

**Return of Organization Exempt From Income Tax**  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

Do not enter Social Security numbers on this form as it may be made public.

Information about Form 990 and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

**A** For the 2013 calendar year, or tax year beginning and ending

<b>B</b> Check if applicable:  Address change Name change Initial return Terminated Amended return Application pending	<b>C</b> Name of organization <b>KENDAL AT ITHACA, INC.</b>		<b>D</b> Employer identification number  <b>52-1787487</b>
	Doing Business As		
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	<b>E</b> Telephone number  <b>607-266-5300</b>
	<b>2230 NORTH TRIPHAMMER ROAD</b>		
City or town, state or province, country, and ZIP or foreign postal code <b>ITHACA, NY 14850</b>		<b>G</b> Gross receipts \$ <b>41,208,204.</b>	
<b>F</b> Name and address of principal officer: <b>DANIEL GOVERNANTI</b> <b>SAME AS C ABOVE</b>		<b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) 501(c) ( ) (insert no.) 4947(a)(1) or 527		<b>H(b)</b> Are all subordinates included? Yes No If "No," attach a list. (see instructions)	
<b>J</b> Website: <b>WWW.KAI.KENDAL.ORG</b>		<b>H(c)</b> Group exemption number	
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation Trust Association Other		<b>L</b> Year of formation: <b>1992</b> <b>M</b> State of legal domicile: <b>NY</b>	

Part I Summary		Prior Year	Current Year
Activities & Governance	<b>1</b> Briefly describe the organization's mission or most significant activities: <b>TO PROVIDE A MUTUALLY SUPPORTIVE ENVIRONMENT FOR RESIDENTS AND STAFF, AND CONTRIBUTE TO THE ITHACA</b>		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	<b>21</b>
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<b>21</b>
	<b>5</b> Total number of individuals employed in calendar year 2013 (Part V, line 2a)	<b>5</b>	<b>292</b>
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	<b>26</b>
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	<b>0.</b>
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	<b>0.</b>	
Revenue	<b>8</b> Contributions and grants (Part VIII, line 1h)	<b>60,812.</b>	<b>458,099.</b>
	<b>9</b> Program service revenue (Part VIII, line 2g)	<b>17,042,797.</b>	<b>17,168,315.</b>
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<b>1,504,593.</b>	<b>711,904.</b>
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<b>6,363.</b>	<b>127,865.</b>
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>18,614,565.</b>	<b>18,466,183.</b>
Expenses	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<b>49,200.</b>	<b>49,200.</b>
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	<b>0.</b>	<b>0.</b>
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<b>9,101,013.</b>	<b>9,529,719.</b>
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	<b>0.</b>	<b>0.</b>
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25)	<b>0.</b>	<b>0.</b>
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	<b>7,684,993.</b>	<b>7,720,212.</b>
	<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<b>16,835,206.</b>	<b>17,299,131.</b>
<b>19</b> Revenue less expenses. Subtract line 18 from line 12	<b>1,779,359.</b>	<b>1,167,052.</b>	
Net Assets or Fund Balances	<b>20</b> Total assets (Part X, line 16)	<b>Beginning of Current Year</b> <b>65,929,158.</b>	<b>End of Year</b> <b>66,910,795.</b>
	<b>21</b> Total liabilities (Part X, line 26)	<b>57,113,713.</b>	<b>57,228,980.</b>
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20	<b>8,815,445.</b>	<b>9,681,815.</b>

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

<b>Sign Here</b>	Signature of officer		Date		
	<b>DANIEL GOVERNANTI, EXECUTIVE DIRECTOR</b>				
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check if self-employed	PTIN
	<b>BERNADETTE O'TOOLE, CPA</b>	<b>BERNADETTE O'TOOLE,</b>		<input type="checkbox"/>	<b>P00229258</b>
<b>Preparer Use Only</b>	Firm's name	Firm's EIN	Phone no.		
	<b>CLIFTONLARSONALLEN LLP</b>	<b>41-0746749</b>	<b>215-643-3900</b>		
Firm's address					
<b>610 W.GERMANTOWN PIKE, STE.400</b>					
<b>PLYMOUTH MEETING, PA 19462</b>					

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

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission:

PLEASE REFER TO SCHEDULE O FOR KENDAL AT ITHACA'S PRIMARY MISSION.

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

Yes No

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

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

Yes No

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 \$ 14,514,220. including grants of \$ 49,200. ) (Revenue \$ 17,168,315. )

CONTINUING CARE RETIREMENT COMMUNITY: KENDAL AT ITHACA CONSISTS OF 212 INDEPENDENT LIVING UNITS, A COMMUNITY CENTER, AND A 71- BED HEALTH CENTER COMPOSED OF 36 ADULT HOME BEDS AND 35 NURSING HOME BEDS. KENDAL AT ITHACA IS COMMITTED TO FOSTERING WELL-BEING, SECURITY, AND FULFILLMENT IN LATER YEARS FOR THOSE IT SERVES AND FOR OLDER PEOPLE IN THE BROADER COMMUNITY.

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 14,514,220.

**Part IV Checklist of Required Schedules**

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> .....	X	
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? .....	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> .....		X
4	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> .....		X
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i> .....		X
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? <i>If "Yes," complete Schedule D, Part I</i> .....		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> .....		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> .....		X
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? <i>If "Yes," complete Schedule D, Part IV</i> .....	X	
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> .....		X
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> .....	X	
b	Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i> .....		X
c	Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i> .....		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i> .....	X	
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> .....	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i> .....	X	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> .....	X	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> .....		X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> .....		X
14a	Did the organization maintain an office, employees, or agents outside of the United States? .....		X
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? <i>If "Yes," complete Schedule F, Parts I and IV</i> .....		X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i> .....		X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i> .....		X
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> .....		X
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> .....		X
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> .....		X
20a	Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> .....		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? .....		

**Part IV Checklist of Required Schedules** (continued)

	Yes	No
<b>21</b> Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> .....		X
<b>22</b> Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> .....	X	
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> .....	X	
<b>24a</b> 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 25a</i> .....	X	
<b>24b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....		X
<b>24c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? .....	X	
<b>24d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? .....		X
<b>25a Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> .....		X
<b>b</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> .....		X
<b>26</b> Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, complete Schedule L, Part II</i> .....		X
<b>27</b> 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> .....		X
<b>28</b> 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):		
<b>a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....	X	
<b>b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....	X	
<b>c</b> 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> .....		X
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> .....		X
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> .....		X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> .....		X
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> .....		X
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> .....		X
<b>34</b> 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> .....	X	
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)? .....		X
<b>b</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> .....		
<b>36 Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		X
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> .....		X
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? .....	X	

**Note.** All Form 990 filers are required to complete Schedule O

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response or note to any line in this Part V

		Yes	No
<b>1a</b>	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable		
	<b>1a</b> 61		
<b>b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
	<b>1b</b> 0		
<b>c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
	<b>1c</b>		
<b>2a</b>	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		
	<b>2a</b> 292		
<b>b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	X	
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
<b>b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," to line 3b, provide an explanation in Schedule O		
	<b>3b</b>		
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
<b>b</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.		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
<b>c</b>	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
	<b>5c</b>		
<b>6a</b>	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?		X
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	<b>6b</b>		
<b>7 Organizations that may receive deductible contributions under section 170(c).</b>			
<b>a</b>	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
	<b>7b</b>		
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year		
	<b>7d</b>		
<b>e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
<b>g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
	<b>7g</b>		
<b>h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
	<b>7h</b>		
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
	<b>8</b>		
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>		
<b>a</b>	Did the organization make any taxable distributions under section 4966?		
<b>b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?		
	<b>9a</b>		
	<b>9b</b>		
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter:		
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12		
	<b>10a</b>		
<b>b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
	<b>10b</b>		
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter:		
<b>a</b>	Gross income from members or shareholders		
	<b>11a</b>		
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
	<b>11b</b>		
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?		
<b>b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
	<b>12b</b>		
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
<b>a</b>	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.		
	<b>13a</b>		
<b>b</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		
	<b>13b</b>		
<b>c</b>	Enter the amount of reserves on hand		
	<b>13c</b>		
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year?		X
<b>b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		
	<b>14b</b>		

