



MARTIN FRIEDMAN CPA PC
CERTIFIED PUBLIC ACCOUNTANTS

**SHORE GARDENS REHABILITATION AND
NURSING CENTER, LLC**

Financial Statements

Year Ended December 31, 2023



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INDEPENDENT AUDITOR'S REPORT

To the Members,
Shore Gardens Rehabilitation and Nursing Center, LLC:

Opinion

We have audited the accompanying financial statements of Shore Gardens Rehabilitation and Nursing Center, LLC, which comprise the balance sheet as of December 31, 2023, and the related statement of income, members' equity, 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 Shore Gardens Rehabilitation and Nursing Center, LLC as of December 31, 2023, 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 Shore Gardens Rehabilitation and Nursing 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 Shore Gardens Rehabilitation and Nursing 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.



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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 Shore Gardens Rehabilitation and Nursing 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 Shore Gardens Rehabilitation and Nursing 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

August 20, 2024

Shore Gardens Rehabilitation and Nursing Center, LLC

Balance Sheet

December 31, 2023

Assets

Cash	\$	41,427	
Accounts Receivable (Net)		4,306,028	
Prepaid Expenses		245,347	
Exchanges		38,932	
Total Current Assets		4,631,734	\$ 4,631,734
Leasehold Improvements		404,625	
Furniture & Equipment		569,580	
		974,205	
Less: Accum. Depreciation & Amortization		258,138	
Total Fixed Assets		716,067	716,067
Right-of-Use Asset		29,007,592	
Goodwill (Net)		1,000,000	
Patients' Trust Fund		64,268	
Total Other Assets		30,071,860	30,071,860

Total Assets **\$ 35,419,661**

Liabilities and Equity

Accounts Payable		1,077,407	
Lease Liabilities		807,737	
Equipment Loans Payable		52,019	
Accrued Payroll		440,954	
Accrued Expenses & Taxes		11,182	
Due to Realty		889,067	
Total Current Liabilities		3,278,366	\$ 3,278,366
Lease Liabilities		28,199,855	
Equipment Loans Payable		167,242	
Due to Realty		2,014,105	
Patients' Trust Fund Payable		60,439	
Total Long Term Liabilities		30,441,641	30,441,641

Members' Equity 1,699,654

Total Liabilities & Members' Equity **\$ 35,419,661**

Shore Gardens Rehabilitation and Nursing Center, LLC
Statement of Operations
For the year ended December 31, 2023

Total Revenue From Patients		\$ 15,788,125
Operating Expenses:		
Payroll	\$ 6,579,669	
Employee Benefits	1,205,019	
Professional Care	1,441,298	
Dietary & Housekeeping	600,972	
Plant & Maintenance	3,983,518	
General & Administrative	<u>1,531,578</u>	
Total Operating Expenses		<u>15,342,054</u>
Income From Operations		446,071
Other Income		<u>21,997</u>
Net Income		<u>\$ 468,068</u>