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Form **990**

Department of the Treasury
Internal Revenue Service

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)

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

OMB No 1545-0047

2009

Open to Public Inspection

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
LIFESPACE COMMUNITIES INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
100 EAST GRAND AVENUE No 200

City or town, state or country, and ZIP + 4
DES MOINES, IA 50309

D Employer identification number
42-1068850

E Telephone number
(515) 288-5805

G Gross receipts $ 202,864,753

F Name and address of principal officer
SCOTT M HARRISON
100 EAST GRAND AVENUE No 200
DES MOINES, IA 50309

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 ▶

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

J Website: ▶ WWW LIFESPACECOMMUNITIES COM

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1976

M State of legal domicile IA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
THE PRIMARY FUNCTION IS TO PROVIDE HOUSING, HEALTH CARE AND OTHER RELATED SERVICES TO THE ELDERLY THROUGH THE CONSTRUCTION AND OPERATION OF RETIREMENT COMMUNITIES THESE COMMUNITIES OPERATE UNDER THE "LIFE CARE" CONCEPT IN WHICH RESIDENTS ENTER INTO A RESIDENCY AGREEMENT WHICH REQUIRES PAYMENT OF A ONE-TIME ENTRANCE FEE AND A MONTHLY SERVICE FEE GENERALLY, THESE PAYMENTS ENTITLE RESIDENTS TO THE USE AND PRIVILEGES OF THE COMMUNITIES FOR LIFE

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**	11
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	10
5	Total number of employees (Part V, line 2a)	**5**	2,593
6	Total number of volunteers (estimate if necessary)	**6**	1,757
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	432,548	412,953
9	Program service revenue (Part VIII, line 2g)	155,424,779	160,660,380
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	4,858,786	5,257,855
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		0
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	160,716,113	166,331,188
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	572,440	703,713
14	Benefits paid to or for members (Part IX, column (A), line 4)		0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	67,992,160	71,171,901
16a	Professional fundraising fees (Part IX, column (A), line 11e)		61,467
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 61,467		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	82,934,434	86,941,735
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	151,499,034	158,878,816
19	Revenue less expenses Subtract line 18 from line 12	9,217,079	7,452,372

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	517,252,836	503,043,348
21	Total liabilities (Part X, line 26)	409,555,091	389,254,261
22	Net assets or fund balances Subtract line 21 from line 20	107,697,745	113,789,087

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

****** | 2010-09-28
Signature of officer | Date

SCOTT M HARRISON CEO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature: Bruce Cahill | Date | Check if self-empolyed ☐ | Preparer's identifying number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4: Denman & Company LLP, 1601 22nd Street Suite 400, West Des Moines, IA 502661453 | EIN ▶ | Phone no ▶ (515) 225-8400

May the IRS discuss this return with the preparer shown above? (see instructions) ☑ Yes ☐ No

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission

THE ORGANIZATION'S MISSION IS TO PROVIDE HOUSING, HEALTH CARE AND OTHER RELATED SERVICES TO THE ELDERLY THROUGH THE CONSTRUCTION AND OPERATION OF RETIREMENT COMMUNITIES

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 $ 135,124,203 including grants of $ 703,713) (Revenue $ 160,061,784)

LIFESPACE COMMUNITIES, INC OWNS TEN DIFFERENT COMMUNITIES (5 IN FL, 1 IN MN, IL, KS, PA AND NE) WHICH PROVIDE APARTMENT UNITS AND HEALTH CARE FOR RETIRED PERSONS RESIDENTS PAY AN INITIAL ENTRANCE FEE AND MONTHLY SERVICE FEES THEREAFTER WHICH ENTITLE THEM TO THE USE OF THE FACILITY FOR LIFE AND UNLIMITED USE OF THE HEALTH CENTER RESIDENTS DO NOT ACQUIRE TITLE TO THE PROPERTY

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** ▶ $ 135,124,203

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*	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	Yes	
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*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4		No
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*	5		
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*	6		No
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*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
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*	9		No
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*	10		No
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.*	11	Yes	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line10? *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*	12		No
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? **Yes** / **No** *If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional* — **12A** Yes			
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
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*	14b		No
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 U S ? *If "Yes," complete Schedule F, Part II*	15		No
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 U S ? *If "Yes," complete Schedule F, Part III*	16		No
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*	17	Yes	
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*	18		No
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*	19		No
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20		No

Part IV Checklist of Required Schedules *(continued)*

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? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
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? *If "Yes," complete Schedule I, Parts I and III*	**22**	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
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? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
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? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	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? *If "Yes," complete Schedule L, Part I*	**25b**		No
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? *If "Yes," complete Schedule L, Part II*	**26**	Yes	
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? *If "Yes," complete Schedule L, Part III*	**27**		No
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? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
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 owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
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? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
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? *If "Yes," complete Schedule R, Part VI*	**37**		No
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	**38**	Yes	

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	1a	405		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c			
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	2a	2,593		
b	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)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	3a			No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b			
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)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ 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?	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	5c			
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?	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	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?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f			No
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g			
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h			
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?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			

Part VI **Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 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 10		
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		No
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	Yes	
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a material diversion of the organization's assets? . .	5		No
6	Does the organization have members or stockholders?	6		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . .	7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
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	9	Yes	

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		No
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		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	Yes	
11A	Describe in Schedule O the process, if any, used by the organization to review the Form 990			
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
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	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
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	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes" to line a or b, 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		No
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		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶ MN , IA

18 Section 6104 requires an organization to make its Form 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 See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶

JASON BULS
100 EAST GRAND AVENUE SUITE 200
DES MOINES,IA 50309
(515) 288-5805

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, and **current** key employees 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, or 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 or former officer, director, trustee or key employee

(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			
See add'l data										

1b Total . . . . . ▶	1,759,133	0	100,999

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 19

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**		No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	**4**	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*	**5**		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
REHABWORKS LLC PO BOX 503534 ST LOUIS, MO 631503534	THERAPY	3,891,420
KRAUS ANDERSON CONSTRUCTION CO 525 SOUTH EIGHTH STREET MINNEAPOLIS, MN 55404	CONSTRUCTION CONTRACTOR	2,283,083
COMMERCIAL COOLING CONCEPTS 116 REED ROAD LAKE PARK, FL 33403	HVAC CONTRACTOR	917,995
ALLY CONSTRUCTION SERVICES INC 2581 JUPITER PARK DRIVE JUPITER, FL 33458	CONSTRUCTION CONTRACTOR	903,683
MCKESSON MEDICAL SUPPLY INC PO BOX 630693 CINCINNATI, OH 452740693	MEDICAL SUPPLIES	833,699
2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 62		

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	412,953			
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f		412,953			
Program Service Revenue			Business Code				
	2a	APARTMENT FEES	531,110	94,686,756	94,686,756		
	b	SKILLED NURSING	623,000	40,228,181	40,228,181		
	c	ENTRANCE FEES	531,110	25,745,443	25,745,443		
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		160,660,380			
	3	Investment income (including dividends, interest and other similar amounts)		3,970,310			3,970,310
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real	(ii) Personal			
	6a	Gross Rents					
	b	Less rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)					
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	37,800,857	20,253			
	b	Less cost or other basis and sales expenses	35,914,716	618,849			
	c	Gain or (loss)	1,886,141	-598,596			
	d	Net gain or (loss)		1,287,545	-598,596		1,886,141
Other Revenue	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						
	b						
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d					
	12	**Total revenue.** See Instructions		166,331,188	160,061,784	0	5,856,451

