COMPLETE CARE AT BEY LEA, LLC
(a limited liability company)

FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

Brand Sonnenschine LLP
Certified Public Accountants & Advisors

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INDEPENDENT AUDITORS' REPORT

To the Members of
Complete Care at Bey Lea, LLC

Opinion

We have audited the accompanying financial statements of Complete Care at Bey Lea, LLC (a limited liability company), which comprise the balance sheet as of December 31, 2025, and the related statements of earnings and members' 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 Complete Care at Bey Lea, LLC as of December 31, 2025, and the results of its operations, changes in members' equity, 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 Complete Care at Bey Lea, LLC 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 these 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 Complete Care at Bey Lea, LLC'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 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 Complete Care at Bey Lea, 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 Complete Care at Bey Lea, 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.

Brand Sonnenschein LLP

June 10, 2026

COMPLETE CARE AT BEY LEA, LLC
(a limited liability company)
BALANCE SHEET
AT DECEMBER 31, 2025

ASSETS		
Current assets		
Cash and cash equivalents (note 2)	$	41,072
Cash - restricted (patient funds) (note 2)		211,518
Accounts receivable - net (note 3)		2,480,613
Prepaid expenses and other		292,588
Total current assets		3,025,791
Property and equipment - net (note 4)		2,086,345
Goodwill - net (note 5)		17,673
Right-of-use asset - operating lease (note 6)		13,667,572
Replacement reserve escrow (note 2)		19,212
Due from related entities (note 7)		3,683,539
TOTAL ASSETS	$	22,500,132
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities		
Accounts payable	$	1,296,038
Accrued expenses and withheld taxes		813,652
Cash overdraft		80,208
Due to private and third-party payors (note 14)		764,900
Operating lease payable (note 6)		161,176
Due to prior owner (note 11)		19,587
Patients' funds payable		210,518
Total current liabilities		3,346,079
Due to related entities (note 7)		5,107,994
Operating lease payable (note 6)		13,506,396
Total liabilities		21,960,469
Members' equity		539,663
TOTAL LIABILITIES AND MEMBERS' EQUITY	$	22,500,132

See accompanying notes to the financial statements.

COMPLETE CARE AT BEY LEA, LLC
(a limited liability company)
STATEMENTS OF EARNINGS AND MEMBERS' EQUITY
YEAR ENDED DECEMBER 31, 2025

Revenues	$	18,385,764
Operating expenses		16,873,357
Earnings from operations		1,512,407
Non-operating revenues		
Interest income		4,295
NET EARNINGS		1,516,702
Members' deficiency - December 31, 2024		(877,039)
		639,663
Net members' equity distributed		(100,000)
MEMBERS' EQUITY - DECEMBER 31, 2025	$	539,663

See accompanying notes to the financial statements.

COMPLETE CARE AT BEY LEA, LLC
(a limited liability company)
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

Cash flows from operating activities		
Net earnings	$	1,516,702
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization		280,224
Decrease in assets		
Accounts receivable		321,357
Prepaid expenses and other		49,732
Increase (decrease) in liabilities		
Accounts payable		335,319
Accrued expenses and withheld taxes		(59,272)
Due to private and third-party payors		(70,094)
Patients' funds payable		7,328
Net cash provided by operating activities		2,381,296
Cash flows from investing activities		
Purchase of property and equipment		(124,308)
Refund of security deposits		1,319
Net cash used in investing activities		(122,989)
Cash flows from financing activities		
Proceeds from cash overdraft		3,651
Net payments to related entities		(2,430,394)
Members' equity distributed		(100,000)
Net cash used in financing activities		(2,526,743)
Net decrease in cash, restricted cash, and cash equivalents		(268,436)
Cash, restricted cash, and cash equivalents - December 31, 2024		540,238
CASH, RESTRICTED CASH, AND CASH EQUIVALENTS - DECEMBER 31, 2025	$	271,802

See accompanying notes to the financial statements.

COMPLETE CARE AT BEY LEA, LLC
(a limited liability company)
NOTES TO FINANCIAL STATEMENTS
AT DECEMBER 31, 2025

NOTE 1 – FORMATION AND DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and business – Complete Care at Bey Lea, LLC (the "Company") was formed in the State of Delaware on March 16, 2018. The Company commenced operations of a 120-bed long-term nursing and 60-bed comprehensive care facility in Toms River, New Jersey on June 13, 2018. The members of the Company are generally protected from liability for acts and obligations of the Company. The operating agreement provides, among other things, for the Company to continue at the will of the General Members, unless sooner terminated as provided in the agreement. The Company leases land, building, and rights to its license in Toms River, New Jersey, from a related entity.

