IRS discuss this return with the preparer shown above? (see instructions)

☐ Yes ☐ No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2009)

SCANNED AUG 24 2010

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Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission:

Nursing home that provides skilled long-term, rehabilitative + Alzheimer's/Dementia care for seniors in a manner that embraces a philosophy of person-centered care, quality of care and faith-based mission.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 11,208,595 including grants of \$ 0) (Revenue \$ 11,910,584)

Organization is a 147 bed skilled nursing home, which provides long-term nursing + short-term rehabilitative care to elders including medical, nursing, therapy, meals, activities, counseling, housing + other support services.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services. (Describe in Schedule O)
(Expenses \$ including grants of \$) (Revenue \$)4e Total program service expenses ► 11,208,595

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	<input checked="" type="checkbox"/>	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	<input checked="" type="checkbox"/>	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		<input checked="" type="checkbox"/>
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II		<input checked="" type="checkbox"/>
5 Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III	N/A	
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		<input checked="" type="checkbox"/>
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		<input checked="" type="checkbox"/>
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		<input checked="" type="checkbox"/>
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		<input checked="" type="checkbox"/>
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V	<input checked="" type="checkbox"/>	
11 Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	<input checked="" type="checkbox"/>	
• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.		
• Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.		
• Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.		
• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.		
• Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.		
• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? If "Yes," complete Schedule D, Part X.		
12 Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII.	<input checked="" type="checkbox"/>	
12A Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional.	<input checked="" type="checkbox"/>	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		<input checked="" type="checkbox"/>
14a Did the organization maintain an office, employees, or agents outside of the United States?		<input checked="" type="checkbox"/>
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Part I		<input checked="" type="checkbox"/>
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II.		<input checked="" type="checkbox"/>
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III		<input checked="" type="checkbox"/>
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I		<input checked="" type="checkbox"/>
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		<input checked="" type="checkbox"/>
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III.		<input checked="" type="checkbox"/>
20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H		<input checked="" type="checkbox"/>

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II.</i>		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III.</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J.</i>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25.</i>		X
24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	NA	
24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	NA	
24d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	NA	
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I.</i>		X
25b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I.</i>		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II.</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III.</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>		X
c An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV.</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M.</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M.</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I.</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II.</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I.</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1.</i>	X	
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2.</i>		X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2.</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI.</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O.	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable	11	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	0	
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	330	
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
3b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	NA	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
4b	If "Yes," enter the name of the foreign country: N/A See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
5c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	NA	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		X
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	NA	
7	Organizations that may receive deductible contributions under section 170(c).		
7a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	NA	
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
7d	If "Yes," indicate the number of Forms 8282 filed during the year	NA	
7e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
7g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	NA	
7h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	NA	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	NA	
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the organization make any taxable distributions under section 4966?	NA	
9b	Did the organization make a distribution to a donor, donor advisor, or related person?	NA	
10	Section 501(c)(7) organizations. Enter:		
10a	Initiation fees and capital contributions included on Part VIII, line 12.	NA	
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	NA	
11	Section 501(c)(12) organizations. Enter:		
11a	Gross income from members or shareholders	NA	
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	NA	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	NA	
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	NA	

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

	Yes	No
1a Enter the number of voting members of the governing body	1a	11
b Enter the number of voting members that are independent	1b	11
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	X
4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4	X
5 Did the organization become aware during the year of a material diversion of the organization's assets?	5	X
6 Does the organization have members or stockholders?	6	X
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	X
b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following.		
a The governing body?	8a	X
b Each committee with authority to act on behalf of the governing body?	8b	X
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9a	X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a Does the organization have local chapters, branches, or affiliates?	10a	X
b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b	NA
11 Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	X
11A Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a Does the organization have a written conflict of interest policy? If "No," go to line 13	12a	X
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	X
13 Does the organization have a written whistleblower policy?	13	X
14 Does the organization have a written document retention and destruction policy?	14	X
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official	15a	X
b Other officers or key employees of the organization	15b	X
If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	X
b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b	X

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ► New York

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ► Scott Marx, CFO 254 Alexander St. Rochester NY 14607
585-461-1991

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors
Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- List all of the organization's **current** key employees. See instructions for definition of "key employee."

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if the organization did not compensate any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
Sharon Bayo Director/Officer	NA	✓		✓				0	0	0
Judy Bufano Director	NA	✓						0	0	0
James Gauthier Director	NA	✓						0	0	0
JANN Packard Director/Officer	NA	✓		✓				0	0	0
Nick Bhatia Director	NA	✓						0	0	0
Roger Roth Director	NA	✓						0	0	0
Rev. Steven Becker Director	NA	✓						0	0	0
David Irish Director	NA	✓						0	0	0
Thomas Lockwood Director/Officer	NA	✓		✓				0	0	0
Joe Syta Director	NA	✓						0	0	0
Pat Grover Director	NA	✓						0	0	0
JAMES DeVoe President/CEO	27			✓	✓			98,165	48,350	17,582
Amanda Brown VP/Aom.	40				✓			97,482	0	11,698
Cassandra Tillman VP of HR	30				✓			68,252	22,751	10,920
JAMES Payne III VP of Marketing	10				✓			15,857	63,426	9,514
Scott Maas VP of Finance	27				✓			47,691	23,490	8,542

Part VIII Statement of Revenue				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	20,502			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	1,527			
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f		22,029			
Program Service Revenue			Business Code				
	2a		623000	11,910,584	11,910,584		
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		11,910,584			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		8,878			8,878
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
	6a	Gross Rents	(i) Real (ii) Personal				
	b	Less: rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)					
	7a	Gross amount from sales of assets other than inventory	(i) Securities (ii) Other				
	b	Less: cost or other basis and sales expenses					
	c	Gain or (loss)					
	d	Net gain or (loss)					
	8a	Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18	a				
	b	Less: direct expenses	b				
	c	Net income or (loss) from fundraising events					
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less: direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less: cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
Miscellaneous Revenue		Business Code					
11a	Staff cafeteria	722210	26,420			26,420	
b	Visiting & Guest Meals	722210	5,877			5,877	
c	Telephone & Newspapers	812900	6,762			6,762	
d	All other revenue	812900	43,627			43,627	
e	Total. Add lines 11a-11d		82,686				
12	Total revenue. See instructions.		12,024,107	11,910,584		91,564	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2	Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	491,442	-	491,442	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	5,853,060	5,576,903	276,157	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9	Other employee benefits	1,461,805	1,392,835	68,970	
10	Payroll taxes	459,231	437,564	21,667	
11	Fees for services (non-employees):				
a	Management				
b	Legal	27,061	-	27,061	
c	Accounting	26,230	-	26,230	
d	Lobbying				
e	Professional fundraising services. See Part IV, line 17				
f	Investment management fees				
g	Other	887,634	813,039	44,595	
12	Advertising and promotion	9,779	9,779	-	
13	Office expenses	71,907	-	71,907	
14	Information technology	65,426	58,883	6,543	
15	Royalties				
16	Occupancy	691,210	622,089	69,121	
17	Travel	12,898	5,470	7,428	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest	14,705	-	14,705	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	525,390	472,851	52,539	
23	Insurance	109,368	-	109,368	
24	Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a	Supplies (excluding office)	920,911	920,911	-	
b	NYS Cash Receipts Assessment	495,653	495,653	-	
c	Bus Costs	219,706	219,706	-	
d	Purchase of Contract Services / R+m	199,835	128,000	71,834	
e	Misc. Other	62,277	24,911	37,366	
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	12,605,528	11,208,595	1,396,933	0
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest-bearing	246,028	1	117,457
	2 Savings and temporary cash investments	1,284,284	2	1,331,699
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	1,621,495	4	1,710,931
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	139,645	9	88,252
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 16,414,112		
	b Less: accumulated depreciation	10b 10,353,098	10c	6,061,014
	11 Investments—publicly traded securities		11	
	12 Investments—other securities. See Part IV, line 11		12	
	13 Investments—program-related. See Part IV, line 11	-	13	-
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	1,490,251	15	677,247
16 Total assets. Add lines 1 through 15 (must equal line 34)	11,101,268	16	11,086,600	
Liabilities	17 Accounts payable and accrued expenses	795,660	17	893,647
	18 Grants payable		18	
	19 Deferred revenue	84,172	19	63,129
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	5,815,942	23	5,609,988
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D	2,213,129	25	2,113,841
	26 Total liabilities. Add lines 17 through 25	8,908,923	26	8,680,605
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	823,486	27	891,592
	28 Temporarily restricted net assets	431,020	28	568,807
	29 Permanently restricted net assets	937,839	29	945,596
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	2,192,345	33	2,405,995
	34 Total liabilities and net assets/fund balances	11,101,268	34	11,086,600

Part XI Financial Statements and Reporting

- 1** Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant? . . .
- b** Were the organization's financial statements audited by an independent accountant? . . .
- c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? . . .
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- d** If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both.
☐ Separate basis ☐ Consolidated basis ☒ Both consolidated and separate basis
- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? . . .
- b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

	Yes	No
2a	X	
2b	X	
2c	X	
3a		X
3b	NA	

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support
Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization

Genesee Valley Presbyterian Nursing Center

Employer identification number

22-2291346

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 ☐ A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 ☒ An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
- a ☐ Type I b ☐ Type II c ☐ Type III—Functionally integrated d ☐ Type III—Other
- e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**.
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

- (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
- (ii) A family member of a person described in (i) above?
- (iii) A 35% controlled entity of a person described in (i) or (ii) above?

