MARTIN FRIEDMAN CPA PC
CERTIFIED PUBLIC ACCOUNTANTS

ADVANCED SUBACUTE REHABILITATION CENTER AT SEWELL, LLC
GLOUCESTER HEALTHCARE PROPERTIES LLC
ADVANCED HEALTHCARE MANAGEMENT

Combining Financial Statements

Year Ended December 31, 2024

Advanced Subacute Rehabilitation Center At Sewell, LLC
Gloucester Healthcare Properties LLC
Advanced Healthcare Management

Year Ended December 31, 2024

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members,
Advanced Subacute Rehabilitation Center At Sewell, LLC
Gloucester Healthcare Properties LLC
Advanced Healthcare Management:

Opinion

We have audited the accompanying combining financial statements of Advanced Subacute Rehabilitation Center At Sewell, LLC, Gloucester Healthcare Properties LLC and Advanced Healthcare Management, which comprise the combining balance sheets as of December 31, 2024, and the related combining statements of income, members' equity (deficit), and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the combining financial statements referred to above present fairly, in all material respects, the financial position of Advanced Subacute Rehabilitation Center At Sewell, LLC, Gloucester Healthcare Properties LLC and Advanced Healthcare Management as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Advanced Subacute Rehabilitation Center At Sewell, LLC, Gloucester Healthcare Properties LLC and Advanced Healthcare Management and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Advanced Subacute Rehabilitation Center At Sewell, LLC, Gloucester Healthcare Properties LLC and Advanced Healthcare Management's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

T 718.338.6900
F 718.692.1992
w mfandco.com

New York Office
2600 Nostrand Avenue
Brooklyn, NY 11210

New Jersey Office
200 Blvd of the Americas, STE 102
Lakewood, NJ 08701

MARTIN FRIEDMAN CPA PC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Advanced Subacute Rehabilitation Center At Sewell, LLC, Gloucester Healthcare Properties LLC and Advanced Healthcare Management's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Advanced Subacute Rehabilitation Center At Sewell, LLC, Gloucester Healthcare Properties LLC and Advanced Healthcare Management's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Martin Friedman CPA, PC

