

**HumanGood NorCal and Foundation Affiliate
(a Member of HumanGood)**

Continuing Care Liquid Reserve Schedules
and Supplementary Information

December 31, 2019

HumanGood NorCal and Foundation Affiliate (a Member of HumanGood)

Table of Contents
December 31, 2019

	<u>Page</u>
Independent Auditors' Report	1
Continuing Care Liquid Reserve Schedules	
Form 5-1 Long-Term Debt Incurred in a Prior Fiscal Year	3
Form 5-2 Long-Term Debt Incurred During Fiscal Year	4
Form 5-3 Calculation of Long-Term Debt Reserve Amount	5
Form 5-4 Calculation of Net Operating Expenses (Terraces at Los Altos)	6
Form 5-4 Calculation of Net Operating Expenses (Grand Lake Gardens)	7
Form 5-4 Calculation of Net Operating Expenses (Piedmont Gardens)	8
Form 5-4 Calculation of Net Operating Expenses (Plymouth Village)	9
Form 5-4 Calculation of Net Operating Expenses (Valle Verde)	10
Form 5-4 Calculation of Net Operating Expenses (Rosewood)	11
Form 5-4 Calculation of Net Operating Expenses (Terraces of Los Gatos)	12
Form 5-5 Annual Reserve Certification	13
Note to Continuing Care Liquid Reserve Schedules	14
Supplementary Information	
Attachment I to Form 5-1: Principal Paid During Fiscal Year	15
Attachment II to Form 5-1: Interest Paid During Fiscal Year	16
Attachment I to Form 5-2: Interest Paid on Long-Term Debt Incurred During Fiscal Year	17
Attachment I to Form 5-4: Operating Expenses From Combining Financial Statements	18
Attachment II to Form 5-4: Deductions From Operating Expenses	19
Attachment I to Form 5-5: Schedule of Qualifying Assets, Debt Service Reserve and Operating Reserve	20
Form 5-5 Supplemental Schedule: Description of Reserves Under SB 1212	21
Form 5-5 Supplemental Schedule: Per Capita Cost of Operations	22

Independent Auditors' Report

To the Members of the Board of Directors of
HumanGood NorCal and Foundation Affiliate
(a Member of HumanGood)

Report on the Continuing Care Liquid Reserve Schedules

We have audited the accompanying continuing care liquid reserve schedules, Form 5-1 through Form 5-5 (the Schedules) of HumanGood NorCal and Foundation Affiliate (a Member of HumanGood) (the Corporation), which comprise the continuing care liquid reserve schedules, as of and for the year ended December 31, 2019, and the related note.

Management's Responsibility for the Schedules

Management is responsible for the preparation and fair presentation of these Schedules in accordance with the liquid reserve requirements of California Health and Safety Code Section 1792. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the Schedules that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedules are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Schedules 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 entity's internal control. Accordingly, we express no such opinion. 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 Schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Schedules referred to above present fairly, in all material respects, the continuing care reserves of the Corporation as of and for the year ended December 31, 2019, in conformity with the liquid reserve requirements of California Health and Safety Code Section 1792.

Basis of Accounting

We draw attention to Note 1 to the Schedules, which describes the basis of accounting used to prepare the Schedules. The Schedules are prepared by the Corporation on the basis of the liquid reserve requirements of California Health and Safety Code Section 1792, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of California Health and Safety Code Section 1792. Our opinion is not modified with respect to this matter.

Restriction on Use

Our report is intended solely for the information and use of management and the board of directors of the Corporation and the State of California, Department of Social Services and is not intended to be, and should not be, used by anyone other than these specified parties.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Schedules, as a whole. The accompanying supplementary information on pages 15 through 22 is presented for the purpose of additional analysis and is not a required part of the basic Schedules. 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 Schedules. The information has been subjected to the auditing procedures applied in the audit of the Schedules, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Schedules, or to the Schedules 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 Schedules, taken as a whole.

