MARTIN FRIEDMAN CPA PC
CERTIFIED PUBLIC ACCOUNTANTS

WOODCLIFF LAKE HEALTH AND REHABILITATION CENTER, LLC
WOODCLIFF LAKE MANOR CARE CENTER, LLC
Combining Financial Statements

Year Ended December 31, 2024

Woodcliff Lake Health and Rehabilitation Center, LLC
Woodcliff Lake Manor Care Center, LLC

Year Ended December 31, 2024

TABLE OF CONTENTS

	Page No.
INDEPENDENT AUDITOR'S REPORT	1 – 2
FINANCIAL STATEMENTS:	
Combining Balance Sheet	3
Combining Statement of Operations	4
Combining Statement of Members' Deficit	5
Combining Statement of Cash Flows	6
Notes to the Financial Statements	7 - 12
AUDITOR'S LETTER	13
COMBINING SUPPLEMENTARY SCHEDULES:	
Revenue	14
Operating Expenses	15 - 16

MARTIN FRIEDMAN CPA PC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members,
Woodcliff Lake Health and Rehabilitation Center, LLC
Woodcliff Lake Manor Care Center, LLC:

Opinion

We have audited the accompanying combining financial statements of Woodcliff Lake Health and Rehabilitation Center, LLC and Woodcliff Lake Manor Care Center, LLC, which comprise the combining balance sheets as of December 31, 2024, and the related combining statements of income, members' 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 Woodcliff Lake Health and Rehabilitation Center, LLC and Woodcliff Lake Manor Care Center, LLC 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 Woodcliff Lake Health and Rehabilitation Center, LLC and Woodcliff Lake Manor Care Center, LLC 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 Woodcliff Lake Health and Rehabilitation Center, LLC and Woodcliff Lake Manor Care Center, LLC'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 Woodcliff Lake Health and Rehabilitation Center, LLC and Woodcliff Lake Manor Care Center, LLC'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 Woodcliff Lake Health and Rehabilitation Center, LLC and Woodcliff Lake Manor Care Center, LLC'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 27, 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

Woodcliff Lake Health and Rehabilitation Center, LLC

Woodcliff Lake Manor Care Center, LLC

Combining Balance Sheet

December 31, 2024

	Facility	Realty	Elimination	Combined
Assets				
Cash	$ 190,524	$ 110,771	$ -	$ 301,295
Accounts Receivable	2,639,118	-	-	2,639,118
Allowance for Credit Losses	(711,135)	-	-	(711,135)
Prepaid Expenses	98,684	-	-	98,684
Loans Receivable - Related Parties	1,149,436	4,438,767	(113,702)	5,474,501
Total Current Assets	3,366,627	4,549,538	(113,702)	7,802,463
Land	-	1,865,339	-	1,865,339
Building	-	3,056,908	-	3,056,908
Construction in Progress	677,315	-	-	677,315
Leasehold Improvements	3,369,479	836,127	-	4,205,606
Furniture & Equipment	2,348,484	550,000	-	2,898,484
	6,395,278	6,308,374	-	12,703,652
Less: Accumulated Depreciation & Amortization	2,505,423	3,066,992	-	5,572,415
Total Fixed Assets	3,889,855	3,241,382	-	7,131,237
Goodwill (Net)	-	226,585	-	226,585
Patients' Trust Fund	12,008	-	-	12,008
Total Other Assets	12,008	226,585	-	238,593
Total Assets	**$ 7,268,490**	**$ 8,017,505**	**$ (113,702)**	**$ 15,172,293**
Liabilities & Equity				
Mortgage Payable	$ -	$ 568,921	$ -	$ 568,921
Notes & Loans Payable	385,162	-	-	385,162
Accounts Payable	1,388,845	60,000	-	1,448,845
Accrued Payroll	310,832	-	-	310,832
Accrued Expenses & Taxes	76,097	-	-	76,097
Exchanges	15,454	-	-	15,454
Due To Third Party Payors	2,824	-	-	2,824
Loans Payable - Related Parties	260,302	-	(113,702)	146,600
Patients' Security Deposits	34,720	-	-	34,720
Total Current Liabilities	2,474,236	628,921	(113,702)	2,989,455
Mortgage Payable	3,700,000	8,357,696	-	12,057,696
Notes & Loans Payable	1,129,647	-	-	1,129,647
Patients' Trust Fund Payable	12,008	-	-	12,008
Total Long Term Liabilities	4,841,655	8,357,696	-	13,199,351
Members' Deficit	(47,401)	(969,112)	-	(1,016,513)
Total Liabilities & Members' Deficit	**$ 7,268,490**	**$ 8,017,505**	**$ (113,702)**	**$ 15,172,293**