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

Check if Schedule O contains a response or note to any line in this Part VI

**Section A. Governing Body and Management**

		Yes	No
<b>1a</b>	Enter the number of voting members of the governing body at the end of the tax year ..... <b>1a</b> 21 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>b</b>	Enter the number of voting members included in line 1a, above, who are independent ..... <b>1b</b> 21		
<b>2</b>	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? .....		X
<b>3</b>	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? .....		X
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? .....		X
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets? .....		X
<b>6</b>	Did the organization have members or stockholders? .....		X
<b>7a</b>	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? .....		X
<b>b</b>	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? .....	X	
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b>	The governing body? .....	X	
<b>b</b>	Each committee with authority to act on behalf of the governing body? .....	X	
<b>9</b>	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 .....		X

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

		Yes	No
<b>10a</b>	Did the organization have local chapters, branches, or affiliates? .....		X
<b>b</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? .....		
<b>11a</b>	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? .....	X	
<b>b</b>	Describe in Schedule O the process, if any, used by the organization to review this Form 990. ....		
<b>12a</b>	Did the organization have a written conflict of interest policy? If "No," go to line 13 .....	X	
<b>b</b>	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? .....	X	
<b>c</b>	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done .....	X	
<b>13</b>	Did the organization have a written whistleblower policy? .....	X	
<b>14</b>	Did the organization have a written document retention and destruction policy? .....	X	
<b>15</b>	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?		
<b>a</b>	The organization's CEO, Executive Director, or top management official .....	X	
<b>b</b>	Other officers or key employees of the organization .....	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions). ....		
<b>16a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? .....		X
<b>b</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 ► NY
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 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: ► DANIEL GOVERNANTI, EXECUTIVE DIRECTOR - 607-266-5300  
2230 NORTH TRIPHAMMER ROAD, ITHACA, NY 14850

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

Check if Schedule O contains a response or note to any line 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, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below 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) MARTHA ARMSTRONG BOARD VICE-CHAIR	2.00 0.00			X				0.	0.	0.
(2) JAMES A. BROWN BOARD MEMBER	2.00 0.00	X						0.	0.	0.
(3) DAVID CALL BOARD MEMBER	2.00 0.00	X						0.	0.	0.
(4) DAVID ILES BOARD MEMBER	2.00 0.00	X						0.	0.	0.
(5) HAL CRAFT BOARD CHAIR	2.00 0.00	X		X				0.	0.	0.
(6) HENRIK DULLEA BOARD MEMBER	2.00 0.00	X						0.	0.	0.
(7) SHIRLEY DURFEE BOARD MEMBER	2.00 0.00	X						0.	0.	0.
(8) BETSY EAST BOARD MEMBER	2.00 0.00	X						0.	0.	0.
(9) GERALD A. KINCHY BOARD CHAIR	2.00 0.00	X						0.	0.	0.
(10) JOHN KROUT BOARD MEMBER	2.00 0.00	X						0.	0.	0.
(11) DAVID MCNIFF BOARD TREASURER	2.00 0.00	X		X				0.	0.	0.
(12) SUSAN NOHELTY BOARD MEMBER	2.00 0.00	X						0.	0.	0.
(13) MARY OPPERMAN BOARD MEMBER	2.00 0.00	X						0.	0.	0.
(14) HANNAH RICHTER BOARD MEMBER	2.00 0.00	X						0.	0.	0.
(15) TANYA SAUNDERS BOARD SECRETARY	2.00 0.00	X		X				0.	0.	0.
(16) ROGER SIBLEY BOARD MEMBER	2.00 0.00	X						0.	0.	0.
(17) CAROL SISLER BOARD MEMBER	2.00 0.00	X						0.	0.	0.

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below 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			
(18) DONALD STEWART BOARD MEMBER	2.00 0.00	X					0.	0.	0.	
(19) ALENE WYATT BOARD MEMBER	2.00 0.00	X					0.	0.	0.	
(20) BRYAN WARREN BOARD MEMBER	2.00 0.00	X					0.	0.	0.	
(21) WILLIAM WHITE BOARD VICE-CHAIR	2.00 0.00	X					0.	0.	0.	
(22) PAULA YOUNGER BOARD MEMBER	2.00 0.00	X					0.	0.	0.	
(23) DANIEL GOVERNANTI EXECUTIVE DIRECTOR	40.00 0.00			X			150,480.	0.	23,670.	
(24) ANN E. WALL CHIEF FINANCIAL OFFICER	40.00 0.00			X			101,481.	0.	24,234.	
(25) SHARI HUTCHISON HEALTH SERVICES ADMINISTRA	40.00 0.00				X		102,941.	0.	21,732.	
<b>1b Sub-total</b>							354,902.	0.	69,636.	
<b>c Total from continuation sheets to Part VII, Section A</b>							0.	0.	0.	
<b>d Total (add lines 1b and 1c)</b>							354,902.	0.	69,636.	

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 **3**

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

**Section B. Independent Contractors**

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
SODEXO INC. & AFFILIATES P.O. BOX 360170, PITTSBURGH, PA 15251	DINING MANAGEMENT	824,573.
PERKINS EASTMAN ARCHITECTS, PC 115 FIFTH AVENUE, NEW YORK, NY 10003	ARCHITECTS	577,383.
OMNICARE OF SYRACUSE, D/B/A PHARMACY SOLUTI P.O. BOX 715276, COLUMBUS, OH 43271	PHARMACY	277,331.
A&S BLAKCTOP PAVING, LLC, 249 POLARD HILL ROAD, JOHNSON CITY, NY 13790	ASPHALT PAVING	248,179.
TERRY BAILEY CONSTRUCTION INC. 5139 JACKSONVILLE RD, TRUMANSBURG, NY 14886	GENERAL CONTRACTOR	208,045.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **7**



