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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

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 01-01-2010 and ending 12-31-2010

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

C Name of organization
KENDAL AT ITHACAINC

Doing Business As

Number and street (or P O box if mail is not delivered to street address)
2230 NORTH TRIPHAMMER ROAD

Room/suite

City or town, state or country, and ZIP + 4
ITHACA, NY 14850

F Name and address of principal officer
DANIEL GOVERNANTI
2230 NORTH TRIPHAMMER ROAD
ITHACA, NY 14850

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) ☐ 501(c) () ◀(insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW KAI KENDAL ORG

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

L Year of formation 1992

M State of legal domicile NY

Part I	Summary																																										
Activities & Governance	1 Briefly describe the organization's mission or most significant activities TO PROVIDE A MUTUALLY SUPPORTIVE ENVIRONMENT FOR RESIDENTS, AND CONTRIBUTE TO THE ITHACA COMMUNITY																																										
	2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets																																										
	<table><tr><td>3</td><td>Number of voting members of the governing body (Part VI, line 1a)</td><td>21</td></tr><tr><td>4</td><td>Number of independent voting members of the governing body (Part VI, line 1b)</td><td>17</td></tr><tr><td>5</td><td>Total number of individuals employed in calendar year 2010 (Part V, line 2a)</td><td>290</td></tr><tr><td>6</td><td>Total number of volunteers (estimate if necessary)</td><td>95</td></tr><tr><td>7a</td><td>Total unrelated business revenue from Part VIII, column (C), line 12</td><td>0</td></tr><tr><td>7b</td><td>Net unrelated business taxable income from Form 990-T, line 34</td><td>0</td></tr></table>	3	Number of voting members of the governing body (Part VI, line 1a)	21	4	Number of independent voting members of the governing body (Part VI, line 1b)	17	5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	290	6	Total number of volunteers (estimate if necessary)	95	7a	Total unrelated business revenue from Part VIII, column (C), line 12	0	7b	Net unrelated business taxable income from Form 990-T, line 34	0																								
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Part II

Signature Block

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

Sign Here

Signature of officer

ANN E WALL CFO
Type or print name and title

2011-10-27
Date

Paid Preparer Use Only

Print/Type preparer's name
BERNADETTE O'TOOLECPA

Firm's name ▶ LARSONALLEN LLP

Firm's address ▶ 18 SENTRY PARK WEST SUITE 300
BLUE BELL, PA 194222240

Preparer's signature
BERNADETTE O'TOOLECPA

Date

Check if self-employed ▶ ☐

PTIN

Firm's EIN ▶

Phone no ▶ (215) 643-3900

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

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2010)

Check if Schedule O contains a response to any question in this Part III ☒

PLEASE SEE THE MISSION STATEMENT ON SCHEDULE OKENDAL AT ITHACA IS A NOT-FOR-PROFIT CONTINUING CARE RETIREMENTCOMMUNITY OUR VISION IS TO BE A COMMUNITY WHOSE HALLMARKS ARE THEQUAKER VALUES OF RESPECT, CARE, AND TRUST IN ADDITION WE STRIVE TO BEGOOD STEWARDS OF OUR RESOURCES AND ENVIRONMENT OUR MISSION IS TO PROVIDE A MUTUALLY SUPPORTIVE ENVIRONMENT FOR RESIDENTS AND STAFF, ANDTO CONTRIBUTE TO THE GREATER ITHACA COMMUNITY

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

If "Yes," describe these changes on Schedule O

4a	(Code)	(Expenses \$ 14,145,254	including grants of \$)	(Revenue \$ 16,106,971)
CONTINUING CARE RETIREMENT COMMUNITY KENDAL AT ITHACA CONSISTS OF 212 INDEPENDENT LIVING UNITS, A COMMUNITY CENTER, AND A 71- BED HEALTH CENTER COMPOSED OF 36 ADULT HOME BEDS AND 35 NURSING HOME BEDS KENDAL AT ITHACA IS COMMITTED TO FOSTERING WELL-BEING, SECURITY, AND FULFILLMENT IN LATER YEARS FOR THOSE IT SERVES AND FOR OLDER PEOPLE IN THE BROADER COMMUNITY				

[illegible][illegible]

4e	Total program service expenses	\$ 14,145,254
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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)? <i>If "Yes," complete Schedule A.</i> 	1	Yes
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)? 	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? <i>If "Yes," complete Schedule C, Part I.</i>	3	No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i>	4	No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i>	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? <i>If "Yes," complete Schedule D, Part I.</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? <i>If "Yes," complete Schedule D, Part II.</i> 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> 	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? <i>If "Yes," complete Schedule D, Part IV.</i> 	9	Yes
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> 	10	No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> 	11a	Yes
b	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? <i>If "Yes," complete Schedule D, Part VII.</i> 	11b	No
c	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? <i>If "Yes," complete Schedule D, Part VIII.</i> 	11c	No
d	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? <i>If "Yes," complete Schedule D, Part IX.</i> 	11d	No
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> 	11e	Yes
f	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 (ASC 740)? <i>If "Yes," complete Schedule D, Part X.</i> 	11f	Yes
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> 	12a	Yes
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> 	12b	No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>	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? <i>If "Yes," complete Schedule F, Parts I and IV.</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? <i>If "Yes," complete Schedule F, Parts II and IV.</i>	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? <i>If "Yes," complete Schedule F, Parts III and IV.</i>	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? <i>If "Yes," complete Schedule G, Part I (see instructions).</i>	17	No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i>	18	No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>	19	No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i>	20a	No
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions).	20b	