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2008 Schedule A, Part II, line 14	15	%
16a 33⅓ % support test—2009. If the organization did not check the box on line 13, and line 14 is 33⅓ % or more, check this box and stop here. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
b 33⅓ % support test—2008. If the organization did not check a box on line 13 or 16a, and line 15 is 33⅓ % or more, check this box and stop here. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
17a 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
b 10%-facts-and-circumstances test—2008. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ►	<input type="checkbox"/>	

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990,
Part IV, line 6, 7, 8, 9, 10, 11, or 12.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization

Genesee Valley Polytechnic Nursing Center

Employer identification number

22-2291346

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶

4 Number of states where property subject to conservation easement is located ▶

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1	▶ \$
(ii) Assets included in Form 990, Part X	▶ \$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1	▶ \$
b Assets included in Form 990, Part X	▶ \$

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition

d ☐ Loan or exchange programs

b ☐ Scholarly research

e ☐ Other

c ☐ Preservation for future generations

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	937,839	931,310			
b Contributions	1,717	6,529			
c Net investment earnings, gains, and losses	206,424	<229,158>			
d Grants or scholarships					
e Other expenditures for facilities and programs	<206,424>	229,158			
f Administrative expenses					
g End of year balance	945,596	937,839			

2 Provide the estimated percentage of the year end balance held as:

a Board designated or quasi-endowment ▶ %

b Permanent endowment ▶ 100 %

c Term endowment ▶ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

(i) unrelated organizations

(ii) related organizations

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds.

	Yes	No
3a(i)		X
3a(ii)	X	
3b	X	

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		438,016		438,016
b Buildings		11,995,909	6,941,198	5,054,711
c Leasehold improvements				
d Equipment		3,306,212	2,877,028	429,184
e Other		673,975	534,872	139,103
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				6,061,014

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	12,024,177
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	12,605,528
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	(581,351)
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	795,001
9	Total adjustments (net). Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	213,650

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	12,024,177
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	12,024,177
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	12,024,177

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	12,605,528
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	12,605,528
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	12,605,528

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information

XI (Line 8) - Change in unrestricted net assets related to the pension plan	\$ 500,375
Change in unrestricted beneficial interest in Foundation	149,081
" Temporarily restricted " "	137,788
" Restricted " "	7,757
	\$ 795,001

Part XIV Supplemental Information *(continued)*

N/A

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information
For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990,
Part IV, line 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

**Open to Public
Inspection**

Name of the organization

Genesee Valley Performing Arts Center

Employer identification number

22-2291346

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

Yes No

--	--	--

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

1b *N/A*

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

2 *N/A*

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply

- | | |
|--|--|
| <input type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment? **4a**
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? **4b**
- c** Participate in, or receive payment from, an equity-based compensation arrangement? **4c**
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

		X
		X
		X

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization? **5a**
- b** Any related organization? **5b**
- If "Yes" to line 5a or 5b, describe in Part III.

		X
		X

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization? **6a**
- b** Any related organization? **6b**
- If "Yes" to line 6a or 6b, describe in Part III.

		X
		X

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

7 X

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III

8 X

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

9 *N/A*

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Part I (7) - Bonus paid for performance results as per Executive Bonus Program Plan: Amanda Brown - 8331

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.

▶ Attach to Form 990.

OMB No 1545-0047

2009

**Open to Public
Inspection**

Name of the organization

Genesee Valley Presbyterian Nursing Center

Employer identification number

22-2291346

Part VI(A)(6) - The organization is a membership corporation with Presbyterian Homes & Services of Genesee Valley (ServingFirst) the sole member.

(7a) - The board of directors of the Member, constitute the board of directors of the organization.

(7b) - The organization's bylaws identify certain reserved powers that require approval by the Member.

(B)(14) - The 990 is reviewed by the Audit & Finance Committee of the board of directors on behalf of the organization's board. A copy of the 990 is available to all directors of the governing board on the organization's parent's board website.

(B)(12c) - Board members & key employees must complete & update conflict of interest forms annually & as needed. The Governance Committee of the parent board monitors & enforces compliance as needed.

(B)(15b) - The Executive Committee of the parent Board reviews, determines & approves (with full board approval) the CEO compensation. Paycom survey & comparable compensation data is used to ascertain reasonableness & competitiveness of compensation. The HR Committee upon approval of the board reviews & approves compensation pay scales & annual increase range for all other staff.

(16) - The organization participates in a taxable joint venture for Group Purchasing and a Worker's Compensation/Disability Trust.

(19) - Governing documents are maintained in the administration office and available to the public upon request. An annual report is issued & available upon request.

Sch. O, Part V - Investment earnings/losses on Endowment Funds held by the Foundation are considered unrestricted & recorded within the Foundation Directors Discretionary Funds.

► Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.

▶ **Attach to Form 990.** ▶ **See separate instructions.**

Department of the Treasury
Internal Revenue Service

Name of the organization

Genese Valley Presbyterian Nursing Center

Employer identification number
22 2291346

Part I

[illegible]

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
254 Alexander St. Roch. NY 16-1592416 Protestant Homes & Services of Seneca Valley d/b/a SenecaFirst	Parent organization providing caregiver support	New York	501(c)(3)	118	N/A
254 Alexander St. Roch. NY 16-1578680 SenecaFirst Foundation, Inc.	Supporting organizations for SenecaFirst & individuals	New York	501(c)(3)	118	N/A
1570 East Avenue Roch. NY 16-0958326 Protestant Resource Center Corporation	Sister organization providing services to seniors	New York	501(c)(3)	9	N/A
1570 East Avenue Roch. NY 22-3035849 Prescova	Sister organization to PRCC	New York	501(c)(3)	9	N/A

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, or 36.)**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity		<input checked="" type="checkbox"/>
b Gift, grant, or capital contribution to other organization(s)		<input checked="" type="checkbox"/>
c Gift, grant, or capital contribution from other organization(s)	<input checked="" type="checkbox"/>	
d Loans or loan guarantees to or for other organization(s)		<input checked="" type="checkbox"/>
e Loans or loan guarantees by other organization(s)		<input checked="" type="checkbox"/>
f Sale of assets to other organization(s)		<input checked="" type="checkbox"/>
g Purchase of assets from other organization(s)		<input checked="" type="checkbox"/>
h Exchange of assets		<input checked="" type="checkbox"/>
i Lease of facilities, equipment, or other assets to other organization(s)		<input checked="" type="checkbox"/>
j Lease of facilities, equipment, or other assets from other organization(s)		<input checked="" type="checkbox"/>
k Performance of services or membership or fundraising solicitations for other organization(s)		<input checked="" type="checkbox"/>
l Performance of services or membership or fundraising solicitations by other organization(s)		<input checked="" type="checkbox"/>
m Sharing of facilities, equipment, mailing lists, or other assets	<input checked="" type="checkbox"/>	
n Sharing of paid employees	<input checked="" type="checkbox"/>	
o Reimbursement paid to other organization for expenses		<input checked="" type="checkbox"/>
p Reimbursement paid by other organization for expenses	<input checked="" type="checkbox"/>	
q Other transfer of cash or property to other organization(s)		
r Other transfer of cash or property from other organization(s)		

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved
(1)	SeniorFirst Foundation	C	20,502
(2)	SeniorFirst	N	429,368
(3)			
(4)			
(5)			
(6)			

CONSOLIDATED FINANCIAL STATEMENTS
PRESBYTERIAN HOMES AND
SERVICES OF GENESEE VALLEY, INC.
d/b/a SENIORSFIRST COMMUNITIES & SERVICES

DECEMBER 31, 2009

**PRESBYTERIAN HOMES AND SERVICES OF GENESEE VALLEY, INC.
D/B/A SENIORSFIRST COMMUNITIES & SERVICES**

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Freed Maxick & Battaglia, CPAs, PC

INDEPENDENT AUDITOR'S REPORT

Board of Governors
Presbyterian Homes and Services of Genesee Valley, Inc.
d/b/a Seniorsfirst Communities & Services
Rochester, New York

