

**Rosebush Interfaith Retirement Community
d/b/a Village of Rosebush Manor**

Financial Statements

**For the Years Ended
December 31, 2020 and 2019**

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Trustees

Rosebush Interfaith Retirement Community
d/b/a Village of Rosebush Manor
Rosebush, Michigan

We have reviewed the accompanying financial statements of Rosebush Interfaith Retirement Community d/b/a Village of Rosebush Manor (a nonprofit corporation), which comprise the Statement of Financial Position as of December 31, 2020 and 2019, and the related Statements of Activities, Functional Expenses and Cash Flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our report.



Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.



Robert F. Murray & Company
Certified Public Accountants, P.C.
Mt. Pleasant, Michigan

July 15, 2021

**Rosebush Interfaith Retirement Community
d/b/a Village of Rosebush Manor
Statements of Financial Position
December 31, 2020 and 2019**

ASSETS

	<u>2020</u>	<u>2019</u>
Current Assets		
Cash and Cash Equivalents	\$ 284,143.06	\$ 336,874.53
Accounts Receivable - Residents	8,269.16	12,996.76
Accounts Receivable - TESSS	1,946.00	-
Prepaid Insurance	9,789.17	9,772.97
	<u>304,147.39</u>	<u>359,644.26</u>
Property and Equipment		
Land	207,983.00	207,983.00
Land Improvements	117,038.76	109,338.76
Building	1,546,199.33	1,546,199.33
Building Improvements	189,029.38	168,451.99
Equipment	127,504.52	127,504.52
Computer Hardware/Software	48,679.28	48,679.28
	<u>2,236,434.27</u>	<u>2,208,156.88</u>
Accumulated Depreciation	<u>(1,130,903.68)</u>	<u>(1,046,044.37)</u>
	1,105,530.59	1,162,112.51
Other Assets		
Long-Term Investments	196,780.80	195,476.12
Funds held in Escrow	5,809.21	5,783.19
Endowment held by PVMF	164,642.72	143,403.26
	<u>367,232.73</u>	<u>344,662.57</u>
Total Assets	<u>\$ 1,776,910.71</u>	<u>\$ 1,866,419.34</u>

LIABILITIES AND NET ASSETS

	2020	2019
Current Liabilities		
Accounts Payable	\$ 22,928.41	\$ 5,100.00
Accrued Interest Payable	-	115.17
Accrued Payroll and Related Expenses	11,490.56	10,371.20
Due to PVM	11,368.89	36,076.41
Current Portion of Long-Term Debt	65,414.15	24,853.78
Total Current Liabilities	111,202.01	76,516.56
Long-Term Liabilities		
Notes Payable	257,389.42	436,435.12
Less: Current Portion of Long-Term Debt	(65,414.15)	(24,853.78)
Total Long-Term Liabilities	191,975.27	411,581.34
Total Liabilities	303,177.28	488,097.90
Net Assets		
Net Assets Without Donor Restrictions:		
Undesignated	1,092,792.00	1,016,951.27
Board Designated	237,780.58	236,458.78
Total Net Assets Without Donor Restrictions	1,330,572.58	1,253,410.05
Net Assets With Donor Restrictions:		
Purpose Restricted	47,317.35	29,167.89
Endowment	95,843.50	95,743.50
Total Net Assets With Donor Restrictions	143,160.85	124,911.39
Total Net Assets	1,473,733.43	1,378,321.44
Total Liabilities & Net Assets	\$ 1,776,910.71	\$ 1,866,419.34

See Accompanying Notes and Independent Accountants' Review Report

**Rosebush Interfaith Retirement Community
d/b/a Village of Rosebush Manor
Statements of Activities
For the Years Ended
December 31, 2020 and 2019**

