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Part III

Statement of Program Service Accomplishments

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

1

Briefly describe the organization’s mission

KENDAL AT LEXINGTON, A CHARITABLE NOT-FOR-PROFIT CONTINUING CARE RETIREMENT COMMUNITY, WAS ESTABLISHED TO SERVE A DIVERSE POPULATION OF OLDER ADULTS FROM THE LOCAL COMMUNITY AND BEYOND, BY PROVIDING SERVICES DESIGNED TO PROMOTE AND SUPPORT SUCCESSFUL AGING

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

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?

If “Yes,” describe these changes on Schedule O

4

Describe the organization’s program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations 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 \$ 10,363,312 including grants of \$ 18,661) (Revenue \$ 13,843,126)

THE LEXINGTON RETIREMENT COMMUNITY, INC OWNS AND OPERATES A CONTINUING CARE RETIREMENT COMMUNITY WHICH CURRENTLY CONSISTS OF 120 INDEPENDENT LIVING RESIDENCES IN COTTAGES AND APARTMENTS, 20 ASSISTED LIVING RESIDENCES AND A 60 BED SKILLED NURSING FACILITY

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 ▶ 10,363,312

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 (see instructions)? 	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, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	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? If "Yes," complete Schedule C, Part III	5	No
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which 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 for escrow or custodial account liability, 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 Yes	
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10 Yes	
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? If "Yes," complete Schedule D, Part VI 	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? If "Yes," complete Schedule D, Part VII 	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? If "Yes," complete Schedule D, Part VIII 	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? If "Yes," complete Schedule D, Part IX 	11d Yes	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	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)? If "Yes," complete Schedule D, Part X 	11f Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a Yes	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional 	12b	No
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, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	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 United States? If "Yes," complete Schedule F, Parts II and IV	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 United States? If "Yes," complete Schedule F, Parts III and IV	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 (see instructions)	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? 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
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	20a	No
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to any government or organization 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, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23		No
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>	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? <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, highest 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 employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <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	Yes	
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	Yes	
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, Part II, III, or IV, and Part V, line 1</i>	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		No
b	If 'Yes' to line 35a, 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>	35b		
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 11b 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.	42	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	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	194
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).	2b	Yes
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 as charitable contributions?	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	No
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		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O		
b	Enter the number of voting members included in line 1a, above, who are independent		
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?	Yes	
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?		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
6	Did the organization have members or stockholders?		No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body?	Yes	
b	Each committee with authority to act on behalf of the governing body?	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		No

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

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	Yes	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	Yes	
13	Did the organization have a written whistleblower policy?	Yes	
14	Did the organization have a written document retention and destruction policy?	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	Yes	
b	Other officers or key employees of the organization	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?		No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed	VA
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 made these available. Check all that apply. ☒ Own website ☒ Another's website ☒ Upon request ☐ Other (explain in Schedule O)	
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year	
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization	FELICIA DIPRONIO BUSH 160 KENDAL DRIVE LEXINGTON, VA (540) 464-2604

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 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, 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 neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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) J HARDIN MARION BOARD CHAIR	10 00	X		X				0	0	0
(2) RUTH WOODCOCK BOARD VICE CHAIR	1 00	X		X				0	0	0
(3) KIMBERLEY RUSCIO BOARD MEMBER	1 00	X						0	0	0
(4) FRANK FRIEDMAN BOARD MEMBER	1 00	X						0	0	0
(5) DAWN H PECK BOARD MEMBER	1 00	X						0	0	0
(6) JOHN KNAPP BOARD MEMBER	1 00	X						0	0	0
(7) PAMELA LUECKE BOARD SECRETARY	1 00	X		X				0	0	0
(8) CHARLES F BROWER IV BOARD MEMBER	1 00	X						0	0	0
(9) ROBERT B GLIDDEN BOARD MEMBER	1 00	X						0	0	0
(10) NORMAN JONES BOARD MEMBER	1 00	X						0	0	0
(11) ADOLPH HENRY HUMPHREYS JR BOARD MEMBER	1 00	X						0	0	0
(12) DANIEL J WALZ BOARD MEMBER	1 00	X						0	0	0
(13) SARAH WIANT BOARD MEMBER	1 00	X						0	0	0
(14) ABBOTT SMITH BOARD MEMBER	1 00	X						0	0	0
(15) MARYLIN ALEXANDER BOARD MEMBER	1 00	X						0	0	0
(16) LLOYD L CRAIGHILL BOARD MEMBER	1 00	X						0	0	0
(17) JANE T HORTON BOARD MEMBER	1 00	X						0	0	0

Part VII

2	Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization 1			
3	Did 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
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? <i>If "Yes," complete Schedule J for such individual</i>	4		No
5	Did 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

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

Form 990 (2012)

