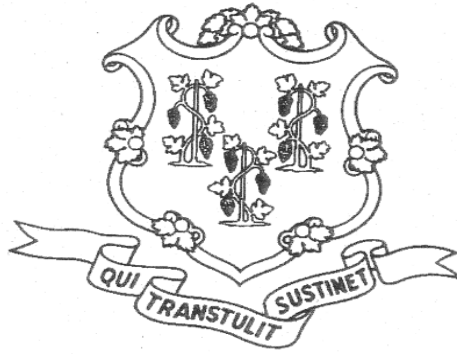


State of Connecticut



Annual Report of Long-Term Care Facility Cost Year 2016

Name of Facility (as licensed) RegalCare at Prospect, LLC	
Address (No. & Street, City, State, Zip Code) 25 Royal Crest Drive, Prospect, CT 06712	
Type of Facility <input checked="" type="checkbox"/> Chronic and Convalescent Nursing Home only (CCNH) <input type="checkbox"/> Rest Home with Nursing Supervision only (RHNS) <input type="checkbox"/> (Specify)	
Report for Year Beginning 3/4/2016	Report for Year Ending 9/30/2016

License Numbers:	CCNH 2253	RHNS	(Specify)	Medicare Provider 07-5207
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Medicaid Provider Numbers:	CCNH 000010918	RHNS	ICF-IID
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For Department Use Only

Sequence Number Assigned	Signed and Notarized	Date Received	Sequence Number Assigned	Signed and Notarized	Date Received

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General Information

Name of Facility (as licensed) RegalCare at Prospect, LLC	License No. 2253	Report for Year Ended 9/30/2016	Page 1	of 37
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Administrator's/Owner's Certification

MISREPRESENTATION OR FALSIFICATION OF ANY INFORMATION CONTAINED IN THIS COST REPORT MAY BE PUNISHABLE BY FINE AND/OR IMPRISONMENT UNDER STATE OR FEDERAL LAW.

I HEREBY CERTIFY that I have read the above statement and that I have examined the accompanying Cost Report and supporting schedules prepared for RegalCare at Prospect, LLC [facility name], for the cost report period beginning March 4, 2016 and ending September 30, 2016, and that to the best of my knowledge and belief, it is a true, correct, and complete statement prepared from the books and records of the provider(s) in accordance with applicable instructions.

I hereby certify that I have directed the preparation of the attached General Information and Questionnaires, Schedule of Resident Statistics, Statements of Reported Expenditures, Statements of Revenues and the related Balance Sheet of this Facility in accordance with the Reporting Requirements of the State of Connecticut for the year ended as specified above. {a}

I have read this Report and hereby certify that the information provided is true and correct to the best of my knowledge under the penalty of perjury. I also certify that all salary and non-salary expenses presented in this Report as a basis for securing reimbursement for Title XIX and/or other State assisted residents were incurred to provide resident care in this Facility. All supporting records for the expenses recorded have been retained as required by Connecticut law and will be made available to auditors upon request.

{a} Subject to Desk Audit Review

Signed (Administrator)		Date	Signed (Owner)		Date
Printed Name (Administrator) Melissa Vivo			Printed Name (Owner) See Page 3		
Subscribed and Sworn to before me:	State of	Date	Signed (Notary Public)	Comm. Expires / /	
Address of Notary Public					

(Notary Seal)

State of Connecticut
Department of Social Services
 55 Farmington Avenue, Hartford, Connecticut 06105

Data Required for Real Wage Adjustment			Page 1A	of 37
Name of Facility RegalCare at Prospect, LLC	Period Covered:	From 3/4/2016	To 9/30/2016	
Address of Facility 25 Royal Crest Drive, Prospect, CT 06712				
Report Prepared By Marcum LLP	Phone Number 203-781-9600	Date 12/19/2016		
Item	Total	CCNH	RHNS	(Specify)
1. Dietary wages paid	\$			
2. Laundry wages paid	\$			
3. Housekeeping wages paid	\$			
4. Nursing wages paid	\$			
5. All other wages paid	\$			
6. Total Wages Paid	\$			
7. Total salaries paid	\$			
8. Total Wages and Salaries Paid (As per page 10 of Report)	\$			

Wages - Compensation computed on an hourly wage rate.

Salaries - Compensation computed on a weekly or other basis which does not generally vary, based on the number of hours worked.

DO NOT include Fringe Benefit Costs.

General Information and Questionnaire
Type of Facility - Organization Structure

Phone No. of Facility 203-758-4431		Report for Year Ended 9/30/2016	Page 2	of 37
Name of Facility (as shown on license) RegalCare at Prospect, LLC		Address (No. & Street, City, State, Zip) 25 Royal Crest Drive, Prospect, CT 06712		
License Numbers:	CCNH 2253	RHNS (Specify)	Medicare Provider No. 07-5207	
Type of Facility (Check appropriate box(es))				
<input checked="" type="checkbox"/> Chronic and Convalescent Nursing Home only (CCNH) <input type="checkbox"/> Rest Home with Nursing Supervision only (RHNS) <input type="checkbox"/> (Specify)				
Type of Ownership (Check appropriate box)				
<input type="radio"/> Proprietorship <input checked="" type="radio"/> LLC <input type="radio"/> Partnership <input type="radio"/> Profit Corp. <input type="radio"/> Non-Profit Corp. <input type="radio"/> Government <input type="radio"/> Trust				
If this facility opened or closed during report year provide:		Date Opened	Date Closed	
Has there been any change in ownership or operation during this report year? <input checked="" type="radio"/> Yes <input type="radio"/> No If "Yes," explain fully.				
Purchased by RegalCare OP Holding Company, LLC on 3/4/2016 from Paradigm.				
Administrator				
Name of Administrator Melissa Vivo		Nursing Home Administrator's License No.:	002043	
Other Operators/Owners who are assistant administrators (full or part time) of this facility.				
Name		License No.:		

General Information and Questionnaire
Corporate Owners

Name of Facility RegalCare at Prospect, LLC	License No. 2253	Report for Year Ended 9/30/2016	Page 3A	of 37
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If this facility is owned or operated as a corporation, provide the following information:

Legal Name of Corporation	Business Address	State(s) in Which Incorporated	

Name of Directors, Officers	Business Address	Title	No. Shares Held by Each
N/A			

Names of Stockholders Owning at Least 10% of Shares			

General Information and Questionnaire Related Parties*

Name of Facility RegalCare at Prospect, LLC	License No. 2253	Report for Year Ended 9/30/2016	Page 4	of 37				
<p>Are any individuals receiving compensation from the facility related through marriage, ability to control, ownership, family or business association? <input type="radio"/> Yes <input checked="" type="radio"/> No</p> <p style="text-align: right;">If "Yes," provide the Name/Address and complete the information on Page 11 of the report.</p>								
<p>Are any individuals or companies which provide goods or services, including the rental of property or the loaning of funds to this facility, related through family association, common ownership, control, or business association to any of the owners, operators, or officials of this facility? <input checked="" type="radio"/> Yes <input type="radio"/> No</p> <p style="text-align: right;">If "Yes," provide the following information:</p>								
Name of Related Individual or Company	Business Address	Also Provides Goods/Services to Non-Related Parties			Description of Goods/Services Provided	Indicate Where Costs are Included in Annual Report Page # / Line #	Cost Reported	Actual Cost to the Related Party
		Yes	No	%**				
RegalCare OP Holding Company, LLC	5 Barlow Road, Edison, NJ 08817	<input type="radio"/>	<input checked="" type="radio"/>		Line of Credit Interest	Pg. 27 / Line 12d	88,710	88,710
RegalCare Management Group	5 Barlow Road, Edison, NJ 08817	<input type="radio"/>	<input checked="" type="radio"/>		Management Fee	Pg. 16 / Line m12	345,184	167,386
Regal Care Rehab	26 Firemens Memorial Drive, Suite 205 Pomona, NY 10970	<input type="radio"/>	<input checked="" type="radio"/>		Physical Therapy	Pg. 13 / Line B5a	139,969	139,969
Regal Care Rehab	26 Firemens Memorial Drive, Suite 205 Pomona, NY 10970	<input type="radio"/>	<input checked="" type="radio"/>		Speech Therapy	Pg. 13 / Line B9a	43,155	43,155
Regal Care Rehab	26 Firemens Memorial Drive, Suite 205 Pomona, NY 10970	<input type="radio"/>	<input checked="" type="radio"/>		Occupational Therapy	Pg. 13 / Line B10a	162,231	162,231
RegalCare Management Group	5 Barlow Road, Edison, NJ 08817	<input type="radio"/>	<input checked="" type="radio"/>		Workers Comp	Pg. 15 / Line 1a1	175,126	175,126
RegalCare Management Group	5 Barlow Road, Edison, NJ 08817	<input type="radio"/>	<input checked="" type="radio"/>		Health Insurance	Pg. 15 / Line 1a5	98,203	98,203
RegalCare Management Group	5 Barlow Road, Edison, NJ 08817	<input type="radio"/>	<input checked="" type="radio"/>		Property Insurance	Pg. 27 / Line 14a	5,821	5,821
RegalCare Management Group	5 Barlow Road, Edison, NJ 08817	<input type="radio"/>	<input checked="" type="radio"/>		Liability Insurance	Pg. 27 / Line 14c3	23,935	23,935

* Use additional sheets if necessary.