We have audited the accompanying consolidated statements of financial position of Presbyterian Homes and Services of Genesee Valley, Inc. d/b/a Seniorsfirst Communities & Services (Seniorsfirst) as of December 31, 2009 and 2008, and the related consolidated statements of activities and changes in net assets, and cash flows for the years then ended. These consolidated financial statements are the responsibility of Seniorsfirst management. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Presbyterian Homes and Services of Genesee Valley, Inc. d/b/a Seniorsfirst Communities & Services as of December 31, 2009 and 2008, and the changes in their net assets and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic 2009 and 2008 consolidated financial statements taken as a whole. The consolidating and other supplementary schedules on pages 20 - 28 are presented for purposes of additional analysis of the basic consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and are not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

Freed Maxick & Battaglia, CPAs, PC

Buffalo, New York
May 17, 2010

PRESBYTERIAN HOMES AND SERVICES OF GENESEE VALLEY, INC.
D/B/A SENIORSFIRST COMMUNITIES & SERVICES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31,

ASSETS	2009	2008
Current assets:		
Cash and cash equivalents	\$ 450,748	\$ 519,039
Accounts receivable - net of allowance for doubtful accounts of \$265,615 (\$366,621 - 2008)	1,764,873	1,699,154
Bequest receivable	107,958	3,707
Prepaid expenses and other current assets	288,325	319,054
Total current assets	2,611,904	2,540,954
Investments	2,743,985	2,176,325
Assets whose use is limited	3,354,690	3,053,146
Other long-term assets	35,242	111,625
Due from third-party payers	16,968	-
Property and equipment - net of accumulated depreciation	12,585,056	13,050,084
Intangible assets - net of accumulated amortization	249,355	267,499
Resident funds held in trust	69,146	68,028
Total assets	\$ 21,666,346	\$ 21,267,661
 LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,349,227	\$ 1,083,686
Deferred revenue	63,129	84,172
Line of credit	500,000	-
Debt - due within one year	508,259	411,942
Refundable fees and security deposits	1,949,827	2,029,166
Total current liabilities	4,370,442	3,608,966
Debt - due after one year	11,872,127	12,338,642
Due to third-party payers	-	488,987
Discount for future interest in pooled life income funds	52,836	74,607
Other long-term liabilities	517,400	271,766
Pension liability	940,181	1,320,759
Unfunded postretirement benefit obligation	323,572	358,901
Entrance fees	2,339,801	2,019,093
Resident funds held in trust	69,146	68,028
Total liabilities	20,485,505	20,549,749
Net assets:		
Unrestricted	(1,688,486)	(2,146,197)
Temporarily restricted	1,071,843	1,098,938
Permanently restricted	1,797,484	1,765,171
Total net assets	1,180,841	717,912
 Total liabilities and net assets	\$ 21,666,346	\$ 21,267,661

See accompanying notes.

**PRESBYTERIAN HOMES AND SERVICES OF GENESEE VALLEY, INC.
D/B/A SENIORSFIRST COMMUNITIES & SERVICES**

**CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended December 31,**

	<u>2009</u>	<u>2008</u>
Operating revenue:		
Resident service revenue	\$ 16,585,255	\$ 16,358,742
Other operating revenue	387,758	364,254
Total operating revenue	<u>16,973,013</u>	<u>16,722,996</u>
Operating expenses:		
Salaries and wages	8,255,351	8,196,992
Employee benefits	2,624,306	2,250,864
Other direct expenses	1,896,611	1,641,339
Supplies and materials	1,335,737	1,429,468
Depreciation and amortization	1,134,461	1,111,910
Interest	624,751	773,828
Fees	946,380	1,134,948
Cash receipts assessment	495,653	519,728
Purchased and contracted services	562,626	552,308
Bad debt expense	219,706	263,395
Total operating expenses	<u>18,095,582</u>	<u>17,874,780</u>
Loss from operations	(1,122,569)	(1,151,784)
Non-operating revenue (expense):		
Investment income	117,395	179,239
Realized investment losses	(31,599)	(8,260)
Unrealized investment gains (losses)	719,662	(1,337,510)
Contributions	37,467	92,178
Net assets released from restrictions	132,956	181,548
Reclassification of net assets	-	125,223
Total non-operating revenue (expense)	<u>975,881</u>	<u>(767,582)</u>
Excess (deficiency) of revenue over expense	(146,688)	(1,919,366)
Change in unrestricted net assets related to the pension plan	<u>500,375</u>	<u>(1,620,875)</u>
Change in unrestricted net assets	353,687	(3,540,241)

See accompanying notes.

**PRESBYTERIAN HOMES AND SERVICES OF GENESEE VALLEY, INC.
D/B/A SENIORSFIRST COMMUNITIES & SERVICES**

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)
Years Ended December 31,

	<u>2009</u>	<u>2008</u>
Temporarily restricted net assets:		
Contributions	\$ 100,844	\$ 84,686
Change in value of pooled life income fund	5,017	(1,981)
Net assets released from restrictions	(132,956)	(181,548)
Reclassification of net assets	-	(125,223)
Change in temporarily restricted net assets	<u>(27,095)</u>	<u>(224,066)</u>
Permanently restricted net assets:		
Contributions	117,861	11,029
Change in value of pooled life income fund	18,476	8,417
Change in permanently restricted net assets	<u>136,337</u>	<u>19,446</u>
 Change in net assets	 462,929	 (3,744,861)
 Net assets - beginning of year	 <u>717,912</u>	 <u>4,462,773</u>
 Net assets - end of year	 <u><u>\$ 1,180,841</u></u>	 <u><u>\$ 717,912</u></u>

See accompanying notes.

**PRESBYTERIAN HOMES AND SERVICES OF GENESEE VALLEY, INC.
D/B/A SENIORSFIRST COMMUNITIES & SERVICES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31,**

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Change in net assets	\$ 462,929	\$ (3,744,861)
Adjustments to reconcile the change in net assets to net cash provided by operating activities:		
Decrease in allowance for doubtful accounts	(101,006)	(24,748)
Depreciation and amortization	1,134,461	1,111,910
Discount for future interest in pooled life income funds	(21,771)	(4,469)
Entrance fees amortization	(641,951)	(736,363)
Change in unrestricted net assets related to the pension plan	(500,375)	1,620,875
Net realized gains (losses) on investments	31,599	8,260
Net unrealized (gains) losses on investments	(719,662)	1,337,510
(Increase) decrease in assets:		
Accounts receivable	35,287	(211,965)
Bequests receivable	(104,251)	-
Prepaid expenses and other current assets	80,729	17,104
Other long-term assets	76,383	61,037
Due from third-party payors	(16,968)	-
Pension asset	-	29,598
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	215,540	(117,829)
Refundable fees and security deposits	(79,339)	229,947
Deferred revenue	(21,043)	(20,523)
Due to third-party payors	(488,987)	248,987
Unfunded postretirement benefit obligation	(35,329)	12,055
Entrance fees, net	962,659	532,821
Other long-term liabilities	245,634	247,975
Pension liability	119,797	-
Net cash provided by operating activities	<u>634,336</u>	<u>597,321</u>

See accompanying notes.

PRESBYTERIAN HOMES AND SERVICES OF GENESEE VALLEY, INC.
D/B/A SENIORSFIRST COMMUNITIES & SERVICES

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
Years Ended December 31,

	<u>2009</u>	<u>2008</u>
Cash flows from investing activities:		
Purchase of property and equipment	\$ (554,910)	\$ (678,824)
Purchase of investments	(375,846)	(941,958)
Sale of investments	283,724	953,846
Change in assets whose use is limited	(89,018)	33,452
Net cash used by investing activities	<u>(736,050)</u>	<u>(633,484)</u>
Cash flows from financing activities:		
Net borrowings on lines of credit	500,000	-
Principal payments on long-term debt	(466,577)	(394,076)
Net cash provided (used) by financing activities	<u>33,423</u>	<u>(394,076)</u>
Net change in cash and cash equivalents	(68,291)	(430,239)
Cash and cash equivalents - beginning of year	519,039	949,278
Cash and cash equivalents - end of year	<u>\$ 450,748</u>	<u>\$ 519,039</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 625,811</u>	<u>\$ 774,914</u>
Purchase of property and equipment through the issuance long-term debt	<u>\$ 96,379</u>	<u>\$ -</u>

See accompanying notes.

**PRESBYTERIAN HOMES AND SERVICES OF GENESEE VALLEY, INC.
D/B/A SENIORSFIRST COMMUNITIES & SERVICES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. - OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - Presbyterian Homes and Services of Genesee Valley, Inc. d/b/a Seniorsfirst Communities & Services (Seniorsfirst) is the sole member of Presbyterian Residence Center Corporation d/b/a Valley Manor Apartments & Senior Services, Genesee Valley Presbyterian Nursing Center d/b/a Kirkhaven, and Seniorsfirst Foundation, Inc. (Foundation). The purpose of Seniorsfirst is to establish an affiliation between Valley Manor, Kirkhaven, and the Foundation, allowing Seniorsfirst to coordinate policy making, strategic planning, and to take other actions necessary to benefit the affiliated entities by planning and promoting effective and economical not-for-profit services for the elderly.

