

February 15, 2018

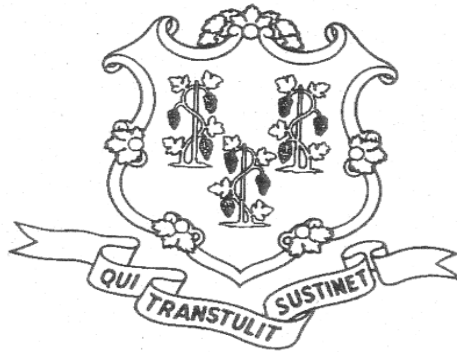
Mr. Chris LaVigne, Director  
Department of Social Services  
55 Farmington Ave  
Hartford, CT 06105  
Attention: Office of Reimbursement and CON

Dear Mr. LaVigne:

Enclosed please find the 2017 Medicaid Cost Report for Bethel Health Care Center. Bethel operates a CCNH, RCH, and Assisted Living. The operations of the Assisted Living are shown in the Annual Report of Long-Term Care Facility in the RHNS column and should not be considered for reimbursement.

In preparing this cost report, we did not perform any disallowances for the administrator salary expense or dues expense in excess of the limits for each prescribed by your department. We did not disallow any depreciation or interest expense in excess of amounts previously approved via Certificate of Need or related to any prior state desk review or field audits. There were no Cascades asset additions in the current year. Depreciation on Cascades assets placed into service in prior years has been disallowed. We believe that these disallowances are performed by the software used by your department in the preparation of the facility's rate computation report, and we do not want to create an inadvertent duplication of disallowance by calculating these adjustments. We believe this preparation methodology is in compliance with any rules and regulations of your department and the federal government.

# State of Connecticut



## Annual Report of Long-Term Care Facility Cost Year 2017

Name of Facility (as licensed) Bethel Health and Rehabilitation Center, LLC	
Address (No. & Street, City, State, Zip Code) 13 Park Lawn Drive, Bethel, CT 06801	
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 checked="" type="checkbox"/> Residential Care Home	
Report for Year Beginning 10/1/2016	Report for Year Ending 9/30/2017

License Numbers:	CCNH 2138-C	RHNS 0	Residential Care Home 1868	Medicare Provider 07-5400
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Medicaid Provider Numbers:	CCNH 21387	RHNS 0	ICF-IID 0
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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) Bethel Health and Rehabilitation Center, LLC	License No. 2138-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 Bethel Health and Rehabilitation Center, LLC [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	Signed (Owner)	Date
Printed Name (Administrator) Rich DeMio			Printed Name (Owner) Marvin Ostreicher	
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

<b>Data Required for Real Wage Adjustment</b>			Page 1A	of 37
Name of Facility Bethel Health and Rehabilitation Center, LLC		Period Covered:	From 10/1/2016	To 9/30/2017
Address of Facility 13 Park Lawn Drive, Bethel, CT 06801				
Report Prepared By BlumShapiro & Co.		Phone Number 860-561-4000	Date 2/15/2018	
Item	Total	CCNH	RHNS	Residential Care Home
1. Dietary wages paid	\$			
2. Laundry wages paid	\$			
3. Housekeeping wages paid	\$			
4. Nursing wages paid	\$			
5. All other wages paid	\$			
6. <b>Total Wages Paid</b>	\$			
7. Total salaries paid	\$			
8. <b>Total Wages and Salaries Paid</b> (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 203-830-4180		Report for Year Ended 9/30/2017	Page 2	of 37
Name of Facility (as shown on license) Bethel Health and Rehabilitation Center, LLC		Address (No. & Street, City, State, Zip) 13 Park Lawn Drive, Bethel, CT 06801		
License Numbers:	CCNH 2138-C	RHNS	Residential Care Home 1868	Medicare Provider No. 07-5400
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 checked="" type="checkbox"/> Residential Care Home				
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.				
National Health Care Associates, Inc. purchased 51% membership interest in the Company as of 12/31/2016.				
<b>Administrator</b>				
Name of Administrator Rich DeMio		Nursing Home Administrator's License No.:	1740	
Other Operators/Owners who are assistant administrators (full or part time) of this facility.				
Name		License No.:		

**General Information and Questionnaire**  
**Partners/Members**

Name of Facility Bethel Health and Rehabilitation Center, LLC		License No. 2138-C	Report for Year Ended 9/30/2017	Page 3	of 37
Legal Name of Partnership/LLC Bethel Health and Rehabilitation Center, LLC		Business Address 13 Park Lawn Drive, Bethel, CT 06801		State(s) and/or Town(s) in Which Registered Bethel, CT	
Name of Partners/Members	Business Address	Title		% Owned	
Bethel Investors, LLC	850 Silas Deane Highway Wethersfield, CT 06108			0.51	
Ronald C. Butler	89 Troon Way Mashpee, MA 02649			0.3502	
Grace L. Flight	2 Judd Avenue Bethel, CT 06081			0.07	
Various other (6 people)				0.0698	







**General Information and Questionnaire  
 Related Parties\***

Name of Facility Bethel Health and Rehabilitation Center, LLC	License No. 2138-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	%**				
See Attachment		<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.  
 \*\* Provide the percentage amount of revenue received from non-related parties.

**General Information and Questionnaire  
Related Parties\***

Name of Facility Bethel Health Care Center		License No. 2138-C		Report for Year Ended 9/30/2017		Page 4		of 37	
Are any individuals receiving compensation from the facility related through marriage, ability to control, ownership, family or business association?					<input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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?					<input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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		Cost Reported	Actual Cost to the Related Party
		Yes	No	%**		Page #	Line #		
Preferred Therapy Solutions	850 Silas Deane Highway, Wethersfield, CT 06109	<input checked="" type="checkbox"/>	<input type="checkbox"/>	37%	PT,OT,ST Services/Consulting	13	5a,9a,10a,12	2,424,221	2,394,765
NOA Diagnostics	6851 Jericho Turnpike, Suite 150 Syosset, NY 11791	<input checked="" type="checkbox"/>	<input type="checkbox"/>	82%	Radiology	20	5f	83,610	77,210
Aetna VEBA	850 Silas Deane Hwy Wethersfield, Ct	<input type="checkbox"/>	<input checked="" type="checkbox"/>		Health Insurance	16	12	819,013	819,013
Health Savings Account-VEBA	850 Silas Deane Hwy Wethersfield, Ct	<input type="checkbox"/>	<input checked="" type="checkbox"/>		Health Insurance	16	12	2,469	2,469
National Health Care Associates	20 East Sunrise Highway, Valley Stream, NY 11581	<input type="checkbox"/>	<input checked="" type="checkbox"/>		Shared Expenses	16	12	859,048	859,048
National Health Care Associates	20 East Sunrise Highway, Valley Stream, NY 11581	<input type="checkbox"/>	<input checked="" type="checkbox"/>		Banking Transactions	16	13	19,214	19,214
850 Silas Deane Realty	850 Silas Deane Highway, Wethersfield, Ct 06109	<input type="checkbox"/>	<input checked="" type="checkbox"/>		Rent/Other Exp	16	12	2,944	2,944
Stauderman Realty	46 Stauderman Ave, Lynbrook, NY 11563	<input type="checkbox"/>	<input type="checkbox"/>		Rent/Other Exp	16	12	402	402
20Sunrise	20 East Sunrise Highway, Valley Stream, NY 11581	<input type="checkbox"/>	<input checked="" type="checkbox"/>		Rent/Other Exp	16	12	16,181	16,181
Roland Butler	125 Periwinkle Drive, Middlebury, CT 06762	<input type="checkbox"/>	<input checked="" type="checkbox"/>		Administrator / Compensation with bonus	10	A2	122,602	122,602
Mary G. Butler	125 Periwinkle Drive, Middlebury, CT 06762	<input type="checkbox"/>	<input checked="" type="checkbox"/>		Reimbursement for Cell Phones, Seminars	10	A3	1,945	1,945
Bertha M. McCollam, Inc.	219 Greenwood Ave. Bethel, CT 06801	<input type="checkbox"/>	<input checked="" type="checkbox"/>		Insurance Agency / Various Insurance Policies	16	13	13,946	13,946
Procare LTC Pharmacy of MA	155 Northboro Rd STE 4, Southborough, MA 01772	<input checked="" type="checkbox"/>	<input type="checkbox"/>	92%	Drugs/OTC's/Consultant	20/13	5a2,b/B3	16,181	14,473
Procare LTC Pharmacy of CT	1492 Highland Ave Cheshire CT 06410	<input checked="" type="checkbox"/>	<input type="checkbox"/>	92%	Drugs/OTC's/Consultant	20/13	5a2,b/B3	1,131,111	1,011,727

\* Use additional sheets if necessary.

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

### General Information and Questionnaire Related Parties\*

Name of Facility Bethel Health Care Center	License No. 2138-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	%**				
Preferred Therapy Solutions	850 Silas Deane Highway, Wethersfield, CT 06109	<input checked="" type="checkbox"/>	<input type="checkbox"/>	37%	Due to Related	34 B3	437,205	437,205
NOA Diagnostics	6851 Jericho Turnpike, Suite 150 Syosset, NY 11791	<input checked="" type="checkbox"/>	<input type="checkbox"/>	82%	Due to Related	34 B3	51,031	51,031
Aetna VEBA	850 Silas Deane Hwy Wethersfield, Ct	<input type="checkbox"/>	<input checked="" type="checkbox"/>		Due to Related	34 B3	6,066	6,066
National Health Care Associates	20 East Sunrise Highway, Valley Stream, NY 11581	<input type="checkbox"/>	<input checked="" type="checkbox"/>		Due to Related	34 B3	8,931	8,931
National Health Care Associates	20 East Sunrise Highway, Valley Stream, NY 11581	<input type="checkbox"/>	<input checked="" type="checkbox"/>		Due from Related	32 D6	53,541	53,541
Procare LTC Pharmacy of MA	155 Northboro Rd STE 4, Southborough, MA 01772	<input type="checkbox"/>	<input checked="" type="checkbox"/>		Due to Related	34 B3	1,070,361	1,070,361
Procare LTC Pharmacy of CT	1492 Highland Ave Cheshire CT 06410	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Due to Related	34 B3	12,867	12,867
Cambridge Manor	Cambridge Health and Rehabilitation Center	<input type="checkbox"/>	<input checked="" type="checkbox"/>		Due to Related	34 B3	413	413
Roland Butler	125 Periwinkle Drive, Middlebury, CT 06762	<input type="checkbox"/>	<input checked="" type="checkbox"/>		Due to Related	34 B3	139,000	139,000

\* 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 Bethel Health and Rehabilitation Center, LLC	License No. 2138-C	Report for Year Ended 9/30/2017	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 ( <i>See listing page 13</i> )			
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.				
Costs were allocated between all cost centers on a consistent basis as in the prior cost years which have been reviewed and accepted by the Department of Social Services through the field audit process.				
2. Explain the allocation of related company expenses and attach copy of appropriate supporting data.				
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		License No.		Report for Year Ended			Page	of
Bethel Health and Rehabilitation Center, LLC		2138-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						
Delage Financial, P.O. Box 41602 Philadelphia, PA 19101-1602	<input type="radio"/>	<input checked="" type="radio"/>	Copier/ Printer	8/6/2012 & 8/23/2013	60 months & 39 months	66,546	48,444	
Pitney Bowes, 225 American Drive Neenah , WI 54956-1005	<input type="radio"/>	<input checked="" type="radio"/>	Postage Meter	09/20/11	Ongoing	2,908	2,908	
Wescom Solutions, P.O. Box 674802, Detroit, MI 48267	<input type="radio"/>	<input checked="" type="radio"/>	Software	04/15/16	Ongoing	36,004	36,044	
Wells Fargo, P.O. Box 10306, Des Moines, IA 50306	<input type="radio"/>	<input checked="" type="radio"/>	Copiers	08/17/17	60 Months	55,617	8,024	
	<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
<b>Total ***</b>							95,420	

\* 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.



# Atlantic

tomorrowsoffice.com



**NEW YORK CITY**  
Tel: (212) 741-6400  
Tel: (718) 994-9199  
Fax: (212) 645-1518

**WESTCHESTER**  
**UPSTATE**  
Tel: (914) 674-4500  
Fax: (914) 674-4477  
Tel: (845) 255-8900

**BLOOMFIELD, NJ**  
Tel: (866) 785-8475

**PRINCETON, NJ**  
Tel: (866) 785-8475  
Fax: (609) 919-9783

CUSTOMERS THAT PURCHASE NEW EQUIPMENT FROM ATLANTIC AND REMAIN CONTINUOUSLY COVERED UNDER AND COMPLIANT WITH AN ATLANTIC MAINTENANCE AGREEMENT WILL BE ENTITLED TO:  
**GUARANTEED RESPONSE TIME:** Call for support and have a technician on-site within (4) business hours.  
**GUARANTEED LOANER PROGRAM:** After Atlantic's second service visit to Customer during a 30 day period for the same technical issue (on the same equipment), upon request, Atlantic will provide a loaner until covered equipment is repaired.  
**GUARANTEED REPLACEMENT PROGRAM:** Atlantic will, upon request, replace covered equipment with a like unit (or comparable) if Atlantic determines, after a reasonable opportunity to cure, that such equipment is not repairable to the manufacturer's published specifications. This program shall apply for three (3) years from the purchase date, or, for leased equipment, for the initial term of the lease.  
 \*Guaranteed Replacement and Loaner Programs do not apply to production equipment.  
**SPECIALIZING IN DIGITAL COPIERS/PRINTERS, IT SOLUTIONS, DOCUMENT MANAGEMENT, RECORD RETENTION AND BACKFILE CONVERSION**

This Sales Order (the "Order," and, with all other incorporated agreements, the "Agreement") between Atlantic Tomorrow's Office ("Atlantic") and the below customer ("Customer") is made and entered into as of the date indicated below.

SAME AS INSTALL LOCATION  LEASING COMPANY

<b>Bill To:</b>	<b>Ship To:</b>
Name <u>Bethel Health Care &amp; Rehab Center</u>	Name <u>Bethel Health Care &amp; Rehab Center</u>
Address <u>13 Park Lawn Drive</u>	Address <u>13 Park Lawn Drive</u>
City, St, Zip <u>Bethel, CT 06801</u>	City, St, Zip <u>Bethel, CT 06801</u>
Phone # <u>(516) 705-4800</u> Fax # _____	Phone # <u>(516) 705-4800</u> Fax # _____
Contact Name <u>Michael Bokow</u>	Contact Name <u>Michael Bokow</u>
E-mail _____	E-Mail _____

P.O. #	Tax Exempt #	Terms	Ship Date	New Account	Account #
		60 Month Lease	ASAP	<input checked="" type="checkbox"/> Existing Account	
Quantity	Model # / Vendor #	Description	Unit Price	Total Price	
4	TA-6002i	Kyocera 6002i BW Copier System		\$4,358.00	
1	TA-5002i	Kyocera 5002i BW Copier System		per month	
1	TA-8002i	Kyocera 8002i BW Copier System			
2	TA-3552ci	Kyocera 3552ci BW & Color Copier System			
1	TA-6052ci	Kyocera 6052ci BW & Color Copier System			

PICK-UP  RETURN TO:  LEASING CO.  ATO  MOVE (other information)

MODEL	SERIAL # or ID #	LEASE #
Multiple Machines		

Subtotal \$ \_\_\_\_\_  
 Freight \$ \_\_\_\_\_  
 Sales Tax \$ \_\_\_\_\_  
 Total \$ \_\_\_\_\_  
 Deposit \$ \_\_\_\_\_  
 Check # \_\_\_\_\_  
 Total Due \$ \_\_\_\_\_

**MAINTENANCE AGREEMENT**  INCLUDED IN LEASE/SALE  BILL SEPARATELY \$ \_\_\_\_\_  
 COVERAGE: B/W 160,000 Color 15,000 copies / scan/ reception per:  Lease Term  Month  Other \_\_\_\_\_, whichever comes first.  
 Overage Rate: B/W 0.0055 Color 0.0600 per copy calculated:  Monthly  Quarterly  Annually  
 (Customer is responsible for reporting, on an as-needed basis, accurate meter reads on associated equipment)  
 INCLUDES:  Parts (non-consumable) and Labor  Consumable Parts (copiers only)  Supplies (except paper & staples)

CUSTOMER ACKNOWLEDGES THAT THE ABOVE EQUIPMENT IS NOT COVERED UNDER A MAINTENANCE AGREEMENT.