During the year, skilled nursing sales represented 87% of total sales revenue, while comprehensive care sales represented 13% of total sales revenue.

Basis of accounting – The books and records of the Company are maintained on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Cash equivalents – Cash equivalents represent short-term investments with original maturity dates of three months or less.

Restricted cash – patient funds – The Company adopted Financial Accounting Standards Board ("FASB") standard "ASU-2016-18, Statement of Cash Flows (Topic 230): Restricted Cash." This standard requires that cash, restricted cash, and cash equivalents be included in beginning and ending cash, restricted cash, and cash equivalents on the statement of cash flows. The Company is required to maintain patient funds in a separate restricted account. The amount at all times must be equal to or exceed the aggregate of all outstanding obligations to the patients.

Restricted cash – escrow – The funds held by the Company represent escrows and restricted funds for taxes. The tax escrow consists of deposits by the Company so that there will be sufficient funds on hand to satisfy these amounts when they become due.

Trade accounts receivable – Trade accounts receivable are stated at the amount management expects to collect from outstanding balances. The Company has adopted Accounting Standards Update ("ASU") No. 2016-13, Measurement of Credit Losses on Financial Instruments, and its related amendments using the prospective method. The new standard changes the impairment model for most financial assets that are measured at amortized cost and certain other instruments, including trade receivables, from an incurred loss model to an expected loss model and adds certain new required disclosures. Under the expected loss model, entities will recognize credit losses to be incurred over the entire contractual term of the instrument rather than delaying recognition of credit losses until it is probable the loss has been incurred. In accordance with Accounting Standards Codification ("ASC") ASC 326, the Company evaluates certain criteria, including aging and historical write-offs, current economic condition of specific payors, and future economic conditions to determine the appropriate allowance for credit losses. The impact of the adoption of ASC 326 to the Company's opening balance of net assets was not material.

NOTE 1 – FORMATION AND DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In 2025, the Company elected to early adopt FASB ASU 2025-05, "Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets" which allows it to elect a practical expedient that assumes that the current conditions used in estimating the expected credit losses for accounts receivable and contract assets balances will not change for the remaining life of the asset.

Property and equipment – Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Expenditures for maintenance and repairs are charged to operations as incurred. Significant renovations and replacements, which improve and extend the life of the asset are capitalized.

In March 2023, the FASB issued ASU 2023-01, Leases Topic (842): Common Control Arrangements, which requires a lessee, in a common control lease agreement, to amortize related leasehold improvements over the assets' useful lives. The remaining useful lives of the leasehold improvements on the nursing home facility range from 8 to 15 years.

Goodwill – The Company has adopted ASU 2014-02 Intangibles-Goodwill and Other (Topic 350): Accounting for Goodwill. With this adoption, the Company began amortizing goodwill on a straight-line basis over a weighted-average ten-year period. The Company tests goodwill for impairment if a triggering event occurs, instead of using its prior method of performing an annual test for impairment. If a triggering event occurs, the Company will test for impairment by comparing the fair market value of the Company at the entity level vs. the recorded value of its goodwill to determine if the Company has experienced an impairment loss.

Revenues – Revenue is derived primarily from providing healthcare services to patients. Revenues are recognized when services are provided to the patients at the amount that reflects the consideration to which the Company expects to be entitled from patients and third-party payors, including Medicaid, Medicare, and insurers (private and Medicare replacement plans), in exchange for providing patient care. The healthcare services in transitional and skilled, home health, and hospice patient contracts include routine services in exchange for a contractual agreed-upon amount or rate. Routine services are treated as a single-performance obligation satisfied over time as services are rendered. As such, patient care services represent a bundle of services that are not capable of being distinct. Additionally, there may be ancillary services, which are not included in the daily rates for routine services, but instead are treated as separate performance obligations satisfied at a point in time, if and when those services are rendered.

Revenue recognized from healthcare services are adjusted for estimates of variable consideration to arrive at the transaction price. The Company determines the transaction price based on contractually agreed-upon amounts or rates, adjusted for estimates of variable consideration. The Company uses the expected value method in determining the variable component that should be used to arrive at the transaction price, using contractual agreements and historical reimbursement experience within each payor type. The amount of variable consideration, which is included in the transaction price may be constrained and is included in the net revenue only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue recognized will not occur in a future period. If actual amounts of consideration ultimately received differ from estimates, the Company adjusts these estimates, which would affect net service revenue in the period such variances become known.