Presbyterian Residence Center Corporation (PRCC) and Prescor (collectively Valley Manor) - PRCC operates a 137 apartment unit residence center for senior citizens known as Valley Manor Apartments, a 10 apartment unit assistive living facility, and provides support services to senior citizens in the Rochester community. Approximately 96% of PRCC's revenue is derived from fees and services provided to its residents at Valley Manor Apartments. Prescor, Inc. owns and leases real property and other facilities to PRCC, maintains an endowment fund for services to the elderly, principally through PRCC, and otherwise aids and assists in improving the ability of PRCC to provide these services. Valley Manor's operations generate approximately 30% of Seniorsfirst's net operating revenue.

Genesee Valley Presbyterian Nursing Center d/b/a Kirkhaven (Kirkhaven) - Kirkhaven is a 147-bed not-for-profit nursing facility located in Rochester, New York. Kirkhaven's operations generate approximately 70% of Seniorsfirst's net operating revenue.

Seniorsfirst Foundation, Inc. (Foundation) - The Foundation is a not-for-profit organization intended to operate in connection with and for the benefit of the charitable purposes of Seniorsfirst Foundation, Inc.

Principles of Consolidation - All material intercompany balances and transactions of the affiliated group have been eliminated in the consolidated financial statements.

Display of Net Assets by Class - The accompanying financial statements have been prepared in conformity with the disclosure and display requirements of accounting principles generally accepted in the United States of America (US GAAP). US GAAP requires that resources be classified for reporting purposes into three net asset categories (temporarily restricted, permanently restricted and unrestricted) according to the existence or absence of donor-imposed restrictions. Temporarily restricted net assets are those whose use has been limited by donors for a specific purpose or time period. Seniorsfirst's temporarily restricted net assets are purpose restricted for Kirkhaven's general use subject to the Foundation's approval, and for specific purpose use at Kirkhaven such as enhanced dining, the beauty shop, resident recreation, and pastoral care services. Funds are also purpose restricted for Valley Manor's general use subject to the Foundation's approval and specific purpose use at Valley Manor such as capital projects, financial assistance for residents, and adult day care. Certain temporarily restricted net assets are time restricted. Permanently restricted net assets are those for which donors require the principal of the gift to be maintained in perpetuity. Temporarily and permanently restricted net assets also include pooled life income funds whose income is paid to the donor.

**PRESBYTERIAN HOMES AND SERVICES OF GENESEE VALLEY, INC.
D/B/A SENIORSFIRST COMMUNITIES & SERVICES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 1. - OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Cash and Cash Equivalents - Cash and cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less. Although Seniorsfirst maintains cash and cash equivalents at financial institutions which periodically may exceed federally insured amounts, management does not anticipate non-performance by financial institutions. For purposes of the statements of cash flows, cash and cash equivalents exclude amounts that are classified as assets whose use is limited.

Accounts Receivable and Allowance for Doubtful Accounts - Accounts receivable are stated at cost and are net of allowances for doubtful accounts. Seniorsfirst estimates the allowance based on management's analysis of specific balances, taking into consideration the age of past due accounts, the status of the billing process with third-party payers, the value of remaining assets held by residents, and anticipated collections resulting from legal action. It is Seniorsfirst's policy to write-off uncollectible receivables when management determines the receivable will not be collected.

Investments - Investments in equity instruments with readily determinable fair values and all investments in debt securities are reported at fair value based on quoted market prices. The cost of specific securities sold is used to compute realized gains and losses on sales. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the deficiency of revenues over expense. Unrealized gains and losses on investments are also included in the deficiency of revenues over expense due to their trading classification.

Property, Equipment, and Depreciation - Property and equipment are stated at cost if purchased or at the fair market value at the date of donation. Valley Manor capitalizes all assets with a cost of \$500 or greater and an estimated useful life of more than one year. Kirkhaven capitalizes all assets with a cost of \$200 or greater and an estimated useful life of more than one year. Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets, which range from 5 to 40 years. Depreciation expense for the year ended December 31, 2009 was \$1,116,320 (\$1,093,769 - 2008).

Costs of Apartment Preparation and Renovation - Costs of apartment preparation are generally recovered through fees charged to Valley Manor residents upon occupancy, therefore apartment preparation costs are expensed as incurred. Costs of apartment renovations, however, are generally recovered through increased entrance fees charged to Valley Manor residents upon occupancy. Therefore, apartment renovation costs are capitalized and depreciated over the average length of stay of discharged residents over the last three years.

Intangible Assets - Intangible assets consist of mortgage acquisition costs. The mortgage acquisition costs are being amortized using the straight-line method over the terms of mortgages. Amortization expense for the year ended December 31, 2009 amounted to \$18,141 (\$18,141 - 2008). Accumulated amortization as of December 31, 2009 amounted to \$148,882 (\$130,741 - 2008). Amortization expense for each of the five years subsequent to December 31, 2009 will be \$18,141.

Resident Funds - Kirkhaven acts as a custodian for resident funds. These funds are expended at the direction of its residents for personal items.

**PRESBYTERIAN HOMES AND SERVICES OF GENESEE VALLEY, INC.
D/B/A SENIORSFIRST COMMUNITIES & SERVICES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 1. - OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Deferred Revenue - Cash received in advance of services rendered is classified as deferred revenue.

Refundable Fees and Entrance Fees - Valley Manor provides residents the use of an accommodation unit and certain related services.

For the right to occupy and use the living accommodations and receive the services offered, residents select one of three pricing/payment models: an annual lease agreement, a traditional lease agreement or a refundable lease agreement.

Annual lease agreements require only monthly maintenance fees.

Traditional lease agreements offer a reduced monthly maintenance fee in addition to an entrance fee. Entrance fees are refundable pro-rata over a thirty-six month period if a resident chooses to leave Valley Manor within that timeframe. Of the deferred entrance fee revenue, \$1,092,749 represents the amount that is no longer subject to potential refund based on the residents' thirty-six month length of stay refund policy. The refundable portion of the entrance fee is reduced ratably over that period and amortized into income over the average length of stay of discharged residents over the last three years. Average length of stay is calculated annually using a rolling three year average.

The refundable lease agreement provides for an extended refund period over the life of the lease, coupled with a higher entrance fee and the reduced monthly maintenance fee. The refundable entrance fees under this contract option are recorded as a liability when received. The refundable entrance fee (less the initial non-refundable installment), will be refunded to the resident without interest. Payment of the refund will be made when Valley Manor enters into a resident agreement with a new or existing resident for the same apartment, but no later than 180 days after the resident vacates the apartment.

Fair Values of Financial Instruments - The carrying amounts of all financial instruments classified as current assets and liabilities approximate fair values. As defined by US GAAP, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assets and liabilities are required to be measured and reported on a fair value basis. Accounting principles generally accepted in the United States of America, require disclosures about the framework for measuring fair value in GAAP, and additional disclosure about fair value measurements. This enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. Assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- | | |
|----------|---|
| Level 1: | Quoted market prices in active markets for identical assets or liabilities. |
| Level 2: | Observable market based inputs or unobservable inputs that are corroborated by market data. |
| Level 3: | Unobservable inputs that are not corroborated by market data. |

**PRESBYTERIAN HOMES AND SERVICES OF GENESEE VALLEY, INC.
D/B/A SENIORSFIRST COMMUNITIES & SERVICES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 1. - OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

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 to maximize the use of observable inputs and minimize the use of unobservable inputs.

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, 2009 and 2008.

Cash and cash equivalents: Stated at cost, which approximates fair value. Cash and cash equivalents are classified as Level 1 investments.

Common stock and fixed income: Valued at the closing price reported on the active market on which the individual securities are traded. Common stock, U.S. government securities and corporate obligations are classified as Level 1 investments.

Excess (deficiency) of Revenue Over Expense - For purpose of display, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operating revenue and expenses. Peripheral or incidental transactions are reported as non-operating income and expenses.

Revenue Recognition - Kirkhaven provides service to residents under agreements with third-party payors (Medicaid, Medicare and HMO's) under provisions of their respective cost reimbursement formulas. If amounts received are less than Kirkhaven's established billing rates, the difference is accounted for as a reduction of revenue. Final determination of the reimbursement rates is subject to review by appropriate third-party payors. Provision is made in the financial statements for anticipated adjustments that may result from such reviews. Differences between the estimated amounts accrued and final settlements are reported in operations in the year of settlement.

Valley Manor's maintenance fees are recognized in the period in which the resident resides at Valley Manor.

Kirkhaven derives approximately 59% (61% - 2008) of net resident service revenue from Medicare and Medicaid.