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? <i>If "Yes," complete Schedule I, Parts I and II</i>	21		No
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	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? <i>If "Yes," complete Schedule J</i>	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? <i>If "Yes," answer lines 24b–24d and complete Schedule K. If "No," go to line 25</i>	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	Yes	
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? <i>If "Yes," complete Schedule L, Part I</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? <i>If "Yes," complete Schedule L, Part I</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? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	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? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	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? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35		No
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>			
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	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? <i>If "Yes," complete Schedule R, Part VI</i>	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

Check if Schedule O contains a response to any question in this Part V

☐

			Yes	No	
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	52		
	b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b		
c		Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	Yes
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	2a	290		
	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 (see instructions).					
3a		Did the organization have unrelated business gross income of \$1,000 or more during the year?		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 instructions for 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?		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 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		If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g	
h		If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		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	
13		Section 501(c)(29) qualified nonprofit health insurance issuers.			
a		Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		13a	
b		Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.		13b	
c		Enter the amount of reserves on hand.		13c	
14a		Did the organization receive any payments for indoor tanning services during the tax year?		14a	No
b		If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		14b	

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.
Check if Schedule O contains a response to any question in this Part VI ☒

Section A. Governing Body and Management			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a 21		
b	Enter the number of voting members included in line 1a, above, who are independent	1b 17		
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		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a significant 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	Yes	
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		No

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		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	12a	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 15a or 15b, describe the process in Schedule O (See instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		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 NY
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 ANN E WALL CHIEF FINANCIAL OFFICER 2230 NORTH TRIPHAMMER ROAD ITHACA, NY 14850 (607) 266-5300

Part VII

Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII

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.

- 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, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

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

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(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			
(1) SUSAN NOHELT BOARD MEMBER	2.00	X						0	0	0
(2) MARY OPPERMAN BOARD MEMBER	2.00	X						0	0	0
(3) JAMES A BROWN BOARD MEMBER	2.00	X						0	0	0
(4) JANET L CORSON-RIKERT BOARD MEMBER	2.00	X						0	0	0
(5) DAVID MCNIFF BOARD TREASURER	2.00	X		X				0	0	0
(6) SHIRLEY M DURFEE BOARD MEMBER	2.00	X						0	0	0
(7) GERALD A KINCHY BOARD CHAIR	2.00	X		X				0	0	0
(8) HAL CRAFT BOARD MEMBER	2.00	X						0	0	0
(9) JOHN S OSTROM BOARD MEMBER	2.00	X						0	0	0
(10) HANNAH RICHTER BOARD MEMBER	2.00	X						0	0	0
(11) JOHN B RUDD BOARD MEMBER	2.00	X						0	0	0
(12) CAROL U SISLER BOARD MEMBER	2.00	X						0	0	0
(13) JAMES S SPERO BOARD SECRETARY	2.00	X		X				0	0	0
(14) JOHN KROUT BOARD MEMBER	2.00	X						0	0	0
(15) DONALD S STEWART BOARD MEMBER	2.00	X						0	0	0
(16) MACK TRAVIS BOARD MEMBER	2.00	X						0	0	0

Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(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			
(17) WILLIAM D WHITE BOARD VICE CHAIR	2 00	X		X				0	0	0
(18) MARTHA ARMSTRONG BOARD MEMBER	2 00	X						0	0	0
(19) HENRIK DULLEA BOARD MEMBER	2 00	X						0	0	0
(20) TANYA SAUNDERS BOARD MEMBER	2 00	X						0	0	0
(21) ROGER SIBLEY BOARD MEMBER	2 00	X						0	0	0
(22) DANIEL GOVERNANTI EXECUTIVE DIRECTOR	40 00			X				142,227	0	15,175
(23) ANN E WALL CHIEF FINANCIAL OFFICER	40 00			X				96,901	0	14,951
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								239,128	0	30,126

2Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization1

	Yes	No
3Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3	No
4For 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? <i>If "Yes," complete Schedule J for such individual</i>	4Yes	
5Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	5	No

Section B. Independent Contractors

1Complete 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
OMNICARE OF SYRACUSE DBA PHARMACY SOL PO BOX 740391 CINCINNATI, OH 452740391	PHARMACY	387,830
JOHN J PAUSLEY INC 5139 JACKSONVILLE ROAD TRUMANSBURG, NY 14886	GENERAL CONTRACTING	211,441
B&B FLOORING 2217 DRYDEN ROAD DRYDEN, NY 13053	SALE AND INSTALLATION OF CARPET, VINYL,	139,569
2Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization3		

