

SCHEDULE 1 : CONTACT AND DISCLOSURE INFORMATION

Organization Information		
Table 1		
Line #		1
Facility Info		
1.1	Facility VPN	0950865
1.2	Facility MMIS Provider ID	110171628A
1.3	Balance Sheet Date	12/31/2023
1.4	Reporting Period: From	01/01/2023
1.5	Reporting Period: To	12/31/2023
Realty Co Info		
1.6	Name of Realty Company	111 Headwaters Realty LLC
1.7	Realty Company Organization ID	20416
1.8	Street Address	111 Headwaters Drive
1.9	City	Harwich
1.10	State	MA
1.11	Zip Code	02645
1.12	Phone Number	+1 (973) 796-6175
1.13	Fax	+1 () -
1.14	Legal Status	Limited Liability Corporation (LLC)
1.15	Is this information correct?	Yes
1.16	Has the realty company changed ownership during the year?	No
1.17	If yes, please enter the transaction date.	

Certifier Information		
Table 2		
2.1	Contact person for this report	[] Use login user's information to fill fields below
2.2	Name	Matthew S. Bovolack
2.3	Firm (if not Realty Company)	Marcum LLP

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2.4	Title	Principal
2.5	Street Address	555 Long Wharf Drive
2.6	City	New Haven
2.7	State	CT
2.8	Zip Code	06511
2.9	Phone Number	+1 (203) 781-9680
2.10	Fax	+1 (203) 781-9601
2.11	E-mail address	Matthew.Bavolack@marcumllp.com
2.12	Is this information correct?	Yes

Preparer Information

Please use this section to provide contact information for a "Preparer," who is the authorizing person of this report, and is not the "Owner." If you are the sole authorized individual completing this report, please check the box below in Line 3.1.

Table 3

3.1	☐ I am the sole individual completing this cost report as an Owner, Partner, or Officer, and do not have a Preparer formally attesting to this information.	
3.2	Preparer	☐ Use login user's information to fill fields below
3.3	Firm Name / Realty Company	Marcum LLP
3.4	Preparer's Last Name	Bavolack
3.5	Preparer's First Name	Matthew
3.6	Preparer's Middle Name	S.
3.7	Title	Principal
3.8	Street Address	555 Long Wharf Drive
3.9	City	New Haven
3.10	State	CT
3.11	Zip Code	06511
3.12	Phone Number	+1 (203) 781-9680
3.13	Fax	+1 (203) 781-9601
3.14	Email Address	Matthew.Bavolack@marcumllp.com
3.15	Is this information correct?	Yes
3.16	Type of Accounting Service Performed	Other (Explain in Footnotes)

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SCHEDULE 2 : INCOME AND EXPENSES**Income**

Table 1	Column #		1
Line #	Account	Description	Reported
		Rental Income from:	
1.1	3510.1	Nursing Facilities	983,000
1.2	3510.2	Residential Care Facilities	
1.3	3520.0	Other Rental Income	
1.4	3530.0	Other Income	
1.5	3540.0	Recoverable Fixed Income	
100	3500.0	TOTAL INCOME	983,000

Expenses

Note: If Assets on Schedule 3, Column 1 is not blank, then Depreciation must be reported here on Schedule 2, Table 2 Column 4; it can not be zero.

Table 2	Column #		1	2	3	4
Line #	Account	Description	Depreciation %	Reported	Non-Allowable Expenses and Add -backs	Allowable
2.1	9550.0	Depreciation: Building		94,603	7,883	86,720
2.2	9560.8	Depreciation: Improvements	5.00%		(20,310)	20,310
2.3	9570.0	Depreciation: Equipment	10.00%	229,562	90,060	139,502
2.4	9575.0	Depreciation: Software/Limited Life Assets	33.33%			0
		Long-Term Interest				
2.5	9545.1	Long Term Interest: Nursing Facilities		1,072,459		1,072,459
2.6	9545.2	Long Term Interest: Residential Care Facilities				0
2.7	9540.0	Real Estate Taxes				0
2.8	9540.5	Personal Property Taxes				0
2.9	9541.5	MA Corp. Excise Tax Non-Income Portion				0
2.10	9580.0	Insurance: Building, Building Improvements, Equipment				0
2.11	9547.0	Other Fixed Expenses		0		0
2.12	9502.5	Other Operating Expenses		19,825	15,425	4,400

