

**REPORT ON EXAMINATION**

**OF**

**KENDAL AT ITHACA, INC.**

**AS OF**

**DECEMBER 31, 2015**

**DATE OF REPORT**

**FEBRUARY 28, 2018**

**EXAMINER**

**HUSSEIN AGOUDA, CFE**

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NEW YORK STATE  
DEPARTMENT *of*  
FINANCIAL SERVICES

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Andrew M. Cuomo  
Governor

Maria T. Vullo  
Superintendent

February 28, 2018

Honorable Maria T. Vullo  
Superintendent of Financial Services  
Albany, New York 12257

Madam:

Pursuant to the requirements of the New York Insurance Law, and Section 4614 of the New York State Public Health Law, and acting in accordance with the instructions contained in Appointment Number 31528, dated September 12, 2016, attached hereto, I have made an examination of Kendal at Ithaca, Inc., a not-for-profit continuing care retirement community certified pursuant to the provisions of Article 46 of the New York State Public Health Law, as of December 31, 2015, and respectfully submit the following report thereon.

The examination was conducted at the administrative office of Kendal at Ithaca, Inc. located at 2230 North Triphammer Road, Ithaca, New York.

Wherever the designations the “Community” or “Kendal” appear herein, without qualification, they should be understood to indicate Kendal at Ithaca, Inc.

Wherever the designation the “Department” appears herein, without qualification, it should be understood to indicate the New York State Department of Financial Services.

## **1. SCOPE OF THE EXAMINATION**

The previous examination was conducted as of December 31, 2012. This examination covered the three-year period from January 1, 2013 through December 31, 2015. Transactions occurring subsequent to this period were reviewed where deemed appropriate by the examiner.

Representatives of the New York State Department of Financial Services and the New York State Department of Health conducted a site survey of the Community's facility on October 10, 2016, pursuant to the requirements of Section 4614(1) of the New York State Public Health Law.

The examination comprised a verification of the assets and liabilities of the Community as of December 31, 2015, in accordance with generally accepted accounting principles ("GAAP"), as modified by the Department pursuant to Insurance Regulation No. 140 (11 NYCRR 350), a review of income and disbursements deemed necessary to accomplish such verification, and utilized, to the extent considered appropriate, work performed by the Community's independent certified public accountants and independent actuary. It is noted that the balance sheet included herein was reported as of December 31, 2015, on a statutory actuarial basis, pursuant to Insurance Regulation No. 140 (11 NYCRR 350).

A review was also made of the following items:

- Community documents
- Compliance with by-laws
- Board of Trustees' minutes of meetings
- Occupancy levels
- Financial documents

This report on examination is confined to financial statements and comments on those matters which involve departures from laws, regulations or rules, or which are deemed to require explanation or description.

A review was also made to ascertain what actions were taken by the Community with regard to comments and recommendations contained in the prior report on examination.

## **2. DESCRIPTION OF THE COMMUNITY**

The Community was formed on June 3, 1992. Kendal is a continuing care retirement community (“CCRC”) as defined in Article 46 of the New York State Public Health Law. The Community received a Certificate of Authority from the New York State Continuing Care Retirement Community Council (such certificate of authority is issued by the New York State Department of Health) and commenced operations on December 26, 1995. Kendal is a New York State not-for-profit organization and is a tax-exempt organization per Section 501(c)(3) of the Internal Revenue Code.

As of December 31, 2015, the Community consisted of two hundred and twelve (212) independent living units ranging from studios to two-bedroom units with a den, a farmhouse unit, a thirty-six (36) bed adult home enhanced assisted living residence (“EALR”) facility and a thirty-five (35) bed skilled nursing facility. In addition, the Community includes such common areas as dining rooms, lounges, a health club, a beauty/barber shop, banking, library, auditorium, swimming pool, and administrative areas.

Beginning in January 2015, the Community began an expansion and renovation project (the “Project”). The expansion portion of the Project was completed as of September 2016, and the Community now offers two hundred and thirty-six (236) independent living residences (166 cottages, 1 farmhouse, and 69 apartments), thirty-six (36) adult home

enhanced assisted living units (“EALR”) and a forty-eight (48) bed skilled nursing facility (“SNF”) in three neighborhoods. This new nursing home section is designed for a more person-centered approach to care; each neighborhood has its own kitchen, dining room, living room and adjoining outdoor spaces. The expansion project also added a new centralized main entrance and reception area; a new casual dining café; new rooms for aerobics and fitness; a larger and redesigned beauty salon and spa; a new space for the Community’s bank; a new computer room and office in the expanded library; and new meeting/activity space for the Residents’ Association.