Part VIII

Statement of Revenue

			(A)	(B)	(C)	(D)		
			Total revenue	Related or exempt function revenue	Unrelated business revenue	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					
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	50,038				
	g	Noncash contributions included in lines 1a-1f \$						
	h	Total. Add lines 1a-1f		50,038				
	Program Service Revenue	2a	RESIDENT CARE FEES	623990	10,553,646	10,553,646		
b		ENTRY FEES EARNED	623990	3,141,617	3,141,617			
c		HEALTH CENTER FEES	623990	2,258,022	2,258,022			
d		MEDICARE AND MEDICAID	623990	153,686	153,686			
e								
f		All other program service revenue						
g		Total. Add lines 2a-2f		16,106,971				
Other Revenue		3	Investment income (including dividends, interest and other similar amounts)		745,588			745,588
		4	Income from investment of tax-exempt bond proceeds					
	5	Royalties						
	6a	Gross Rents	(i) Real	(ii) Personal				
		b	Less rental expenses					
		c	Rental income or (loss)					
		d	Net rental income or (loss)					
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		b	Less cost or other basis and sales expenses					
		c	Gain or (loss)					
		d	Net gain or (loss)					
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a					
		b	Less direct expenses	b				
		c	Net income or (loss) from fundraising events					
	9a	Gross income from gaming activities See Part IV, line 19	a					
		b	Less direct expenses	b				
		c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances	a					
		b	Less cost of goods sold	b				
c		Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code						
11a	CAFETERIA	623000	113,878			113,878		
b	OTHER	623000	20,091			20,091		
c								
d	All other revenue							
e	Total. Add lines 11a-11d		133,969					
12	Total revenue. See Instructions		17,256,758	16,106,971	0	1,099,749		

Part IX

Statement of Functional Expenses

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2	Grants and other assistance to individuals in the U S See Part IV, line 22	52,000	52,000		
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				
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	6,205,635	5,388,406	817,229	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9	Other employee benefits	2,008,230	1,696,470	311,760	
10	Payroll taxes	446,668	390,827	55,841	
a	Fees for services (non-employees)				
	Management				
b	Legal	25,206		25,206	
c	Accounting	56,073		56,073	
d	Lobbying				
e	Professional fundraising services See Part IV, line 17				
f	Investment management fees				
g	Other	884,404	239,510	644,894	
12	Advertising and promotion	72,859		72,859	
13	Office expenses	223,798	151,945	71,853	
14	Information technology	112,832		112,832	
15	Royalties				
16	Occupancy	2,092,802	2,011,901	80,901	
17	Travel	71,196	47,578	23,618	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	20,943	15,838	5,105	
20	Interest	751,279	691,177	60,102	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	2,073,449	1,907,573	165,876	
23	Insurance	91,227		91,227	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	FOOD SERVICES	845,866	845,866		
b	MEDICAL EXPENSE	538,075	538,075		
c	MISC EXPENSE	194,870	168,088	26,782	
d					
e					
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	16,767,412	14,145,254	2,622,158	0
26	Joint costs. Check here ☒ if following SOP 98-2 (ASC 958-720) 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)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			633	1	633
	2	Savings and temporary cash investments			6,180,101	2	2,472,688
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			1,204,132	4	1,286,703
	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)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Schedule L				6	
	7	Notes and loans receivable, net				7	
	8	Inventories for sale or use			80,196	8	93,235
	9	Prepaid expenses and deferred charges			1,262,779	9	1,202,955
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D.	10a	57,009,903			
	b	Less: accumulated depreciation	10b	24,731,667	33,070,765	10c	32,278,236
	11	Investments—publicly traded securities			19,633,400	11	24,558,019
	12	Investments—other securities. See Part IV, line 11				12	
	13	Investments—program-related. See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11			1,363,454	15	1,394,131
16	Total assets. Add lines 1 through 15 (must equal line 34)			62,795,460	16	63,286,600	
Liabilities	17	Accounts payable and accrued expenses			635,076	17	611,689
	18	Grants payable				18	
	19	Deferred revenue			35,586,800	19	36,417,429
	20	Tax-exempt bond liabilities			21,029,266	20	20,121,449
	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				23	
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities. Complete Part X of Schedule D			1,260,238	25	890,010
	26	Total liabilities. Add lines 17 through 25			58,511,380	26	58,040,577
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			3,271,310	27	4,217,453
	28	Temporarily restricted net assets			1,012,770	28	1,028,570
	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			4,284,080	33	5,246,023
34	Total liabilities and net assets/fund balances			62,795,460	34	63,286,600	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	17,256,758
2	Total expenses (must equal Part IX, column (A), line 25)	2	16,767,412
3	Revenue less expenses Subtract line 2 from line 1	3	489,346
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	4,284,080
5	Other changes in net assets or fund balances (explain in Schedule O)	5	472,597
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	5,246,023