NOTE 1 – FORMATION AND DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income taxes – The Company is treated as a partnership for federal income tax purposes and does not incur income taxes. Instead, their earnings and losses are included in the personal returns of the members and taxed depending on their personal tax situations. The policy of the Company is to record interest expense and penalties relating to income taxes in operating expense. For the year ended December 31, 2025, there were no income tax-related interest or penalty expenses and no accrued interest and penalties.

In 2020, the State of New Jersey passed the Business Alternative Income Tax Act ("BAIT"). This law allowed LLCs to pay tax due on partnership earnings instead of on the individual owner's return. The tax rates are graduated and range from 5.675% to 10.9% of earnings. The Company recorded New Jersey BAIT taxes of $100,000 during the year, which has been recorded as a distribution to members.

Government grants – In 2021, the Company adopted ASU-2021-10, Government Assistance (Topic 832: Disclosures by Business Entities about Government Assistance). The Company's accounting policy for government grants is to follow International Accounting Standards No. 20 – "Accounting for Government Grants and Disclosure of Government Assistance."

Estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of 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.

Advertising – Advertising costs, except for costs associated with direct-response advertising, are charged to earnings when incurred. The costs of direct-response advertising are capitalized and amortized over the period during which future benefits are expected to be received.

Guaranteed payments to members – Guaranteed payments to members that are intended as compensation for services rendered are accounted for as expenses of the Company rather than as allocations of the Company's net earnings. Guaranteed payments that are intended as payments of interest on capital accounts are not accounted for as expenses of the Company, but rather, as part of the allocation of net earnings.

Leases – The Company adopted ASC-842 Leases. With this adoption, the Company determined which contracts conveyed the Company a right to control identified property, plant, or equipment for a period of time in exchange for consideration that were deemed leases. The Company classified these contracts as Right-of-Use ("ROU") assets. ROU assets and lease liabilities are recognized based on the present value of lease payments over the lease term with lease expense recognized on a straight-line basis.

Lease agreements may contain rent escalation clauses, rent holidays, or certain landlord incentives, including tenant improvement allowances. ROU assets include amounts for scheduled rent increases and may be reduced by lease incentive amounts. Using the transition approach, the Company elected to use the following practical expedients and, therefore, did not reassess any of the following: (1) whether any expired or existing contracts are or contain leases; (2) the lease classification of pre-ASC-842 operating leases, which continue to be reported as operating leases, and the lease classification of pre-ASC-842 capital leases, which are now reported as financing leases; and (3) initial direct costs for any existing leases.

NOTE 1 – FORMATION AND DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

With implementation, the Company also elected the following practical expedients: (1) using the Company's implicit borrowing rate (if available at the time of the lease origination); or (2) using a risk-free discount rate (US Treasury Rate) for the lease-derived ROU assets. ROU assets were treated separately from non-lease components of all asset classes. For leases utilizing the risk-free rate expedient, the Company elected to use a period comparable with that of the lease term, as an accounting policy election for all leases. The Company also made an accounting policy election to not record ROU assets or lease liabilities for leases with an initial term of 12 months or less and will recognize payments for such leases in its Statements of Earnings and Members' Equity on a straight-line basis over the lease term. There were no residual value guarantees in any of the leases. The Company used hindsight in determining the lease term.

Deferred financing costs – The Company has adopted FASB standard "ASU-2015-03 Interest-Imputation of Interest." This standard requires that deferred financing costs relating to financing debt be shown as an offset to the note payable instead of as a deferred charge categorized as an intangible asset. The guidance also requires that the resulting amortization of the deferred financing costs be shown as interest expense instead of amortization expense.

Subsequent events – The Company has reviewed subsequent events and transactions for potential recognition and disclosure in the financial statements through June 10, 2026, the date the financial statements were available to be issued. There were no subsequent events identified.

NOTE 2 – CASH, RESTRICTED CASH, AND CASH EQUIVALENTS

The balance in cash, restricted cash, and cash equivalents at December 31, 2025, consists of the following:

Operating cash	$	41,072
Restricted cash – patient funds		211,518
Reserve for replacement		19,212
Total cash, restricted cash, and cash equivalents	$	271,802

NOTE 3 – ALLOWANCE FOR CREDIT LOSSES

The following table summarizes the changes in the allowance for credit losses included in accounts receivable for the year ended December 31, 2025:

Activity:		
Balance – December 31, 2024	$	254,000
Provision for credit losses		281,375
Less: write-offs		426,248
Recoveries		8,873
Balance – December 31, 2025	$	118,000

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2025, are summarized as follows:

	Estimated life (Years)		
Leasehold improvements	15	$	2,701,061
Furniture and equipment	3-7		1,215,588
			3,916,649
Less: accumulated depreciation			1,830,304
		$	2,086,345

Depreciation expense was $272,911 for the year.