Baker Tilly Veitchau Krause, LLP

Philadelphia, Pennsylvania
May 5, 2020

**HumanGood NorCal and Foundation Affiliate
(a Member of HumanGood)**

Form 5-1 Long-Term Debt Incurred in a Prior Fiscal Year (Including Balloon Debt)
Year Ended December 31, 2019

Form 5-1

	(a)	(b)	(c)	(d)	(e)
Long-Term Debt Obligation	Date Incurred	Principal Paid During Fiscal Year	Interest Paid During Fiscal Year	Credit Enhancement Premiums Paid in Fiscal Year	Total Paid (columns (b) + (c) + (d))
1	05/28/15	\$ 1,630,000	\$ 2,070,000	\$ -	\$ 3,700,000
2	02/16/10	\$ -	\$ 5,485,000	\$ -	\$ 5,485,000
3	01/05/12	\$ 645,000	\$ 462,000	\$ -	\$ 1,107,000
4	02/01/13	\$ 420,000	\$ 903,000	\$ -	\$ 1,323,000
5	02/02/13	\$ 454,000	\$ 7,000	\$ -	\$ 461,000
6	12/01/16	\$ 485,000	\$ 38,000	\$ -	\$ 523,000
7	Other	\$ 200,000	\$ 11,000	\$ -	\$ 211,000
8					
TOTAL:			\$ 8,976,000	\$ -	\$ 12,810,000

*(Transfer this amount to
Form 5-3, Line 1)*

NOTE: For column (b), do not include voluntary payments made to pay down principal.

NOTE: Debt obligations in line 2 were fully paid off during fiscal year 2019 and were replaced with the debt obligations as displayed in Form 5-2. Debt service payments in the schedule above represent actual payments made on the debt obligations prior to refinancing and do not include the full payout of the obligation of \$100,130,000.

PROVIDER: HumanGood NorCal and Foundation Affiliate (a Member of HumanGood)

**HumanGood NorCal and Foundation Affiliate
(a Member of HumanGood)**

Form 5-2 Long-Term Debt Incurred During Fiscal Year (Including Balloon Debt)
Year Ended December 31, 2019

Form 5-2

	(a)	(b)	(c)	(d)	(e)
Long-Term Debt Obligation	Date Incurred	Total Interest Paid During Fiscal Year	Amount of Most Recent Payment on the Debt	Number of Payments Over Next 12 Months	Reserve Requirement (see instruction 5) (columns (c) x (d))
1	8/1/2019	\$ (419,000)	\$ 1,784,000	1	\$ 1,784,000
2					
3					
4					
5					
6					
7					
8					
TOTAL:		\$ (419,000)	\$ 1,784,000	1	\$ 1,784,000

(Transfer this amount to Form 5-3, Line 2)

NOTE: For column (b), do not include voluntary payments made to pay down principal.

NOTE: There were no principal payments made toward the Long-Term Debt incurred during the current fiscal year. The first principal payment is scheduled to be made in October 2020. The amount included in column (c) is HumanGood NorCal's allocated portion of the future principal payment.

PROVIDER: HumanGood NorCal and Foundation Affiliate (a Member of HumanGood)

**HumanGood NorCal and Foundation Affiliate
(a Member of HumanGood)**

Form 5-3 Calculation of Long-Term Debt Reserve Amount
Year Ended December 31, 2019

Form 5-3

Line		TOTAL
1	Total from Form 5-1 bottom of Column (e)	\$ 12,810,000
2	Total from Form 5-2 bottom of Column (e)	\$ 1,784,000
3	Facility leasehold or rental payment paid by provider during fiscal year (including related payments such as lease insurance)	\$ 1,239,000
4	TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE:	\$ 15,833,000

PROVIDER: HumanGood NorCal and Foundation Affiliate (a Member of HumanGood)

**HumanGood NorCal and Foundation Affiliate
(a Member of HumanGood)**

Form 5-4 Calculation of Net Operating Expenses (Terraces at Los Altos)
Year Ended December 31, 2019

Form 5-4

Line		Amounts	TOTAL
1	Total operating expenses from combining financial statements		\$ 21,654,000
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	\$ 1,228,000	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	\$ -	
	c. Depreciation	\$ 3,892,000	
	d. Amortization	\$ -	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$ 7,779,000	
	f. Extraordinary expenses approved by the Department	\$ -	
3	Total Deductions		\$ 12,899,000
4	Net Operating Expenses		\$ 8,755,000
5	Divide Line 4 by 365 and enter the result.		\$ 24,000
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		\$ 1,800,000