MARTIN FRIEDMAN, C.P.A. P.C.
Certified Public Accountants

Brooklyn, NY

May 12, 2025

T 718.338.6900
F 718.692.1992
w mfandco.com

New York Office
2600 Nostrand Avenue
Brooklyn, NY 11210

New Jersey Office
200 Blvd of the Americas, STE 102
Lakewood, NJ 08701

Advanced Subacute Rehabilitation Center At Sewell, LLC

Gloucester Healthcare Properties LLC

Advanced Healthcare Management

Combining Balance Sheet

December 31, 2024

	Facility	Realty	Management	Elimination	Combined
Assets					
Cash	$ 169,726	$ 10,819	$ 2,424	$ -	$ 182,969
Accounts Receivable	3,202,174	310,000	-	(310,000)	3,202,174
Allowance for Credit Losses	(517,569)	-	-	-	(517,569)
Prepaid Expenses	128,991	6,000	-	-	134,991
Escrow Deposits	-	425,000	-	-	425,000
Loans Receivable - Related Parties	80,839	2,139,201	-	(2,189,817)	30,223
Patient Advances	10,194	-	-	-	10,194
Total Current Assets	3,074,355	2,891,020	2,424	(2,499,817)	3,467,982
Land	-	672,000	-	-	672,000
Building	-	10,356,518	-	-	10,356,518
Construction in Progress	224,754	-	-	-	224,754
Leasehold Improvements	1,577,571	11,308,411	-	-	12,885,982
Furniture & Equipment	1,347,793	-	-	-	1,347,793
	3,150,118	22,336,929	-	-	25,487,047
Less: Accumulated Depreciation & Amortization	1,083,795	5,115,193	-	-	6,198,988
Total Fixed Assets	2,066,323	17,221,736	-	-	19,288,059
Right-of-Use Asset	4,277,859	-	-	-	4,277,859
Security Deposits	5,625	-	-	-	5,625
Total Other Assets	4,283,484	-	-	-	4,283,484
Total Assets	**$ 9,424,162**	**$ 20,112,756**	**$ 2,424**	**$ (2,499,817)**	**$ 27,039,525**
Liabilities & Equity					
Notes & Loans Payable	$ 39,204	$ 19,854	$ -	$ -	$ 59,058
Line of Credit	65,000	-	-	-	65,000
Accounts Payable	2,627,215	135,180	-	(310,000)	2,452,395
Lease Liabilities	821,556	-	-	-	821,556
Accrued Payroll	257,691	-	-	-	257,691
Accrued Expenses & Taxes	33,278	-	-	-	33,278
Exchanges	259,010	85,000	-	-	344,010
Due To Third Party Payors	2,264	-	-	-	2,264
Loans Payable - Related Parties	4,519,401	-	50,616	(2,189,817)	2,380,200
Patients' Security Deposits	10,108	-	-	-	10,108
Total Current Liabilities	8,634,727	240,034	50,616	(2,499,817)	6,425,560
Mortgage Payable (Net)	-	19,736,749	-	-	19,736,749
Lease Liabilities	3,456,303	-	-	-	3,456,303
Equipment Obligations	55,484	-	-	-	55,484
Loan from Member	1,480,000	-	-	-	1,480,000
Total Long Term Liabilities	4,991,787	19,736,749	-	-	24,728,536
Members' Equity (Deficit)	(4,202,352)	135,973	(48,192)	-	(4,114,571)
Total Liabilities & Members' Equity (Deficit)	**$ 9,424,162**	**$ 20,112,756**	**$ 2,424**	**$ (2,499,817)**	**$ 27,039,525**

See accompanying notes to the financial statements.

Advanced Subacute Rehabilitation Center At Sewell, LLC
Gloucester Healthcare Properties LLC
Advanced Healthcare Management
Combining Statement of Operations
For the year ended December 31, 2024

	Facility	Realty	Management	Elimination	Combined
Total Revenue From Patients	$ 19,137,063	$ -	$ -	$ -	$ 19,137,063
Total Rental Revenue	-	1,410,000	-	(1,410,000)	-
Operating Expenses:					
Payroll	7,416,116	-	-	-	7,416,116
Employee Benefits	1,004,665	-	-	-	1,004,665
Professional Care	3,828,142	-	-	-	3,828,142
Dietary & Housekeeping	1,350,086	-	-	-	1,350,086
Plant & Maintenance	3,182,029	1,404,341	-	(1,410,000)	3,176,370
General & Administrative	3,513,343	656	76	-	3,514,075
Total Operating Expenses	20,294,381	1,404,997	76	(1,410,000)	20,289,454
Income (Loss) From Operations	(1,157,318)	5,003	(76)	-	(1,152,391)
Other Income	13,379	1,360	-	-	14,739
Income (Loss) Before Taxes	(1,143,939)	6,363	(76)	-	(1,137,652)
Less: Pass-Through Entity Taxes	-	9,227	-	-	9,227
Net Loss	**$ (1,143,939)**	**$ (2,864)**	**$ (76)**	**$ -**	**$ (1,146,879)**

See accompanying notes to the financial statements.

Advanced Subacute Rehabilitation Center At Sewell, LLC
Gloucester Healthcare Properties LLC
Advanced Healthcare Management
Combining Statement of Members' Equity (Deficit)
For the year ended December 31, 2024

	Facility	Realty	Management	Combined
Members' Equity (Deficit):				
Balance as of Beginning of Period	$ (3,058,413)	$ 138,837	$ (48,116)	$ (2,967,692)
Net Loss for the Period	(1,143,939)	(2,864)	(76)	(1,146,879)
Total Members' Equity (Deficit) End of Period	**$ (4,202,352)**	**$ 135,973**	**$ (48,192)**	**$ (4,114,571)**

See accompanying notes to the financial statements.