The facilities renovation portion of the Project included changes and updates to the Community Center’s dining room and common areas. The renovation was completed April 12, 2017.

The Community provides residents with a continuum of services, including independent living, adult care and skilled nursing home care. As a condition precedent to providing these services, the Community enters into a continuing care contract with each prospective resident that sets forth the responsibilities of both parties. For the right to occupy, use the living accommodations and utilize the services of the Community, each resident is required to pay an entrance fee and monthly service fee based on the size, type of living unit and number of occupants of the living unit.

The Community offers the following 3 types of continuing care contracts to prospective residents:

- **Life Care Contract**

This Life Care contract provides independent living, personal care and nursing care. The entrance fee is to be paid in two installments. Ten percent (10%) of the entrance fee is

due when the contract is signed, with the remainder to be paid on or before the occupancy date. If a resident terminates the contract for any reason prior to occupancy or during the first 90 days of occupancy, the entrance fee collected by the Community is fully refundable.

The refund will be reduced by the cost incurred by the Community, if any, for any optional products or services that were requested by the vacating resident. On or after the 90<sup>th</sup> day of occupancy, the refund will be reduced by 2% for each month or a fraction thereafter of the principal amount of the paid entry fee, up to a maximum of 48 months or 96% of the entrance fee, from the date of occupancy up to including the month in which the vacating resident removes all of their property from the unit and releases the independent living unit to the Community, plus 4%, of the entrance fee. However, the refund may be further reduced by the cost to the Community for refurbishing the vacating unit. The Community must pay the refund no later than one year after the contract is terminated.

- **50% Return of Capital Life Care Contract**

The 50% Return of Capital Life Care Contract has the same healthcare provisions as the aforementioned Life Care Contract. The entrance fee for this contract is higher compared to the Life Care Contract and is also to be paid in two installments. Ten percent (10%) of the entrance fee is due when the contract is signed, with the remainder to be paid on or before the occupancy date. If a resident terminates the contract for any reason prior to occupancy or during the first 90 days of occupancy, the entrance fee collected by the Community is fully refundable, however, the refund is contingent upon the receipt by the Community of a new entry fee deposited from a prospective resident for the same living unit contracted by the contract terminating resident. On or after the 90<sup>th</sup> day of occupancy, the refund will be reduced by 2% for each month or a fraction thereafter of the principal amount of the paid entrance fee, from the date of occupancy up to including the month in which the

vacating resident removes all his/her property from the unit and releases the unit to the Community, plus an additional 4% administrative fee of the paid entrance fee, until the refund amount reaches 50% of the entrance fee. However, the 50% refund may be further reduced by the cost to the Community for refurbishing the vacating unit. The Community must pay the refund no later than one year after the contract is terminated.

- **Modified Continuing Care Contract**

The Modified Continuing Care Contract provides for the first 100 days of skilled nursing care, after any Medicare covered period, at the same monthly fee a resident pays for the selected apartment or cottage. The 100 days of covered skilled nursing care may occur at any time, consecutively or not, and may result from either a permanent or temporary residency in the Community's Licensed Nursing facility. Once any Medicare covered period and 100 days have accumulated, the resident will pay the then current per diem rate for the next 1,095 days, in addition to the monthly apartment or cottage fee, until the resident vacates their apartment or cottage. After 1,095 days of paying per diem skilled nursing care, the resident will pay the then current monthly fee associated with this contract relative to the last apartment or cottage occupied.

The entrance fee for this contract is to be paid in two installments. Ten percent (10%) of the entrance fee is due when the contract is signed, with the remainder to be paid on or before the occupancy date. If a resident terminates the contract for any reason prior to occupancy or during the first 90 days of occupancy, the entrance fee collected by the Community is fully refundable. The refund will be reduced by the cost incurred by the Community, if any, for any optional products or services that had been requested by the vacating resident. On or after 90 days of occupancy, the refund will be reduced by 2% for each month or a fraction thereafter of the principal amount of the paid entrance fee, up to a

maximum of 48 months or 96% of the entrance fee, from the date of occupancy up to and including the month in which the vacating resident removes all of his/her property from the unit and releases the unit to the Community, plus an additional 4% of the entry fee. However, the refund may be further reduced by the cost to the Community for refurbishing the vacating unit. The Community must pay the refund no later than one year after the contract is terminated.