** Provide the percentage amount of revenue received from non-related parties.

General Information and Questionnaire
Basis for Allocation of Costs

Name of Facility RegalCare at Prospect, LLC	License No. 2253	Report for Year Ended 9/30/2016	Page 5	of 37
If the facility is licensed as CDH and/or RCH or provides AIDS or TBI services with special Medicaid rates, costs must be allocated to CCNH and RHNS as follows:				
Item		Method of Allocation		
Dietary		Number of meals served to residents		
Laundry		Number of pounds processed		
Housekeeping		Number of square feet serviced		
Nursing		Number of hours of routine care provided by EACH employee classification, i.e., Director (or Charge Nurse), Registered Nurses, Licensed Practical Nurses, Aides and Attendants		
Direct Resident Care Consultants		Number of hours of resident care provided by EACH specialist (See listing page 13)		
Maintenance and operation of plant		Square feet		
Property costs (depreciation)		Square feet		
Employee health and welfare		Gross salaries		
Management services		Appropriate cost center involved		
All other General Administrative expenses		Total of Direct and Allocated Costs		
The preparer of this report must answer the following questions applicable to the cost information provided.				
1. In the preparation of this Report, were all costs allocated as required? <input checked="" type="radio"/> Yes <input type="radio"/> No If "No," explain fully why such allocation was not made.				
2. Explain the allocation of related company expenses and attach copy of appropriate supporting data.				
N/A				
3. Did the Facility appropriately allocate and self-disallow direct and indirect costs to non-nursing home cost centers? (e.g., Assisted Living, Home Health, Outpatient Services, Adult Day Care Services, etc.)				
<input checked="" type="radio"/> Yes <input type="radio"/> No If "No," explain fully why such allocation was not made.				

General Information and Questionnaire Leases (Excluding Real Property)

Operating Leases - Include all long-term leases for motor vehicles and equipment that have not been capitalized. Short-term leases or as needed rentals should not be included in these amounts.

Name of Facility RegalCare at Prospect, LLC			License No. 2253		Report for Year Ended 9/30/2016		Page 6	of 37
Name and Address of Lessor	Related * to Owners, Operators, Officers		Description of Items Leased	Date of Lease**	Term of Lease	Annual Amount of Lease	Amount Claimed	
	Yes	No						
	<input type="radio"/>	<input type="radio"/>						
	<input type="radio"/>	<input type="radio"/>						
	<input type="radio"/>	<input type="radio"/>						
	<input type="radio"/>	<input type="radio"/>						
	<input type="radio"/>	<input type="radio"/>						
	<input type="radio"/>	<input type="radio"/>						
	<input type="radio"/>	<input type="radio"/>						
	<input type="radio"/>	<input type="radio"/>						
	<input type="radio"/>	<input type="radio"/>						
Is a Mileage Log Book Maintained for All Leased Vehicles ?							<input type="radio"/> Yes	<input type="radio"/> No
							Total ***	

* Refer to Page 4 for definition of related. If "Yes," transaction should be reported on Page 4 also.

** Attach copies of newly acquired leases.

*** Amount should agree to Page 22, Line 6e.

General Information and Questionnaire
Accounting Basis

Name of Facility RegalCare at Prospect, LLC	License No. 2253	Report for Year Ended 9/30/2016	Page 7	of 37
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The records of this facility for the period covered by this report were maintained on the following basis:
 Accrual Cash Modified Cash

Is the accounting basis for this period the same as for the previous period? Yes No If "No," explain.

Independent Accounting Firm

Name of Accounting Firm 1 Marcum LLP 2 3 4	Address (No. & Street, City, State, Zip Code) 555 Long Wharf Drive, New Haven, CT 06511
--	--

Services Provided by This Firm (*describe fully*)

1 Wage enhancement, rate templates, prior owner Medicare CHOW reports (Disallowed \$3,150 on Pg. 28)	\$ 6,148
2	\$
3	\$
4	\$
	Charge for Services Provided
	\$ 6,148

Are These Charges Reflected in the Expenditure Portion of This Report? If Yes, Specify Expense Classification and Line No.
 Yes No Page 15, Line 1d

Legal Services Information

Name of Legal Firm or Independent Attorney 1 Robinson + Cole LLP 2 Murtha Cullina LLP 3 CNH Finance 4 5	Telephone Number 860-275-8200 860-240-6000 203-742-3057
--	--

Address (*No. & Street, City, State, Zip Code*)
 1 280 Trumbull Street, Hartford, CT 06103
 2 P.O. Box 150435
 3 Two Greenwich Plaza Greenwich, CT 06830
 4
 5

Services Provided by This Firm (*describe fully*)

1 Settlements for employee issues (Disallowed 50% on Pg. 28)	\$ 2,650
2 Legal service for successor liability claims (Disallowed on Pg. 28)	\$ 3,272
3 Line of Credit Financing (Disallowed on Pg. 28)	\$ 1,277
4	\$
5	\$
	Charge for Services Provided
	\$ 7,199

Are These Charges Reflected in the Expenditure Portion of This Report? If Yes, Specify Expense Classification and Line No.
 Yes No Page 15, Line 1e

Schedule of Resident Statistics

Name of Facility RegalCare at Prospect, LLC		License No. 2253			Report for Year Ended 9/30/2016				Page 8	of 37		
	Total All Levels	Total CCNH Level	Total RHNS Level	Total (Specify)	Period 10/1 Thru 6/30				Period 7/1 Thru 9/30			
					Total	CCNH	RHNS	(Specify)	Total	CCNH	RHNS	(Specify)
1. Certified Bed Capacity												
A. On last day of PREVIOUS report period									120	120		
B. On last day of THIS report period	120	120			120	120			120	120		
2. Number of Residents												
A. As of midnight of PREVIOUS report period									105	105		
B. As of midnight of THIS report period	105	105			105	105			105	105		
3. Total Number of Days Care Provided During Period												
A. Medicare	2,588	2,588			1,419	1,419			1,169	1,169		
B. Medicaid (Conn.)	18,630	18,630			10,353	10,353			8,277	8,277		
C. Medicaid (other states)												
D. Private Pay	720	720			465	465			255	255		
E. State SSI for RCH												
F. Other (Specify) HMO & Private Insurance	119	119			51	51			68	68		
G. Total Care Days During Period (3A thru F)	22,057	22,057			12,288	12,288			9,769	9,769		
4. Total Number of Days Not Included in Figures in 3G for Which Revenue Was Received for Reserved Beds												
A. Medicaid Bed Reserve Days												
B. Other Bed Reserve Days												
5. Total Resident Days (3G + 4A + 4B)	22,057	22,057			12,288	12,288			9,769	9,769		

Schedule of Resident Statistics (Cont'd)

Name of Facility RegalCare at Prospect, LLC			License No. 2253			Report for Year Ended 9/30/2016			Page 9		of 37		
4. Were there any changes in the certified bed capacity during the report year? <input type="radio"/> Yes <input checked="" type="radio"/> No If "YES", provide the following information:													
Date of Change	Place of Change			Change in Beds						Capacity After Change			Reason for Change
	CCNH	RHNS	(Specify)	Lost			Gained			CCNH	RHNS	(Specify)	
	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)				
5. If there was any change in certified bed capacity during the report year (as reported in item 4 above) provide the number of RESIDENT DAYS for 90 days following the change.													
Change in Resident Days									CCNH	RHNS	(Specify)		
1st change													
2nd change													
3rd change													
4th change													
6. Number of Residents and Rates on September 30 of Cost Year													
Item	Medicare		Medicaid			Self-Pay			Other State Assisted				
	CCNH	RHNS	CCNH	RHNS	(Specify)	CCNH	RHNS	(Specify)	R.C.H.	ICF-MR			
No. of Residents	10		88			7							
Per Diem Rate													
a. One bed rm.	Various		258.48			344.00							
b. Two bed rms.	Various		258.48			344.00							
c. Three or more bed rms.													
7. Total Number of Physical Therapy Treatments													
A. Medicare - Part B						TOTAL	CCNH	RHNS	(Specify)				
B. Medicaid (Exclusive of Part B)						1,385	1,385						
1. Maintenance Treatments						43	43						
2. Restorative Treatments						388	388						
C. Other						6,208	6,208						
D. Total Physical Therapy Treatments						8,024	8,024						
8. Total Number of Speech Therapy Treatments													
A. Medicare - Part B						467	467						
B. Medicaid (Exclusive of Part B)													
1. Maintenance Treatments						2	2						
2. Restorative Treatments						20	20						
C. Other						917	917						
D. Total Speech Therapy Treatments						1,406	1,406						
9. Total Number of Occupational Therapy Treatments													
A. Medicare - Part B						1,792	1,792						
B. Medicaid (Exclusive of Part B)													
1. Maintenance Treatments						42	42						
2. Restorative Treatments						381	381						
C. Other						6,904	6,904						
D. Total Occupational Therapy Treatments						9,119	9,119						

Annual Report of Long-Term Care Facility

CSP-10 Rev. 9/2002

Report of Expenditures - Salaries & Wages

Name of Facility RegalCare at Prospect, LLC	License No. 2253	Report for Year Ended 9/30/2016	Page 10	of 37		
Are time records maintained by all individuals receiving compensation? <input checked="" type="radio"/> Yes <input type="radio"/> No						
Total Cost and Hours						
Item	CCNH	Hours	RHNS	Hours	(Specify)	Hours
A. Salaries and Wages*						
1. Operators/Owners (Complete also Sec. I of Schedule A1)						
2. Administrator(s) (Complete also Sec. III of Schedule A1)	63,993	1,548				
3. Assistant Administrator (Complete also Sec. IV of Schedule A1)						
4. Other Administrative Salaries (telephone operator, clerks, receptionists, etc.)	93,190	3,379				
5. Dietary Service						
a. Head Dietitian	18,467	496				
b. Food Service Supervisor	29,824	1,235				
c. Dietary Workers	252,378	14,033				
6. Housekeeping Service						
a. Head Housekeeper						
b. Other Housekeeping Workers	163,817	8,081				
7. Repairs & Maintenance Services						
a. Engineer or Chief of Maintenance	25,574	1,056				
b. Other Maintenance Workers	23,446	1,243				
8. Laundry Service						
a. Supervisor						
b. Other Laundry Workers	48,131	2,478				
9. Barber and Beautician Services						
10. Protective Services	32,020	2,085				
11. Accounting Services						
a. Head Accountant						
b. Other Accountants						
12. Professional Care of Residents						
a. Directors and Assistant Director of Nurses	89,134	2,108				
b. RN						
1. Direct Care	525,281	11,239				
2. Administrative**	123,717	4,935				
c. LPN						
1. Direct Care	604,818	18,762				
2. Administrative**						
d. Aides and Attendants	1,097,748	55,215				
e. Physical Therapists						
f. Speech Therapists						
g. Occupational Therapists	2,349	35				
h. Recreation Workers	49,330	2,649				
i. Physicians						
1. Medical Director						
2. Utilization Review						
3. Resident Care***						
4. Other (Specify)						
j. Dentists						
k. Pharmacists						
l. Podiatrists						
m. Social Workers/Case Management	26,937	1,332				
n. Marketing						
o. Other (Specify) See Attached Schedule	28,128	1,579				
<i>A-13. Total Salary Expenditures</i>	3,298,282	133,488				

* Do not include in this section any expenditures paid to persons who receive a fee for services rendered or who are paid on a contract basis.

