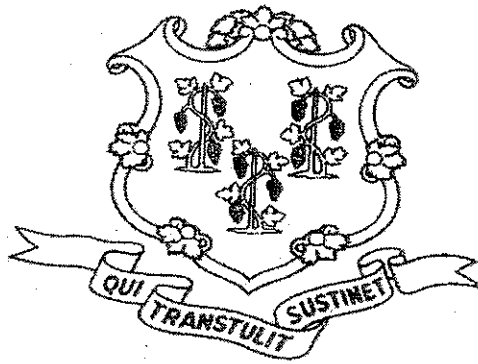


State of Connecticut



Annual Report of Long-Term Care Facility Cost Year 2017

Name of Facility (as licensed) Spectrum Healthcare Derby, LLC d/b/a Birmingham Health Center	
Address (No. & Street, City, State, Zip Code) 210 Chatifield Street, Derby, CT 06418	
Type of Facility <input type="checkbox"/> Chronic and Convalescent <input checked="" type="checkbox"/> Nursing Home only (CCNH) <input type="checkbox"/> Rest Home with Nursing <input type="checkbox"/> Supervision only (RHNS) <input type="checkbox"/> (Specify)	
Report for Year Beginning 10/1/2016	Report for Year Ending 9/30/2017

License Numbers:	CCNH 2236-C	RHNS	(Specify)	Medicare Provider 07-5059
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Medicaid Provider Numbers:	CCNH 10587	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

Table of Contents

General Information - Administrator's/Owner's Certification	1
General Information and Questionnaire - Data Required for Real Wage Adjustment	1A
General Information and Questionnaire - Type of Facility - Organization Structure	2
General Information and Questionnaire - Partners/Members	3
General Information and Questionnaire - Corporate Owners	3A
General Information and Questionnaire - Individual Proprietorship	3B
General Information and Questionnaire - Related Parties	4
General Information and Questionnaire - Basis for Allocation of Costs	5
General Information and Questionnaire - Leases	6
General Information and Questionnaire - Accounting Basis	7
Schedule of Resident Statistics	8
Schedule of Resident Statistics (Cont'd)	9
A. Report of Expenditures - Salaries & Wages	10
Schedule A1 - Salary Information for Operators/Owners; Administrators, Assistant Administrators and Other Relatives	11
Schedule A1 - Salary Information for Operators/Owners; Administrators, Assistant Administrators and Other Relatives (Cont'd)	12
B. Report of Expenditures - Professional Fees	13
Report of Expenditures - Schedule B-1 - Information Required for Individual(s) Paid on Fee for Service Basis	14
C. Expenditures Other than Salaries - Administrative and General	15
C. Expenditures Other than Salaries (Cont'd) - Administrative and General	16
Schedule C-1 - Management Services	17
C. Expenditures Other than Salaries (Cont'd) - Dietary	18
C. Expenditures Other than Salaries (Cont'd) - Laundry	19
C. Expenditures Other than Salaries (Cont'd) - Housekeeping and Resident Care	20
Report of Expenditures - Schedule C-2 - Individuals or Firms Providing Services by Contract	21
C. Expenditures Other than Salaries (Cont'd) - Maintenance and Property	22
Depreciation Schedule	23
Amortization Schedule	24
C. Expenditures Other than Salaries (Cont'd) - Property Questionnaire	25
C. Expenditures Other than Salaries (Cont'd) - Interest	26
C. Expenditures Other than Salaries (Cont'd) - Interest and Insurance	27
D. Adjustments to Statement of Expenditures	28
D. Adjustments to Statement of Expenditures (Cont'd)	29
F. Statement of Revenue	30
G. Balance Sheet	31
G. Balance Sheet (Cont'd)	32
G. Balance Sheet (Cont'd)	33
G. Balance Sheet (Cont'd)	34
G. Balance Sheet (Cont'd) - Reserves and Net Worth	35
H. Changes in Total Net Worth	36
I. Preparer's/Reviewer's Certification	37

General Information

Name of Facility (as licensed) Spectrum Healthcare Derby, LLC d/b/a Birmingham H	License No. 2236-C	Report for Year Ended 9/30/2017	Page 1	of 37
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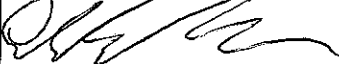


Administrator's/Owner's Certification

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 Spectrum Healthcare Derby, LLC d/b/a Birmingham Health Center [facility name], for the cost report period beginning October 1, 2016 and ending September 30, 2017, 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.

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.

Signed (Administrator) 		Date 1/10/18	Signed (Owner) 		Date 2/4/18
Printed Name (Administrator) Doug Melanson			Printed Name (Owner) Sean Murphy		
Subscribed and Sworn to before me:	State of Connecticut	Date 1-11-2018	Signed (Notary Public) 	Comm. Expires 05/31/2021	
Address of Notary Public 141 Vernon St West, Manchester, CT 06042					