**Part VIII Statement of Revenue**

Check if Schedule O contains a response or note to any line in this Part VIII

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1 a</b> Federated campaigns	<b>1a</b>					
	<b>b</b> Membership dues	<b>1b</b>					
	<b>c</b> Fundraising events	<b>1c</b>					
	<b>d</b> Related organizations	<b>1d</b>					
	<b>e</b> Government grants (contributions)	<b>1e</b>					
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>	458,099.				
	<b>g</b> Noncash contributions included in lines 1a-1f: \$						
	<b>h Total.</b> Add lines 1a-1f		458,099.				
<b>Program Service Revenue</b>	<b>Business Code</b>						
	<b>2 a</b> RESIDENT CARE FEES	623990	10,947,501.	10,947,501.			
	<b>b</b> ENTRY FEES EARNED	623990	3,797,445.	3,797,445.			
	<b>c</b> HEALTH CENTER FEES	623990	2,269,277.	2,269,277.			
	<b>d</b> MEDICARE AND MEDICAID PAYMENTS	623990	154,092.	154,092.			
	<b>e</b>						
	<b>f</b> All other program service revenue						
<b>g Total.</b> Add lines 2a-2f		17,168,315.					
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts)		742,545.			742,545.	
	<b>4</b> Income from investment of tax-exempt bond proceeds						
	<b>5</b> Royalties						
	<b>6 a</b> Gross rents	(i) Real	(ii) Personal				
		<b>b</b> Less: rental expenses					
		<b>c</b> Rental income or (loss)					
	<b>d</b> Net rental income or (loss)						
	<b>7 a</b> Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		22,705,955.	5,425.				
		<b>b</b> Less: cost or other basis and sales expenses		22,742,021.	0.		
		<b>c</b> Gain or (loss)		-36,066.	5,425.		
	<b>d</b> Net gain or (loss)		-30,641.			-30,641.	
	<b>8 a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	<b>a</b>					
		<b>b</b> Less: direct expenses	<b>b</b>				
<b>c</b> Net income or (loss) from fundraising events							
<b>9 a</b> Gross income from gaming activities. See Part IV, line 19	<b>a</b>						
	<b>b</b> Less: direct expenses	<b>b</b>					
	<b>c</b> Net income or (loss) from gaming activities						
<b>10 a</b> Gross sales of inventory, less returns and allowances	<b>a</b>						
	<b>b</b> Less: cost of goods sold	<b>b</b>					
	<b>c</b> Net income or (loss) from sales of inventory						
<b>Miscellaneous Revenue</b>		<b>Business Code</b>					
<b>11 a</b> CAFETERIA	623000	104,844.			104,844.		
<b>b</b> OTHER	623000	23,021.			23,021.		
<b>c</b>							
<b>d</b> All other revenue							
<b>e Total.</b> Add lines 11a-11d		127,865.					
<b>12 Total revenue.</b> See instructions.		18,466,183.	17,168,315.	0.	839,769.		

**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 or note to any line 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	49,200.	49,200.		
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	299,865.	299,865.		
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	6,580,545.	5,709,180.	871,365.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	675,125.	589,624.	85,501.	
9 Other employee benefits	1,481,138.	1,293,560.	187,578.	
10 Payroll taxes	493,046.	434,164.	58,882.	
11 Fees for services (non-employees):				
a Management	699,114.	143,202.	555,912.	
b Legal				
c Accounting	55,853.		55,853.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	382,890.	289,276.	93,614.	
12 Advertising and promotion	97,722.		97,722.	
13 Office expenses	326,107.	172,222.	153,885.	
14 Information technology	119,676.		119,676.	
15 Royalties				
16 Occupancy	1,829,281.	1,753,769.	75,512.	
17 Travel	61,762.	35,562.	26,200.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	13,648.	10,850.	2,798.	
20 Interest	492,584.	453,177.	39,407.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	2,139,525.	1,968,363.	171,162.	
23 Insurance	89,490.	9,141.	80,349.	
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 <b>FOOD SERVICES</b>	825,277.	825,277.		
b <b>MEDICAL EXPENSE</b>	383,884.	383,884.		
c <b>MISC. EXPENSE</b>	203,399.	93,904.	109,495.	
d				
e All other expenses				
<b>25 Total functional expenses.</b> Add lines 1 through 24e	<b>17,299,131.</b>	<b>14,514,220.</b>	<b>2,784,911.</b>	<b>0.</b>
<b>26 Joint costs.</b> 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 or note to any line in this Part X

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....	633.	<b>1</b>	833.
	<b>2</b> Savings and temporary cash investments .....	3,120,664.	<b>2</b>	2,550,955.
	<b>3</b> Pledges and grants receivable, net .....		<b>3</b>	
	<b>4</b> Accounts receivable, net .....	1,298,173.	<b>4</b>	1,423,332.
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....		<b>5</b>	
	<b>6</b> 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 instr). Complete Part II of Sch L .....		<b>6</b>	
	<b>7</b> Notes and loans receivable, net .....		<b>7</b>	
	<b>8</b> Inventories for sale or use .....	73,422.	<b>8</b>	78,876.
	<b>9</b> Prepaid expenses and deferred charges .....	1,387,042.	<b>9</b>	1,375,290.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	<b>10a</b> 60,482,632.		
	<b>b</b> Less: accumulated depreciation .....	<b>10b</b> 30,717,729.	<b>10c</b>	29,764,903.
	<b>11</b> Investments - publicly traded securities .....	27,458,098.	<b>11</b>	28,076,984.
	<b>12</b> Investments - other securities. See Part IV, line 11 .....		<b>12</b>	
	<b>13</b> Investments - program-related. See Part IV, line 11 .....		<b>13</b>	
	<b>14</b> Intangible assets .....		<b>14</b>	
	<b>15</b> Other assets. See Part IV, line 11 .....	2,196,476.	<b>15</b>	3,639,622.
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	65,929,158.	<b>16</b>	66,910,795.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	682,938.	<b>17</b>	969,652.
	<b>18</b> Grants payable .....		<b>18</b>	
	<b>19</b> Deferred revenue .....	37,389,005.	<b>19</b>	37,774,108.
	<b>20</b> Tax-exempt bond liabilities .....	17,713,814.	<b>20</b>	17,088,547.
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....	930,447.	<b>21</b>	1,182,451.
	<b>22</b> 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 .....		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties .....		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties .....		<b>24</b>	
	<b>25</b> 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 .....	397,509.	<b>25</b>	214,222.
	<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 .....	57,113,713.	<b>26</b>	57,228,980.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets .....	7,603,075.	<b>27</b>	8,113,518.
	<b>28</b> Temporarily restricted net assets .....	1,212,370.	<b>28</b>	1,568,297.
	<b>29</b> Permanently restricted net assets .....		<b>29</b>	
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds .....		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund .....		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds .....		<b>32</b>	
<b>33</b> <b>Total net assets or fund balances</b> .....	8,815,445.	<b>33</b>	9,681,815.	
<b>34</b> <b>Total liabilities and net assets/fund balances</b> .....	65,929,158.	<b>34</b>	66,910,795.	

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response or note to any line in this Part XI

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	18,466,183.
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	17,299,131.
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	1,167,052.
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	8,815,445.
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	-341,297.
<b>6</b>	Donated services and use of facilities	<b>6</b>	
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>9</b>	40,615.
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	<b>10</b>	9,681,815.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response or note to any line in this Part XII

		Yes	No
<b>1</b>	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
<b>2a</b>	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 <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
<b>b</b>	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: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
<b>c</b>	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.	X	
<b>3a</b>	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?		X
<b>b</b>	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

Form 990 (2013)

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

**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.

OMB No. 1545-0047

**2013**

Department of the Treasury  
Internal Revenue Service

▶ **Attach to Form 990 or Form 990-EZ.**

**Open to Public Inspection**

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Name of the organization

**KENDAL AT ITHACA, INC.**

Employer identification number

**52-1787487**

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

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

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: \_\_\_\_\_
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.  
 a  Type I      b  Type II      c  Type III - Functionally integrated      d  Type III - 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
<b>11g(i)</b>		
<b>11g(ii)</b>		
<b>11g(iii)</b>		

(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	
<b>Total</b>									

**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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>4 Total.</b> Add lines 1 through 3 .....						
<b>5</b> 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) .....						
<b>6 Public support.</b> Subtract line 5 from line 4.						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
<b>7</b> Amounts from line 4 .....						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on .....						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) .....						
<b>11 Total support.</b> Add lines 7 through 10						
<b>12</b> Gross receipts from related activities, etc. (see instructions) .....					<b>12</b>	
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> .....						►

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) .....	<b>14</b>	%
<b>15</b> Public support percentage from 2012 Schedule A, Part II, line 14 .....	<b>15</b>	%
<b>16a 33 1/3% support test - 2013.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		►
<b>b 33 1/3% support test - 2012.</b> 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 <b>stop here.</b> The organization qualifies as a publicly supported organization .....		►
<b>17a 10% -facts-and-circumstances test - 2013.</b> 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 <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		►
<b>b 10% -facts-and-circumstances test - 2012.</b> 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 <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		►
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....		►