A. Corporate Governance

Pursuant to the Community's Charter and by-laws, management of the Community is to be vested in a Board of Trustees comprised of no less than ten (10) and no more than twenty (20) members.

As of December 31, 2015, the Community's Board of Trustees was comprised of twenty (20) members, as follows:

<u>Name</u>	<u>Principal Affiliation</u>
Martha Armstrong Ithaca, New York	Vice President & Director, Tompkins County Area Development, Inc.
Russell Bourne Ithaca, New York	Resident, Kendal at Ithaca, Inc.
David Call Ithaca, New York	Resident, Kendal at Ithaca, Inc.
Harold D. Craft Berkshire, New York	VP Emeritus & Senior University Consultant, Cornell University
Susan D. Dale-Hall Ithaca, New York	CEO, Child Development Council of Central New York
Henrik N. Dullea Ithaca, New York	Vice President for University Relations Emeritus, Cornell University
Betsy East Ithaca, New York	Assistant Dean of Student Services, College of Engineering, Cornell University

<u>Name</u>	<u>Principal Affiliation</u>
Bradley R. Grainger Ithaca, New York	Retired Vice President, Cain Brothers Funding, LLC
Arnon C. Greif Ithaca, New York	Resident, Kendal at Ithaca, Inc.
David Iles Ithaca, New York	Managing Partner, Sciarabba Walker & Co., LLC
David K. McNiff Ithaca, New York	Senior Investment Officer, Cornell University
Andrew T. Miller * Ithaca, New York	Associate Vice Provost for Academic Diversity, Cornell University
Susan R. Murphy Ithaca, New York	Vice President for Student and Academic Services, Cornell University
Susan Nohelty Ithaca, New York	Vice President for Patient Services, Cayuga Medical Center
Mary G. Opperman Ithaca, New York	Vice President for Patient Services, Cayuga Medical Center
Tanya R. Saunders Ithaca, New York	Assistant Provost and Dean of the Division of Interdisciplinary and International Studies, Ithaca College
Andrew T. Simkin * Poplar Ridge, New York	Owner, Cayuga Phoenix Properties, LLC
Bryan H. Warren Ithaca, New York	President and Principal Broker, Warren Real Estate
Alene Wyatt Ithaca, New York	Resident, Kendal at Ithaca, Inc.
Paula E. F. Younger Ithaca, New York	Deputy County Administrator, Tompkins County

\*Representative of the Religious Society of Friends as required by the Community's by-laws.

According to the Community's by-laws, a meeting of the Board of Trustees for the purpose of selecting directors and officers, and for the appointment of committees shall be held once each year. Unless the Board designates a different date or place, the annual meeting shall be held at Kendal at Ithaca on the third Wednesday of March. Regular meetings of the Board of Trustees may be held as determined by the Trustees but no less

often than four times a year. Special meetings of the Board of Trustees may be called by the Chairman of the Board or by any three (3) Trustees.

The Community's Board met at least four times each year during the examination period, in compliance with its by-laws.

A review of the attendance records of the board of directors' meetings held during the period under examination revealed that the meetings were generally well attended, with all members attending at least one-half of the meetings they were eligible to attend.

The officers of the Community as of December 31, 2015, were as follows:

<u>Name</u>	<u>Title</u>
Harold D. Craft	Board Chair
Martha J. Armstrong	Board Vice-Chair
Daniel Governanti	Chief Executive Officer
Gregory Sommers	Chief Financial Officer
Arnon C. Greif	Secretary
David K. McNiff	Treasurer

### Internal Controls

#### Journal Entries

It was noted that the Community utilizes standard automated journal entries and manual journal entries in preparing its general ledger each month. In addition, Community management makes additional journal entries that are made on a quarterly or annual basis. It was noted that, there was no formal written approval or review process in place for certain specific, non-standard journal entries.