(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 Spectrum Healthcare Derby, LLC d/b/a Birmingham Health Center		Period Covered:	From 10/1/2016	To 9/30/2017
Address of Facility 210 Chatifield Street, Derby, CT 06418				
Report Prepared By Gennaro Evangelista		Phone Number 860-871-5454	Date 1/10/2018	
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 203-735-7401		Report for Year Ended 9/30/2017	Page 2	of 37
Name of Facility (as shown on license) Spectrum Healthcare Derby, LLC d/b/a Birmingham Health C		Address (No. & Street, City, State, Zip) 210 Chatifield Street, Derby, CT 06418		
License Numbers:	CCNH 2236-C	RHNS	(Specify)	Medicare Provider No. 07-5059
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 type="radio"/> Yes <input checked="" type="radio"/> No If "Yes," explain fully.				
Administrator				
Name of Administrator Doug Melanson		Nursing Home Administrator's License No.:	1689	
Other Operators/Owners who are assistant administrators (full or part time) of this facility.				
Name		License No.:		

General Information and Questionnaire
Individual Proprietorship

Name of Facility	License No.	Report for Year Ended	Page	of
Spectrum Healthcare Derby, LLC d/b/a Birmingham	2236-C	9/30/2017	3B	37
If this facility is owned or operated as an individual proprietorship, provide the following information:				
Owner(s) of Facility				

General Information and Questionnaire Related Parties*

Name of Facility Spectrum Healthcare Derby, LLC d/b/a Birmingham H	License No. 2236-C	Report for Year Ended 9/30/2017	Page 4	of 37
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Are any individuals receiving compensation from the facility related through marriage, ability to control, ownership, family or business association? Yes No If "Yes," provide the Name/Address and complete the information on Page 11 of the report.

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? Yes No If "Yes," provide the following information:

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	%**				
Spectrum Healthcare, LLC	27 Naek Rd., Vernon, CT 06066	<input type="radio"/>	<input checked="" type="radio"/>		Home office costs consisting admin., clerical	Page 16 Line m. 12	360,000	360,000
Spectrum Derby Realty, LLC	27 Naek Rd., Vernon, CT 06066	<input type="radio"/>	<input checked="" type="radio"/>		Rental of real estate	Page 22, line 9	720,000	720,000
Spectrum Healthcare Torrington	225 Wyoming Ave Torrington, CT	<input type="radio"/>	<input checked="" type="radio"/>		Dietician	Page 10 Line a5a	6,864	6,864
		<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.
 ** Provide the percentage amount of revenue received from non-related parties.

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			License No.	Report for Year Ended			Page	of
Spectrum Healthcare Derby, LLC d/b/a Birmingham Health			2236-C	9/30/2017			6	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"/>						
	<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 Spectrum Healthcare Derby, LLC d	License No. 2236-C	Report for Year Ended 9/30/2017	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 Blum, Shapiro & Company 2 3 4	Address (No. & Street, City, State, Zip Code) 29 So. Main St., W Hartford, CT 06127
---	--

Services Provided by This Firm (*describe fully*)

1 Reviewed Financial Statements, Tax return preparation	\$ 24,500
2	\$
3	\$
4	\$
Charge for Services Provided	
\$ 24,500	

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

Legal Services Information

Name of Legal Firm or Independent Attorney 1 Treasurer, State of Connecticut 2 MidCap Funding 3 Derby Probate Court 4 US Trustee 5	Telephone Number
---	------------------

Address (*No. & Street, City, State, Zip Code*)
 1
 2
 3
 4
 5

Services Provided by This Firm (*describe fully*)

1 Conservator Fees	\$ 675
2 Loan Amendments	\$ 1,027
3 Conservator Fees	\$ 130
4 Bankruptcy	\$ 29,250
5	\$
Charge for Services Provided	
\$ 31,082	

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

Schedule of Resident Statistics

Name of Facility Spectrum Healthcare Derby, LLC d/b/a Birmingham Health Center			License No. 2236-C		Report for Year Ended 9/30/2017				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			120	120			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	113	113			113	113			106	106			
B. As of midnight of THIS report period	115	115			106	106			115	115			
3. Total Number of Days Care Provided During Period													
A. Medicare	1,987	1,987			1,624	1,624			363	363			
B. Medicaid (Conn.)	30,336	30,336			22,558	22,558			7,778	7,778			
C. Medicaid (other states)													
D. Private Pay	2,058	2,058			1,447	1,447			611	611			
E. State SSI for RCH													
F. Other (Specify)	4,144	4,144			3,235	3,235			909	909			
G. Total Care Days During Period (3A thru F)	38,525	38,525			28,864	28,864			9,661	9,661			
4. Total Number of Days Not Included in Figures in 3G for Which Revenue Was Received for Reserved Beds													
A. Medicaid Bed Reserve Days	5	5			5	5							
B. Other Bed Reserve Days	50	50			33	33			17	17			
5. Total Resident Days (3G + 4A + 4B)	38,580	38,580			28,902	28,902			9,678	9,678			

Schedule of Resident Statistics (Cont'd)

Name of Facility Spectrum Healthcare Derby, LLC d/b/a Birm	License No. 2236-C	Report for Year Ended 9/30/2017	Page 9	of 37
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4. Were there any changes in the certified bed capacity during the report year? Yes No
 If "YES", provide the following information:

Date of Change	Place of Change			Change in Beds						Capacity After Change			Reason for Change
	CCNH (1)	RHNS (2)	(Specify) (3)	Lost			Gained			CCNH	RHNS	(Specify)	
				(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	CCNH	RHNS	(Specify)	R.C.H.	ICF-MR
No. of Residents	6		87		22				
Per Diem Rate									
a. One bed rm.	various		246.04		445.00				
b. Two bed rms.	various		246.04		410.00				
c. Three or more bed rms.									