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2.13	9502.4	Utilities & Plant Operations Expenses		0		0
2.14	9545.5	Interest on Working Capital			0	0
2.15	9546.0	Interest on Late Payments, Penalties			0	0
2.16	3540.0	Recoverable Fixed Income			0	0
200	9500.0	TOTAL REPORTED REA-CR EXPENSES		1,416,449	93,058	1,323,391

Detail of Other Fixed Expenses, Account 9547.0		
Table 3	1	2
Line #	Description	Reported
300	SUBTOTAL: OTHER FIXED EXPENSES	0

Detail of Other Operating Expenses, Account 9502.5		
Table 4	1	2
Line #	Description	Reported
4.1	Admin Expense>Bank Fees	4,400
4.2	Admin Expense>Corporate Tax	425
4.3	Admin Expense>Management Fees	15,000
400	SUBTOTAL: OTHER OPERATING EXPENSES	19,825

Detail of Utilities & Plant Operations Expenses, Account 9502.4		
Table 5	1	2
Line #	Description	Reported
500	SUBTOTAL: UTILITIES & PLANT OPERATIONS EXPENSES	0

SCHEDULE 3 : ALLOWABLE FIXED ASSETS AND EXPENSES

Allowable Fixed Assets and Expenses						
Table 1	Column #		1	2	3	4
Line #	Account	Description	Allowable Assets (Basis), Beginning of Year	Asset Additions	Asset Deletions	Allowable Assets (Basis), End of Year
1.1	1511.3	Land	930,000			930,000
1.2	1521.3	Building	3,468,788			3,468,788
1.3	1611.3	Improvements	406,196			406,196
1.4	1651.3	Equipment	1,395,016			1,395,016
1.5	1710.3	Software/Limited Life Assets				0

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SCHEDULE 4 : BALANCE SHEET

Current Assets			
Table 1	Column #		1
Line #	Account	Description	Account Balance
	Cash and Equivalents		
1.1	1025.0	Cash and Equivalents	901
1.2	1040.0	Short-term Investments	
1.3	1045.0	Current Portion Assets Whose Use is Limited	
1.4	1050.0	Other Cash and Equivalents	
1.100	1010.0	Subtotal: Cash and Equivalents	901
	Accounts Receivable		
1.5	1120.0	Accounts Receivable	
1.6	1130.0	Rent Receivable	
1.7	1140.0	Reserve for Bad Debt	
1.200	1070.0	Subtotal: Accounts Receivable	0
	Loans Receivable		
1.8	1160.0	Officers/Owners	50,000
1.9	1180.0	Affiliates/Related Parties	3,624,714
1.10	1185.0	Other	
1.300	1150.0	Subtotal: Loans Receivable	3,674,714
	Prepaid Expenses and Other Current Assets		
1.11	1270.0	Prepaid Interest	
1.12	1280.0	Prepaid Insurance	
1.13	1300.0	Other Prepaid Expenses	
1.400	1260.0	Subtotal: Prepaid Expenses and Other Current Assets	0
1.14	1311.0	Other Current Assets	3,802,866
100	1005.0	TOTAL CURRENT ASSETS	7,478,481

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Detail of Other Current Assets, Account 1311.0

Table 2	1	2
Line #	Description	Account Balance
2.1	Accounts Receivable>Rent	3,077,533
2.2	Other Asset>Escrow>Interest	688,000
2.3	Other Assets>Sinking Fund	37,333
200	SUBTOTAL: OTHER CURRENT ASSETS	3,802,866