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		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?		No
b	Were the organization's financial statements audited by an independent accountant?	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	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 separate basis, consolidated 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?		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		

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

2010

Open to Public Inspection

Name of the organization
KENDAL AT ITHACAINC

Employer identification number
52-1787487

Part I

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

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

1

☐

A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3

☐

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)

8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9

☒

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10

☐

An organization organized and operated exclusively to test for public safety See**section 509(a)(4).**

11

☐

An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f

☐

If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box

g

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?
(ii) a family member of a person described in (i) above?
(iii) a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage		
14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2009 Schedule A, Part II, line 14	15	
16a 33 1/3% support test—2010. 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—2009. 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—2010. 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—2009. 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 IIIPart III

Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	92,188	247,470	176,821	206,379	50,038	772,896
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	15,080,489	15,793,325	15,767,287	16,142,954	16,106,971	78,891,026
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	15,172,677	16,040,795	15,944,108	16,349,333	16,157,009	79,663,922
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0
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						0
8 Public Support (Subtract line 7c from line 6)						79,663,922

Section B. Total Support						
Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6	15,172,677	16,040,795	15,944,108	16,349,333	16,157,009	79,663,922
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	800,264	998,889	770,705	673,806	745,588	3,989,252
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	800,264	998,889	770,705	673,806	745,588	3,989,252
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.)	116,673	111,328	136,097	120,748	133,969	618,815
13 Total support (Add lines 9, 10c, 11 and 12.)	16,089,614	17,151,012	16,850,910	17,143,887	17,036,566	84,271,989
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage			
15 Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	15	94.530%	
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	94.600%	

Section D. Computation of Investment Income Percentage			
17 Investment income percentage for 2010 (line 10c column (f) divided by line 13 column (f))	17	4.730%	
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	4.680%	
19a 33 1/3% support tests—2010. 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—2009. 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 explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

SCHEDULE D
(Form 990)

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

2010

Open to Public Inspection

Name of the organization

KENDAL AT ITHACAINC

Employer identification number

52-1787487

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

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

▶ \$ _____

For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2010

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
1c	552,017
1d	59,270
1e	55,290
1f	555,997

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

(i)

unrelated organizations

(ii)

related organizations

3a(i)

☐

☐

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		2,572,434		2,572,434
b Buildings		45,907,943	19,445,984	26,461,959
c Leasehold improvements				
d Equipment		8,529,526	5,285,683	3,243,843
e Other				
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				32,278,236

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	17,256,758
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	16,767,412
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	489,346
4	Net unrealized gains (losses) on investments	4	532,499
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-59,902
9	Total adjustments (net) Add lines 4 - 8	9	472,597
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	961,943

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	16,955,423
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	5,754
e	Add lines 2a through 2d	2e	5,754
3	Subtract line 2e from line 1	3	16,949,669
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	307,089
c	Add lines 4a and 4b	4c	307,089
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	17,256,758

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return			
1	Total expenses and losses per audited financial statements	1	16,715,412
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	0
3	Subtract line 2e from line 1	3	16,715,412
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	52,000
c	Add lines 4a and 4b	4c	52,000
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	16,767,412

