

BALANCE SHEET
55104 Lopatcong Center
December 31, 2022

ASSETS:

Current assets:

| | |
|--------------------------------------|-------------------------|
| Cash and cash equivalents | 3,536 |
| Restricted cash and equivalents | 0 |
| Investments in marketable securities | 0 |
| Accounts receivable - trade | 1,610,134 |
| Accounts receivable - other | 201,731 |
| Reserve for bad debt | (288,970) |
| Net accounts receivable | <u>1,522,895</u> |
| Other receivable | 0 |
| Inventory | 37,692 |
| Prepaid expenses and other | 795,971 |
| Total current assets | <u>2,360,095</u> |

| | |
|------------------------------|-------------|
| Plant property and equipment | 1,726,315 |
| Accumulated depreciation | (1,218,674) |

| | |
|--|--------------------------|
| Net plant, property and equipment | <u>507,641</u> |
| Finance lease right-of-use | 0 |
| Operating lease right-of-use | 3,490,864 |
| Other L/T Assets - Notes Receivable | 0 |
| Other L/T Assets - Insurance receivable | 95,957 |
| Other L/T Assets - Deferred tax assets | 0 |
| Other long-term assets - other | 0 |
| Cost report receivable | 49,552 |
| Goodwill, net | 0 |
| Intercompany | 3,824,476 |
| Total assets | <u>10,328,586</u> |

LIABILITIES:

Current liabilities:

| | |
|--|-------------------------|
| Accounts payable | 907,615 |
| Accrued expenses | 311,721 |
| Total A/P and accrued expenses | <u>1,219,335</u> |
| Current portion of operating lease obligations | 956,934 |
| Current portion of financing obligations | 0 |
| Current insurance reserves | 315,900 |
| Accrued compensation | 201,969 |
| Accrued interest | 0 |
| Income taxes payable | 0 |
| Total current liabilities | <u>2,694,139</u> |

| | |
|---|-------------------------|
| Finance lease obligations | 0 |
| Operating lease obligations | 3,410,217 |
| Deferred income taxes | 0 |
| Long-term Insurance Reserves | 819,108 |
| Cost report payable | 0 |
| Deferred gain and other long-term liabilities | 71,239 |
| Total liabilities | <u>6,994,703</u> |

SHAREHOLDERS' EQUITY:

| | |
|---|--------------------------|
| Common stock | 0 |
| Additional paid in capital | 5,313,549 |
| Accumulated other comprehensive income (loss) | 0 |
| Retained earnings - prior year | (1,834,884) |
| Retained earnings - current year | (144,781) |
| Total shareholders' equity before noncontrolling interests | <u>3,333,883</u> |
| Noncontrolling interests | 0 |
| Total shareholders' equity | <u>3,333,883</u> |
| Total liabilities and shareholders' equity | <u>10,328,586</u> |

OPERATING STATEMENT
55104 Lopatcong Center
For the twelve months ended December 31, 2022

| | Year to Date | |
|---|-------------------|---------------|
| | \$ | P/Diem |
| REVENUES | | |
| Net patient revenues | | |
| Private | 1,088,292 | 473.58 |
| Insurance | 1,634,603 | 443.22 |
| Medicaid | 7,254,986 | 249.31 |
| Medicare A | 4,123,775 | 645.15 |
| Capitated Insurance | - | - |
| Medicare B | 295,841 | - |
| Insurance Med B | 91,295 | - |
| Veterans | - | - |
| Sub-total SNF patient revenues | <u>14,488,792</u> | <u>349.31</u> |
| Assisted living revenues | | |
| Assisted living- private | - | - |
| Assisted living- SSI | - | - |
| Sub-total Assisted living revenues | <u>-</u> | <u>-</u> |
| Other revenue | 2,024 | 0.05 |
| Total net revenues | <u>14,490,816</u> | <u>349.36</u> |
| EXPENSES: | | |
| ROUTINE EXPENSES | | |
| Nursing wages & benefits | 4,607,618 | 111.09 |
| Nursing Agency | 1,320,474 | 31.84 |
| Nursing other | 487,610 | 11.76 |
| Total nursing | <u>6,415,703</u> | <u>154.68</u> |
| Administration | 782,740 | 18.87 |
| Operating taxes | 463,660 | 11.18 |
| Bad debt expense | 283,091 | 6.83 |
| Property and related | 966,573 | 23.30 |
| Maintenance | 253,798 | 6.12 |
| Dietary | 1,001,739 | 24.15 |
| Housekeeping | 350,162 | 8.44 |
| Laundry | 279,073 | 6.73 |
| Activities | 208,680 | 5.03 |
| Social services | 189,984 | 4.58 |
| Total routine expenses | <u>11,195,203</u> | <u>269.91</u> |
| ANCILLARY EXPENSE | | |
| Capitated therapies | 671,848 | 16.20 |
| Respiratory therapy | 35,812 | 0.86 |
| Physical therapy | 135,832 | 3.27 |
| Speech therapy | 84,417 | 2.04 |
| Occupational therapy | 153,587 | 3.70 |
| Drugs | 283,679 | 6.84 |
| Pharmacist | - | 0.00 |
| IV Drugs | 45,209 | 1.09 |
| Medical supplies | 50,273 | 1.21 |
| Other | 161,112 | 3.88 |
| Total ancillary expenses | <u>1,621,768</u> | <u>39.10</u> |
| EBITDARM | 1,673,845 | 40.36 |
| Management and or Administrative Services fee | 516,660 | 12.46 |
| EBITDAR | <u>1,157,185</u> | <u>27.90</u> |
| Lease expense | 1,156,532 | 27.88 |
| EBITDA before overhead allocations | <u>653</u> | <u>0.02</u> |
| Overhead allocations | - | 0.00 |
| EBITDA after overhead allocations | <u>653</u> | <u>0.02</u> |
| Capital and other | 145,435 | 3.51 |
| Net income | <u>(144,781)</u> | <u>(3.49)</u> |