AU-C 265.07 of the American Institute of Certified Public Accountants states in part:

*“A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct,*

*misstatements on a timely basis..., a deficiency in design exists when (a) a control necessary to meet a control objective is missing or (b) an existing control is not properly designed so that, even if it operates as designed, the control objective would not be met. A design deficiency includes inadequate documentation of the design of controls and the lack of an internal process to report discovered deficiencies to management on a timely basis... Indicators of material weaknesses in internal control include identification of fraud, whether or not material, on the part of senior management.”*

It is recommended that the Community, as an internal control best practice, establish a written formal review process for all of its manual journal entries.

#### Inventory Account

It was noted that the Community’s CPA’s review and assessment of the Community’s inventory balances (primarily dining services items) revealed that the Community’s inventory balances remained unchanged from the prior year.

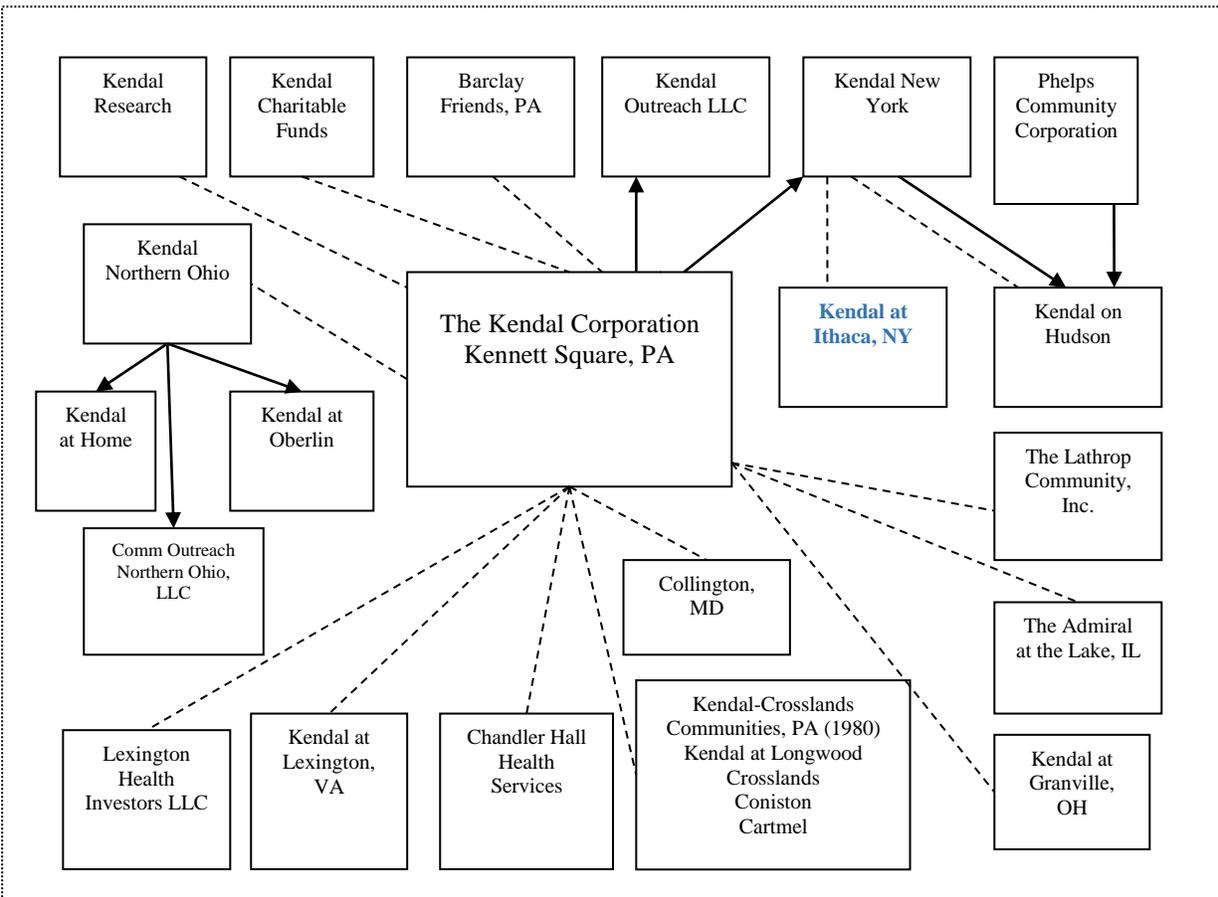
Per the CPA’s discussion with the Community’s management, an audit of the Community’s inventory was not taken by management during 2015. Management was advised to perform inventory counts at each year end. Management agreed that going forward, management would properly update the balances. However, an audit of the Community’s inventory and inventory account balance update was not made for year-end 2016.