PROVIDER: HumanGood NorCal and Foundation Affiliate (a Member of HumanGood)

COMMUNITY: Terraces at Los Altos

**HumanGood NorCal and Foundation Affiliate
(a Member of HumanGood)**

Form 5-4 Calculation of Net Operating Expenses (Grand Lake Gardens)
Year Ended December 31, 2019

Form 5-4

Line		Amounts	TOTAL
1	Total operating expenses from combining financial statements		\$ 5,286,000
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	\$ 176,000	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	\$ -	
	c. Depreciation	\$ 828,000	
	d. Amortization	\$ -	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$ 1,774,000	
	f. Extraordinary expenses approved by the Department	\$ -	
3	Total Deductions		\$ 2,778,000
4	Net Operating Expenses		\$ 2,508,000
5	Divide Line 4 by 365 and enter the result.		\$ 7,000
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		<u>\$ 525,000</u>

PROVIDER: HumanGood NorCal and Foundation Affiliate (a Member of HumanGood)

COMMUNITY: Grand Lake Gardens

**HumanGood NorCal and Foundation Affiliate
(a Member of HumanGood)**

Form 5-4 Calculation of Net Operating Expenses (Piedmont Gardens)
Year Ended December 31, 2019

Form 5-4

Line		Amounts	TOTAL
1	Total operating expenses from combining financial statements		\$ 28,580,000
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	\$ 573,000	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	\$ -	
	c. Depreciation	\$ 2,234,000	
	d. Amortization	\$ -	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$ 12,840,000	
	f. Extraordinary expenses approved by the Department	\$ -	
3	Total Deductions		\$ 15,647,000
4	Net Operating Expenses		\$ 12,933,000
5	Divide Line 4 by 365 and enter the result.		\$ 35,000
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		<u>\$ 2,625,000</u>

PROVIDER: HumanGood NorCal and Foundation Affiliate (a Member of HumanGood)

COMMUNITY: Piedmont Gardens

**HumanGood NorCal and Foundation Affiliate
(a Member of HumanGood)**

Form 5-4 Calculation of Net Operating Expenses (Plymouth Village)
Year Ended December 31, 2019

Form 5-4

Line		Amounts	TOTAL
1	Total operating expenses from combining financial statements		\$ 19,363,000
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	\$ 354,000	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	\$ -	
	c. Depreciation	\$ 2,795,000	
	d. Amortization	\$ -	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$ 3,700,000	
	f. Extraordinary expenses approved by the Department	\$ -	
3	Total Deductions		\$ 6,849,000
4	Net Operating Expenses		\$ 12,514,000
5	Divide Line 4 by 365 and enter the result.		\$ 34,000
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		<u>\$ 2,550,000</u>

PROVIDER: HumanGood NorCal and Foundation Affiliate (a Member of HumanGood)

COMMUNITY: Plymouth Village

**HumanGood NorCal and Foundation Affiliate
(a Member of HumanGood)**

Form 5-4 Calculation of Net Operating Expenses (Valle Verde)
Year Ended December 31, 2019

Form 5-4

Line		Amounts	TOTAL
1	Total operating expenses from combining financial statements		\$ 30,876,000
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	\$ 1,038,000	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	\$ -	
	c. Depreciation	\$ 5,087,000	
	d. Amortization	\$ -	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$ 7,967,000	
	f. Extraordinary expenses approved by the Department	\$ -	
3	Total Deductions		\$ 14,092,000
4	Net Operating Expenses		\$ 16,784,000
5	Divide Line 4 by 365 and enter the result.		\$ 46,000
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		<u>\$ 3,450,000</u>

PROVIDER: HumanGood NorCal and Foundation Affiliate (a Member of HumanGood)

COMMUNITY: Valle Verde

**HumanGood NorCal and Foundation Affiliate
(a Member of HumanGood)**

Form 5-4 Calculation of Net Operating Expenses (Rosewood)
Year Ended December 31, 2019