** Administrative - costs and hours associated with the following positions: MDS Coordinator, Inservice Training Coordinator and Infection Control Nurse. Such costs shall be included in the direct care category for the purposes of rate setting.

*** This item is not reimbursable to facility. For Title 19 residents, doctors should bill DSS directly. Also, any costs for Title 18 and/or other private pay residents must be removed on Page 28.

Schedule of Other Salaries and Wages (Page 10)

Position	CCNH		RHNS		(Specify)	
	\$	Hours	\$	Hours	\$	Hours
	-					
Medical Records	\$ 20,672	1,186				
Rehab Aides	\$ 7,456	393				
Total	\$ 28,128	1,579	\$ -	-	\$ -	-

Schedule of Other Fees (Page 13)

Service	CCNH		RHNS		(Specify)	
	\$	Hours	\$	Hours	\$	Hours
	-					
Respiratory Therapist	\$ 1,780	24				
Independent Nurse Monitor	\$ 19,254	186				
Total	\$ 21,034	210	\$ -	-	\$ -	-

**Schedule A1 - Salary Information for Operators/Owners; Administrators,
Assistant Administrators and Other Related Parties***

Name of Facility				License No.	Report for Year Ended			Page	of	
RegalCare at Prospect, LLC				2253	9/30/2016			11	37	
Name	Salary Paid			Fringe Benefits and/or Other Payments (describe fully)	Full Description of Services Rendered	Total Hours Worked	Line Where Claimed on Page 10	Name and Address of All Other Employment**	Total Hours Worked	Compensation Received
	CCNH	RHNS	(Specify)							
Section I - Operators/Owners										
Section II - Other related parties of Operators/Owners employed in and paid by facility (EXCEPT those who may be the Administrator or Assistant Administrators who are identified on Page 12).										

* No allowance for salaries will be considered unless full information is provided. Use additional sheets if required.

** Include **all** employment worked during the cost year.

**Schedule A1 - Salary Information for Operators/Owners; Administrators,
Assistant Administrators and Other Related Parties***

Name of Facility (as licensed)				License No.	Report for Year Ended			Page	of	
RegalCare at Prospect, LLC				2253	9/30/2016			12	37	
Name	Salary Paid			Fringe Benefits and/or Other Payments (describe fully)	Full Description of Services Rendered	Total Hours Worked	Line Where Claimed on Page 10	Name and Address of All Other Employment**	Total Hours Worked	Compensation Received
	CCNH	RHNS	(Specify)							
Section III - Administrators***										
Paul Bishins (3/4/2016 - 7/22/2016)	37,228			Non Discrim	Administrator	740	A2			
Melissa Vivo (5/23/2016 - 9/30/2016)	26,765			Non Discrim	Administrator	808	A2			
Section IV - Assistant Administrators										

*No allowance for salaries will be considered unless full information is provided. Use additional sheets if required.

** Include **all** other employment worked during the cost year.

*** If more than one Administrator is reported, include dates of employment for each.

B. Report of Expenditures - Professional Fees

Name of Facility	License No.	Report for Year Ended	Page	of		
RegalCare at Prospect, LLC	2253	9/30/2016	13	37		
Total Cost and Hours						
Item	CCNH	Hours	RHNS	Hours	(Specify)	Hours
*B. Direct care consultants paid on a fee for service basis in lieu of salary (For all such services complete Schedule B1)						
1. Dietitian						
2. Dentist	3,600	Monthly Fee				
3. Pharmacist						
4. Podiatrist						
5. Physical Therapy						
a. Resident Care	139,969	2,038				
b. Other						
6. Social Worker						
7. Recreation Worker						
8. Physicians						
a. Medical Director (entire facility)	15,500	145				
b. Utilization Review (Title 18 and 19 only) monthly meeting						
c. Resident Care**						
d. Administrative Services facility						
1. Infection Control Committee (Quarterly meetings)						
2. Pharmaceutical Committee (Quarterly meetings)						
3. Staff Development Committee (Once annually)						
e. Other (Specify)						
9. Speech Therapist						
a. Resident Care	43,155	629				
b. Other						
10. Occupational Therapist						
a. Resident Care	162,231	2,362				
b. Other						
11. Nurses and aides and attendants						
a. RN						
1. Direct Care	1,065	18				
2. Administrative***						
b. LPN						
1. Direct Care						
2. Administrative***						
c. Aides						
d. Other						
12. Other (Specify) See Attached Schedule	21,034	210				
B-13 Total Fees Paid in Lieu of Salaries	386,554	5,402				

* Do not include in this section management consultants or services which must be reported on Page 16 item M-12 and supported by required information, Page 17.

** This item is not reimbursable to facility. For Title 19 residents, doctors should bill DSS directly. Also, any costs for Title 18 and/or other private pay residents must be removed on Page 28.

*** Administrative - costs and hours associated with the following positions: MDS Coordinator, Inservice Training Coordinator and Infection Control Nurse. Such costs shall be included in the direct care category for the purposes of rate setting.

Report of Expenditures
Schedule B1 - Information Required for Individual(s) Paid on Fee for Service Basis*

Name of Facility RegalCare at Prospect, LLC		License No. 2253		Report for Year Ended 9/30/2016	Page 14	of 37
Name & Address of Individual	Full Explanation of Service	Related** to Owners, Operators, Officers		Explanation of Relationship		
		Yes	No			
LTC Management, 174 Scott Road Prospect CT 06712	Dentist	<input type="radio"/>	<input checked="" type="radio"/>	N/A		
Stern Therapy Consultants LLC, 26 Firemans Memorial Drive, Suite 205, Pomona, NY 10970	Physical, Occupational and Speech Therapy	<input type="radio"/>	<input checked="" type="radio"/>	N/A		
Regal Care Rehab, 26 Firemens Memorial Drive, Suite 205 Pomona, NY 10970	Physical, Occupational and Speech Therapy	<input checked="" type="radio"/>	<input type="radio"/>	Common Ownership		
IPC Healthcare, PO BOX 844929, Los Angelas, CA 90084	Medical Director	<input type="radio"/>	<input checked="" type="radio"/>	N/A		
Associated Physicians of Southbury P.C., 385 Mai St. South Suite 301 , CT 06488	Medical Director	<input type="radio"/>	<input checked="" type="radio"/>	N/A		
ProCaire, 77 Summit Street Manchester CT 06040	Respiratory Therapist	<input type="radio"/>	<input checked="" type="radio"/>	N/A		
Tcnical Gas Products, 101 North Plains Industrail Rd. 1B Suite 1 Walingford, CT 06492	Respiratory Therapist	<input type="radio"/>	<input checked="" type="radio"/>	N/A		
Lynn Poole, 31 Bronx Ave, Waterbury, CT 06705	Independent Nurse Monitor	<input type="radio"/>	<input checked="" type="radio"/>	N/A		
Ann Gonsalves, 66 Warner Rd., North Haven CT 06473	Independent Nurse Monitor	<input type="radio"/>	<input checked="" type="radio"/>	N/A		
The Nurse Network, 653 Main Street, Plainville, CT 06479	Nursing Agency	<input type="radio"/>	<input checked="" type="radio"/>	N/A		
		<input type="radio"/>	<input type="radio"/>			
		<input type="radio"/>	<input type="radio"/>			
		<input type="radio"/>	<input type="radio"/>			
		<input type="radio"/>	<input type="radio"/>			
		<input type="radio"/>	<input type="radio"/>			
		<input type="radio"/>	<input type="radio"/>			
		<input type="radio"/>	<input type="radio"/>			
		<input type="radio"/>	<input type="radio"/>			
		<input type="radio"/>	<input type="radio"/>			
		<input type="radio"/>	<input type="radio"/>			
		<input type="radio"/>	<input type="radio"/>			
		<input type="radio"/>	<input type="radio"/>			

* Use additional sheets if necessary.
 ** Refer to Page 4 for definition of related.