**Part III Support Schedule for Organizations Described in 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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	206,379.	50,038.	108,916.	60,812.	458,099.	884,244.
<b>2</b> 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	16,142,954.	16,106,971.	16,660,230.	17,042,797.	17,168,135.	83,121,087.
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5	16,349,333.	16,157,009.	16,769,146.	17,103,609.	17,626,234.	84,005,331.
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons			983,386.	1,551,082.	2,355,446.	4,889,914.
<b>b</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				2,750,261.	2,481,728.	5,231,989.
<b>c</b> Add lines 7a and 7b			983,386.	4,301,343.	4,837,174.	10,121,903.
<b>8 Public support.</b> (Subtract line 7c from line 6.)						73,883,428.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
<b>9</b> Amounts from line 6	16,349,333.	16,157,009.	16,769,146.	17,103,609.	17,626,234.	84,005,331.
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	673,806.	745,588.	827,504.	854,842.	742,545.	3,844,285.
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b	673,806.	745,588.	827,504.	854,842.	742,545.	3,844,285.
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	120,748.	133,969.	127,537.	163,874.	127,865.	673,993.
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)	17,143,887.	17,036,566.	17,724,187.	18,122,325.	18,496,644.	88,523,609.

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

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	83.46 %
<b>16</b> Public support percentage from 2012 Schedule A, Part III, line 15	16	88.67 %

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f))	17	4.34 %
<b>18</b> Investment income percentage from 2012 Schedule A, Part III, line 17	18	4.46 %

**19a 33 1/3% support tests - 2013.** 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 - 2012.** 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.** 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).

**SCHEDULE A, PART III, LINE 12, EXPLANATION FOR OTHER INCOME:**

**CAFETERIA**

2009 AMOUNT: \$ 108,805.

2010 AMOUNT: \$ 113,878.

2011 AMOUNT: \$ 111,266.

2012 AMOUNT: \$ 103,647.

2013 AMOUNT: \$ 104,844.

**MISCELLANEOUS**

2009 AMOUNT: \$ 11,943.

2010 AMOUNT: \$ 20,091.

2011 AMOUNT: \$ 16,271.

2012 AMOUNT: \$ 60,227.

2013 AMOUNT: \$ 23,021.



**SCHEDULE D**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

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

▶ Information about Schedule D (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2013**

Open to Public Inspection

Name of the organization

**KENDAL AT ITHACA, INC.**

Employer identification number

**52-1787487**

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

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year .....		
2 Aggregate contributions to (during year) .....		
3 Aggregate grants from (during year) .....		
4 Aggregate value at end of year .....		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? .....	Yes	No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds 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 Tax Year
a Total number of conservation easements .....	2a
b Total acreage restricted by conservation easements .....	2b
c Number of conservation easements on a certified historic structure included in (a) .....	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register .....	2d

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

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

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

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

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

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

9 In Part 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 ..... ▶ \$ \_\_\_\_\_

**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
  - b Scholarly research
  - c Preservation for future generations
  - d  Loan or exchange programs
  - e  Other \_\_\_\_\_

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

	Amount
c Beginning balance	1c 478,411.
d Additions during the year	1d 22,000.
e Distributions during the year	1e 48,760.
f Ending balance	1f 451,651.

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	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

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

- a Board designated or quasi-endowment  \_\_\_\_\_ %
- b Permanent endowment  \_\_\_\_\_ %
- c Temporarily restricted endowment  \_\_\_\_\_ %

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:

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

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

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. 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		2,572,434.		2,572,434.
b Buildings		48,259,137.	24,222,346.	24,036,791.
c Leasehold improvements				
d Equipment		9,651,061.	6,495,383.	3,155,678.
e Other				
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				29,764,903.

**Part VII Investments - Other Securities.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives .....		
(2) Closely-held equity interests .....		
(3) Other .....		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

**Part VIII Investments - Program Related.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

**Part IX Other Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) <b>BOARD DESIGNATED FUND</b>	410,265.
(2) <b>CAPTIVE INSURANCE CO. FUND</b>	380,643.
(3) <b>DONOR DESIGNATED FUND</b>	1,568,298.
(4) <b>CONSTRUCTION IN PROGRESS</b>	1,262,420.
(5) <b>RESTRICTED CASH DEPOSITS</b>	17,996.
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) ..... ▶	3,639,622.

**Part X Other Liabilities.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) <b>INTEREST PAYABLE</b>	186,231.
(3) <b>DUE TO AFFILIATES</b>	9,901.
(4) <b>CAPITAL LEASE</b>	18,090.
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ..... ▶	214,222.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

<b>1</b>	Total revenue, gains, and other support per audited financial statements	<b>1</b>	18,116,301.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
<b>a</b>	Net unrealized gains on investments	<b>2a</b>	-341,297.
<b>b</b>	Donated services and use of facilities	<b>2b</b>	
<b>c</b>	Recoveries of prior year grants	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>	40,615.
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>	<b>2e</b>	-300,682.
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>	<b>3</b>	18,416,983.
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>	49,200.
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>	<b>4c</b>	49,200.
<b>5</b>	Total revenue. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12.)	<b>5</b>	18,466,183.

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

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

<b>1</b>	Total expenses and losses per audited financial statements	<b>1</b>	17,249,931.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
<b>a</b>	Donated services and use of facilities	<b>2a</b>	
<b>b</b>	Prior year adjustments	<b>2b</b>	
<b>c</b>	Other losses	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>	
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>	<b>2e</b>	0.
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>	<b>3</b>	17,249,931.
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>	49,200.
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>	<b>4c</b>	49,200.
<b>5</b>	Total expenses. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18.)	<b>5</b>	17,299,131.

**Part XIII Supplemental Information.**

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.

**PART IV, LINE 1B:**

EXPLANATION: KENDAL AT ITHACA RECEIVES REFUNDABLE DEPOSITS OF \$1000 EACH FROM PROSPECTIVE RESIDENTS WHO WISH TO BE ON THE PRIORITY LIST FOR MOVE-INS. THESE DEPOSITS, AND INTEREST EARNED, REMAIN THE PROPERTY OF THE PROSPECTIVE RESIDENTS AND ARE MADE DIRECTLY TO A LOCAL BANK, WHERE THEY ARE HELD IN ESCROW UNTIL OCCUPANCY OR WITHDRAWAL.

**PART IV, LINE 2B:**

EXPLANATION: RESIDENTS PAY FEES TO THE ORGANIZATION PURSUANT TO ENTERING INTO A RESIDENCY CONTRACT. THESE FEES, NET OF THE PORTION THAT IS REFUNDABLE TO RESIDENTS, ARE RECORDED AS DEFERRED REVENUE FROM ENTRANCE FEES AND ARE AMORTIZED TO INCOME USING THE STRAIGHT-LINE METHOD OVER THE

**Part XIII** Supplemental Information (continued)

ESTIMATED REMAINING LIFE EXPECTANCY OF THE RESIDENCY OR COUPLE, ADJUSTED ANNUALLY. THE CURRENT PORTION OF REFUNDABLE ENTRANCE FEES AS OF DECEMBER 31, 2013 IS \$559,459 AND THE LONG-TERM PORTION IS \$622,992.