Advanced Subacute Rehabilitation Center At Sewell, LLC
Gloucester Healthcare Properties LLC
Advanced Healthcare Management
Combining Statement of Cash Flows
For the year ended December 31, 2024

	Facility	Realty	Management	Combined
Cash Flows From Operating Activities:				
Net Loss	$ (1,143,939)	$ (2,864)	$ (76)	$ (1,146,879)
Adjustments to reconcile Net Loss to Net Cash Used In Operating Activities				
Depreciation & Amortization	926,897	470,837	-	1,397,734
Amortization of Debt Issuance Costs	25,606	11,910	-	37,516
Bad Debt Provision	215,131	-	-	215,131
(Increase) Decrease In:				
Accounts Receivable	(1,595,492)	(310,000)	-	(1,905,492)
Prepaid Expenses	(35,215)	-	-	(35,215)
Escrow Deposits	-	(425,000)	-	(425,000)
Loans Receivable	1,500	-	-	1,500
Patient Advances	15	-	-	15
Increase (Decrease) In:				
Accounts Payable	806,404	135,180	-	941,584
Accrued Payroll & Withholding Taxes	53,255	-	-	53,255
Accrued Expenses & Taxes	6,690	(6,000)	-	690
Other Payables	(365,000)	-	-	(365,000)
Patients' Security Deposits	5	-	-	5
Exchanges	48,198	(142,202)	-	(94,004)
Total Adjustments	(1,079,640)	(748,022)	-	(1,827,662)
Net Cash Used In Operating Activities	(1,055,945)	(268,139)	(76)	(1,324,160)
Cash Flows From Investing Activities:				
Capital Expenditures	9,670,292	(10,083,333)	-	(413,041)
Loans Receivable - Related Parties	1,276,441	85,000	-	1,361,441
Other Assets	18,628	(255,307)	-	(236,679)
Net Cash Provided By (Used In) Investing Activities	10,965,361	(10,253,640)	-	711,721
Cash Flows From Financing Activities:				
Increase (Decrease) In Long Term Debt	(9,820,596)	10,413,031	-	592,435
Other Liabilities	8,597	-	-	8,597
Net Cash Provided By (Used In) Financing Activities	(9,811,999)	10,413,031	-	601,032
Net Change In Cash	97,417	(108,748)	(76)	(11,407)
Cash - Beginning of Period	72,309	119,567	2,500	194,376
Cash - End of Period	**$ 169,726**	**$ 10,819**	**$ 2,424**	**$ 182,969**
Supplemental Disclosures:				
Interest Paid	$ 40,851	$ 933,504	$ -	$ 974,355
Income Taxes Paid	-	9,227	-	9,227

See accompanying notes to the financial statements.

Advanced Subacute Rehabilitation Center at Sewell, LLC
Gloucester Healthcare Properties, LLC
Advanced Healthcare Management, LLC

1) **Organization**:

Advanced Subacute Rehabilitation Center at Sewell, LLC (the "Facility") operates a 147 bed facility located in Sewell, New Jersey, offering sub-acute rehabilitation, post-surgery care, and long-term care.

Gloucester Healthcare Properties, LLC (the "Realty"), is the landlord of a 147 bed skilled nursing facility which it rents to Advanced Subacute Rehabilitation Center at Sewell, LLC.

Advanced Healthcare Management at Sewell, LLC (the "Management") manages Advanced Subacute Rehabilitation Center at Sewell, LLC and collects management fees from the Facility.

The aforementioned entities are under common control and ownership (collectively, the "Company").

2) **Summary of Significant Accounting Policies**:

The accounting policies that affect the significant elements of the financial statements are summarized below.

Principals of Combination –

The consolidated financial statements include the accounts of the aforementioned entities. All significant inter-company transactions and balances have been eliminated. The Facility has an agreement with the Realty under which the Realty owns the land and building and leases it to the Facility.