C. Expenditures Other Than Salaries - Administrative and General

Name of Facility	License No.	Report for Year Ended	Page	of
RegalCare at Prospect, LLC	2253	9/30/2016	15	37
Item	Total	CCNH	RHNS	(Specify)
1. Administrative and General				
a. Employee Health & Welfare Benefits				
1. Workmen's Compensation	\$ 175,126	175,126		
2. Disability Insurance	\$			
3. Unemployment Insurance	\$			
4. Social Security (F.I.C.A.)	\$ 340,336	340,336		
5. Health Insurance	\$ 634,717	634,717		
6. Life Insurance (employees only) (not-owners and not-operators)	\$			
7. Pensions (Non-Discriminatory) (not-owners and not-operators)	\$ 189,607	189,607		
8. Uniform Allowance	\$			
9. Other (<i>Specify</i>) See Attached Schedule	\$ 31,217	31,217		
b. Personal Retirement Plans, Pensions, and Profit Sharing Plans for Owners and Operators (Discriminatory)*	\$			
c. Bad Debts*	\$			
d. Accounting and Auditing	\$ 6,148	6,148		
e. Legal (<i>Services should be fully described on Page 7</i>)	\$ 7,199	7,199		
f. Insurance on Lives of Owners and Operators (<i>Specify</i>)*	\$			
g. Office Supplies	\$ 9,709	9,709		
h. Telephone and Cellular Phones				
1. Telephone & Pagers	\$ 6,864	6,864		
2. Cellular Phones	\$ 656	656		
i. Appraisal (<i>Specify purpose and attach copy</i>)*	\$			
j. Corporation Business Taxes (<i>franchise tax</i>)	\$ 349	349		
k. Other Taxes (<i>Not related to property - See Page 22</i>)				
1. Income*	\$			
2. Other (<i>Specify</i>) See Attached Schedule	\$			
3. Resident Day User Fee	\$ 407,578	407,578		
Subtotal	\$ 1,809,506	1,809,506		

* Facility should self-disallow the expense on Page 28 of the Cost Report.

(Carry Subtotals forward to next page)

C. Expenditures Other Than Salaries (cont'd) - Administrative and General

Name of Facility	License No.	Report for Year Ended		Page	of
RegalCare at Prospect, LLC	2253	9/30/2016		16	37
Item	Total	CCNH	RHNS	(Specify)	
Subtotals Brought Forward:					
	1,809,506	1,809,506			
1. Travel and Entertainment					
1. Resident Travel and Entertainment	\$				
2. Holiday Parties for Staff	\$				
3. Gifts to Staff and Residents	\$				
4. Employee Travel	\$	7,225	7,225		
5. Education Expenses Related to Seminars and Conventions	\$	3,151	3,151		
6. Automobile Expense (<i>not purchase or depreciation</i>)	\$				
7. Other (<i>Specify</i>)	\$				
See Attached Schedule					
m. Other Administrative and General Expenses					
1. Advertising Help Wanted (<i>all such expenses</i>)	\$	886	886		
2. Advertising Telephone Directory (<i>all such expenses</i>)***	\$				
3. Advertising Other (<i>Specify</i>)***	\$	10,735	10,735		
See Attached Schedule					
4. Fund-Raising***	\$				
5. Medical Records	\$				
6. Barber and Beauty Supplies (if this service is supplied directly and not by contract or fee for service)***	\$				
7. Postage	\$	936	936		
* 8. Dues and Membership Fees to Professional Associations (<i>Specify</i>)	\$				
See Attached Schedule					
8a. Dues to Chamber of Commerce & Other Non-Allowable Org.***	\$				
9. Subscriptions	\$				
10. Contributions***	\$				
See Attached Schedule					
11. Services Provided by Contract (<i>Specify and Complete Schedule C-2, Page 21 for each firm or individual</i>)	\$	67,655	67,655		
12. Administrative Management Services**	\$	345,184	345,184		
13. Other (<i>Specify</i>)	\$	184,555	184,555		
See Attached Schedule					
C-14 Total Administrative & General Expenditures	\$	2,429,833	2,429,833		

* Do not include Subscriptions, which should go in item 9.

** Schedule C-1, Page 17 must be fully completed or this expenditure will not be allowed.

*** Facility should self-disallow the expense on Page 28 of the Cost Report.

Schedule of Other Travel and Entertainment

Description	CCNH	RHNS	(Specify)
	-		
Total Other Travel and Entertainment	\$ -	\$ -	\$ -

Schedule of Other Advertising

Description	CCNH	RHNS	(Specify)
	-		
Marketing & Advertsing	\$ 10,735		
Total Other Advertising	\$ 10,735	\$ -	\$ -

Schedule of Dues

Description	CCNH	RHNS	(Specify)
	-		
Total Dues	\$ -	\$ -	\$ -

Schedule of Contributions

Description	CCNH	RHNS	(Specify)
	-		
Total Contributions	\$ -	\$ -	\$ -

Schedule of Other Administrative and General

Description	CCNH	RHNS	(Specify)
	-		
Licenses	\$ 440		
Fines & Penalties	\$ 2,247		
Late Fees	\$ 50		
Bank Fees	\$ 19,959		
Startup Costs	\$ 78,343		
Prior Period Adjustment	\$ 83,516		
Total Other Administrative and General	\$ 184,555	\$ -	\$ -

Schedule C-1 - Management Services*

Name of Facility RegalCare at Prospect, LLC	License No. 2253	Report for Year Ended 9/30/2016	Page of 17 37
Name & Address of Individual or Company Supplying Service	Cost of Management Service	Full Description of Mgmt. Service Provided	Indicate Where Costs are Included in Annual Report Page #/Line #
RegalCare Management Group, 5 Barlow Road, Edison, NJ 08817	345,184	Management Services Per Contract	Pg. 16 / Line m12

*** In addition to management fees reported on page 16, line m12 include any additional management company charges or allocations of home office overhead costs reported elsewhere in the Annual Report.**

C. Expenditures Other Than Salaries (cont'd) - Dietary Basis for Allocation of Costs (See Note on Page 5)

Name of Facility RegalCare at Prospect, LLC	License No. 2253	Report for Year Ended 9/30/2016	Page 18	of 37
Item	Total	CCNH	RHNS	(Specify)
2. Dietary				
a. In-House Preparation & Service				
1. Raw Food	\$ 121,311	121,311		
2. Non-Food Supplies	\$ 11,053	11,053		
3. Other (<i>Specify</i>) _____ Minor Equipment & Supplies	\$ 947	947		
b. Purchased Services (<i>by contract other than through Management Services</i>) (<i>Complete Schedule C-2 att. Page 21</i>)	\$			
c. Management Services**	\$			
d. Other (<i>Specify</i>) _____	\$			
2E. Total Dietary Expenditures (2a + b + c + d)	\$ 133,311	133,311		
2F. Dietary Questionnaire	Total	CCNH	RHNS	(Specify)
G. Resident Meals: Total no. of meals served per day:*				
H. Is cost of employee meals included in 2E? <input type="radio"/> Yes <input checked="" type="radio"/> No				
I. Did you receive revenue from employees? <input type="radio"/> Yes <input checked="" type="radio"/> No If yes, specify amt.				
J. Where is the revenue received reported in the Cost Report? (Page/Line Item)				
K. Is cost of meals provided to persons other than employees or residents (i.e., Board Members, Guests) included in 2E? <input type="radio"/> Yes <input checked="" type="radio"/> No If yes, specify cost.				
L. Is any revenue collected from these people? <input type="radio"/> Yes <input checked="" type="radio"/> No If yes, specify amt.				
M. Where is the revenue received reported in the Cost Report? (Page/Line Item)				
N. Is cost of food (other than meals, e.g., snacks at monthly staff meetings, board meetings) provided to employees included in 2E? <input type="radio"/> Yes <input checked="" type="radio"/> No If yes, specify cost.				
O. Is any revenue collected from employees? <input type="radio"/> Yes <input checked="" type="radio"/> No If yes, specify amt.				
P. Where is the revenue received reported in the Cost Report? (Page/Line Item)				

* Count each tray served to a resident at meal time, but do not count liquids or other "between meal" snacks.
 ** Schedule C-1, Page 17 must be fully completed or this expenditure will not be allowed.

C. Expenditures Other Than Salaries (cont'd) - Laundry Basis for Allocation of Costs
(See Note on Page 5)

Name of Facility RegalCare at Prospect, LLC		License No. 2253	Report for Year Ended 9/30/2016	Page 19	of 37
Item		Total	CCNH	RHNS	(Specify)
3. Laundry					
a. In-House Processing*		Lbs.			
1. Bed linens, cubicle curtains, draperies, gowns and other resident care items washed, ironed, and/or processed.***		Amt. \$			
2. Employee items including uniforms, gowns, etc. washed, ironed and/or processed.***		Lbs.			
		Amt. \$			
3. Personal clothing of residents washed, ironed, and/or processed.***		Lbs.			
		Amt. \$			
4. Repair and/or purchase of linens.***		Lbs.			
		Amt. \$			
b. Purchased Services (by contract other than through Management Services) (Complete Schedule C-2 att. Page 21)		\$			
c. Management Services**		\$			
d. Other (Specify) Supplies & Equipment		\$	5,198	5,198	
3E. Total Laundry Expenditures (3a + b + c + d)		\$	5,198	5,198	
3F. Laundry Questionnaire					
G. Is cost of employee laundry included in 3E?		<input type="radio"/> Yes	<input checked="" type="radio"/> No	If yes, specify cost.	
H. Did you receive revenue from employees?		<input type="radio"/> Yes	<input checked="" type="radio"/> No	If yes, specify amt.	
I. Where is the revenue received reported in the Cost Report?		(Page/Line Item)			
J. Is Cost of laundry provided to persons other than employees or residents included in 3E?		<input type="radio"/> Yes	<input checked="" type="radio"/> No	If yes, specify cost.	
K. Did you receive revenue from these people?		<input type="radio"/> Yes	<input checked="" type="radio"/> No	If yes, specify amt.	
L. Where is the revenue received reported in the Cost Report?		(Page/Line Item)			

* Do not include salaries from page 10 as part of dollar values recorded in 1, 2, 3, and 4.
 All allocations should add to total recorded in 3E.