## PART X, LINE 2:

EXPLANATION: THE ORGANIZATION IS A NOT-FOR-PROFIT CORPORATION AS DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND IS EXEMPT FROM FEDERAL INCOME TAXES PURSUANT TO SECTION 501(A) OF THE INTERNAL REVENUE CODE. THE ORGANIZATION FOLLOWS THE PROVISIONS OF THE INCOME TAX STANDARD REGARDING THE RECOGNITION AND MEASUREMENT OF UNCERTAIN TAX POSITIONS. THE APPLICATION OF THESE PROVISIONS HAS NO IMPACT ON THE ORGANIZATIONS FINANCIAL STATEMENTS.

THE ORGANIZATION IS NOT AWARE OF ANY ACTIVITIES THAT WOULD JEOPARDIZE ITS TAX-EXEMPT STATUS OR OF ANY ACTIVITIES THAT ARE SUBJECT TO TAX ON UNRELATED BUSINESS INCOME OR EXCISE OR OTHER TAXES. THE TAX RETURNS FOR THE YEARS 2010 TO 2012 ARE OPEN TO EXAMINATION BY FEDERAL AND STATE AUTHORITIES.

## PART XI, LINE 2D - OTHER ADJUSTMENTS:

CHANGE IN FAIR VALUE OF SWAP AGREEMENT	40,615.
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## PART XI, LINE 4B - OTHER ADJUSTMENTS:

GRANT IN AID	49,200.
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## PART XII, LINE 4B - OTHER ADJUSTMENTS:

GRANTS IN AID	49,200.
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**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.**

▶ **Information about Schedule I (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

Name of the organization

**KENDAL AT ITHACA, INC.**

Employer identification number

**52-1787487**

**Part I General Information on Grants and Assistance**

- 1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? .....  **Yes**  **No**
- 2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

**Part II Grants and Other Assistance to Governments and Organizations in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

<b>1 (a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC section if applicable	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of non-cash assistance	<b>(h)</b> 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
FINANCIAL AID TO RESIDENTS TO HELP PAY FOR THEIR MONTHLY FEES	3	49,200.	0.		N/A

**Part IV** **Supplemental Information.** Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

**PART I, LINE 2:**

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

**SCHEDULE J  
(Form 990)**

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" on Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

▶ Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2013**

Open to Public  
Inspection

Name of the organization

**KENDAL AT ITHACA, INC.**

Employer identification number

**52-1787487**

**Part I Questions Regarding Compensation**

	Yes	No
<b>1a</b> 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 indemnification 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>b</b> If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain .....	<b>1b</b>	
<b>2</b> Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a? .....	<b>2</b>	
<b>3</b> 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	<input checked="" type="checkbox"/>	
Form 990 of other organizations		
Written employment contract		
<input checked="" type="checkbox"/> Compensation survey or study		
<input checked="" type="checkbox"/> Approval by the board or compensation committee		
<b>4</b> 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:		
<b>a</b> Receive a severance payment or change-of-control payment? .....	<b>4a</b>	<input checked="" type="checkbox"/>
<b>b</b> Participate in, or receive payment from, a supplemental nonqualified retirement plan? .....	<b>4b</b>	<input checked="" type="checkbox"/>
<b>c</b> Participate in, or receive payment from, an equity-based compensation arrangement? .....	<b>4c</b>	<input checked="" type="checkbox"/>
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
<b>Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.</b>		
<b>5</b> 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:		
<b>a</b> The organization? .....	<b>5a</b>	<input checked="" type="checkbox"/>
<b>b</b> Any related organization? .....	<b>5b</b>	<input checked="" type="checkbox"/>
If "Yes" to line 5a or 5b, describe in Part III.		
<b>6</b> 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:		
<b>a</b> The organization? .....	<b>6a</b>	<input checked="" type="checkbox"/>
<b>b</b> Any related organization? .....	<b>6b</b>	<input checked="" type="checkbox"/>
If "Yes" to line 6a or 6b, describe in Part III.		
<b>7</b> 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 .....	<b>7</b>	<input checked="" type="checkbox"/>
<b>8</b> 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 .....	<b>8</b>	<input checked="" type="checkbox"/>
<b>9</b> If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? .....	<b>9</b>	

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

Schedule J (Form 990) 2013



**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				
(1) DANIEL GOVERNANTI EXECUTIVE DIRECTOR	(i)	150,480.	0.	0.	1,965.	21,705.	174,150.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
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	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							



**Supplemental Information on Tax-Exempt Bonds**

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.**

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▶ **Attach to Form 990.** ▶ **See separate instructions.** ▶ **Information about Schedule K (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

Name of the organization

**KENDAL AT ITHACA, INC.**

Employer identification number  
**52-1787487**

<b>Part I Bond Issues</b>											
<b>SEE PART VI FOR COLUMNS (A) AND (F) CONTINUATIONS</b>											
(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) Pooled financing	
						Yes	No	Yes	No	Yes	No
<b>A</b> TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT	16-1214039	890099CL6	09/04/03	17,922,286.	REFINANCE SERIES 1994 BONDS		X		X		X
<b>B</b> TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT	16-1214039	890099BQ6	08/31/00	8,250,000.	CONSTRUCTION OF CCRC AND REFINANC		X		X		X
<b>C</b> TOMPKINS COUNTY DEVELOPMENT CORPORATION	27-2290745	NONE	11/20/12	8,853,091.	REFINANCE SERIES 2003 BONDS		X		X		X
<b>D</b>											

<b>Part II Proceeds</b>										
	A		B		C		D			
	Yes	No	Yes	No	Yes	No	Yes	No		
<b>1</b> Amount of bonds retired	14,692,286.		3,150,000.		100,000.					
<b>2</b> Amount of bonds legally defeased										
<b>3</b> Total proceeds of issue	17,922,286.		8,250,000.		8,853,091.					
<b>4</b> Gross proceeds in reserve funds	115,716.		165,843.		798,177.					
<b>5</b> Capitalized interest from proceeds										
<b>6</b> Proceeds in refunding escrows										
<b>7</b> Issuance costs from proceeds	356,600.		165,000.		177,062.					
<b>8</b> Credit enhancement from proceeds	16,110.		48,043.							
<b>9</b> Working capital expenditures from proceeds										
<b>10</b> Capital expenditures from proceeds			2,690,000.							
<b>11</b> Other spent proceeds	268,893.		14,537.		78,174.					
<b>12</b> Other unspent proceeds										
<b>13</b> Year of substantial completion	2003		2000		2012					
<b>14</b> Were the bonds issued as part of a current refunding issue?	X		X		X					
<b>15</b> Were the bonds issued as part of an advance refunding issue?		X		X		X				
<b>16</b> Has the final allocation of proceeds been made?	X		X		X					
<b>17</b> Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X					

<b>Part III Private Business Use</b>										
	A		B		C		D			
	Yes	No	Yes	No	Yes	No	Yes	No		
<b>1</b> Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X		X				
<b>2</b> Are there any lease arrangements that may result in private business use of bond-financed property?		X		X		X				

**Part III Private Business Use** (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>3a</b> Are there any management or service contracts that may result in private business use of bond-financed property? .....		X		X		X		
<b>b</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? .....								
<b>c</b> Are there any research agreements that may result in private business use of bond-financed property? .....		X		X		X		
<b>d</b> 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? .....								
<b>4</b> 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 .....		.00 %		.00 %		.00 %		%
<b>5</b> 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 .....		.00 %		.00 %		.00 %		%
<b>6</b> Total of lines 4 and 5 .....		.00 %		.00 %		.00 %		%
<b>7</b> Does the bond issue meet the private security or payment test? .....		X		X		X		
<b>8a</b> Has there been a sale or disposition of any of the bond-financed property to a non-governmental person other than a 501(c)(3) organization since the bonds were issued? .....		X		X		X		
<b>b</b> If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of .....		%		%		%		%
<b>c</b> If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2? .....								
<b>9</b> 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		X		X			

**Part IV Arbitrage**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate? .....		X		X		X		
<b>2</b> If "No" to line 1, did the following apply? .....								
<b>a</b> Rebate not due yet? .....		X		X	X			
<b>b</b> Exception to rebate? .....		X		X		X		
<b>c</b> No rebate due? .....	X		X			X		
If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed .....								
<b>3</b> Is the bond issue a variable rate issue? .....	X		X			X		
<b>4a</b> Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue? .....		X		X		X		
<b>b</b> Name of provider .....								
<b>c</b> Term of hedge .....								
<b>d</b> Was the hedge superintegrated? .....								
<b>e</b> Was the 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		X		X		
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6 Were any gross proceeds invested beyond an available temporary period?		X		X		X		
7 Has the organization established written procedures to monitor the requirements of section 148?	X		X		X			

**Part V Procedures To Undertake Corrective Action**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
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		X		X			

**Part VI Supplemental Information.** Provide additional information for responses to questions on Schedule K (see instructions).