Other Information: Installed 2nd 8002i (10 by Evolution)  
plus Reimburse \$5,000 for Reg. Support  
 Customer declines coverage under the MFP Network Support Agreement. If selected, Atlantic will have no obligation to provide post-installation network, driver and/or other software support.

By signing below, an authorized representative of Customer agrees: (a) to purchase the equipment and maintenance services described above; (b) to be bound by and comply with the Atlantic Maintenance Terms and Conditions (Version 1.0 - January 16, 2014), which are incorporated herein by reference; and (c) to the extent applicable, to be bound by and comply with the terms of the Network Support Agreement (Version 1.0 - January 16, 2014), which is incorporated herein by reference.

**Customer:**  
 Authorized by: [Signature]  
 Printed Name: MICHAEL BOKOW  
 Title: PURCHASING Date: 6/22/17

**Atlantic:**  
 Sales Rep: Larry Weiss  
 Rep # NYS1ZZ  
 Date: 6/15/17  
 APPROVED BY: \_\_\_\_\_

ALL ORDERS ARE SUBJECT TO FINAL ACCEPTANCE BY ATLANTIC TOMORROWS OFFICE

### Atlantic Maintenance Terms and Conditions

1. The initial term of the Agreement is the period indicated on the Sales Order Form (the "Order," collectively, with these Atlantic Maintenance Terms and Conditions and any other incorporated agreements, the "Agreement"). Thereafter, this Agreement shall automatically renew, at the then-current rate, for successive twelve (12) month periods, unless either party gives written notice of non-renewal at least thirty (30) days prior to expiration of the then-current term. Customer shall not (without Atlantic ("Atlantic")'s prior written consent): (a) assign or transfer its rights and/or obligations under this Agreement; or (b) relocate equipment covered under the agreement (as indicated on the Order) ("Equipment"). Atlantic may terminate this Agreement if covered equipment ("Equipment") is sold, relocated (including to another Customer site) or assigned or transferred to a third party; and, upon such cancellation, all remaining payments shall become immediately due and payable.
2. The pricing under this Agreement is based on the number of clicks and/or the term of this Agreement. This is a term agreement and may not be cancelled within any term. Early termination by Customer will be deemed a default, in which event, without limitation, all remaining charges shall become immediately due and payable. If this Agreement is calculated on a cost-per-click maintenance program, the early termination fee will be calculated using the average actual usage from the beginning date of the Agreement, multiplied by the remaining months of the then-current term. Atlantic reserves the right to charge a monthly fee to cover increased variable costs including, but not limited to fuel, shipping, and/or freight.
3. On supply inclusive agreements only, all toner and developer required for normal operation of the equipment will be provided by Atlantic based on manufacturer's stated yield on an 8 1/2" x 11" 20 lb bond page. Any additional toner and/or developer required due to greater image densities and/or otherwise reduced yield will be separately chargeable at Atlantic's then-current rates. For Customer's convenience, Atlantic may stock toner and/or supplies at Customer's location. Any such toner and supplies remains Atlantic's property until installed, and, if not returned to Atlantic, will be chargeable to Customer.
4. Copies made on 11" x 17" paper will be charged at double the rate of a single 8 1/2" x 11" copy.
5. Unless otherwise specified on the Order, this Agreement does not cover network support, including installation of print drivers and utilities, beyond the specific Equipment and included hardware listed on the Order. All network functionality support beyond the initial installation will be chargeable at Atlantic's then-current time and materials rates, unless covered by a separate network support agreement.
6. All charges arising hereunder, including, without limitation, monthly maintenance fees and any billable excess clicks, services, supplies, and all applicable taxes on such charges, are due net thirty (30) days from the invoice date. Atlantic may charge Customer interest on any overdue (not paid when due) charges at a rate equal to the lesser of 5% per month or the maximum rate permitted by law. Atlantic reserves the right to increase rates hereunder once annually.
7. Customer is responsible: (a) to provide: (i) all requested and/or required meter reads on a timely basis (Customer failure to comply will result in, without limitation, Atlantic using meter estimates to determine invoice amounts, subject to additional per-meter processing charges); (ii) adequate environmental conditions including proper ventilation and power; and (iii) Atlantic with full and free access to equipment; (b) to, at all times hereunder, operate Equipment properly, safely and in accordance with manufacturers' specifications; and (c) for ensuring compliance with its legal requirements, including, without limitation, those concerning data retention, protection and/or deletion/removal. The parties acknowledge and agree that Atlantic shall have no obligation to remove, delete, preserve, maintain or otherwise safeguard any information, images or content retained by or resident in any Equipment.
8. All required preventive maintenance and repair services necessary to keep the Equipment operating in substantial conformity with applicable published specifications will be performed by Atlantic (or its assigned servicing agent) during regular business hours (8:30 a.m. - 5:00 p.m., Monday through Friday, except those holidays recognized by Atlantic) at no additional cost to Customer, provided that: (a) the Equipment is in good working order on the date of commencement of this Agreement; (b) the service is not an Excluded Service; and (c) Customer remains in compliance with its obligations hereunder and any other agreement with Atlantic. Customer agrees Atlantic shall not be required to use OEM parts and supplies, provided that parts or supplies meet or exceed manufacturers' specifications. Both installed and removed parts are deemed property of Atlantic.
9. Exclusions. Service calls for operator functions (e.g. adding or changing supplies, auto gradation/color calibration, or any other Customer responsibility) will be subject to a time and material service charge at Atlantic's then-current rates. Other services that are excluded from Atlantic's obligations and chargeable hereunder (collectively, "Excluded Services" or "Exclusions") include, without limitation:
  - (a) Repairs or other services resulting from or necessitated by: (i) causes other than normal use, including, without limitation: (1) Customer (or any third party): misuse, abuse, accidents, negligence, willful acts or use of supplies or spare parts that do not meet Atlantic's standards; (2) failure or variances of electrical power or other failure to provide proper operating environment (e.g. air conditioning, heat or humidity control); and (3) theft, fire, water, acts of god and/or any other damage resulting from causes outside of Atlantic's reasonable control; (ii) performance of service or repairs on, or other modification of, Equipment by anyone other than Atlantic or its assigned servicing agent; (iii) unauthorized transportation and/or relocation of Equipment; and/or (iv) operating system or application software, firmware or other programmed code, internal or external to Equipment;
  - (b) Services or other performance outside of Atlantic's regular business hours;
  - (c) Wiping, erasing or otherwise removing hard drive(s) from Equipment (unless expressly set forth on the Order); and
  - (d) Other work and/or services beyond the scope of this Agreement.All Excluded Services shall be invoiced in accordance with Atlantic's then-current rates and terms. If, in the Atlantic's opinion, Equipment cannot be maintained through Atlantic's routine preventive maintenance services (e.g. due to advanced age, excessive usage, an Exclusion or any other reason), any necessary services shall be deemed Excluded Services, and Atlantic will submit to Customer a cost estimate for such Excluded Services. If Customer declines to authorize the same, Atlantic reserves the right, on at least ten (10) days' written notice, to terminate coverage under this Agreement for any or all Equipment and, upon such termination, Atlantic shall have no further obligations with respect to terminated Equipment. If the Exclusion that formed the basis for termination resulted, in whole or in part, from a Customer act or omission (e.g. Customer misuse, negligence, unauthorized servicing or other failure to meet its obligations), Customer shall remain liable for its payment obligations hereunder, and all payments shall be immediately due and payable. Neither Atlantic nor an assigned servicing agent shall be responsible for service delays or inability to perform service due to any "cause" beyond its reasonable control (e.g. unavailability of parts, property manager demands); and, in any such event, Atlantic reserves the right to terminate this Agreement on not less than ten (10) days' notice. As long as Customer is not responsible, in whole or in part, for the "cause" that formed the basis for Atlantic's termination, Atlantic will credit Customer for any pre-paid fees attributable to the balance of the then-current term.
10. Atlantic assumes no responsibility or liability whatsoever for: (a) Exclusions; (b) Customer's failure to meet its obligations (including those responsibilities under Section 7 hereinabove); and/or (c) for Customer's (or any third party's) operation, use (including regulatory compliance) and/or misuse of, or other damage to, Equipment; and Customer will indemnify, defend and hold harmless Atlantic from and against any claims and/or other liability arising from any of the foregoing.
11. ATLANTIC'S TOTAL OBLIGATIONS AND ANY EXPRESS WARRANTIES UNDER THIS AGREEMENT, IF ANY, ARE IN LIEU OF: (A) ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND INFRINGEMENT, WHICH ARE SPECIFICALLY WAIVED; AND (B) ALL OTHER OBLIGATIONS AND/OR LIABILITIES FOR DAMAGES, INCLUDING, WITHOUT LIMITATION: 1) PERSONAL INJURY AND PROPERTY (INCLUDING INTELLECTUAL PROPERTY); AND 2) LOST PROFITS, LOSS OF REVENUE, LOSS OF USE, LOST OR CORRUPTED DATA, AND ANY OTHER INDIRECT OR CONSEQUENTIAL DAMAGES ARISING FROM OR IN CONNECTION WITH THIS AGREEMENT OR ATLANTIC'S SERVICES. CUSTOMER AGREES THAT IF ATLANTIC CAUSED ANY INJURY OR DAMAGE TO CUSTOMER OR CUSTOMER'S PROPERTY, WHICH SAID CLAIM IS NOT OTHERWISE WAIVED HEREIN, ATLANTIC'S MAXIMUM CUMULATIVE LIABILITY FOR SAID INJURY OR DAMAGE WILL NOT EXCEED CUSTOMER'S PAYMENTS TO ATLANTIC DURING THE IMMEDIATELY PRECEDING SIX (6) MONTHS FOR THE SERVICE(S) RENDERED THAT CAUSED SAID INJURY OR DAMAGE.
12. This Agreement constitutes the entire agreement between the parties with respect to Equipment maintenance, superseding all previous proposals, oral or written.
13. Customer will be in default if it fails to perform any of its obligations, including making prompt undisputed payments when due, under this Agreement, any other agreement with Atlantic or a third party lease of Equipment. Upon any default, Atlantic may (without notice): (a) withhold services, supplies and/or other products until the default is resolved; (b) declare all sums due and to become due to be immediately due and payable under this Agreement and any other agreement; (c) commence collection activities for all sums due and to become due hereunder, including, without limitation, costs and expenses of collection and reasonable attorneys' fees; (d) terminate this Agreement on ten (10) days' written notice; and/or (e) pursue any other remedies permitted by law. Customer will reimburse Atlantic for all reasonable costs and expenses incurred (including reasonable attorneys' fees, court costs, collection agency fees, etc.) in enforcing this Agreement. Atlantic's rights and remedies herein are cumulative and not exclusive of any other rights and/or remedies available to Atlantic at law, in equity, under statute or otherwise. Should either party commence a lawsuit arising out of or related to the terms and conditions of this Agreement, such lawsuit shall be filed exclusively in a state or federal court located in New York County. Further, this Agreement is governed by, and shall be interpreted exclusively under, the laws of the State of New York.





# Equipment Lease Agreement

Wells Fargo Financial Leasing, Inc. | 800 Walnut, 4th floor | Des Moines, Iowa 50309 | Phone: 800-247-5083

<b>Customer Information:</b> Customer's Full Legal Name ("You" and "Your"): Bethel Health and Rehabilitation Center		<b>Supplier Information:</b> Supplier Name ("Supplier"): Atlantic, Tomorrows Office	
Address: 13 Park Lawn Drive		Address: 134 W. 26th Street	
City/State/Zip Code: Bethel, CT 06801		City/State/Zip Code: New York, NY 10001	
Telephone Number: (516) 705- 4800	Federal Tax ID#:	County:	
<b>Equipment Information:</b> <input type="checkbox"/> See Attached Equipment Schedule		Equipment Location (if different than address shown above):	
Quantity	Equipment Make, Model & Serial Number	Quantity	Equipment Make, Model & Serial Number
	See Schedule A		
<b>Term And Payment Information:</b> Initial Term: 60 months		Payment*: \$4358 (*plus applicable taxes)	
Payment Period is "Monthly" unless otherwise noted here:		Security Deposit: \$0	
Advance Payment: \$0		Documentation/Processing Fee: \$75.00	
		applied to: <input type="checkbox"/> 1st Payment <input type="checkbox"/> Last Payment <input type="checkbox"/> 1st and Last Payments	
Purchase Option (shall be Fair Market Value unless another option is checked): <input checked="" type="checkbox"/> Fair Market Value <input type="checkbox"/> \$1.00 <input type="checkbox"/> Other:			

You acknowledge and agree that this agreement (as amended from time to time, the "Lease") represents the complete and exclusive agreement between You and Us regarding the subject matter herein and supersedes any other oral or written agreements between You and Us regarding such matters. This Lease can be changed only by a written agreement between You and Us. Other agreements not stated herein (including, without limitation, those contained in any purchase order or service agreement between You and the Supplier) are not part of this Lease. To help the government fight the funding of terrorism and money laundering activities, U.S. Federal law requires financial institutions to obtain, verify and record information that identifies each person (individuals or businesses) who opens an account. What this means for You: When You open an account or add any additional service, We will ask You for Your name, address, federal employer identification number and other information that will allow Us to identify You. We may also ask to see other identifying documents.