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	32,521	32,521		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	671,192	671,192		
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	1,089,077	871,262	217,815	
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	56,025,680	44,820,544	11,205,136	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	681,662	545,330	136,332	
9	Other employee benefits	8,216,374	6,573,099	1,643,275	
10	Payroll taxes	5,159,108	4,127,286	1,031,822	
11	Fees for services (non-employees)				
a	Management	4,962,827	3,970,262	992,565	
b	Legal	288,569		288,569	
c	Accounting	432,416		432,416	
d	Lobbying				
e	Professional fundraising *See Part IV, line 17*	61,467			61,467
f	Investment management fees	5,436		5,436	
g	Other				
12	Advertising and promotion	1,981,078	1,584,862	396,216	
13	Office expenses				
14	Information technology				
15	Royalties				
16	Occupancy				
17	Travel				
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest	5,966,603	5,966,603		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	23,570,719	18,856,575	4,714,144	
23	Insurance	5,035,060	4,934,359	100,701	
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	MEDICAL & OTHER RESIDEN	11,312,768	11,312,768		
b	PLANT OPERATIONS	10,511,534	10,511,534		
c	DIETARY	9,698,400	9,698,400		
d	OTHER GENERAL & ADMINIS	4,034,214	3,227,371	806,843	
e	PROPERTY TAXES	3,884,130	3,107,304	776,826	
f	All other expenses	5,257,981	4,312,931	945,050	
25	**Total functional expenses.** Add lines 1 through 24f	158,878,816	135,124,203	23,693,146	61,467
26	**Joint costs.** Check here ▶ ☐ 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		270,529	1	2,446,884
	2	Savings and temporary cash investments		8,418,376	2	9,858,436
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		11,772,389	4	9,669,631
	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		4,300,000	6	4,300,000
	7	Notes and loans receivable, net		12,135,649	7	
	8	Inventories for sale or use		631,095	8	653,901
	9	Prepaid expenses and deferred charges		2,776,420	9	2,593,445
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 536,601,581			
	b	Less accumulated depreciation	10b 208,662,154	311,101,713	10c	327,939,427
	11	Investments—publicly traded securities		88,476,304	11	89,500,322
	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		77,370,361	15	56,081,302
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		517,252,836	16	503,043,348
Liabilities	17	Accounts payable and accrued expenses		27,331,333	17	26,729,327
	18	Grants payable			18	
	19	Deferred revenue		6,162,206	19	6,481,868
	20	Tax-exempt bond liabilities		109,086,948	20	103,728,152
	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		4,025,000	23	
	24	Unsecured notes and loans payable to unrelated third parties			24	5,942,303
	25	Other liabilities Complete Part X of Schedule D		262,949,604	25	246,372,611
	26	**Total liabilities.** Add lines 17 through 25		409,555,091	26	389,254,261
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		107,697,745	27	113,789,087
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ 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		107,697,745	33	113,789,087
	34	Total liabilities and net assets/fund balances		517,252,836	34	503,043,348

Part XI Financial Statements and Reporting

			Yes	No
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?	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
c	If "Yes," to 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	2c	Yes	
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 separated 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?	3a		No
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	3b		

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SCHEDULE A (Form 990 or 990EZ)

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
LIFESPACE COMMUNITIES INC

Employer identification number
42-1068850

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 **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?

	Yes	No
(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 the supported organization? **11g(i)**		
(ii) a family member of a person described in (i) above? **11g(ii)**		
(iii) a 35% controlled entity of a person described in (i) or (ii) above? **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? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support?
Total									

Part II **Support Schedule for Organizations Described in IRC 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 (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
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 501(c)(3) organization, check this box and **stop here** ▶☐

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 for 2008 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2009.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2008.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

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 ▶☐

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 ▶☐

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 ▶☐

Part III Support Schedule for Organizations Described in IRC 509(a)(2)

(Complete only if you checked the box on line 9 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 ")	443,406	294,690	338,673	432,548	412,953	1,922,270
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	129,550,433	144,569,188	149,686,699	155,424,779	160,660,380	739,891,479
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5	129,993,839	144,863,878	150,025,372	155,857,327	161,073,333	741,813,749
7a Amounts included on lines 1, 2, and 3 received from disqualified persons	433,406	294,690	338,673	432,548	412,953	1,912,270
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						0
c Add lines 7a and 7b	433,406	294,690	338,673	432,548	412,953	1,912,270
8 **Public Support** (Subtract line 7c from line 6)						739,901,479

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6	129,993,839	144,863,878	150,025,372	155,857,327	161,073,333	741,813,749
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	6,167,298	5,015,735	4,776,955	4,646,264	3,970,310	24,576,562
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	6,167,298	5,015,735	4,776,955	4,646,264	3,970,310	24,576,562
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)	136,161,137	149,879,613	154,802,327	160,503,591	165,043,643	766,390,311

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶

Section C. Computation of Public Support Percentage

15	Public Support Percentage for 2009 (line 8 column (f) divided by line 13 column (f))	15	96 540 %
16	Public support percentage from 2008 Schedule A, Part III, line 15	16	95 130 %

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2009** (line 10c column (f) divided by line 13 column (f))	17	3 210 %
18	Investment income percentage from **2008** Schedule A, Part III, line 17	18	4 630 %

19a **33 1/3% support tests—2009.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☑

b **33 1/3% support tests—2008.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶

20 **Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ▶

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions

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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
LIFESPACE COMMUNITIES INC

Employer identification number
42-1068850

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? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may 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 ☐ Yes ☐ 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)
☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Preservation of an historically importantly land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a–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 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 taxable 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 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 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
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other

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
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	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					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

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

- a Board designated or quasi-endowment ▶ %
- b Permanent endowment ▶ %
- c Term endowment ▶ %

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

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

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

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		25,500,945		25,500,945
b Buildings		464,747,484	178,288,051	286,459,433
c Leasehold improvements				
d Equipment		46,353,152	30,374,103	15,979,049
e Other				
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				327,939,427

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives		
Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
BOND DISCOUNT - NET	326,932
ASSETS WHOSE USE IS LIMITED OPERATING RESERVE FUND	12,353,740
ASSETS WHOSE USE IS LIMITED DEBT SERVICE RESERVE FUND	8,945,025
ASSETS WHOSE USE IS LIMITED PRINCIPAL & INTEREST FUND	4,698,121
ASSETS WHOSE USE IS LIMITED WAIT LIST RESERVE FUND	4,384,494
ASSETS WHOSE USE IS LIMITED ENTRANCE FEE DEPOSITS	1,305,258
ASSETS WHOSE USE IS LIMITED ASSET REPLACEMENT FUND	20,249,478
INTEREST RATE CAP	208,967
DEFERRED EXPENSES	3,609,287
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	56,081,302