Part VIII

Statement of Revenue

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

				(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	139,974				
	g	Noncash contributions included in lines 1a-1f \$		15,071				
	h	Total. Add lines 1a-1f			139,974			
Program Service Revenue	2a	HEALTH CENTER FEES	Business Code	623000	6,021,160	6,021,160		
	b	RESIDENTIAL SERVICES REVENUE		623000	5,169,620	5,169,620		
	c	AMORTIZATION OF DEFERRED ENTRY FE		623000	2,481,181	2,481,181		
	d							
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f			13,671,961			
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		377,827			377,827
4		Income from investment of tax-exempt bond proceeds						
5		Royalties						
6a		(i) Real		(ii) Personal				
		42,265						
		0						
		42,265						
d		Net rental income or (loss)		42,265			42,265	
7a		(i) Securities		(ii) Other				
				7,761				
				-7,761				
d		Net gain or (loss)		-7,761			-7,761	
8a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18						
a								
b		Less direct expenses						
c		Net income or (loss) from fundraising events						
9a		Gross income from gaming activities See Part IV, line 19						
a								
b		Less direct expenses						
c	Net income or (loss) from gaming activities							
10a	Gross sales of inventory, less returns and allowances							
a								
b	Less cost of goods sold							
c	Net income or (loss) from sales of inventory							
	Miscellaneous Revenue		Business Code					
11a	FOOD SERVICES		623000	112,094	112,094			
b	ANCILLARY SERVICES		623000	59,071	59,071			
c								
d	All other revenue			71,785			71,785	
e	Total. Add lines 11a-11d			242,950				
12	Total revenue. See Instructions			14,467,216	13,843,126	0	484,116	

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).

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

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 United States. See Part IV, line 21.				
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	18,661	18,661		
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.				
4	Benefits paid to or for members.				
5	Compensation of current officers, directors, trustees, and key employees.	248,187		248,187	
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.	3,946,228	3,726,222	218,842	1,164
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	235,101	222,078	12,954	69
9	Other employee benefits.	843,572	768,174	75,158	240
10	Payroll taxes.	296,023	264,775	31,165	83
11	Fees for services (non-employees):				
a	Management.	553,884		553,884	
b	Legal.	10,378		10,378	
c	Accounting.	59,479		59,479	
d	Lobbying.				
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.	24,390		24,390	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	1,640,868	1,415,859	224,926	83
12	Advertising and promotion.	41,457	37,081	4,364	12
13	Office expenses.	1,378,554	1,233,037	145,132	385
14	Information technology.	84,887	6,981	77,904	2
15	Royalties.				
16	Occupancy.	720,129	644,114	75,814	201
17	Travel.	30,070	26,896	3,166	8
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	27,249	24,372	2,869	8
20	Interest.	1,794,882		1,794,882	
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	2,093,385	1,872,412	220,388	585
23	Insurance.	107,311		107,311	
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O):				
a	BAD DEBT EXPENSE	120,152		120,152	
b	BOOKS & PERIODICALS	51,596	46,150	5,432	14
c	REPAIRS AND MAINTENANCE	46,224	41,346	4,866	12
d	DUES & LICENSES	9,985	8,931	1,051	3
e	All other expenses	6,957	6,223	732	2
25	Total functional expenses. Add lines 1 through 24e.	14,389,609	10,363,312	4,023,426	2,871
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ☐ if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

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

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			375,208	1	352,576
	2	Savings and temporary cash investments				2	
	3	Pledges and grants receivable, net			86,689	3	23,640
	4	Accounts receivable, net			1,409,646	4	1,621,766
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L				5	
	6	Loans and other 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) Complete Part II of Schedule L				6	
	7	Notes and loans receivable, net				7	
	8	Inventories for sale or use				8	
	9	Prepaid expenses and deferred charges			158,422	9	174,182
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	55,003,730	41,885,254	10c	40,347,541
	b	Less accumulated depreciation	10b	14,656,189			
	11	Investments—publicly traded securities			8,504,612	11	9,576,234
	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			6,687,995	15	6,871,979
	16	Total assets. Add lines 1 through 15 (must equal line 34)			59,107,826	16	58,967,918
Liabilities	17	Accounts payable and accrued expenses			1,297,923	17	1,372,151
	18	Grants payable				18	
	19	Deferred revenue			27,629,820	19	27,093,451
	20	Tax-exempt bond liabilities			32,597,534	20	32,153,326
	21	Escrow or custodial account liability Complete Part IV of Schedule D			269,116	21	307,380
	22	Loans and other 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			485,000	23	370,000
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D			316,138	25	605,202
	26	Total liabilities. Add lines 17 through 25			62,595,531	26	61,901,510
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here ☒ and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			-4,081,559	27	-3,686,914
	28	Temporarily restricted net assets			351,882	28	493,547
	29	Permanently restricted net assets			241,972	29	259,775
	Organizations that do not follow SFAS 117 (ASC 958), 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			-3,487,705	33	-2,933,592
	34	Total liabilities and net assets/fund balances			59,107,826	34	58,967,918

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	14,467,216
2	Total expenses (must equal Part IX, column (A), line 25)	2	14,389,609
3	Revenue less expenses Subtract line 2 from line 1	3	77,607
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	-3,487,705
5	Net unrealized gains (losses) on investments	5	477,447
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-940
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	-2,933,592

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? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis		No
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☒ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis	Yes	
2c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
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
3b	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

2012

Open to Public Inspection

Name of the organization LEXINGTON RETIREMENT COMMUNITY INC	Employer identification number 54-1795871
--	--

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 33¹/₃% 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 33¹/₃% 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 - Non-functionally integrated

e

☐

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

f

☐

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

g

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i)

A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?