See accompanying notes to the financial statements.

Woodcliff Lake Health and Rehabilitation Center, LLC
Woodcliff Lake Manor Care Center, LLC
Combining Statement of Operations
For the year ended December 31, 2024

	Facility	Realty	Elimination	Combined
Total Revenue From Patients	$ 17,904,098	$ -	$ -	$ 17,904,098
Total Rental Revenue	-	1,920,000	(1,920,000)	-
Operating Expenses:				
Payroll	6,875,104	-	-	6,875,104
Employee Benefits	1,509,558	-	-	1,509,558
Professional Care	2,463,074	-	-	2,463,074
Dietary & Housekeeping	470,843	-	-	470,843
Plant & Maintenance	2,763,580	749,829	(1,920,000)	1,593,409
General & Administrative	2,721,683	61,022	-	2,782,705
Total Operating Expenses	16,803,842	810,851	(1,920,000)	15,694,693
Income From Operations	1,100,256	1,109,149	-	2,209,405
Other Income	40,731	21	-	40,752
Income Before Taxes	1,140,987	1,109,170	-	2,250,157
Less: Pass-Through Entity Taxes	67,194	21,334	-	88,528
Net Income	**$ 1,073,793**	**$ 1,087,836**	**$ -**	**$ 2,161,629**

See accompanying notes to the financial statements.

Woodcliff Lake Health and Rehabilitation Center, LLC
Woodcliff Lake Manor Care Center, LLC
Combining Statement of Members' Equity (Deficit)
For the year ended December 31, 2024

	Facility	Realty	Combined
Members' Equity (Deficit):			
Balance as of Beginning of Period	$ (1,054,694)	$ (2,056,948)	$ (3,111,642)
Net Income for the Period	1,073,793	1,087,836	2,161,629
Members' Distributions	(66,500)	-	(66,500)
Total Members' Equity (Deficit) End of Period	**$ (47,401)**	**$ (969,112)**	**$ (1,016,513)**

See accompanying notes to the financial statements.

Woodcliff Lake Health and Rehabilitation Center, LLC
Woodcliff Lake Manor Care Center, LLC
Combining Statement of Cash Flows
For the year ended December 31, 2024

	Facility	Realty	Combined
Cash Flows From Operating Activities:			
Net Income	$ 1,073,793	$ 1,087,836	$ 2,161,629
Adjustments to reconcile Net Income to Net Cash Provided by Operating Activities			
Depreciation & Amortization	159,003	113,928	272,931
Amortization of Debt Issuance Costs	-	7,824	7,824
Allowance for Credit Losses	(187,537)	-	(187,537)
(Increase) Decrease In:			
Accounts Receivable	(340,034)	-	(340,034)
Prepaid Expenses	(53,537)	-	(53,537)
Escrow Deposits	121	-	121
Increase (Decrease) In:			
Accounts Payable	423,134	104,752	527,886
Accrued Payroll & Withholding Taxes	11,358	-	11,358
Accrued Expenses & Taxes	(123,270)	(78,594)	(201,864)
Other Payables	-	-	-
Exchanges	(3,631)	-	(3,631)
Total Adjustments	(85,859)	26,158	(59,701)
Net Cash Provided By Operating Activities	959,400	1,235,746	2,195,146
Cash Flows From Investing Activities:			
Capital Expenditures	(2,060,250)	-	(2,060,250)
Loans Receivable - Related Parties	(217,068)	(609,326)	(826,394)
Other Assets	(78,977)	-	(78,977)
Net Cash Used In Investing Activities	(2,356,295)	(609,326)	(2,965,621)
Cash Flows From Financing Activities:			
Increase In Short Term Debt	494,392	26,341	520,733
Increase (Decrease) In Long Term Debt	1,020,417	(568,921)	451,496
Other Liabilities	36,846	-	36,846
Loans Payable - Related Parties	(414,000)	(15,000)	(429,000)
Distributions	(66,500)	-	(66,500)
Net Cash Provided By (Used In) Financing Activities	1,071,155	(557,580)	513,575
Net Change In Cash	(325,740)	68,840	(256,900)
Cash - Beginning of Period	516,264	41,931	558,195
Cash - End of Period	**$ 190,524**	**$ 110,771**	**$ 301,295**
Supplemental Disclosures:			
Interest Paid	$ 117,655	$ 635,901	$ 753,556
Income Taxes Paid	67,194	21,334	88,528
Property & Equipment Acquired by Capital Leases	1,113,879	-	1,113,879