Method of Accounting –

The Company maintains its books and prepares its financial statements on the accrual basis of accounting.

Cash -

For purposes of the statement of cash flows, the Company considers time deposits, certificates of deposits, and all highly liquid investments, with maturity of three months or less, to be cash. The Company maintains cash balances at financial institutions, which periodically exceed the Federal Deposit Insurance Corporation limit during the year.

Property & Equipment -

Property and equipment, including items acquired under capital leases are recorded at cost of acquisition. Fully depreciated assets are written off against accumulated depreciation. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets.

Resident Funds -

The Facility, as trustee, holds resident funds in escrow accounts. These funds are expended at the direction of the residents for personal items.

Patient Care Revenue -

Revenue for services provided to residents is recognized at the amount the Facility expects to receive in exchange for providing care to the residents. This revenue includes amounts due from residents, third-party payors (such as health insurers and government programs), and incorporates variable considerations for potential retroactive adjustments resulting from audits and reviews. Typically, the Facility bills residents and third-party payors a few days after services are provided or when the resident no longer requires care. Revenue is recognized as performance obligations are fulfilled.

Performance obligations are identified based on the nature of the services provided. For obligations satisfied over time, revenue is recognized based on the percentage of completion method, i.e., actual charges incurred relative to the total expected charges. This approach is believed to accurately reflect the transfer of services throughout the performance obligation period, particularly for residents receiving post-acute care services in the Facility.

Revenue for performance obligations fulfilled at a specific point in time is generally recognized when goods are provided to residents in a retail setting (e.g., personal care services and additional meals not included in the resident contract) and when no further goods or services are required.

The transaction price is determined based on standard charges for services rendered, adjusted for contractual allowances given to third-party payors, discounts for uninsured residents per the Facility's charity care policy, and implicit price concessions for uninsured residents. Estimates for contractual adjustments and discounts are based on contractual agreements, Facility policies, and historical data. Implicit price concessions are estimated from historical collection experiences with each group of residents.

Revenues are recorded based on current billings of the estimated net realizable amounts from patients, third-party payors and others for services rendered. Settlements for retroactive adjustments due to audits or investigations are considered variable considerations and are included in the transaction price estimation for resident services. These settlements are estimated based on agreements with payors, relevant correspondence, and historical settlement activities. Adjustments are made in subsequent periods as new information becomes available or when cases are settled. Such adjustments, if any, will be reflected in revenues in the period in which they are received.

Changes to transaction price estimates are recorded as adjustments to resident service revenue in the period of change. Adverse changes in residents' ability to pay, as well as any estimates of future adverse changes, are recorded as credit loss expense and included in general and administrative expenses.

Agreements with major third-party payors typically stipulate payments at amounts lower than established charges. A summary of the payment arrangements with key payors includes:

- **Medicare:** Certain in-resident post-acute care services are reimbursed at predetermined rates per service, influenced by clinical and diagnostic factors. Other services are reimbursed based on cost-reimbursement methodologies, with physician services paid according to established fee schedules. Medicare revenue primarily consists of fixed regional rates adjusted for patient acuity, subject to audit verification.

- **Medicaid:** Under the current statewide pricing methodology, Medicaid revenue is based on the rate in effect as of July 1, 2014. The State has made statewide adjustments in some years, but the rates are not subject to audit.

  In January 2014, New Jersey implemented a managed care Medicaid formula, requiring Medicaid patients to enroll in managed long-term care plans. The State's executive budget mandates that managed care companies pay rates no less than the current Medicaid methodology, with New Jersey Department of Health calculating these rates annually.

- **Other:** Payment agreements with various commercial insurance carriers, health maintenance organizations, and preferred provider organizations typically provide for payment based on predetermined rates per service, discounts from standard charges, and daily rates.