It is recommended that the Community performs a year-end review of its inventory and adjusts its inventory balances accordingly.

Additionally, it is recommended that the Community maintains the results of such inventory reviews and adjustments.

## B. Holding Company System

The Community's corporate structure at December 31, 2015, was as follows:



The Community is part of the Kendal System (“Kendal System”) of housing and services for older people, consisting of The Kendal Corporation, Kendal New York, and affiliated organizations. The Kendal Corporation, Kendal New York and affiliates, including Kendal at Ithaca, comprise the Kendal System.

### Kendal New York

In 2005, the Community became affiliated with Kendal New York, a New York not-for-profit corporation, through the Community's by-laws and an affiliation agreement entitled, Mutual Expectations, System Services, and Financial Understandings (“Agreement”), between the two entities.

The Agreement was executed on November 5, 2009, and was approved by the New York State Department of Health.

According to the Agreement, Kendal New York shall have the right to review Kendal at Ithaca's operations, strategic and other plans, consistency with strategic priorities of the Kendal System, and financial projections and performance. If, in the judgment of Kendal New York, Kendal at Ithaca is not operating in accordance with the Agreement, to the extent not prohibited by the laws of New York, Kendal New York may request, and require, if necessary, Kendal at Ithaca to take appropriate action to address the situation. Kendal New York in addition, has the right to affirm any amendments to the articles of incorporation or certain sections of the by-laws before they are implemented.

Furthermore, Kendal New York must approve changes in corporate purpose, incurring of debt, use of the name "Kendal", the substance of residence contracts, and the purchase, sale, lease or other disposition of any real estate or improvements thereon, dissolution, acquisition by other entity, selection of any new member of the Board, and amendment to the Certificate of Incorporation and of the by-laws. It should be noted that such approvals were found during the review of the Community's Board minutes.

Additionally, pursuant to the Agreement, Kendal New York provides the Community with services in the areas of governance and administration, finance (including actuarial studies) and information technology, marketing, public relations and admission consultations, human resources and operations.

The Agreement requires the Community to pay Kendal New York a system fee which is based on a percentage of budgeted operating expenses. A review of the calculation of the system fees paid during the examination period was conducted and no exceptions were noted.

### Service Agreements

On February 12, 2013, the Community entered into a Development & Marketing Agreement (“DM Agreement”) with its parent, Kendal Corporation, for the purpose of expanding and re-positioning its campus as well as utilizing certain other services provided by Kendal Corporation in pursuit of such expansion project.

On December 7, 2015, the Community entered into a third-party Therapy Services and Therapy Staffing Agreement (“TS&S Agreement”) with Kessler Core PT, OT and Speech Therapy at New York, LLC, a professional service liability company.

A review of the 2015 annual statement filings revealed that the Community answered “No” to item (c) of the General Interrogatories, which states the following, in part:

“During the most recent fiscal year covered by this statement has there been a change in the status of any of the following information submitted with the original application or subsequently approved or submitted information pursuant to paragraphs (3-9) and (11-14) of subdivision (c) of section 900.3 of Department of Health Regulation Part 900? If there has been a change to an item indicate “Yes” in the appropriate space, if there has not been a change indicate “No”. (For any changes, attach copies of appropriate documentation)...

(c) Any contracts for the provision of nursing facility services, home health care services or adult care facility services to the CCRC...”

The Community failed to accurately complete its 2015 annual statement filing when it erroneously answered “No” to item (c) of the General Interrogatories. Additionally, the Community failed to comply with the Department’s annual statement filing instructions when it failed to provide a copy of its TS&S Agreement with its submitted annual statement.

It is recommended that the Community comply with the annual statement filing instructions by accurately completing all General Interrogatories in the annual statement.

It is also recommended that the Community comply with the Department's annual statement instructions by attaching copies of all changed agreements to its annual statement filings.

C. Occupancy Rates

The following reflects the occupancy rates at each year-end during the examination period for each of the facilities within the Community:

<u>Level of Care</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Independent living units (ILU)	88.2%	85.8%	87.3%
Adult care facility	82.5%	80.6%	97.8%
Skilled nursing facility	96.1%	81.3%	75.8%

As of September 30, 2016, the occupancy rate relative to the independent living units dropped to 80.9%. The primary reasons for the decrease were the Community's recent expansion of its independent living units and the transfer of some former independent living residents into the adult care facility.