**SCHEDULE K, PART I, BOND ISSUES:**

(A) ISSUER NAME: TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(F) DESCRIPTION OF PURPOSE: REFINANCE SERIES 1994 BONDS

(A) ISSUER NAME: TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

(F) DESCRIPTION OF PURPOSE:  
CONSTRUCTION OF CCRC AND REFINANCE CONSTRUCTION LOAN

(A) ISSUER NAME: TOMPKINS COUNTY DEVELOPMENT CORPORATION

(F) DESCRIPTION OF PURPOSE: REFINANCE SERIES 2003 BONDS

**FORM 990, SCHEDULE K, PART IV, LINE 4A**

THE INSTRUMENT THAT IS BEING USED IS A SWAP CONTRACT AND MANAGEMENT IS HEDGING THE RISK OF VARIABLE RATE DEBT WITH THE SWAP CONTRACT, SO THAT THE HEDGE WOULD SUFFICIENTLY SWAP THE VARIABLE RATE DEBT TO FIXED RATE DEBT. CLA NOTED THAT THE TERM OF THE SWAP ENDED JULY 1, 2013 AND THAT MANAGEMENT HAS NOT ENTERED INTO A NEW AGREEMENT.

**FORM 990, SCHEDULE K, PART II, COLUMN A, LINE 11**

FOR THE 2003B BONDS THE \$268,893 PRESENTED IN LINE 11 IS FOR BOND COUNSEL COSTS AND ADMINISTRATIVE FEES.

**FORM 990, SCHEDULE K, PART II, COLUMN B, LINE 11**

FOR THE 2000 BONDS THE \$14,537 PRESENTED IN LINE 11 IS FOR MARKETING

**Part VI Supplemental Information.** Provide additional information for responses to questions on Schedule K (see instructions) (Continued)

**FEEES AND ISSUER ADMINISTRATION FEES.**

FORM 990, SCHEDULE K, PART II, COLUMN C, LINE 11  
FOR THE 2012 BONDS THE \$78,174 PRESENTED IN LINE 11 IS FOR ISSUER  
ADMINISTRATIVE FEES, TITLE INSURANCE AND SURVEY FEES.

**SCHEDULE L**

(Form 990 or 990-EZ)

**Transactions With Interested Persons**

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

▶ Information about Schedule L (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2013**

Open To Public Inspection

Department of the Treasury  
Internal Revenue Service

Name of the organization

**KENDAL AT ITHACA, INC.**

Employer identification number

**52-1787487**

**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 the organization managers or disqualified persons during the year under section 4958 ..... ▶ \$ \_\_\_\_\_

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

**Part II Loans to and/or From Interested Persons.**

Complete if the organization answered "Yes" on Form 990-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	Yes	No

Total ..... ▶ \$ \_\_\_\_\_

**Part III Grants or Assistance Benefiting 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
DAVID CALL	A RESIDENT OF THE C	81,254.	PAYMENT OF		X
SHIRLEY DURFEE	A RESIDENT OF THE C	68,289.	PAYMENT OF		X
CAROL SISLER	A RESIDENT OF THE C	80,368.	PAYMENT OF		X
DONALD STEWART	BOARD MEMBER WITH P	89,421.	PAYMENT OF		X
JANET CORSON-RIKERT	SEE FOLLOWING INFOR	109,006.	PAYMENT OF		X

**Part V Supplemental Information**

Provide additional information for responses to questions on Schedule L (see instructions).

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: DAVID CALL

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

A RESIDENT OF THE COMMUNITY THAT CURRENTLY SERVES ON THE BOARD OF DIRECTORS

(C) AMOUNT OF TRANSACTION \$ 81,254.

(D) DESCRIPTION OF TRANSACTION: PAYMENT OF MONTHLY FEES, ANCILLARY

CHARGES, AND DONATIONS

(E) SHARING OF ORGANIZATION REVENUES? = NO

(A) NAME OF PERSON: SHIRLEY DURFEE

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

A RESIDENT OF THE COMMUNITY THAT CURRENTLY SERVES ON THE BOARD OF DIRECTORS

(C) AMOUNT OF TRANSACTION \$ 68,289.

(D) DESCRIPTION OF TRANSACTION: PAYMENT OF MONTHLY FEES, ANCILLARY

CHARGES, AND DONATIONS

(E) SHARING OF ORGANIZATION REVENUES? = NO

(A) NAME OF PERSON: CAROL SISLER

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

A RESIDENT OF THE COMMUNITY THAT CURRENTLY SERVES ON THE BOARD OF DIRECTORS



**Part V Supplemental Information**

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

(C) AMOUNT OF TRANSACTION \$ 80,368.

(D) DESCRIPTION OF TRANSACTION: PAYMENT OF MONTHLY FEES, ANCILLARY CHARGES, AND DONATIONS

(E) SHARING OF ORGANIZATION REVENUES? = NO

(A) NAME OF PERSON: DONALD STEWART

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

BOARD MEMBER WITH PARENT OR IN-LAW WHO IS A RESIDENT (JOHN & ELLEN STEWART)

(C) AMOUNT OF TRANSACTION \$ 89,421.

(D) DESCRIPTION OF TRANSACTION: PAYMENT OF MONTHLY FEES, ANCILLARY CHARGES, AND DONATIONS

(E) SHARING OF ORGANIZATION REVENUES? = NO

(A) NAME OF PERSON: JANET CORSON-RIKERT

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

SEE FOLLOWING INFORMATION

(C) AMOUNT OF TRANSACTION \$ 109,006.

(D) DESCRIPTION OF TRANSACTION: PAYMENT OF MONTHLY FEES, ANCILLARY CHARGES, AND DONATIONS

(E) SHARING OF ORGANIZATION REVENUES? = NO

FORM 990, SCHEDULE L, PART V

(A) NAME OF PERSON: JANET CORSON-RIKERT

(B) RELATIONSHIP BETWEEN INTERESTED PERSON AND ORGANIZATION:

A FORMER BOARD MEMBER WITH A PARENT OR IN-LAW WHO IS A RESIDENT (DALE AND NELLIE CORSON) (CARROLL RIKERT, JR.)

(C) AMOUNT OF TRANSACTION \$64,133 (DALE AND NELLIE CORSON) AND \$44,873

(CARROLL RIKERT, JR.)



**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 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2013**

Open to Public  
Inspection

Name of the organization

KENDAL AT ITHACA, INC.

Employer identification number

52-1787487

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

COMMUNITY.