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 IV, LINE 1B	KENDAL AT ITHACA RECEIVES REFUNDABLE DEPOSITS OF \$1000 EACH FROM PROSPECTIVE RESIDENTS WHO WISH TO BE ON THE PRIORITY LIST FOR MOVE-INS. THESE DEPOSITS, AND INTEREST EARNED, REMAIN THE PROPERTY OF THE PROSPECTIVE RESIDENTS AND ARE MADE DIRECTLY TO A LOCAL BANK, WHERE THEY ARE HELD IN ESCROW UNTIL OCCUPANCY OR WITHDRAWAL.
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	KENDAL AT ITHACA IS A NOT-FOR-PROFIT CORPORATION AS DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND IS EXEMPT FROM FEDERAL INCOME TAXES PURSUANT TO SECTION 501(A) OF THE INTERNAL REVENUE CODE. THE ORGANIZATION FOLLOWS THE PROVISIONS OF THE INCOME TAX STANDARD REGARDING THE RECOGNITION AND MEASUREMENT OF UNCERTAIN TAX POSITIONS. THE APPLICATION OF THESE PROVISIONS HAS NO IMPACT ON THE ORGANIZATION'S FINANCIAL STATEMENTS. THE ORGANIZATION IS NOT AWARE OF ANY ACTIVITIES THAT WOULD JEOPARDIZE ITS TAX-EXEMPT STATUS OR OF ANY ACTIVITIES THAT ARE SUBJECT TO TAX ON UNRELATED BUSINESS INCOME OR EXCISE OR OTHER TAXES. THE TAX RETURNS FOR THE YEARS 2007 TO 2009 ARE OPEN TO EXAMINATION BY FEDERAL AND STATE AUTHORITIES.
PART XI, LINE 8 - OTHER ADJUSTMENTS		UNREALIZED LOSS ON INTEREST RATE SWAP -59,902
PART XII, LINE 2D - OTHER ADJUSTMENTS		NET ASSETS RELEASED FROM RESTRICTIONS 57,754 GRANTS AND OTHER ASSISTANCE TO INDIVIDUALS - 52,000
PART XII, LINE 4B - OTHER ADJUSTMENTS		REALIZED GAIN ON INVESTMENT 204,567 GAIN ON DISPOSAL OF PROPERTY, PLANT, AND EQUIPMENT 15,625 UNRESTRICTED CONTRIBUTIONS 50 RESTRICTED CONTRIBUTIONS 49,988 TEMPORARILY RESTRICTED INVESTMENT INCOME 36,859
PART XIII, LINE 4B - OTHER ADJUSTMENTS		GRANTS IN AID 52,000
		THE ORGANIZATION IS A NOT-FOR-PROFIT CORPORATION AS DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND IS EXEMPT FROM FEDERAL INCOME TAXES PURSUANT TO SECTION 501(A) OF THE INTERNAL REVENUE CODE. THE ORGANIZATION FOLLOWS THE PROVISIONS OF THE INCOME TAX STANDARD REGARDING THE RECOGNITION AND MEASUREMENT OF UNCERTAIN TAX POSITIONS. THE APPLICATION OF THESE PROVISIONS HAS NO IMPACT ON THE ORGANIZATION'S FINANCIAL STATEMENTS. THE ORGANIZATION IS NOT AWARE OF ANY ACTIVITIES THAT WOULD JEOPARDIZE ITS TAX-EXEMPT STATUS OR OF ANY ACTIVITIES THAT ARE SUBJECT TO TAX ON UNRELATED BUSINESS INCOME OR EXCISE OR OTHER TAXES. THE TAX RETURNS FOR THE YEARS 2007 TO 2009 ARE OPEN TO EXAMINATION BY FEDERAL AND STATE AUTHORITIES. THE ORGANIZATION HAS IMPLEMENTED PROCESSES TO ENSURE CORPORATE COMPLIANCE WITH THE INTERNAL REVENUE SERVICE INTERMEDIATE SANCTIONS PROVISION. THESE PROCESSES INCLUDE RETENTION BY THE BOARD OF TRUSTEES OF AN UNBIASED THIRD PARTY CONSULTANT TO REVIEW EXECUTIVE COMPENSATION PRACTICES, ANNUAL REVIEW BY THE BOARD COMPENSATION COMMITTEE OF EXECUTIVE TEAM COMPENSATION, AND ANNUAL REVIEW BY THE BOARD OF TRUSTEES OF THE PERFORMANCE AND COMPENSATION OF THE ORGANIZATION'S EXECUTIVE DIRECTOR. THE BOARD ENGAGES IN ANNUAL CORPORATE COMPLIANCE EDUCATION, HAS ADOPTED AND REVIEWS AT LEAST ANNUALLY A WRITTEN CORPORATE COMPLIANCE PROGRAM AND CODE OF CONDUCT, AND HAS A DETAILED CONFLICT OF INTEREST POLICY.

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
KENDAL AT ITHACA INC

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

2010

Open to Public
Inspection

Employer identification number
52-1787487

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. Part II can be duplicated if additional space is needed. ☐

1 (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

2

Enter total number of section 501(c)(3) and government organizations

3

Enter total number of other organizations

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
(1) FINANCIAL AID TO RESIDENTS TO HELP PAY FOR THEIR MONTHLY FEES	4	52,000			

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 ONLY GRANTS GIVEN BY KENDAL AT ITHACA ARE FOR RESIDENT ASSISTANCE, SPECIFICALLY, TO HELP RESIDENTS PAY THEIR MONTHLY FEES NO MONITORING IS REQUIRED -- THE GRANTS ARE DIRECTLY APPLIED TO RESIDENTS' MONTHLY BILLS AND ACT TO DECREASE THE AMOUNT OWED BY THE RESIDENTS FOR THEIR MONTHLY FEES KENDAL AT ITHACA'S CFO ANNUALLY REVIEWS THE FINANCIAL INFORMATION PROVIDED BY RESIDENTS AND AWARDS (OR RESCINDS) GRANTS BASED ON THAT INFORMATION

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2010

Open to Public Inspection

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.

Name of the organization KENDAL AT ITHACAINC	Employer identification number 52-1787487
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Part I

Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
☐ First-class or charter travel		
☐ Travel for companions		
☐ Tax idemnification and gross-up payments		
☐ Discretionary spending account		
☐ Housing allowance or residence for personal use		
☐ Payments for business use of personal residence		
☐ Health or social club dues or initiation fees		
☐ Personal services (e g , maid, chauffeur, chef)		
1b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain		
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?		
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		
☐ Independent compensation consultant		
☒ Form 990 of other organizations		
☐ Written employment contract		
☒ Compensation survey or study		
☒ 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 from the organization or a related organization?		No
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?		No
c Participate in, or receive payment from, an equity-based compensation arrangement?		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?		No
b Any related organization?		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?		No
b Any related organization?		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		No
8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III		No
9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?		