(ii)

A family member of a person described in (i) above?

(iii)

A 35% controlled entity of a person described in (i) or (ii) above?

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 monetary 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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(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 2012 (line 6, column (f) divided by line 11, column (f))		14				
15 Public support percentage for 2011 Schedule A, Part II, line 14		15				
16a 33 1/3% support test—2012. 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—2011. If the organization did not check a 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—2012. 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—2011. 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 IIISupport 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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	129,062	229,487	60,772	49,682	139,974	608,977
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	9,307,887	11,171,738	12,387,673	13,450,577	13,843,126	60,161,001
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	9,436,949	11,401,225	12,448,445	13,500,259	13,983,100	60,769,978
7a Amounts included on lines 1, 2, and 3 received from disqualified persons		197,311		3,050	3,437	203,798
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		197,311		3,050	3,437	203,798
8 Public support (Subtract line 7c from line 6)						60,566,180

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6	9,436,949	11,401,225	12,448,445	13,500,259	13,983,100	60,769,978
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	621,111	199,658	293,395	373,606	377,827	1,865,597
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	621,111	199,658	293,395	373,606	377,827	1,865,597
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)	243,486	789,255	49,590	57,775	71,785	1,211,891
13 Total support. (Add lines 9, 10c, 11, and 12)	10,301,546	12,390,138	12,791,430	13,931,640	14,432,712	63,847,466
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 2012 (line 8, column (f) divided by line 13, column (f))	15	94 860 %	
16 Public support percentage from 2011 Schedule A, Part III, line 15	16	94 290 %	

Section D. Computation of Investment Income Percentage			
17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17	2 920 %	
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18	2 970 %	
19a 33 1/3% support tests—2012. 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—2011. 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.** 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

Explanation

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2012

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization LEXINGTON RETIREMENT COMMUNITY INC	Employer identification number 54-1795871
--	--

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 can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ 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 education) ☐ Preservation of an historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

2

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

	Held at the End of the Year
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register

3

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

4

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

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6

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

7

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

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

In Part XIII, 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 (ASC 958), 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 XIII, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116 (ASC 958), 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 (ASC 958) relating to these items

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

b

Assets included in Form 990, Part X

▶ \$ _____

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat No 52283D

Schedule D (Form 990) 2012

Part III

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

3

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

a

☐ Public exhibition

d

☐ Loan or exchange programs

b

☐ Scholarly research

e

☐ Other

c

☐ Preservation for future generations

4

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

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 XIII and complete the following table

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21?

☒ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII

☒

Part V

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

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance	822,178	796,621	763,188		
b Contributions	20,225	23,660	27,638	763,188	
c Net investment earnings, gains, and losses	95,663	1,897	5,795		
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	938,066	822,178	796,621	763,188	

2

Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

a

Board designated or quasi-endowment

68 550 %

b

Permanent endowment

27 690 %

c

Temporarily restricted endowment

3 760 %

The percentages in lines 2a, 2b, and 2c should equal 100%

3a

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

(i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

No

b

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

3b

4

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

Part VI

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

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		741,068		741,068
b Buildings		50,566,491	11,973,213	38,593,278
c Leasehold improvements				
d Equipment		3,696,171	2,682,976	1,013,195
e Other				
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				40,347,541

Schedule D (Form 990) 2012

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

1	Total revenue, gains, and other support per audited financial statements	1	14,900,672
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	477,447
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII)	2d	-940
e	Add lines 2a through 2d	2e	476,507
3	Subtract line 2e from line 1	3	14,424,165
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	24,390
b	Other (Describe in Part XIII)	4b	18,661
c	Add lines 4a and 4b	4c	43,051
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	14,467,216

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

1	Total expenses and losses per audited financial statements	1	14,313,458
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 XIII)	2d	
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	14,313,458
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	24,390
b	Other (Describe in Part XIII)	4b	51,761
c	Add lines 4a and 4b	4c	76,151
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5	14,389,609