FORM 990 PART III, LINE 1

EXPLANATION: KENDAL AT ITHACA IS A NOT-FOR-PROFIT CONTINUING CARE  
RETIREMENT COMMUNITY. OUR VISION IS TO BE A COMMUNITY WHOSE HALLMARKS  
ARE THE QUAKER VALUES OF RESPECT, CARE, AND TRUST. IN ADDITION WE  
STRIVE TO BE GOOD STEWARDS OF OUR RESOURCES AND ENVIRONMENT. OUR  
MISSION IS TO PROVIDE A MUTUALLY SUPPORTIVE ENVIRONMENT FOR RESIDENTS  
AND STAFF, AND TO CONTRIBUTE TO THE GREATER ITHACA COMMUNITY.

FORM 990, PART VI, SECTION A, LINE 1:

EXPLANATION: THE EXECUTIVE COMMITTEE SHALL BE COMPOSED OF THE OFFICERS OF  
THE CORPORATION AND OTHER TRUSTEES THAT MAY BE NAMED TO THE COMMITTEE BY  
THE CHAIR. THE EXECUTIVE COMMITTEE: (A) SHALL HAVE AND EXERCISE THE  
AUTHORITY OF THE BOARD OF TRUSTEES IN THE MANAGEMENT OF THE BUSINESS OF THE  
CORPORATION AND SHALL: (I) ACT AS AN ETHICS COMMITTEE WHEN NEEDED TO  
DEVELOP POLICIES AND GUIDELINES FOR HANDLING OF ETHICAL ISSUES AND REVIEW  
AND GIVE CONSULTATION INVOLVING ETHICAL DIFFICULTIES. (II) CONDUCT  
PERFORMANCE REVIEW OF PRESIDENT CHIEF EXECUTIVE OFFICER. (III) MONITOR  
EFFECTIVENESS AND APPROVE INCENTIVE COMPENSATION OF EMPLOYEES UNDER  
INCENTIVE COMPENSATION PROGRAMS. (IV) REVIEW AND RECOMMEND TO THE BOARD  
CHANGES TO THE HUMAN RESOURCES POLICY AND BENEFIT PLANS OF THE CORPORATION.  
(V) SUCH OTHER DUTIES AND FUNCTIONS AS MAY BE ASSIGNED BY THE BOARD. (B)  
THE EXECUTIVE COMMITTEE, HOWEVER, SHALL NOT HAVE ANY POWER OR THE AUTHORITY  
AS TO THE FOLLOWING: (I) THE FILLING OF VACANCIES IN THE BOARD OF TRUSTEES.

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(II) THE ADOPTION, AMENDMENT OR REPEAL OF (THE) BYLAWS OF THE CORPORATION.

(III) THE AMENDMENT OR REPEAL OF ANY RESOLUTION OF THE BOARD. (IV) ACTION ON MATTERS ASSIGNED BY (THE) BYLAWS OR RESOLUTION OF THE BOARD OF TRUSTEES TO ANOTHER COMMITTEE OF THE BOARD.

FORM 990, PART VI, SECTION A, LINE 7B:

EXPLANATION: KENDAL AT ITHACA IS AFFILIATED WITH KENDAL NEW YORK THROUGH BYLAW REQUIREMENTS. KENDAL NEW YORK MUST APPROVE THE ELECTION OF BOARD MEMBERS OF KENDAL AT ITHACA AND ANY AMENDMENTS TO THE ARTICLES OF INCORPORATION OR SPECIFIC SECTIONS OF THE BYLAWS OF KENDAL AT ITHACA AS WELL AS THE INCURRENCE OF DEBT OF SPECIFIED VALUE; CHANGES IN CORPORATE PURPOSE; USE OF THE NAME KENDAL; THE SUBSTANCE OF RESIDENT CONTRACTS; AND THE PURCHASE, SALE, LEASE, OR OTHER DISPOSITION OF ANY REAL ESTATE OR IMPROVEMENTS THEREON OF A SPECIFIC VALUE; AND DISSOLUTION, MERGER WITH ANOTHER ENTITY, DIVISION, OR ACQUIRING CONTROL OF ANOTHER ENTITY.

FORM 990, PART VI, SECTION B, LINE 11:

EXPLANATION: THE FORM 990 IS REVIEWED BY THE FINANCE COMMITTEE AND IS ALSO DISTRIBUTED TO ALL BOARD MEMBERS BEFORE IT IS FILED WITH THE INTERNAL REVENUE SERVICE.

FORM 990, PART VI, SECTION B, LINE 12C:

EXPLANATION: A CONFLICT OF INTEREST IS DEFINED AS "EXCESS BENEFIT" TO THE DISQUALIFIED PERSON. EXCESS BENEFITS MAY ARISE FROM A TRANSACTION IN WHICH THE AMOUNT OF THE ECONOMIC BENEFIT PROVIDED BY KENDAL AT ITHACA TO OR FOR THE USE OF THE DISQUALIFIED PERSON EXCEEDS THE VALUE OF THE CONSIDERATION (INCLUDING THE PERFORMANCE OF SERVICES) RECEIVED BY KENDAL AT ITHACA FOR PROVIDING SUCH BENEFIT. ALL MEMBERS OF THE KENDAL AT ITHACA BOARD OF

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TRUSTEES AND STAFF ARE COVERED BY THIS POLICY. ANY PERSON WHO REASONABLY BELIEVES THEY MAY BE AN INTERESTED PERSON MUST DISCLOSE THE EXISTENCE OF AND THE MATERIAL FACTS OF THE NATURE OF HIS OR HER INTEREST TO THE TRUSTEES OR MEMBERS OF THE COMMITTEE CONSIDERING THE PROPOSED TRANSACTION. SUCH DISCLOSURE SHALL INCLUDE ANY RELEVANT AND MATERIAL FACTS KNOWN TO SUCH PERSON ABOUT THE TRANSACTION AND ALL FACTS RELATING TO THE REASON THAT SUCH PERSON MIGHT BE A DISQUALIFIED PERSON. WHEN A PERSON DISCLOSES THEY MAY BE A DISQUALIFIED PERSON, THE BODY TO WHICH THE DISCLOSURE IS MADE SHALL THEREUPON, BY MAJORITY VOTE (OTHER THAN THE PERSON WHO MADE THE DISCLOSURE), DETERMINE WHETHER THE PERSON IS A DISQUALIFIED PERSON OR IS A POTENTIALLY DISQUALIFIED PERSON. IF IT IS DETERMINED THAT SUCH PERSON IS A DISQUALIFIED PERSON, SUCH PERSON SHALL NOT VOTE ON, NOR USE HIS PERSONAL INFLUENCE ON, NOR PARTICIPATE IN THE DISCUSSIONS OR DELIBERATIONS WITH RESPECT TO SUCH CONTRACT OR OTHER TRANSACTION. SUCH PERSON MAY PRESENT FACTUAL INFORMATION OR RESPOND TO QUESTIONS AS MAY BE REQUIRED BY THE REMAINDER OF THE BOARD OR COMMITTEE. THE DISQUALIFIED PERSON SHALL WITHDRAW FROM THE MEETING UNTIL THE DISCUSSION OR DISCUSSIONS, INCLUDING ANY VOTES TAKEN, HAS BEEN COMPLETED. THE MINUTES OF THE MEETING SHALL REFLECT THE DISCLOSURE OF THE DISQUALIFIED PERSON AND HIS/HER WITHDRAWAL FROM THE MEETING. EACH TRUSTEE, DIRECTOR, PRINCIPAL OFFICER, AND MEMBER OF A COMMITTEE WITH BOARD DELEGATED POWERS SHALL ANNUALLY SIGN A STATEMENT WHICH AFFIRMS THAT SUCH A PERSON HAS RECEIVED A COPY OF THE CONFLICTS OF INTEREST POLICY, HAS READ AND UNDERSTANDS THE POLICY, HAS AGREED TO COMPLY WITH THE POLICY, AND HAS DISCLOSED ALL KNOWN CONFLICTS OF INTEREST.