Residents covered by third-party payors are generally responsible for deductibles and coinsurance, which can vary. The Facility also serves uninsured residents and offers discounts as required by policy or law. Estimates of transaction prices for these residents are based on historical data and market conditions. Revenue from resident's deductibles and coinsurance are included in the preceding categories based on the primary payor.

Compliance with government regulations, particularly concerning Medicare and Medicaid, is complex and can be subject to interpretation. Facilities may receive requests for information and notices of alleged noncompliance, leading to potential settlement agreements. Future regulatory reviews may result in fines, penalties, and/or exclusion from programs. The Facility believes they are currently in compliance with all applicable laws and regulations.

Use of Estimates -

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accrued Payroll -

Most employees earn credits during the current year for vacations to be taken in the following year. The expense for this liability is accrued during the year vacations are earned rather than in the year vacations are taken.

Advertising -

Advertising costs are expensed as incurred and included in general and administrative expenses. Advertising expense amounted to $ 86,656 for the year ended December 31, 2024.

Income Taxes -

The members of the Company are taxed as a partnership. Accordingly, any resulting tax liabilities or tax benefits resulting from operations are those of the individual members.

Compensated Absences -

The Facility recognizes a liability for compensated absences when the employees have earned the right to the leave through their service, the leave is expected to be used in the future, and the amount can be reasonably estimated. Compensated absences include accrued vacation and sick leave as well as personal time off. The liability is calculated based on the employee's current pay rate and number of remaining unused days. As of December 31, 2024, the liability for compensated absences amounted to $46,021, which is included in the total accrued payroll liability of $257,691.

3) **Accounts Receivable:**

The Facility grants credit, without collateral, to its patients, the majority of whom are insured under third-party payer agreements. Accounts receivable are stated at the amount management expects to collect from outstanding balances.

The amount of receivables from patients and third-party payers at December 31, 2024 was as follows:

Accounts Receivable		
Medicaid Patients	$	1,195,695
Medicare Patients		588,739
HMO Patients		843,528
Private Patients		574,212
Total	**$**	**2,684,605**

Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on the current expected credit loss (CECL) model. Credit losses that are expected to occur in the future are recognized at the time the receivable is recorded. The Facility uses a pooled approach to group together receivables with similar risk characteristics into portfolios categorized by major payor class. Estimated credit losses are calculated based on historical loss data for each portfolio as well as current and forecasted economic conditions. Management periodically reviews the allowance to ensure it accurately reflects the expected credit losses. Any adjustments that are needed are recognized currently as credit loss expense. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Allowance for Credit Losses		
Balance, January 1, 2024	$	302,438
Provision for expected credit losses		638,000
Write-offs charged against the allowance		(422,869)
Credit Loss Recoveries		-
Balance December 31, 2024	**$**	**517,569**

4) **Property & Equipment:**

Property and equipment are summarized as follows:

Asset Class	Life (Years)		Cost
Land	-	$	672,000
Building	27.5		10,356,518
Construction in Progress	-		224,754
Leasehold Improvements	10		12,885,982
Furniture & Equipment	5 - 7		1,347,793
Total			25,487,047
Less: Accumulated Depreciation			6,198,988
Total Property & Equipment		$	19,288,059

Depreciation for property and equipment was $1,397,734 for the year ended December 31, 2024.

5) **Notes Payable:**

a) In November 2024, the Company refinanced their existing note with a note payable to Popular Bank in the amount of $20,000,000 at an interest rate of SOFR plus 315 basis points. The initial term of the loan is three years, which the option to extend for an additional two years. The first year payments are interest only. The following are the balances as of December 31, 2024:

Principal Balance:	$	20,000,000
Unamortized debt issuance cost:		(243,397)
		19.756.603
Less current portion:		(19,854)
Long-term Debt	$	19,736,749

Principal payments for the next five years and on are as follows:

Year ending December 31,		
2025	$	19,854
2026		240,028
2027		261,143
2028		280,511
2029		19,198,464
Total Principal Payments	$	20,000,000

b) During 2023, the Facility borrowed $190,000 from Highland Capital Corp at an interest rate of 5% to obtain a Phone and Camera System. The loan matures on April 1, 2027. The balance of the debt as of December 31, 2024 was as $94,688, of which $39,204 was considered current.