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
DEFERRED MEMBERSHIP FEES	4,160,157
DEFERRED ENTRANCE FEES	242,212,454
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	246,372,611

2. Fin 48 Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	166,331,188
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	158,878,816
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	7,452,372
4	Net unrealized gains (losses) on investments	4	-1,549,051
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	188,021
9	Total adjustments (net) Add lines 4 - 8	9	-1,361,030
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	6,091,342

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	
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	
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 should equal Form 990, Part I, line 12)			5	

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

1	Total expenses and losses per audited financial statements			1	
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	
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 should equal Form 990, Part I, line 18)			5	

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, 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

Identifier	Return Reference	Explanation
Part X	Description of Uncertain Tax Positions Under FIN 48	LIFESPACE HAS BEEN GRANTED AN EXEMPTION FROM FEDERAL INCOME TAX UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND HAS BEEN DESIGNATED AS A PUBLICLY SUPPORTED ORGANIZATION (RATHER THAN A PRIVATE FOUNDATION) LIFESPACE EVALUATES TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN IN THE COURSE OF PREPARING ITS TAX RETURNS TO DETERMINE WHETHER IT IS "MORE LIKELY THAN NOT" THAT EACH TAX POSITION WOULD BE SUSTAINED UPON EXAMINATION BY A TAXING AUTHORITY BASED ON THE TECHNICAL MERITS OF THE POSITION TAX POSITIONS NOT DEEMED TO MEET THE MORE-LIKELY-THAN-NOT THRESHOLD WOULD BE RECORDED AS TAX BENEFIT AND EXPENSE IN THE CURRENT YEAR AS OF, OR DURING THE YEAR ENDED DECEMBER 31, 2009, LIFESPACE HAS NOT RECORDED ANY SUCH TAX BENEFIT OR EXPENSE IN THE ACCOMPANYING FINANCIAL STATEMENTS NO EXAMINATIONS ARE IN PROGRESS OR ANTICIPATED AT THIS TIME LIFESPACE'S FEDERAL INCOME TAX RETURNS ARE OPEN TO EXAMINATION FOR THE YEARS ENDED DECEMBER 31, 2006 THROUGH DECEMBER 31, 2009
Part XI, Line 8 - Other Adjustments		INCREASE IN VALUE OF INTEREST RATE SWAPS & CAPS 188021

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SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.
Attach to Form 990 or Form 990-EZ. See separate instructions.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization
LIFESPACE COMMUNITIES INC

Employer identification number
42-1068850

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities Check all that apply

- **a** ☑ Mail solicitations
- **b** ☐ Internet and e-mail solicitations
- **c** ☑ Phone solicitations
- **d** ☑ In-person solicitations
- **e** ☐ Solicitation of non-government grants
- **f** ☐ Solicitation of government grants
- **g** ☑ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising activities? ☑ **Yes** ☐ **No**

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization Form 990-EZ filers are not required to complete this table

(i) Name of individual or entity (fundraiser)	**(ii)** Activity	**(iii)** Did fundraiser have custody or control of contributions? **Yes**	**(iii)** **No**	**(iv)** Gross receipts from activity	**(v)** Amount paid to (or retained by) fundraiser listed in col **(i)**	**(vi)** Amount paid to (or retained by) organization
DAVID HYSLOP & ASSOCIATES	FUNDRAISING CAMPAIGN MANAGER		No	0	16,667	-16,667
HENSON-HANLEY-YODER & LAMB	FUNDRAISING CONSULTANT		No	0	44,800	-44,800
Total . . . . . ▶					61,467	-61,467

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing

MN

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than $5,000.

		(a) Event #1 (event type)	(b) Event #2 (event type)	(c) Other Events (total number)	(d) Total Events (Add col (a) through col (c))
Revenue	1 Gross receipts				
	2 Less Charitable contributions				
	3 Gross income (line 1 minus line 2)				
Direct Expenses	4 Cash prizes				
	5 Non-cash prizes				
	6 Rent/facility costs				
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses				
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				
	11 Net income summary Combine lines 3, column d, and line 10 ▶				

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col (a) through col (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	
	7 Direct expense summary Add lines 2 through 5 in column (d) ▶				
	8 Net gaming income summary Combine lines 1, column d, and line 7 ▶				

			Yes	No
9	Enter the state(s) in which the organization operates gaming activities _____			
a	Is the organization licensed to operate gaming activities in each of these states?	9a		
b	If "No," Explain			
10a	Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	10a		
b	If "Yes," Explain			
11	Does the organization operate gaming activities with nonmembers?	11		
12	Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?	12		

			Yes	No
13	Indicate the percentage of gaming activity operated in			
a	The organization's facility	**13a**		
b	An outside facility	**13b**		
14	Enter the name and address of the person who prepares the organization's gaming/special events books and records			
	Name ▶			
	Address ▶			
15a	Does the organization have a contract with a third party from whom the organization receives gaming revenue?	**15a**		
b	If "Yes," enter the amount of gaming revenue received by the organization ▶ $ _____ and the amount of gaming revenue retained by the third party ▶ $ _____			
c	If "Yes," enter name and address			
	Name ▶			
	Address ▶			
16	Gaming manager information			
	Name ▶			
	Gaming manager compensation ▶ $ _____			
	Description of services provided ▶			
	☐ Director/officer ☐ Employee ☐ Independent contractor			
17	Mandatory distributions			
a	Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?	**17a**		
b	Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $			

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
LIFESPACE COMMUNITIES INC

Employer identification number
42-1068850

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☑ Yes ☐ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . . . ▶ ☐

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
THE LIFESPACE FOUNDATION100 EAST GRAND AVENUE SUITE 200 DES MOINES,IA 50309	421370848	501(C)(3)	32,521				REIMBURSE FOR ADMINISTRATIVE EXPENSES

2 Enter total number of section 501(c)(3) and government organizations . . . . . ▶ 1

3 Enter total number of other organizations . . . . . ▶ 0

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
HARDSHIP ASSISTANCE - REDUCTION OF FEES	41		671,192	FAIR MARKET VALUE OF REDUCTION OF FEES	RESIDENTS MAY FROM TIME TO TIME SEEK FINANCIAL ASSISTANCE BY REQUESTING ASSISTANCE WITH THE MONTHLY SERVICE FEE SINCE THESE RESIDENTS HAVE SIGNED A LIFE CARE CONTRACT, THE ORGANIZATION IS OBLIGATED TO LET THEM CONTINUE TO LIVE IN THE COMMUNITY MANAGEMENT SHALL REVIEW BOARD APPROVED CRITERIA TO DETERMINE WHETHER THE RESIDENT IS A CANDIDATE TO RECEIVE A HARDSHIP DISCOUNT IF THE RESIDENT QUALIFIES FOR A HARDSHIP DISCOUNT, THE DISCOUNT WILL BEGIN TO BE DEDUCTED FROM THE MONTHLY SERVICE FEES
See Additional Data Table					

