



January 1, 2024

MARTIN FRIEDMAN CPA PC
CERTIFIED PUBLIC ACCOUNTANTS

Mr. Avi Feigenbaum
Elmwood Hills Healthcare Center, LLC
485 River Avenue
Lakewood, NJ 08701

Dear Mr. Feigenbaum;

This correspondence is to confirm our understanding of the services we are to provide for Elmwood Hills Healthcare Center, LLC.

AUDIT SERVICE

We will audit the financial statements of Elmwood Hills Healthcare Center, LLC which comprise of the balance sheet as of December 31, 2024, and the related statements of income, equity, and cash flows for the year then ended, and the related notes to the financial statements. Also, the financial report we submit to you will include supplementary information that will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves in accordance with auditing standards generally accepted in the United States of America. Our auditor's report will provide an opinion on it in relation to the financial statements as a whole

Audit Objective

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects; in-conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with U.S. generally accepted auditing standards established by the Auditing Standards Board and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter paragraph. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Audit Procedures

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of certain other assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

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An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (a) errors, (b) fraudulent financial reporting, (c) misappropriation of assets, or (d) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

The auditors' procedures do not include testing compliance with laws and regulations in any jurisdiction related to Medicare and Medicaid antifraud and abuse. It is the responsibility of management of the entity, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provision of laws and regulations that determine the reported amounts and disclosures in the entity's financial statements. Therefore, management's responsibilities for compliance with laws and regulations applicable to its operations, include, but are not limited to, those related to Medicare and Medicaid antifraud and abuse statutes.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. Our responsibility as an auditor is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to you internal control related matters that are required to be communicated under professional standards.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Management Responsibilities

You acknowledge and understand that you are responsible for making all management decisions and performing all management functions, for designating an individual with suitable skill, knowledge, or experience to oversee the tax services and any other nonattest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

You acknowledge and understand that you are responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles. You are also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (a) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (b) additional information that we may request for the purpose of the audit, and (c) unrestricted access to persons

within the company from whom we determine it necessary to obtain audit evidence. Your responsibilities also include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. We understand that your employees will prepare all cash and other confirmations we request and will locate any documents selected by us for testing.

You acknowledge and understand that you are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the company involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the company received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations. As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit.

In the event that we are or may be obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, then to the extent that such obligation should result from your intentional or knowing misrepresentation or provision to us of inaccurate or incomplete information in connection with this engagement, and not any failure on our part to comply with professional standards, you agree to indemnify us, defend us, and hold us harmless as against such obligations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to present the supplementary information with the audited financial statements or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon.

CONSULTING SERVICE

At your discretion as part of our consulting services we will prepare the general ledger and monthly internal financial schedules as described below. These schedules are unaudited and are provided for management purposes only and should not be provided to third parties. Since we will not make an examination of the accounts we cannot express an opinion on them.

Objectives of the Engagement and Services to be Performed:

If so instructed we will provide the bookkeeping services outlined below. At the end of each month, we agree to perform the following functions:

- Post coded transactions to your general ledger
- Propose adjusting or correcting journal entries to be reviewed and approved by you.
- Prepare a trial balance based on the adjusted general ledger

At the end of the year, we agree to perform the following functions:

- Propose adjusting or correcting journal entries to be reviewed and approved by facility.
- We will not perform management functions or make management decisions on behalf of facility. However, we will provide advice and recommendations to assist you in performing its functions and making decisions.

Facility's Responsibilities;

Facility agrees to perform the following functions in connection with your provision of the bookkeeping services:

- Make all management decisions and perform all management functions, including determining account coding and approving all proposed journal entries;
- Assign competent employee to oversee the bookkeeping services and evaluate the adequacy and results of the services;
- Accept responsibility for the results of the bookkeeping services, including the journal entries, general ledger, and trial balance; and
- Establish and maintain internal controls over the bookkeeping processes.

This portion of the engagement bears certain limitations on responsibilities; we will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants.

This portion of the engagement is limited to the bookkeeping services outlined above. Martin Friedman CPA, P.C., in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or performing management functions, including determining account codes and approving journal entries.

NONATTEST SERVICE

We will prepare Federal and State income tax returns for the year ended December 31, 2024.

The engagement regarding tax services will end upon the delivery of the tax return. Follow up services for audits etc., will be covered under a subsequent engagement letter.

CONCLUSION

The documentation for this engagement is the property of Martin Friedman C.P.A., P.C., and constitutes confidential information. However, if we are requested to make audit documentation available pursuant to law or regulations such disclosure will be made.

Our monthly fee is \$5,317 billed and payable on the first of each month.

Any and all disputes between us in which we are unable to reach an agreement, shall be submitted to binding arbitration before Beth Din.

If you agree with our above understanding of the engagement, please sign, copy for your records and return in the enclosed envelope.

We appreciate the opportunity to be of service to you and your organization, and look forward to a mutually beneficial and rewarding relationship. If you have question, please let us know.

Sincerely,

Martin Friedman CPA, PC

MARTIN FRIEDMAN, C.P.A., P.C.
Certified Public Accountants

ACCEPTED BY



Mr. Avi Feigenbaum