	2020	2019
Changes in Net Assets Without Donor Restriction:		
Revenue		
Assisted Living Fees	\$ 758,268.44	\$ 737,150.26
Resident Discount	(3,000.00)	(176.00)
Gifts & Donations	6,600.50	8,327.78
Rental Revenue - TESSS	(9,340.00)	893.00
Application Fees	4,200.00	4,200.00
Interest Income	1,347.82	1,381.07
Released from Restrictions	25,022.72	5,782.52
Total Revenue	783,099.48	757,558.63
Expenses		
Senior Services		
Wellness	52,947.32	54,835.72
Assisted Living Expense	258,256.99	244,215.16
Activities Expenses	4,783.14	5,313.45
Total Senior Services	315,987.45	304,364.33
Supporting Services		
Building & Maintenance	189,813.62	206,645.62
Management & General	200,135.88	193,164.85
Total Supporting Services	389,949.50	399,810.47
Total Expenses	705,936.95	704,174.80
Change in Unrestricted Net Assets	77,162.53	53,383.83
Changes in Net Assets With Donor Restrictions:		
Grant Revenue	22,022.72	5,606.52
Gifts & Donations	100.00	-
Endowment Interest Income	1,122.98	1,126.39
Realized Gains on Endowment	12,486.01	16,565.95
Unrealized Gain (Loss) on Endowment	7,540.47	3,162.51
Release to Net Assets Without Restrictions	(25,022.72)	(5,782.52)
Changes in Net Assets With Donor Restrictions	18,249.46	20,678.85
Increase in Net Assets	95,411.99	74,062.68
Net Assets at Beginning of Year	1,378,321.44	1,304,258.76
Net Assets at End of Year	\$ 1,473,733.43	\$ 1,378,321.44

See Accompanying Notes and Independent Accountants' Review Report

**Rosebush Interfaith Retirement Community
d/b/a Village of Rosebush Manor
Statement of Functional Expenses
For the Year Ended December 31, 2020**

	Senior Services			Supporting Services		2020
	Wellness	Assisted Living	Activities	Building & Maintenance	Management & General	
Salaries & Wages	\$ 45,822.43	\$ 231,463.03	\$ -	\$ 25,064.71	\$ 62,270.22	\$ 364,620.39
Payroll Taxes	3,335.56	16,977.93	-	1,886.74	4,095.44	26,295.67
Unemployment Taxes	-	-	-	-	185.00	185.00
Supplies - General	2,610.33	9,816.03	4,783.14	5,077.93	-	22,287.43
Supplies - Office	-	-	-	-	2,158.08	2,158.08
Purchased Services	1,179.00	-	-	6,369.68	2,529.04	10,077.72
Covid-19 Expenses	-	-	-	-	9,724.32	9,724.32
Building Maintenance	-	-	-	6,106.01	-	6,106.01
Client Activities	-	-	-	3,453.08	-	3,453.08
Housekeeping	-	-	-	2,279.40	-	2,279.40
Insurance	-	-	-	-	15,552.10	15,552.10
Health Insurance	-	-	-	-	17,957.75	17,957.75
Life Insurance	-	-	-	-	657.84	657.84
Worker's Compensation	-	-	-	-	8,175.21	8,175.21
Pension Expense	-	-	-	-	4,426.45	4,426.45
Employee Physicals	-	-	-	-	495.00	495.00
Postage	-	-	-	-	732.94	732.94
Management Fees	-	-	-	-	15,514.00	15,514.00
Snow Removal	-	-	-	1,655.00	-	1,655.00
Trash Removal	-	-	-	1,154.47	-	1,154.47
Grounds Upkeep	-	-	-	4,495.00	-	4,495.00
Utilities	-	-	-	59,305.99	-	59,305.99
Advertising & Publicity	-	-	-	-	1,763.96	1,763.96
Professional Services	-	-	-	-	6,500.00	6,500.00
Dues & Subscriptions	-	-	-	-	46.95	46.95
Conferences & Travel	-	-	-	-	2,150.36	2,150.36
Information Systems	-	-	-	-	10,615.69	10,615.69
Interest	-	-	-	-	19,527.06	19,527.06
Licenses & Permits	-	-	-	-	171.18	171.18
Miscellaneous	-	-	-	-	2,993.59	2,993.59
Subtotals	52,947.32	258,256.99	4,783.14	116,848.01	188,242.18	621,077.64
Depreciation & Amortization	-	-	-	72,965.61	11,893.70	84,859.31
Totals	\$ 52,947.32	\$ 258,256.99	\$ 4,783.14	\$ 189,813.62	\$ 200,135.88	\$ 705,936.95