See accompanying notes to the financial statements.

Woodcliff Lake Health and Rehabilitation Center, LLC
Woodcliff Lake Manor, LLC
Notes to Combining Financial Statements

1) Organization:

Woodcliff Lake Health and Rehabilitation Center, LLC (the "Facility"), a limited liability company, is licensed by the New Jersey State Department of Health to run and operate a 114 bed long-term care facility, located in Woodcliff Lake, New Jersey. The Facility began operations on February 2, 1992.

Woodcliff Lake Manor, LLC (the "Realty"), a limited liability company, is the landlord of a 114 bed long-term care facility which it rents to Woodcliff Lake Health and Rehabilitation Center, LLC. The Facility and Realty are related through common control and ownership.

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 combining financial statements include the accounts of Facility and Realty, which are related by virtue of common control and ownership. All inter-company balances and transactions have been eliminated in the combining financial statements.

The Facility guaranteed the Realty's debt which makes the operating Facility the primary beneficiaries of the Realties under FASB Interpretation No. 46, "Consolidation of Variable Interest Entities". Therefore, the financials of the entities have been combined.

Method of Accounting –

The entities maintain their books and prepare their financial statements on the accrual basis of accounting.

Cash –

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

Property and 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 based upon the straight-line method over the estimated useful lives of the assets.

Goodwill and Other Intangible Assets –

Intangible assets subject to amortization are shown net of accumulated amortization based upon their estimated useful lives. The Realty has classified as goodwill the excess of the purchase price over the fair value of the assets acquired. Goodwill and other intangible assets with indefinite useful lives are not amortized. They are tested, at a minimum, annually for impairment and adjusted accordingly. After assessing qualitative factors, management's opinion is that there has been no impairment to the recorded value.

Summary of Significant Accounting Policies (Continued)

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, sick leave and 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 $99,832, which is included in the total accrued payroll liability of $310,832.

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 Recognition –

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.

Patient Care Revenue Recognition (Continued)

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 the combining 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 at the date of the combining financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Advertising –

Advertising costs are expensed as incurred and included in general and administrative expenses. Advertising expense amounted to $40,680 for the year ended December 31, 2024.

Income Taxes –

The entities are treated as partnerships for income tax purposes, and as such each member is taxed separately on his distributive share of the entities' income whether or not that income is actually distributed.

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.

3) Accounts Receivable:

The Facility grants credit, without collateral, to its patients, the majority of whom are insured under the third-party payor agreements. Accounts receivable is stated at the amount management expects to collect from outstanding balances. The amount of receivables from patients and third-party payors at December 31, 2024 is as follows:

Accounts Receivable		
Medicaid Patients	$	399,766
Medicare Patients		941,367
HMO Patients		442,132
Private Patients		855,853
Less: Allowance for Credit Losses		(711,135)
Total	**$**	**1,927,983**

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	$	898,672
Provision for expected credit losses		-
Write-offs charged against the allowance		(160,665)
Credit Loss Recoveries		(26,872)
Balance December 31, 2024	**$**	**711,135**