Part XIII Supplemental Information

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

Identifier	Return Reference	Explanation
	PART IV, LINE 2B	THIS AMOUNT IS FOR ENTRANCE FEE REFUNDS THAT ARE PAYABLE TO RESIDENTS THAT LEFT THE COMMUNITY OR TO RESIDENTS THAT HAVE PASSED AWAY
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THERE ARE TWO DONOR RESTRICTED PERMANENT ENDOWMENTS TOTALING \$259,775. ONE IS TO BE USED FOR THE FELLOWSHIP FUND. THE FELLOWSHIP FUND PROVIDES FINANCIAL ASSISTANCE TO RESIDENTS THAT HAVE OUTLIVED THEIR ASSETS AND NEED ASSISTANCE PAYING THEIR MONTHLY FEE OR NEED ASSISTANCE PAYING THE INITIAL ENTRY FEE INTO THE COMMUNITY. THE SECOND DONOR RESTRICTED ENDOWMENT IS FOR EMPLOYEE EDUCATION AND DEVELOPMENT. THERE ARE THREE BOARD DESIGNATED ENDOWMENTS (QUASI-ENDOWMENT) TOTALING \$543,023. ONE DOES NOT HAVE A STATED PURPOSE AT THIS TIME (\$515,731), THE 2ND IS FOR THE FELLOWSHIP FUND \$72,873 AND THE 3RD IS FOR EMPLOYEE EDUCATION AND DEVELOPMENT \$54,420.
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X, LINE 2	THE CORPORATION HAS BEEN GRANTED EXEMPT STATUS RELATIVE TO FEDERAL AND STATE CORPORATE INCOME TAXES UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND APPLICABLE STATE CODES. THE CORPORATION FOLLOWS THE GUIDANCE IN THE INCOME TAX STANDARD REGARDING THE RECOGNITION AND MEASUREMENT OF UNCERTAIN TAX POSITIONS. THE GUIDANCE CLARIFIES THE ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES RECOGNIZED IN AN ENTITY'S FINANCIAL STATEMENTS. THE GUIDANCE FURTHER PRESCRIBES RECOGNITION AND MEASUREMENT OF TAX PROVISIONS TAKEN OR EXPECTED TO BE TAKEN ON A TAX RETURN THAT ARE NOT CERTAIN TO BE REALIZED. THE APPLICATION OF THIS STANDARD HAS NO IMPACT ON THE CORPORATION'S FINANCIAL STATEMENTS. THE CORPORATE TAX RETURNS ARE SUBJECT TO REVIEW AND EXAMINATION BY FEDERAL AND STATE AUTHORITIES. THE TAX RETURNS FOR THE YEARS 2009 TO 2011 ARE OPEN TO EXAMINATION BY FEDERAL AND STATE AUTHORITIES.
PART XI, LINE 2D - OTHER ADJUSTMENTS		CHANGE IN BENEFICIAL INTEREST IN CHARITABLE REMAINDER UNITRUST RECEIVABLE -940
PART XI, LINE 4B - OTHER ADJUSTMENTS		RESIDENTIAL ASSISTANCE GRANT (FELLOWSHIP FUND)-CONTRA REVENUE ON ACCOUNT FS 18,661
PART XII, LINE 4B - OTHER ADJUSTMENTS		NET ASSETS RELEASED FROM RESTRICTIONS 33,100 RESIDENTIAL ASSISTANCE GRANT (FELLOWSHIP FUND)-CONTRA REVENUE ACCOUNT ON FS 18,661

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
LEXINGTON RETIREMENT COMMUNITY 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

2012

Open to Public
Inspection

Employer identification number
54-1795871

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. Part II can be duplicated 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

2

Enter total number of section 501(c)(3) and government organizations listed in the line 1 table

▶

3

Enter total number of other organizations listed in the line 1 table

▶

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.
Part III can be duplicated 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) MONTHLY FEE REDUCTION FOR TWO RESIDENTS	2	18,661		FAIR MARKET VALUE	MONTHLY FEE ASSISTANCE THE RESIDENTS DO NOT RECEIVE CASH, BUT A CREDIT ON THEIR MONTHLY STATEMENT

Part IV

Supplemental Information.

Complete this part to provide the information required in Part I, line 2, Part III, column (b), 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 A GRANT FROM THE FELLOWSHIP FUND BEGINS WHEN A REQUEST IS MADE BY A RESIDENT OR RESIDENT FAMILY MEMBER THAT ASSISTANCE IS NEEDED TO PAY MONTHLY FEES OR THE INITIAL ENTRY FEE INTO THE COMMUNITY A FINANCIAL APPLICATION IS COMPLETED AND THE APPLICATION IS REVIEWED BY INDEPENDENT BOARD MEMBERS OF THE EXECUTIVE COMMITTEE UPON APPROVAL, THE MONTHLY GRANT CONTINUES UNTIL THE RESIDENT'S FINANCIAL SITUATION CHANGES OR THE RESIDENT LEAVES THE COMMUNITY