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
Procedure for Monitoring Grants in the U S	Part I, Line 2	Schedule I, Part I, Line 2 THE ORGANIZATION CAN EASILY MONITOR THE USE OF THE GRANTS TO INDIVIDUALS BECAUSE THE GRANTS ARE SIMPLY REDUCTIONS OF THE MONTHLY SERVICE FEES AND ENTRANCE FEES THAT THE RESIDENT WOULD OWE IF THE HARDSHIP ASSISTANCE WAS NOT GRANTED THE GRANT TO THE LIFESPACE FOUNDATION IS A REIMBURSEMENT OF DOCUMENTED ADMINISTRATIVE EXPENSES OF THE FOUNDATION

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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, question 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
LIFESPACE COMMUNITIES INC

Employer identification number
42-1068850

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate 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 ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☑ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
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**	Yes	
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 ☑ Compensation committee ☐ Written employment contract ☑ Independent compensation consultant ☑ Compensation survey or study ☐ Form 990 of other organizations ☑ 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**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only 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**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
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**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
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**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured 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**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
SCOTT M HARRISON	(i)	264,294	29,100	22,258	22,071	2,479	340,202	0
	(ii)	0	0	0	0	0	0	0
LARRY M SMITH	(i)	184,263	15,600	22,138	15,274	5,248	242,523	0
	(ii)	0	0	0	0	0	0	0
JOHN H COCHRANE III	(i)	118,909	16,640	16,555	2,643	239	154,986	0
	(ii)	0	0	0	0	0	0	0
BOBBI JO HADEN	(i)	129,220	16,350	23,313	11,923	1,461	182,267	0
	(ii)	0	0	0	0	0	0	0
HAROLD KAVAN	(i)	120,480	8,052	14,849	6,347	4,299	154,027	0
	(ii)	0	0	0	0	0	0	0

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

Identifier	Return Reference	Explanation
	Part I, Line 1a	COUNTRY CLUB MEMBERSHIP DUES FOR SCOTT M HARRISON (OFFICER & DIRECTOR) ARE REIMBURSED BY LIFESPACE COMMUNITIES, INC AND ARE INCLUDED IN HIS W-2 AS TAXABLE WAGES

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
LIFESPACE COMMUNITIES INC

Employer identification number
42-1068850

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased Yes	(g) Defeased No	(h) On Behalf of Issuer Yes	(h) On Behalf of Issuer No
A	PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY	52-1297505	696507RP9	09-24-2003	7,009,688	ABBEY DELRAY SOUTH - REVENUE REFUNDING BONDS, 2003 SERIES		X		X
B	PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY	52-1297505	696507SF0	11-28-2007	27,930,499	THE WATERFORD - REVENUE BONDS, SERIES 2007		X		X
C	PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY	52-1297505	696507RV6	12-22-2004	5,465,000	HARBOUR'S EDGE - REVENUE BONDS, SERIES 2004 A & B		X		X
D	ILLINOIS FINANCE AUTHORITY	86-1091967	45200BMX3	04-21-2005	12,165,166	BEACON HILL - REVENUE REFUNDING BONDS, SERIES 2005		X		X
E	CITY OF BLOOMINGTON MINNESOTA	41-6004990		05-22-2007	4,000,000	FRIENDSHIP VILLAGE BLOOMINGTON - REVENUE BONDS, SERIES 2002, REISSUED 2007		X		X

Part II Proceeds

		A	B	C	D	E
1	Total proceeds of issue	340,673	18,426,748	5,474,935	521,434	
2	Gross proceeds in reserve funds	636,184	2,168,936	370,688	1,153,292	
3	Proceeds in refunding or defeasance escrows					
4	Other unspent proceeds	2,444,908	2,444,908			
5	Issuance costs from proceeds	140,194	558,610	109,300	241,856	
6	Working capital expenditures from proceeds					
7	Capital expenditures from proceeds	200,479	14,988,776	4,994,947	279,578	
8	Year of substantial completion	2003		2005	2005	

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No	E Yes	E No
9	Were the bonds issued as part of a current refunding issue?	X		X			X	X		X	
10	Were the bonds issued as part of an advance refunding issue?		X		X		X		X		X
11	Has the final allocation of proceeds been made?	X			X	X		X		X	
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X		X	

Part III Private Business Use

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No	E Yes	E No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X		X		X		X
2	Are there any lease arrangements with respect to the financed property which may result in private business use?	X		X		X		X		X	

Part III Private Business Use *(Continued)*

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts with respect to the financed property which may result in private business use?	X		X		X		X		X	
3b	Are there any research agreements with respect to the financed property which may result in private business use?		X		X		X		X		X
3c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X		X		X		X		X	
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶		0 200 %		0 010 %		0 100 %		0 300 %		0 300 %
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶		0 %		0 %		0 %		0 %		0 %
6	Total of lines 4 and 5		0 200 %		0 010 %		0 100 %		0 300 %		0 300 %
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X		X		X	

Part IV Arbitrage

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X		X		X		X
2	Is the bond issue a variable rate issue?		X		X	X		X			X
3a	Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?		X		X		X		X		X
b	Name of provider										
c	Term of hedge										
4a	Were gross proceeds invested in a GIC?		X	X			X		X		X
b	Name of provider	TRANSAMERICAN LIFE		TRANSAMERICAN LIFE							
c	Term of GIC	1 800000000000		1 800000000000							
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?	X		X							
5	Were any gross proceeds invested beyond an available temporary period?		X		X		X		X		X
6	Did the bond issue qualify for an exception to rebate?	X			X	X		X		X	

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).**
▶ **Attach to Form 990.** ▶ **See separate instructions.**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
LIFESPACE COMMUNITIES INC

Employer identification number
42-1068850

Part I Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased Yes	(g) Defeased No	(h) On Behalf of Issuer Yes	(h) On Behalf of Issuer No
A	CHARTIERS VALLEY INDUSTRIAL & COMMERCIAL DEVELOPMENT AUTHORITY	25-1330516	161388BY8	10-22-2003	10,167,738	FRIENDSHIP VILLAGE OF SOUTH HILLS - REVENUE REFUNDING BONDS, SERIES 2003A		X		X
B	CITY OF PRAIRIE VILLAGE KANSAS	48-6077081	73971EAK7	08-28-2003	9,410,000	CLARIDGE COURT - REVENUE REFUNDING BONDS, SERIES 2003		X		X
C	HOSPITAL AUTHORITY NO1 OF LANCASTER COUNTY NEBRASKA	47-0721900		03-05-2003	9,700,000	GRAND LODGE - DEVELOPMENT REVENUE BONDS, SERIES 2003		X		X
D	HOSPITAL AUTHORITY NO1 OF LANCASTER COUNTY NEBRASKA	47-0721900		12-05-2005	13,050,000	GRAND LODGE - DEVELOPMENT REVENUE BONDS, SERIES 2005		X		X

Part II Proceeds

		A	B	C	D	E
1	Total proceeds of issue	1,175,659	1,194,088	9,777,788	13,603,719	
2	Gross proceeds in reserve funds	973,800	1,052,799			
3	Proceeds in refunding or defeasance escrows					
4	Other unspent proceeds					
5	Issuance costs from proceeds	201,859	283,857		200,000	
6	Working capital expenditures from proceeds					
7	Capital expenditures from proceeds	144,780	144,780	9,777,788	13,403,719	
8	Year of substantial completion	2003	2003	2004	2007	