Non-Current (Fixed) Assets

Table 3	Column #		1
Line #	Account	Description	Account Balance
3.1	1511.1	Land - Cost	930,000
3.2	1521.1	Building – Cost	3,468,788
3.3	1522.2	Building – Accumulated Depreciation	(381,845)
3.100	1520.0	Building - Book Value	3,086,943
3.4	1611.1	Building Improvements – Cost	406,196
3.5	1612.2	Building Improvements – Accumulated Depreciation	(49,646)
3.200	1610.0	Building Improvements – Book Value	356,550
3.6	1631.1	Other Improvements – Cost	
3.7	1632.2	Other Improvements – Accumulated Depreciation	
3.300	1630.0	Other Improvements – Book Value	0
3.8	1651.1	Equipment – Cost	1,395,016
3.9	1652.2	Equipment – Accumulated Depreciation	(511,506)
3.400	1650.0	Equipment – Book Value	883,510
3.10	1701.1	Motor Vehicles – Cost	
3.11	1702.2	Motor Vehicles – Accumulated Depreciation	
3.500	1700.0	Motor Vehicles – Book Value	0

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3.12	1710.1	Software/Limited Life Assets - Cost	
3.13	1710.2	Software/Limited Life Assets – Accumulated Depreciation	
3.600	1710.0	Software/Limited Life Assets – Book Value	0
300	1500.0	TOTAL NON-CURRENT (FIXED) ASSETS	5,257,003

Deferred Charges and Other Non-Current Assets

Table 4	Column #		1
Line #	Account	Description	Account Balance
4.1	1975.3	Long Term Investments	
4.2	1975.4	Non-Current Assets Whose Use is Limited	
4.3	1985.0	Other Deferred Charges and Other Non-Current Assets	147,091
4.4	1979.0	Construction in Progress	
4.5	1975.1	Mortgage Acquisition Cost	395,763
4.6	1975.2	Accumulated Amortization of Mortgage Acquisition Cost	(136,462)
4.100	1975.0	Subtotal: Unamortized Mortgage Acquisition Cost	259,301
400	1900.0	TOTAL DEFERRED CHARGES AND OTHER NON-CURRENT ASSETS	406,392

Detail of Other Non-Current Assets, Account 1985.0

Table 5	1	2
Line #	Description	Account Balance
5.1	Acquisition Costs	147,091
500	SUBTOTAL: OTHER NON-CURRENT ASSETS	147,091

Table 6			
600	1000.0	TOTAL ASSETS	13,141,876

Current Liabilities

Table 7	Column #		1
Line #	Account	Description	Account Balance
	Accounts Payable		
7.1	2020.0	Trade Payables	

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7.2	2030.0	Accrued Expenses	
7.100	2010.0	Subtotal: Accounts Payable	0
	Total Current Portion of Long-Term Debt		
7.3	2110.0	Officer, Owner, Related Parties	
7.4	2120.0	Subsidiaries and Affiliates	1,051,090
7.5	2130.0	Banks	
7.6	2140.0	Motor Vehicles	
7.7	2150.0	Other Short-Term Financing	
7.8	2160.0	Long-Term Debt, Current Portion	
7.200	2100.0	Subtotal: Total Current Portion of Long-Term Debt	1,051,090
7.9	2230.0	Total Other Current Liabilities	124,538
7.10	2240.0	Accrued Taxes – Realty and Management	
700	2005.0	TOTAL CURRENT LIABILITIES	1,175,628

Detail of Other Current Liabilities, Account 2230.0

Table 8	1	2
Line #	Description	Account Balance
8.1	Accounts Payable	124,538
800	SUBTOTAL: OTHER CURRENT LIABILITIES	124,538

Non-Current Liabilities

Table 9	Column #		1
Line #	Account	Description	Account Balance
9.1	2310.0	Mortgages	9,600,000
9.2	2320.0	Other Long-Term Debt	
9.100	2311.0	Subtotal: Mortgages and Other Long-Term Debt	9,600,000
9.3	2330.0	Due to Affiliates/Related Parties	
900	2300.0	TOTAL NON-CURRENT LIABILITIES	9,600,000