4) Mortgages Payable:

In June 2015, the Realty entered into a twenty-year mortgage with Lakeland Bank in the amount of $16,960,000 of which $3,700,000 was used to finance the operations of the Facility. The mortgage matures on July 29, 2035. The mortgage is secured by all assets of the Realty and Facility. The Realty also entered into an interest rate swap agreement with the same notional amount and term as the debt. The swap agreement, effectively converts interest payments, from the mortgage's variable rate to a fixed rate of 4.75%. The Realty receives a floating rate equal to the one-month LIBOR rate plus a margin of 200 basis points. As of December 31, 2024 the value of the swap is $ 1,069,411.

The following is a breakdown of the balance as of December 31, 2024:

Principal Balance - Facility:	$ 3,700,000
Principal Balance - Realty:	9,008,670
Total Principal:	12,708,670
Less Unamortized debt issuance cost:	(82,053)
	12,626,617
Less current portion:	568,921
Long-term Debt	$ 12,057,696

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

2025	$ 568,921
2026	596,541
2027	625,502
2028	655,868
2029	687,709
For the years thereafter	9,574,129
Total Principal Payments	$ 12,708,670

5) Notes & Loans Payable:

On December 19, 2023 the Facility obtained a construction loan in the amount of $529,045 from Flagstar Bank, to be used for various improvements. The loan is for 5 years and bears interest at 7.74%. The Facility makes monthly payments of $10,667 consisting of principal and interest. At December 31, 2024 the loan balance was $438,999.

On May 20, 2024, the Facility entered into an equipment financing agreement with Ascentium Capital, under which Ascentium agreed to provide financing of up to $1,500,000 for the acquisition of equipment. Per the agreement, Ascentium Capital pays equipment vendors directly as the Facility procures the equipment. As of December 31, 2024, the Facility had acquired $1,113,879 in equipment under this financing agreement. The loan has a term of 60 months and bears interest at 9.49%. The Facility makes monthly payments of $31,495, comprising both principal and interest. As of December 31, 2024, the loan balance was $938,879.

Notes & Loans Payable (continued)

The Facility entered into an On-Bill Repayment Project Agreement with Public Service Electric and Gas Company ("PSE&G") to finance the installation of energy-efficient equipment. Under the terms of the agreement, PSE&G provided financing in the amount of $139,239. The financing is structured as an interest-free loan, to be repaid in equal monthly installments of $2,308 over a 60-month period. Repayments are made through the Facility's monthly utility bill. As of December 31, 2024, the outstanding balance under the Repayment Agreement was $136,931.

6) Related Party Transactions:

The Facility has various non-interest-bearing loans, with no terms for repayment, to and from related entities**.**

On March 1, 2005 the Facility entered into a non-arms length lease agreement with the Realty. The lease expired in February 2020 and was not renewed. The Facility now leases on a month-to-month basis. For the year ended December 31, 2024 rent was $1,920,000.

The Facility pays management fees to Chestnut Ridge Care Associates, LLC which has common ownership with the Facility. Fees paid for year ended December 31, 2024 were $780,000.

The Realty and Facility contracts administrative and fiscal services to Ridge Healthcare, LLC which has common ownership with the Realty and Facility. Fees paid for year ended December 31, 2024 were $876,000.

7) Nursing Home User Fee:

All New Jersey facilities are currently assessed a provider tax assessment. During 2023 the rate was $14.67 for each Private and Medicaid patient day. The nursing home user fee for the year ended December 31, 2024 was $232,564.

8) Union:

Some of the Facility's employees are members of 1199 SEIU United Healthcare Workers East. All the eligible employees are covered by a contract regarding wages and benefits, entered into by the Union and the Facility's collective bargaining agent. The expense for this liability is recognized when the employee wages are paid.