Form 5-4

Line		Amounts	TOTAL
1	Total operating expenses from combining financial statements		\$ 19,988,000
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	\$ 520,000	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	\$ -	
	c. Depreciation	\$ 1,392,000	
	d. Amortization	\$ -	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$ 13,141,000	
	f. Extraordinary expenses approved by the Department	\$ -	
3	Total Deductions		\$ 15,053,000
4	Net Operating Expenses		\$ 4,935,000
5	Divide Line 4 by 365 and enter the result.		\$ 14,000
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		<u>\$ 1,050,000</u>

PROVIDER: HumanGood NorCal and Foundation Affiliate (a Member of HumanGood)

COMMUNITY: Rosewood

**HumanGood NorCal and Foundation Affiliate
(a Member of HumanGood)**

Form 5-4 Calculation of Net Operating Expenses (Terraces of Los Gatos)
Year Ended December 31, 2019

Form 5-4

Line		Amounts	TOTAL
1	Total operating expenses from combining financial statements		\$ 30,135,000
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	\$ 1,754,000	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	\$ -	
	c. Depreciation	\$ 3,786,000	
	d. Amortization	\$ -	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$ 12,425,000	
	f. Extraordinary expenses approved by the Department	\$ -	
3	Total Deductions		\$ 17,965,000
4	Net Operating Expenses		\$ 12,170,000
5	Divide Line 4 by 365 and enter the result.		\$ 33,000
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		<u>\$ 2,475,000</u>

PROVIDER: HumanGood NorCal and Foundation Affiliate (a Member of HumanGood)

COMMUNITY: Terraces of Los Gatos

**HumanGood NorCal and Foundation Affiliate
(a Member of HumanGood)**

Form 5-5 Annual Reserve Certification
Year Ended December 31, 2019

Form 5-5

Provider Name: HumanGood NorCal and Foundation Affiliate (a Member of HumanGood)
Fiscal Year Ended: 12/31/2019

We have reviewed our debt service reserve and operating expense reserve requirements as of, and for the period ended 12/31/2019 and are in compliance with those requirements.

Our liquid reserve requirements, computed using the audited combined financial statements for the fiscal year 2019 are as follows:

	<u>Amount</u>
[1] Debt Service Reserve Amount	\$ 15,833,000
[2] Operating Expense Reserve Amount	\$ 14,475,000
[3] Total Liquid Reserve Amount:	\$ 30,308,000

Qualifying assets sufficient to fulfill the above requirements are held as follows:

<u>Qualifying Asset Description</u>	<u>Amount</u>	
	<u>Debt Service Reserve</u>	<u>Operating Reserve</u>
[4] Cash and Cash Equivalents	\$ 4,664,000	\$ 13,993,000
[5] Investment Securities	\$ 48,886,000	\$ 146,657,000
[6] Equity Securities	\$ -	\$ -
[7] Unused/Available Lines of Credit	\$ -	\$ -
[8] Unused/Available Letters of Credit	\$ -	\$ -
[9] Debt Service Reserve	\$ 5,177,000	(not applicable)
[10] Other:	\$ -	\$ -
<hr/>		
(describe qualifying asset)		
<hr/>		
Total Amount of Qualifying Assets Listed for Reserve Obligation: [11]	\$ 58,727,000 [12]	\$ 160,650,000
Reserve Obligation Amount: [13]	\$ 15,833,000 [14]	\$ 14,475,000
Surplus/(Deficiency): [15]	\$ 42,894,000 [16]	\$ 146,175,000

DocuSigned by:

Andy McDonald

9494F7DFEBE3412...
(Authorized Representative)

Date: 5/5/2020

Chief Financial Officer
(Title)

**HumanGood NorCal and Foundation Affiliate
(a Member of HumanGood)**

Note to Continuing Care Liquid Reserve Schedules
December 31, 2019

1. Basis of Accounting

The accompanying continuing care liquid reserve schedules have been prepared in accordance with the provisions of Health and Safety Code Section 1792 administered by the State of California, Department of Social Services and are not intended to be a complete presentation of HumanGood NorCal and Foundation Affiliate's assets, liabilities, revenues and expenses.