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

2012

Open to Public Inspection

Name of the organization
LEXINGTON RETIREMENT COMMUNITY INC

Employer identification number
54-1795871

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)		
b 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 of the expenses described above? If "No," complete Part III to explain	1b	
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	
3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III ☐ 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?	4a	Yes
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 accrued pursuant to a contract that was subject to the initial contract exception described in Regulations 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 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) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title	(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 as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
	PART I, LINE 4A	EXECUTIVE DIRECTOR STEVE JEWELL TENDERED HIS RESIGNATION EFFECTIVE JUNE 30, 2012. HE WAS PAID HIS REGULAR SALARY FOR THE NINE MONTHS FOLLOWING HIS RESIGNATION UP UNTIL AND INCLUDING, MARCH 31, 2013, TO WHICH HE AND THE ORGANIZATION AGREED TO BE SEVERANCE. THE SALARY, OR SEVERANCE, WAS SUBJECT TO STANDARD PAYROLL DEDUCTIONS. THE AGREEMENT SPECIFICALLY PROVIDES THAT THE ONLY BENEFIT HE WOULD RECEIVE OTHER THAN WAGES IS HEALTH INSURANCE COVERAGE. THE CAUSE OF RESIGNATION WAS NEITHER INVOLUNTARY NOR THE RESULT OF A CHANGE IN CONTROL OF THE ORGANIZATION. SEE FORM 990, PART VII, SECTION A FOR COMPENSATION AMOUNTS.

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 Part VI.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
LEXINGTON RETIREMENT COMMUNITY INC

Employer identification number
54-1795871

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 INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF LEXINGTON VIRGINIA	54-6001392	52976BBL9	06-29-2007	34,155,000	TO REFINANCE ALL EXISTING DEBT AND FUND AN EXPANSION PROJECT		X		X		X

Part II Proceeds

		A		B		C		D	
1	Amount of bonds retired	1,760,000							
2	Amount of bonds legally defeased								
3	Total proceeds of issue	33,826,470							
4	Gross proceeds in reserve funds	1,544,156							
5	Capitalized interest from proceeds								
6	Proceeds in refunding escrows								
7	Issuance costs from proceeds	90,338							
8	Credit enhancement from proceeds								
9	Working capital expenditures from proceeds	160,040							
10	Capital expenditures from proceeds	17,018,090							
11	Other spent proceeds								
12	Other unspent proceeds								
13	Year of substantial completion	2008							
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X							
15	Were the bonds issued as part of an advance refunding issue?	X							
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	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						
2	Are there any lease arrangements that may result in private business use of bond-financed property?				X						

Part III Private 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 of bond-financed property?		X						
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X						
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
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	%		%		%		%	
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	%		%		%		%	
6	Total of lines 4 and 5	%		%		%		%	
7	Does the bond issue meet the private security or payment test?		X						
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	X							

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?		X						
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?		X						
b	Exception to rebate?		X						
c	No rebate due?		X						
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?		X						
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								

Part IV

Arbitrage (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?	X							
b	Name of provider	BB&T BANK							
c	Term of GIC	9 500000000000							
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?	X							
6	Were any gross proceeds invested beyond an available temporary period?		X						
7	Has the organization established written procedures to monitor the requirements of section 148?		X						

Part V

Procedures To Undertake Corrective Action

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?	X							

Part VI

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

Identifier	Return Reference	Explanation
SCHEDULE K, PART II, LINE 3		BOND PROCEEDS WERE \$33,826,470 AND THE ORIGINAL ISSUE DISCOUNT (OID) WAS \$328,530 COMPRISING THE TOTAL ISSUE PRICE OF \$34,155,000
SCHEDULE K, PART IV	TAX-EXEMPT BOND PROCEEDS INVESTED IN GIC	TAX-EXEMPT BOND PROCEEDS FROM THE BOND LISTED WERE ALSO INVESTED IN A GIC HELD WITH THE ROYAL BANK OF CANADA (RBC) DEBT SERVICE RESERVE FUND 5 47% THE MATURITY TERM OF THE GIC IS 1/1/17, OR 9 5 YEARS THE REGULATORY SAFE HARBOR FOR ESTABLISHMENT OF THE FAIR MARKET VALUE HAS BEEN SATISFIED

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, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
LEXINGTON RETIREMENT COMMUNITY INC

Employer identification number

54-1795871

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) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
				Yes	No

2 Enter the amount of tax incurred by 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-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?	(i) Written agreement?	
			To	From			Yes	No		Yes	No
Total ▶ \$											