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No	E Yes	E No
9	Were the bonds issued as part of a current refunding issue?	X		X			X		X		
10	Were the bonds issued as part of an advance refunding issue?		X		X		X		X		
11	Has the final allocation of proceeds been made?	X		X		X		X			
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X			

Part III Private Business Use

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No	E Yes	E No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X		X		X		
2	Are there any lease arrangements with respect to the financed property which may result in private business use?	X		X		X		X			

Part III Private Business Use *(Continued)*

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts with respect to the financed property which may result in private business use?	X		X		X		X			
3b	Are there any research agreements with respect to the financed property which may result in private business use?		X		X		X		X		
3c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X		X		X			X		
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶		0 200 %		0 300 %		0 200 %		0 200 %		
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶		0 %		0 %		0 %		0 %		
6	Total of lines 4 and 5		0 200 %		0 300 %		0 200 %		0 200 %		
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X		X			

Part IV Arbitrage

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X		X		X		
2	Is the bond issue a variable rate issue?		X	X		X		X			
3a	Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?		X	X			X		X		
b	Name of provider	LEHMAN BROTHERS SPECIAL FINANCING		LEHMAN BROTHERS SPECIAL FINANCING							
c	Term of hedge	6 900000000000		6 900000000000							
4a	Were gross proceeds invested in a GIC?		X		X		X		X		
b	Name of provider										
c	Term of GIC										
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5	Were any gross proceeds invested beyond an available temporary period?		X		X		X		X		
6	Did the bond issue qualify for an exception to rebate?	X		X		X			X		

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38a or 40b.**

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
LIFESPACE COMMUNITIES INC

Employer identification number
42-1068850

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	**(a)** Name of disqualified person	**(b)** Description of transaction	**(c)** Corrected? Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	**(b)** Loan to or from the organization? To	From	**(c)** Original principal amount	**(d)** Balance due	**(e)** In default? Yes	No	**(f)** Approved by board or committee? Yes	No	**(g)** Written agreement? Yes	No
DEERFIELD RETIREMENT COMMUNITY INC FINANCING FOR CONSTRUCTION OF HEALTH CARE FACILITIES		X	4,300,000	4,300,000		No	Yes		Yes	
Total . . . . . ▶ $				4,300,000						

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	**(b)** Relationship between interested person and the organization	**(c)** Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	**(b)** Relationship between interested person and the organization	**(c)** Amount of transaction	**(d)** Description of transaction	**(e)** Sharing of organization's revenues? Yes	No

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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
LIFESPACE COMMUNITIES INC

Employer identification number
42-1068850

Identifier	Return Reference	Explanation
Form 990, Part VI, Section A, line 3		LIFE CARE SERVICES, LLC, AN UNRELATED MANAGEMENT COMPANY, SUPERVISED THE OPERATION OF VILLAGE ON THE GREEN, A COMMUNITY OF LIFESPACE COMMUNITIES, INC THE AGREEMENT WAS TERMINATED ON DECEMBER 31, 2009 ESSEX CORPORATION, AN UNRELATED MANAGEMENT COMPANY, SUPERVISED THE OPERATION OF GRAND LODGE AT THE PRESERVE, A COMMUNITY OF LIFESPACE COMMUNITIES, INC THE AGREEMENT WAS TERMINATED IN MAY 2009 LIFE CARE SERVICES, LLC ALSO PROVIDED INFORMATION TECHNOLOGY SYSTEMS AND SERVICES TO NINE COMMUNITIES OF LIFESPACE COMMUNITIES, INC THE AGREEMENT WAS TERMINATED ON DECEMBER 31, 2009
Form 990, Part VI, Section B, line 11		THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS WILL REVIEW AND APPROVE THE FORM 990 PRIOR TO FILING
Form 990, Part VI, Section B, line 12c		OFFICERS AND MEMBERS OF THE BOARD OF DIRECTORS OF LIFESPACE COMMUNITIES, INC , DEERFIELD RETIREMENT COMMUNITY, INC (RELATED ORGANIZATION) AND THE LIFESPACE FOUNDATION (RELATED ORGANIZATION) MUST CONDUCT THEIR PERSONAL AFFAIRS IN SUCH A MANNER AS TO AVOID ANY POSSIBLE CONFLICTS OF INTEREST WITH DUTIES AND RESPONSIBILITIES AS OFFICERS AND MEMBERS OF THE BOARD OF DIRECTORS ALL NEW BOARD MEMBERS AND OFFICERS ARE REQUIRED TO COMPLETE A CONFLICTS OF INTEREST STATEMENT THIS IS REVIEWED BY THE MANAGEMENT DEVELOPMENT COMMITTEE OF THE BOARD OF DIRECTORS FOR APPROVAL OFFICERS AND MEMBERS OF THE BOARD OF DIRECTORS ANNUALLY ARE REQUIRED TO COMPLETE A CONFLICTS OF INTEREST STATEMENT THESE STATEMENTS ARE REVIEWED BY THE MANAGEMENT DEVELOPMENT COMMITTEE TO DETERMINE IF ANY CONFLICTS OF INTEREST EXIST PRIOR TO REAPPOINTMENT TO THE BOARD AND OFFICER POSITIONS ANY DIRECTOR HAVING A CONFLICT OF INTEREST SHALL NOT VOTE OR USE HIS OR HER PERSONAL INFLUENCE ON THE MATTER, AND SHALL NOT BE COUNTED IN DETERMINING THE QUORUM FOR THE MEETING THE MINUTES OF THE MEETING SHALL REFLECT THAT A DISCLOSURE WAS MADE, THE ABSTENTION FROM VOTING, AND THE QUORUM SITUATION
Form 990, Part VI, Section B, line 15		COMPENSATION FOR OFFICERS AND DIRECTORS IS REVIEWED BY THE MANAGEMENT DEVELOPMENT COMMITTEE ANNUALLY AN OUTSIDE CONSULTANT IS USED EVERY OTHER YEAR TO DETERMINE THE REASONABLENESS OF OFFICER AND DIRECTOR COMPENSATION A REPORT IS PROVIDED TO THE BOARD OF DIRECTORS BY THE CONSULTANT IN YEARS WHEN AN OUTSIDE CONSULTANT IS NOT USED, THE MANAGEMENT DEVELOPMENT COMMITTEE REVIEWS SURVEY INFORMATION TO DETERMINE THE REASONABLENESS OF OFFICER AND DIRECTOR COMPENSATION THE BOARD OF DIRECTORS APPROVES THE ANNUAL COMPENSATION BASED ON THESE REVIEWS
Form 990, Part VI, Section C, line 19		REQUESTS FROM THIRD PARTIES FOR GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE REFERRED TO THE CHIEF FINANCIAL OFFICER ANNUAL RETURNS AND THE APPLICATION FOR EXEMPTION ARE MADE AVAILABLE FOR PUBLIC INSPECTION AND ARE PROVIDED TO INDIVIDUALS WHO REQUEST THEM COPIES ARE PROVIDED WITHIN 30 DAYS OF A WRITTEN REQUEST OR THE SAME DAY IF REQUESTED IN PERSON
Form 990, Part VII	Contact Addresses for Officers, Directors, Etc	BOBBI JO HADEN - 1290 BOYCE ROAD, UPPER ST CLAIR, PA 15241 SHAWN PERRIGO - 2000 LOWSON BOULEVARD, DELRAY BEACH, FL 33445 MARK ZULLO - 2400 SOUTH FINLEY ROAD, LOMBARD, IL 60148 THERESA BERTRAM - 401 EAST LINTON BOULEVARD, DELRAY BEACH, FL 33483
FORM 990, PART XI, LINE 2C		THE PROCESS OF OVERSEEING THE AUDIT AND SELECTING AN INDEPENDENT ACCOUNTANT HAS NOT CHANGED FROM THE PRIOR YEAR
Schedule G, Part I, Line 2b, Column (v)	Explanation of Fundraising Payments	THE PROFESSIONAL FUNDRAISER WAS HIRED TO PERFORM FUNDRAISING ACTIVITIES ON BEHALF OF THE LIFESPACE FOUNDATION ALL GROSS RECEIPTS RELATING TO THE PROFESSIONAL FUNDRAISING WERE RECEIVED BY THE LIFESPACE FOUNDATION AND PROPERLY INCLUDED ON THE FOUNDATION'S FORM 990 AMOUNTS WILL BE GRANTED FROM THE LIFEPACE FOUNDATION TO LIFESPACE COMMUNITIES, INC TO COVER THE COST OF THE FITNESS CENTER AT FRIENDSHIP VILLAGE BLOOMINGTON