Net Resident Service Revenue - Medicaid - As discussed above, the Kirkhaven is reimbursed for services rendered to certain residents under the Medicaid program. The Medicaid program is governed by the New York State Department of Health (DOH). Effective April 1, 2009, Legislation required DOH to revise its reimbursement formula for the Medicaid rates paid to skilled nursing facilities. In January 2010, DOH issued notice rates to facilities which incorporated the changes to the reimbursement formula. However, as of the date these financial statements were available to be issued, the notice rates have not been approved by Federal and State regulatory agencies to be paid.

**PRESBYTERIAN HOMES AND SERVICES OF GENESEE VALLEY, INC.
D/B/A SENIORSFIRST COMMUNITIES & SERVICES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 1. - OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

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, that is, when a stipulated time restriction ends or when the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions. The Company reports contributions for which the donor imposed restriction was met in the same year that the contribution is received as unrestricted net asset activity.

Volunteers have donated significant amounts of time in support of Seniorsfirst activities. However, the value of these services is not reflected in the accompanying statements, as these services do not meet the criteria for recognition in accordance with generally accepted accounting principles.

Pooled Life Income Funds - Valley Manor administers various pooled life income funds. A pooled life income fund provides for the payment of distributions to the grantor or other designated beneficiaries over the fund's term (usually the designated beneficiary's lifetime). At the end of the fund's term, the remaining assets are distributed according to the terms of the original gift. The portion of the fund attributable to the present value of the future benefits to be received by Valley Manor is recorded in the consolidated statements of activities as a temporarily or permanently restricted contribution in the period the fund is established. Such present value adjustments totaled \$23,493 in 2009 (\$6,436 - 2008). Assets held in the pooled life income funds totaled \$206,019 at December 31, 2009 (\$274,275 - 2008), and are included in investments in the consolidated statements of financial position. The difference between the funds' assets and the present value of future benefits is recorded as discount for future interest in the statements of financial position. This discount is amortized over the fund's term (usually the designated beneficiary's lifetime). The discount rate is determined at the time the contribution is initially recognized and is not typically subsequently revised. The discount rate used for gifts received during 2009 was 5.75% (5.11% - 2008).

Income Taxes - Seniorsfirst is a not-for-profit organization as described in Section 509(a) of the Internal Revenue Code and is exempt from income taxes as a corporation pursuant to Section 501(c)(3) of the Internal Revenue Code. Seniorsfirst is not considered a private foundation by the Internal Revenue Service.

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 in the financial statements and the accompanying notes. Actual results could differ from those estimates.

Reclassifications - Certain amounts in the prior year financial statements have been reclassified to conform with the current year presentation.

Subsequent Event - These financial statements have not been updated for subsequent events occurring after May 17, 2010 which is the date these financial statements were available to be issued.

**PRESBYTERIAN HOMES AND SERVICES OF GENESEE VALLEY, INC.
D/B/A SENIORSFIRST COMMUNITIES & SERVICES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2. - INVESTMENTS

Investments are carried at fair value which is the market value based on quoted market prices. Seniorsfirst has measured its investments at fair value on a recurring basis as Level 1 within the hierarchy. Investments are invested as follows as of December 31:

	<u>2009</u>		<u>2008</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Cash and cash equivalents	\$ 19,076	\$ 19,076	\$ 14,125	\$ 14,125
Mutual funds:				
Stocks	306,780	295,147	321,226	204,850
Bonds	894,932	930,716	745,323	753,635
Common stock	<u>1,645,299</u>	<u>1,499,046</u>	<u>1,671,361</u>	<u>1,203,715</u>
Total investments	<u>\$ 2,866,087</u>	<u>\$ 2,743,985</u>	<u>\$ 2,752,035</u>	<u>\$ 2,176,325</u>

The composition of net investment income is as follows:

	<u>2009</u>	<u>2008</u>
Interest and dividends	\$ 125,253	\$ 189,190
Realized losses	(31,599)	(8,260)
Investment expenses	<u>(7,858)</u>	<u>(9,951)</u>
	<u>\$ 85,796</u>	<u>\$ 170,979</u>

The Board of Directors has established a Total Return Policy (TRP) for use in regulating how Seniorsfirst Foundation investment earnings and appreciation are made available for use by the supporting organizations. The TRP allows for an annual release of Seniorsfirst unrestricted net assets to Kirkhaven and Valley Manor equal to 5% of the rolling previous 12 quarters beneficial interest balances of Kirkhaven and Valley Manor. If the Seniorsfirst Foundation total net assets (less temporarily restricted and permanently restricted net assets) are not sufficient to cover the 5% TRP transfer (underwater position), no TRP transfer is permitted that year.

NOTE 3. - ASSETS WHOSE USE IS LIMITED

Assets whose use is limited represents amounts designated for the following purposes:

	<u>2009</u>	<u>2008</u>
Taxes and Insurance Escrow - represents funds deposited as required under the terms of Kirkhaven's debt financing agreements.	\$ 137,880	\$ 113,203
Reserve for Replacement Escrow - represents funds deposited as required under the terms of Kirkhaven's debt financing agreements.	589,863	541,348

**PRESBYTERIAN HOMES AND SERVICES OF GENESEE VALLEY, INC.
D/B/A SENIORSFIRST COMMUNITIES & SERVICES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3. - ASSETS WHOSE USE IS LIMITED (CONTINUED)

Funded Depreciation - represents amounts available for the replacement of and additions to Kirkhaven's property and equipment in accordance with past New York State Department of Health requirements.	603,956	629,733
Board Designated - represents amounts reserved for capital improvements at Valley Manor, as designated by the Board of Directors.	218,619	184,594
Lease Securities - represents lease deposits at Valley Manor.	52,327	44,749
Pooled Life Income Funds - represents funds donated by beneficiaries to Valley Manor, the income of which is distributed to the grantors or other designated beneficiaries. At the end of the term, the remaining assets are distributed according to the terms of the original gift.	206,019	274,275
Security collateral - represents investments pledged as security on mortgage agreements at Valley Manor.	<u>1,546,026</u>	<u>1,265,244</u>
	<u>\$ 3,354,690</u>	<u>\$ 3,053,146</u>

Assets whose use is limited are invested in the following as of December 31:

	<u>2009</u>		<u>2008</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Cash and cash equivalents	\$ 1,534,132	\$ 1,534,132	\$ 1,544,931	\$ 1,544,931
Mutual funds - stocks	196,191	182,912	220,163	136,950
Mutual funds - bonds	623,142	633,624	556,256	534,708
Common stocks	971,676	878,519	1,032,675	765,961
Loan receivable	100,000	100,000	-	-
Fixed income	<u>24,663</u>	<u>25,503</u>	<u>72,764</u>	<u>70,596</u>
Total	<u>\$ 3,449,804</u>	<u>\$ 3,354,690</u>	<u>\$ 3,426,789</u>	<u>\$ 3,053,146</u>

During December 2009 Kirkhaven borrowed \$100,000 from its funded depreciation reserve to fund operations. The amount is non-interest bearing and is expected to be repaid in full during the year ended December 31, 2010.

**PRESBYTERIAN HOMES AND SERVICES OF GENESEE VALLEY, INC.
D/B/A SENIORSFIRST COMMUNITIES & SERVICES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4. - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31:

	<u>2009</u>	<u>2008</u>
Land	\$ 897,767	\$ 897,767
Building and improvements	27,388,497	27,012,749
Land improvements	429,596	326,898
Movable equipment	<u>5,235,204</u>	<u>5,062,358</u>
	33,951,064	33,299,772
Less: Accumulated depreciation	<u>21,366,008</u>	<u>20,249,688</u>
Net property and equipment	\$ <u>12,585,056</u>	\$ <u>13,050,084</u>

NOTE 5. - LINES OF CREDIT

Valley Manor has a \$350,000 line of credit with a bank that bears interest at prime plus 0.75% (4.00% at December 31, 2009). No amounts were outstanding under this line as of December 31, 2009 or 2008. The line is secured by deposits held with the bank.

Kirkhaven has a \$500,000 line of credit with a bank that bears interest at prime plus 0.75% (4.00% at December 31, 2009). The line is secured by deposits held with the bank. As of December 31, 2009 \$500,000 was outstanding under this line of credit. No amounts were outstanding under this line of credit as of December 31, 2008.

