

**BALANCE SHEET**  
**56051 Southern Ocean Center**  
**December 31, 2025**

	Actual December-2025
<b>ASSETS:</b>	
Current assets:	
Cash and cash equivalents	2,493.80
Accounts receivable - trade	1,763,387.24
Accounts receivable - other	276,535.24
Reserve for bad debt	(226,337.79)
Net accounts receivable	1,813,584.69
Other receivable	0.00
Inventory	59,565.68
Prepaid expenses and other	20,429.00
Total current assets	1,896,073.17
Plant property and equipment	2,154,288.47
Accumulated depreciation	(1,564,222.17)
Net plant, property and equipment	590,066.30
Operating lease right-of-use	16,849,752.84
Other L/T Assets - Insurance receivable	140,145.42
Other L/T Assets - Deferred tax assets	0.00
Other long-term assets - other	0.00
Cost report receivable	201,102.09
Intercompany	(1,824,273.92)
<b>Total assets</b>	<b>17,852,865.90</b>
<b>LIABILITIES:</b>	
Current liabilities:	
Accounts payable	2,336,057.16
Accrued expenses	1,189,597.86
Total A/P and accrued expenses	3,525,655.02
Current portion of operating lease obligations	2,385,403.14
Current insurance reserves	189,302.60
Accrued compensation	401,926.49
Accrued interest	0.00
Income taxes payable	0.00
Total current liabilities	6,502,287.25
Operating lease obligations	15,708,638.99
Financing obligations	0.00
Deferred income taxes	0.00
Long-term Insurance Reserves	518,034.46
Deferred gain and other long-term liabilities	1,041.64
<b>Total liabilities</b>	<b>22,730,002.34</b>
<b>SHAREHOLDERS' EQUITY:</b>	
Common stock	0.00
Additional paid in capital	(4,638,805.66)
Accumulated other comprehensive income (loss)	0.00
Retained earnings - prior year	1,192,857.93
Retained earnings - current year	(1,431,188.71)
Total shareholders' equity before noncontrolling interests	(4,877,136.44)
Noncontrolling interests	0.00
<b>Total shareholders' equity</b>	<b>(4,877,136.44)</b>
<b>Total liabilities and shareholders' equity</b>	<b>17,852,865.90</b>

**OPERATING STATEMENT**  
**56051 Southern Ocean Center**  
**For the period ended December 31, 2025**

Description	Year to Date Actual \$
<b>REVENUES</b>	
Net patient revenues	
Private	2,706,963
Insurance	2,603,116
Medicaid	7,098,840
Medicare A	6,184,150
Capitated Insurance	12,647
Medicare B	278,554
Insurance Med B	73,280
Veterans	-
Sub-total SNF patient revenues	18,957,550
Other revenue	3,259
Total net revenues	18,960,810
<b>EXPENSES:</b>	
<b>ROUTINE EXPENSES</b>	
Nursing wages & benefits	7,342,827
Nursing Agency	87,166
Nursing other	236,979
Total nursing	7,666,972
Administration	1,087,823
Operating taxes	472,755
Bad debt expense	449,684
Property and related	1,080,391
Maintenance	376,687
Dietary	1,204,966
Housekeeping	465,210
Laundry	253,771
Activities	199,012
Social services	450,889
Total routine expenses	13,708,161
<b>ANCILLARY EXPENSE</b>	
Capitated therapies	949,940
Respiratory therapy	187,459
Physical therapy	141,841
Speech therapy	58,369
Occupational therapy	88,688
Drugs	450,291
Pharmacist	-
IV Drugs	679
Medical supplies	47,121
Other	176,125
Total ancillary expenses	2,100,513
<b>EBITDARM</b>	3,152,136
Management and or Administrative Services fee	947,887
<b>EBITDAR</b>	2,204,250
Lease expense	3,441,771
<b>EBITDA before overhead allocations</b>	(1,237,522)
Overhead allocations	-
<b>EBITDA after overhead allocations</b>	(1,237,522)
Capital and other	193,667
Net income	(1,431,189)