

**LITTLE BROOK HOME, INC. AND
BETHANE PROPERTIES, INC.**

December 31, 2024



**LITTLE BROOK HOME, INC. AND
BETHANE PROPERTIES, INC.**

For the Year Ended December 31, 2024

TABLE OF CONTENTS

| | Page |
|--|--------|
| Independent Auditors' Report | 1 - 3 |
| Consolidated Balance Sheet | 4 |
| Consolidated Statement of Operations | 5 |
| Consolidated Statement of Changes in Stockholder's Equity | 6 |
| Consolidated Statement of Cash Flows | 7 |
| Notes to the Financial Statements | 8 - 12 |
| Supplementary Information | |
| Consolidating Balance Sheet | 13 |
| Consolidating Statement of Operations | 14 |
| Consolidated Schedule of Direct Resident Costs | 15 |
| Consolidated Schedule of General Resident Services | 15 |
| Consolidated Schedule of Property Operating Expenses | 16 |
| Consolidated Schedule of General and Administrative Expenses | 16 |



Certified Public Accountants, PC
www.bkc-cpa.com

Independent Auditors' Report

To the Stockholder of
Little Brook Home, Inc. and Bethane Properties, Inc.
Califon, New Jersey

Opinion

We have audited the accompanying financial statements of Little Brook Home, Inc. and Bethane Properties, Inc. (collectively "the Company") which comprise the Consolidated Balance Sheet as of December 31, 2024, and the related Consolidated Statements of Operations, Changes in Stockholder's Equity, and Cash Flows for the year then ended, and the related Notes to the Financial Statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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.

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 the Company'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 the Company'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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Consolidating Balance Sheet, Consolidating Schedule of Operations, Consolidated Schedule of Direct Resident Costs, Consolidated Schedule of General Resident Services, Consolidated Schedule of Property Operating Expenses and Consolidated Schedule of General and Administrative Expenses is presented for purposes of additional analysis and is not a required part of the 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 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 financial statements as a whole.



BKC, CPAs, PC

December 10, 2025
Flemington, New Jersey

LITTLE BROOK HOME, INC. AND BETHANE PROPERTIES, INC.
Consolidated Balance Sheet
December 31, 2024

ASSETS

| | |
|--|--------------|
| Current assets | |
| Cash and cash equivalents | \$ 46,798 |
| Accounts receivable, net of allowance for credit losses of \$505,000 | 1,127,031 |
| Inventory | 6,150 |
| Medicare settlement receivable | 139,264 |
| Prepaid expenses and other current assets | 24,106 |
| Total current assets | 1,343,349 |
| Property and equipment, net | 1,152,242 |
| Total assets | \$ 2,495,591 |

LIABILITIES AND STOCKHOLDER'S EQUITY

| | |
|--|--------------|
| Current liabilities | |
| Accounts payable and accrued expenses | \$ 452,074 |
| Due to related parties | 127,064 |
| Income taxes payable | 1,040 |
| Current portion of long-term debt | 334,538 |
| Total current liabilities | 914,716 |
| Long-term liabilities | |
| Long-term debt, net | 268,075 |
| Total liabilities | 1,182,791 |
| Stockholder's equity | |
| Additional paid-in capital | 1,052,513 |
| Retained earnings | 260,287 |
| Total stockholder's equity | 1,312,800 |
| Total liabilities and stockholder's equity | \$ 2,495,591 |

See accompanying notes to the financial statements.

LITTLE BROOK HOME, INC. AND BETHANE PROPERTIES, INC.
Consolidated Statement of Operations
For the Year Ended December 31, 2024

| | |
|--|--------------|
| Revenues | \$ 4,244,420 |
| Expenses | |
| Direct resident costs | 1,865,190 |
| General resident services | 597,469 |
| Property operating expenses | 239,806 |
| General and administrative expenses | 1,208,927 |
| Total expenses | 3,911,392 |
| Income from operations before other income (expense) | 333,028 |
| Other income (expense) | |
| Depreciation | (48,918) |
| Interest and finance charges | (66,156) |
| Interest income | 342 |
| Provision for taxes | (375) |
| Bad debt provision | (105,000) |
| Miscellaneous income | 2,175 |
| Total other income (expense) | (217,932) |
| Net income | \$ 115,096 |

See accompanying notes to the financial statements.