NOTE 6. - DEBT

Debt consisted of the following as of December 31:

	<u>2009</u>	<u>2008</u>
Mortgage due December 2024, payable in monthly installments of \$45,334, including interest at 5.41%. The mortgage is collateralized by substantially all of Kirkhaven's assets, and is insured by the U.S. Department of Housing and Urban Development under Program Section 232 - Nursing Homes, Intermediate Care Facilities, and Board and Care Homes.	\$ 5,580,806	\$ 5,815,942
Mortgage due February 2014, payable in monthly installments of \$23,940 including interest at six-month LIBOR plus 2.5% (3.255% at December 31, 2009). Collateralized by substantially all the unrestricted assets of Valley Manor.	4,132,338	4,265,377

**PRESBYTERIAN HOMES AND SERVICES OF GENESEE VALLEY, INC.
D/B/A SENIORSFIRST COMMUNITIES & SERVICES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6. – DEBT (CONTINUED)

Mortgage due February 2014, payable in monthly installments of \$12,301 including interest at six-month LIBOR plus 2.5% (3.255% at December 31, 2009). Collateralized by substantially all the unrestricted assets of Valley Manor.	2,123,341	2,191,702
Mortgage due February 2014, payable in monthly installments of \$3,404 including interest at one-month LIBOR plus 2.5% (2.731% at December 31, 2009). Collateralized by substantially all the unrestricted assets of Valley Manor.	458,427	474,027
Note payable due May 2014, payable in monthly installments of \$1,304, including interest at 8.74%.	56,293	-
Note payable due September 2011, payable in monthly installments of \$1,450, including interest at 4.68%.	29,181	-
Vehicle loan repaid in full during October 2009.	-	3,536
	<u>12,380,386</u>	<u>12,750,584</u>
Less: amount due within one year	508,259	411,942
Amount due after one year	<u>\$ 11,872,127</u>	<u>\$ 12,338,642</u>

Valley Manor's mortgages may become payable on demand in the event of default on specified restrictive covenants. The agreements require Valley Manor to maintain a minimum level of liquid assets and debt service coverage. At December 31, 2009, Valley Manor was in compliance with all covenants.

Annual maturities of debt for the four years subsequent to December 31, 2010 are as follows:

2011	\$ 618,902
2012	632,915
2013	660,689
2014	5,765,192
Thereafter	<u>4,194,429</u>
	<u>\$ 11,872,127</u>

**PRESBYTERIAN HOMES AND SERVICES OF GENESEE VALLEY, INC.
D/B/A SENIORSFIRST COMMUNITIES & SERVICES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7. - ENDOWMENTS

Changes in Endowment Net Assets for the year ended December 31:

	<u>Seniorsfirst Foundation's Kirkhaven Endowment</u>	<u>Seniorsfirst Foundation's Valley Manor Endowment</u>	<u>Valley Manor's Pooled Life Income Funds</u>	<u>Total</u>
Assets, January 1, 2008	\$ 931,310	\$ 687,807	\$ 135,025	\$ 1,745,725
Gifts to permanent endowment funds	6,529	4,500	-	11,029
Change in value of pooled life income fund	-	-	8,417	8,417
Assets, December 31, 2008	<u>\$ 937,839</u>	<u>\$ 692,307</u>	<u>\$ 135,025</u>	<u>\$ 1,765,171</u>
Gifts to permanent endowment funds	7,757	6,080	-	13,837
Change in value of pooled life income fund	-	-	18,476	18,476
Assets, December 31, 2009	<u>\$ 945,596</u>	<u>\$ 698,387</u>	<u>\$ 153,501</u>	<u>\$ 1,797,484</u>

Endowment Net Asset Composition by Type of Fund as of December 31:

	<u>Seniorsfirst Foundation's Kirkhaven Endowment</u>	<u>Seniorsfirst Foundation's Valley Manor Endowment</u>	<u>Valley Manor's Pooled Life Income Funds</u>	<u>2008 Total</u>
Permanently restricted net assets	<u>\$ 937,839</u>	<u>\$ 692,307</u>	<u>\$ 135,025</u>	<u>\$ 1,765,171</u>

	<u>Seniorsfirst Foundation's Kirkhaven Endowment</u>	<u>Seniorsfirst Foundation's Valley Manor Endowment</u>	<u>Valley Manor's Pooled Life Income Funds</u>	<u>2009 Total</u>
Permanently restricted net assets	<u>\$ 945,596</u>	<u>\$ 698,387</u>	<u>\$ 153,501</u>	<u>\$ 1,797,484</u>

The Board of Directors has interpreted state law as requiring the preservation of the corpus of the permanent restricted endowment funds only. Net appreciation of the invested assets are considered unrestricted net assets unless explicit donor stipulations specify how the net appreciation must be used. Therefore, the Organization's endowment management policies require that all donor-restricted endowment fund contributions be classified as permanently restricted net assets and the related net investment earnings and appreciation be classified as unrestricted net assets. To ensure the preservation of the corpus of the permanently restricted endowment funds, the total fair value of all commingled investment assets are classified first to the level of the permanently restricted endowment funds corpus. If the fair value of investment assets falls below the level of the permanently restricted endowment fund corpus, an endowment fund deficiency receivable from the unrestricted net assets would be recognized until the deficiency was recovered. Seniorsfirst's restricted net asset spending policy is described in Note 2.

**PRESBYTERIAN HOMES AND SERVICES OF GENESEE VALLEY, INC.
D/B/A SENIORSFIRST COMMUNITIES & SERVICES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8. - PENSION PLANS

Seniorsfirst has a contributory 401(k) defined contribution pension plan which covers employees who have one year of service and are age twenty-one or older. Seniorsfirst matches participants' contributions to the Plan up to 3% of their compensation. Contributions to the plan were \$50,971 for the year ended December 31, 2009 (\$50,715 - 2008).

Seniorsfirst sponsors a defined benefit postretirement plan that covers certain retirees. The Plan is unfunded, noncontributory, and provides health, life insurance and occupancy benefits. Future health benefits are limited to benefits at 2003 rates, not to exceed \$1,540 per year per retiree. The accumulated postretirement benefit obligation was \$323,572 as of December 31, 2009 (\$358,901 - 2008). The postretirement benefit obligation assumes a discount rate of 7.00% for the years ended December 31, 2009 and 2008.

Kirkhaven has a voluntary, employee-contributory 403(b) plan.

Kirkhaven has a non-contributory defined benefit pension plan (the "Plan") covering all employees hired prior to January 1, 2006. The plan provides benefits based on years of service and the employee's compensation. Kirkhaven's funding policy is to contribute an amount within the requirements of the Employee Retirement Income Security Act. At December 31, 2005, Kirkhaven's defined benefit pension plan was frozen to existing participants. No new participants are eligible for admission into the plan subsequent to December 31, 2005.

Obligations and Funded Status - The following table sets forth the Plan's funded status and amounts recognized in Kirkhaven's financial statements. The measurement date for plan assets and obligations was December 31.

	<u>2009</u>	<u>2008</u>
Amounts at the end of years:		
Benefit obligation	\$ 5,508,705	\$ 5,231,172
Fair value of plan assets	\$ 4,568,524	\$ 3,910,413
Funded status (plan assets less plan obligations)	\$ (940,181)	\$(1,320,759)
Amounts recognized for the years:		
Benefit cost recognized in expense	\$ 249,797	\$ 159,598
Employer contributions	\$ 130,000	\$ 130,000
Benefits paid	\$ 205,883	\$ 184,262
Amounts recognized in the statement of financial position:		
Pension liability	\$ (940,181)	\$(1,320,759)
Accumulated unrestricted net assets related to the pension plan	\$ <u>722,655</u>	\$ <u>1,223,030</u>
Net amounts recognized	\$ <u>(217,526)</u>	\$ <u>(97,729)</u>

**PRESBYTERIAN HOMES AND SERVICES OF GENESEE VALLEY, INC.
D/B/A SENIORSFIRST COMMUNITIES & SERVICES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8. - PENSION PLANS (CONTINUED)

Information for pension plans with an accumulated benefit obligation in excess of plan assets:

Projected benefit obligation	\$ 5,508,705	\$ 5,231,172
Accumulated benefit obligation	\$ 5,047,799	\$ 4,448,353
Fair value of plan assets	\$ 4,568,524	\$ 3,910,413

The amounts in the accumulated unrestricted net assets related to the pension plan consist of:

	<u>2009</u>	<u>2008</u>
Net actuarial loss	\$ (717,281)	\$(1,212,284)
Prior service cost	<u>(5,374)</u>	<u>(10,746)</u>
	<u>\$ (722,655)</u>	<u>\$(1,223,030)</u>

The amounts in the accumulated unrestricted net assets related to the pension plan that are expected to be amortized into net periodic benefit cost during the next fiscal year are \$41,005 in net loss and \$5,372 in prior service costs.

Assumptions

	<u>2009</u>	<u>2008</u>
Assumptions used in computing ending obligations:		
Discount rate	6.00%	6.00%
Rate of compensation increase	4.00%	4.00%
Assumptions used in computing expected return on assets		
	8.50%	8.50%

The overall expected long-term rate of return on assets is based on historical returns, market trends, and investment objectives.