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is 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				
(1) DANIEL GOVERNANTI	(i)	142,227	0	0	735	14,440	157,402	145,288
	(ii)	0	0	0	0	0	0	0
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								

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
------------	------------------	-------------

Schedule K (Form 990)	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		
											2010		
	Department of the Treasury Internal Revenue Service											Open to Public Inspection	
Name of the organization KENDAL AT ITHACAINC										Employer identification number 52-1787487			

Part I

Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY	16-1214039	890099CL6	09-04-2003	17,922,286	REFINANCE SERIES 1994 BONDS		X		X		X
B	TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY	16-1214039	890099BQ6	08-31-2000	8,250,000	CONSTRUCTION OF CCRC AND REFINANCE CONSTRUCTION LOAN		X		X		X

Part II

Proceeds

					A		B		C		D	
1	Amount of bonds retired											
2	Amount of bonds legally defeased											
3	Total proceeds of issue				17,922,286		8,250,000					
4	Gross proceeds in reserve funds				1,036,750		562,025					
5	Capitalized interest from proceeds											
6	Proceeds in refunding escrow				16,243,932		4,770,395					
7	Issuance costs from proceeds				372,710		213,043					
8	Credit enhancement from proceeds											
9	Working capital expenditures from proceeds											
10	Capital expenditures from proceeds				268,893		2,704,537					
11	Other spent proceeds											
12	Other unspent proceeds											
13	Year of substantial completion				2003		2000					
					Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?				X		X					
15	Were the bonds issued as part of an advance refunding issue?					X		X				
16	Has the final allocation of proceeds been made?				X		X					
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?				X		X					

Part III

Private Business Use

					A		B		C		D	
					Yes	No	Yes	No	Yes	No	Yes	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				
2	Are there any lease arrangements that may result in private business use of bond-financed property?					X		X				

Part IIIPrivate Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		X		X				
b	Are there any research agreements that may result in private business use of bond-financed property?		X		X				
c	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					
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 %		0 %					
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 %					
6	Total of lines 4 and 5	0 %		0 %					
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X					

Part IVArbitrage

		A		B		C		D	
		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					
2	Is the bond issue a variable rate issue?	X		X					
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?	X		X					
b	Name of provider	WACHOVIA							
c	Term of hedge	5 580000000000							
d	Was the hedge superintegrated?		X		X				
e	Was a hedge terminated?		X		X				
4a	Were gross proceeds invested in a GIC?		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				
6	Did the bond issue qualify for an exception to rebate?		X		X				

Part VSupplemental Information

Complete this part to provide additional information for responses to questions on Schedule K (see instructions)

Identifier	Return Reference	Explanation

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

**Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.**

OMB No 1545-0047

2010

**Open to Public
Inspection**

Name of the organization KENDAL AT ITHACAINC	Employer identification number 52-1787487
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Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B		KENDAL AT ITHACA IS AFFILIATED WITH KENDAL NEW YORK THROUGH BY LAW REQUIREMENTS KENDAL NEW YORK MUST APPROVE THE ELECTION OF BOARD MEMBERS OF KENDAL AT ITHACA AND ANY AMENDMENTS TO THE ARTICLES OF INCORPORATION OR SPECIFIC SECTIONS OF THE BY LAWS OF KENDAL AT ITHACA AS WELL AS THE INCURRENCE OF DEBT OF SPECIFIED VALUE, CHANGES IN CORPORATE PURPOSE, USE OF THE NAME KENDAL, THE SUBSTANCE OF RESIDENT CONTRACTS, AND THE PURCHASE, SALE, LEASE, OR OTHER DISPOSITION OF ANY REAL ESTATE OR IMPROVEMENTS THEREON OF A SPECIFIC VALUE, AND DISSOLUTION, MERGER WITH ANOTHER ENTITY, DIVISION, OR ACQUIRING CONTROL OF ANOTHER ENTITY

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		THE FORM 990 IS REVIEWED BY THE FINANCE COMMITTEE AND IS ALSO DISTRIBUTED TO ALL BOARD MEMBERS BEFORE IT IS FILED WITH THE INTERNAL REVENUE SERVICE