- LEASE OF EQUIPMENT.** You agree to lease from Us the personal property listed above (together with all existing and future accessories, attachments, replacements and embedded software, the "Equipment") upon the terms stated herein. This Lease is binding on You as of the date You sign it. You agree that after You sign, We may insert or correct any information missing on this Lease, including Your proper legal name, serial numbers and any other information describing the Equipment, and change the Payment by up to 15% due to a change in the Equipment or its cost or a tax or payment adjustment.
- TERM; AUTOMATIC RENEWAL.** The term of this Lease will begin on the date that it is accepted by Us or any later date that We designate (the "Commencement Date") and will continue for the number of months shown above (the "Initial Term"). As used herein, "Term" means the term presently in effect at any time, whether it is the Initial Term or a Renewal Term (defined below). **Unless You have a \$1.00 Purchase Option, You shall notify Us in writing at least 60 days but not more than 120 days before the end of the Term (the "Notice Period") that You intend to purchase or return the Equipment at the end of such Term or: (a) this Lease will automatically renew for an additional one-year period (a "Renewal Term"), and (b) all terms of this Lease will continue to apply.** If You do notify Us in writing within the Notice Period that You intend to purchase or return the Equipment at the end of the Term, then You shall (i) purchase the Equipment by paying the purchase option amount (and all other amounts due hereunder) within 10 days after the end of the Term, or (ii) return the Equipment pursuant to Section 12. For any "Fair Market Value" Purchase Option, the fair market value shall be determined by Us in Our sole but commercially reasonable judgment. **This Lease is non-cancelable for the full Term.**
- UNCONDITIONAL OBLIGATION.** You agree that: (i) We are a separate and independent company from the Supplier, manufacturer and any other vendor (collectively, "Vendors"), and the Vendors are NOT Our agents; (ii) No representation or warranty by any Vendor is binding on Us, and no Vendor has authority to waive or alter any term of this Lease; (iii) You, not We, selected the Equipment and the Vendors based on Your own judgment; (iv) Your obligations hereunder are absolute and unconditional and are not subject to cancellation, reduction or setoff for any reason whatsoever; (v) If You are a party to any maintenance, supplies or other contract with any Vendor, We are NOT a party thereto, such contract is NOT part of this Lease (even though We may, as a convenience to You and a Vendor, bill and collect monies owed by You to such Vendor), and no breach by any Vendor will excuse You from performing Your obligations to Us hereunder; and (vi) If the Equipment is unsatisfactory or if any Vendor fails to provide any service or fulfill any other obligation to You, You shall not make any claim against Us and shall continue to fully perform under this Lease.
- PAYMENTS.** You agree to pay Us an interim rent charge as reasonably calculated by Us for the period from the date the Equipment is delivered to You until the Commencement Date. The payment for this interim period will be based on the Payment prorated on a 30-day calendar month and will be added to Your first invoice. Each Payment Period, You agree to pay Us, by the due date set forth on Our invoice to You (i) the Payment, and (ii) applicable taxes and other charges provided for herein. Restrictive endorsements on checks will not be binding on Us. All payments received will be applied to past due amounts and to the current amount due in such order as We determine. Any security deposit that You pay is non-interest bearing, may be commingled with Our funds, may be applied by Us at any time to cure any default by You, and the unused portion will be returned to You after You have satisfied all of Your obligations hereunder. If We do not receive a payment in full on or before its due date, You shall pay a fee equal to the greater of 10% of the amount that is late or \$29.00 (or the maximum amount permitted by applicable law if less). You shall pay Us a returned check or non-sufficient funds charge of \$20.00 for any returned or dishonored check or draft. You acknowledge that We may increase the Lease Payment then in effect by up to 10% annually. If a Vendor has agreed to ship supplies to You pursuant to a separate contract, You acknowledge that We may (on behalf of such vendor) bill You for any supply freight fee that such Vendor charges for shipping supplies to You.
- INDEMNIFICATION.** You shall indemnify and hold Us harmless from and against, any and all claims, actions, damages, liabilities, losses and costs (including but not limited to reasonable attorneys' fees) made against Us, or suffered or incurred by Us, arising directly or indirectly out of, or otherwise relating to, the delivery, installation, possession, ownership, use, loss of use, defect in or malfunction of the Equipment. This obligation shall survive the termination of this Lease. We shall not be liable to You for any damages of any kind, including any liability for consequential damages, arising out of the use of or the inability to use the Equipment.
- NO WARRANTIES. WE ARE LEASING THE EQUIPMENT TO YOU "AS IS". WE HAVE NOT MADE AND HEREBY DISCLAIM ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, ARISING BY APPLICABLE LAW OR OTHERWISE, INCLUDING WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.** The parties hereto agree that this Lease is, or shall be treated as, a "finance lease" under Article 2A of the Uniform Commercial Code (the "UCC"). You hereby waive any and all rights and remedies conferred upon You by Article 2A of the UCC. If this Lease is deemed to be a secured transaction, You hereby grant to Us a security interest in the Equipment and all proceeds thereof. You authorize Us to record UCC financing statements to protect Our interests in the Equipment. You may be entitled under Article 2A of the UCC to the promises and warranties (if any) provided to Us by the Supplier(s) in connection with or as part of the contract (if any) by which We acquire the Equipment, which warranty rights We assign to You for the Term (provided You are not in default). You acknowledge that You are aware of the name of the Supplier of each item of Equipment and You may contact the Supplier(s) for an accurate and complete statement of those promises and warranties (if any), including any disclaimers and limitations of them or of remedies.
- DELIVERY; LOCATION; OWNERSHIP; USE AND MAINTENANCE.** We are not responsible for delivery or installation of the Equipment. You are responsible for

BY SIGNING BELOW, CUSTOMER ACKNOWLEDGES RECEIPT OF PAGE 2 OF THIS AGREEMENT AND AGREES TO THE TERMS ON BOTH PAGES 1 & 2

<b>Customer: (identified above)</b> Bethel Health and Rehabilitation Center		<b>Wells Fargo Financial Leasing, Inc. ("We," "Us," "Our" and "Lessor")</b>	
By:	Date: 6/22/17	By:	Date: ___/___/___
Print name: MICHAEL BOKOW	Title:	Print name:	Title:
		<b>Agreement Number:</b>	

Equipment maintenance. You will not remove the Equipment from the Equipment Location unless You first get Our permission. You shall give Us reasonable access to the Equipment Location so that We may inspect the Equipment, and You agree to pay Our costs in connection therewith. We will own and have title to the Equipment (excluding any software) during the Lease. If the Equipment includes any software: (i) We don't own the software, (ii) You are responsible for entering into any necessary software license agreements with the owners or licensors of such software, (iii) You shall comply with the terms of all such agreements, if any, and (iv) any default by You under any such agreements shall also constitute a default by You under this Lease. You agree that the Equipment is and shall remain personal property and without Our prior written consent, You shall not permit it to become (i) attached to real property or (ii) subject to liens or encumbrances of any kind. You represent that the Equipment will be used solely for commercial purposes and not for personal, family or household purposes. You shall use the Equipment in accordance with all laws, operation manuals, service contracts (if any) and insurance requirements, and shall not make any permanent alterations to it. At Your own cost, You shall keep the Equipment in good working order and warrantable condition, ordinary wear and tear excepted ("Good Condition").

**8. LOSS; DAMAGE; INSURANCE.** You shall, at all times during this Lease, (i) bear the risk of loss and damage to the Equipment and shall continue performing all Your obligations to Us even if it becomes damaged or suffers a loss, (ii) keep the Equipment insured against all risks of damage and loss ("Property Insurance") in an amount equal to its replacement cost, with Us named as sole "loss payee" (with a lender's loss payable endorsement if required by Lessor or an Assignee), and (iii) carry public liability insurance covering bodily injury and property damage ("Liability Insurance") in an amount acceptable to Us, with Us named as an additional insured thereunder. You have the choice of satisfying these insurance requirements by providing Us with satisfactory evidence of Property and Liability Insurance ("Insurance Proof"), within 30 days of the Commencement Date. Such Insurance Proof must provide for at least 30 days prior written notice to Us before it may be cancelled or terminated and must contain other terms satisfactory to Us. If you do not provide Us with Insurance Proof within 30 days of the Commencement Date, or if such insurance terminates for any reason, then (a) You agree that We have the right, but not the obligation, to obtain such Property Insurance and/or Liability Insurance in such forms and amounts from an insurer of Our choosing in order to protect Our interests ("Other Insurance"), and (b) You agree that We may charge you a periodic charge for such Other Insurance. This periodic charge will include reimbursement for premiums advanced by Us to purchase Other Insurance, billing and tracking fees, charges for Our processing and related fees associated with the Other Insurance, and a finance charge of up to 18% per annum (or the maximum rate allowed by law if less) on any advances We make for premiums (collectively, the "Insurance Charge"). We and/or one or more of our affiliates and/or agents may receive a portion of the Insurance Charge, which may include a profit. We are not obligated to obtain, and may cancel, Other Insurance at any time without notice to You. Any Other Insurance need not name You as an insured or protect Your interests. The Insurance Charge may be higher than if You obtained Property and Liability Insurance on Your own.

**9. ASSIGNMENT.** You shall not sell, transfer, assign or otherwise encumber (collectively, "Transfer") this Lease, or Transfer or sublease any Equipment, in whole or in part, without Our prior written consent. We may, without notice to You, Transfer Our interests in the Equipment and/or this Lease, in whole or in part, to a third party (an "Assignee"), in which case the Assignee will, to the extent of such Transfer, have all of Our rights and benefits but will not have to perform Our obligations (if any). Any Transfer by Us will not relieve Us of Our obligations hereunder. You agree not to assert against the Assignee any claim, defense or offset You may have against Us.

**10. TAXES AND OTHER FEES.** You are responsible for all taxes (including, without limitation, sales, use and personal property taxes, excluding only taxes based on Our income), assessments, license and registration fees and other governmental charges relating to this Lease or the Equipment (collectively "Governmental Charges"). Sales or use taxes due upfront will be payable over the Initial Term, with a finance charge. You authorize Us to pay any Governmental Charges as they become due, and You agree to reimburse Us promptly upon demand for the full amount. You agree to pay Us a fee for Our administration of taxes related to the Equipment. You also agree to pay Us upon demand (i) for all costs of filing, amending and releasing UCC financing statements, and (ii) a documentation/processing fee in the amount set forth on Page 1 (or as otherwise agreed to). You also agree to pay Us a fee for additional services We may provide to You at Your request during this Lease. If You so request, and We permit the early termination of this Lease, You acknowledge that there may be a cost or charge to You for such privilege. In connection with the expiration or earlier termination of this Lease, You agree to pay Us any Governmental Charges accrued or assessed but not yet due and payable, or Our estimate of such amounts. You agree that the fees and other amounts payable under this Lease may include a profit to Us and/or the Supplier.

**11. DEFAULT; REMEDIES.** You will be in default hereunder if: (1) You fail to pay any amount due hereunder within 15 days of the due date; (2) You breach or attempt to breach any other term, representation or covenant herein or in any other agreement now existing or hereafter entered into with Us or any Assignee; (3) an event of default occurs under any obligation You may now or hereafter owe to any affiliate of Us or any Assignee; and/or (4) You and/or any guarantors or sureties of Your obligations hereunder (i) die, (ii) go out of business, (iii) commence dissolution proceedings, (iv) merge or consolidate into another entity, (v) sell all or substantially all of Your or their assets, or there is a change of control with respect to Your or their ownership, (vi) become insolvent, admit Your or their inability to pay Your or their debts, (vii) make an assignment for the benefit of Your or their creditors (or enter into a similar arrangement), (viii) file, or there is filed against You or them, a bankruptcy, reorganization or similar proceeding or a proceeding for the appointment of a receiver, trustee or liquidator, or (ix) suffer a material adverse change in Your or their financial condition. If You default, We may do any or all of the following: (A) cancel this Lease, (B) require You to promptly return the Equipment pursuant to Section 12, (C) take possession of and/or render the Equipment (including any software) unusable (and for such purposes You hereby authorize Us and Our designees to enter Your premises, with or without prior notice or other process of law), and sell, lease or otherwise dispose of the Equipment on such terms and in such manner as We may in Our sole discretion determine, (D) require You to pay to Us, on demand, liquidated damages in an amount equal to the sum of (i) all Payments and other amounts then due and past due, (ii) all remaining Payments for the remainder of the Term discounted at a rate of 6% per annum, (iii) the residual value of the Equipment estimated by Us at the inception of this Lease (as shown in Our books and records), discounted at a rate of 6% per annum, (iv) interest on the amounts specified in clauses "i", "ii" and "iii" above from the date of demand to the date paid at the rate of 1.5% per month (or the maximum amount permitted by law if less), and (v) all other amounts that may thereafter become due hereunder to the extent that We will be obligated to collect and pay such amounts to a third party (such amounts specified in sub-clauses "i" through "v" referred to below as the "Balance Due"), and/or (E) exercise any other remedy available to Us under law. You also agree to reimburse Us on demand for all reasonable expenses of enforcement (including, without limitation, reasonable attorneys' fees and other legal costs) and reasonable expenses of repossessing, holding, preparing for disposition, and disposition ("Remarketing") of the Equipment, plus interest at the rate in sub-clause (iv) on the foregoing amounts from the date of demand to the date paid. In the event We are successful in Remarketing the Equipment, We shall give You a credit against the Balance Due in an amount equal to the present value of the proceeds received and to be received from Remarketing minus the above-mentioned costs (the "Net Proceeds"). If the Net Proceeds are less than the Balance Due, You shall be liable for such deficiency. Any delay or failure to enforce Our rights hereunder shall not constitute a waiver thereof. The remedies set forth herein are cumulative and may be exercised concurrently or separately.

**12. RETURN OF EQUIPMENT.** If You are required to return the Equipment under this Lease, You shall, at Your expense, send the Equipment to any location(s) that We may designate and pay Us a handling fee of \$250.00. The Equipment must be properly packed for shipment, freight prepaid and fully insured, and must be received in Good Condition (defined in Section 7). All terms of this Lease, including Your obligation to make Payments and pay all other amounts due hereunder shall continue to apply until the Equipment is received by Us in accordance with the terms of this Lease. You are solely responsible for removing all data from any digital storage device, hard drive or other electronic medium prior to returning the Equipment or otherwise removing or allowing the removal of the Equipment from Your premises for any reason (and You are solely responsible for selecting an appropriate removal standard that meets Your business needs and complies with applicable laws). We shall not be liable for any losses, directly or indirectly arising out of, or by reason of the presence and/or use of any information, images or content retained by or resident in any Equipment returned to Us or repossessed by Us.

**13. APPLICABLE LAW; VENUE; JURISDICTION; SEVERABILITY.** This Lease shall be deemed fully executed and performed in the state of Iowa and shall be governed and construed in accordance with the laws of the state of Iowa. If Lessor or its Assignee shall bring any judicial proceeding in relation to any matter arising under this Lease, You hereby irrevocably agree that any such matter may be adjudged or determined in any court or courts in the state of Iowa or the state of Lessor's or its Assignee's principal place of business, or in any other court or courts having jurisdiction over You or Your assets, all at the sole election of Lessor or its Assignee. You hereby irrevocably submit generally and unconditionally to the jurisdiction of any such court so elected by Lessor or its Assignee in relation to such matters and irrevocably waive any defense of an inconvenient forum to the maintenance of any such action or proceeding. **YOU AND WE HEREBY WAIVE YOUR AND OUR RESPECTIVE RIGHTS TO A TRIAL BY JURY IN ANY LEGAL ACTION.** If any amount charged or collected under this Lease is greater than the amount allowed by law (an "Excess Amount"), then (i) any Excess Amount charged but not yet paid will be waived by Us and (ii) any Excess Amount collected will be refunded to You or applied to any other amount then due hereunder. Each provision hereof shall be interpreted to the maximum extent possible to be enforceable under applicable law. If any provision is construed to be unenforceable, such provision shall be ineffective only to the extent of such unenforceability without invalidating the remainder hereof.

**14. DOLLAR PURCHASE.** This Section only applies if You have a \$1.00 Purchase Option. At the end of the Initial Term, You shall purchase the Equipment "AS IS, WHERE IS" for one dollar (\$1.00); provided, however, We shall not be required to transfer Our interest in the Equipment to You until You have paid to Us all amounts then owing hereunder, if any. You agree that prior to entering into this Lease, You could have purchased the Equipment from the Supplier for a specific cash amount, but instead You hereby choose and agree to pay a higher amount (the "Time Price") to Us in installments over the Initial Term. The Time Price equals the Payment amount shown above multiplied by the total number of Payments to be paid over the Initial Term, plus \$1.00. You agree that the Time Price represents only a higher purchase price and does not include an interest component or finance charge. However, if the Time Price should be determined or adjudicated to include an interest component or finance charge, then you agree that (i) each Payment shall be deemed to include an amount of pre-computed interest, (ii) the total pre-computed interest scheduled to be paid over the Initial Term is to be calculated by subtracting the amount We pay the Supplier ("Our Investment") from the Time Price, (iii) the annual interest rate deemed applicable to this transaction is the rate that will amortize Our Investment down to \$1.00 by applying all periodic Payments as payments (and this rate calculation method assumes that each periodic Payment is received by Us on the due date), and (iv) none of the other fees or costs We may charge You pursuant to this Lease (including but not limited to UCC filing fees, late fees, documentation or processing fees) shall be considered interest or a finance charge.