In an effort to attract prospective residents and ultimately increase the occupancy rate of its independent living units, the Community proposed a 10% discount on certain legacy cottages and apartments that had been vacant for more than a year. The proposed discount was approved by the Department in a letter to the Community dated December 2, 2016. The Department is currently monitoring the Community's occupancy rate by having the Community submit updates every 90 days relative to the occupancy level of its independent living units. The Community should continue to strive to attain at a minimum, the independent living units' occupancy rate assumed in its most recent actuarial study.

It should be noted that the Community's last filed actuarial study was as of year-end 2015, and an ultimate ILU occupancy rate of 92% was assumed. A new study will next be done as of year-end 2018, and that study may assume an ultimate ILU occupancy rate that is slightly different from the current assumed ultimate ILU occupancy rate of 92%.

An update of the above is included within the Subsequent Events section of this report on examination.

It is recommended that the Community attain, at a minimum, the independent living unit's occupancy rate assumed in its most recently filed actuarial study.

### **3. FINANCIAL STATEMENTS**

The following statements show the assets, liabilities and actuarial surplus as of December 31, 2015, as contained in the Community's filed 2015 annual statement presented on a statutory actuarial basis pursuant to Insurance Regulation No. 140 (11 NYCRR 350), a condensed summary of operations and a reconciliation of the actuarial surplus account for the years under review.

The firm of CliftonLarsonAllen LLP (CLA) was retained by Kendal to audit the Community's financial statements of financial position starting with the calendar year 2013 and the related statements of operations and cash flows for the years then ended.

CLA concluded that the financial statements present fairly, in all material respects, the financial position of the Community at the respective audit dates. Balances reported in these audited financial statements were reconciled to the corresponding years' annual statements and no discrepancies were noted.

A. Balance SheetAssets

Cash and investable assets	\$ 41,771,000
Accounts receivable and prepaid expenses	1,669,000
Property, plant and equipment	75,409,000
Furniture fixtures and equipment	14,810,000
Accumulated depreciation	(26,609,000)
Deferred financing costs	2,239,000
Deferred marketing costs	<u>1,797,000</u>
Total assets	<u>\$ 111,086,000</u>

Liabilities

Loan payable	\$ 50,485,000
Actuarial reserve	<u>56,201,000</u>
Total liabilities	\$ 106,686,000

Net surplus

Net actuarial surplus	\$ <u>4,400,000</u>
Total liabilities and net actuarial surplus	<u>\$ 111,086,000</u>

**Note:** It should be noted that the asset values herein are reported on a statutory actuarial basis. As such, the values differ from the certified financial statements prepared by the Community's certified public accountants.

B. Statement of Revenue, Expenses and Change in Actuarial Surplus

The statement of revenue and expenses is presented on a statutory modified GAAP basis for the three-year examination period January 1, 2013 through December 31, 2015.

Revenue

Monthly maintenance fees	\$ 39,228,808	
Other revenue from residents	901,451	
Earned entrance fees (net of refunds)	11,449,487	
Interest and dividend income	2,339,206	
Aggregate write-ins for other operating revenue	<u>622,805</u>	
Total revenue		\$ 54,541,757

Expenses

Interest expense	\$ 1,638,378	
Facility and dining expenses	15,202,200	
Health expenses	12,906,138	
Administration expenses	13,516,117	
Depreciation and amortization charges	6,880,009	
Real estate taxes	2,706,336	
NYS health facilities assessment	<u>226,988</u>	
Total expenses		\$ <u>53,076,166</u>
Net income		\$ <u>1,465,591</u>

Change in Actuarial Surplus

Actuarial surplus increased \$2,653,000 during the three-year examination period, January 1, 2013 through December 31, 2015, detailed as follows:

Actuarial surplus, per report on examination, as of December 31, 2011			\$ 1,747,000
	<u>Gains in Surplus</u>	<u>Losses in Surplus</u>	
Net income	\$ 1,465,591		
2012 net income not included in actuarial surplus as of December 31, 2011*	1,220,540		
Statutory adjustment as per examination**	_____	\$ 33,131	
Net increase in actuarial surplus			<u>\$ 2,653,000</u>
Actuarial surplus, per report on examination, as of December 31, 2015			<u>\$ 4,400,000</u>

\*Although the examination period for this report was January 1, 2013 through December 31, 2015, the amounts for the Statement of Revenue, Expenses and Actuarial Surplus and the Changes in Actuarial Surplus encompass calendar year 2012, which was not included in the last report on examination.