FORM 990, PART VI, SECTION B, LINE 15:

EXPLANATION: THE EXECUTIVE DIRECTOR'S COMPENSATION IS DETERMINED BY THE BOARD'S EXECUTIVE COMMITTEE IN CONSULTATION WITH KENDAL CORPORATION STAFF.

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KENDAL AT ITHACA'S HUMAN RESOURCES DIRECTOR AND EXECUTIVE DIRECTOR

DETERMINE COMPENSATION FOR ALL STAFF, USING COMPARATIVE INDEPENDENT DATA.

THIS PROCESS IS DONE FOR ALL EMPLOYEES ON AN ANNUAL BASIS. COMPENSATION

INCREASES FOR THE EXECUTIVE DIRECTOR AND ALL STAFF ARE INCLUDED IN EACH

APPROVED BUDGET FOR THE NEXT YEAR. THIS PROCESS WAS LAST UNDERTAKEN IN

OCTOBER 2013.

FORM 990, PART VI, SECTION C, LINE 18:

EXPLANATION: THE ORGANIZATION MAKES ITS 990 AVAILABLE FOR PUBLIC INSPECTION

UPON REQUEST. THE INFORMATION IS ALSO PUBLISHED ON THEIR WEBSITE

(WWW.KAI.KENDAL.ORG) AND ON ANOTHER WEBSITE.

FORM 990, PART VI, SECTION C, LINE 19:

EXPLANATION: THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF

INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON

REQUEST.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

CHANGE IN FAIR VALUE OF INTEREST RATE SWAP

40,615.

FORM 990 PART XII, LINE 2C

EXPLANATION: THE ORGANIZATION HAS AN AUDIT COMMITTEE THAT ASSUMES

RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT OF ITS FINANCIAL STATEMENTS

AND SELECTION OF AN INDEPENDENT ACCOUNTANT.

**SCHEDULE R  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Related Organizations and Unrelated Partnerships**

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

▶ Attach to Form 990.

▶ See separate instructions.

▶ Information about Schedule R (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2013**

Open to Public  
Inspection

Name of the organization

**KENDAL AT ITHACA, INC.**

Employer identification number

**52-1787487**

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

(a) Name, address, and EIN (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" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
KENDAL AT OBERLIN - 34-1567246 600 KENDAL DRIVE OBERLIN, OH 44074	OPERATE CCRC	OHIO	501C(3)	LINE 9	N/A		X
KENDAL AT LEXINGTON - 54-1795871 160 KENDAL DRIVE LEXINGTON, VA 24450	OPERATE CCRC	VIRGINIA	501C(3)	LINE 9	N/A		X
KENDAL AT HANOVER - 02-0519490 80 LYME ROAD HANOVER, NH 03755	OPERATE CCRC	NEW HAMPSHIRE	501C(3)	LINE 9	N/A		X
BARCLAY FRIENDS - 23-2088476 700 N. FRANKLIN STREET WEST CHESTER, PA 19380	OPERATE CCRC	PENNSYLVANIA	501C(3)	LINE 9	N/A		X

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

Schedule R (Form 990) 2013

**Part II** Continuation of Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization?	
						Yes	No
THE KENDAL CORPORATION - 23-2688382 1107 EAST BALTIMORE PIKE KENNETT SQUARE, PA 19348	DEVELOP AND PROVIDE SUPPORT SERVICES FOR CCRCs	PENNSYLVANIA	501C(3)	LINE 11C, III-FI	N/A		X
KENDAL CHARITABLE FUNDS - 23-2626425 1107 EAST BALTIMORE PIKE KENNETT SQUARE, PA 19348	MANAGE CHARITABLE CONTRIBUTIONS TO PRIMARILY BENEFIT AFFILIATES	PENNSYLVANIA	501C(3)	LINE 7	THE KENDAL CORPORATION		X
KENDAL NEW YORK - 06-1656576 1010 KENDAL WAY SLEEPY HOLLOW, NY 10591	PROVIDE SUPPORT SERVICES TO KENDAL CCRCs IN NY	NEW YORK	501C(3)	LINE 11C, III-FI	THE KENDAL CORPORATION		X
KENDAL CROSSLANDS COMMUNITIES - 23-1906212 PO BOX 100 KENNETT SQUARE, PA 19348	OPERATE CCRC	PENNSYLVANIA	501C(3)	LINE 9	N/A		X
KENDAL ON HUDSON - 13-3971396 1010 KENDAL WAY SLEEPY HOLLOW, NY 10591	OPERATE CCRC	NEW YORK	501C(3)	LINE 9	N/A		X
KENDAL AT GRANVILLE - 31-1657346 2158 COLUMBUS ROAD GRANVILLE, OH 43023	OPERATE CCRC	OHIO	501C(3)	LINE 9	N/A		X
THE LATHROP COMMUNITIES - 04-2996627 100 BASSETT BROOK DRIVE EASTHAMPTON, MA 01027	OPERATE CCRC	MASSACHUSETTS	501C(3)	LINE 9	N/A		X
KENDAL AT HOME - 20-0548053 26040 DETROIT ROAD, SUITE 1 WESTLAKE, OH 44145	OPERATE CONTINUING CARE AT HOME PROGRAM	OHIO	501C(3)	LINE 9	N/A		X
COLLINGTON - 52-1281156 10450 LOTSFORD ROAD MITCHELLVILLE, MD 20721	OPERATE CCRC	MARYLAND	501C(3)	LINE 9	N/A		X
THE ADMIRAL AT THE LAKE - 36-2171730 929 W. FOSTER AVE CHICAGO, IL 60640	OPERATE CCRC	ILLINOIS	501C(3)	LINE 9	N/A		X
CHANDLER HALL HEALTH SERVICES - 23-2365124 99 BARCLAY STREET NEWTOWN, PA 18940	OPERATE CCRC	PENNSYLVANIA	501C(3)	LINE 9	N/A		X



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

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

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No

**Part V Transactions With Related Organizations** Complete if the organization answered "Yes" on 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.

	Yes	No
<b>1</b> 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?		
<b>a</b> Receipt of <b>(i)</b> interest <b>(ii)</b> annuities <b>(iii)</b> royalties or <b>(iv)</b> rent from a controlled entity .....		X
<b>b</b> Gift, grant, or capital contribution to related organization(s) .....		X
<b>c</b> Gift, grant, or capital contribution from related organization(s) .....		X
<b>d</b> Loans or loan guarantees to or for related organization(s) .....		X
<b>e</b> Loans or loan guarantees by related organization(s) .....		X
<b>f</b> Dividends from related organization(s) .....		X
<b>g</b> Sale of assets to related organization(s) .....		X
<b>h</b> Purchase of assets from related organization(s) .....		X
<b>i</b> Exchange of assets with related organization(s) .....		X
<b>j</b> Lease of facilities, equipment, or other assets to related organization(s) .....		X
<b>k</b> Lease of facilities, equipment, or other assets from related organization(s) .....		X
<b>l</b> Performance of services or membership or fundraising solicitations for related organization(s) .....		X
<b>m</b> Performance of services or membership or fundraising solicitations by related organization(s) .....	X	
<b>n</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) .....		X
<b>o</b> Sharing of paid employees with related organization(s) .....		X
<b>p</b> Reimbursement paid to related organization(s) for expenses .....	X	
<b>q</b> Reimbursement paid by related organization(s) for expenses .....	X	
<b>r</b> Other transfer of cash or property to related organization(s) .....	X	
<b>s</b> Other transfer of cash or property from related organization(s) .....	X	

**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 related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				