**15. MISCELLANEOUS.** You shall furnish Us or an Assignee with current financial statements upon request by Us or an Assignee. You authorize Us or an Assignee to (a) obtain credit reports or make credit inquiries in connection with this Lease, and (b) provide Your credit application, information regarding Your Lease account to credit reporting agencies, potential Assignees, Vendors and parties having an economic interest in this Lease and/or the Equipment. This Lease may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute the same document; provided, however, only the counterpart which is marked "Original" and is in Our possession shall constitute chattel paper under the UCC. You acknowledge that You have received a copy of this Lease and agree that a facsimile or other copy containing Your faxed, copied or electronically transmitted signature may be treated as an original and will be admissible as evidence of this Lease. You waive notice of receipt of a copy of this Lease with Our original signature. You hereby represent to Us that this Lease is legally binding and enforceable against You in accordance with its terms.



# Equipment Schedule

Wells Fargo Financial Leasing, Inc. | 800 Walnut, 4th floor | Des Moines, Iowa 50309 | Phone: 800-247-5083

Title of lease, rental or other agreement: \_\_\_\_\_ (the "Agreement")

Lessee/Renter/Customer: Bethel Health and Rehabilitation Center ("Customer")

Quantity	Equipment Make, Model & Serial Number	Starting Meter	"Service Only"	Equipment Location (if different than address shown in Agreement)
4	Kyocera 6002i BW Copier System		<input type="checkbox"/>	
1	Kyocera 5002i BW Copier System		<input type="checkbox"/>	
1	Kyocera 8002i BW Copier System		<input type="checkbox"/>	
2	Kyocera 3552ci BW & Color Copier System		<input type="checkbox"/>	
1	Kyocera 6052ci BW & Color Copier System		<input type="checkbox"/>	
			<input type="checkbox"/>	
			<input type="checkbox"/>	
			<input type="checkbox"/>	
			<input type="checkbox"/>	
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			<input type="checkbox"/>	
			<input type="checkbox"/>	
			<input type="checkbox"/>	
			<input type="checkbox"/>	

This schedule amends and supplements the Agreement described herein. This schedule, together with the provisions of the Agreement not expressly inconsistent herewith, constitutes the entire agreement between the parties with respect to the matters addressed herein, and shall supersede all prior oral or written negotiations, understandings and commitments regarding such matters. This schedule may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall be deemed to constitute one and the same agreement. Customer acknowledges having received a copy of this schedule and agrees that a facsimile or other copy containing Customer's faxed, copied or electronically transmitted signature may be treated as an original and will be admissible as evidence of this schedule.

**Customer (identified above):** Bethel Health and Rehabilitation Center

By: [Signature] Wells Fargo Financial Leasing, Inc.

Print name: MICHAEL BOYD Date: 6/22/17

Print name: \_\_\_\_\_ Title: \_\_\_\_\_  
 Agreement Number: \_\_\_\_\_  
 Master Agreement Number (if applicable): \_\_\_\_\_

**General Information and Questionnaire**  
**Accounting Basis**

Name of Facility Bethel Health and Rehabilitation C	License No. 2138-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 BlumShapiro & Co. 2 3 4	Address (No. & Street, City, State, Zip Code) 29 S Main Street, West Hartford, CT 06127
---	--

Services Provided by This Firm (*describe fully*)

1 Annual audit, tax returns, cost report services, and benefit plan audits	\$ 166,449
2	\$
3	\$
4	\$
	Charge for Services Provided
	\$ 166,449

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 See attachment 2 3 4 5	Telephone Number
--	------------------

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

Services Provided by This Firm (*describe fully*)

1 See attachment	\$ 210,950
2	\$
3	\$
4	\$
5	\$
	Charge for Services Provided
	\$ 210,950

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

**General Information and Questionnaire**  
**Accounting Basis**

Name of Facility Bethel Health Care Center		License No. 2138-C	Report for Year Ended 9/30/2017	Page 7	of 37
<b>Legal Services Information</b>					
Name of Legal Firm or Independent Attorney			Telephone Number		
1	DELBELLO DONNELLAN WEINGARTEN		(914) 681-0200		
2	ROGIN NASSAU, LLC		(860) 256-6300		
3	FLASTER GREENBERG		(856) 661-1900		
4	HODGSON RUSS LLP		(212) 751-4300		
5	STOKESBURY SHIPMAN & FINGOLD LLC		(860) 606-1700		
6	WALKER & DUNLOP LLC		(201) 947-2300		
7	GOLDMAN GRUDER & WOOD		(203) 899-8900		
8	AMERASSIT AR SOLUTIONS INC		(614) 848-9800		
9	JOSEPH VITALE		(203) 439-0602		
10	BETHEL PROBATE		(203) 794-8508		
11	TREASURER, STATE OF CT		(860) 702-3000		
Address (No. & Street, City, State, Zip Code)					
1	1 N Lexington Ave # 11, White Plains, NY 10601				
2	185 Asylum St # 22, Hartford, CT 06103				
3	1810 Chapel Ave W, Cherry Hill, NJ 08002				
4	605 3rd Ave #2300, New York, NY 10158				
5	20 Batterson Park Rd, Farmington, CT 06032				
6	180 Sylvan Ave, 1st Floor, Englewood Cliffs, NJ 07632				
7	200 Connecticut Ave, Norwalk, CT 06854				
8	445 Hutchinson Ave # 500, Columbus, OH 43235				
9	575 Highland Ave # 2, Cheshire, CT 06410				
10	1 School St, Bethel, CT 06801				
11	55 Elm St #2, Hartford, CT 06106				
Services Provided by This Firm (describe fully)					
1	General - disallow			\$ 17,650	
2	Acquisition - disallow			\$ 155,145	
3	General - disallow			\$ 5,915	
4	General - disallow			\$ 1,546	
5	General - disallow			\$ 1,160	
6	General - disallow			\$ 26,134	
7	Collections - disallow			\$ 1,580	
8	Collections - disallow			\$ 110	
9	General - disallow			\$ 810	
10	General - disallow			\$ 450	
11	General - disallow			\$ 450	
				Charge for Services Provided	
				\$ 210,950	
Are These Charges Reflected in the Expenditure Portion of This Report? If Yes, Specify Expense Classification and Line No.					
<input checked="" type="radio"/> Yes <input type="radio"/> No <span style="float: right;">Page 15 line 1e</span>					

### Schedule of Resident Statistics

Name of Facility Bethel Health and Rehabilitation Center, LLC				License No. 2138-C		Report for Year Ended 9/30/2017				Page 8		of 37	
	Total All Levels	Total CCNH Level	Total RHNS Level	Total Residential Care Home	Period 10/1 Thru 6/30				Period 7/1 Thru 9/30				
					Total	CCNH	RHNS	Residential Care Home	Total	CCNH	RHNS	Residential Care Home	
1. Certified Bed Capacity													
A. On last day of PREVIOUS report period	203	161	28	14	203	161	28	14	203	161	28	14	
B. On last day of THIS report period	203	161	28	14	203	161	28	14	203	161	28	14	
2. Number of Residents													
A. As of midnight of PREVIOUS report period	186	147	25	14	186	147	25	14	167	130	26	11	
B. As of midnight of THIS report period	161	123	24	14	167	130	26	11	161	123	24	14	
3. Total Number of Days Care Provided During Period													
A. Medicare	21,573	21,573			16,835	16,835			4,738	4,738			
B. Medicaid (Conn.)	20,556	20,556			15,039	15,039			5,517	5,517			
C. Medicaid (other states)													
D. Private Pay	14,965	4,819	9,483	663	11,857	4,133	7,221	503	3,108	686	2,262	160	
E. State SSI for RCH	4,222			4,222	3,180			3,180	1,042			1,042	
F. Other (Specify)	2,537	2,537			1,887	1,887			650	650			
G. Total Care Days During Period (3A thru F)	63,853	49,485	9,483	4,885	48,798	37,894	7,221	3,683	15,055	11,591	2,262	1,202	
4. Total Number of Days Not Included in Figures in 3G for Which Revenue Was Received for Reserved Beds													
A. Medicaid Bed Reserve Days	2	2			2	2							
B. Other Bed Reserve Days	27	27			21	21			6	6			
5. <b>Total Resident Days (3G + 4A + 4B)</b>	63,882	49,514	9,483	4,885	48,821	37,917	7,221	3,683	15,061	11,597	2,262	1,202	

**\*\*\*OTHER DAYS BREAKOUT:**

Bethel Health Care Center  
2017 Cost Report - Page 8 attachment

Page 8, Line 3F: Total Number of Other Days Care Provided During the Period

Managed Care	<u>2,224</u>
Hospice	<u>313</u>

**Schedule of Resident Statistics (Cont'd)**

Name of Facility Bethel Health and Rehabilitation Center, LLC			License No. 2138-C			Report for Year Ended 9/30/2017			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	Residential Care Home	Lost			Gained			CCNH	RHNS	Residential Care Home	
	(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	Residential Care Home		
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	Residential Care Home	R.C.H.	ICF-MR				
No. of Residents	49		60		14	24	2	12					
Per Diem Rate													
a. One bed rm.	PPS		268.50		495/650	180.68	156.06	142.71					
b. Two bed rms.	PPS		268.50		450/610								
c. Three or more bed rms.													
7. Total Number of Physical Therapy Treatments									TOTAL	CCNH	RHNS	Residential Care Home	
A. Medicare - Part B									3,854	3,854			
B. Medicaid (Exclusive of Part B)													
1. Maintenance Treatments													
2. Restorative Treatments									238	238			
C. Other									78,409	71,592	6,817		
D. <b>Total Physical Therapy Treatments</b>									82,501	75,684	6,817		
8. Total Number of Speech Therapy Treatments													
A. Medicare - Part B									375	375			
B. Medicaid (Exclusive of Part B)													
1. Maintenance Treatments													
2. Restorative Treatments									28	28			
C. Other									2,441	2,367	74		
D. <b>Total Speech Therapy Treatments</b>									2,844	2,770	74		
9. Total Number of Occupational Therapy Treatments													
A. Medicare - Part B									2,500	2,500			
B. Medicaid (Exclusive of Part B)													
1. Maintenance Treatments													
2. Restorative Treatments									157	157			
C. Other									62,467	62,411	56		
D. <b>Total Occupational Therapy Treatments</b>									65,124	65,068	56		



### Report of Expenditures - Salaries & Wages

Name of Facility Bethel Health and Rehabilitation Center, LLC	License No. 2138-C	Report for Year Ended 9/30/2017	Page 10	of 37		
Are time records maintained by all individuals receiving compensation? <input checked="" type="radio"/> Yes <input type="radio"/> No						
<b>Total Cost and Hours</b>						
Item	CCNH	Hours	RHNS	Hours	Residential Care Home	Hours
<b>A. Salaries and Wages*</b>						
1. Operators/Owners (Complete also Sec. I of Schedule A1)						
2. Administrator(s) (Complete also Sec. III of Schedule A1)	189,997	2,080	45,614	1,320	23,497	680
3. Assistant Administrator (Complete also Sec. IV of Schedule A1)						
4. Other Administrative Salaries (telephone operator, clerks, receptionists, etc.)	501,057	15,597	174,221	10,569	89,062	5,444
5. Dietary Service						
a. Head Dietitian	139,166	4,127	26,653	790	13,730	407
b. Food Service Supervisor	38,212	1,829	7,318	350	3,770	180
c. Dietary Workers	754,197	47,382	144,445	9,075	74,409	4,675
6. Housekeeping Service						
a. Head Housekeeper	36,789	1,612	7,046	309	3,630	159
b. Other Housekeeping Workers	375,030	26,350	71,826	5,047	37,000	2,600
7. Repairs & Maintenance Services						
a. Engineer or Chief of Maintenance	50,188	1,376	17,686	485	7,992	219
b. Other Maintenance Workers	94,133	4,717	33,171	1,662	14,990	751
8. Laundry Service						
a. Supervisor						
b. Other Laundry Workers	82,817	6,480	15,861	1,241	8,171	639
9. Barber and Beautician Services						
10. Protective Services	1,188	60	418	21	189	9
11. Accounting Services						
a. Head Accountant						
b. Other Accountants						
12. Professional Care of Residents						
a. Directors and Assistant Director of Nurses	269,366	4,160				
b. RN						
1. Direct Care	2,157,008	62,117	19,421	552	10,005	284
2. Administrative**	453,307	12,844				
c. LPN						
1. Direct Care	1,572,784	62,263	21,595	855	11,125	440
2. Administrative**						
d. Aides and Attendants	2,370,696	158,538	143,200	9,577	73,767	4,933
e. Physical Therapists	69,437	4,322	96,382	2,235		
f. Speech Therapists			3,441	106		
g. Occupational Therapists			35,720	940		
h. Recreation Workers	202,976	10,130	64,907	3,239	33,435	1,669
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	617,987	19,651	2,218	71	1,142	36
n. Marketing						
o. Other (Specify) See Attached Schedule	71,760	3,273		-37		-19
<i>A-13. Total Salary Expenditures</i>	10,048,095	448,906	931,143	48,405	405,914	23,107

\* 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		Residential Care Home	
	\$	Hours	\$	Hours	\$	Hours
Director of Purchasing	\$ -	(214)	\$ -	(37)	\$ -	(19)
Medical Services - Transportation	\$ 5,315	258	\$ -		\$ -	
Respiratory	\$ 31,923	1,551	\$ -		\$ -	
Respiratory	\$ 3,304	161	\$ -		\$ -	
Medical Records	\$ 31,218	1,517	\$ -	-	\$ -	-
<b>Total</b>	\$ 71,760	3,273	\$ -	(37)	\$ -	(19)

**Schedule of Other Fees (Page 13)**

Service	CCNH		RHNS		Residential Care Home	
	\$	Hours	\$	Hours	\$	Hours
Consulting Fees - Nursing	\$ 27,995		\$ 5,362		\$ 2,762	
Consulting Fees - Rehabilitation Therapy	\$ 960		\$ -		\$ -	
<b>Total</b>	\$ 28,955	-	\$ 5,362	-	\$ 2,762	-

**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
Bethel Health and Rehabilitation Center, LLC				2138-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	Residential Care Home							
<b>Section I - Operators/Owners</b>										
<b>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).</b>										
Marvin J. Ostreicher, 184 Wildacre Ave, Lawrence, NY 11559				Same as employees	Supervises operations, deals with DNS & financial management	63		See attached		

\* 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.

