MARTIN FRIEDMAN CPA PC
CERTIFIED PUBLIC ACCOUNTANTS

BELLEVUE GARDEN GROUP LLC DBA BELLE CARE NURSING AND REHABILITATION CENTER

Financial Statements

Year Ended December 31, 2024

Bellevue Garden Group LLC DBA Belle Care Nursing and Rehabilitation Center

Year Ended December 31, 2024

TABLE OF CONTENTS

MARTIN FRIEDMAN CPA PC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members,
Bellevue Garden Group LLC DBA Belle Care Nursing and Rehabilitation Center :

Opinion

We have audited the accompanying financial statements of Bellevue Garden Group LLC DBA Belle Care Nursing and Rehabilitation Center , which comprise the balance sheet as of December 31, 2024, and the related statement of income, members' deficit, and cash flow 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 Bellevue Garden Group LLC DBA Belle Care Nursing and Rehabilitation Center 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 Bellevue Garden Group LLC DBA Belle Care Nursing and Rehabilitation Center 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 Bellevue Garden Group LLC DBA Belle Care Nursing and Rehabilitation Center '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

Independent Auditors' Report Continued

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 Bellevue Garden Group LLC DBA Belle Care Nursing and Rehabilitation Center '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 Bellevue Garden Group LLC DBA Belle Care Nursing and Rehabilitation Center '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

August 15, 2025

Bellevue Garden Group LLC DBA Belle Care Nursing and Rehabilitation Center
Balance Sheet
December 31, 2024

Assets				
Cash	$	142,133		
Accounts Receivable		1,581,482		
(Net of Allowance for Credit Losses of $116,000)				
Prepaid Expenses		171,712		
Due from Prior Owner		93,729		
Total Current Assets			$	1,989,056
Construction in Progress		21,246		
Leasehold Improvements		354,578		
Furniture & Equipment		206,129		
		581,953		
Less: Accum. Depreciation & Amortization		101,812		
Total Fixed Assets				480,141
Right-of-Use Asset		4,476,312		
Goodwill (Net)		1,005,625		
Patients' Trust Fund		53,550		
Total Other Assets				5,535,487
Total Assets			**$**	**8,004,684**
Liabilities and Equity				
Line of Credit	$	487,500		
Accounts Payable		4,957,346		
Lease Liabilities		1,438,987		
Accrued Payroll		464,485		
Accrued Expenses & Taxes		113,641		
Exchanges		42,670		
Loans Payable - Related Parties		4,451,736		
Total Current Liabilities			$	11,956,365
Lease Liabilities		3,037,325		
Due To Third Party Payors		26,024		
Loans Related Party		952,800		
Patients' Trust Fund Payable		53,550		
Total Long Term Liabilities				4,069,699
Members' Deficit				(8,021,380)
Total Liabilities & Members' Deficit			**$**	**8,004,684**

See accompanying notes to the financial statements.

Bellevue Garden Group LLC DBA Belle Care Nursing and Rehabilitation Center

Statement of Operations

For the year ended December 31, 2024

Total Revenue From Patients		$ 9,082,104
Operating Expenses:		
Payroll	$ 4,691,829	
Employee Benefits	798,025	
Professional Care	1,507,434	
Dietary & Housekeeping	786,378	
Plant & Maintenance	2,300,890	
General & Administrative	1,540,300	
Total Operating Expenses		11,624,856
Loss From Operations		(2,542,752)
Other Income		158
Net Loss		**$ (2,542,594)**

See accompanying notes to the financial statements.

Bellevue Garden Group LLC DBA Belle Care Nursing and Rehabilitation Center

Statement of Members' Deficit

For the year ended December 31, 2024

Members' Deficit:		
Balance as of Beginning of Period	$	(5,478,786)
Net Loss for the Period		(2,542,594)
Total Members' Deficit - End of Period	**$**	**(8,021,380)**

See accompanying notes to the financial statements.

Bellevue Garden Group LLC DBA Belle Care Nursing and Rehabilitation Center
Statement of Cash Flows
For the year ended December 31, 2024

Cash Flows From Operating Activities:		
Net Loss		$ (2,542,594)
Adjustments to reconcile Net Loss to Net Cash Provided by Operating Activities:		
Depreciation & Amortization		140,454
Allowance for Credit Losses		100,000
(Increase) Decrease In:		
Accounts Receivable	$ (973,235)	
Prepaid Expenses	(171,295)	
Increase (Decrease) In:		
Accounts Payable	1,404,575	
Accrued Payroll & Withholding Taxes	250,178	
Accrued Expenses & Taxes	42,333	
Other Payables	(500)	
Exchanges	590,719	
Due to Prior Owner	(93,729)	
Total Adjustments		1,049,046
Net Cash Used In Operating Activities		(1,253,094)
Cash Flows From Investing Activities:		
Capital Expenditures	(245,837)	
Net Cash Used In Investing Activities		(245,837)
Cash Flows From Financing Activities		
Decrease In Long-Term Debt	(149,275)	
Loans Payable - Related Parties	1,549,366	
Net Cash Provided By Financing Activities		1,400,091
Net Change In Cash		(98,840)
Cash - Beginning of Period		240,973
Cash - End of Period		**$ 142,133**
Supplemental Disclosures:		
Interest Paid		$ 69,656

1) **Organization:**

Bellevue Garden Group, LLC D/B/A Bell Care Rehabilitation & Nursing Center was formed to operate a 106 bed health care institution in accordance with the laws of the State of New Jersey. The facility began operations on December 29, 2021.

Bellevue Garden Group, LLC together with Brunswick Garden Group, LLC (a related company) comprise Trenton Holdco, LLC.