Total Liabilities

Table 10			
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1000	2800.0	TOTAL LIABILITIES	10,775,628
Net Worth			
Table 11	Column #		1
Line #	Account	Description	Account Balance
	Proprietorship, Partnership, or Limited Liability Company (LLC)		
11.3	2520.0	Capital	2,724,697
11.4	2530.0	Proprietor Drawings	
11.5	2540.0	Partnership/Member (LLC) Drawings	
11.6	2545.0	Contributions	75,000
11.7	2550.0	Net Profit/(Loss) Year to Date	(433,449)
11.200	2510.0	Total Proprietorship, Partnership, or LLC Net Assets	2,366,248
1100	2500.0	TOTAL NET WORTH	2,366,248
Total Liabilities and Net Worth			
Table 12			
1200	2000.0	TOTAL LIABILITIES AND NET WORTH	13,141,876

SCHEDULE 5 : SUMMARY OF LONG-TERM DEBT

This schedule must include all mortgages and notes payable, including those paid in full during the reporting year, whether or not interest expense is incurred. Each new note/mortgage must be reported with all information items filled in completely. New notes/mortgages or enhancements of existing notes/mortgages must be reported on a new line separately.

Mortgages and Notes Supporting Fixed Assets						
Table 1						
Line / Column #	1	2	3	4	5	6
	Borrower Entity	Type of Notes Payable	Lender Name	Related Party	Date Mortgage Acquired	Due Date
1.1		1st Mortgage	Dwight	No	7/14/2022	8/1/2025
100	TOTALS					
200	Amount Reported for Long-term Interest and Amortization of Mortgage Acquisition Costs (Schedule 2 Line 2.5. Column 2 and Schedule 2 Line 2.6. Column 2)					

7	8	9	10	11	12	13
Number of Months Amortized	Monthly Payments	Original Loan Amount	Mortgage Acquisition Costs	Amortization of Mortgage Acquisition Costs	Beginning Loan Balance: Jan 1	Beginning Balance (New Loans)
		9,600,000	395,763	59,364	9,600,000	
			395,763	59,364		

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14	15	16	17	18	19
Principal Payments	Pay Off Amount	Pay Off Date	Ending Loan Balance: Dec 31	Interest Rate %	Interest Expense
			9,600,000		1,013,095
			9,600,000		1,013,095
					1,072,459

20	21
Period Expenses	Total Interest, Period Expenses, & Mortgage Acquisition Costs
	1,072,459
0	1,072,459

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SCHEDULE 6 : RECONCILIATIONS AND DISCLOSURES**Part 1: Reconciliation of Income and Expenses per Financial Statements to Cost Report**

	Net Income / Loss per REA-CR		
Table 1	Column #		1
Line #	Account Number	Description	Amount
1.1	3500.0	Total Income (reported on REA-CR Schedule 2)	983,000
1.2	9500.0	Total Operating Expenses (reported on REA-CR Schedule 2)	1,416,449
100	2550.0	REA-CR Net Income/(Loss) before reconciling items	(433,449)
Reconciling Items: Items reported on REA-CR but not on Financial Statements			
Table 2	Column #	1	2
Line #		Description	Reported
200	2905.0	Subtotal	0
Reconciling Items: Items Reported on Financial Statements but not on REA-CR			
Table 3	Column #	1	2
Line #		Description	Reported
300	2910.0	Subtotal	0
Table 4			1
400	NET INCOME/(LOSS) PER FINANCIAL STATEMENTS		(433,449)
	Please upload an explanation for EACH reconciling item using the upload function on Schedule 7, Section 2 (Footnotes and Explanations).		