**MARVIN J. OSTREICHER - OWNER**  
**TIME STUDY**  
**YEAR END SEPTEMBER 30, 2017**

Name	Beds	Total
Augusta	72	44.50
Belair	102	43.50
Bethel	161	63.25
Bloomfield	120	45.50
Brattleboro	80	48.75
Brentwood	78	30.25
Brewer	111	56.00
Bristol	132	53.25
Cambridge	160	37.75
Catskill	136	42.50
Colony	92	36.75
Country	111	35.75
Dover	112	51.25
Eastside	69	39.75
Eliot	114	56.50
Glen Falls	120	40.25
Huntington	320	45.00
Kennebunk	78	46.00
Hebrew Home	257	50.25
Ludlowe	144	53.75
Maple View	120	49.00
Marlborough	120	50.00
Maywood	120	39.25
Milford	120	43.00
Newton Wellseley	110	45.00
Norway	70	44.25
Poughkeepsie	200	52.25
Regency	130	40.25
Reservoir	144	44.25
Riverside	345	41.50
Rutland	125	46.25
Sachem	111	49.25
Sands Point	180	55.75
Utica	117	45.00
Village Crest	95	40.00
Water's Edge	150	47.75
Westgate	104	43.00
Winship	72	42.25
Total	5,137	1,738.50
Vacation		286.00
Sick		14.00
Personal		-
Holiday		64.00
Total Hours		2,102.50

**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	
Bethel Health and Rehabilitation Center, LLC				2138-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	Residential Care Home							
<b>Section III - Administrators***</b>										
Rich DeMio	189,997			Same as employees	Administrator	2,080	A2			
Erin Healy		45,614	23,497	Same as employees	Director of ALU/RCH	2,000	A2			
<b>Section IV - Assistant Administrators</b>										

\*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		
Bethel Health and Rehabilitation Center, LLC	2138-C	9/30/2017	13	37		
Total Cost and Hours						
Item	CCNH	Hours	RHNS	Hours	Residential Care Home	Hours
<b>*B. Direct care consultants paid on a fee for service basis in lieu of salary (For all such services complete Schedule B1)</b>						
1. Dietitian	6,532	168	1,251	32	644	17
2. Dentist	11,398	Disallow				
3. Pharmacist	24,642	Disallow				
4. Podiatrist						
5. Physical Therapy						
a. Resident Care	1,203,905	24,315				
b. Other						
6. Social Worker						
7. Recreation Worker						
8. Physicians						
a. Medical Director (entire facility)	39,996	217	6,600	36	3,400	90
b. Utilization Review (Title 18 and 19 only) monthly meeting						
c. Resident Care**	12,703	Disallow				
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	103,160	1,695				
b. Other						
10. Occupational Therapist						
a. Resident Care	1,127,704	21,300				
b. Other						
11. Nurses and aides and attendants						
a. RN						
1. Direct Care	48,733	806				
2. Administrative***						
b. LPN						
1. Direct Care	38,265	606				
2. Administrative***						
c. Aides	10,306	579				
d. Other						
12. Other (Specify) See Attached Schedule	28,955		5,362		2,762	
<b>B-13 Total Fees Paid in Lieu of Salaries</b>	<b>2,656,299</b>	<b>49,686</b>	<b>13,213</b>	<b>68</b>	<b>6,806</b>	<b>107</b>

\* 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 Bethel Health and Rehabilitation Center, LLC		License No. 2138-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		
Deborah B Lyon 4 North Branch Road Newton CT 06470	Dietician	<input type="radio"/>	<input checked="" type="radio"/>		
Melissa Alward 56 Nashville Road, Ext Bethel CT 06801	Dietician	<input type="radio"/>	<input checked="" type="radio"/>		
HealthDrive Dental Group 888 Worcester Street Ste 130 Wellesley. MA 02482-3744	Dentist	<input type="radio"/>	<input checked="" type="radio"/>		
Procure LTC of CT, 111 Executive Blvd, Farmingdale, NY 11735	Pharmacist/ Consulting Nursing/Rehab	<input checked="" type="radio"/>	<input type="radio"/>	Common Ownership	
Preferred Therapy Solutions, 850 Silas Deane Hwy Wethersfield, CT 06109	PT/OT/ST/ Consulting Rehab	<input checked="" type="radio"/>	<input type="radio"/>	Common Ownership	
Comphealth Medical Staffing PO Box 972670 Dallas, TX 75397-2670	PT	<input type="radio"/>	<input checked="" type="radio"/>		
Swallowing Diagnostics, PO Box 848 Manchester, CT 06040	ST	<input type="radio"/>	<input checked="" type="radio"/>		
Starling Physicians PC 1260 Silas Deane Highway Wethersfield, CT 06109	Medical Director	<input type="radio"/>	<input checked="" type="radio"/>		
Harvey Kramer 8 Guardhouse Drive Redding, CT 06896	Medical Director	<input type="radio"/>	<input checked="" type="radio"/>		
Maxim Staffing Solutions 12558 Collections Center Drive Chicago, LI 60693	RN/LPN	<input type="radio"/>	<input checked="" type="radio"/>		
The Nurse Network LLC 653 Main Street Plantsville, CT 06479	RN/LPN	<input type="radio"/>	<input checked="" type="radio"/>		
Central Jersey Healthcare 12995 SW 188 Street Miami FL 33177	RN/LPN	<input type="radio"/>	<input checked="" type="radio"/>		
Worldwide Staffing 175 Dwight Rd. Suite 202, Longmeadow MA 01106	RN/LPN	<input type="radio"/>	<input checked="" type="radio"/>		
Associated Neurologists 69 Sand Pit Road, Suite 300, Danbury, CT 06810	Physician Fees - Resident Care	<input type="radio"/>	<input checked="" type="radio"/>		
ADVANCED SPECIALTY CARE 107 Newton Rd Danbury CT 06810-4151	Psych Fees - Resident Care	<input type="radio"/>	<input checked="" type="radio"/>		
WESTERN CT MEDICAL GROUP Box 8932 Belfast ME 04915-8932	Psych Fees - Resident Care	<input type="radio"/>	<input checked="" type="radio"/>		
ASSOC PULMONOLOGISTS OF W CT PO BOX 16020 BELFAST ME 04915	Physician Fees - Resident Care	<input type="radio"/>	<input checked="" type="radio"/>		
BRIDGEPORT HOSPITAL 267 GRANT STREET BRIDGEPORT CT 06610	Physician Fees - Resident Care	<input type="radio"/>	<input checked="" type="radio"/>		
CT FAMILY ORTHOPEDICS PO BOX 1065 WINDSOR CT 06095	Physician Fees - Resident Care	<input type="radio"/>	<input checked="" type="radio"/>		
DEPARTMENT OF SURGERY GENERAL PO BOX 27036 NEW YORK NY 10087	Physician Fees - Resident Care	<input type="radio"/>	<input checked="" type="radio"/>		
DYNASPLINT SYSTEMS INC 770 RITCHIE HWY STE W21 SEVERNA PARK MD 21146	Physician Fees - Resident Care	<input type="radio"/>	<input checked="" type="radio"/>		
See Attachment		<input type="radio"/>	<input checked="" type="radio"/>		

\* Use additional sheets if necessary.

\*\* Refer to Page 4 for definition of related.

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

Name of Facility Bethel Healthcare		License No. 1000c	Report for Year Ended 9/30/2017	Page 14a	of 37
Name & Address of Individual	Full Explanation of Service	Related** to Owners, Operators, Officers		Explanation of Relationship	
		Yes	No		
NEW ENGLAND ORTHOTIC & PROSTHETIC PO BOX 120767 EAST HAVEN CT 06512	Physician Fees - Resident Care	<input type="radio"/>	<input checked="" type="radio"/>		
ORTHOCONNECTICUT PC DBA COASTAL ORTHOAEDICS PC PO BOX 26303 OKLAHOMA CITY OK 73126	Physician Fees - Resident Care	<input type="radio"/>	<input checked="" type="radio"/>		
ORTHOAEDIC SPECIALISTS OF CT 60 OLD NEW MILFORD RD BROOKFIELD CT 06804	Physician Fees - Resident Care	<input type="radio"/>	<input checked="" type="radio"/>		
SOMERS ORTHOPEDIC SURGERY 664 STONELEIGH CARMEL NY 10512	Physician Fees - Resident Care	<input type="radio"/>	<input checked="" type="radio"/>		
SOUTHERN CT VASCULAR CENTER PO BOX 40 WINDSOR CT 06095	Physician Fees - Resident Care	<input type="radio"/>	<input checked="" type="radio"/>		
UROLOGY ASSOCIATES DANBURY 51-53 KENOSIA AVE DANBURY CT 06810	Physician Fees - Resident Care	<input type="radio"/>	<input checked="" type="radio"/>		
DANBURY AMBULANCE SERVICE, INC 14 WALNUT ST DANBURY CT 06810	Physician Fees - Resident Care	<input type="radio"/>	<input checked="" type="radio"/>		
DANBURY HOSPITAL 24 HOSPITAL AVE DANBURY CT 06810	Physician Fees - Resident Care	<input type="radio"/>	<input checked="" type="radio"/>		
DANBURY ORTHOPEDIC ASSOC 226 WHITE STREET DANBURY CT 06810	Physician Fees - Resident Care	<input type="radio"/>	<input checked="" 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
Bethel Health and Rehabilitation Center, LLC	2138-C	9/30/2017		15	37
Item	Total	CCNH	RHNS	Residential Care Home	
<b>1. Administrative and General</b>					
<b>a. Employee Health &amp; Welfare Benefits</b>					
1. Workmen's Compensation	\$ 442,963	390,942	36,228	15,793	
2. Disability Insurance	\$ 9,907	8,744	810	353	
3. Unemployment Insurance	\$ 149,714	132,132	12,244	5,338	
4. Social Security (F.I.C.A.)	\$ 836,721	738,458	68,432	29,831	
5. Health Insurance	\$ 1,034,635	913,129	84,618	36,888	
6. Life Insurance (employees only) (not-owners and not-operators)	\$				
7. Pensions (Non-Discriminatory) (not-owners and not-operators)	\$ 75	66	6	3	
8. Uniform Allowance	\$				
9. Other ( <i>Specify</i> ) See Attached Schedule	\$ 8,407	7,420	688	299	
<b>b. Personal Retirement Plans, Pensions, and Profit Sharing Plans for Owners and Operators (Discriminatory)*</b>	\$				
<b>c. Bad Debts*</b>	\$				
<b>d. Accounting and Auditing</b>	\$ 166,449	129,012	24,709	12,728	
<b>e. Legal (<i>Services should be fully described on Page 7</i>)</b>	\$ 210,950	163,504	31,315	16,131	
<b>f. Insurance on Lives of Owners and Operators (<i>Specify</i>)*</b>	\$				
<b>g. Office Supplies</b>	\$ 48,408	37,521	7,185	3,702	
<b>h. Telephone and Cellular Phones</b>					
1. Telephone & Pagers	\$ 35,450	27,477	5,262	2,711	
2. Cellular Phones	\$ 5,976	4,632	887	457	
<b>i. Appraisal (<i>Specify purpose and attach copy</i>)*</b>	\$				
<b>j. Corporation Business Taxes (<i>franchise tax</i>)</b>	\$ 6	5	1		
<b>k. Other Taxes (<i>Not related to property - See Page 22</i>)</b>					
1. Income*	\$				
2. Other ( <i>Specify</i> ) See Attached Schedule	\$ 160,951	124,751	23,892	12,308	
3. Resident Day User Fee	\$ 587,319	587,319			
<b>Subtotal</b>	\$ 3,697,931	3,265,112	296,277	136,542	

\* 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**

Bethel Health and Rehabilitation Center, LLC  
9/30/2017

Attachment Page 15

**Schedule of Other Employee Benefits**

<b>Description</b>	<b>CCNH</b>	<b>RHNS</b>	<b>Residential Care Home</b>
Life Insurance Premiums on Owners	\$ 7,420	\$ 688	\$ 299
<b>Total</b>	\$ 7,420	\$ 688	\$ 299

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**Schedule of Other Taxes**

<b>Description</b>	<b>CCNH</b>	<b>RHNS</b>	<b>Residential Care Home</b>
Sales Tax	\$ 124,751	\$ 23,892	\$ 12,308
<b>Total</b>	\$ 124,751	\$ 23,892	\$ 12,308

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

Name of Facility	License No.	Report for Year Ended	Page	of	
Bethel Health and Rehabilitation Center, LLC	2138-C	9/30/2017	16	37	
Item		Total	CCNH	RHNS	Residential Care Home
<b>Subtotals Brought Forward:</b>		3,697,931	3,265,112	296,277	136,542
1. Travel and Entertainment					
1. Resident Travel and Entertainment	\$				
2. Holiday Parties for Staff	\$	1,090	962	89	39
3. Gifts to Staff and Residents	\$	10,657	9,405	872	380
4. Employee Travel	\$	8,405	6,514	1,248	643
5. Education Expenses Related to Seminars and Conventions	\$	5,286	5,286		
6. Automobile Expense ( <i>not purchase or depreciation</i> )	\$	7,596	5,887	1,128	581
7. Other ( <i>Specify</i> ) See Attached Schedule	\$				
m. Other Administrative and General Expenses					
1. Advertising Help Wanted ( <i>all such expenses</i> )	\$	1,258	1,258		
2. Advertising Telephone Directory ( <i>all such expenses</i> )***	\$				
3. Advertising Other ( <i>Specify</i> )*** See Attached Schedule	\$	61,783	61,783		
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	\$	6,669	5,169	990	510
* 8. Dues and Membership Fees to Professional Associations ( <i>Specify</i> ) See Attached Schedule	\$	12,413	11,636		777
8a. Dues to Chamber of Commerce & Other Non-Allowable Org.***	\$				
9. Subscriptions	\$	4,671	3,621	693	357
10. Contributions*** See Attached Schedule	\$	1,565	1,565		
11. Services Provided by Contract ( <i>Specify and Complete Schedule C-2, Page 21 for each firm or individual</i> )	\$	121,082	93,849	17,974	9,259
12. Administrative Management Services**	\$	852,221	660,544	126,508	65,169
13. Other ( <i>Specify</i> ) See Attached Schedule	\$	329,454	255,869	48,566	25,019
<b>C-14 Total Administrative &amp; General Expenditures</b>		<b>\$ 5,122,081</b>	<b>4,388,460</b>	<b>494,345</b>	<b>239,276</b>

\* 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	Residential Care Home
<b>Total Other Travel and Entertainment</b>	\$ -	\$ -	\$ -

**Schedule of Other Advertising**

Description	CCNH	RHNS	Residential Care Home
Advertising - Promotion	\$ 61,783		
<b>Total Other Advertising</b>	\$ 61,783	\$ -	\$ -

**Schedule of Dues**

Description	CCNH	RHNS	Residential Care Home
	\$ 11,636	\$ -	\$ 777
<b>Total Dues</b>	\$ 11,636	\$ -	\$ 777

**Schedule of Contributions**

Description	CCNH	RHNS	Residential Care Home
Donations	\$ 1,565		
<b>Total Contributions</b>	\$ 1,565	\$ -	\$ -

**Schedule of Other Administrative and General**

Description	CCNH	RHNS	Residential Care Home
IT Services	\$ 103,044	\$ 19,735	\$ 10,166
Penalties - Disallowed	\$ 1,813	\$ 348	\$ 179
Bank Charges - Disallowed	\$ 40,367	\$ 7,731	\$ 3,983
Background Checks - Admin	\$ 6,901	\$ 1,322	\$ 681
Miscellaneous Expense - Disallowed	\$ 76,127	\$ 14,580	\$ 7,511
Licenses and Permits - Disallowed	\$ 2,291	\$ -	\$ -
Consulting Fees - Administration - Disallowed via management fee	\$ 19,470	\$ 3,729	\$ 1,921
Consulting Fees - Fiscal Operations	\$ 2,227	\$ 426	\$ 220
Crime Insurance- Disallowed	\$ 2,921	\$ 559	\$ 288
Nursing Aides Testing Costs	\$ 708	\$ 136	\$ 70
<b>Total Other Administrative and General</b>	\$ 255,869	\$ 48,566	\$ 25,019