** Schedule C-1, Page 17 must be fully completed or this expenditure will not be allowed.

*** Pounds of Laundry only required for multi-level facilities.

**C. Expenditures Other Than Salaries (cont'd) - Housekeeping and Resident Care
 Basis for Allocation of Costs (See Note on Page 5)**

Name of Facility		License No.	Report for Year Ended		Page	of
RegalCare at Prospect, LLC		2253	9/30/2016		20	37
Item			Total	CCNH	RHNS	(Specify)
4.	Housekeeping	Sq. Ft. Serviced by Personnel				
a.	In-House Care					
1.	Supplies - Cleaning (<i>Mops, pails, brooms, etc.</i>)	Amt. \$				
b.	Purchased Services (<i>by contract other than through Management Services</i>) (<i>Complete Schedule C-2 att. Page 21</i>)	Sq. Ft. Serviced by Personnel				
		Amt. \$				
c.	Management Services*	\$				
d.	Other (<i>Specify</i>) Supplies	\$	10,232	10,232		
4E.	Total Housekeeping Expenditures (4a + b + c + d)	\$	10,232	10,232		
5.	Resident Care (Supplies)**					
a.	Prescription Drugs***					
1.	Own Pharmacy	\$				
2.	Purchased from Pharmacy	\$	109,447	109,447		
b.	Medicine Cabinet Drugs	\$	4,840	4,840		
c.	Medical and Therapeutic Supplies	\$				
d.	Ambulance/Limousine****	\$	4,126	4,126		
e.	Oxygen					
1.	For Emergency Use	\$				
2.	Other****	\$	4,787	4,787		
f.	X-rays and Related Radiological Procedures****	\$	4,179	4,179		
g.	Dental (<i>Not dentists who should be included under salaries or fees</i>)	\$				
h.	Laboratory****	\$	8,521	8,521		
i.	Recreation	\$	13,361	13,361		
j.	Other (<i>Specify</i>)**** See Attached Schedule	\$	156,122	156,122		
5K.	Total Resident Care Expenditures (5a - 5j)	\$	305,383	305,383		

* Schedule C-1, Page 17 must be fully completed or this expenditure will not be allowed.

** Do not include any fees to professional staff, these should be reported on Page 13, or, if paid on salary basis, on Page 10.

*** Facility should self-disallow the expense on Page 29 of the Cost Report.

**** ICFMR's should provide a detailed schedule of all Day Program Costs.

Schedule of Other Resident Care

Description	CCNH	RHNS	(Specify)
	-		
PPD Supplies	\$ 69,913		
Minor Equip & Supplies	\$ 4,180		
Incontinence Supplies	\$ 4,700		
Equipment Rental	\$ 75,760		
Data Processing	\$ 1,269		
Overnight Pulse Oximetry Studies	\$ 300		
Total Other Resident Care	\$ 156,122	\$ -	\$ -

Report of Expenditures
Schedule C-2 - Individuals or Firms Providing Services by Contract *

Name of Facility RegalCare at Prospect, LLC			License No. 2253		Report for Year Ended 9/30/2016			Page of 21 37		
Name of Individual or Company	Address	Related ** to Owners, Operators, Officers		Explanation of Relationship	Full Explanation of Service Provided*	Total Cost/Page Ref.***				
		Yes	No			CCNH	RHNS	(Specify)	Pg	Line
Caretech	1123 Mcdonald Ave Bklyn, NY 11230	<input type="radio"/>	<input checked="" type="radio"/>	N/A	Purchasing Agent	12,500			16	m11
ADP	1851 N Resler Dr., EL Paso TX 79912	<input type="radio"/>	<input checked="" type="radio"/>	N/A	Payroll Services	8,293			16	m11
Streamline HR Management	7 Randolph Rd Howell, NJ 07731	<input type="radio"/>	<input checked="" type="radio"/>	N/A	Payroll Processing and Oversight	22,758			16	m11
Wescom Solutions	PO BOX 674802 Detroit, MI 48267	<input type="radio"/>	<input checked="" type="radio"/>	N/A	Internet Software System	11,840			16	m11
		<input type="radio"/>	<input type="radio"/>							
		<input type="radio"/>	<input type="radio"/>							
		<input type="radio"/>	<input type="radio"/>							
		<input type="radio"/>	<input type="radio"/>							
		<input type="radio"/>	<input type="radio"/>							
		<input type="radio"/>	<input type="radio"/>							
		<input type="radio"/>	<input type="radio"/>							
		<input type="radio"/>	<input type="radio"/>							
		<input type="radio"/>	<input type="radio"/>							

* List all contracted services over \$10,000. Use additional sheets if necessary.
 ** Refer to Page 4 for definition of related.
 *** Please cross-reference amount to the appropriate page in the Annual Report (Pages 16, 18, 19, 20 or 22).

C. Expenditures Other Than Salaries (cont'd) - Maintenance and Property

Name of Facility	License No.	Report for Year Ended			Page	of
RegalCare at Prospect, LLC	2253	9/30/2016			22	37
Item	Total	CCNH	RHNS	(Specify)		
6. Maintenance & Operation of Plant						
a. Repairs & Maintenance	\$ 17,749	17,749				
b. Heat	\$ 23,614	23,614				
c. Light & Power	\$ 44,416	44,416				
d. Water	\$ 25,880	25,880				
e. Equipment Lease (<i>Provide detail on page 6</i>)	\$					
f. Other (<i>itemize</i>)	\$ 44,526	44,526				
See Attached Schedule						
6g. Total Maint. & Operating Expense (6a - 6f)	\$ 156,185	156,185				
7. Depreciation (<i>complete schedule page 23*</i>)						
a. Land Improvements	\$					
b. Building & Building Improvements	\$					
c. Non-Movable Equipment	\$					
d. Movable Equipment	\$ 13,514	13,514				
*7e. Total Depreciation Costs (7a + b + c + d)	\$ 13,514	13,514				
8. Amortization (<i>Complete att. Schedule Page 24*</i>)						
a. Organization Expense	\$ 4,263	4,263				
b. Mortgage Expense	\$					
c. Leasehold Improvements	\$ 2,656	2,656				
d. Other (<i>Specify</i>)	\$					
*8e. Total Amortization Costs (8a + b + c + d)	\$ 6,919	6,919				
9. Rental payments on leased real property less real estate taxes included in item 10b	\$ 184,499	184,499				
10. Property Taxes						
a. Real estate taxes paid by owner	\$					
b. Real estate taxes paid by lessor	\$ 63,078	63,078				
c. Personal property taxes	\$ 838	838				
11. Total Property Expenses (7e + 8e + 9 + 10)	\$ 268,848	268,848				

* Amounts entered in these items must agree with detail on Schedule for Depreciation and Amortization Page 23 and Page 24.

Schedule of Other Repairs and Maintenance

Description	CCNH	RHNS	(Specify)
	-		
Supplies	\$ 6,963		
Sanitation & Incineration	\$ 12,312		
Extermination	\$ 824		
Landscaping	\$ 5,964		
Fire Drill	\$ 2,631		
Contracted Service	\$ 15,612		
Professional Fees	\$ 220		
Total Other Repairs and Maintenance	\$ 44,526	\$ -	\$ -

Depreciation Schedule

Name of Facility RegalCare at Prospect, LLC			License No. 2253			Report for Year Ended 9/30/2016			Page 23	of 37		
Property Item			Historical Cost Exclusive of Land	Less Salvage Value	Cost to Be Depreciated	Accumulated Depreciation to Beginning of Year's Operations	Method of Computing Depreciation	Useful Life	Depreciation for This Year	Totals		
A. Land Improvements												
1. Acquired prior to this report period												
2. Disposals (attach schedule)												
3. Acquired during this report period (attach schedule)												
A-4. Subtotal												
B. Building and Building Improvements												
1. Acquired prior to this report period												
2. Disposals (attach schedule)												
3. Acquired during this report period (attach schedule)												
B-4. Subtotal												
C. Non-Movable Equipment												
1. Acquired prior to this report period												
2. Disposals (attach schedule)												
3. Acquired during this report period (attach schedule)												
C-4. Subtotal												
	Is a mileage logbook maintained?		Date of Acquisition		Historical Cost Exclusive of Land	Less Salvage Value	Cost to Be Depreciated	Accumulated Depreciation to Beginning of Year's Operations	Method of Computing Depreciation	Useful Life	Depreciation for This Year	Totals
	Yes	No	Month	Year								
D. Movable Equipment												
1. Motor Vehicles (Specify name, model and year of each vehicle)												
a.												
b.												
c.												
d.												
2. Movable Equipment												
a. Acquired prior to this report period												
b. Disposals (attach schedule)												
c. Acquired during this report period (attach schedule)												
Var Var 55,632 55,632 S/L Various 13,514												
D-3. Subtotal												
E. Total Depreciation												
13,514												
13,514												

RegalCare at Prospect, LLC
9/30/2016

Schedule of Land Improvements Acquired during this report period

Acquisition Date	Description of Item	Cost	Useful Life	Depreciation
Additions:				
Total additions for Land Improvement		\$ -		\$ - *
Deletions:				
Total deletions for Land Improvement		\$ -		\$ - **

*Ties to Page 23, Line A3

**Ties to Page 23, Line A2

Schedule of Building Improvements Acquired during this report period

Acquisition Date	Description of Item	Cost	Useful Life	Depreciation
Additions:				
Total additions for Building Improvement		\$ -		\$ - *
Deletions:				
Total deletions for Building Improvement		\$ -		\$ - **

*Ties to Page 23, Line B3

**Ties to Page 23, Line B2

Schedule of Non-Movable Equipment Acquired during this report period

Acquisition Date	Description of Item	Cost	Useful Life	Depreciation
Additions:				
Total additions for Non-Movable Equipment		\$ -		\$ - *
Deletions:				
Total deletions for Non-Movable Equipment		\$ -		\$ - **