Plan Assets - Kirkhaven's pension plan weighted-average asset allocations by asset category are as follows:

<u>Asset Portfolio</u>	<u>2009</u>	<u>2008</u>
Cash and cash equivalents	2%	2%
Fixed income	24	29
Common stock	<u>74</u>	<u>69</u>
Total	<u>100%</u>	<u>100%</u>

**PRESBYTERIAN HOMES AND SERVICES OF GENESEE VALLEY, INC.
D/B/A SENIORSFIRST COMMUNITIES & SERVICES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8. - PENSION PLANS (CONTINUED)

Kirkhaven utilizes a professional investment manager for the plan assets, overseen by the finance committee of the board of directors. A formal investment policy approved by the committee establishes an average asset allocation range and preferred target of 5% cash and cash equivalents, 25% fixed income, and 70% equity securities. The investment policy also establishes a long-term return on investment objective of 500 basis points over the annual inflation rate and a short-term return on investment objective competitive with standard benchmark indices for each specific market sector. The investment manager follows a value-oriented philosophy of investing and is prohibited by the investment policy from the use of derivatives and other high risk investments.

Cash Flows - Kirkhaven expects to contribute approximately \$130,000 to its pension plan in 2009.

The following benefit payments, which reflect future service, as appropriate, are expected to be paid approximately as follows:

2010	\$ 210,000
2011	\$ 211,000
2012	\$ 209,000
2013	\$ 215,000
Next five succeeding years	\$ 1,559,000

NOTE 9. - WORKERS' COMPENSATION SELF INSURANCE

Seniorsfirst was self-insured for workers' compensation claims through a captive group arrangement with other healthcare providers. At December 31, 2009, \$466,580 and \$50,820 is recorded in other long-term liabilities related to workers compensation for Valley Manor and Kirkhaven, respectively (\$76,383 asset, \$271,766 liability - 2008). The amount charged to expense for workers' compensation claims for Seniorsfirst was \$880,408 for the year ended December 31, 2009 (\$486,607 - 2008).

Effective January 1, 2010, Seniorsfirst joined the Human Services Self-Insurance Workers' Compensation Trust Fund (HST). The HST was incorporated in 1996 to offer competitive workers compensation and statutory disability benefits programs to non-profit human services organizations throughout New York State. The HST sets annual premium rates for its members based on the claims experience and other costs of the Trust as a group. Each member's premiums are adjusted by a member specific claims experience modification factor. By choosing members carefully, engaging in best practices for risk management, conducting vigilant claims administration and cost sharing administrative overhead, the HST's objective is to minimize premium costs to its exclusive members.

**PRESBYTERIAN HOMES AND SERVICES OF GENESEE VALLEY, INC.
D/B/A SENIORSFIRST COMMUNITIES & SERVICES**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10. - FUNCTIONAL EXPENSES

Functional expenses are as follows:

	<u>2009</u>	<u>2008</u>
Skilled nursing	\$ 11,348,245	\$ 11,105,628
Independent living and assisted living	5,121,228	4,627,393
General and administrative	1,676,457	2,071,440
Fundraising	<u>85,526</u>	<u>70,319</u>
Total functional expenses	<u>\$ 18,231,456</u>	<u>\$ 17,874,780</u>

NOTE 11. - OTHER MATTERS

Seniorsfirst has a legal obligation to remove asbestos that is contained at both its Kirkhaven and Valley Manor locations should it become necessary to renovate, replace or otherwise disturb any building material embedded with asbestos. A liability has not been recognized for this obligation because sufficient information is not available to estimate the fair value of any planned or unplanned renovation, replacement or disposal.

**PRESBYTERIAN HOMES AND SERVICES OF GENESEE VALLEY, INC.
D/B/A SENIORSFIRST COMMUNITIES & SERVICES**

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2009

(With comparative totals as of December 31, 2008)

ASSETS	Presbyterian Residence Center Corporation and Prescor, Inc.	Genesee Valley Presbyterian Nursing Center	Seniorsfirst Foundation, Inc.	Eliminations	Consolidated	
					2009	2008
Current assets:						
Cash and cash equivalents	\$ 295,219	\$ 117,457	\$ 38,072	\$ -	\$ 450,748	\$ 519,039
Accounts receivable - net of allowance	53,942	1,710,931	-	-	1,764,873	1,699,154
Bequest receivable	-	-	107,958	-	107,958	3,707
Prepaid expenses and other current assets	192,638	88,252	7,435	-	288,325	319,054
Due from affiliated parties	4,954	-	160	(5,114)	-	-
Total current assets	546,753	1,916,640	153,625	(5,114)	2,611,904	2,540,954
Investments						
Note receivable	-	-	2,743,985	-	2,743,985	2,176,325
Assets whose use is limited	-	-	62,678	(62,678)	-	-
Beneficial interest in Foundation	2,022,991	1,331,699	-	-	3,354,690	3,053,146
Other long-term assets	1,291,307	1,514,406	-	(2,805,713)	-	-
Due from third-party payers	-	8,422	26,820	-	35,242	111,625
Property and equipment - net of accumulated depreciation	-	16,968	-	-	16,968	-
Intangible assets - net of accumulated amortization	6,524,042	6,061,014	-	-	12,585,056	13,050,084
Resident funds held in trust	81,050	168,305	-	-	249,355	267,499
	-	69,146	-	-	69,146	68,028
Total assets	\$ 10,466,143	\$ 11,086,600	\$ 2,987,108	\$ (2,873,505)	\$ 21,666,346	\$ 21,267,661

LIABILITIES AND NET ASSETS	Presbyterian Residence Center Corporation and Prescor, Inc.	Genesee Valley Presbyterian Nursing Center	Seniorsfirst Foundation, Inc.	Eliminations	Consolidated	
					2009	2008
Current liabilities:						
Accounts payable and accrued expenses	\$ 343,682	\$ 993,647	\$ 11,898	\$ -	\$ 1,349,227	\$ 1,083,686
Deferred revenue	-	63,129	-	-	63,129	84,172
Line of credit	-	500,000	-	-	500,000	-
Debt - due within one year	293,465	264,560	-	(49,766)	508,259	411,942
Refundable fees and security deposits	1,949,827	-	-	-	1,949,827	2,029,166
Due to affiliated parties	-	5,114	-	(5,114)	-	-
Total current liabilities	2,586,974	1,826,450	11,898	(54,880)	4,370,442	3,608,966
Debt - due after one year						
Due to third-party payers	6,539,611	5,345,428	-	(12,912)	11,872,127	12,338,642
Discount for future interest in pooled life income funds	-	-	-	-	-	488,987
Other long-term liability	52,836	-	-	-	52,836	74,607
Pension liability	50,820	466,580	-	-	517,400	271,766
Unfunded postretirement benefit obligation	-	940,181	-	-	940,181	1,320,759
Entrance fees	290,752	32,820	-	-	323,572	358,901
Resident funds held in trust	2,339,801	-	-	-	2,339,801	2,019,093
Total liabilities	11,860,794	8,680,605	11,898	(67,792)	20,485,505	20,549,749
Net assets:						
Unrestricted	(2,824,804)	891,592	201,189	43,537	(1,688,486)	(2,146,197)
Temporarily restricted	578,265	568,807	939,709	(1,014,938)	1,071,843	1,098,938
Permanently restricted	851,888	945,596	1,834,312	(1,834,312)	1,797,484	1,765,171
Total net assets	(1,394,651)	2,405,995	2,975,210	(2,805,713)	1,180,841	717,912
Total liabilities and net assets	\$ 10,466,143	\$ 11,086,600	\$ 2,987,108	\$ (2,873,505)	\$ 21,666,346	\$ 21,267,661

**PRESBYTERIAN HOMES AND SERVICES OF GENESEE VALLEY, INC.
D/B/A SENIORSFIRST COMMUNITIES & SERVICES**

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2009

(With comparative totals for the year ended December 31, 2008)

	Presbyterian Residence Center Corporation and Prescor, Inc.	Genesee Valley Presbyterian Nursing Center	Seniorsfirst Foundation, Inc.	Eliminations	Consolidated	
					2009	2008
Operating revenue:						
Resident service revenue	\$ 4,674,672	\$ 11,910,583	\$ -	\$ -	\$ 16,585,255	\$ 16,358,742
Other operating revenue	280,113	82,685	24,960	-	387,758	364,254
Total operating revenue	4,954,785	11,993,268	24,960	-	16,973,013	16,722,996
Operating expenses:						
Salaries and wages	1,992,202	6,223,996	39,153	-	8,255,351	8,196,992
Employee benefits	574,073	2,041,542	8,691	-	2,624,306	2,250,864
Other direct expenses	1,216,519	656,048	149,638	(125,594)	1,896,611	1,641,339
Supplies and materials	358,831	976,535	371	-	1,335,737	1,429,468
Depreciation and amortization	609,071	525,390	-	-	1,134,461	1,111,910
Interest	311,850	312,901	-	-	624,751	773,828
Fees	48,620	888,720	9,040	-	946,380	1,134,948
Cash receipts assessment	-	495,653	-	-	495,653	519,728
Purchased and contracted services	293,362	265,037	4,227	-	562,626	552,308
Bad debt expense	-	219,706	-	-	219,706	263,395
Total operating expenses	5,404,528	12,605,528	211,120	(125,594)	18,095,582	17,874,780
Income (loss) from operations	(449,743)	(612,260)	(186,160)	125,594	(1,122,569)	(1,151,784)
Non-operating revenue (expense):						
Investment income	41,396	8,878	67,121	-	117,395	179,239
Realized investment losses	(5,354)	-	(26,245)	-	(31,599)	(8,260)
Unrealized investment gains (losses)	271,071	-	448,591	-	719,662	(1,337,510)
Contributions	140,402	22,029	630	(125,594)	37,467	92,178
Net assets released from restrictions	7,361	-	125,595	-	132,956	181,548
Reclass of net assets	-	-	-	-	-	125,223
Total non-operating revenue (expense)	454,876	30,907	615,692	(125,594)	975,881	(767,582)