Identifier	Return Reference	Explanation
		SCHEDULE K, PART I, COLUMN (F), FURTHER DESCRIPTION OF PURPOSE ABBEY DELRAY SOUTH - REVENUE REFUNDING BONDS, 2003 SERIES THE BONDS ARE BEING ISSUED TO FINANCE THE PROJECT AND TO CURRENTLY REFUND THE REFUNDED BONDS, EACH IN A PRUDENT MANNER CONSISTENT WITH THE REVENUE NEEDS OF THE CORPORATION SALE PROCEEDS OF THE BONDS WILL BE PROVIDED TO THE CORPORATION PURSUANT TO THE LEASE THE WATERFORD - REVENUE BONDS, SERIES 2007 THE BONDS ARE BEING ISSUED TO (I) FINANCE THE PROJECT, (II) TO REFUND THE REFUNDED BONDS, (III) TO FUND A PORTION OF THE DEBT SERVICE RESERVE FUND AND (IV) TO PAY A PORTION OF THE COSTS OF ISSUANCE, EACH IN A MANNER CONSISTENT WITH THE REVENUE NEEDS OF THE CORPORATION HARBOUR'S EDGE - REVENUE BONDS, SERIES 2004 A & B THE BONDS ARE BEING ISSUED TO FINANCE THE ACQUISITION OF THE PROJECT IN A PRUDENT MANNER CONSISTENT WITH THE NEEDS OF THE CORPORATION SALE PROCEEDS OF THE BONDS WILL BE PROVIDED TO THE CORPORATION PURSUANT TO THE LOAN AGREEMENT BEACON HILL - REVENUE REFUNDING BONDS, SERIES 2005 THE SERIES 2005 BONDS WILL BE USED, TOGETHER WITH CERTAIN OTHER MONEYS, TO (I) CURRENTLY REFUND THE OUTSTANDING PRINCIPAL AMOUNT OF THE $13,895,000 ILLINOIS HEALTH FACILITIES AUTHORITY REVENUE BONDS, SERIES 1997, (II) PAY OR REIMBURSE THE CORPORATION FOR THE PAYMENT OF THE COSTS OF ACQUIRING, CONSTRUCTING, RENOVATING, REMODELING AND EQUIPPING CERTAIN OF ITS HEALTH FACILITIES AND (III) PAY CERTAIN EXPENSES INCURRED IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2005 BONDS AND THE CURRENT REFUNDING OF THE SERIES 1997 BONDS FRIENDSHIP VILLAGE BLOOMINGTON - ASSISTED LIVING FACILITY REVENUE BONDS, SERIES 2002, REISSUED 2007 THE PURPOSE OF THE BOND IS TO REFUND THROUGH EXTENSION OF MATURITY THE ORIGINAL BOND, WHICH WAS ISSUED TO PROVIDE FUNDS TO FINANCE THE RENOVATION OF THE BORROWER'S EXISTING HEALTH CENTER AND THE CONSTRUCTION, EXPANSION, EQUIPPING AND FURNISHING OF THE BORROWER'S ASSISTED LIVING FACILITY REFERRED TO AS FRIENDSHIP VILLAGE AND LOCATED AT 8100 HIGHWOOD DRIVE, BLOOMINGTON, MINNESOTA FRIENDSHIP VILLAGE OF SOUTH HILLS - REVENUE REFUNDING BONDS, SERIES 2003A THE SERIES 2003A BONDS ARE BEING ISSUED TO REFUND ALL OUTSTANDING SERIES 1996 BONDS IN A MANNER CONSISTENT WITH THE REVENUE NEEDS OF THE CORPORATION IN ADDITION, THE SERIES 2003A BOND PROCEEDS WILL BE USED TO PAY THE ACCRUED INTEREST ON THE SERIES 2003A BONDS, FUND THE DEBT SERVICE RESERVE FUND AND PAY CERTAIN COSTS RELATING TO THE ISSUANCE OF THE BONDS CLARIDGE COURT - REVENUE REFUNDING BONDS, SERIES 2003 THE PURPOSE OF THE REFUNDING IS TO (1) ACHIEVE INTEREST COST SAVINGS FOR THE CORPORATION THROUGH EARLY REDEMPTION OF THE SERIES 1993 BONDS ON SEPTEMBER 29, 2003, (2) REDUCE THE DEBT SERVICE REQUIREMENTS OF THE CORPORATION FOR THE NEXT SEVERAL YEARS, (3) RELEASE THE CORPORATION FROM BURDENSOME COVENANTS AND RESTRICTIONS IMPOSED BY THE DOCUMENTS SECURING THE SERIES 1993 BONDS, AND (4) PROVIDE AN ORDERLY PLAN OF FINANCING FOR THE CORPORATION GRAND LODGE - DEVELOPMENT REVENUE BONDS, SERIES 2003 THE BONDS ARE BEING ISSUED FOR THE PURPOSE OF PROVIDING FUNDS TO LEND TO THE COMPANY TO PAY THE COSTS OF ACQUIRING, CONSTRUCTING, IMPROVING AND EQUIPPING LAND, BUILDINGS AND OTHER IMPROVEMENTS WHICH SHALL BE SUITABLE FOR THE USE AS A RESIDENTIAL ANCILLARY CARE FACILITY FOR ELDERLY PERSONS GRAND LODGE - DEVELOPMENT REVENUE BONDS, SERIES 2005 THE BONDS ARE BEING ISSUED FOR THE PURPOSE OF PROVIDING FUNDS TO LEND TO THE COMPANY TO PAY THE COSTS OF ACQUIRING, CONSTRUCTING, IMPROVING AND EQUIPPING LAND, BUILDINGS AND OTHER IMPROVEMENTS WHICH SHALL BE SUITABLE FOR THE USE AS AN ADDITION TO A RESIDENTIAL ANCILLARY CARE FACILITY FOR ELDERLY PERSONS -