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

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

Method of Accounting –

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

Cash and Cash Equivalents and Concentration of Credit Risk –

Cash and cash equivalents include time deposits, certificates of deposits, and all highly liquid debt instruments with original maturities of three months or less. The entity maintains cash at financial institutions which periodically exceed Federal Deposit Insurance limits during the year.

Property and Equipment –

Property and equipment are stated at cost. Fully depreciated assets are written off against accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Goodwill and Other Intangible Assets -

Intangible assets subject to amortization are net of their accumulated amortization based upon their estimated useful lives. The entity 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.

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 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.

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 $181,162, which is included in the total accrued payroll liability of $464,485.

Income Taxes –

The Facility is treated as a Limited Liability Company (partnership) for income tax purposes, and as such, each member is taxed separately on their distributive share of the entity's income whether or not that income is actually distributed.

Advertising:

Advertising costs are expensed as incurred and included in general and administrative expenses. Advertising expense amounted to $72,110 for the year ended December 31, 2024.

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 third-party payor agreements. The amount of receivables from patients and third-party payors consists of the following:

Year ended December 31, 2024		
Medicaid Patients	$	1,520,801
Medicare Patients		60,002
Private and HMO Patients		307,186
Less: Allowance for Credit Losses		(116,000)
Total	$	**1,771,989**

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	$	16,000
Provision for expected credit losses		100,000
Balance December 31, 2024	**$**	**116,000**

4) **Right-of-Liability Use Asset and Lease Liability:**

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

The building lease is a non arms length agreement between Bellevue Garden Group, LLC and Bellevue Garden Realty Group, LLC (a related company). The lease commenced on December 29, 2021, and expires on December 29, 2027. The lease will automatically be extended for one year terms upon expiration unless either party terminates the lease. The lease calls for minimum annual rents of $1,440,000. The rent is to increase 2% each year on the annual anniversary of the lease. For the year ended December 31, 2024, the lease expense was $1,606,451

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 1.50%. 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 $4,476,312 of which $1,438,987 of the liability was considered short term.

The Facility’s future minimum lease payments as of December 31, 2024 are as follows:

2025	$	1,498,176
2026		1,528,140
2027		1,558,702
Total Minimum Future Rentals	$	4,585,018

5) **Line of Credit:**

On December 29, 2021, the entities of Trenton Holdco, LLC collectively obtained a $4,000,000 revolving line of credit from BOK Financial, to be used for working capital. The line bears interest at the Daily Simple SOFR. The facilities’ and their realty companies’ assets are used as collateral on the loan. The facilities and their realty companies are jointly and severally liable for the line and are personally guaranteed by the members. The balance on the line of credit as of December 31, 2024 was $975,000 allocated at $487,500 per facility.

6) **Operating Leases**:

The Facility leases various equipment (nursing, office, maintenance, etc.), under operating leases ranging from 12 months to 60 months. Rent expense for the year ended December 31, 2024 was $45,012.

7) **Subsequent Events:**

The Facility has evaluated subsequent events through August 15, 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,
Bellevue Garden Group LLC DBA Belle Care Nursing and Rehabilitation Center :

Our report on our audit of the basic financial statements of Bellevue Garden Group LLC DBA Belle Care Nursing and Rehabilitation Center 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 13 through 15 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

August 15, 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

Bellevue Garden Group LLC DBA Belle Care Nursing and Rehabilitation Center

Supplementary Schedules

For the year ended December 31, 2024

Revenue From Patients:		
Private & HMO	$ 610,468	
Medicaid	7,121,163	
Medicare	1,350,473	
Total Revenue From Patients		$ 9,082,104
Other Income:		
Interest	158	
Total Other Income		158
Total Revenue		**$ 9,082,262**

Bellevue Garden Group LLC DBA Belle Care Nursing and Rehabilitation Center
Supplementary Schedules
For the year ended December 31, 2024

Payroll:		
Administrative & Office	$ 603,224	
Nursing	2,464,942	
Therapies	306,682	
Social Services	117,727	
Recreation	227,723	
Dietary	306,130	
Housekeeping	443,606	
Laundry	45,123	
Maintenance	176,672	
Total Payroll		**$ 4,691,829**
Employee Benefits:		
Payroll Taxes	524,059	
Workmen's Compensation	131,922	
Union	69,431	
Employee Benefits	72,613	
Total Employee Benefits		**798,025**
Professional Care:		
Prescription Drugs	75,937	
Medical Supplies	65,484	
Contracted Nursing Service	1,252,368	
Fees & Expenses	113,645	
Total Professional Care		**1,507,434**

Bellevue Garden Group LLC DBA Belle Care Nursing and Rehabilitation Center
Supplementary Schedules
For the year ended December 31, 2024

Dietary & Housekeeping:				
Food	$	277,917		
Other Dietary Expenses		81,522		
Laundry		31,265		
Housekeeping		34,348		
Contracted Dietary Services		302,868		
Contracted Laundry Services		17,373		
Contracted Housekeeping Services		41,085		
Total Dietary & Housekeeping			**$**	**786,378**
Plant & Maintenance:				
Rent		1,606,451		
Equipment Rentals		45,012		
Real Estate Tax		232,040		
Light, Heat & Power		128,967		
Maintenance		114,300		
Contracted Maintenance Services		4,858		
Security		15,060		
Water & Sewer Charges		13,748		
Depreciation & Amortization		140,454		
Total Plant & Maintenance				**2,300,890**
General & Administrative:				
Office		149,100		
Contracted Office Services		276,155		
Management Fees		507,688		
Computer Services		37,913		
Telephone		7,856		
Auto & Travel		11,805		
Professional Fees		49,249		
Insurance		219,664		
Interest		69,656		
Advertising		72,110		
Credit Losses		100,000		
Miscellaneous		39,104		
Total General & Administrative				**1,540,300**