LITTLE BROOK HOME, INC. AND BETHANE PROPERTIES, INC.
Consolidated Statement of Changes in Stockholder's Equity
For the Year Ended December 31, 2024

| | Paid-in Capital | Accumulated Deficit | Total Stockholder's Equity |
|---|--------------------|------------------------|----------------------------------|
| Balance - December 31, 2023, as originally stated | \$ 863,945 | \$ 508,471 | \$ 1,372,416 |
| Prior period adjustments | - | (363,280) | (363,280) |
| Balance - December 31, 2023, as restated | 863,945 | 145,191 | 1,009,136 |
| Contributions | 188,568 | - | 188,568 |
| Net income | - | 115,096 | 115,096 |
| Balance - December 31, 2024 | \$ 1,052,513 | \$ 260,287 | \$ 1,312,800 |

See accompanying notes to the financial statements.

LITTLE BROOK HOME, INC. AND BETHANE PROPERTIES, INC.
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2024

| | |
|--|-------------------------|
| Cash flows from operating activities | |
| Net income | \$ 115,096 |
| Adjustments to reconcile net income to net cash used in operating activities | |
| Depreciation | 48,918 |
| Prior period adjustments | (363,280) |
| Provision for credit losses | 105,000 |
| (Increase) Decrease in assets | |
| Accounts receivable | 122,881 |
| Medicare settlement receivable | (139,264) |
| Prepaid expenses and other current assets | 4,208 |
| Increase (Decrease) in liabilities | |
| Accounts payable and accrued expenses | (159,797) |
| Due to related parties | (117,814) |
| Total adjustments | <u>(499,148)</u> |
| Net cash used in operating activities | <u>(384,052)</u> |
| Cash flows from investing activities | |
| Dispositions of property, plant and equipment | <u>81,181</u> |
| Net cash provided by investing activities | 81,181 |
| Cash flows from financing activities | |
| Member contributions | 188,568 |
| Proceeds from loan payable | 238,560 |
| Principal payments on long-term debt | <u>(95,493)</u> |
| Net cash provided by financing activities | <u>331,635</u> |
| Net increase in cash and cash equivalents | 28,764 |
| Cash and cash equivalents - beginning of year | <u>18,034</u> |
| Cash and cash equivalents - end of year | <u><u>\$ 46,798</u></u> |

See accompanying notes to the financial statements.

LITTLE BROOK HOME, INC. AND BETHANE PROPERTIES, INC.
Notes to the Consolidated Financial Statements

Note 1 - Summary of significant accounting policies

Nature of operations

Little Brook Home, Inc. (Little Brook) and Bethane Properties, Inc. (Bethane) (collectively, the Company) operates as a licensed homecare agency that owns and operates a residential group home in Califon, New Jersey.

Basis of consolidation

The Consolidated Financial Statements include the accounts of Little Brook Home, Inc. and Bethane Properties, Inc. due to common ownership. All intercompany balances and transactions between these entities have been eliminated in consolidation.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and to disclose 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.

Cash and cash equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Accounts receivable and allowance for credit losses

In the normal course of business and subject to credit evaluations, the Company extends credit to substantially all of its patients. The Company, in general, does not require collateral from its patients nor does it charge interest on accounts receivable.

Accounts receivables are written off as bad debts when they have been deemed uncollectible. An allowance for credit losses on accounts receivable are provided for utilizing the current expected credit loss model methodology. This model requires management's evaluation of credit losses utilizing historical experience, current market conditions and future forecasts. The estimated allowance for credit losses as of December 31, 2024 was \$505,000.

Inventory

Inventory consists of nursing supplies, whose cost is determined utilizing the first-in, first-out methodology (FIFO method).

Property and equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which range from 5 to 40 years. Repair and maintenance costs are expensed, while additions and betterments are capitalized.

LITTLE BROOK HOME, INC. AND BETHANE PROPERTIES, INC.
Notes to the Consolidated Financial Statements

Note 1 - Summary of significant accounting policies (continued)

Revenue recognition

Revenue is reported at the amounts that reflect the consideration to which the Company is expected to be entitled to in exchange for providing patient care. These amounts are due from patients, third-party payors (including managed care organizations and government programs, i.e., Medicare and Medicaid), and others. These amounts include variable consideration for retroactive adjustments due to settlement of future audits, reviews, and investigations. Generally, patients and third-party payors are billed several days after the services have been rendered. Revenue is recognized in the period in which the performance obligations are satisfied under contracts by transferring services to patients.