\*\* This adjustment represents the difference between the net income pertaining to the statutory modified GAAP basis of accounting and the actuarial surplus.

#### **4. SUBSEQUENT EVENTS**

In 2016, in an effort to attract prospective residents and cure the matter of the low occupancy rate of its independent living units, the Community initiated a 10% discount to the sales price of certain legacy cottages and apartments that were vacant for more than a year. This discount was approved by the Department on December 2, 2016.

It should be noted that the Department is currently monitoring the Community's occupancy rate by requiring the Community to submit an update of its Independent Living Units' occupancy rate every 90 days.

The Community's Independent Living Units' occupancy rate increased from 80.9% as of October 31, 2016 to 83.5% as of December 31, 2016.

## 5. COMPLIANCE WITH PRIOR REPORT ON EXAMINATION

The prior report on examination as of December 31, 2012, contained three (3) comments and recommendations as follow (page number refers to the prior report):

<u>ITEM NO.</u>		<u>PAGE NO.</u>
	<u>Occupancy Rates</u>	
1.	It is recommended that the Community take the necessary steps to increase its occupancy levels for its independent living units to the actuarial accepted level of 95% occupancy.  <i>The Community has not complied with this recommendation. A similar recommendation is included within this report on examination.</i>	10
	<u>Accounts and Records</u>	
2.	It is recommended that the Community comply with the instructions of the General Interrogatory of the annual statement, and provide the required information relative to its Independent Certified Public Accountant, Consulting Actuary, Escrow Agent and Financial Institutions.  <i>The Community has complied with this recommendation.</i>	11
3.	It is recommended that the Community comply with the requirement of Part 350.6(c)(1) of Department Regulation 140 (11 NYCRR 350.6(c)(1)) and refrain from further investing in common and/or preferred stocks when the value of common preferred stocks exceeds 5% of net assets as reported within the balance sheet of the Community's most recent actuarial study.  <i>The Community has complied with this recommendation.</i>	12

## 6. SUMMARY OF COMMENTS AND RECOMMENDATIONS

<u>ITEM</u>	<u>PAGE NO.</u>
A. <u>Corporate Governance (Internal Controls)</u>	
i. It is recommended that the Community, as an internal control practice, establish a written formal review process for all of its manual journal entries.	10
ii. It is recommended that the Community performs a year-end review of its inventory and adjusts its inventory balances accordingly.	10
iii. Additionally, it is recommended that the Community maintains the results of such inventory reviews and adjustments.	10
B. <u>Accounts and Records</u>	
i. It is recommended that the Community comply with the annual statement filing instructions by accurately completing all General Interrogatories in the annual statement.	13
ii. It is also recommended that the Community comply with the Department's annual statement instructions by attaching copies of all changed agreements to its annual statement filings.	14
C. <u>Occupancy Rates</u>	
It is recommended that the Community attain, at a minimum, the independent living units' occupancy rate assumed in its most recently filed actuarial study.	15



**NEW YORK STATE**  
**DEPARTMENT OF FINANCIAL SERVICES**

I, MARIA T. VULLO, Superintendent of Financial Services of the State of New York, pursuant to the provisions of the Financial Services Law and the Insurance Law, do hereby appoint:

**Hussein Agouda**

as a proper person to examine the affairs of

**Kendal at Ithaca, Inc.**

and to make a report to me in writing of the condition of said

**CCRC**

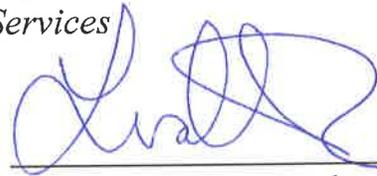
with such other information as he shall deem requisite.

In Witness Whereof, I have hereunto subscribed my name  
and affixed the official Seal of the Department  
at the City of New York

this 12th day of September, 2016

MARIA T. VULLO  
Superintendent of Financial  
Services

By:



Lisette Johnson  
Bureau Chief  
Health Bureau