*Ties to Page 23, Line C3

**Ties to Page 23, Line C2

Schedule of Movable Equipment Acquired during this report period

Acquisition Date	Description of Item	Cost	Useful Life	Depreciation
Additions:				
4/1/2016	ID Card Printer	\$ 1,245	5	\$ 249
7/1/2016	Condensor Fan	1,400	10	140
7/1/2016	Septic Shed	1,000	15	67
8/1/2016	Septic Shed	1,127	15	75
3/1/2016	Sonicwall Network Sec, 8 computers, Server, 3 printers	11,636	5	2,327
4/1/2016	4 computer & 4 printers	3,935	5	787
5/1/2016	Ethernet switch, Server backup (12), Project management	13,333	5	2,667
9/1/2016	Check Scanner	877	5	175
3/1/2016	Microsoft Office Pro (8)	1,752	3	584
4/1/2016	Microsoft Office Pro (8) & Sonicwall Antivirus	2,477	3	826
3/1/2016	E-Copiers (Total = 6)	16,850	3	5,617
Total additions for Movable Equipmen		\$ 55,632		\$ 13,514 *
Deletions:				
Total deletions for Movable Equipmen		\$ -		\$ - **

*Ties to Page 23, Line D2c

**Ties to Page 23, Line D2b

Schedule of Leasehold Improvements Acquired during this report period

Acquisition Date	Description of Item	Cost	Useful Life	Depreciation
Additions:				
4/1/2016	Sign Replacement	\$ 1,382	10	\$ 138
8/1/2016	Tile Flooring	15,010	20	751
9/1/2016	Kitchen Renovation	33,623	20	1,681
9/1/2016	Replacement of Windows	920	20	46
9/1/2016	Doors & Materials	600	15	40
Total additions for Leasehold Improvermen		\$ 51,535		\$ 2,656 *
Deletions:				
Total deletions for Leasehold Improvermen		\$ -		\$ - **

*Ties to Page 24, Line C3

**Ties to Page 24, Line C2

Annual Report of Long-Term Care Facility

CSP-24 Rev. 10/2006

Amortization Schedule*

Name of Facility			License No.		Report for Year Ended			Page	of
RegalCare at Prospect, LLC			2253		9/30/2016			24	37
Item	Date of Acquisition		Length of Amortization	Cost to Be Amortized	Accumulated Amort. to Beginning of Year's Operations	Basis for Computing Amortization**	Rate %	Amortization for This Year	Totals
	Month	Year							
A. Organization Expense									
1. Deferred Financing Costs				42,628		S/L		4,263	
2.									
3.									
A-4. Subtotal									4,263
B. Mortgage Expense									
1.									
2.									
3.									
B-4. Subtotal									
C. Leasehold Improvements and Other									
1. Acquired prior to this report period									
2. Disposals (attach schedule)									
3. Acquired during this report period (attach schedule)	Var	Var	Various	51,535		S/L	Var	2,656	
C-4. Subtotal									2,656
D. Total Amortization									6,919

* Straight-line method must be used.

** Specify which of the following bases were used:

- A. Minimum of 5 years or 60 months.
- B. Life of mortgage; OR
- C. Remaining Life of Lease; OR
- D. Actual Life if owned by Related Party.

C. Expenditures Other Than Salaries (cont'd) - Property Questionnaire

Name of Facility RegalCare at Prospect, LLC	License No. 2253	Report for Year Ended 9/30/2016	Page 25	of 37	
11. Property Questionnaire					
Part A					
Is the property either owned by the Facility or leased from a Related Party?*		<input type="radio"/> Yes	<input checked="" type="radio"/> No	If "Yes," complete Part B. If "No," complete Part C.	
*If any owner or operator of this facility is related by family, marriage, ownership, ability to control or business association to any person or organization from whom buildings are leased, then it is considered a related party transaction.					
Description		Total			
1. Date Land Purchased					
2. Date Structure Completed					
3. If NOT Original Owner, Date of Purchase					
4. Date of Initial Licensure					
5. Total Licensed Bed Capacity					
6. Square Footage					
7. Acquisition Cost					
a. Land					
b. Building					
Part B - Owner and Related Parties		1st Mortgage	2nd Mortgage	3rd Mortgage	4th Mortgage
1. Financing					
a. Type of Financing (e.g., fixed, variable)					
b. Date Mortgage Obtained					
c. Interest Rate for the Cost Year					
d. Term of Mortgage (number of years)					
e. Amount of Principal Borrowed					
f. Principal balance outstanding as of _____					
Complete if Mortgage was Refinanced During Current Cost Year					
g. Type of Financing (e.g., fixed, variable)					
h. Date of Refinancing					
i. New Interest Rate					
j. Term of Mortgage (number of years)					
k. Amount of Principal Borrowed					
l. Principal Outstanding on Note Paid-Off					
Part C - Arms-Length Leases for Real Property Improvements Only					
Name and Address of Lessor	Property Leased	Date of Lease	Term of Lease	Annual Amount of Lease	
Independence Senior Holdings LLC, 13 Freedom Drive, Lakewood, NJ 08707	Building	03/04/16	20 Years	184,499	

Note: Be sure required copies of leases are attached to Page 25 and real estate taxes paid by lessor are included on Page 22, Item 10b.

C. Expenditures Other Than Salaries (cont'd) - Interest

Name of Facility		License No.	Report for Year Ended			Page	of
RegalCare at Prospect, LLC		2253	9/30/2016			26	37
Item		Total	CCNH	RHNS	(Specify)		
12. Interest							
A. Building, Land Improvement & Non-Movable Equipment							
1. First Mortgage		\$					
Name of Lender		Rate					
Address of Lender							
2. Second Mortgage		\$					
Name of Lender		Rate					
Address of Lender							
3. Third Mortgage		\$					
Name of Lender		Rate					
Address of Lender							
4. Fourth Mortgage		\$					
Name of Lender		Rate					
Address of Lender							
B. CHEFA Loan Information							
1. Original Loan Amount		\$					
2. Loan Origination Date							
3. Interest Rate %							
4. Term							
5. CHEFA Interest Expense							
12 B7. Total Building Interest Expense (A1 - A4 + B5)		\$					

(Carry Subtotals forward to next page)

C. Expenditures Other Than Salaries (cont'd) - Interest and Insurance

Name of Facility		License No.		Report for Year Ended		Page	of
RegalCare at Prospect, LLC		2253		9/30/2016		27	37
Item				Total	CCNH	RHNS	(Specify)
Subtotals Brought Forward:							
12. C. Movable Equipment							
1. Automotive Equipment				\$			
A. Item		Rate	Amount				
Lender							
Address of Lender							
2. Other (Specify)				\$			
A. Item		Rate	Amount				
Lender							
Address of Lender							
B. Item		Rate	Amount				
Lender							
Address of Lender							
12. C. 3. Total Movable Equipment Interest Expense (C1 + 2)				\$			
12. D. Other Interest Expense (Specify)				\$	88,710	88,710	
Line of Credit Interest Expense							
13. Total All Interest Expense (12B7 + 12C3 + 12D)				\$	88,710	88,710	
14. Insurance							
a. Insurance on Property (buildings only)				\$	5,821	5,821	
b. Insurance on Automobiles				\$	396	396	
c. Insurance other than Property (as specified above)							
1. Umbrella (Blanket Coverage)				\$			
2. Fire and Extended Coverage				\$			
3. Other (Specify)				\$	23,935	23,935	
General Liability, EPLI & Surety Bond							
14d. Total Insurance Expenditures (14a + b + c)				\$	30,152	30,152	
15. Total All Expenditures (A-13 thru C-14)				\$	7,112,688	7,112,688	

D. Adjustments to Statement of Expenditures

Name of Facility RegalCare at Prospect, LLC				License No. 2253	Report for Year Ended 9/30/2016	Page 28	of 37
Item No.	Page No.	Line No.	Item Description	Total Amount of Decrease	CCNH	RHNS	(Specify)
Page 10 - Salaries and Wages							
1.			Outpatient Service Costs	\$			
2.			Salaries not related to Resident Care	\$			
3.	10	A12g	Occupational Therapy	\$ 2,349	2,349		
4.			Other - See attached Schedule	\$			
Page 13 - Professional Fees							
5.			Resident Care Physicians **	\$			
6.	13	B10a	Occupational Therapy	\$ 162,231	162,231		
7.			Other - See attached Schedule	\$ 21,034	21,034		
Pages 15 & 16 - Administrative and General							
8.			Discriminatory Benefits	\$			
9.			Bad Debts	\$			
10.	15	1d/e	Accounting & Legal	\$ 9,024	9,024		
11.			Telephone	\$			
12.			Cellular Telephone	\$			
13.			Life insurance premiums on the life of Owners, Partners, Operators	\$			
14.			Gifts, flowers and coffee shops	\$			
15.			Education expenditures to colleges or universities for tuition and related costs for owners and employees	\$			
16.	16	L4	Travel for purposes of attending conferences or seminars outside the continental U.S. Other out-of-state travel in excess of one representative	\$ 4,272	4,272		
17.			Automobile Expense (e.g. personal use)	\$			
18.	16	m3	Unallowable Advertising *	\$ 10,735	10,735		
19.	15	1j	Income Tax / Corporate Business Tax	\$ 99	99		
20.			Fund Raising / Contributions	\$			
21.	16	m12	Unallowable Management Fees	\$ 201,814	201,814		
22.			Barber and Beauty	\$			
23.			Other - See attached Schedule	\$ 184,380	184,380		
Page 18 - Dietary Expenditures							
24.			Meals to employees, guests and others who are not residents	\$			
Page 19 - Laundry Expenditures							
25.			Laundry services to employees, guests and others who are not residents	\$			
Page 20 - Housekeeping Expenditures							
26.			Housekeeping services to employees, guests and others who are not residents	\$			
Subtotal (Items 1 - 26)				\$ 595,938	595,938		

* All except "Help Wanted".

(Carry Subtotal forward to next page)

** Physicians who provide services to Title 19 residents are required to bill the Department of Social Services directly for each individual resident.