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 assistance	(d) Type of assistance	(e) Purpose 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
(1) NORMAN JONES	A RESIDENT OF THE COMMUNITY WHO CURRENTLY SERVES ON THE BOARD OF DIRECTORS	55,344	PAYMENT OF MONTHLY FEES & ANCILLARY CHARGES		No
(2) RUTH WOODCOCK	A RESIDENT OF THE COMMUNITY WHO CURRENTLY SERVES ON THE BOARD OF DIRECTORS	58,241	PAYMENT OF MONTHLY FEES & ANCILLARY CHARGES		No
(3) DAWN H PECK	BOARD MEMBER WITH PARENT OR IN-LAW THAT WAS A RESIDENT (AVA HUGHES)	82,887	PAYMENT OF MONTHLY FEES & ANCILLARY CHARGES		No
(4) DANIEL J WALZ	A BOARD MEMBER WITH PARENT OR IN-LAW WHO IS A RESIDENT (ALICE RICHWINE)	44,054	PAYMENT OF MONTHLY FEES & ANCILLARY CHARGES		No
(5) ADOLPH HENRY HUMPHREYS JR	SON IS AN EMPLOYEE OF THE ORGANIZATION	27,060	PAYMENT OF WAGES FOR SERVICES PERFORMED		No
(6) LLOYD L CRAIGHILL	A RESIDENT OF THE COMMUNITY WHO CURRENTLY SERVES ON THE BOARD OF DIRECTORS	61,954	PAYMENT OF MONTHLY FEES & ANCILLARY CHARGES		No

Part V Supplemental Information

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

Identifier	Return Reference	Explanation
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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

2012**Open to Public
Inspection**Name of the organization
LEXINGTON RETIREMENT COMMUNITY INC**Employer identification number**

54-1795871

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 1	THE EXECUTIVE COMMITTEE SHALL CONSIST OF THE ELECTED OFFICERS OF THE CORPORATION, THE CHAIR OF THE BOARD DEVELOPMENT COMMITTEE, THE EXECUTIVE DIRECTOR, EX OFFICIO, THE FINANCE MANAGER, AND, UPON REQUEST OF THE CHAIR OF THE BOARD, AND IF WILLING TO SERVE, THE IMMEDIATE PAST CHAIR OF THE BOARD FOR A PERIOD NOT TO EXCEED ONE YEAR THE EXECUTIVE COMMITTEE SHALL PREPARE BOARD MEETING AGENDAS, PLAN THE WORK OF THE BOARD, AND HELP THE BOARD ACCOMPLISH ITS WORK IT SHALL MAKE DECISIONS ON BEHALF OF THE BOARD WHEN CIRCUMSTANCES REQUIRE A DECISION BETWEEN REGULAR MEETINGS OF THE BOARD, AND SHALL MAKE DECISIONS ON BEHALF OF THE BOARD WHEN THE BOARD DELEGATES TO THE COMMITTEE THE AUTHORITY TO DO SO THE EXECUTIVE COMMITTEE SHALL HAVE SUCH OTHER RESPONSIBILITIES AS ARE OUTLINED IN THE COMMITTEE DESCRIPTION APPROVED BY THE BOARD

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 1	THE BOARD WILL ENDEAVOR TO MAKE DECISIONS BY GENERAL AGREEMENT, RATHER THAN BY VOTING, SUCH AS THE MANNER TRADITIONALLY USED FOR THE CONDUCT OF BUSINESS BY MEMBERS OF THE RELIGIOUS SOCIETY OF FRIENDS. EACH DIRECTOR SHALL BE ENTITLED TO ONE VOTE IN PERSON. VOTING BY PROXY SHALL NOT BE PERMITTED.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 2	DANIEL J WALZ AND DAWN H PECK HAVE OR HAD PARENTS OR IN-LAWS AS RESIDENTS IN 2012 NORMAN JONES, RUTH WOODCOCK, AND LLOYD L CRAIGHILL ARE INDEPENDENT RESIDENTS OF THE COMMUNITY WHO SERVE OR SERVED ON THE BOARD IN 2012 ADOLPH HENRY HUMPHREYS, JR , WHO SERVED ON THE BOARD, HAS A FAMILY MEMBER WHO IS AN EMPLOYEE OF THE ORGANIZATION

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7B	THE DIRECTORS SHALL SEEK AND MUST OBTAIN THE APPROVAL OF THE KENDAL CORPORATION WITH RESPECT TO THE FOLLOWING A CHANGES IN CORPORATE PURPOSES, B THE INCURRING OF INDEBTEDNESS WITH A VALUE LARGER THAN THAT SPECIFIED IN THE MOST RECENT AFFILIATION AGREEMENT IN SECTION II J , C THE CORPORATION'S USE OF THE NAME "KENDAL", D THE SUBSTANCE OF RESIDENT CONTRACTS, E THE PURCHASE, SALE, LEASE OR OTHER DISPOSITION OF ANY REAL ESTATE OR IMPROVEMENTS THEREON, WITH A VALUE GREATER THAN THAT SPECIFIED IN THE MOST RECENT AFFILIATION AGREEMENT IN SECTION II J , F DISSOLUTION, MERGER WITH ANOTHER ENTITY, DIVISION, OR ACQUIRING CONTROL OF ANOTHER ENTITY , G THE SELECTION OF NEW MEMBERS OF THE BOARD OF DIRECTORS OF THE CORPORATION, AND H AMENDMENTS TO THE ARTICLES OF INCORPORATION