**Schedule C-1 - Management Services\***

Name of Facility Bethel Health and Rehabilitation Center, L	License No. 2138-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 #
National Healthcare Associates, Inc.	852,221	See Attached	Page 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		License No.	Report for Year Ended		Page	of
Bethel Health and Rehabilitation Center, LLC		2138-C	9/30/2017		18	37
Item		Total	CCNH	RHNS	Residential Care Home	
2. Dietary						
a. In-House Preparation & Service						
1. Raw Food	\$	701,366	543,617	104,115		53,634
2. Non-Food Supplies	\$	19,364	15,009	2,874		1,481
3. Other ( <i>Specify</i> ) _____	\$					
b. Purchased Services ( <i>by contract other than through Management Services</i> ) ( <i>Complete Schedule C-2 att. Page 21</i> )		\$	43,069	33,383	6,393	3,293
c. Management Services**		\$				
d. Other ( <i>Specify</i> ) _____		\$				
<b>2E. Total Dietary Expenditures (2a + b + c + d)</b>		\$	<b>763,799</b>	<b>592,009</b>	<b>113,382</b>	<b>58,408</b>
2F. Dietary Questionnaire		Total	CCNH	RHNS	Residential Care Home	
G. Resident Meals:	Total no. of meals served per day:*					
H. Is cost of employee meals included in 2E?	<input checked="" type="radio"/> Yes <input type="radio"/> No					
I. Did you receive revenue from employees?	<input checked="" type="radio"/> Yes <input type="radio"/> No                      If yes, specify amt.					
J. Where is the revenue received reported in the Cost Report? (Page/Line Item)						Page 30, Line IV1
K. Is cost of meals provided to persons other than employees or residents (i.e., Board Members, Guests) included in 2E?	<input checked="" type="radio"/> Yes <input type="radio"/> No                      If yes, specify cost.					
L. Is any revenue collected from these people?	<input checked="" type="radio"/> Yes <input type="radio"/> No                      If yes, specify amt.					
M. Where is the revenue received reported in the Cost Report? (Page/Line Item)						Page 30, Line IV1
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
Bethel Health and Rehabilitation Center, LLC		2138-C	9/30/2017		19	37
Item		Total	CCNH	RHNS	Residential Care Home	
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. \$	21,109	16,361	3,134	1,614
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 ( <i>by contract other than through Management Services</i> ) ( <i>Complete Schedule C-2 att. Page 21</i> )		\$	14,488	11,229	2,151	1,108
c. Management Services**		\$				
d. Other ( <i>Specify</i> ) Supplies: 32,720; Diapers: 74,967		\$	106,507	82,553	15,810	8,144
3E. <b>Total Laundry Expenditures</b> (3a + b + c + d)		\$	142,104	110,143	21,095	10,866
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
Bethel Health and Rehabilitation Center, LLC		2138-C	9/30/2017		20	37
Item			Total	CCNH	RHNS	Residential Care Home
4.	Housekeeping	Sq. Ft. Serviced by Personnel				
a.	In-House Care					
1.	Supplies - Cleaning ( <i>Mops, pails, brooms, etc.</i> )	Amt.	\$ 69,561	53,916	10,326	5,319
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.	\$ 19,537	15,143	2,900	1,494
c.	Management Services*		\$			
d.	Other ( <i>Specify</i> )		\$			
<b>4E.</b>	<b>Total Housekeeping Expenditures (4a + b + c + d)</b>		\$ 89,098	69,059	13,226	6,813
5.	Resident Care (Supplies)**					
a.	Prescription Drugs***					
1.	Own Pharmacy		\$			
2.	Purchased from		\$ 1,030,977	1,030,977		
b.	Medicine Cabinet Drugs		\$ 45,598	45,598		
c.	Medical and Therapeutic Supplies		\$ 327,105	326,006	725	374
d.	Ambulance/Limousine***		\$ 7,518	7,518		
e.	Oxygen					
1.	For Emergency Use		\$			
2.	Other***		\$ 39,760	39,760		
f.	X-rays and Related Radiological Procedures***		\$ 102,639	102,639		
g.	Dental ( <i>Not dentists who should be included under salaries or fees</i> )		\$			
h.	Laboratory***		\$ 147,164	147,164		
i.	Recreation		\$ 71,261	64,411	4,521	2,329
j.	Other ( <i>Specify</i> )**** See Attached Schedule		\$ 216,786	216,786		
<b>5K.</b>	<b>Total Resident Care Expenditures (5a - 5j)</b>		\$ 1,988,808	1,980,859	5,246	2,703

\* 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**

<b>Description</b>	<b>CCNH</b>	<b>RHNS</b>	<b>Residential Care Home</b>
Flu Vaccine	\$ 7,695		
PT Supplies	\$ 223		
Purchased Services - Rehabilitation Therapy	\$ 259		
Purchased Services - Nursing	\$ 2,972		
Rental Expenses - Rehabilitation Therapy	\$ (29,982)		
Equipment Rental - Housekeeping	\$ 5,248		
Equipment Rental - Nursing	\$ 119,566		
Equipment Rental - Rehabilitation Therapy	\$ 72,512		
Equipment Rental - Respiratory	\$ (8,267)		
Rental Expenses - Rehabilitation Therapy	\$ 46,560		
<b>Total Other Resident Care</b>	\$ 216,786	\$ -	\$ -

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

Name of Facility Bethel Health and Rehabilitation Center, LLC			License No. 2138-C		Report for Year Ended 9/30/2017			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	Residential Care Home	Pg	Line
See Attachment		<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"/>							
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		<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).

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

Name of Facility Bethel Health Care Center		License No. 2138-C		Report for Year Ended 9/30/2017			Page 21	of 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	Residential Care Home	Pg	Line
ADP, Inc.	P.O. Box 842875, Boston, MA 02284	<input type="radio"/>	<input checked="" type="radio"/>		Payroll Service	39,599	7,584	3,907	16	m11
Integrated Health Systems	PO Box 23072 Overland Park, KS 66283	<input type="radio"/>	<input checked="" type="radio"/>		Computer Maintenance System	29,581	5,665	2,918	22	6e
Ameripride Linen & Apparel	PO Box 1390 BEMIDJI MN 56619	<input type="radio"/>	<input checked="" type="radio"/>		Laundry/Linen	11,191	2,143	1,104	19	4b
Smartlinx Solutions	333 Thornall St. 4th Floor Edison, NJ 08837	<input type="radio"/>	<input checked="" type="radio"/>		Time & Attendance	18,906	3,621	1,865	22	6e
Global Tech Systems, LLC	80 Lower Main St Portland CT 06480	<input type="radio"/>	<input checked="" type="radio"/>			20,923	4,007	2,064	22	6e
Base Technologies	23 Francis J Clarke Circle, Bethel, CT 06801-2847	<input type="radio"/>	<input checked="" type="radio"/>		Copier Lease Intermediary	39,528	7,570	3,900	22	6e
M.J. Daly & Sons	110 Mattatuck Heights Road Waterbury, CT 06705	<input type="radio"/>	<input checked="" type="radio"/>		HVAC	57,244	20,172	9,115	22	6a
Schindler Elevator Corp.	150 Greenwich Street, New York, NY 10006	<input type="radio"/>	<input checked="" type="radio"/>		Elevator Repair	12,919	4,552	2,057	22	6a
ThyssenKrupp Elevator Corp.	7481 N.W 66th St. Miami, FL 33166	<input type="radio"/>	<input checked="" type="radio"/>		Elevator Repair	9,295	3,276	1,480	22	6a
Junga Electric LLC	19 Candlewood RD Milford, CT 06461	<input type="radio"/>	<input checked="" type="radio"/>		Electrical Maintenance	13,975	4,925	2,225	22	6a
Kinsley Group Inc. DBA Kinsley Power Systems	14 Connecticut South Drive, East Granby, CT 06026	<input type="radio"/>	<input checked="" type="radio"/>		Elevator Repair	10,931	3,852	1,741	22	6a
Simplex/Grinnell LP	429 Hayden Station Road, Windsor, CT 06095	<input type="radio"/>	<input checked="" type="radio"/>		Alarm Monitoring	19,329	6,811	3,078	22	6a
Superior Environmental Corp.	1128 Franklin Street Maine MI 49435	<input type="radio"/>	<input checked="" type="radio"/>		Tank Inspection	6,713	2,366	1,069	22	6a
Fairfield County Landscaping	215 Flanders Road, Mystic ,CT 06355	<input type="radio"/>	<input checked="" type="radio"/>		Landscaping/ Snow Removal	22,818	4,370	2,251	22	6f
Town & Country Maintenance, LLC	8906 Telegraph Road, Lorton, VA 22079	<input type="radio"/>	<input checked="" type="radio"/>		Landscaping/ Snow Removal	33,162	6,351	3,272	22	6f
Excel Property Maintenance, Inc.	1 Pine Hill Rd New Fairfield CT 06812	<input type="radio"/>	<input checked="" type="radio"/>		Landscaping/ Snow Removal	19,927	3,817	1,966	22	6f
ADM Environmental Group, LLC	Avenue, Brooklyn, Ny 11230	<input type="radio"/>	<input checked="" type="radio"/>		Trash Removal/Recycling	32,699	6,263	3,226	22	6f
Ecolab Equipment Care	24673 Network Place, Chicago IL 60673	<input type="radio"/>	<input checked="" type="radio"/>		Dietary Equipment Repair	27,570	2,359	1,579	18	2b

\* 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
Bethel Health and Rehabilitation Center, LLC	2138-C	9/30/2017			22	37
Item	Total	CCNH	RHNS	Residential Care Home		
6. Maintenance & Operation of Plant						
a. Repairs & Maintenance	\$ 236,616	156,532	55,159	24,925		
b. Heat	\$ 94,351	62,417	21,995	9,939		
c. Light & Power	\$ 376,619	249,150	87,796	39,673		
d. Water	\$ 103,597	68,534	24,150	10,913		
e. Equipment Lease ( <i>Provide detail on page 6</i> )	\$ 95,420	73,958	14,165	7,297		
f. Other ( <i>itemize</i> )	\$ 207,222	137,088	48,306	21,828		
See Attached Schedule						
<b>6g. Total Maint. &amp; Operating Expense (6a - 6f)</b>	<b>\$ 1,113,825</b>	<b>747,679</b>	<b>251,571</b>	<b>114,575</b>		
7. Depreciation ( <i>complete schedule page 23*</i> )						
a. Land Improvements	\$ 253	201	35	17		
b. Building & Building Improvements	\$ 801,488	635,663	110,550	55,275		
c. Non-Movable Equipment	\$ 23,252	18,441	3,207	1,604		
d. Movable Equipment	\$ 58,191	46,152	8,026	4,013		
<b>*7e. Total Depreciation Costs (7a + b + c + d)</b>	<b>\$ 883,184</b>	<b>700,457</b>	<b>121,818</b>	<b>60,909</b>		
8. Amortization ( <i>Complete att. Schedule Page 24*</i> )						
a. Organization Expense	\$ 60,800	48,221	8,386	4,193		
b. Mortgage Expense	\$ 10,061	7,979	1,388	694		
c. Leasehold Improvements	\$					
d. Other ( <i>Specify</i> )	\$					
<b>*8e. Total Amortization Costs (8a + b + c + d)</b>	<b>\$ 70,861</b>	<b>56,200</b>	<b>9,774</b>	<b>4,887</b>		
9. Rental payments on leased real property less real estate taxes included in item 10b	\$					
10. Property Taxes						
a. Real estate taxes paid by owner	\$ 390,901	310,025	53,917	26,959		
b. Real estate taxes paid by lessor	\$					
c. Personal property taxes	\$ 39,190	31,081	5,406	2,703		
<b>11. Total Property Expenses (7e + 8e + 9 + 10)</b>	<b>\$ 1,384,135</b>	<b>1,097,763</b>	<b>190,914</b>	<b>95,458</b>		

\* 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**

<b>Description</b>	<b>CCNH</b>	<b>RHNS</b>	<b>Residential Care Home</b>
Maintenance supplies	\$ 31,565	\$ 11,122	\$ 5,026
Maintenance supplies - ALU	\$ 21	\$ 7	\$ 3
Ground services	\$ 66,139	\$ 23,306	\$ 10,532
Purchased services - maintenance ALU	\$ 1,969	\$ 694	\$ 313
Pest control	\$ 1,625	\$ 573	\$ 259
Carting	\$ 32,740	\$ 11,537	\$ 5,213
Rental expense - maintenance (short term)	\$ 130	\$ 46	\$ 21
Equipment rental - maintenance (short term)	\$ 636	\$ 224	\$ 101
Background checks - maintenance (short term)	\$ 2,393	\$ 843	\$ 381
Rental Expenses-Fiscal Operation- (short term)	\$ (130)	\$ (46)	\$ (21)
<b>Total Other Repairs and Maintenance</b>	<b>\$ 137,088</b>	<b>\$ 48,306</b>	<b>\$ 21,828</b>

### Depreciation Schedule

Name of Facility Bethel Health and Rehabilitation Center, LLC			License No. 2138-C			Report for Year Ended 9/30/2017			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			
<b>A. Land Improvements</b>													
1. Acquired prior to this report period			13,306		13,306	11,419	SL	Various	253				
2. Disposals (attach schedule)													
3. Acquired during this report period (attach schedule)													
A-4. Subtotal										253			
<b>B. Building and Building Improvements</b>													
1. Acquired prior to this report period			22,981,540		22,981,540	12,033,268	SL	Various	786,042				
2. Disposals (attach schedule)													
3. Acquired during this report period (attach schedule)			195,301		195,301				15,446				
B-4. Subtotal										801,488			
<b>C. Non-Movable Equipment</b>													
1. Acquired prior to this report period			387,394		387,394	236,070	SL	Various	23,252				
2. Disposals (attach schedule)													
3. Acquired during this report period (attach schedule)													
C-4. Subtotal										23,252			
		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								
<b>D. Movable Equipment</b>													
1. Motor Vehicles (Specify name, model and year of each vehicle)													
a. Van			X	2	4	48,214		48,214	48,214	SL	5		
b. 2000 Cadillac		X		2	5	15,000		15,000	15,000	SL	5		
c. Ford				7	17	57,848		57,848		SL	5	2,892	
d.													
2. Movable Equipment													
a. Acquired prior to this report period						1,540,159		1,540,159	1,352,226	SL	Various	41,084	
b. Disposals (attach schedule)													
c. Acquired during this report period (attach schedule)						168,813		168,813				14,215	
D-3. Subtotal													58,191
<b>E. Total Depreciation</b>													883,184

Bethel Health and Rehabilitation Center, LLC  
9/30/2017

**Schedule of Land Improvements Acquired during this report period**

Acquisition Date	Description of Item	Cost	Useful Life	Depreciation
<b>Additions:</b>				
<b>Total additions for Land Improvements</b>		\$ -		\$ - *
<b>Deletions:</b>				
<b>Total deletions for Land Improvements</b>		\$ -		\$ - **

\*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
<b>Additions:</b>				
11/30/2016	Stanley Wander Detection	\$ 66,043	10	\$ 6,054
11/30/2016	SARA Emergency Calling Sys	\$ 63,443	10	\$ 5,816
12/31/2016	CT Fence	\$ 7,125	8	\$ 742
12/31/2016	New zones to auto irrigation	\$ 7,125	20	\$ 297
2/28/2017	Heat Pumps	\$ 15,039	10	\$ 1,003
3/31/2017	Carpet	\$ 3,504	5	\$ 409
5/31/2017	Electric Actuators	\$ 22,360	10	\$ 932
6/30/2017	New Floors	\$ 2,929	10	\$ 98
7/31/2017	Stairs & Landing	\$ 775	15	\$ 13
9/30/2017	Expansion Tank	\$ 4,094	10	\$ 34
9/30/2017	Annunciator and wiring	\$ 2,863	5	\$ 48
<b>Total additions for Building Improvements</b>		\$ 195,301		\$ 15,446 *
<b>Deletions:</b>				
<b>Total deletions for Building Improvements</b>		\$ -		\$ - **

\*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
<b>Additions:</b>				
<b>Total additions for Non-Movable Equipment</b>		\$ -		\$ - *
<b>Deletions:</b>				



<b>Total deletions for Non-Movable Equipment</b>		\$	-	\$ -

Attachment Pages 23 24  
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\*Ties to Page 23, Line C3

\*\*Ties to Page 23, Line C2

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## Schedule of Movable Equipment Acquired during this report period