9) Subsequent Events:

The entities have evaluated subsequent events through May 27, 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,
Woodcliff Lake Health and Rehabilitation Center, LLC
Woodcliff Lake Manor Care Center, LLC:

Our report on our audit of the basic financial statements of Woodcliff Lake Health and Rehabilitation Center, LLC and Woodcliff Lake Manor Care Center, LLC 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 14 through 16 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 27, 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

Woodcliff Lake Health and Rehabilitation Center, LLC
Woodcliff Lake Manor Care Center, LLC
Supplementary Schedules
For the year ended December 31, 2024

	Facility	Realty	Elimination	Combined
Revenue From Patients:				
Private & HMO	$ 3,462,009	$ -	$ -	$ 3,462,009
Medicaid	3,141,893	-	-	3,141,893
Medicare	11,300,196	-	-	11,300,196
Total Revenue From Patients	17,904,098	$ -	$ -	$ 17,904,098
Revenue From Rental	-	1,920,000	(1,920,000)	-
Other Income:				
Interest	7,648	21	-	7,669
Other	33,083	-	-	33,083
Total Other Income	40,731	21	-	40,752
Total Income	**$ 17,944,829**	**$ 1,920,021**	**$ (1,920,000)**	**$ 17,944,850**

Woodcliff Lake Health and Rehabilitation Center, LLC

Woodcliff Lake Manor Care Center, LLC

Supplementary Schedules

For the year ended December 31, 2024

		Facility
Payroll:		
Administrative & Office	$	552,083
Nursing		3,455,493
Therapies		1,141,242
Social Services		234,492
Recreation		166,767
Dietary		572,347
Housekeeping		603,019
Maintenance		149,661
Total Payroll		**6,875,104**
Employee Benefits:		
Payroll Taxes		591,477
Workmen's Compensation		167,440
Union		176,065
Non-Union Pension		11,203
Employee Benefits		543,706
Uniform & Transp. Allowance		19,667
Total Employee Benefits		**1,509,558**
Professional Care:		
Prescription Drugs		391,746
Medical Supplies		305,943
Contracted Nursing Service		1,316,513
Fees & Expenses		448,872
Total Professional Care	**$**	**2,463,074**

Woodcliff Lake Health and Rehabilitation Center, LLC

Woodcliff Lake Manor Care Center, LLC

Supplementary Schedules

For the year ended December 31, 2024

	Facility	Realty	Elimination	Combined
Dietary & Housekeeping:				
Food	$ 247,039	$ -	$ -	$ 247,039
Other Dietary Expenses	118,971	-	-	118,971
Housekeeping	98,937	-	-	98,937
Contracted Dietary Services	3,843	-	-	3,843
Contracted Housekeeping Services	2,053	-	-	2,053
Total Dietary & Housekeeping	**470,843**	**-**	**-**	**470,843**
Plant & Maintenance:				
Rent	1,920,000	-	(1,920,000)	-
Mortgage Interest	-	635,901	-	635,901
Equipment Rentals	49,794	-	-	49,794
Real Estate Tax	249,942	-	-	249,942
Light, Heat & Power	176,639	-	-	176,639
Maintenance	145,675	-	-	145,675
Contracted Maintenance Services	18,961	-	-	18,961
Security	7,193	-	-	7,193
Water & Sewer Charges	36,373	-	-	36,373
Depreciation & Amortization	159,003	113,928	-	272,931
Total Plant & Maintenance	**2,763,580**	**749,829**	**(1,920,000)**	**1,593,409**
General & Administrative:				
Office	138,454	-	-	138,454
Contracted Admin. Services	816,000	60,000	-	876,000
Management Fees	780,000	-	-	780,000
Computer Services	141,465	-	-	141,465
Telephone	29,378	-	-	29,378
Auto & Travel	18,783	-	-	18,783
Professional Fees	129,607	-	-	129,607
Insurance	201,491	-	-	201,491
Interest	117,655	-	-	117,655
Nursing Home User Fee	232,564	-	-	232,564
Advertising	40,680	-	-	40,680
Credit Loss Recovery	(26,872)	-	-	(26,872)
Miscellaneous	102,478	1,022	-	103,500
Total General & Administrative	**$ 2,721,683**	**$ 61,022**	**$ -**	**$ 2,782,705**