See Accompanying Notes and Independent Accountants' Review Report

**Rosebush Interfaith Retirement Community
d/b/a Village of Rosebush Manor
Statement of Functional Expenses
For the Year Ended December 31, 2019**

	Senior Services			Supporting Services		2019
	Wellness	Assisted Living	Activities	Building & Maintenance	Management & General	
Salaries & Wages	\$ 46,553.47	\$ 225,815.48	\$ -	\$ 23,272.81	\$ 55,324.18	\$ 350,965.94
Payroll Taxes	3,415.82	16,534.10	-	1,750.38	4,200.51	25,900.81
Unemployment Taxes	-	-	-	-	185.00	185.00
Supplies - General	1,685.43	1,865.58	5,313.45	7,009.97	29.95	15,904.38
Supplies - Office	-	-	-	-	1,366.75	1,366.75
Purchased Services	3,181.00	-	-	10,417.46	296.29	13,894.75
Equipment Maintenance	-	-	-	2,523.10	-	2,523.10
Building Maintenance	-	-	-	1,871.56	-	1,871.56
Client Activities	-	-	-	7,895.40	-	7,895.40
Housekeeping	-	-	-	5,061.47	-	5,061.47
Insurance	-	-	-	-	16,990.20	16,990.20
Health Insurance	-	-	-	-	24,388.11	24,388.11
Life Insurance	-	-	-	-	655.11	655.11
Worker's Compensation	-	-	-	-	8,309.00	8,309.00
Pension Expense	-	-	-	-	4,274.25	4,274.25
Employee Physicals	-	-	-	-	1,050.00	1,050.00
Postage	-	-	-	-	537.40	537.40
Management Fees	-	-	-	-	14,922.00	14,922.00
Snow Removal	-	-	-	3,813.00	-	3,813.00
Trash Removal	-	-	-	1,075.22	-	1,075.22
Grounds Upkeep	-	-	-	4,560.00	-	4,560.00
Utilities	-	-	-	63,406.89	-	63,406.89
Advertising & Publicity	-	-	-	-	2,972.21	2,972.21
Professional Services	-	-	-	-	7,000.00	7,000.00
Dues & Subscriptions	-	-	-	-	1,480.09	1,480.09
Conferences & Travel	-	-	-	-	3,420.55	3,420.55
Information Systems	-	-	-	-	9,604.00	9,604.00
Interest	-	-	-	-	22,752.11	22,752.11
Licenses & Permits	-	-	-	-	296.27	296.27
Miscellaneous	-	-	-	-	2,188.99	2,188.99
Subtotals	54,835.72	244,215.16	5,313.45	132,657.26	182,242.97	619,264.56
Depreciation & Amortization	-	-	-	73,988.36	10,921.88	84,910.24
Totals	\$ 54,835.72	\$ 244,215.16	\$ 5,313.45	\$ 206,645.62	\$ 193,164.85	\$ 704,174.80

See Accompanying Notes and Independent Accountants' Review Report

**Rosebush Interfaith Retirement Community
d/b/a Village of Rosebush Manor
Statements of Cash Flows
For the Years Ended
December 31, 2020 and 2019**