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	THE FORM 990 IS REVIEWED BY THE BOARD CHAIR AND BOARD EXECUTIVE COMMITTEE. A COPY OF THE FORM 990 IS MADE AVAILABLE TO ALL BOARD MEMBERS PRIOR TO THE BOARD MEETING TO APPROVE THE RETURN BEFORE THE FINAL COPY IS FILED WITH THE INTERNAL REVENUE SERVICE.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	A POTENTIAL CONFLICT OF INTEREST EXISTS WHEN 1 AN INDIVIDUAL (OR MEMBER OF HIS/HER IMMEDIATE FAMILY OR OTHERS CLOSELY ASSOCIATED WITH HIM/HER) STANDS TO GAIN AN OUTSIDE ADVANTAGE AS A RESULT OF THE INDIVIDUAL'S BEING A KENDAL DIRECTOR, EMPLOYEE, OR BOARD COMMITTEE MEMBER, 2 THE INDIVIDUAL'S OUTSIDE ACTIVITIES ARE SUCH THAT THEY MAY HAVE AN ADVERSE IMPACT ON KENDAL, OR 3 AN INDIVIDUAL'S RELATIONSHIP WITH A RESIDENT, BOARD MEMBER, OR STAFF MEMBER OF A KENDAL ENTITY GIVES THE PERCEPTION OF SUBJECTIVITY OR FAVORITISM IN DECISION-MAKING BEING A RESIDENT OF A KENDAL FACILITY DOES NOT, IN AND OF ITSELF, CONSTITUTE A CONFLICT OF INTEREST INDIVIDUALS HAVING CONFLICTS OF INTEREST OR POTENTIAL CONFLICTS OF INTEREST SHALL DISCLOSE THE CONFLICTS, SHALL ABSTAIN FROM DISCUSSION OF MATTERS RELATING TO THE CONFLICT AT BOARD, COMMITTEE, OR STAFF MEETINGS, AND SHALL NOT USE THEIR PERSONAL INFLUENCE IN ANY DECISION REGARDING THE MATTERS RELATING TO THE CONFLICT THE MINUTES OF ANY SUCH MEETING SHALL REFLECT THE DISCLOSURE THAT WAS MADE AND THE ABSTENTION FROM DISCUSSION

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	WHILE STEVEN JEWELL WAS THE EXECUTIVE DIRECTOR, HIS COMPENSATION WAS DETERMINED IN JANUARY 2012 AFTER AN ANNUAL EVALUATION WAS COMPLETED BY THE EXECUTIVE DIRECTOR'S REVIEW COMMITTEE. THE REVIEW COMMITTEE CONSISTED OF THE BOARD CHAIR AND TWO INDEPENDENT BOARD MEMBERS. INPUT FOR THE EVALUATION WAS OBTAINED FROM VARIOUS SOURCES, INCLUDING BUT NOT LIMITED TO, KENDAL AT LEXINGTON STAFF, KENDAL CORPORATION STAFF, BOARD MEMBERS, AND RESIDENTS. EARNINGS FOR COMPARABLE POSITIONS IN THE MARKET AREA WERE OBTAINED AND USED TO SET COMPENSATION. COMPENSATION FOR THE NEW EXECUTIVE DIRECTOR WAS DETERMINED IN NOVEMBER 2012. EARNINGS FOR COMPARABLE POSITIONS IN THE MARKET AREA WERE OBTAINED BY THE KENDAL CORPORATION STAFF AND THE SEARCH CONSULTANTS. THE NEW EXECUTIVE DIRECTOR'S COMPENSATION WAS NEGOTIATED BY THE KENDAL AT LEXINGTON SEARCH COMMITTEE MEMBERS, AND WAS APPROVED BY THE BOARD. COMPENSATION FOR OTHER OFFICERS AND KEY EMPLOYEES WAS DETERMINED BY THE EXECUTIVE DIRECTOR. ANNUAL EVALUATIONS AND EARNINGS DATA FOR COMPARABLE POSITIONS IN THE MARKET AREA WERE USED TO SET COMPENSATION.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 18	THE ORGANIZATION'S 990 IS AVAILABLE FOR PUBLIC INSPECTION UPON REQUEST, AT WWW GUIDESTAR.ORG AND THE ORGANIZATION'S WEBSITE WWW KALEX KENDAL.ORG

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
OTHER FEES	FORM 990, PART IX, LINE 11G	FEES FOR OTHER SERVICES PROGRAM SERVICE EXPENSES 1,415,859 MANAGEMENT AND GENERAL EXPENSES 224,926 FUNDRAISING EXPENSES 83 TOTAL EXPENSES 1,640,868

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 9	CHANGE IN BENEFICIAL INTEREST IN CHARITABLE REMAINDER UNITRUST RECEIVABLES -940

Identifier	Return Reference	Explanation
		BEGINNING IN 2012 A NEW BOARD COMMITTEE, THE AUDIT AND OVERSIGHT COMMITTEE, WAS FORMED TO ASSUME THE RESPONSIBILITY FOR THE OVERSIGHT OF THE AUDIT PROCESS