7. Total Number of Physical Therapy Treatments

	TOTAL	CCNH	RHNS	(Specify)
A. Medicare - Part B	1,217	1,217		
B. Medicaid (Exclusive of Part B)				
1. Maintenance Treatments	1,048	1,048		
2. Restorative Treatments				
C. Other	9,120	9,120		
D. Total Physical Therapy Treatments	11,385	11,385		
8. Total Number of Speech Therapy Treatments				
A. Medicare - Part B	40	40		
B. Medicaid (Exclusive of Part B)				
1. Maintenance Treatments	126	126		
2. Restorative Treatments				
C. Other	582	582		
D. Total Speech Therapy Treatments	748	748		
9. Total Number of Occupational Therapy Treatments				
A. Medicare - Part B	812	812		
B. Medicaid (Exclusive of Part B)				
1. Maintenance Treatments	798	798		
2. Restorative Treatments				
C. Other	8,525	8,525		
D. Total Occupational Therapy Treatments	10,135	10,135		

Report of Expenditures - Salaries & Wages

Name of Facility	License No.	Report for Year Ended	Page	of		
Spectrum Healthcare Derby, LLC d/b/a Birmingham Health	2236-C	9/30/2017	10	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)	134,641	2,331				
3. Assistant Administrator (Complete also Sec. IV of Schedule A1)						
4. Other Administrative Salaries (telephone operator, clerks, receptionists, etc.)	128,330	6,239				
5. Dietary Service						
a. Head Dietitian	6,864	192				
b. Food Service Supervisor	56,598	2,086				
c. Dietary Workers	339,408	20,111				
6. Housekeeping Service						
a. Head Housekeeper						
b. Other Housekeeping Workers						
7. Repairs & Maintenance Services						
a. Engineer or Chief of Maintenance	73,872	2,142				
b. Other Maintenance Workers	62,098	3,335				
8. Laundry Service						
a. Supervisor						
b. Other Laundry Workers						
9. Barber and Beautician Services						
10. Protective Services						
11. Accounting Services						
a. Head Accountant						
b. Other Accountants						
12. Professional Care of Residents						
a. Directors and Assistant Director of Nurses	219,483	4,292				
b. RN						
1. Direct Care	682,618	16,864				
2. Administrative**	155,891	3,926				
c. LPN						
1. Direct Care	1,082,935	33,651				
2. Administrative**						
d. Aides and Attendants	1,560,441	93,480				
e. Physical Therapists						
f. Speech Therapists						
g. Occupational Therapists						
h. Recreation Workers	61,260	4,488				
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	88,783	4,223				
n. Marketing						
o. Other (Specify) See Attached Schedule	67,803	4,091				
<i>A-13. Total Salary Expenditures</i>	<i>4,721,025</i>	<i>201,451</i>				

* 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.

State of Connecticut

Annual Report of Long-Term Care Facility

CSP-11 Rev. 10/2005

**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
Spectrum Healthcare Derby, LLC d/b/a Birmingham Health Center				2236-C	9/30/2017				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 Administrator 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	
Spectrum Healthcare Derby, LLC d/b/a Birmingham Health Center				2236-C	9/30/2017			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***										
Robert Guastella 10/01/16-04/21/17	87,043					1,451	A2			
Patricia Worhunsky-Quinn 05/01/17-07/14/17	26,444					440	A2			
Chaim Scher 07/17/17-09/30/17	21,154					440	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		
Spectrum Healthcare Derby, LLC d/b/a Birmingham	2236-C	9/30/2017	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. Pharmacist	17,033	228				
4. Podiatrist						
5. Physical Therapy						
a. Resident Care	247,000	4,116				
b. Other						
6. Social Worker						
7. Recreation Worker						
8. Physicians						
a. Medical Director (entire facility)	63,238	844				
b. Utilization Review (Title 18 and 19 only) monthly meeting	95,894	1,280				
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	41,925	560				
b. Other						
10. Occupational Therapist						
a. Resident Care	218,284	3,640				
b. Other						
11. Nurses and aides and attendants						
a. RN						
1. Direct Care	135,451	2,464				
2. Administrative***						
b. LPN						
1. Direct Care	56,283	1,250				
2. Administrative***						
c. Aides	224	9				
d. Other						
12. Other (Specify) See Attached Schedule						
B-13 Total Fees Paid in Lieu of Salaries	875,332	14,391				