**PRESBYTERIAN HOMES AND SERVICES OF GENESEE VALLEY, INC.
D/B/A SENIORSFIRST COMMUNITIES & SERVICES**

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)

Year Ended December 31, 2009

(With comparative totals for the year ended December 31, 2008)

	Presbyterian Residence Center Corporation and Prescor, Inc.	Genesee Valley Presbyterian Nursing Center	Seniorsfirst Foundation, Inc.	Eliminations	Consolidated	
					2009	2008
Excess (deficiency) of revenue over expense	\$ 5,133	\$ (581,353)	\$ 429,532	\$ -	\$ (146,688)	\$ (1,919,366)
Change in unrestricted net assets related to the pension plan	-	500,375	-	-	500,375	(1,620,875)
Change in beneficial interest in Foundation	200,013	149,083	-	(349,096)	-	-
Change in unrestricted net assets	<u>205,146</u>	<u>68,105</u>	<u>429,532</u>	<u>(349,096)</u>	<u>353,687</u>	<u>(3,540,241)</u>
Temporarily restricted net assets						
Contributions	4,778	-	96,066	-	100,844	84,686
Change in value of pooled life income fund	5,017	-	-	-	5,017	(1,981)
Net assets released from restrictions	(7,361)	-	(125,595)	-	(132,956)	(181,548)
Reclass of net assets	-	-	-	-	-	(125,223)
Change in beneficial interest in Foundation	(66,225)	137,788	-	(71,563)	-	-
Change in temporarily restricted net assets	<u>(63,791)</u>	<u>137,788</u>	<u>(29,529)</u>	<u>(71,563)</u>	<u>(27,095)</u>	<u>(224,066)</u>
Permanently restricted net assets						
Net assets transferred to Foundation	(86,303)	-	-	86,303	-	-
Contributions	-	-	204,164	(86,303)	117,861	11,029
Change in value of pooled life income fund	18,476	-	-	-	18,476	8,417
Change in beneficial interest in Foundation	196,407	7,757	-	(204,164)	-	-
Change permanently restricted net assets	<u>128,580</u>	<u>7,757</u>	<u>204,164</u>	<u>(204,164)</u>	<u>136,337</u>	<u>19,446</u>
Change in net assets	269,935	213,650	604,167	(624,823)	462,929	(3,744,861)
Net assets - beginning of year	(1,664,586)	2,192,345	2,371,043	(2,180,890)	717,912	4,462,773
Net assets - end of year	<u>\$ (1,394,651)</u>	<u>\$ 2,405,995</u>	<u>\$ 2,975,210</u>	<u>\$ (2,805,713)</u>	<u>\$ 1,180,841</u>	<u>\$ 717,912</u>

PRESBYTERIAN HOMES AND SERVICES OF GENESEE VALLEY, INC.
D/B/A SENIORSFIRST COMMUNITIES & SERVICES

CONSOLIDATING STATEMENT OF CASH FLOWS

Year Ended December 31, 2009

(With comparative totals for the year ended December 31, 2008)

	Presbyterian Residence Center Corporation and Prescor, Inc.	Genesee Valley Presbyterian Nursing Center	Seniorsfirst Foundation, Inc.	Eliminations	2009	2008
Cash flows from operating activities:						
Change in net assets	\$ 269,935	\$ 213,650	\$ 604,167	\$ (624,823)	\$ 462,929	\$ (3,744,861)
Adjustments to reconcile the change in net assets to net cash provided (used) by operating activities:						
Decrease in allowance for doubtful accounts	(1,006)	(100,000)	-	-	(101,006)	(24,748)
Depreciation and amortization	609,071	525,390	-	-	1,134,461	1,111,910
Discount for future interest in pooled life income funds	(21,771)	-	-	-	(21,771)	(4,469)
Entrance fees amortization	(641,951)	-	-	-	(641,951)	(736,363)
Change in unrestricted net assets related to the pension plan	-	(500,375)	-	-	(500,375)	1,620,875
Net realized gains (losses) on investments	5,354	-	26,245	-	31,599	8,260
Net unrealized (gains) losses on investments	(271,071)	-	(448,591)	-	(719,662)	1,337,510
Change in beneficial interest in Foundation	(330,195)	(294,628)	-	624,823	-	-
(Increase) decrease in assets:						
Accounts receivable	24,723	10,564	-	-	35,287	(211,965)
Due from affiliated parties	(4,954)	14,495	(160)	(9,381)	-	-
Bequests receivable	-	-	(104,251)	-	(104,251)	-
Prepaid expenses and other current assets	(25,861)	51,393	55,197	-	80,729	17,104
Other long-term assets	76,383	-	-	-	76,383	61,037
Due from third-party payers	-	(16,968)	-	-	(16,968)	-
Pension asset	-	-	-	-	-	29,598
Increase (decrease) in liabilities:						
Accounts payable and accrued expenses	20,337	197,967	(2,764)	-	215,540	(117,829)
Refundable fees and security deposits	(79,339)	-	-	-	(79,339)	229,947
Deferred revenue	-	(21,043)	-	-	(21,043)	(20,523)
Due to third-party payers	-	(488,987)	-	-	(488,987)	248,987
Unfunded postretirement benefit obligation	(4,560)	(30,769)	-	-	(35,329)	12,055
Entrance fees, net	962,659	-	-	-	962,659	532,821
Due to affiliated parties	(6,388)	5,114	(8,107)	9,381	-	-
Other long-term liabilities	50,820	194,814	-	-	245,634	247,975
Pension liability	-	119,797	-	-	119,797	-
Net cash provided (used) by operating activities	632,186	(119,566)	121,736	-	634,336	597,321

PRESBYTERIAN HOMES AND SERVICES OF GENESEE VALLEY, INC.
D/B/A SENIORSFIRST COMMUNITIES & SERVICES

CONSOLIDATING STATEMENT OF CASH FLOWS (CONTINUED)

Year Ended December 31, 2009

(With comparative totals for the year ended December 31, 2008)

	Presbyterian Residence Center Corporation and Prescor, Inc.	Genesee Valley Presbyterian Nursing Center	Seniorsfirst Foundation, Inc.	Eliminations	2009	2008
Cash flows from investing activities:						
Purchase of property and equipment	\$ (332,454)	\$ (222,456)	\$ -	\$ -	\$ (554,910)	\$ (678,824)
Purchase of investments and assets whose use is limited investments	(35,262)	-	(340,584)	-	(375,846)	(941,958)
Sale of investments and assets whose use is limited investments	88,453	-	195,271	-	283,724	953,846
Loan to affiliate	-	-	46,889	(46,889)	-	-
Change in assets whose use is limited - cash and cash equivalents	(41,603)	(47,415)	-	-	(89,018)	33,452
Net cash used by investing activities	(320,866)	(269,871)	(98,424)	(46,889)	(736,050)	(633,484)
Cash flows from financing activities:						
Net borrowing on lines of credit	-	500,000	-	-	500,000	-
Principal payments on long-term debt	(274,352)	(239,114)	-	46,889	(466,577)	(394,076)
Net cash provided (used) by financing activities	(274,352)	260,886	-	46,889	33,423	(394,076)
Net change in cash and cash equivalents	36,968	(128,571)	23,312	-	(68,291)	(430,239)
Cash and cash equivalents - beginning of year	258,251	246,028	14,760	-	519,039	949,278
Cash and cash equivalents - end of year	\$ 295,219	\$ 117,457	\$ 38,072	\$ -	\$ 450,748	\$ 519,039
Supplemental disclosure of cash flow information:						
Cash paid during the year for interest	\$ 311,850	\$ 313,961	\$ -	\$ -	\$ 625,811	\$ 774,914
Purchase of property and equipment through the issuance long-term debt	\$ 63,219	\$ 33,160	\$ -	\$ -	\$ 96,379	\$ -

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