Acquisition Date	Description of Item	Cost	Useful Life	Depreciation
<b>Additions:</b>				
10/31/2016	Washer	\$ 1,992	10	\$ 199
11/30/2016	Food Blender	\$ 1,303	5	\$ 239
11/30/2016	Color Printer	\$ 3,913	5	\$ 717
11/30/2016	MSM Main Street Messenger	\$ 839	5	\$ 154
11/30/2016	Coaguchek	\$ 1,363	5	\$ 250
12/31/2016	Tax on asset# 118	\$ 95	10	\$ 8
12/31/2016	Entrapment measuring tool	\$ 1,423	5	\$ 237
12/31/2016	Pop up press	\$ 1,010	5	\$ 168
1/31/2017	Laundry Equipment	\$ 13,650	10	\$ 1,024
1/31/2017	Computers	\$ 4,499	5	\$ 675
1/31/2017	Desktop	\$ 1,221	5	\$ 183
3/30/2017	Food Processor	\$ 1,028	10	\$ 60
3/30/2017	Laptops	\$ 8,015	3	\$ 1,558
3/30/2017	Chair	\$ 1,213	15	\$ 47
4/30/2017	Electric bed 80"	\$ 3,925	12	\$ 164
5/31/2017	WASHER/Dryer	\$ 3,126	10	\$ 130
5/31/2017	Software	\$ 18,926	3	\$ 2,629
5/31/2017	TRANE RTU Motor	\$ 6,062	10	\$ 253
5/31/2017	Server	\$ 2,930	5	\$ 244
5/31/2017	Monitor	\$ 903	5	\$ 75
5/31/2017	Software	\$ 505	3	\$ 70
5/31/2017	Monitor	\$ 917	5	\$ 76
5/31/2017	Laptop	\$ 1,348	5	\$ 112
5/31/2017	Software	\$ 2,428	1	\$ 1,011
5/31/2017	Monitor	\$ 3,527	5	\$ 294
5/31/2017	Monitor	\$ 903	5	\$ 75
6/30/2017	80 electric bed"	\$ 1,291	12	\$ 36
6/30/2017	ECG Interpretive welch ally	\$ 2,798	10	\$ 93
6/30/2017	Spray pump	\$ 6,378	15	\$ 142
6/30/2017	Server	\$ 25,438	5	\$ 1,696
6/30/2017	Laptop	\$ 1,369	5	\$ 91
6/30/2017	Laptop	\$ 1,014	5	\$ 68
7/31/2017	Steamer	\$ 2,250	10	\$ 56
7/31/2017	Camshelving dryin rack	\$ 1,639	20	\$ 20
7/31/2017	Refrigerator	\$ 1,685	10	\$ 42
7/31/2017	Lift gate	\$ 3,657	10	\$ 91
7/31/2017	Hot Food Cart	\$ 8,185	10	\$ 205
7/31/2017	Desktop	\$ 2,049	5	\$ 102
7/31/2017	Laptop	\$ 2,737	5	\$ 137
7/31/2017	Laptop	\$ 1,376	5	\$ 69
7/31/2017	Pumps	\$ 3,063	5	\$ 153
8/31/2017	Copier	\$ 16,821	5	\$ 562
<b>Total additions for Movable Equipment</b>		\$ 168,813		\$ 14,215 *
<b>Deletions:</b>				
<b>Total deletions for Movable Equipment</b>		\$ -		\$ - **

\*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
<b>Additions:</b>				
<b>Total additions for Leasehold Improvement</b>		\$ -		\$ - *

<b>Deletions:</b>				
<b>Total deletions for Leasehold Improvement</b>		\$ -		\$ -

Attachment Pages 23 24

\*Ties to Page 24, Line C3

\*\*Ties to Page 24, Line C2

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**Amortization Schedule\***

Name of Facility			License No.		Report for Year Ended			Page	of
Bethel Health and Rehabilitation Center, LLC			2138-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							
<b>A. Organization Expense</b>									
1. 14 Bed Expansion		1997	15	462,425	462,425	A	VAR		
2. 57 Bed Expansion		2002	15	912,000	851,200	A	VAR	60,800	
3.									
A-4. Subtotal									60,800
<b>B. Mortgage Expense</b>									
1. Deferred Financing Costs		2012		349,879	339,818	A	VAR	10,061	
2.									
3.									
B-4. Subtotal									10,061
<b>C. Leasehold Improvements and Other</b>									
1. Acquired prior to this report period									
2. Disposals (attach schedule)									
3. Acquired during this report period (attach schedule)									
C-4. Subtotal									
<b>D. Total Amortization</b>									70,861

\* 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 Bethel Health and Rehabilitation Center	License No. 2138-C	Report for Year Ended 9/30/2017	Page 25	of 37	
11. Property Questionnaire					
<b>Part A</b>					
Is the property either owned by the Facility or leased from a Related Party?*		<input checked="" type="radio"/> Yes	<input 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		02/18/94			
3. If <b>NOT</b> Original Owner, Date of Purchase					
4. Date of Initial Licensure		02/18/94			
5. Total Licensed Bed Capacity		161 CCNH, 14 RCH, 28 ALU			
6. Square Footage		125,225			
7. Acquisition Cost					
a. Land					
b. Building					
<b>Part B - Owner and Related Parties</b>		1st Mortgage	2nd Mortgage	3rd Mortgage	4th Mortgage
1. Financing					
a. Type of Financing (e.g., fixed, variable)		Fixed			
b. Date Mortgage Obtained		03/20/12			
c. Interest Rate for the Cost Year		4.00%			
d. Term of Mortgage (number of years)		35			
e. Amount of Principal Borrowed		26,268,700			
f. Principal balance outstanding as of 9/30/17		23,801,069			
<b>Complete if Mortgage was Refinanced During Current Cost Year</b>					
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					
<b>Part C - Arms-Length Leases for Real Property Improvements Only</b>					
Name and Address of Lessor	Property Leased	Date of Lease	Term of Lease	Annual Amount of Lease	

**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
Bethel Health and Rehabilitation Cent		2138-C	9/30/2017			26	37
Item		Total	CCNH	RHNS	Residential Care Home		
12. Interest							
A. Building, Land Improvement & Non-Movable Equipment							
1. First Mortgage		\$ 957,228	759,181	132,031	66,016		
Name of Lender		Rate					
U.S. Department of Housing and Urban Development		4.00%					
Address of Lender							
2. Second Mortgage		\$ 97,475		97,475			
Name of Lender		Rate					
Orlando Annulli & Sons, Inc.		7.00%					
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. <b>Total Building Interest Expense</b> (A1 - A4 + B5)		\$ 1,054,703	759,181	229,506	66,016		

(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
Bethel Health and Rehabilitation Ce		2138-C		9/30/2017			27	37
Item				Total	CCNH	RHNS	Residential Care Home	
Subtotals Brought Forward:				1,054,703	759,181	229,506	66,016	
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) Working Capital Debt: 31,740; Other: 4,486				\$ 36,226	28,731	4,997	2,498	
13. <b>Total All Interest Expense</b> (12B7 + 12C3 + 12D)				\$ 1,090,929	787,912	234,503	68,514	
14. Insurance								
a. Insurance on Property (buildings only)				\$ 41,897	32,474	6,219	3,204	
b. Insurance on Automobiles				\$ 7,842	6,078	1,164	600	
c. Insurance other than Property (as specified above)								
1. Umbrella (Blanket Coverage)				\$ 19,234	14,908	2,855	1,471	
2. Fire and Extended Coverage				\$ 1,312	1,017	195	100	
3. Other (Specify) Mortgage: 121,481; General: 64,549				\$ 186,030	144,189	27,615	14,226	
14d. <b>Total Insurance Expenditures (14a + b + c)</b>				\$ 256,315	198,666	38,048	19,601	
15. <b>Total All Expenditures (A-13 thru C-14)</b>				\$ 26,012,565	22,676,944	2,306,687	1,028,934	

### D. Adjustments to Statement of Expenditures

Name of Facility				License No.	Report for Year Ended	Page	of
Bethel Health and Rehabilitation Center, LLC				2138-C	9/30/2017	28	37
Item No.	Page No.	Line No.	Item Description	Total Amount of Decrease	CCNH	RHNS	Residential Care Home
<b>Page 10 - Salaries and Wages</b>							
1.			Outpatient Service Costs	\$			
2.	10	12m	Salaries not related to Resident Care	\$ 80,854	80,417	289	149
3.	10	A12g	Occupational Therapy	\$ 35,720		35,720	
4.			Other - See attached Schedule	\$ 338,713	228,137	100,126	10,451
<b>Page 13 - Professional Fees</b>							
5.	13	B8c	Resident Care Physicians **	\$ 12,703	12,703		
6.	13	B10a	Occupational Therapy	\$ 1,127,704	1,127,704		
7.			Other - See attached Schedule	\$ 1,383,584	1,372,060	5,362	6,162
<b>Pages 15 &amp; 16 - Administrative and General</b>							
8.			Discriminatory Benefits	\$			
9.			Bad Debts	\$			
10.	15	15e	Accounting & Legal	\$ 295,359	228,928	43,845	22,585
11.	30	IV3	Telephone	\$			
12.	15	1h2	Cellular Telephone	\$ 4,536	3,516	673	347
13.	15	1a9	Life insurance premiums on the life of Owners, Partners, Operators	\$ 8,407	7,420	688	299
14.	16	3	Gifts, flowers and coffee shops	\$ 10,657	9,405	872	380
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 *	\$ 61,783	61,783		
19.	15	K1	Income Tax / Corporate Business Tax	\$ 160,951	124,751	23,892	12,308
20.	16	M10	Fund Raising / Contributions	\$ 1,565	1,565		
21.	16	M12	Unallowable Management Fees	\$ 553,802	429,244	82,209	42,349
22.			Barber and Beauty	\$			
23.			Other - See attached Schedule	\$ 309,567	265,869	29,151	14,547
<b>Page 18 - Dietary Expenditures</b>							
24.	30	IV1	Meals to employees, guests and others who are not residents	\$ 3,433	3,433		
<b>Page 19 - Laundry Expenditures</b>							
25.			Laundry services to employees, guests and others who are not residents	\$			
<b>Page 20 - Housekeeping Expenditures</b>							
26.			Housekeeping services to employees, guests and others who are not residents	\$			
<b>Subtotal (Items 1 - 26)</b>				\$ 4,389,338	3,956,934	322,827	109,577

\* 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	Residential Care Home
10	A12e	Physical Therapists	\$ 69,437	\$ 96,382	
10	A12f	Speech Therapists		\$ 3,441	
10	A12g	RN Reduction to Aide Salary			\$ 5,755
10	A12h	LPN Reduction to Aide Salary			\$ 4,541
10	A4	Rehab Secretary	\$ 871	\$ 303	\$ 155
10	12o	Respiratory Therapist	\$ 35,227		
10	A4	Other Administrative Salaries	\$ 122,602		
<b>Total Other Salaries Adjustment</b>			\$ 228,137	\$ 100,126	\$ 10,451

**Schedule of Fees Adjustments**

Page Ref	Line Ref	Description	CCNH	RHNS	Residential Care Home
13	B5a	Physical Therapy	\$ 1,203,905		
13	B2	Dentist	\$ 11,398		
13	B8a	RCH Medical Director			\$ 3,400
13	B3	Pharmacy Fees	\$ 24,642		
13	B12	Consulting Fees - Rehab Therapy & Ancillary	\$ 960		
13	B12	Consulting Fees - Nursing	\$ 27,995	\$ 5,362	\$ 2,762
13	B9a	Speech Therapy	\$ 103,160		
<b>Total Other Fees Adjustments</b>			\$ 1,372,060	\$ 5,362	\$ 6,162

**Schedule of Other A&G Adjustments**

Page Ref	Line Ref	Description	CCNH	RHNS	Residential Care Home
15		Benefits related to disallowed salary	\$ 64,020	\$ 5,933	\$ 2,586
16	M13	Bank Charges	\$ 40,367	\$ 7,731	\$ 3,983
16	M13	Penalties	\$ 1,813	\$ 348	\$ 179
16	M13	Licenses and permits	\$ 2,291		
16	M13	Miscellaneous Expense	\$ 76,127	\$ 14,580	\$ 7,511
30	IV8	Other Misc. Income	\$ 76,772		
30	IV8	Transcription Income	\$ 629		
30	IV5	Interest Income	\$ 929		
16	M13	Crime Insurance	\$ 2,921	\$ 559	\$ 288
<b>Total Other A&amp;G Adjustments</b>			\$ 265,869	\$ 29,151	\$ 14,547

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

Name of Facility				License No.	Report for Year Ended	Page	of
Bethel Health and Rehabilitation Center, LLC				2138-C	9/30/2017	29	37
Item No.	Page No.	Line No.	Item Description	Total Amount of Decrease	CCNH	RHNS	Residential Care Home
Subtotals Brought Forward				\$ 4,389,338	3,956,934	322,827	109,577
<b>Page 20 - Resident Care Supplies***</b>							
27.	20	5a2	Prescription Drugs	\$ 1,030,977	1,030,977		
28.	20	5d	Ambulance/Limousine	\$ 7,518	7,518		
29.	20	5f	X-rays, etc	\$ 102,639	102,639		
30.	20	5h	Laboratory	\$ 147,164	147,164		
31.	20	5c	Medical Supplies	\$ 21,104	21,033	47	24
32.	20	5e2	Oxygen (non emergency)	\$ 39,760	39,760		
33.			Occupational Therapy	\$			
34.			Other - See Attached Schedule	\$ 265,466	260,471	3,297	1,698
<b>Page 22 - Maintenance and Property</b>							
35.			Excess Movable Equipment Depreciation See Attached Schedule	\$ 4,592	3,642	633	317
36.			Depreciation on Unallowable Motor Vehicles	\$			
37.	22	10c	Unallowable Property and Real Estate Taxes	\$ 694	694		
38.			Rental of Building Space or Rooms	\$			
39.			Other - See Attached Schedule	\$ 1,620	1,240	256	124
<b>Page 27 - Insurance</b>							
40.	27	14c3	Mortgage Insurance	\$ 121,481	94,158	18,033	9,290
41.			Property Insurance	\$			
<b>Other - Miscellaneous</b>							
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	\$ 72,743	71,927	544	272
<b>Not For Profit Providers Only</b>							
50.			Building/Non Movable Eq. Depreciation Unallowable Building Interest - See Attached Schedule	\$ 102,601	81,373	14,152	7,076
51.	<b>Total Amount of Decrease (Items 1 - 50)</b>			\$ 6,307,697	5,819,531	359,788	128,378

\*\*\* 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.