6) **Line of credit:**

In November 2024, the Facility entered into a $2,000,000 line of credit agreement with Popular Bank at an interest rate of the higher of 6.5% and SOFR plus 315 basis points. As of December 31, 2024 the balance was $65,000.

7) **Related Party Transactions**:

The Facility has various loans payable and receivable to and from related parties. There is no interest on these loans and no repayment terms. The receivable amount was $30,233 and the payable amount was $2,380,200 as of December 31, 2024.

8) **Nursing Home User Fee:**

All New Jersey facilities were assessed a Provider Assessment Tax at a rate of $14.67 for each private and Medicaid patient day. Concurrently with the tax assessment, the State prospectively calculated a revenue add-on to the Medicaid rate.

9) **Uncertainty in Income Taxes:**

Management has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ended December 31, 2021 and subsequent remain subject to examination by applicable taxing authorities.

10) **Right-Of-Use Asset and Lease Liability**

The Facility's operating lease right-of-use assets and lease liabilities were for a building lease.

In November 2013, a non arms length lease was entered into between the Facility and the Realty. The original term was for 5 years. The lease, as extended in November 2024, is a triple net lease calling for annual rental payments of $900,000. Actual rent paid for 2024 was $1,410,000.

The Facility determines the present value of the remaining lease payments using the US Treasury risk-free rate at the time of adoption of the Standard, which was 2.05%. The Facility does not have any variable lease payments, residual value guarantees, or material lease incentives.

The Facility has not recognized any material impairments of its operating lease right-of-use asset as of December 31, 2024. As of December 31, 2024, the Facility's operating lease liability and corresponding asset was $4,277,859 of which $821,556 of the liability was considered short term.

The Facility's future minimum lease payments for the next five years, as of December 31, 2024, are as follows:

2025	$	900,000
2026		900,000
2027		900,000
2028		900,000
2029		900,000

The future minimum lease payments include only the remaining non-cancelable lease payments under the operating leases with a term of more than 12 months as of December 31, 2024.

11) **Subsequent Events:**

The Company has evaluated subsequent events through May 12, 2025, the date which the financial statements were available to be issued. No significant subsequent events have been identified by management.

MARTIN FRIEDMAN CPA PC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT
ON ADDITIONAL INFORMATION

To the Members,
Advanced Subacute Rehabilitation Center At Sewell, LLC
Gloucester Healthcare Properties LLC
Advanced Healthcare Management:

Our report on our audit of the basic financial statements of Advanced Subacute Rehabilitation Center At Sewell, LLC, Gloucester Healthcare Properties LLC and Advanced Healthcare Management for 2024 appears on page 1. That audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 15 through 17 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Martin Friedman CPA, PC

MARTIN FRIEDMAN C.P.A. P.C.
Certified Public Accountants

Brooklyn, NY

May 12, 2025

T 718.338.6900
F 718.692.1992
w mfandco.com

New York Office
2600 Nostrand Avenue
Brooklyn, NY 11210

New Jersey Office
200 Blvd of the Americas, STE 102
Lakewood, NJ 08701

Advanced Subacute Rehabilitation Center At Sewell, LLC
Gloucester Healthcare Properties LLC
Advanced Healthcare Management
Supplementary Schedules
For the year ended December 31, 2024

	Facility	Realty	Management	Elimination	Combined
Revenue From Patients:					
Private & HMO	$ 5,144,365	$ -	$ -	$ -	$ 5,144,365
Medicaid	7,932,649	-	-	-	7,932,649
Medicare	6,060,049	-	-	-	6,060,049
Total Revenue From Patients	19,137,063	$ -	$ -	$ -	$ 19,137,063
Revenue From Rental	-	1,410,000	-	(1,410,000)	-
Other Income:					
Interest	3,887	-	-	-	3,887
Other	9,492	1,360	-	-	10,852
Total Other Income	13,379	1,360	-	-	14,739
Total Income	**$ 19,150,442**	**$ 1,411,360**	**$ -**	**$ (1,410,000)**	**$ 19,151,802**