Included in leasehold improvements at December 31, 2025, is $45,868 of construction in progress, which will be depreciated when the assets are placed in service. The estimated cost to complete the project cannot be determined.

NOTE 5 – GOODWILL

The change in the carrying value of goodwill during the year is as follows:

Historical cost to acquire goodwill	$	73,128
Less: accumulated amortization		55,455
Carrying value – year-end	$	17,673

Amortization expense was $7,313 for the year.

The Company did not experience any triggering events during the year that required the Company to test the value of its goodwill for impairment.

A summary of estimated amortization expense of goodwill for the three years subsequent to 2025, is as follows:

2026	$	7,313
2027		7,313
2028		3,047

NOTE 6 – OPERATING LEASE

The Company has operating leases for the nursing facility and equipment. ROU assets represent the Company's right to use an underlying asset for the lease term if greater than twelve months. Lease obligations represent the Company's liability to make lease payments arising from the lease. Operating ROU assets and related obligations are recognized at the commencement date based on the present value of lease payments over the lease term discounted using an appropriate incremental borrowing rate. The Company used its incremental borrowing rate of 10% to calculate the present value of its operating lease liability. The incremental borrowing rate is based on the information available at the commencement date in determining the present value of the lease payments. The value of an option to extend or terminate a lease is reflected to the extent that it is reasonably certain management will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Company occupies the facility as a party to an operating lease, which commenced in June 2018 and expires in December 2048. The lease provides for a monthly Base Rent equal to 1.05 times the sum of the (i) Lessor's annual principal and interest payments, (ii) Lessor's annual mortgage insurance premiums, (iii) Lessor's annual deposits for reserves for replacements, (iv) annual property insurance, and (v) annual real estate taxes on the property. In addition to Base Rent, the Lessee shall also pay additional rent equal to all expenses of the leased premises plus net cash flow of the Lessee per the lease.

The following table is a summary of components of lease expense and year-end ROU assets and lease liabilities relating to operating leases for the year ended December 31, 2025.

Operating lease cost	$	1,597,552
Short-term/variable lease cost		228,501
Total	$	1,826,053
Operating lease ROU assets	$	13,667,572
Operating lease current liabilities	$	161,176
Operating lease long-term liabilities		13,506,396
Total operating lease liabilities	$	13,667,572
Weighted-average remaining lease term		23 years
Weighted-average discount rate		10%

Undiscounted maturities of operating lease liabilities were as follows:

For the Years Ended December 31		
2026	$	1,520,679
2027		1,520,679
2028		1,520,679
2029		1,520,679
2030		1,520,679
Thereafter		27,372,214
Total undiscounted maturities of operating lease liabilities		34,975,609
Less: discount on operating lease liabilities		(21,308,037)
TOTAL OPERATING LEASE LIABILITIES	$	13,667,572

NOTE 6 – OPERATING LEASE (CONTINUED)

The following table presents supplemental cash flow information for the year ended December 31, 2025:

2025 cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows for operating leases	$	1,597,552

NOTE 7 – RELATED-ENTITY TRANSACTIONS

Related-entity loans due to affiliated entities that are controlled by the Company's members were $5,107,994, of which $702,387 were due to the related management company, at December 31, 2025. Related-entity loans due from affiliated entities that are controlled by the Company's members were $3,683,539, at December 31, 2025. The loans are deemed to be non-interest-bearing. There is no formal plan for repayment of these loans.

The Company recorded $935,925 of management fees expense for the year to a related management company, which is related through common ownership.

The Company leases its facility from a related entity (note 6).

NOTE 8 – REVENUES

Approximately 3% of the revenues for the year were derived from billings to the New Jersey Department of Health Services for stays by Medicaid patients and, approximately 20% of the revenues for the year were derived from New Jersey Managed Care Organizations ("MCOs").

Approximately 43% of the revenues for the year were derived from the Federal government for stays by Medicare patients covered by Part A and for services provided, which are covered by Medicare Part B.

Effective July 2014, the New Jersey Department of Human Services changed its reimbursement methodology to an MCO system. The Company entered into contracts with state-approved MCOs that will be paying for all new Medicaid admissions. All subsequent rates will be negotiated between the Company and each MCO.