* 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 Spectrum Healthcare Derby, LLC d/b/a Birmingham He		License No. 2236-C	Report for Year Ended 9/30/2017	Page 14	of 37
Name & Address of Individual	Full Explanation of Service	Related** to Owners, Operators, Officers		Explanation of Relationship	
		Yes	No		
The Nurse Network-5 Central Ave., E Hartford, CT 06150	Pool Nursing	<input type="radio"/>	<input checked="" type="radio"/>		
Pharamerica, PO Box 409251, Atlanta, GA 30384	Pharmacy Consultant	<input type="radio"/>	<input checked="" type="radio"/>		
Dr. Lionel Lim-Griffin Hospital-130 Division St., Derby, CT 06418	Medical Director	<input type="radio"/>	<input checked="" type="radio"/>		
Select Rehabilitation, Inc., 550 Frontage Rd., Suite 2415 Northfield, IL 60093	Contract Therapy	<input type="radio"/>	<input checked="" type="radio"/>		
Dr. Joseph Brenes-The Hospitalist Company-PO Box 844929, Los Angeles, CA 90084-4929	Medical Director	<input type="radio"/>	<input checked="" type="radio"/>		
Ready Nurse-2602 Highlands Blvd. N. Palm Harbor, FL 34684	Pool Nursing	<input type="radio"/>	<input checked="" type="radio"/>		
HealthDrive Dental Group-888 Worchester St., Wellesley. MA 02482-3744	Dental Consultant	<input type="radio"/>	<input checked="" type="radio"/>		
Griffin Hospital-130 Division St., Derby, CT 06418	Pulmonary Consultant	<input type="radio"/>	<input checked="" type="radio"/>		
Pulmonary Specialists-130 Division St., Derby, CT 06418	Pulmonary Consultant	<input type="radio"/>	<input checked="" type="radio"/>		
		<input type="radio"/>	<input type="radio"/>		
		<input type="radio"/>	<input type="radio"/>		
		<input type="radio"/>	<input type="radio"/>		
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		<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
Spectrum Healthcare Derby, LLC d/b/a Birmingham	2236-C	9/30/2017		15	37
Item	Total	CCNH	RHNS	(Specify)	
1. Administrative and General					
a. Employee Health & Welfare Benefits					
1. Workmen's Compensation	\$ 108,795	108,795			
2. Disability Insurance	\$				
3. Unemployment Insurance	\$				
4. Social Security (F.I.C.A.)	\$ 506,366	506,366			
5. Health Insurance	\$ 862,966	862,966			
6. Life Insurance (employees only) (not-owners and not-operators)	\$				
7. Pensions (Non-Discriminatory) (not-owners and not-operators)	\$ 257,183	257,183			
8. Uniform Allowance	\$ 9,166	9,166			
9. Other (<i>Specify</i>) See Attached Schedule	\$ 35,898	35,898			
b. Personal Retirement Plans, Pensions, and Profit Sharing Plans for Owners and Operators (Discriminatory)*	\$				
c. Bad Debts*	\$ 90,000	90,000			
d. Accounting and Auditing	\$ 24,500	24,500			
e. Legal (<i>Services should be fully described on Page 7</i>)	\$ 31,082	31,082			
f. Insurance on Lives of Owners and Operators (<i>Specify</i>)*	\$				
g. Office Supplies	\$ 12,869	12,869			
h. Telephone and Cellular Phones					
1. Telephone & Pagers	\$ 16,629	16,629			
2. Cellular Phones	\$ 767	767			
i. Appraisal (<i>Specify purpose and attach copy</i>)*	\$				
j. Corporation Business Taxes (<i>franchise tax</i>)	\$				
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	\$ 728,364	728,364			
Subtotal	\$ 2,684,585	2,684,585			

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

(Carry Subtotals forward to next page)

***** DO NOT Include Holiday Parties / Awards / Gifts to Staff**

Spectrum Healthcare Derby, LLC d/b/a Birmingham Health Center
9/30/2017

Attachment Page 15

Schedule of Other Employee Benefits

Description	CCNH	RHNS	(Specify)
Union Training Fund	\$ 31,002		
Employee Background Checks	\$ 4,746		
Employee Physicals	\$ 150		
Total	\$ 35,898	\$ -	\$ -

Schedule of Other Taxes

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

Annual Report of Long-Term Care Facility

CSP-16 Rev. 9/2002

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

Name of Facility	License No.	Report for Year Ended		Page	of
Spectrum Healthcare Derby, LLC d/b/a Birmingham	2236-C	9/30/2017		16	37
Item	Total	CCNH	RHNS	(Specify)	
Subtotals Brought Forward:	2,684,585	2,684,585			
l. Travel and Entertainment					
1. Resident Travel and Entertainment	\$ 5,990	5,990			
2. Holiday Parties for Staff	\$ 1,529	1,529			
3. Gifts to Staff and Residents	\$ 2,783	2,783			
4. Employee Travel	\$ 323	323			
5. Education Expenses Related to Seminars and Conventions	\$ 1,056	1,056			
6. Automobile Expense (not purchase or depreciation)	\$				
7. Other (Specify) See Attached Schedule	\$ 287	287			
m. Other Administrative and General Expenses					
1. Advertising Help Wanted (all such expenses)	\$				
2. Advertising Telephone Directory (all such expenses)***	\$				
3. Advertising Other (Specify)*** See Attached Schedule	\$ 3,428	3,428			
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	\$ 5,309	5,309			
* 8. Dues and Membership Fees to Professional Associations (Specify) See Attached Schedule	\$ 14,522	14,522			
8a. Dues to Chamber of Commerce & Other Non-Allowable Org.***	\$				
9. Subscriptions	\$				
10. Contributions*** See Attached Schedule	\$				
11. Services Provided by Contract (Specify and Complete Schedule C-2, Page 21 for each firm or individual)	\$				
12. Administrative Management Services**	\$ 360,000	360,000			
13. Other (Specify) See Attached Schedule	\$ 134,490	134,490			
C-14 Total Administrative & General Expenditures	\$ 3,214,302	3,214,302			