Advanced Subacute Rehabilitation Center At Sewell, LLC

Gloucester Healthcare Properties LLC

Advanced Healthcare Management

Supplementary Schedules

For the year ended December 31, 2024

	Facility	Realty	Management	Combined
Payroll:				
Administrative & Office	$ 882,935	$ -	$ -	$ 882,935
Nursing	5,149,063	-	-	5,149,063
Social Services	267,539	-	-	267,539
Recreation	354,845	-	-	354,845
Dietary	625,434	-	-	625,434
Maintenance	136,300	-	-	136,300
Total Payroll	**7,416,116**	**-**	**-**	**7,416,116**
Employee Benefits:				
Payroll Taxes	660,774	-	-	660,774
Workmen's Compensation	115,156	-	-	115,156
Non-Union Pension	9,968	-	-	9,968
Employee Benefits	207,969	-	-	207,969
Uniform & Transp. Allowance	10,798	-	-	10,798
Total Employee Benefits	**1,004,665**	**-**	**-**	**1,004,665**
Professional Care:				
Prescription Drugs	401,285	-	-	401,285
Medical Supplies	567,743	-	-	567,743
Contracted Nursing Service	1,343,677	-	-	1,343,677
Fees & Expenses	1,515,437	-	-	1,515,437
Total Professional Care	**$ 3,828,142**	**$ -**	**$ -**	**$ 3,828,142**

Advanced Subacute Rehabilitation Center At Sewell, LLC
Gloucester Healthcare Properties LLC
Advanced Healthcare Management
Supplementary Schedules
For the year ended December 31, 2024

	Facility	Realty	Management	Elimination	Combined
Dietary & Housekeeping:					
Food	$ 425,324	$ -	$ -	$ -	$ 425,324
Other Dietary Expenses	164,434	-	-	-	164,434
Housekeeping	59,996	-	-	-	59,996
Contracted Dietary Services	4,815	-	-	-	4,815
Contracted Housekeeping Services	695,517	-	-	-	695,517
Total Dietary & Housekeeping	**1,350,086**	**-**	**-**	**-**	**1,350,086**
Plant & Maintenance:					
Rent	1,410,000	-	-	(1,410,000)	-
Mortgage Interest	40,851	933,504	-	-	974,355
Equipment Rentals	16,513	-	-	-	16,513
Real Estate Tax	245,376	-	-	-	245,376
Light, Heat & Power	211,601	-	-	-	211,601
Maintenance	239,678	-	-	-	239,678
Contracted Maintenance Services	15,251	-	-	-	15,251
Security	14,497	-	-	-	14,497
Water & Sewer Charges	61,365	-	-	-	61,365
Depreciation & Amortization	926,897	470,837	-	-	1,397,734
Total Plant & Maintenance	**3,182,029**	**1,404,341**	**-**	**(1,410,000)**	**3,176,370**
General & Administrative:					
Office	154,810	-	-	-	154,810
Contracted Admin. Services	216,000	-	-	-	216,000
Computer Services	104,134	-	-	-	104,134
Telephone	26,674	-	-	-	26,674
Auto & Travel	16,442	-	-	-	16,442
Professional Fees	376,135	-	-	-	376,135
Insurance	538,482	-	-	-	538,482
Interest	776,009	-	-	-	776,009
Nursing Home User Fee	496,814	-	-	-	496,814
Advertising	86,656	-	-	-	86,656
Credit Losses	638,000	-	-	-	638,000
Miscellaneous	83,187	656	76	-	83,919
Total General & Administrative	**$ 3,513,343**	**$ 656**	**$ 76**	**$ -**	**$ 3,514,075**