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	A CONFLICT OF INTEREST IS DEFINED AS "EXCESS BENEFIT" TO THE DISQUALIFIED PERSON. EXCESS BENEFITS MAY ARISE FROM A TRANSACTION IN WHICH THE AMOUNT OF THE ECONOMIC BENEFIT PROVIDED BY KENDAL AT ITHACA TO OR FOR THE USE OF THE DISQUALIFIED PERSON EXCEEDS THE VALUE OF THE CONSIDERATION (INCLUDING THE PERFORMANCE OF SERVICES) RECEIVED BY KENDAL AT ITHACA FOR PROVIDING SUCH BENEFIT. ALL MEMBERS OF THE KENDAL AT ITHACA BOARD OF TRUSTEES AND STAFF ARE COVERED BY THIS POLICY. ANY PERSON WHO REASONABLY BELIEVES THEY MAY BE AN INTERESTED PERSON MUST DISCLOSE THE EXISTENCE OF AND THE MATERIAL FACTS OF THE NATURE OF HIS OR HER INTEREST TO THE TRUSTEES OR MEMBERS OF THE COMMITTEE CONSIDERING THE PROPOSED TRANSACTION. SUCH DISCLOSURE SHALL INCLUDE ANY RELEVANT AND MATERIAL FACTS KNOWN TO SUCH PERSON ABOUT THE TRANSACTION AND ALL FACTS RELATING TO THE REASON THAT SUCH PERSON MIGHT BE A DISQUALIFIED PERSON. WHEN A PERSON DISCLOSES THEY MAY BE A DISQUALIFIED PERSON, THE BODY TO WHICH THE DISCLOSURE IS MADE SHALL THEREUPON, BY MAJORITY VOTE (OTHER THAN THE PERSON WHO MADE THE DISCLOSURE), DETERMINE WHETHER THE PERSON IS A DISQUALIFIED PERSON OR IS A POTENTIALLY DISQUALIFIED PERSON. IF IT IS DETERMINED THAT SUCH PERSON IS A DISQUALIFIED PERSON, SUCH PERSON SHALL NOT VOTE ON, NOR USE HIS PERSONAL INFLUENCE ON, NOR PARTICIPATE IN THE DISCUSSIONS OR DELIBERATIONS WITH RESPECT TO SUCH CONTRACT OR OTHER TRANSACTION. SUCH PERSON MAY PRESENT FACTUAL INFORMATION OR RESPOND TO QUESTIONS AS MAY BE REQUIRED BY THE REMAINDER OF THE BOARD OR COMMITTEE. THE DISQUALIFIED PERSON SHALL WITHDRAW FROM THE MEETING UNTIL THE DISCUSSION OR DISCUSSIONS, INCLUDING ANY VOTES TAKEN, HAS BEEN COMPLETED. THE MINUTES OF THE MEETING SHALL REFLECT THE DISCLOSURE OF THE DISQUALIFIED PERSON AND HIS/HER WITHDRAWAL FROM THE MEETING. EACH TRUSTEE, DIRECTOR, PRINCIPAL OFFICER, AND MEMBER OF A COMMITTEE WITH BOARD DELEGATED POWERS SHALL ANNUALLY SIGN A STATEMENT WHICH AFFIRMS THAT SUCH A PERSON HAS RECEIVED A COPY OF THE CONFLICTS OF INTEREST POLICY, HAS READ AND UNDERSTANDS THE POLICY, HAS AGREED TO COMPLY WITH THE POLICY, AND HAS DISCLOSED ALL KNOWN CONFLICTS OF INTEREST.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	THE EXECUTIVE DIRECTOR'S COMPENSATION IS DETERMINED BY THE BOARD'S EXECUTIVE COMMITTEE IN CONSULTATION WITH KENDAL CORPORATION STAFF KENDAL AT ITHACA'S HUMAN RESOURCES DIRECTOR AND EXECUTIVE DIRECTOR DETERMINE COMPENSATION FOR ALL STAFF INCLUDING OTHER OFFICERS AND KEY EMPLOYEES, USING COMPARATIVE INDEPENDENT DATA THIS PROCESS IS DONE FOR ALL EMPLOYEES ON AN ANNUAL BASIS THIS PROCESS WAS LAST UNDERTAKEN IN YEAR 2009

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 18	THE ORGANIZATION MAKES ITS 990 AVAILABLE FOR PUBLIC INSPECTION UPON REQUEST THE INFORMATION IS ALSO PUBLISHED ON THEIR WEBSITE (WWW KAI KENDAL ORG) AND ON ANOTHER WEBSITE

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 532,499 UNREALIZED LOSS ON INTEREST RATE SWAP -59,902 TOTAL TO FORM 990, PART XI, LINE 5 472,597

Identifier	Return Reference	Explanation
COMMITTEE THAT ASSUMES RESPONSIBILITY OF THE AUDIT	FORM 990 PART XII, LINE 2C	THE ORGANIZATION HAS AN AUDIT COMMITTEE THAT ASSUMES RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT OF ITS FINANCIAL STATEMENTS AND SELECTION OF AN INDEPENDENT ACCOUNTANT