* 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)
Meals	\$ 287		
Total Other Travel and Entertainment	\$ 287	\$ -	\$ -

Schedule of Other Advertising

Description	CCNH	RHNS	(Specify)
Advertising-Promotional	\$ 100		
Marketing Expenses	\$ 3,328		
Total Other Advertising	\$ 3,428	\$ -	\$ -

Schedule of Dues

Description	CCNH	RHNS	(Specify)
Dues & Subscriptions	\$ 14,522		
Total Dues	\$ 14,522	\$ -	\$ -

Schedule of Contributions

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

Schedule of Other Administrative and General

Description	CCNH	RHNS	(Specify)
Data Processing Fees-Payroll	\$ 40,563		
Data Processing Fees-MDI	\$ 11,805		
Bank Fees	\$ 4,633		
Software Fees-IVANS	\$ 1,288		
Software Maintenance	\$ 2,565		
Computer Maintenance	\$ 22,612		
Cable Television	\$ 17,302		
Archives	\$ 23,303		
Licenses	\$ 3,801		
Printing	\$ 4,996		
Fines & Penalties	\$ 330		
Copier Equipment	\$ 1,217		
Dues & Subscriptions	\$ 75		
Total Other Administrative and General	\$ 134,490	\$ -	\$ -

Schedule C-1 - Management Services*

Name of Facility Spectrum Healthcare Derby, LLC d/b/a B	License No. 2236-C	Report for Year Ended 9/30/2017	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 #
Spectrum Healthcare, LLC	360,000	Home office services, Accounting, Personnel & Benefits admin., Treasury, Operations, QA	Page 16, line m. 12

*** 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		License No.	Report for Year Ended	Page	of
Spectrum Healthcare Derby, LLC d/b/a Birmingham H		2236-C	9/30/2017	18	37
Item	Total	CCNH	RHNS	(Specify)	
2. Dietary					
a. In-House Preparation & Service					
1. Raw Food	\$ 275,076	275,076			
2. Non-Food Supplies	\$ 27,085	27,085			
3. Other (Specify) _____	\$ _____				
b. Purchased Services (by contract other than through Management Services) (Complete Schedule C-2 att. Page 21)	\$ 685	685			
c. Management Services**	\$ _____				
d. Other (Specify) _____ Small Equipment Purchased Equipment Repair & Maintenance	\$ 3,327	3,327			
2E. Total Dietary Expenditures (2a + b + c + d)	\$ 306,172	306,172			
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		License No.	Report for Year Ended	Page	of
Spectrum Healthcare Derby, LLC d/b/a Birmingham He		2236-C	9/30/2017	19	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. \$	27,215	27,215	
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. \$	3,435	3,435	
b. Purchased Services (by contract other than through Management Services) (Complete Schedule C-2 att. Page 21)		\$	311,511	311,511	
c. Management Services**		\$			
d. Other (Specify) Supplies		\$	158	158	
3E. Total Laundry Expenditures (3a + b + c + d)		\$	342,319	342,319	
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
Spectrum Healthcare Derby, LLC d/b/a Birmin		2236-C	9/30/2017		20	37
Item			Total	CCNH	RHNS	(Specify)
4. Housekeeping	Sq. Ft. Serviced					
a. In-House Care	by Personnel					
1. Supplies - Cleaning (<i>Mops, pails, brooms, etc.</i>)	Amt.	\$ 4,210	4,210			
b. Purchased Services (<i>by contract other than through Management Services</i>)	Sq. Ft. Serviced					
(<i>Complete Schedule C-2 att. Page 21</i>)	by Personnel					
	Amt.	\$ 316,210	316,210			
c. Management Services*		\$				
d. Other (<i>Specify</i>)		\$				
4E. Total Housekeeping Expenditures (4a + b + c + d)		\$ 320,420	320,420			
5. Resident Care (Supplies)**						
a. Prescription Drugs***						
1. Own Pharmacy		\$				
2. Purchased from		\$ 152,372	152,372			
b. Medicine Cabinet Drugs		\$ 24,834	24,834			
c. Medical and Therapeutic Supplies		\$ 225,846	225,846			
d. Ambulance/Limousine***		\$ 5,191	5,191			
e. Oxygen						
1. For Emergency Use		\$				
2. Other***		\$ 47,774	47,774			
f. X-rays and Related Radiological Procedures***		\$ 19,914	19,914			
g. Dental (<i>Not dentists who should be included under salaries or fees</i>)		\$				
h. Laboratory***		\$ 21,900	21,900			
i. Recreation		\$ 1,985	1,985			
j. Other (<i>Specify</i>)****		\$ 32,625	32,625			
See Attached Schedule						
5K. Total Resident Care Expenditures (5a - 5j)		\$ 532,442	532,442			

* 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.