**HumanGood NorCal and Foundation Affiliate
(a Member of HumanGood)**

Attachment I to Form 5-1: Principal Paid During Fiscal Year
State of California, Department of Social Services
Year Ended December 31, 2019

Total principal paid from combining financial statements	<u><u>\$ 3,834,000</u></u>
Total principal paid during fiscal year per Form 5-1	
Long-term debt obligation #1	\$ 1,630,000
Long-term debt obligation #2	-
Long-term debt obligation #3	645,000
Long-term debt obligation #4	420,000
Long-term debt obligation #5	454,000
Long-term debt obligation #6	485,000
Long-term debt obligation #7	<u>200,000</u>
Total principal paid during fiscal year	<u><u>\$ 3,834,000</u></u>

**HumanGood NorCal and Foundation Affiliate
(a Member of HumanGood)**

Attachment II to Form 5-1: Interest Paid During Fiscal Year
State of California, Department of Social Services
Year Ended December 31, 2019

Total interest paid from combining financial statements	\$ 7,713,000
Subtract:	
Loan fees	56,000
Add:	
Cash received from affiliate paydown of interest	<u>900,000</u>
Total interest paid during fiscal year	8,557,000
Interest paid related to long-term debt incurred during fiscal year (Form 5-2)	<u>(419,000)</u>
Interest paid related to long-term debt incurred during a prior year (Form 5-1)	<u><u>\$ 8,976,000</u></u>

**HumanGood NorCal and Foundation Affiliate
(a Member of HumanGood)**

Attachment I to Form 5-2: Interest Paid on Long-Term Debt Incurred During Fiscal Year
State of California, Department of Social Services
Year Ended December 31, 2019

Total interest paid from combining financial statements	\$ 7,713,000
Subtract:	
Loan fees	56,000
Add:	
Cash received from affiliate paydown of interest	<u>900,000</u>
Total interest paid during fiscal year	8,557,000
Interest paid related to long-term debt incurred during prior fiscal year (Form 5-1)	<u>(8,976,000)</u>
Interest paid related to long-term debt incurred during fiscal year (Form 5-2)	<u><u>\$ (419,000)</u></u>

**HumanGood NorCal and Foundation Affiliate
(a Member of HumanGood)**

Attachment I to Form 5-4: Operating Expenses From Combining Financial Statements
State of California, Department of Social Services
Year Ended December 31, 2019

	<u>Terraces at Los Altos</u>	<u>Grand Lake Gardens</u>	<u>Piedmont Gardens</u>	<u>Plymouth Village</u>	<u>Valle Verde</u>	<u>Rosewood</u>	<u>Terraces of Los Gatos</u>	<u>Total</u>
Line 1, Total Operating Expenses From Combining Financial Statements:								
Total operating expenses from combining financial statements as reported	\$ 16,534,000	\$ 4,282,000	\$ 25,773,000	\$ 16,214,000	\$ 24,751,000	\$ 18,076,000	\$ 24,595,000	\$ 130,225,000
Add:								
Depreciation	3,892,000	828,000	2,234,000	2,795,000	5,087,000	1,392,000	3,786,000	20,014,000
Mortgage interest	1,228,000	176,000	573,000	354,000	1,038,000	520,000	1,754,000	5,643,000
Total	\$ 21,654,000	\$ 5,286,000	\$ 28,580,000	\$ 19,363,000	\$ 30,876,000	\$ 19,988,000	\$ 30,135,000	\$ 155,882,000

**HumanGood NorCal and Foundation Affiliate
(a Member of HumanGood)**

Attachment II to Form 5-4: Deductions From Operating Expenses
State of California, Department of Social Services
Year Ended December 31, 2019