As a result of appeals and changes in interim rates of prior years, adjustments were made to interim rates received in prior years. These adjustments resulted in an increase in revenues of $23,720.

As a participant in the Solar Incentive New Jersey programs, the Company earns revenue whenever their solar panels produce 1 MWh (or 1,000 kWh) of electricity and reports this to the GATS. This is not a fixed amount per month, but rather a payment each time the Company reaches the 1,000 kWh threshold over the length of the 15-year program. Revenue from this program for the year was $51,072.

NOTE 9 – CONCENTRATION OF CREDIT RISK

The Company maintains its cash balances at several financial institutions. At December 31, 2025, accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. At December 31, 2025, the Company had no uninsured balances.

At December 31, 2025, the Company had approximately 9% of its receivables due from the New Jersey Department of Health for Medicaid patients, 13% of its receivables due from MCOs for Medicaid-approved patients, and 48% of its receivables due from the Federal government for Medicare recipients.

At December 31, 2025, approximately 23% of the accounts payable balance was payable to two vendors.

NOTE 10 – ADVERTISING

Advertising expense was $60,853 for the year. There were no direct-response advertising costs either capitalized or expensed.

NOTE 11 – DUE TO PRIOR OWNER

The Company had either received payments due to the prior owner or has had recoupments, which the prior owner was required to reimburse. At December 31, 2025, the balance due to the prior owner was $19,587.

NOTE 12 – ECONOMIC DEPENDENCY

During the year, the Company purchased a substantial portion of its services from two vendors. Purchases from these vendors totaled approximately $1,423,000. The balance due to these vendors at December 31, 2025, and included in accounts payable, was approximately $255,000.

NOTE 13 – CONTRACTED SERVICES

A significant portion of the facility services are contracted from outside services.

NOTE 14 – DUE TO PRIVATE AND THIRD-PARTY PAYORS

The Company has received funds from various private and third-party payors, which are presently being repaid or may have to be repaid upon audit.

NOTE 15 – EMPLOYEE BENEFIT PLAN

The Company implemented a qualified Salary-Reduction Profit-Sharing Plan (the "Plan") for eligible employees under section 401(k) of the Internal Revenue Code. The Plan provides for voluntary employee contributions through salary reductions. There were no contributions made by the Company during the year.

NOTE 16 – CONTINGENCIES

Revenues are based on current billings. Certain adjustments may be made in subsequent periods as a result of audits or appeals, the final results of which are not determinable as of the date of the financial statements. Such adjustments, if any, will be reflected in revenues in the period in which they are ascertained.

The Company, along with other companies related through common ownership, maintains a self-insurance retention plan for its general liability insurance coverage. The Plan runs from April 1, 2025 to April 1, 2026, and has been extended for another year. The Plan has a $250,000 deductible per case, which includes attorney fees and indemnity costs paid out. The deductible increased to $350,000 per case on April 1, 2026. There is also a $4,500,000 deductible on the aggregate, at which time the insurance provider covers the costs. The Plan has an individual maximum coverage amount of $1,000,000 per claim, and an aggregate maximum coverage per year of $20,000,000 with an endorsement.

The Company is currently involved in multiple lawsuits, which could require a significant payout. The potential payout could range from $375,000 to $675,000, which will be covered by insurance after a $250,000 deductible per case. At December 31, 2025, there was no accrual for these potential legal payouts.

In prior years, the Company determined that it qualified for the refundable Employee Retention Tax Credit ("ERTC") under the provisions of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). The Company received $670,354 for the third quarter of 2021. The statute of limitations for Internal Revenue Service ("IRS") examinations applicable to this quarter was extended to six years from the later of the original filing due date or the date the return was filed pursuant to the One Big Beautiful Bill Act ("OBBBA"). As of the date of these financial statements, the Company has not received notice of any examination or audit related to this credit.

The Company, along with other companies related through common ownership, maintains a high-deductible health plan policy, which runs from January 1 through December 31. For the Plan year ended December 31, 2025, the Company was responsible to pay for claims up to $250,000 per claim, with no aggregate deductibles. Anything above $250,000 per claim is covered by stop-loss insurance. The Company is contingently liable for the premiums and claims of its affiliates.

The Company has a corporate credit card with a spending limit of $125,300. The balance at December 31, 2025, was $50,580 and is included in accounts payable.

The New Jersey Department of Health is currently in the process of revising the methodology used to calculate the Medicaid reimbursement rate paid to the Company. The effect of these revisions on future operations cannot be determined at this time.