Schedule of Other Salaries Adjustment

Page Ref	Line Ref	Description	CCNH	RHNS	(Specify)
Total Other Salaries Adjustment			\$ -	\$ -	\$ -

Schedule of Fees Adjustments

Page Ref	Line Ref	Description	CCNH	RHNS	(Specify)
13	B12o	Respiratory Therapist	\$ 1,780		
13	B12o	Independent Nurse Monitor	\$ 19,254		
Total Other Fees Adjustments			\$ 21,034	\$ -	\$ -

Schedule of Other A&G Adjustments

Page Ref	Line Ref	Description	CCNH	RHNS	(Specify)
16	m13	Fines & Penalties	\$ 2,247		
16	m13	Late Fees	\$ 50		
16	m13	Startup Costs	\$ 78,343		
16	m13	Prior Period Adjustment	\$ 83,516		
16	m13	Bank Fees - Line of Credit & Credit Cards	\$ 14,953		
15	1a9	Misc. Employee Benefits	\$ 5,271		
Total Other A&G Adjustments			\$ 184,380	\$ -	\$ -

D. Adjustments to Statement of Expenditures (cont'd)

Name of Facility				License No.	Report for Year Ended	Page	of
RegalCare at Prospect, LLC				2253	9/30/2016	29	37
Item No.	Page No.	Line No.	Item Description	Total Amount of Decrease	CCNH	RHNS	(Specify)
Subtotals Brought Forward				\$ 595,938	595,938		
Page 20 - Resident Care Supplies***							
27.	20	5a2	Prescription Drugs	\$ 109,447	109,447		
28.	20	5d	Ambulance/Limousine	\$ 4,126	4,126		
29.	20	5f	X-rays, etc	\$ 4,179	4,179		
30.	20	5h	Laboratory	\$ 8,521	8,521		
31.			Medical Supplies	\$			
32.	20	5e2	Oxygen (non emergency)	\$ 4,787	4,787		
33.			Occupational Therapy	\$			
34.			Other - See Attached Schedule	\$ 29,400	29,400		
Page 22 - Maintenance and Property							
35.			Excess Movable Equipment Depreciation See Attached Schedule	\$			
36.			Depreciation on Unallowable Motor Vehicles	\$			
37.			Unallowable Property and Real Estate Taxes	\$			
38.			Rental of Building Space or Rooms	\$			
39.			Other - See Attached Schedule	\$ 4,263	4,263		
Page 27 - Insurance							
40.			Mortgage Insurance	\$			
41.			Property Insurance	\$			
Other - Miscellaneous							
42.			Research or Experimental Activities	\$			
43.			Radio and Television Revenue	\$			
44.			Vending Machine Revenue	\$			
45.			Purchase Discounts and Allowances	\$			
46.			Duplications of functions or services	\$			
47.			Expenditures made for the protection, enhancement or promotion of the providers interest	\$			
48.			Interest Income on Accounts Rec	\$			
49.			Other (include personnel and other costs unrelated to resident care) - See Attached Schedule	\$ 93,593	93,593		
Not For Profit Providers Only							
50.			Building/Non Movable Eq. Depreciation Unallowable Building Interest - See Attached Schedule	\$			
51.	Total Amount of Decrease (Items 1 - 50)			\$ 854,254	854,254		

*** Items billed directly to Department of Social Services and/or Health Services in CT, or other states, Medicare, and private-pay residents. Identify separately by category as indicated on Page 20.

RegalCare at Prospect, LLC
9/30/2016

Schedule of Other Ancillary Costs

Page Ref	Line Ref	Description	CCNH	RHNS	(Specify)
20	5i	Cable TV Disallowance (See attached)	\$ 1,537		
20	5j	Overnight Pulse Oximetry Studies	\$ 300		
20	5j	Equipment Rental	\$ 27,563		
Total Other Ancillary Costs			\$ 29,400	\$ -	\$ -

Schedule of Excess Movable Equipment Depreciation

Page Ref	Line Ref	Description	CCNH	RHNS	(Specify)
Total Excess Movable Equipment Depreciation			\$ -	\$ -	\$ -

Schedule of Other Property Adjustments

Page Ref	Line Ref	Description	CCNH	RHNS	(Specify)
22	8a	Amortization Expense	\$ 4,263		
Total Other Property Adjustments			\$ 4,263	\$ -	\$ -

Page Ref	Line Ref	Description	CCNH	RHNS	(Specify)
27	12d	Line of Credit Interest Expense	\$ 88,710		
27	14b	Automobile Insurance (Owner)	\$ 396		
30	IV 8	Reversal of Assumed PTO from Old Owners	\$ 4,487		
Total Other Adjustments			\$ 93,593	\$ -	\$ -

Schedule of Unallowable Building Interest

Page Ref	Line Ref	Description	CCNH	RHNS	(Specify)
Total Unallowable Building Interest			\$ -	\$ -	\$ -

F. Statement of Revenue

Name of Facility	License No.	Report for Year Ended		Page	of
RegalCare at Prospect, LLC	2253	9/30/2016		30	37
Item	Total	CCNH	RHNS	(Specify)	
I. Resident Room, Board & Routine Care Revenue					
1. a. Medicaid Residents (<i>CT only</i>)	\$ 4,644,917	4,644,917			
b. Medicaid Room and Board Contractual Allowance **	\$				
2. a. Medicaid (<i>All other states</i>)	\$				
b. Other States Room and Board Contractual Allowance **	\$				
3. a. Medicare Residents (<i>all inclusive</i>)	\$ 1,665,591	1,665,591			
b. Medicare Room and Board Contractual Allowance **	\$ (25,509)	(25,509)			
4. a. Private-Pay Residents and Other	\$ 478,539	478,539			
b. Private-Pay Room and Board Contractual Allowance **	\$ (1,175)	(1,175)			
II. Other Resident Revenue					
1. a. Prescription Drugs - Medicare	\$ 103,944	103,944			
b. Prescription Drugs - Medicare Contractual Allowance **	\$ (103,944)	(103,944)			
c. Prescription Drugs - Non-Medicare	\$				
d. Prescription Drugs - Non-Medicare Contractual Allowance **	\$				
2. a. Medical Supplies - Medicare	\$				
b. Medical Supplies - Medicare Contractual Allowance **	\$				
c. Medical Supplies - Non-Medicare	\$				
d. Medical Supplies - Non-Medicare Contractual Allowance **	\$				
3. a. Physical Therapy - Medicare	\$ 216,755	216,755			
b. Physical Therapy - Medicare Contractual Allowance **	\$ (176,672)	(176,672)			
c. Physical Therapy - Non-Medicare	\$ 13,807	13,807			
d. Physical Therapy - Non-Medicare Contractual Allowance **	\$ (13,807)	(13,807)			
4. a. Speech Therapy - Medicare	\$ 111,929	111,929			
b. Speech Therapy - Medicare Contractual Allowance **	\$ (68,672)	(68,672)			
c. Speech Therapy - Non-Medicare	\$ 2,121	2,121			
d. Speech Therapy - Non-Medicare Contractual Allowance **	\$ (2,121)	(2,121)			
5. a. Occupational Therapy - Medicare	\$ 252,490	252,490			
b. Occupational Therapy - Medicare Contractual Allowance **	\$ (195,263)	(195,263)			
c. Occupational Therapy - Non-Medicare	\$ 14,685	14,685			
d. Occupational Therapy - Non-Medicare Contractual Allowance **	\$ (14,685)	(14,685)			
6. a. Other (<i>Specify</i>) - Medicare	\$				
b. Other (<i>Specify</i>) - Non-Medicare	\$ 757	757			
III. Total Resident Revenue (Section I. thru Section II.)	\$ 6,903,687	6,903,687			
IV. Other Revenue*					
1. Meals sold to guests, employees & others	\$				
2. Rental of rooms to non-residents	\$				
3. Telephone	\$				
4. Rental of Television and Cable Services	\$				
5. Interest Income (<i>Specify</i>)	\$ 2	2			
6. Private Duty Nurses' Fees	\$				
7. Barber, Coffee, Beauty and Gift shops	\$				
8. Other (<i>Specify</i>)	\$ 4,487	4,487			
V. Total Other Revenue (1 thru 8)	\$ 4,489	4,489			
VI. Total All Revenue (III +V)	\$ 6,908,176	6,908,176			

* Facility should off-set the appropriate expense on Page 28 or Page 29 of the Cost Report.

** Facility should report all contractual allowances and/or payer discounts.

Schedule of Other Resident Revenue - Medicare

Related Exp

Page Ref	Description	CCNH	RHNS	(Specify)
		-		
Total Other Resident Revenue - Medicare		\$ -	\$ -	\$ -

Schedule of Other Non-Medicare Resident Revenue

Related Exp

Page Ref	Description	CCNH	RHNS	(Specify)
		-		
30 II 6b	Revenue Adjustments>HMO	\$ (44)		
30 II 6b	Revenue Adjustments>Medicaid	\$ 801		
Total Other Resident Revenue		\$ 757	\$ -	\$ -

Interest Income

Account

Page Ref	Account	Balance	CCNH	RHNS	(Specify)
			-		
30 IV 5	Interest Income	N/A	\$ 2		
Total Interest Income			\$ 2	\$ -	\$ -

Schedule of Other Revenue

Page Ref	Description	CCNH	RHNS	(Specify)
		-		
30 IV 8	Reversal of Assumed PTO from Old Owners	\$ 4,487		
Total Other Revenue		\$ 4,487	\$ -	\$ -

G. Balance Sheet

Name of Facility	License No.	Report for Year Ended	Page	of
RegalCare at Prospect, LLC	2253	9/30/2016	31	37
Account			Amount	
Assets				
A. Current Assets				
1. Cash (<i>on hand and in banks</i>)			\$	41,884
2. Resident Accounts Receivable (Less Allowance for Bad Debts)			\$	1,144,645
3. Other Accounts Receivable (Excluding Owners or Related Parties)			\$	
4. Inventories			\$	
5. Prepaid Expenses			\$	146,773
a. Prepaid Expenses	1,250			
b. Prepaid Expenses>Insurance	20,434			
c. Prepaid Expenses>Workers Comp	125,089			
d.				
6. Interest Receivable			\$	
7. Medicare Final Settlement Receivable			\$	
8. Other Current Assets (<i>itemize</i>)			\$	