Performance obligations are determined based on the nature of the services provided. Revenue is recognized for performance obligations satisfied over time based on actual charges incurred in relation to total expected charges. The Company believes that this method provides an appropriate depiction of the transfer of services over the term of performance obligations based on the inputs needed to satisfy the obligations.

Income taxes

The Company has elected to be treated as a corporation for both Federal and State income tax purposes. In accordance with ASC 740, *Income Taxes*, the Company has evaluated all uncertain tax positions and deems that more likely than not, all positions taken will be sustained under examination. Generally, tax returns prior to fiscal years ending 2021 and earlier are no longer subject to examination by the IRS or State Taxing Authorities.

Advertising

The Company expenses advertising costs as they are incurred. For the year ended December 31, 2024, advertising expenses totaled \$24,754.

Note 2 - Concentration of credit risk

The Company maintains several cash accounts with banks that are insured by the Federal Deposit Insurance Corporation (FDIC). From time to time, these cash accounts could have balances in excess of the insurance limitation. As of December 31, 2024, the Company had no uninsured cash balances.

LITTLE BROOK HOME, INC. AND BETHANE PROPERTIES, INC.
Notes to the Consolidated Financial Statements

Note 3 - Property and equipment

Property and equipment consist of the following as of December 31, 2024:

| | | |
|-----------------------------------|----|-----------|
| Land | \$ | 300,000 |
| Building | | 1,275,000 |
| Improvements | | 315,307 |
| Furniture and fixtures | | 342,036 |
| Vehicles | | 181,940 |
| Equipment | | 82,186 |
| Total property and equipment | | 2,496,469 |
| Less: accumulated depreciation | | 1,344,227 |
| Total property and equipment, net | \$ | 1,152,242 |

Depreciation expense for the year ended December 31, 2024 totaled \$48,918.

Note 4 - Medicare settlement receivable

During the year ended December 31, 2024, Little Brook entered into an agreement with the Centers for Medicare & Medicaid Services for a reimbursement of funds paid by Little Brook for violations that were levied in error. The total amount to be recouped by Little Brook was \$227,564 which is being repaid in monthly installments. The remaining balance due at December 31, 2024 aggregated \$139,264 and was received in full subsequent to year-end.

Note 5 - Long-term debt

Bethane entered into a \$569,000 loan agreement with the Small Business Administration in May 2006. The loan is payable in monthly installments of principal and interest at the rate of 5.95% per annum. Current monthly payments are \$4,049 with a scheduled maturity of May 2026. Interest expense incurred on the loan during the year ended December 31, 2024 totaled \$5,342. The outstanding principal balance on this loan at December 31, 2024 was \$66,146.

Bethane entered into a \$400,000 loan agreement with Zions Bank in January 2021. The loan is payable in monthly installments of principal and interest at the rate of 3.25% per annum. Current monthly payments are \$4,419 with a scheduled maturity of January 2031. Interest expense incurred on the loan during the year ended December 31, 2024 totaled \$10,412. The outstanding principal balance on this loan at December 31, 2024 was \$291,896.

Little Brook entered into a \$55,000 loan agreement with Silver Star Motors in June 2020. The loan is payable in monthly installments of principal and interest at the rate of 3.99% per annum. Current monthly payments are \$1,014 with a scheduled maturity of June 2025. Interest expense incurred on the loan during the year ended December 31, 2024 totaled \$503. The outstanding principal balance on this loan at December 31, 2024 was \$6,011.

Little Brook entered into a \$238,560 loan agreement with Change Healthcare in April 2024. Under the terms of the agreement, the loan is payable via reductions in future claims over the courses of the next year. The outstanding principal balance on this loan at December 31, 2024 was \$238,560.

LITTLE BROOK HOME, INC. AND BETHANE PROPERTIES, INC.
Notes to the Consolidated Financial Statements

Note 5 - Long-term debt (continued)

Principal loan repayments over the next 5 years and thereafter are as follows:

| | | |
|-------------------|-----------|----------------|
| December 31, 2025 | \$ | 334,538 |
| December 31, 2026 | | 65,796 |
| December 31, 2027 | | 47,070 |
| December 31, 2028 | | 48,631 |
| December 31, 2029 | | 50,271 |
| Thereafter | | 56,307 |
| Total | <u>\$</u> | <u>602,613</u> |

Note 6 - Service revenue

The Company has entered into agreements with third-party payors that typically provide for payments at amounts less than established charges. A summary of payment arrangements with major third-party payors are as follows:

- Medicare - Patient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to patient classification systems that are based on a combination of factors. In addition, the Company is reimbursed for certain cost reimbursable items at tentative interim rates, with final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary.
- Medicaid - Patient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates. These rates vary according to patient classification systems that are based on a combination of factors.
- Other Payors - The Company has also entered into payments arrangements with certain managed care and commercial insurance carriers, Medicare and Medicaid managed care insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payments under these agreements includes prospectively determined rates and discounts from established charges.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretations. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties and potential exclusion from the related programs.