Bethel Health and Rehabilitation Center, LLC  
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#### Schedule of Other Ancillary Costs

Page Ref	Line Ref	Description	CCNH	RHNS	Residential Care Home
20	5i	Supplies - Recreation - ALU-Bethel	\$ 2,311	\$ 162	\$ 84
20	5i	Purch Services-Bethel Health-Rec Therapy- -	\$ 40,774	\$ 2,862	\$ 1,474
20	5i	Purch Serv-Recreation - ALU-Bethel	\$ 3,880	\$ 272	\$ 140
20	5j	Rental Expenses-Bethel Health-Rehab Tpy and An- -	\$ (29,982)	\$ -	\$ -
20	5j	Equip Rental-Bethel Health-Nursing- -	\$ 119,566	\$ -	\$ -
20	5j	Equip Rental-Bethel Health-Rehab Tpy and Ancil- -	\$ 72,512	\$ -	\$ -
20	5j	Equip Rental-Bethel Health-Respiratory- -	\$ (8,267)	\$ -	\$ -
20	5b	Procure LTC Pharmacy of CT (Disallowance of markups)	\$ 12,894		
20	5j	PT Supplies	\$ 223		
20	5j	Rental Expenses - Rehabilitation Therapy	\$ 46,560		
<b>Total Other Ancillary Costs</b>			<b>\$ 260,471</b>	<b>\$ 3,297</b>	<b>\$ 1,698</b>

#### Schedule of Excess Movable Equipment Depreciation

Page Ref	Line Ref	Description	CCNH	RHNS	Residential Care Home
22	7d	Excess movable equipment depreciation (Cascades and Outpatient additions with various in-service dates and useful lives)	\$ 3,642	\$ 633	\$ 317
<b>Total Excess Movable Equipment Depreciation</b>			<b>\$ 3,642</b>	<b>\$ 633</b>	<b>\$ 317</b>

#### Schedule of Other Property Adjustments

Page Ref	Line Ref	Description	CCNH	RHNS	Residential Care Home
22	7b	Disallowed outpatient building improvement depreciation	\$ 25	\$ 4	\$ 2
22	7b	Disallowed Cascades building improvement depreciation	\$ 989	\$ 172	\$ 86
29b		Outpatient Therapy Overhead Disallowance	\$ 226	\$ 79	\$ 36
<b>Total Other Property Adjustments</b>			<b>\$ 1,240</b>	<b>\$ 256</b>	<b>\$ 124</b>

Page Ref	Line Ref	Description	CCNH	RHNS	Residential Care Home
30	IV8	Transcription income - disallow	\$ 629		
30	IV8	Miscellaneous other income	\$ 68,169		
27	12d	Other Interest Expense	\$ 3,129	\$ 544	\$ 272
<b>Total Other Adjustments</b>			\$ 71,927	\$ 544	\$ 272

Schedule of Unallowable Building Interest

Page Ref	Line Ref	Description	CCNH	RHNS	Residential Care Home
22	8a	Organization Costs	\$ 48,221	\$ 8,386	\$ 4,193
22	8b	Mortgage Costs	\$ 7,979	\$ 1,388	\$ 694
27	12d	Line of Credit Interest	\$ 25,173	\$ 4,378	\$ 2,189
<b>Total Unallowable Building Interest</b>			\$ 81,373	\$ 14,152	\$ 7,076

Outpatient Therapy Overhead Adjustment

Square footage of therapy space	900	
Total square footage of facility	<u>128,773</u>	
Therapy space as a percent of total space		0.6989%
Outpatient therapy treatments	6,947	Provided by Client
Total therapy treatments	<u>143,522</u>	From Page 9
Outpatient therapy treatments as a percent of total treatments		<u>4.8404%</u>
Outpatient Allocation of Therapy Space:		0.0338%

**ADJUSTMENT CALCULATION:**

Total utilities per page 22	574,567
Outpatient Allocation	0.0338%
Unallowable Amount	<u>194</u>

Total property insurance per page 27	41,897
Outpatient Allocation	0.0338%
Unallowable Amount	<u>14</u>

Total real estate taxes per page 22	390,901
Outpatient Allocation	0.0338%
Unallowable Amount	<u>132</u>

<b>Sub-Total: Unallowable Outpatient Therapy Adjusted on Cost Report</b>	<b><u><u>341</u></u></b>
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## F. Statement of Revenue

Name of Facility	License No.	Report for Year Ended			Page	of
Bethel Health and Rehabilitation Center, 12138-C		9/30/2017			30	37
Item	Total	CCNH	RHNS	Residential Care Home		
<b>I. Resident Room, Board &amp; Routine Care Revenue</b>						
1. a. Medicaid Residents ( <i>CT only</i> )	\$ 9,744,644	9,085,160		659,484		
b. Medicaid Room and Board Contractual Allowance **	\$ (4,040,300)	(3,983,186)		(57,114)		
2. a. Medicaid ( <i>All other states</i> )	\$					
b. Other States Room and Board Contractual Allowance **	\$					
3. a. Medicare Residents ( <i>all inclusive</i> )	\$ 13,088,148	13,088,148				
b. Medicare Room and Board Contractual Allowance **	\$ 998,244	998,244				
4. a. Private-Pay Residents and Other	\$ 6,487,931	4,670,557	1,713,885	103,489		
b. Private-Pay Room and Board Contractual Allowance **	\$ (1,642,627)	(1,642,627)				
<b>II. Other Resident Revenue</b>						
1. a. Prescription Drugs - Medicare	\$ 780,313	780,313				
b. Prescription Drugs - Medicare Contractual Allowance **	\$ (780,313)	(780,313)				
c. Prescription Drugs - Non-Medicare	\$ 123,470	123,470				
d. Prescription Drugs - Non-Medicare Contractual Allowance **	\$ (131,339)	(131,339)				
2. a. Medical Supplies - Medicare	\$ 528	528				
b. Medical Supplies - Medicare Contractual Allowance **	\$ (528)	(528)				
c. Medical Supplies - Non-Medicare	\$ 59	59				
d. Medical Supplies - Non-Medicare Contractual Allowance **	\$ (58)	(58)				
3. a. Physical Therapy - Medicare	\$ 2,683,316	2,632,669	50,647			
b. Physical Therapy - Medicare Contractual Allowance **	\$ (2,531,473)	(2,531,473)				
c. Physical Therapy - Non-Medicare	\$ 404,917	251,310	153,607			
d. Physical Therapy - Non-Medicare Contractual Allowance **	\$ (272,796)	(251,310)	(21,486)			
4. a. Speech Therapy - Medicare	\$ 237,504	233,877	3,627			
b. Speech Therapy - Medicare Contractual Allowance **	\$ (210,615)	(210,615)				
c. Speech Therapy - Non-Medicare	\$ 39,277	31,820	7,457			
d. Speech Therapy - Non-Medicare Contractual Allowance **	\$ (31,820)	(31,820)				
5. a. Occupational Therapy - Medicare	\$ 2,620,537	2,619,797	740			
b. Occupational Therapy - Medicare Contractual Allowance **	\$ (2,548,411)	(2,548,411)				
c. Occupational Therapy - Non-Medicare	\$ 190,344	190,174	170			
d. Occupational Therapy - Non-Medicare Contractual Allowance **	\$ (190,174)	(190,174)				
6. a. Other ( <i>Specify</i> ) - Medicare	\$ 1,098	1,098				
b. Other ( <i>Specify</i> ) - Non-Medicare	\$ 148,040	6,409	141,631			
<b>III. Total Resident Revenue</b> (Section I. thru Section II.)	\$ 25,167,916	22,411,779	2,050,278	705,859		
<b>IV. Other Revenue*</b>						
1. Meals sold to guests, employees & others	\$ 3,433	3,433				
2. Rental of rooms to non-residents	\$					
3. Telephone	\$					
4. Rental of Television and Cable Services	\$					
5. Interest Income ( <i>Specify</i> )	\$ 929	929				
6. Private Duty Nurses' Fees	\$					
7. Barber, Coffee, Beauty and Gift shops	\$					
8. Other ( <i>Specify</i> )	\$ 63,618	63,618				
<b>V. Total Other Revenue</b> (1 thru 8)	\$ 67,980	67,980				
<b>VI. Total All Revenue</b> (III +V)	\$ 25,235,896	22,479,759	2,050,278	705,859		

\* 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	Residential Care Home
	Medicare Part A Contra Other	\$ (234,864)		
	Medicare Part A IV Therapy	\$ 45,942		
	Medicare Part A Lab	\$ 102,703		
	Medicare Part A X-Ray	\$ 76,117		
	Managed Medicare Contra Other	\$ (59,745)		
	Managed Medicare IV Therapy	\$ 41,216		
	Managed Medicare Lab	\$ 10,576		
	Managed Medicare X-Ray	\$ 6,907		
	Managed Medicare Prior Period	\$ (4,647)		
	Bethel Health	\$ 197		
	Medicare Part A Specialty Beds	\$ 10,102		
	Medicare Part B Flu/Pneumonia	\$ 5,549		
	Managed Medicare Specialty Beds	\$ 1,045		
	<b>Total Other Resident Revenue - Medicare</b>	<b>\$ 1,098</b>	<b>\$ -</b>	<b>\$ -</b>

Schedule of Other Non-Medicare Resident Revenue

Related Exp

Page Ref	Description	CCNH	RHNS	Residential Care Home
	Medicaid Contra Other	\$ (12,715)		
	Medicaid Lab	\$ 1,026		
	Medicaid X-Ray	\$ 5,532		
	Hospice Contra Other	\$ 828		
	Private Additional Ancillary ALU		\$ 141,631	
	Medicaid IV Therapy	\$ 2		
	Private Contra Other	\$ (800)		
	Private Lab	\$ 59		
	Commercial Insurance Contra Other	\$ (20,799)		
	Commercial Insurance Lab	\$ 8,803		
	Commercial Insurance X-Ray	\$ 7,097		
	Medicaid Specialty Beds	\$ 6,155		
	Medicaid Flu/Pneumonia	\$ 210		
	Private Specialty Beds	\$ 250		
	Private X-Ray	\$ 92		
	Commercial Insurance IV Therapy	\$ 7,869		
	Commercial Insurance Specialty Beds	\$ 2,800		
	Managed Medicaid Contra Other	\$ (33)		
	Managed Medicaid Lab	\$ 33		
	<b>Total Other Resident Revenue</b>	<b>\$ 6,409</b>	<b>\$ 141,631</b>	<b>\$ -</b>

Interest Income

Account

Page Ref	Account	Balance	CCNH	RHNS	Residential Care Home
	Interest Income		\$ 929		
	<b>Total Interest Income</b>		<b>\$ 929</b>	<b>\$ -</b>	<b>\$ -</b>

Schedule of Other Revenue

Page Ref	Description	CCNH	RHNS	Residential Care Home
	Miscellaneous Other Income	\$ 76,772		
	Prior Period Other	\$ (13,783)		
	Transcription Income	\$ 629		
	<b>Total Other Revenue</b>	<b>\$ 63,618</b>	<b>\$ -</b>	<b>\$ -</b>

### G. Balance Sheet

Name of Facility	License No.	Report for Year Ended	Page	of
Bethel Health and Rehabilitation Center,	2138-C	9/30/2017	31	37
Account			Amount	
<b>Assets</b>				
A. Current Assets				
1. Cash ( <i>on hand and in banks</i> )			\$	968,161
2. Resident Accounts Receivable (Less Allowance for Bad Debts)			\$	1,438,893
3. Other Accounts Receivable (Excluding Owners or Related Parties)			\$	
4. Inventories			\$	26,561
5. Prepaid Expenses			\$	167,659
a. Prepaid Expenses	15,393			
b. Prepaid Insurance	125,791			
c. Prepaid Taxes	24,115			
d. Prepaid Management Assets	2,360			
6. Interest Receivable			\$	
7. Medicare Final Settlement Receivable			\$	
8. Other Current Assets ( <i>itemize</i> )			\$	6,013
Patient Funds	6,013			
<b>A-9. Total Current Assets (Lines A1 thru 8)</b>			\$	2,607,287
B. Fixed Assets				
1. Land			\$	880,935
2. Land Improvements	*Historical Cost	13,306	\$	1,634
	Accum. Depreciation	11,672		Net
3. Buildings	*Historical Cost	23,176,841	\$	10,342,085
	Accum. Depreciation	12,834,756		Net
4. Leasehold Improvements	*Historical Cost		\$	
	Accum. Depreciation			Net
5. Non-Movable Equipment	*Historical Cost	387,394	\$	128,072
	Accum. Depreciation	259,322		Net
6. Movable Equipment	*Historical Cost	1,708,972	\$	298,555
	Accum. Depreciation	1,410,417		Net
7. Motor Vehicles	*Historical Cost	121,062	\$	54,956
	Accum. Depreciation	66,106		Net
8. Minor Equipment-Not Depreciable			\$	
9. Other Fixed Assets ( <i>itemize</i> )			\$	1,170
Construction in Progress		1,170		
<b>B-10. Total Fixed Assets (Lines B1 thru 9)</b>			\$	11,707,407

\* 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
Bethel Health and Rehabilitation Center,	2138-C	9/30/2017	32	37
Account			Amount	
Total Brought Forward:			\$	14,314,694
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			\$	
<b>C-8 Total Leasehold or Like Properties (C1 thru 7)</b>			\$	
D. Investment and Other Assets				
1. Deferred Deposits			\$	674,171
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> )			\$	53,541
Name and Address	Amount	Loan Date		
National Health Care Associates, Inc.	53,541			
7. Other Assets ( <i>itemize</i> )			\$	(1,606)
	New beds license/ deferred financing costs	1,374,425		
	Accum Amort-new beds/ deferred financing costs	(1,374,425)		
	Security Deposits	(1,606)		
<b>D-8. Total Investments and Other Assets (Lines D1 thru 7)</b>			\$	726,106
<b>D-9. Total All Assets (Lines A9 + B10 + C8 + D8)</b>			\$	15,040,800

\* 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 Bethel Health and Rehabilitation Center, LLC		License No. 2138-C	Report for Year Ended 9/30/2017	Page 33	of 37
Account				Amount	
<b>Liabilities</b>					
A. Current Liabilities					
1. Trade Accounts Payable				\$	1,875,254
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> )				\$	164,139
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> )				\$	558,360
10. Interest Payable ( <i>Exclusive of Owner and/or Related Parties</i> )				\$	1,356,751
11. Accrued Income Taxes*				\$	
12. Other Current Liabilities ( <i>itemize</i> )				\$	1,305,689
Deferred Revenue		134,177	Accrued Interest Payable	82,653	
Patients Funds		6,016	Accrued Vacation	654,727	
Security Deposits		125,775	Other current liabilities	59,695	
Accrued Expenses		242,646			
A-13. <b>Total Current Liabilities</b> (Lines A1 thru 12)				\$	5,260,193

\* 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 Bethel Health and Rehabilitation Center, LLC		License No. 2138-C	Report for Year Ended 9/30/2017	Page 34	of 37
Account				Amount	
Total Brought Forward:				5,260,193	
<b>Liabilities (cont'd)</b>					
B. Long-Term Liabilities					
1. Loans Payable-Equipment ( <i>itemize</i> )					
\$					
Name of Lender		Purpose	Amount	Date Due	
2. Mortgages Payable					\$ 23,801,069
3. Loans from Owners or Related Parties ( <i>itemize</i> )					\$ 3,113,116
Name and Address of Lender		Amount	Loan Date		
Annulli Notes		1,387,243			
National Health Care Associates, Inc		1,725,873			
4. Other Long-Term Liabilities ( <i>itemize</i> )					\$
_____					
_____					
_____					
B-5. <b>Total Long-Term Liabilities</b> (Lines B1 thru 4)					\$ 26,914,185
C. <b>Total All Liabilities</b> (Lines A-13 + B-5)					\$ 32,174,378

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

Name of Facility	License No.	Report for Year Ended	Page	of
Bethel Health and Rehabilitation Center	2138-C	9/30/2017	35	37
Account			Amount	
<b>A. Reserves</b>				
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>B. Net Worth</b>				
1. Owner's Capital			\$	
2. Capital Stock			\$	
3. Paid-in Surplus			\$	
4. Treasury Stock			\$	
5. Cumulated Earnings			\$	<b>(16,356,909)</b>
6. Gain or Loss for Period			\$	<b>(776,669)</b>
	10/1/2016	thru 9/30/2017		
7. Total Net Worth			\$	<b>(17,133,578)</b>
<b>C. Total Reserves and Net Worth</b>			\$	<b>(17,133,578)</b>
<b>D. Total Liabilities, Reserves, and Net Worth</b>			\$	<b>15,040,800</b>

### H. Changes in Total Net Worth

Name of Facility	License No.	Report for Year Ended	Page	of	
Bethel Health and Rehabilitation Center,	2138-C	9/30/2017	36	37	
Account			Amount		
A. Balance at End of Prior Period as shown on Report of 09/30/2016			\$	(16,336,101)	
B. Total Revenue <i>(From Statement of Revenue Page 30)</i>			\$	25,235,896	
C. Total Expenditures <i>(From Statement of Expenditures Page 27)</i>			\$	26,012,565	
D. Net Income or Deficit			\$	(776,669)	
E. Balance			\$	(17,112,770)	
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>			\$	20,808	
Purpose		Amount			
Partner Drawings		20,808			
3. Total Deductions			\$	20,808	
H. <b>Balance at End of Period</b>			\$	(17,133,578)	

### I. Preparer's/Reviewer's Certification

Name of Facility Bethel Health and Rehabilitation Center,	License No. 2138-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 checked="" type="checkbox"/> Residential Care Home		
<b>Preparer/Reviewer Certification</b>				
<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				
BlumShapiro & Co.				
Address		Phone Number		
2 Enterprise Drive, Shelton, CT 06484		203-944-2100		