	2020	2019
Cash Flows from Operating Activities		
Increase in Net Assets	\$ 95,411.99	\$ 74,062.68
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and Amortization	84,859.31	84,910.24
Unrealized (Gains)/ Losses on Endowment	(7,540.47)	(3,162.51)
Interest on Long-Term Investments	(1,304.68)	(1,305.33)
(Increase) Decrease in Accounts Receivable	2,781.60	(4,374.17)
(Increase) Decrease in Prepaid Insurance	(16.20)	(4,533.80)
(Increase) Decrease in Escrow	(26.02)	(25.91)
Increase (Decrease) in Accounts Payable	17,828.41	1,246.51
Increase (Decrease) in Accrued Payroll and Related	1,119.36	(4,171.80)
Increase (Decrease) in Due to PVM	(24,707.52)	18,885.78
Increase (Decrease) in Accrued Interest Payable	(115.17)	(87.18)
Total Adjustments	72,878.62	87,381.83
Net Cash Provided by Operating Activities	168,290.61	161,444.51
Cash Flows from Investing Activities		
Endowment Fund Assets Reinvested	(13,708.99)	(17,692.34)
Endowment Fund Assets Released	10.00	-
Purchased Property & Equipment	(28,277.39)	(29,291.46)
Net Cash Used by Investing Activities	(41,976.38)	(46,983.80)
Cash Flows from Financing Activities		
Principal Payments on Long-Term Debt	(179,045.70)	(74,764.71)
Net Cash Used by Financing Activities	(179,045.70)	(74,764.71)
Net Increase (Decrease) in Cash and Cash Equivalents	(52,731.47)	39,696.00
Cash and Cash Equivalents at Beginning of Year	336,874.53	297,178.53
Cash and Cash Equivalents at End of Year	\$ 284,143.06	\$ 336,874.53
Supplemental Information:		
Cash Paid for Interest	\$ 19,642.23	\$ 22,839.29

See Accompanying Notes and Independent Accountants' Review Report

**Rosebush Interfaith Retirement Community
d/b/a Village of Rosebush Manor
Notes to Financial Statements
December 31, 2020 and 2019**

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Village of Rosebush Manor is a senior assisted living community located in Rosebush, Michigan. The Organization provides residential independent living with additional services and is supported primarily by charging fees to those who are served and by donations.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recorded when they are incurred.

Basis of Presentation

Financial statement presentation follows the requirements of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018. Under ASC Topic 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

Property and equipment is stated at cost and is depreciated using the straight-line method over the estimated useful lives of the respective assets. Expenditures for maintenance and repairs are charged to expense as incurred. Major improvements and betterments are capitalized. When property or equipment is sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is reflected in income. Computer software is amortized over three years.

The depreciation and amortization expense for the years ended December 31, 2020 and 2019 was \$84,859.31 and \$84,910.24, respectively

**Rosebush Interfaith Retirement Community
d/b/a Village of Rosebush Manor
Notes to Financial Statements
December 31, 2020 and 2019**

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Income Tax Status

The Organization is a private foundation as defined in section 509(a) of the Internal Revenue Code. It is exempt from federal income tax under section 501(c)(3) of the Code.

The Organization evaluates all significant tax positions under a more likely than not threshold as required by U.S. generally accepted accounting principles. As of December 31, 2020 and 2019, Rosebush Interfaith Retirement Community does not believe that it has taken any tax positions that would require the recording of a liability or an asset under this standard. Rosebush Interfaith Retirement Community's income tax returns are subject to examination by the appropriate tax jurisdictions and generally remain open for three years.

Property Taxes

The Organization has received an exemption from property taxes due to its exempt status.

Advertising Costs

The Organization follows the policy of charging the costs of advertising to expense as incurred. Advertising costs were \$1,763.96 and \$2,972.21 for the years ended December 31, 2020 and 2019, respectively.

Revenue Recognition

Fees for service are recorded as unrestricted.

Contributions received are recorded as support with donor restrictions or support without donor restrictions, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

**Rosebush Interfaith Retirement Community
d/b/a Village of Rosebush Manor
Notes to Financial Statements
December 31, 2020 and 2019**

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Donated Services and Materials

The Organization receives donated services from a variety of unpaid volunteers. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under FASB ASC 958 have not been satisfied.

Net Assets

Net assets consist of the following:

Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization’s Board may designate assets without restrictions for specific operational purposes from time to time.

With Donor Restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity

Subsequent Events

The Organization has considered subsequent events through July 15, 2021.