LITTLE BROOK HOME, INC. AND BETHANE PROPERTIES, INC.
Notes to the Consolidated Financial Statements

Note 6 - Service revenue (continued)

There can be no assurance that regulatory authorities will not challenge the Company's compliance with these laws and regulations, and it is not possible to determine the impact (if any) claims or penalties would have on the Company. Additionally, the contracts the Company has with commercial payors also provide for retroactive audit and review of claims.

Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the transaction price for providing patient care. These settlements are estimated based on the terms of payment agreement with the payor, correspondence with the payor and the Company's historical settlement activity. Estimated settlements are adjusted in future periods as adjustments become known, or as years are settled and no longer subject to such audits, reviews, or investigations.

Note 7 - Related party transactions

The Company incurred various fees to affiliated companies during the year ended December 31, 2024. The outstanding balance due to related parties at December 31, 2024 was \$127,064.

Note 8 - Prior period adjustments

The opening balances of multiple balance sheet accounts were adjusted as of January 1, 2024 to reflect the proper balance in the respective accounts. These adjustments resulted in a decrease to total stockholder's equity of \$363,280.

Note 9 - Subsequent events

The Company's management has determined that no material events or transactions occurred subsequent to December 31, 2024 and through December 10, 2025, the date of the Company's financial statement issuance, which requires additional disclosure in the Company's financial statements.

LITTLE BROOK HOME, INC. AND BETHANE PROPERTIES, INC.
Consolidating Balance Sheet
December 31, 2024

ASSETS

| | Little Brook Home, Inc. | Bethane Properties, Inc. | Eliminations | Consolidated |
|---|----------------------------|-----------------------------|---------------------|---------------------|
| Assets | | | | |
| Cash and cash equivalents | \$ 44,202 | \$ 2,596 | \$ - | \$ 46,798 |
| Accounts receivable, net | 1,127,031 | 391,650 | (391,650) | 1,127,031 |
| Inventory | 6,150 | - | - | 6,150 |
| Medicare settlement receivable | 139,264 | - | - | 139,264 |
| Prepaid expenses and other current assets | 24,106 | - | - | 24,106 |
| Property and equipment, net | 214,742 | 937,500 | - | 1,152,242 |
| Total assets | <u>\$ 1,555,495</u> | <u>\$ 1,331,746</u> | <u>\$ (391,650)</u> | <u>\$ 2,495,591</u> |

LIABILITIES AND STOCKHOLDER'S EQUITY

| | Little Brook Home, Inc. | Bethane Properties, Inc. | Eliminations | Consolidated |
|--|----------------------------|-----------------------------|---------------------|---------------------|
| Liabilities | | | | |
| Accounts payable and accrued expenses | \$ 452,074 | \$ - | \$ - | \$ 452,074 |
| Due to related parties | 518,714 | - | (391,650) | 127,064 |
| Income taxes payable | 520 | 520 | - | 1,040 |
| Long-term debt, net | 244,571 | 358,042 | - | 602,613 |
| Total liabilities | <u>1,215,879</u> | <u>358,562</u> | <u>(391,650)</u> | <u>1,182,791</u> |
| Stockholder's equity | | | | |
| Additional paid-in capital | 785,143 | 267,370 | - | 1,052,513 |
| Retained earnings | (445,527) | 705,814 | - | 260,287 |
| Total stockholder's equity | <u>339,616</u> | <u>973,184</u> | <u>-</u> | <u>1,312,800</u> |
| Total liabilities and stockholder's equity | <u>\$ 1,555,495</u> | <u>\$ 1,331,746</u> | <u>\$ (391,650)</u> | <u>\$ 2,495,591</u> |

See independent auditors' report.