Identifier	Return Reference	Explanation
EXECUTIVE COMMITTEE'S RIGHTS	PART VI, SECTION A, LINE 1A	THE EXECUTIVE COMMITTEE IS AUTHORIZED TO TREAT ISSUES AND/OR MAKE DECISIONS ON BEHALF OF THE BOARD, WHEN NECESSARY AND URGENT, BETWEEN BOARD MEETINGS OR WHEN A BOARD QUORUM CANNOT BE RAISED THE EXECUTIVE COMMITTEE MAY PROVIDE LEADERSHIP AND DIRECTION TO THE EXECUTIVE DIRECTOR, AND PERFORM THE EXECUTIVE DIRECTOR'S ANNUAL REVIEW IN COLLABORATION WITH THE PRESIDENT OF KENDAL NEW YORK THE EXECUTIVE COMMITTEE MAY NOT FILL VACANCIES ON THE BOARD OR IN ANY COMMITTEE, FIX THE COMPENSATION OF TRUSTEES FOR SERVING ON THE BOARD OR ANY COMMITTEE, AMEND OR REPEAL THE BY LAWS OR ADOPT NEW BY LAWS, AND/OR AMEND OR REPEAL ANY RESOLUTION OF THE BOARD WHICH BY ITS TERMS SHALL NOT BE SO AMENDABLE OR REPEALABLE

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

2010

Open to Public Inspection

Name of the organization
KENDAL AT ITHACAINC

Employer identification number
52-1787487

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	(g) Section 512(b)(13) controlled organization	
						Yes	No
See Additional Data Table							

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) Disproporionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	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, 35A, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III or IV

1

During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a

Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

b

Gift, grant, or capital contribution to other organization(s)

c

Gift, grant, or capital contribution from other organization(s)

d

Loans or loan guarantees to or for other organization(s)

e

Loans or loan guarantees by other organization(s)

f

Sale of assets to other organization(s)

g

Purchase of assets from other organization(s)

h

Exchange of assets

i

Lease of facilities, equipment, or other assets to other organization(s)

j

Lease of facilities, equipment, or other assets from other organization(s)

k

Performance of services or membership or fundraising solicitations for other organization(s)

l

Performance of services or membership or fundraising solicitations by other organization(s)

m

Sharing of facilities, equipment, mailing lists, or other assets

n

Sharing of paid employees

o

Reimbursement paid to other organization for expenses

p

Reimbursement paid by other organization for expenses

q

Other transfer of cash or property to other organization(s)

r

Other transfer of cash or property from other organization(s)

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

No

No

No

No

No

No

No

No

No

Yes

No

No

Yes

No

No

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	(d) Method of determining amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2010

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.

[illegible]

Part VII **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation
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Software ID:

Software Version:

EIN: 52-1787487

Name: KENDAL AT ITHACAINC

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(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	(g) Section 512 (b)(13) controlled organization	
						Yes	No
KENDAL AT OBERLIN 600 KENDAL DRIVE OBERLIN, OH440741900 34-1567246	OPERATE CCRC	OH	501C(3)	9	N/A		No
LEXINGTON RETIREMENT COMMUNITY INC 160 KENDAL DRIVE LEXINGTON, VA24450 54-1795871	OPERATE CCRC	VA	501C(3)	9	N/A		No
KENDAL AT HANOVER 80 LYME ROAD HANOVER, NH037551218 02-0519490	OPERATE CCRC	NH	501C(3)	9	N/A		No
BARCLAY FRIENDS 700 FRANKLIN STREET WEST CHESTER, PA19380 23-2088476	OPERATE CCRC	PA	501C(3)	3	N/A		No
THE KENDAL CORPORATION 1107 EAST BALTIMORE PIKE KENNETT SQUARE, PA19348 23-2688382	DEVELOP AND PROVIDE SUPPORT SERVICES FOR CCRCS	PA	501C(3)	11	N/A		No
KENDAL CHARITABLE FUNDS 1107 EAST BALTIMORE PIKE KENNETT SQUARE, PA19348 23-2626425	MANAGE CHARITABLE CONTRIBUTIONS TO PRIMARILY BENEFIT AFFILIATES	PA	501C(3)	7	KENDAL CORPORATION		No
KENDAL NEW YORK 1010 KENDAL WAY SLEEPY HOLLOW, NY10591 06-1656576	PROVIDE SUPPORT SERVICES TO KENDAL CCRCS IN NY	NY	501C(3)	11	KENDAL CORPORATION		No
KENDAL CROSSLANDS COMMUNITIES PO BOX 100 KENNETT SQUARE, PA19348 23-1906212	OPERATE CCRC	PA	501C(3)	9	N/A		No
KENDAL ON HUDSON 1010 KENDAL WAY SLEEPY HOLLOW, NY10591 13-3971396	OPERATE CCRC	NY	501C(3)	9	N/A		No
KENDAL AT GRANVILLE 2158 COLUMBUS ROAD GRANVILLE, OH43023 31-1657346	OPERATE CCRC	OH	501C(3)	9	N/A		No
THE LATHROP COMMUNITIES 100 BASSETT BROKK DRIVE EASTHAMPTON, MA01027 04-2996627	OPERATE CCRC	MA	501C(3)	9	N/A		No
KENDAL AT HOME 27519 DETROIT ROAD WESTLAKE, OH44145 20-0548053	OPERATE CONTINUING CARE AT HOME PROGRAM	OH	501C(3)	9	N/A		No