NOTE 2 – MANAGEMENT AGREEMENT

The Organization contracted with Presbyterian Villages of Michigan (PVM) in April of 2010 to manage the operations of the Organization. PVM charged a base management fee of \$1,292.00 per month in 2020 and \$1,243.50 per month in 2019. In addition, they pay the majority of the expenses through a centralized cash management system on behalf of the Organization and are reimbursed for these costs. The staff of the Organization are employees of PVM. PVM also has the first right of purchase with Rosebush Manor if the Organization decided to close down operations. The total fees and reimbursements paid to PVM for the 2020 year was \$668,024.46 and for the 2019 year was \$672,249.13. The Organization has a payable of \$11,368.89 and \$36,076.41 to PVM as of December 31, 2020 and 2019, respectively.

**Rosebush Interfaith Retirement Community
d/b/a Village of Rosebush Manor
Notes to Financial Statements
December 31, 2020 and 2019**

NOTE 3 – MEAL SERVICE AGREEMENT

During 2010, the Organization contracted with TESSS Dining Services, LLC (TESSS) to manage the food service operations of the Organization. TESSS pays for all expenses and collects income directly from the residents. If the income collected is greater than the expenses, there is rental income, if the expenses are greater there is a rental loss. For the years ended December 31, 2020 and 2019 TESSS paid Rosebush Interfaith Retirement Community rental income/(loss) of (\$9,340.00) and \$893.00 respectively.

NOTE 4 – BENEFICIAL INTEREST IN FOUNDATION

Donations are made by donors directly to the Presbyterian Villages of Michigan Foundation (PVMF) on behalf of Rosebush Manor. The donations are raised for a specific purpose and are therefore temporarily restricted. Because the donations are made directly to the Foundation, they are the assets of the Foundation and not of Rosebush Manor. The Foundation retains the funds and distributes them to Rosebush Manor as a grant when it has met the restriction(s). During the year ended December 31, 2020 the Organization received \$22,022.72 in grants with donor restrictions from PVMF. During the year ended December 31, 2019 the Organization received \$5,606.52 in grants with donor restrictions from PVMF.

As of December 31, 2020, and 2019, the Foundation had balances of \$45,813.53 and \$58,870.26 on their books for the benefit of Rosebush Manor.

NOTE 5 – ENDOWMENT HELD BY PVMF

In December 2009 the Organization established an endowment fund for resident assistance. The funds placed in the endowment fund are donor restricted.

The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act of 2009 (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted net asset; (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The amount that is available and unspent is classified as without donor restrictions.

**Rosebush Interfaith Retirement Community
d/b/a Village of Rosebush Manor
Notes to Financial Statements
December 31, 2020 and 2019**

NOTE 5 – ENDOWMENT HELD BY PVMF (Continued)

The endowment is held by Presbyterian Villages of Michigan Foundation. The balances of the two classes of net assets in the endowment are as follows:

	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>	<u>Total Endowed Fund</u>
Ending Balance – 12/31/18	\$ 101,745.54	\$ 20,802.87	\$122,548.41
Contributions	-	-	-
Interest Income	1,126.39	-	1,126.39
Realized Gains	16,565.95	-	16,565.95
Unrealized Gains (Losses)	3,162.51	-	3,162.51
Released From Fund	-	-	-
Released From Restriction	<u>(176.00)</u>	<u>176.00</u>	<u>-</u>
Ending Balance – 12/31/19	<u>\$ 122,424.39</u>	<u>\$ 20,978.87</u>	<u>\$143,403.26</u>
Contributions	100.00	-	100.00
Interest Income	1,122.98	-	1,122.98
Realized Gains	12,486.01	-	12,486.01
Unrealized Gains (Losses)	7,540.47	-	7,540.47
Released From Fund	-	(10.00)	(10.00)
Released From Restriction	<u>(3,000.00)</u>	<u>3,000.00</u>	<u>-</u>
Ending Balance – 12/31/20	<u>\$ 140,673.85</u>	<u>\$ 23,968.87</u>	<u>\$164,642.72</u>

NOTE 6 – LONG TERM INVESTMENTS

The Organization maintains several certificates of deposit with maturity dates of February and March 2021. All certificates with a maturity date of three months or more are expected to be reinvested and are not considered cash or cash equivalents. The balance as of December 31, 2020 and 2019 were \$196,780.80 and \$195,476.12 respectively.