SCHEDULE K, PART II, LINE 5, ISSUANCE COSTS FROM PROCEEDS CLARIDGE COURT - REVENUE REFUNDING BONDS, SERIES 2003 ISSUANCE COSTS = $188,200, CREDIT ENHANCEMENT FEE = $95,657 - SCHEDULE K, PART III, LINE 3A, MANAGEMENT OR SERVICE CONTRACTS ABBEY DELRAY SOUTH - REVENUE REFUNDING BONDS, 2003 SERIES AT THE TIME THE BONDS WERE ISSUED, ABBEY DELRAY SOUTH WAS MANAGED BY LIFE CARE SERVICES, LLC UNDER A MANAGEMENT AGREEMENT WHICH WAS TERMINATED OCTOBER 1, 2005, A MARKETING AGREEMENT WITH LCS WAS TERMINATED DECEMBER 31, 2007 AND AN IT SERVICES AGREEMENT WITH LCS WAS TERMINATED DECEMBER 31, 2009 THE WATERFORD - REVENUE BONDS, SERIES 2007 AT THE TIME THE BONDS WERE ISSUED, THE WATERFORD HAD MARKETING AND IT SERVICES AGREEMENTS WITH LIFE CARE SERVICES, LLC, THE MARKETING AGREEMENT WAS TERMINATED AT DECEMBER 31, 2007 AND THE IT SERVICES AGREEMENT WAS TERMINATED AT DECEMBER 31, 2009 HARBOUR'S EDGE - REVENUE BONDS, SERIES 2004 A & B AT THE TIME THE BONDS WERE ISSUED, HARBOUR'S EDGE WAS MANAGED BY LIFE CARE SERVICES, LLC UNDER A MANAGEMENT AGREEMENT WHICH WAS TERMINATED DECEMBER 31, 2007 AN IT SERVICES AGREEMENT WITH LCS WAS TERMINATED DECEMBER 31, 2009 BEACON HILL - REVENUE REFUNDING BONDS, SERIES 2005 AT THE TIME THE BONDS WERE ISSUED, BEACON HILL WAS MANAGED BY LIFE CARE SERVICES, LLC UNDER A MANAGEMENT AGREEMENT WHICH WAS TERMINATED OCTOBER 1, 2005, A MARKETING AGREEMENT WITH LCS WAS TERMINATED DECEMBER 31, 2007 AND AN IT SERVICES AGREEMENT WITH LCS WAS TERMINATED DECEMBER 31, 2009 FRIENDSHIP VILLAGE BLOOMINGTON - ASSISTED LIVING FACILITY REVENUE BONDS, SERIES 2002, REISSUED 2007 AT THE TIME THE BONDS WERE ISSUED, FRIENDSHIP VILLAGE OF BLOOMINGTON WAS MANAGED BY LIFE CARE SERVICES, LLC UNDER A MANAGEMENT AGREEMENT WHICH WAS TERMINATED OCTOBER 1, 2005, A MARKETING AGREEMENT WITH LCS WAS TERMINATED DECEMBER 31, 2007 AND AN IT SERVICES AGREEMENT WITH LCS WAS TERMINATED DECEMBER 31, 2009 FRIENDSHIP VILLAGE OF SOUTH HILLS - REVENUE REFUNDING BONDS, SERIES 2003A AT THE TIME THE BONDS WERE ISSUED, FRIENDSHIP VILLAGE OF SOUTH HILLS WAS MANAGED BY LIFE CARE SERVICES, LLC UNDER A MANAGEMENT AGREEMENT WHICH WAS TERMINATED OCTOBER 1, 2005, A MARKETING AGREEMENT WITH LCS WAS TERMINATED DECEMBER 31, 2007 AND AN IT SERVICES AGREEMENT WITH LCS WAS TERMINATED DECEMBER 31, 2009 CLARIDGE COURT - REVENUE REFUNDING BONDS, SERIES 2003 AT THE TIME THE BONDS WERE ISSUED, CLARIDGE COURT WAS MANAGED BY LIFE CARE SERVICES, LLC UNDER A MANAGEMENT AGREEMENT WHICH WAS TERMINATED FEBRUARY 1, 2005, A MARKETING AGREEMENT WITH LCS WAS TERMINATED DECEMBER 31, 2007 AND AN IT SERVICES AGREEMENT WITH LCS WAS TERMINATED DECEMBER 31, 2009 GRAND LODGE - DEVELOPMENT REVENUE BONDS, SERIES 2003 AT THE TIME THE BONDS WERE ISSUED, GRAND LODGE WAS MANAGED BY ESSEX CORPORATION UNDER A PROPERTY MANAGEMENT AND OPERATIONS AGREEMENT WHICH TERMINATED IN MAY, 2009 A PAYROLL SERVICES AGREEMENT WITH LIFE CARE SERVICES, LLC TERMINATED DECEMBER 31, 2009 GRAND LODGE - DEVELOPMENT REVENUE BONDS, SERIES 2005 AT THE TIME THE BONDS WERE ISSUED, GRAND LODGE WAS MANAGED BY ESSEX CORPORATION UNDER A PROPERTY MANAGEMENT AND OPERATIONS AGREEMENT WHICH TERMINATED IN MAY, 2009 A PAYROLL SERVICES AGREEMENT WITH LIFE CARE SERVICES, LLC TERMINATED DECEMBER 31, 2009

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ 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.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
LIFESPACE COMMUNITIES INC

Employer identification number
42-1068850

Part I **Identification of Disregarded Entities** (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II **Identification of Related Tax-Exempt Organizations** (Complete if the organization answered "Yes" on 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
DEERFIELD RETIREMENT COMMUNITY INC 100 EAST GRAND AVENUE SUITE 200 DES MOINES, IA 50309 42-1508960	OPERATION OF RETIREMENT COMMUNITY	IA	501(C)(3)	509(A)(2)	
THE LIFESPACE FOUNDATION 100 EAST GRAND AVENUE SUITE 200 DES MOINES, IA 50309 42-1370848	SUPPORT OF RETIREMENT COMMUNITIES	IA	501(C)(3)	509(A)(3)	

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, or 36.)