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

Name of Facility		License No.	Report for Year Ended	Page of				
Spectrum Healthcare Derby, LLC d/b/a Birmingham Health Center		2236-C	9/30/2017	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
Automatic Data Processing	Waltham, MA 02454	O	O		Payroll Processing	40,563		16 M13
MDI	St. Louis, MO 63146	O	O		GL/AR/AP/Clinical Program	11,805		16 M13
Healthcare Services Group	Bensalem, PA 19020	O	O		Laundry Services	311,511		19 3b
Healthcare Services Group	Bensalem, PA 19020	O	O		Housekeeping Services	316,210		20 4b
		O	O					
		O	O					
		O	O					
		O	O					
		O	O					
		O	O					
		O	O					
		O	O					
		O	O					
		O	O					
		O	O					

* 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	
Spectrum Healthcare Derby, LLC d/b/a Birmin	2236-C	9/30/2017	22	37	
Item		Total	CCNH	RHNS	(Specify)
6. Maintenance & Operation of Plant					
a. Repairs & Maintenance	\$	28,803	28,803		
b. Heat	\$	45,858	45,858		
c. Light & Power	\$	84,131	84,131		
d. Water	\$	22,866	22,866		
e. Equipment Lease (<i>Provide detail on page 6</i>)	\$				
f. Other (<i>itemize</i>)	\$	63,395	63,395		
See Attached Schedule					
6g. Total Maint. & Operating Expense (6a - 6f)	\$	245,054	245,054		
7. Depreciation (<i>complete schedule page 23*</i>)					
a. Land Improvements	\$	192	192		
b. Building & Building Improvements	\$	295,550	295,550		
c. Non-Movable Equipment	\$	14,487	14,487		
d. Movable Equipment	\$	8,359	8,359		
*7e. Total Depreciation Costs (7a + b + c + d)	\$	318,588	318,588		
8. Amortization (<i>Complete att. Schedule Page 24*</i>)					
a. Organization Expense	\$				
b. Mortgage Expense	\$				
c. Leasehold Improvements	\$				
d. Other (<i>Specify</i>)	\$				
*8e. Total Amortization Costs (8a + b + c + d)	\$				
9. Rental payments on leased real property less real estate taxes included in item 10b	\$	720,000	720,000		
10. Property Taxes					
a. Real estate taxes paid by owner	\$	132,338	132,338		
b. Real estate taxes paid by lessor	\$				
c. Personal property taxes	\$	4,349	4,349		
11. Total Property Expenses (7e + 8e + 9 + 10)	\$	1,175,275	1,175,275		

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

Amortization Schedule*

Name of Facility			License No.		Report for Year Ended			Page	of
Spectrum Healthcare Derby, LLC d/b/a Birmingham Health C			2236-C		9/30/2017			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.									
2.									
3.									
A-4. Subtotal									
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)									
C-4. Subtotal									
D. Total Amortization									

* 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) - Interest

Name of Facility		License No.	Report for Year Ended		Page	of
Spectrum Healthcare Derby, LLC d/b		2236-C	9/30/2017		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
Spectrum Healthcare Derby, LLC d		2236-C		9/30/2017		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)				\$	220,447	220,447	
Working Capital and Vendor Interest							
13. Total All Interest Expense (12B7 + 12C3 + 12D)				\$	220,447	220,447	
14. Insurance							
a. Insurance on Property (buildings only)				\$			
b. Insurance on Automobiles				\$			
c. Insurance other than Property (as specified above)							
1. Umbrella (Blanket Coverage)			\$	70,462	70,462		
2. Fire and Extended Coverage			\$				
3. Other (Specify)			\$				
14d. Total Insurance Expenditures (14a + b + c)				\$	70,462	70,462	
15. Total All Expenditures (A-13 thru C-14)				\$	12,023,250	12,023,250	

D. Adjustments to Statement of Expenditures

Name of Facility			License No.	Report for Year Ended	Page	of	
Spectrum Healthcare Derby, LLC d/b/a Birmingham Health Ce			2236-C	9/30/2017	28	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.			Occupational Therapy	\$			
4.			Other - See attached Schedule	\$			
Page 13 - Professional Fees							
5.			Resident Care Physicians **	\$			
6.			Occupational Therapy	\$			
7.			Other - See attached Schedule	\$			
Pages 15 & 16 - Administrative and General							
8.			Discriminatory Benefits	\$			
9.	15	1c	Bad Debts	\$ 90,000	90,000		
10.			Accounting & Legal	\$			
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.			Travel for purposes of attending conferences or seminars outside the continental U.S. Other out-of-state travel in excess of one representative	\$			
17.			Automobile Expense (e.g. personal use)	\$			
18.	16	m3	Unallowable Advertising *	\$ 3,428	3,428		
19.			Income Tax / Corporate Business Tax	\$			
20.			Fund Raising / Contributions	\$			
21.			Unallowable Management Fees	\$			
22.			Barber and Beauty	\$			
23.			Other - See attached Schedule	\$ 330	330		
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)				\$ 93,758	93,758		

* 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)
Total Other Fees Adjustments			\$ -	\$ -	\$ -

Schedule of Other A&G Adjustments

Page Ref	Line Ref	Description	CCNH	RHNS	(Specify)
16	m13	Fines & Penalties	\$ 330		
Total Other A&G Adjustments			\$ 330	\$ -	\$ -