A-9. Total Current Assets (Lines A1 thru 8)			\$	1,333,302
B. Fixed Assets				
1. Land			\$	
2. Land Improvements	*Historical Cost _____		\$	
	Accum. Depreciation _____	Net		
3. Buildings	*Historical Cost _____		\$	
	Accum. Depreciation _____	Net		
4. Leasehold Improvements	*Historical Cost <u>51,535</u>		\$	48,879
	Accum. Depreciation <u>2,656</u>	Net		
5. Non-Movable Equipment	*Historical Cost _____		\$	
	Accum. Depreciation _____	Net		
6. Movable Equipment	*Historical Cost <u>55,632</u>		\$	42,118
	Accum. Depreciation <u>13,514</u>	Net		
7. Motor Vehicles	*Historical Cost _____		\$	
	Accum. Depreciation _____	Net		
8. Minor Equipment-Not Depreciable			\$	
9. Other Fixed Assets (<i>itemize</i>)			\$	13,420
CIP	6,650			
F/S vs C/R NBV	6,770			
B-10. Total Fixed Assets (Lines B1 thru 9)			\$	104,417

* Historical Costs must agree with Historical Cost reported in Schedules on Depreciation and Amortization (Pages 23 and 24).

(Carry Total forward to next page)

G. Balance Sheet (cont'd)

Name of Facility	License No.	Report for Year Ended	Page	of
RegalCare at Prospect, LLC	2253	9/30/2016	32	37
Account			Amount	
Total Brought Forward:			\$	1,437,719
C. Leasehold or like property recorded for Equity Purposes.				
1. Land			\$	
2. Land Improvements				
	*Historical Cost	_____		
	Accum. Depreciation	_____	Net	\$
3. Buildings				
	*Historical Cost	_____		
	Accum. Depreciation	_____	Net	\$
4. Non-Movable Equipment				
	*Historical Cost	_____		
	Accum. Depreciation	_____	Net	\$
5. Movable Equipment				
	*Historical Cost	_____		
	Accum. Depreciation	_____	Net	\$
6. Motor Vehicles				
	*Historical Cost	_____		
	Accum. Depreciation	_____	Net	\$
7. Minor Equipment-Not Depreciable			\$	
C-8 Total Leasehold or Like Properties (C1 thru 7)			\$	
D. Investment and Other Assets				
1. Deferred Deposits			\$	11,430
2. Escrow Deposits			\$	
3. Organization Expense				
	*Historical Cost	42,628		
	Accum. Depreciation	4,263	Net	\$ 38,365
4. Goodwill (Purchased Only)			\$	201,690
5. Investments Related to Resident Care <i>(itemize)</i>			\$	

6. Loans to Owners or Related Parties <i>(itemize)</i>			\$	26,143
Name and Address	Amount	Loan Date		
NH, WH, Employee	26,143			
7. Other Assets <i>(itemize)</i>			\$	571
Due from Vendor				
		571		

D-8. Total Investments and Other Assets (Lines D1 thru 7)			\$	278,199
D-9. Total All Assets (Lines A9 + B10 + C8 + D8)			\$	1,715,918

* Historical Costs must agree with Historical Cost reported in Schedules on Depreciation and Amortization (Pages 23 and 24).

Annual Report of Long-Term Care Facility

G. Balance Sheet (cont'd)

Name of Facility RegalCare at Prospect, LLC		License No. 2253	Report for Year Ended 9/30/2016	Page 33	of 37
Account				Amount	
Liabilities					
A. Current Liabilities					
1. Trade Accounts Payable				\$	686,261
2. Notes Payable (<i>itemize</i>)				\$	

3. Loans Payable for Equipment (<i>Current portion</i>) (<i>itemize</i>)				\$	
Name of Lender		Purpose	Amount	Date Due	
4. Accrued Payroll (<i>Exclusive of Owners and/or Stockholders only</i>)				\$	314,251
5. Accrued Payroll (<i>Owners and/or Stockholders only</i>)				\$	
6. Accrued Payroll Taxes Payable				\$	
7. Medicare Final Settlement Payable				\$	
8. Medicare Current Financing Payable				\$	
9. Mortgage Payable (<i>Current Portion</i>)				\$	
10. Interest Payable (<i>Exclusive of Owner and/or Related Parties</i>)				\$	
11. Accrued Income Taxes*				\$	
12. Other Current Liabilities (<i>itemize</i>)				\$	348,840
Accrued Expenses		179,301	Accrued Expenses>Welf	32,515	
Accrued Expenses>Tamkar Brokera		10,657	Accrued Expenses>Ther	5,000	
Accrued Expenses>Capital Lease>C		12,350	Accrued Expenses>Work	100,064	
Accrued Expenses>Insurance - Gene		8,953			
A-13. Total Current Liabilities (Lines A1 thru 12)				\$	1,349,352

* Business Income Tax (not that withheld from employees). Attach copy of owner's Federal Income Tax Return.

(Carry Total forward to next page)

G. Balance Sheet (cont'd)

Name of Facility RegalCare at Prospect, LLC		License No. 2253	Report for Year Ended 9/30/2016	Page 34	of 37
Account				Amount	
Total Brought Forward:				1,349,352	
Liabilities (cont'd)					
B. Long-Term Liabilities					
1. Loans Payable-Equipment (<i>itemize</i>)					
\$					
Name of Lender	Purpose	Amount	Date Due		
2. Mortgages Payable				\$	
3. Loans from Owners or Related Parties (<i>itemize</i>)				\$ 525,082	
Name and Address of Lender	Amount	Loan Date			
Torrington, Holdings, Management	524,056				
Eli Mirlis	1,026				
4. Other Long-Term Liabilities (<i>itemize</i>)				\$ 39,226	
Due to Old Owner		39,226			
B-5. Total Long-Term Liabilities (Lines B1 thru 4)				\$ 564,308	
C. Total All Liabilities (Lines A-13 + B-5)				\$ 1,913,660	

G. Balance Sheet (cont'd)
Reserves and Net Worth

Name of Facility	License No.	Report for Year Ended	Page	of
RegalCare at Prospect, LLC	2253	9/30/2016	35	37
Account			Amount	
A. Reserves				
1. Reserve for value of leased land			\$	
2. Reserve for depreciation value of leased buildings and appurtenances to be amortized			\$	
3. Reserve for depreciation value of leased personal property (<i>Equity</i>)			\$	
4. Reserve for leasehold real properties on which fair rental value is based			\$	
5. Reserve for funds set aside as donor restricted			\$	
6. Total Reserves			\$	
B. Net Worth				
1. Owner's Capital			\$	
2. Capital Stock			\$	
3. Paid-in Surplus			\$	
4. Treasury Stock			\$	
5. Cumulated Earnings			\$	
6. Gain or Loss for Period	3/4/2016	thru 9/30/2016	\$	(197,742)
7. Total Net Worth			\$	(197,742)
C. Total Reserves and Net Worth			\$	(197,742)
D. Total Liabilities, Reserves, and Net Worth			\$	1,715,918

H. Changes in Total Net Worth

Name of Facility RegalCare at Prospect, LLC	License No. 2253	Report for Year Ended 9/30/2016	Page 36	of 37		
Account			Amount			
A. Balance at End of Prior Period as shown on Report of 09/30/2015			\$			
B. Total Revenue <i>(From Statement of Revenue Page 30)</i>			\$ 6,908,176			
C. Total Expenditures <i>(From Statement of Expenditures Page 27)</i>			\$ 7,105,918			
D. Net Income or Deficit			\$ (197,742)			
E. Balance			\$ (197,742)			
F. Additions						
1. Additional Capital Contributed <i>(itemize)</i>						
Expenses Per Page 27	\$7,112,688					
F/S vs C/R Depreciation	(6,770)					
Expenses Per F/S	\$7,105,918					
2. Other <i>(itemize)</i>						
F-3. Total Additions					\$	
G. Deductions						
1. Drawings of Owners/Operators/Partners <i>(Specify)</i>						
Name and Address <i>(No., City, State, Zip)</i>	Title	Amount				
2. Other Withdrawings <i>(Specify)</i>						
Purpose	Amount					
3. Total Deductions			\$			
H. Balance at End of Period			\$ (197,742)			

I. Preparer's/Reviewer's Certification

Name of Facility RegalCare at Prospect, LLC	License No. 2253	Report for Year Ended 9/30/2016	Page 37	of 37
<i>Check appropriate category</i>				
<input checked="" type="checkbox"/> Chronic and Convalescent Nursing Home only (CCNH)	<input type="checkbox"/> Rest Home with Nursing Supervision only (RHNS)	<input type="checkbox"/> (Specify)		
Preparer/Reviewer Certification				
<p>I have prepared and reviewed this report and am familiar with the applicable regulations governing its preparation. I have read the most recent Federal and State issued field audit reports for the Facility and have inquired of appropriate personnel as to the possible inclusion in this report of expenses which are not reimbursable under the applicable regulations. All non-reimbursable expenses of which I am aware (except those expenses known to be automatically removed in the State rate computation system) as a result of reading reports, inquiry or other services performed by me are properly reported as such in this report on Pages 28 and 29 (adjustments to statement of expenditures). Further, the data contained in this report is in agreement with the books and records, as provided to me, by the Facility.</p>				
Signature of Preparer		Title		Date Signed
Printed Name of Preparer				
Matthew S. Bavalack				
Address Address			Phone Number	
555 Long Wharf Drive, New Haven, CT 06511			203-781-9600	

Subject to the attached accountants' consulting report