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III or IV			
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	1a	Yes	
b Gift, grant, or capital contribution to other organization(s)	1b	Yes	
c Gift, grant, or capital contribution from other organization(s)	1c	Yes	
d Loans or loan guarantees to or for other organization(s)	1d		No
e Loans or loan guarantees by other organization(s)	1e		No
f Sale of assets to other organization(s)	1f		No
g Purchase of assets from other organization(s)	1g		No
h Exchange of assets	1h		No
i Lease of facilities, equipment, or other assets to other organization(s)	1i		No
j Lease of facilities, equipment, or other assets from other organization(s)	1j		No
k Performance of services or membership or fundraising solicitations for other organization(s)	1k	Yes	
l Performance of services or membership or fundraising solicitations by other organization(s)	1l		No
m Sharing of facilities, equipment, mailing lists, or other assets	1m		No
n Sharing of paid employees	1n		No
o Reimbursement paid to other organization for expenses	1o		No
p Reimbursement paid by other organization for expenses	1p	Yes	
q Other transfer of cash or property to other organization(s)	1q		No
r Other transfer of cash or property from other organization(s)	1r		No

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)	DEERFIELD RETIREMENT COMMUNITY INC	A	215,000
(2)	THE LIFESPACE FOUNDATION	B	32,521
(3)	THE LIFESPACE FOUNDATION	C	412,953
(4)	THE LIFESPACE FOUNDATION	K	61,467
(5)	DEERFIELD RETIREMENT COMMUNITY INC	P	370,331
(6)			

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization See instructions regarding exclusion for certain investment partnerships

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations? Yes	(d) No	(e) Share of end-of-year assets	(f) Disproprtionate allocations? Yes	(f) No	(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner? Yes	(h) No

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Form **4562**

Department of the Treasury
Internal Revenue Service

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No 1545-0172

2009

Attachment Sequence No **67**

Name(s) shown on return	Business or activity to which this form relates	**Identifying number**
LIFESPACE COMMUNITIES INC	Form 990 Page 10	42-1068850

Part I **Election To Expense Certain Property Under Section 179**

Note: *If you have any listed property, complete Part V before you complete Part I.*

1 Maximum amount See the instructions for a higher limit for certain businesses	**1**	250,000
2 Total cost of section 179 property placed in service (see instructions)	**2**	
3 Threshold cost of section 179 property before reduction in limitation (see instructions)	**3**	800,000
4 Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	**4**	
5 Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	**5**	

6	**(a)** Description of property	**(b)** Cost (business use only)	**(c)** Elected cost
6			

7 Listed property Enter the amount from line 29	**7**		
8 Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	**8**		
9 Tentative deduction Enter the **smaller** of line 5 or line 8	**9**		
10 Carryover of disallowed deduction from line 13 of your 2008 Form 4562	**10**		
11 Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	**11**		
12 Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	**12**		
13 Carryover of disallowed deduction to 2010 Add lines 9 and 10, less line 12 ▶	**13**		

Note: *Do not use Part II or Part III below for listed property. Instead, use Part V.*

Part II **Special Depreciation Allowance and Other Depreciation (Do not** include listed property **)** (See instructions)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	**14**	
15 Property subject to section 168(f)(1) election	**15**	
16 Other depreciation (including ACRS)	**16**	21,950,491

Part III **MACRS Depreciation (Do not** include listed property.**)** (See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2009	**17**	
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B—Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

(a) Classification of property	**(b)** Month and year placed in service	**(c)** Basis for depreciation (business/investment use only—see instructions)	**(d)** Recovery period	**(e)** Convention	**(f)** Method	**(g)** Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
			27 5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2009 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV **Summary** (see instructions)

21 Listed property Enter amount from line 28	**21**	
22 **Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions	**22**	21,950,491
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	**23**	

Part V **Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: *For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete* ***only*** *24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.*

Section A—Depreciation and Other Information (Caution: *See the instructions for limits for passenger automobiles.***)**

24a Do you have evidence to support the business/investment use claimed? ☐ **Yes** ☐ **No** | **24b** If "Yes," is the evidence written? ☐ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation/ deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)						**25**		
26 Property used more than 50% in a qualified business use								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1						**28**		
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1							**29**	

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person
If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (**do not** include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal(noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons (see instructions)

	Yes	**No**
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles		

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2009 tax year (see instructions)					
43 Amortization of costs that began before your 2009 tax year				**43**	1,620,228
44 Total. Add amounts in column (f) See the instructions for where to report				**44**	1,620,228

Additional Data

Software ID:
Software Version:
EIN: 42-1068850
Name: LIFESPACE COMMUNITIES INC

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(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			
JOHN J KADUCE DIRECTOR	2 00	X						27,000	0	0
SCOTT M HARRISON PRESIDENT/CEO/DIRECTOR	40 00	X		X				315,652	0	24,550
MERLIN J FOREMAN DIRECTOR	2 00	X						27,000	0	0
ANN A WAGNER-HAUSER DIRECTOR	2 00	X						29,880	0	0
DONALD W BOURNE DIRECTOR	2 00	X						27,000	0	0
WILLIAM R COOK CHAIRMAN & DIRECTOR	6 00	X						33,720	0	0
WILLIAM C KNAPP II DIRECTOR	2 00	X						9,800	0	0
DAVID M MURDOCH DIRECTOR	2 00	X						9,800	0	0
JAMES E NOLAND DIRECTOR	2 00	X						27,000	0	0
PAULA J SHIVES DIRECTOR	2 00	X						26,000	0	0
RITA M DRAGONETTE DIRECTOR	2 00	X						27,000	0	0
E LAVERNE EPP DIRECTOR	2 00	X						7,000	0	0
ROBERT C KEHM DIRECTOR	2 00	X						7,000	0	0
LARRY M SMITH VICE PRES/CFO & TREASURE	40 00			X				222,001	0	20,522
SYDNEY J CODER SECRETARY	40 00			X				61,114	0	3,574
JOHN H COCHRANE III VICE PRESIDENT/COO	40 00			X				152,104	0	2,882
JAY BIERE VICE PRESIDENT/COO	40 00			X				27,721	0	757
BOBBI JO HADEN EXECUTIVE DIRECTOR	40 00					X		168,883	0	13,384
HAROLD KAVAN RISK MANAGER	40 00					X		143,381	0	10,646
SHAWN PERRIGO EXECUTIVE DIRECTOR	40 00					X		133,651	0	10,278
MARK ZULLO MARKETING DIRECTOR	40 00					X		138,054	0	7,862
THERESA BERTRAM EXECUTIVE DIRECTOR	40 00					X		138,372	0	6,544

Form 990, Part IX - Statement of Functional Expenses - 24a - 24e Other Expenses

Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
MEDICAL & OTHER RESIDEN	11,312,768	11,312,768		
PLANT OPERATIONS	10,511,534	10,511,534		
DIETARY	9,698,400	9,698,400		
OTHER GENERAL & ADMINIS	4,034,214	3,227,371	806,843	
PROPERTY TAXES	3,884,130	3,107,304	776,826	

Additional Data

Software ID:
Software Version:
EIN: 42-1068850
Name: LIFESPACE COMMUNITIES INC

Form 990, Schedule D, Part IX, - Other Assets

(a) Description	**(b)** Book value
BOND DISCOUNT - NET	326,932
ASSETS WHOSE USE IS LIMITED OPERATING RESERVE FUND	12,353,740
ASSETS WHOSE USE IS LIMITED DEBT SERVICE RESERVE FUND	8,945,025
ASSETS WHOSE USE IS LIMITED PRINCIPAL & INTEREST FUND	4,698,121
ASSETS WHOSE USE IS LIMITED WAIT LIST RESERVE FUND	4,384,494
ASSETS WHOSE USE IS LIMITED ENTRANCE FEE DEPOSITS	1,305,258
ASSETS WHOSE USE IS LIMITED ASSET REPLACEMENT FUND	20,249,478
INTEREST RATE CAP	208,967
DEFERRED EXPENSES	3,609,287