Annual Report of Long-Term Care Facility

CSP-29 Rev. 10/2006

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

Name of Facility			License No.	Report for Year Ended	Page	of	
Spectrum Healthcare Derby, LLC d/b/a Birmingham Health			2236-C	9/30/2017	29	37	
Item No.	Page No.	Line No.	Item Description	Total Amount of Decrease	CCNH	RHNS	(Specify)
Subtotals Brought Forward				\$ 93,758	93,758		
Page 20 - Resident Care Supplies***							
27.			Prescription Drugs	\$			
28.			Ambulance/Limousine	\$			
29.			X-rays, etc	\$			
30.			Laboratory	\$			
31.			Medical Supplies	\$			
32.			Oxygen (non emergency)	\$			
33.			Occupational Therapy	\$			
34.			Other - See Attached Schedule	\$			
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	\$			
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	\$ 127,113	127,113		
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)				\$ 220,871	220,871		

*** 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.

Spectrum Healthcare Derby, LLC d/b/a Birmingham Health Center
9/30/2017

Schedule of Other Ancillary Costs

Page Ref	Line Ref	Description	CCNH	RHNS	(Specify)
Total Other Ancillary Costs			\$ -	\$ -	\$ -

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)
Total Other Property Adjustments			\$ -	\$ -	\$ -

Page Ref	Line Ref	Description	CCNH	RHNS	(Specify)
27	12d	Vendor Interest	\$ 127,113		
Total Other Adjustments			\$ 127,113	\$ -	\$ -

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
Spectrum Healthcare Derby, LLC d/b/a B 2236-C		9/30/2017		30	37
Item	Total	CCNH	RHNS	(Specify)	
I. Resident Room, Board & Routine Care Revenue					
1. a. Medicaid Residents (<i>CT only</i>)	\$ 12,390,038	12,390,038			
b. Medicaid Room and Board Contractual Allowance **	\$ (4,951,549)	(4,951,549)			
2. a. Medicaid (<i>All other states</i>)	\$				
b. Other States Room and Board Contractual Allowance **	\$				
3. a. Medicare Residents (<i>all inclusive</i>)	\$ 822,590	822,590			
b. Medicare Room and Board Contractual Allowance **	\$ 211,272	211,272			
4. a. Private-Pay Residents and Other	\$ 2,391,499	2,391,499			
b. Private-Pay Room and Board Contractual Allowance **	\$				
II. Other Resident Revenue					
1. a. Prescription Drugs - Medicare	\$ 67,602	67,602			
b. Prescription Drugs - Medicare Contractual Allowance **	\$ (67,602)	(67,602)			
c. Prescription Drugs - Non-Medicare	\$ 89,253	89,253			
d. Prescription Drugs - Non-Medicare Contractual Allowance **	\$ (89,253)	(89,253)			
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	\$ 341,671	341,671			
b. Physical Therapy - Medicare Contractual Allowance **	\$ (237,367)	(237,367)			
c. Physical Therapy - Non-Medicare	\$				
d. Physical Therapy - Non-Medicare Contractual Allowance **	\$				
4. a. Speech Therapy - Medicare	\$ 40,320	40,320			
b. Speech Therapy - Medicare Contractual Allowance **	\$ (28,277)	(28,277)			
c. Speech Therapy - Non-Medicare	\$				
d. Speech Therapy - Non-Medicare Contractual Allowance **	\$				
5. a. Occupational Therapy - Medicare	\$ 290,018	290,018			
b. Occupational Therapy - Medicare Contractual Allowance **	\$ (220,652)	(220,652)			
c. Occupational Therapy - Non-Medicare	\$				
d. Occupational Therapy - Non-Medicare Contractual Allowance **	\$				
6. a. Other (<i>Specify</i>) - Medicare	\$				
b. Other (<i>Specify</i>) - Non-Medicare	\$				
III. Total Resident Revenue (Section I. thru Section II.)	\$ 11,049,565	11,049,565			
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>)	\$ 188	188			
6. Private Duty Nurses' Fees	\$				
7. Barber, Coffee, Beauty and Gift shops	\$				
8. Other (<i>Specify</i>)	\$ 387	387			
V. Total Other Revenue (I thru 8)	\$ 574	574			
VI. Total All Revenue (III +V)	\$ 11,050,139	11,050,139			

* 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.

G. Balance Sheet

Name of Facility	License No.	Report for Year Ended	Page	of
Spectrum Healthcare Derby, LLC d/b/a	2236-C	9/30/2017	31	37
Account			Amount	
Assets				
A. Current Assets				
1. Cash (on hand and in banks)			\$	323,976
2. Resident Accounts Receivable (Less Allowance for Bad Debts)			\$	2,828,511
3. Other Accounts Receivable (Excluding Owners or Related Parties)			\$	(23,497)
4. Inventories			\$	5,013
5. Prepaid Expenses			\$	161,979
a. Prepaid-Expenses	31,517			
b. Prepaid-Insurance	130,462			
c. _____				
d. _____				
6. Interest Receivable			\$	
7. Medicare Final Settlement Receivable			\$	
8. Other Current Assets (itemize)			\$	161,024
Resident Refunds	161,024			
A-9. Total Current Assets (Lines A1 thru 8)			\$	3,457,007
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 _____		\$	
	Accum. Depreciation _____	Net		
5. Non-Movable Equipment	*Historical Cost <u>268,731</u>		\$	123,321
	Accum. Depreciation <u>145,410</u>	Net		
6. Movable Equipment	*Historical Cost <u>495,005</u>		\$	29,816
	Accum. Depreciation <u>465,189</u>	Net		
7. Motor Vehicles	*Historical Cost _____		\$	
	Accum. Depreciation _____	Net		
8. Minor Equipment-Not Depreciable			\$	
9. Other Fixed Assets (itemize)			\$	
B-10. Total Fixed Assets (Lines B1 thru 9)			\$	153,137