NOTE 7 – FUNDS HELD IN ESCROW

The Organization holds funds in escrow payable to the State of Michigan Department of Environmental Quality in the event that the necessary monies to repair the water system cannot be funded by the Organization. In the event that any local unit of government becomes the owner of the water system, the funds will be returned to the Organization. All interest earned is payable to the Organization.

**Rosebush Interfaith Retirement Community
d/b/a Village of Rosebush Manor
Notes to Financial Statements
December 31, 2020 and 2019**

NOTE 8 – FAIR VALUE OF INVESTMENTS

Financial Accounting Standards Board (FASB) *Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs of valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements.) The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices in active markets

Level 2 - Inputs to the valuation methodology include:

- a. Quoted prices for similar assets or liabilities in active markets
- b. Quoted prices for identical or similar assets or liabilities in inactive markets
- c. Inputs other than quoted prices that are observable for the asset or liability
- d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to their fair value measurement.

The following table sets forth, by level, within the fair value hierarchy the Organization's investment assets and liabilities, at fair value as of December 31, 2019 and 2018. As required by FASB ASC 820, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value of measurement.

Investment Assets at Fair Value				
As of December 31, 2020				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Endowment Held by PVMF	\$ 0.00	\$ 0.00	\$164,642.72	\$164,642.72
Long-Term Investments	<u>0.00</u>	<u>196,780.80</u>	<u>0.00</u>	<u>196,780.80</u>
Total	<u>\$ 0.00</u>	<u>\$196,780.80</u>	<u>\$164,642.72</u>	<u>\$361,423.52</u>

Investment Assets at Fair Value				
As of December 31, 2019				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Endowment Held by PVMF	\$ 0.00	\$ 0.00	\$143,403.26	\$143,403.26
Long-Term Investments	<u>0.00</u>	<u>195,476.12</u>	<u>0.00</u>	<u>195,476.12</u>
Total	<u>\$ 0.00</u>	<u>\$195,476.12</u>	<u>\$143,403.26</u>	<u>\$338,879.38</u>

**Rosebush Interfaith Retirement Community
d/b/a Village of Rosebush Manor
Notes to Financial Statements
December 31, 2020 and 2019**

NOTE 9 – NET ASSETS

The following are summaries of the change in net assets for the year ended December 31, 2020:

	December 31, 2020	
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>
Revenues	\$ 751,476.26	\$ 43,172.18
Contributions	6,600.50	100.00
Released from Restrictions	<u>25,022.72</u>	<u>(25,022.72)</u>
Total Revenues and Support Expenses	<u>783,099.48</u> <u>705,926.95</u>	<u>18,249.46</u> <u>0.00</u>
Increase (Decrease)	77,172.53	18,249.46
Net Assets, Beginning of Year	<u>1,253,410.05</u>	<u>124,911.39</u>
Net Assets, End of Year	<u>\$1,330,582.58</u>	<u>\$143,160.85</u>

The following are summaries of the change in net assets for the year ended December 31, 2019:

	December 31, 2019	
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>
Revenues	\$ 743,448.33	\$ 26,461.37
Contributions	8,327.78	0.00
Released from Restrictions	<u>5,782.52</u>	<u>(5,782.52)</u>
Total Revenues and Support Expenses	<u>757,558.63</u> <u>704,174.80</u>	<u>20,678.85</u> <u>0.00</u>
Increase (Decrease)	53,383.83	20,678.85
Net Assets, Beginning of Year	<u>1,200,026.22</u>	<u>104,232.54</u>
Net Assets, End of Year	<u>\$1,253,410.05</u>	<u>\$124,911.39</u>

**Rosebush Interfaith Retirement Community
d/b/a Village of Rosebush Manor
Notes to Financial Statements
December 31, 2020 and 2019**

NOTE 9 – NET ASSETS (Continued)

Net assets with donor restrictions are as follows:

	<u>2020</u>	<u>2019</u>
Temporarily Restricted:		
Benevolence to Clients (in Endowment)	\$ 44,830.35	\$ 26,680.89
Fire Suppression	<u>2,487.00</u>	<u>2,487.00</u>
	47,317.35	29,167.89
Permanently Restricted:		
Endowment	<u>95,843.50</u>	<u>95,743.50</u>
Total Net Assets With Donor Restrictions	<u>\$ 143,160.85</u>	<u>\$124,911.39</u>

Net Assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

	<u>2020</u>	<u>2019</u>
Benevolence	\$ 3,000.00	\$ 176.00
Client Supplies	342.79	150.52
PVMF Fundraising Management Fees	786.00	910.00
PVMF Fire Suppression Grant	7,911.05	4,146.00
PVMF Living Enhancements	0.00	400.00
COVID-19 Supplies	1,030.88	0.00
Deck	<u>11,952.00</u>	<u>0.00</u>
Total	<u>\$ 25,022.72</u>	<u>\$ 5,782.52</u>

Board Designated Net Assets Without Donor Restriction funds consist of cash and long-term investments (certificates of deposit) for the following purposes:

	<u>2020</u>	<u>2019</u>
Benevolence	\$ 58,854.69	\$ 58,642.17
Capital Improvements	<u>178,925.89</u>	<u>177,816.61</u>
Total	<u>\$ 237,780.58</u>	<u>\$236,458.78</u>

NOTE 10 – CONCENTRATION RISK

The Organization received 94.45% of its revenues in 2020 from services it provided to its residents.

**Rosebush Interfaith Retirement Community
d/b/a Village of Rosebush Manor
Notes to Financial Statements
December 31, 2020 and 2019**

NOTE 11 – NOTES PAYABLE

	<u>2020</u>	<u>2019</u>
Notes Payable consists of the following:		
Mortgage payable due Isabella Bank; secured by land and building; monthly installments of \$3,754.00 which includes interest computed at an annual rate of 4.75% amortized over 30 years; balloon due January 22, 2020. The Board has elected to make payments of \$3,754.00 every two weeks.	\$ 0.00	\$436,435.12
Mortgage payable due Isabella Bank; secured by land and building; bi-weekly installments of \$2,962.03 which includes interest computed at an annual rate of 4.75% amortized over 30 years; balloon due November 14, 2024. The Board has elected to make payments of \$3,754.00 every two weeks.	<u>257,389.42</u>	<u>0.00</u>
Total Long-Term Liabilities	\$257,389.42	\$436,435.12
Less: Current Maturities	<u>(65,414.15)</u>	<u>(24,853.78)</u>
Net Long-Term Liabilities	<u>\$191,975.27</u>	<u>\$411,581.34</u>

Scheduled maturities of long-term debt based on the agreement versus the elected payment schedule are as follows:

2021	\$ 65,414.15
2022	68,626.51
2023	72,002.87
2024	51,345.89
	<u>\$257,389.42</u>

The above financial instruments are being carried at cost which approximates their fair market value.

Subsequent to the date of these financial statements, the Board elected to make a principal payment in the amount of \$100,000.00 in January 2021.

**Rosebush Interfaith Retirement Community
d/b/a Village of Rosebush Manor
Notes to Financial Statements
December 31, 2020 and 2019**

NOTE 12 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSTS

The following reflects the Organization’s financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Cash & cash equivalents	\$284,143.06
Receivables	<u>10,215.16</u>
	294,358.22
Less amounts unavailable for general expenditures within one year because of donor restrictions	<u>(2,487.00)</u>
Financial assets available to meet cash needs for general expenditures for one year	<u><u>\$291,871.22</u></u>

The main source of operating revenue for the Organization are assisted living fees from the residents.

NOTE 13 - SUBSEQUENT EVENTS

Management has considered subsequent events through July 15, 2021, the date the financial statements were available to be issued.

The COVID-19 pandemic developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. The Organization has taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for employees (such as providing face masks, gloves, additional cleaning supplies and cleaning procedures.)

As the pandemic continues, it is unclear as to any additional negative impact on the Organization. Accordingly, no adjustments to the financial statements have been made as a result of the pandemic.