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

2012

Open to Public Inspection

Name of the organization
LEXINGTON RETIREMENT COMMUNITY INC

Employer identification number
54-1795871

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)					
(a) Name, address, and EIN (if applicable) 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" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)							
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
See Additional Data Table							

Part III

Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to 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?		(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" to 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	(i) Section 512 (b)(13) controlled entity?	
								Yes	No

Part V

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

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

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

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

b Gift, grant, or capital contribution to related organization(s)

c Gift, grant, or capital contribution from related organization(s)

d Loans or loan guarantees to or for related organization(s)

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

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

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

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

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

n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

r Other transfer of cash or property to related organization(s)

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

Yes

No

1a

No

1b

No

1c

Yes

1d

No

1e

No

1f

No

1g

No

1h

No

1i

No

1j

No

1k

No

1l

No

1m

No

1n

No

1o

No

1p

Yes

1q

No

1r

No

1s

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-s)	(c) Amount involved	(d) Method of determining amount involved

Schedule R (Form 990) 2012

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: 54-1795871

Name: LEXINGTON RETIREMENT COMMUNITY INC

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 501(c)(3))	(f) Direct Controlling Entity	(g) Section 512 (b)(13) controlled organization
(1) KENDAL AT OBERLIN 600 KENDAL DRIVE OBERLIN, OH 44074 34-1567246	OPERATE CONTINUING CARE RETIREMENT COMMUNITY	OH	501(C)(3)	9	N/A	No
(2) KENDAL AT ITHACA 2230 NORTH TRIPHAMMER ROAD ITHACA, NY 14850 52-1787487	OPERATE CONTINUING CARE RETIREMENT COMMUNITY	NY	501(C)(3)	9	N/A	No
(3) KENDAL AT HANOVER 80 LYME ROAD HANOVER, NH 03755 02-0519490	OPERATE CONTINUING CARE RETIREMENT COMMUNITY	NH	501(C)(3)	9	N/A	No
(4) BARCLAY FRIENDS 700 N FRANKLIN STREET WEST CHESTER, PA 19380 23-2088476	OPERATE SKILLED AND ASSISTED LIVING NURSING HOME	PA	501(C)(3)	9	N/A	No
(5) THE KENDAL CORPORATION 1107 EAST BALTIMORE PIKE KENNETT SQUARE, PA 19348 23-2688382	DEVELOP AND PROVIDE ADMINISTRATION FOR CCRC'S	PA	501(C)(3)	11C	N/A	No
(6) KENDAL CHARITABLE FUNDS 1107 EAST BALTIMORE PIKE KENNETT SQUARE, PA 19038 23-2626425	MANAGE CHARITABLE CONTRIBUTIONS TO PRIMARILY BENEFIT AFFILIATES	PA	501(C)(3)	7	N/A	No
(7) KENDAL CROSSLANDS COMMUNITIES PO BOX 100 KENNETT SQUARE, PA 19038 23-1906212	OPERATE CONTINUING CARE RETIREMENT COMMUNITY	PA	501(C)(3)	9	N/A	No
(8) KENDAL ON HUDSON 1010 KENDAL WAY SLEEPY HOLLOW, NY 10591 13-3971396	OPERATE CONTINUING CARE RETIREMENT COMMUNITY	PA	501(C)(3)	9	N/A	No
(9) KENDAL AT GRANVILLE 2158 COLUMBUS ROAD GRANVILLE, OH 43023 31-1657346	OPERATE CONTINUING CARE RETIREMENT COMMUNITY	OH	501(C)(3)	9	N/A	No
(10) THE LATHROP COMMUNITIES 100 BASSETT BROOK DRIVE EASTHAMPTON, MA 01027 04-2996627	OPERATE OVER 55 COMMUNITY	MA	501(C)(3)	9	N/A	No
(11) KENDAL NEW YORK 1010 KENDAL WAY SLEEPY HOLLOW, NY 10591 06-1656576	PROVIDE SUPPORT SERVICES IN OPERATION OF KENDAL ON HUDSON & KENDAL AT ITHACA	NY	501(C)(3)	11A	N/A	No
(12) KENDAL AT HOME 27519 DETROIT ROAD WESTLAKE, OH 44145 20-0548053	OPERATE CONTINUING CARE RETIREMENT PROGRAM	OH	501(C)(3)	9	N/A	No
(13) COLLINGTON 10450 LOTTSFORD ROAD MITCHELLVILLE, MO 20721 52-1281156	OPERATE CONTINUING CARE RETIREMENT COMMUNITY	MD	501(C)(3)	9	N/A	No
(14) THE ADMIRAL AT THE LAKE 929 WEST FOSTER AVE CHICAGO, IL 60640 36-2171730	OPERATE CONTINUING CARE RETIREMENT COMMUNITY	IL	501(C)(3)	9	N/A	No