LITTLE BROOK HOME, INC. AND BETHANE PROPERTIES, INC.
Consolidating Schedule of Operations
For the Year Ended December 31, 2024

| | Little Brook Home, Inc. | Bethane Properties, Inc. | Eliminations | Consolidated |
|---|----------------------------|-----------------------------|------------------|-------------------|
| Revenues | \$ 4,215,308 | \$ 219,112 | \$ (190,000) | \$ 4,244,420 |
| Expenses | | | | |
| Direct resident costs | 1,865,190 | - | - | 1,865,190 |
| General resident services | 597,469 | - | - | 597,469 |
| Property operating expenses | 344,129 | 85,677 | (190,000) | 239,806 |
| General and administrative expenses | 1,139,533 | 69,394 | - | 1,208,927 |
| Total expenses | <u>3,946,321</u> | <u>155,071</u> | <u>(190,000)</u> | <u>3,911,392</u> |
| Income from operations before other income (expense) | 268,987 | 64,041 | - | 333,028 |
| Other income (expense) | | | | |
| Depreciation | (17,043) | (31,875) | - | (48,918) |
| Interest and finance charges | (51,260) | (14,896) | - | (66,156) |
| Interest income | 342 | - | - | 342 |
| Provision for taxes | (187) | (188) | - | (375) |
| Bad debt provision | (105,000) | - | - | (105,000) |
| Miscellaneous income | 2,175 | - | - | 2,175 |
| Total other income (expense) | <u>(170,973)</u> | <u>(46,959)</u> | <u>-</u> | <u>(217,932)</u> |
| Net income (loss) | <u>\$ 98,014</u> | <u>\$ 17,082</u> | <u>\$ -</u> | <u>\$ 115,096</u> |

See independent auditors' report.

LITTLE BROOK HOME, INC. AND BETHANE PROPERTIES, INC.
Consolidated Schedules of Direct Resident Costs and General Resident Services
For the Year Ended December 31, 2024

Consolidated Schedule of Direct Resident Costs

| | | |
|---------------------------------|--------|---------------|
| Nursing wages - CNA | \$ | 635,112 |
| Nursing wages - LPN | | 497,335 |
| Nursing wages - RN | | 245,572 |
| Workers compensation insurance | | 164,488 |
| Nursing supplies | | 79,480 |
| Pharmacy | | 73,515 |
| Activities department wages | | 66,668 |
| Therapy | | 65,979 |
| Other medical expenses | | 15,372 |
| Medical director | | 12,425 |
| Social worker wages | | 9,244 |
| | | 9,244 |
| Total direct resident costs | \$ | 1,865,190 |
| | | 1,865,190 |

Consolidated Schedule of General Resident Services

| | | |
|-------------------------------------|--------|-------------|
| Dietary department wages | \$ | 172,348 |
| NJ nursing home tax expense | | 133,793 |
| Raw goods | | 82,824 |
| Housekeeping wages | | 71,659 |
| Maintenance wages | | 68,243 |
| Housekeeping supplies | | 34,904 |
| Laundry wages | | 20,476 |
| Laundry supplies | | 13,222 |
| | | 13,222 |
| Total general resident services | \$ | 597,469 |
| | | 597,469 |

See independent auditors' report.

LITTLE BROOK HOME, INC. AND BETHANE PROPERTIES, INC.
Consolidated Schedules of Property Operating Expenses and
General and Administrative Expenses
For the Year Ended December 31, 2024

Consolidated Schedule of Property Operating Expenses

| | | |
|---------------------------------------|--------|-------------|
| Rent | \$ | 232,000 |
| Repairs and maintenance | | 65,173 |
| Utilities | | 64,509 |
| Contract services | | 34,621 |
| Property taxes | | 33,503 |
| | | 33,503 |
| Total property operating expenses | \$ | 429,806 |
| | | 429,806 |

Consolidated Schedule of General and Administrative Expenses

| | | |
|---|--------|---------------|
| Professional fees | \$ | 361,779 |
| Payroll taxes | | 173,050 |
| Administrator wages | | 162,401 |
| Insurance | | 144,827 |
| Director of nursing wages | | 111,983 |
| Office manager | | 71,794 |
| Employee benefits | | 59,874 |
| Bookkeeper | | 34,235 |
| Office expense | | 26,180 |
| Advertising | | 24,754 |
| Bank fees | | 12,927 |
| Auto | | 12,449 |
| Dues and subscriptions | | 8,769 |
| Travel and entertainment | | 3,905 |
| | | 3,905 |
| Total general and administrative expenses | \$ | 1,208,927 |
| | | 1,208,927 |

See independent auditors' report.