* 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
Spectrum Healthcare Derby, LLC d/b/a	2236-C	9/30/2017	32	37
Account			Amount	
Total Brought Forward:			\$	3,610,144
C. Leasehold or like property recorded for Equity Purposes.				
1. Land			\$	
2. Land Improvements				
	*Historical Cost	11,650		
	Accum. Depreciation	11,650	Net	\$
3. Buildings				
	*Historical Cost	6,103,921		
	Accum. Depreciation	4,035,072	Net	\$ 2,068,849
4. Non-Movable Equipment				
	*Historical Cost	276,545		
	Accum. Depreciation	276,545	Net	\$
5. Movable Equipment				
	*Historical Cost	339,981		
	Accum. Depreciation	339,981	Net	\$
6. Motor Vehicles				
	*Historical Cost			
	Accum. Depreciation		Net	\$
7. Minor Equipment-Not Depreciable			\$	
C-8 Total Leasehold or Like Properties (C1 thru 7)			\$	2,068,849
D. Investment and Other Assets				
1. Deferred Deposits			\$	
2. Escrow Deposits			\$	
3. Organization Expense				
	*Historical Cost			
	Accum. Depreciation		Net	\$
4. Goodwill (Purchased Only)			\$	
5. Investments Related to Resident Care (<i>itemize</i>)			\$	
6. Loans to Owners or Related Parties (<i>itemize</i>)			\$	
Name and Address	Amount	Loan Date		
7. Other Assets (<i>itemize</i>)			\$	39,851
	Lease Deposits/Utility Deposits	1,523		
	Utility Deposit	38,328		
D-8. Total Investments and Other Assets (Lines D1 thru 7)			\$	39,851
D-9. Total All Assets (Lines A9 + B10 + C8 + D8)			\$	5,718,843

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

G. Balance Sheet (cont'd)

Name of Facility	License No.	Report for Year Ended	Page	of
Spectrum Healthcare Derby, LLC d/b/a Birmi	2236-C	9/30/2017	33	37
Account			Amount	
Liabilities				
A. Current Liabilities				
1. Trade Accounts Payable			\$	2,432,970
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>)			\$	252,438
5. Accrued Payroll (<i>Owners and/or Stockholders only</i>)			\$	
6. Accrued Payroll Taxes Payable			\$	7,314
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>)			\$	2,410,562
Accrued Property Taxes, Water & Se		3,186	Working Capital Line of	1,244,881
Accrued Expenses		310,936		
Accrued Provider Tax		1,152,246		
Due To Related		(300,687)		
A-13. Total Current Liabilities (Lines A1 thru 12)			\$	5,103,284

* 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 Spectrum Healthcare Derby, LLC d/b/a Bir		License No. 2236-C	Report for Year Ended 9/30/2017	Page 34	of 37
Account				Amount	
Total Brought Forward:				5,103,284	
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>)				\$	
Name and Address of Lender	Amount	Loan Date			
4. Other Long-Term Liabilities (<i>itemize</i>)				\$	

B-5. Total Long-Term Liabilities (Lines B1 thru 4)				\$	
C. Total All Liabilities (Lines A-13 + B-5)				\$ 5,103,284	


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

Name of Facility	License No.	Report for Year Ended	Page	of
Spectrum Healthcare Derby, LLC d/b/	2236-C	9/30/2017	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			\$	2,052,619
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			\$	132,338
5. Reserve for funds set aside as donor restricted			\$	
6. Total Reserves			\$	2,184,957
B. Net Worth				
1. Owner's Capital			\$	
2. Capital Stock			\$	
3. Paid-in Surplus			\$	
4. Treasury Stock			\$	
5. Cumulated Earnings			\$	(596,288)
6. Gain or Loss for Period			\$	(973,111)
	10/1/2016	thru	9/30/2017	
7. Total Net Worth			\$	(1,569,399)
C. Total Reserves and Net Worth			\$	615,558
D. Total Liabilities, Reserves, and Net Worth			\$	5,718,843

H. Changes in Total Net Worth

Name of Facility		License No.	Report for Year Ended	Page	of
Spectrum Healthcare Derby, LLC d/b/a H		2236-C	9/30/2017	36	37
Account				Amount	
A.	Balance at End of Prior Period as shown on Report of 09/30/2016			\$	(3,546,262)
B.	Total Revenue (<i>From Statement of Revenue Page 30</i>)			\$	11,050,139
C.	Total Expenditures (<i>From Statement of Expenditures Page 27</i>)			\$	12,023,250
D.	Net Income or Deficit			\$	(973,111)
E.	Balance			\$	(4,519,373)
F.	Additions				
	1. Additional Capital Contributed (<i>itemize</i>)				
	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		09/30/17	\$	(4,519,373)

I. Preparer's/Reviewer's Certification

Name of Facility Spectrum Healthcare Derby, LLC d/b/a	License No. 2236-C	Report for Year Ended 9/30/2017	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 Accounting Manager	Date Signed 1/10/18		
Printed Name of Preparer Gennaro Evangelista				
Address 27 Naek Rd., Vernon, CT 06066		Phone Number 860-871-5454		