Part 2: Reconciliation of Net Worth

Proprietorship, Partnership, or Limited Liability Company (LLC)			
Table 5	Column #		1
Line #	Account Number	Description	Amount
5.1	2500.0	Balance: PRIOR YEAR	(355,227)
		Increases (decreases):	
5.2	2915.0	Other: Prior Period Adjustment(s)	3,079,924
5.3	2545.0	Capital contributions during the year	75,000
5.4	2550.0	REA-CR Net Income / (Loss)	(433,449)
5.5	2530.0	Proprietor Drawings during the year	0
5.6	2540.0	Partnership/Member (LLC) Drawings during the year	0

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500	2500.0	BALANCE: CURRENT YEAR	2,366,248

Disclose all facts relative to adjustments(s) and explain below any impact on reimbursable costs as reported on prior year(s) cost report identifying the specific accounts affected.

Table 7	1	2
Line #	Description	Amount
7.1	Prior Period Adjustment	3,079,924
700	TOTAL	3,079,924

This schedule is used to report the name(s) of the Owner, Partner, or Officer and disclose all salary and benefits, drawings and dividends, and other compensation as well as the accounts that were charged.

[illegible]

SCHEDULE 7 : FOOTNOTES AND OTHER DISCLOSURES

UPLOADS REQUIRED
(1) Entity Level Cost Report
Upload Type: Excel Template
Use the template provided to report applicable realty company, real property owner, and/or REIT information.
Note: This information must be submitted in the format of the template provided.
(2) Footnotes and Explanations
Upload Type: Excel, Word, or PDF
This section is used to provide detail to any of the information included in this report.
(3) Related Party Debt
Upload Type: Excel Template
List any indebtedness (mortgages, deeds, trust instruments, notes or other financial information) between the Realty Company and any direct or indirect owners as reported on the template uploaded in accordance with Schedule 7, Section (4) Ownership and Facility Information.
Example: If the owner borrowed monies from the realty company, report the owner as 'Borrower'. If the Realty Company borrowed monies from the owner, list the realty company as 'Borrower'.
Note: This information must be submitted in the format of the template provided.
(4) Ownership and Facility Information
Upload Type: Excel Template
List the names of all direct and indirect realty company owners and the name(s) of any Massachusetts and non-Massachusetts nursing or residential care facilities that own, directly or indirectly, an interest of 5% or more.
Note: This information must be submitted in the format of the template provided.
(5) Related Party Markup

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Upload Type: Excel Template

Indicate any entity or person as defined as a "related party" in 101 CMR 206.00 and that (a) provides services, facilities, goods and/or supplies to this company; or (b) receives any salary, fee or other compensation from this company. Indicate the amount paid by this company for this reporting year. (Attach addendum if necessary.)

Note: This information must be submitted in the format of the template provided.

(6) Financial Statement Documentation

Upload Type: PDF

Providers must upload financial statement documentation, such as audited, unaudited, reviewed, or compiled financial statements. Uploading these statements is

not intended to be an additional requirement for the sole purposes of complying with CHIA's reporting requirements in Section 7.03 (d) of Title 957 of the Code of

Massachusetts Regulations (CMR):

If a Provider or its parent organization is required or elects to obtain independent audited financial statements for purposes other than 957 CMR 7.00, the Provider

must file a complete copy of its audited financial statements with the Center, that most closely correspond to the Provider's Nursing Facility cost report fiscal period. If

the Provider or its parent organization does not obtain audited financial statements but is required or elects to obtain reviewed or compiled financial statements for

purposes other than 957 CMR 7.00, the Provider must file with the Center a complete copy of its financial statements that most closely correspond to the Nursing

Facility cost report fiscal period.

Please select one option from the menu, and upload applicable statements for choices A or B. They are listed in descending order of preference:

☐ A) Financial Statement: Audited, reviewed, or compiled financial statements prepared by a Certified Public Accountant (CPA).

☐ B) Unaudited Financial Statement: Unaudited financial statements for the reporting year.

☒ C) Financial Statements Unavailable: The Entity level organization did not complete audited, reviewed, or compiled financial statements for purposes other than 957 CMR 7.00.

Note: If A or B are selected Providers need to submit a financial statement. If C is selected an upload is not required.

File Submission History				
Date Uploaded	File	File Name	File Type	Uploaded By
4/20/2024 12:00:55 PM	(1) Entity Level Cost Report	EntityLevel.xlsx	application/vnd.openxmlformats-officedocument.spreadsheetml.sheet	James DErrico
4/20/2024 12:01:02 PM	(3) Related Party Debt	Related Party Debt.xlsx	application/vnd.openxmlformats-officedocument.spreadsheetml.sheet	James DErrico
4/20/2024 12:01:08 PM	(4) Ownership and Facility Information	Ownership And Facility Information.xlsx	application/vnd.openxmlformats-officedocument.spreadsheetml.sheet	James DErrico
4/20/2024 12:01:12 PM	(5) Related Party Markup	Related Party Markup.xlsx	application/vnd.openxmlformats-officedocument.spreadsheetml.sheet	James DErrico

SCHEDULE 8 : SUBMISSION ATTESTATION

Electronic signatures are required to submit this Cost Report. There are two sections that require signature: (A) Certification by Preparer (Other than Owner, Partner, or Officer) and (B) Certification by Owner, Partner, or Officer		
Section A - Certification by Preparer (Other than Owner, Partner, or Officer)		
Note: The information in the table below is sourced from Schedule 1, Table 3 of this report.		
1.1	Firm Name / Realty Company	Marcum LLP
1.2	Preparer's Last Name	Bavolack
1.3	Preparer's First Name	Matthew
1.4	Preparer's Middle Name	S.
1.5	Title	Principal
1.6	Street Address	555 Long Wharf Drive
1.7	City	New Haven
1.8	State	CT
1.9	Zip Code	06511
1.10	Phone Number	+1 (203) 781-9680
1.11	Email Address	Matthew.Bavolack@marcumllp.com
1.12	Is this information correct?	Yes
1.13	☒ By checking this box I hereby certify that I am the Preparer of this report noted above and I attest, to the best of my knowledge and belief, that this cost report is a true, correct, and complete statement. This report is subject to audit and verification by the Center for Health Information and Analysis.	
1.14	Date of Authorization:	04/20/2024
	Please note this button does not submit the Cost Report for CHIA review, and is solely for your internal review purposes. If the report needs to be unlocked by the Preparer, uncheck the attestation box on Line 1.13 and click the Save and Validate button	

Section B - Certification by Owner, Partner, or Officer

I declare and affirm under the penalties of perjury that this cost report and supporting schedules have been examined by me and, to the best of my knowledge and belief, are a true and correct statement of total operating expenditures, balance sheet, earnings and expenses, and other required information. Further, I declare that the report and supplemental information were prepared from the books and records of the provider, unless otherwise noted, in accordance with applicable federal and state laws, regulations and instructions. I understand that any payment resulting from this report will be from state and federal funds and that any false statements or documents, or the concealment of a material fact, may be prosecuted under applicable federal and state laws. I also understand that this report and supporting schedules are subject to audit and verification by the Center for Health Information and Analysis or any other state or federal agency or their subcontractors. I will keep all records, books, and other information pertaining to this cost report for a period of five years. If there is an unresolved audit exception, I will keep these records until all issues are resolved.

2.1	[x] By checking this box I hereby certify that I am the authorizing person of this report noted above and I attest, to the best of my knowledge and belief, that this cost report is a true, correct, and complete statement. This report is subject to audit and verification by the Center for Health Information and Analysis.	
2.2	Date of Authorization	05/01/2024
2.3	Last Name	Mirlis
2.4	First Name	Eli
2.5	Middle Name	
2.6	Title	Owner
2.7	Is this information correct?	Yes
	<i>Please note once the Submit button is clicked, this Cost Report and all attachments will be submitted to CHIA for review and finalized. This Cost Report can then only be reopened by contacting CHIA and submitting a request.</i>	
	<i>Please submit all requests to Costreports.LTCF@CHIAmass.gov along with the following information:</i>	
	<i>a) User Name</i>	
	<i>b) User E-Mail Address</i>	
	<i>c) Organization Name</i>	
	<i>d) Applicable Filing Year</i>	
	<i>e) Reason for request</i>	