Line	Description	Terraces at Los Altos	Grand Lake Gardens	Piedmont Gardens	Plymouth Village	Valle Verde	Rosewood	Terraces of Los Gatos	Total
2e	Total Cash Received During the Fiscal Year for Services to Residents Who Did Not Have a Continuing Care Contract:								
Sum of (A)	Monthly fees, private (noncontract)	\$ 6,616,000	\$ 1,774,000	\$ 11,077,000	\$ 3,873,000	\$ 6,693,000	\$ 11,229,000	\$ 7,955,000	\$ 49,217,000
(B)	Monthly fees, wellness, private (noncontract)	2,000	-	-	1,000	-	69,000	-	72,000
(C)	Laboratory, private (noncontract)	117,000	-	87,000	83,000	54,000	81,000	328,000	750,000
(D)	Therapies, private (noncontract)	1,366,000	-	1,205,000	208,000	890,000	1,778,000	3,513,000	8,960,000
Sum of (E)	Chargeable supplies, private (noncontract)	121,000	-	3,000	67,000	55,000	71,000	177,000	494,000
(F)	Drugs, private (noncontract)	233,000	-	612,000	170,000	478,000	421,000	765,000	2,679,000
(G)	Oxygen, private (noncontract)	1,000	-	-	1,000	10,000	-	38,000	50,000
(H)	Change in accounts receivable (noncontract)	(677,000)	-	(144,000)	(703,000)	(213,000)	(508,000)	(351,000)	(2,596,000)
	Total for Line 2e	\$ 7,779,000	\$ 1,774,000	\$ 12,840,000	\$ 3,700,000	\$ 7,967,000	\$ 13,141,000	\$ 12,425,000	\$ 59,626,000
	Residential Living Fees Reconciliation								
(A)	Monthly fees, private (noncontract)	\$ -	\$ 1,774,000	\$ 10,000	\$ 281,000	\$ -	\$ 1,354,000	\$ -	\$ 3,419,000
	Total (noncontract)	-	1,774,000	10,000	281,000	-	1,354,000	-	3,419,000
	Contract	6,888,000	2,334,000	8,698,000	6,804,000	13,483,000	2,837,000	10,971,000	52,015,000
	Total residential living fees	\$ 6,888,000	\$ 4,108,000	\$ 8,708,000	\$ 7,085,000	\$ 13,483,000	\$ 4,191,000	\$ 10,971,000	\$ 55,434,000
	Assisted Living Fees Reconciliation								
(A)	Monthly fees, private (noncontract)	\$ 1,540,000	\$ -	\$ 1,677,000	\$ 234,000	\$ 18,000	\$ 1,003,000	\$ 1,204,000	\$ 5,676,000
	Total (noncontract)	1,540,000	-	1,677,000	234,000	18,000	1,003,000	1,204,000	5,676,000
	Contract	1,281,000	-	2,170,000	1,790,000	2,071,000	888,000	2,334,000	10,534,000
	Total assisted living fees	\$ 2,821,000	\$ -	\$ 3,847,000	\$ 2,024,000	\$ 2,089,000	\$ 1,891,000	\$ 3,538,000	\$ 16,210,000
	Health Center Fees Reconciliation								
(A)	Monthly fees, private (noncontract)	\$ 3,910,000	\$ -	\$ 8,928,000	\$ 3,159,000	\$ 6,675,000	\$ 8,213,000	\$ 6,325,000	\$ 37,210,000
(C)	Laboratory, private (noncontract)	117,000	-	87,000	83,000	54,000	81,000	328,000	750,000
(D)	Therapies, private (noncontract)	1,366,000	-	1,205,000	208,000	890,000	1,778,000	3,513,000	8,960,000
(E)	Chargeable supplies, private (noncontract)	121,000	-	3,000	67,000	55,000	71,000	177,000	489,000
(F)	Drugs, private (noncontract)	233,000	-	612,000	170,000	478,000	421,000	765,000	2,679,000
(G)	Oxygen, private (noncontract)	1,000	-	-	1,000	10,000	-	38,000	50,000
(H)	Change in accounts receivable (noncontract)	(677,000)	-	(144,000)	(703,000)	(213,000)	(508,000)	(351,000)	(2,596,000)
	Total (noncontract)	5,071,000	-	10,691,000	2,985,000	7,949,000	10,056,000	10,790,000	47,542,000
	Contract	1,083,000	-	1,871,000	931,000	2,537,000	311,000	1,949,000	8,682,000
	Total health center fees	\$ 6,154,000	\$ -	\$ 12,562,000	\$ 3,916,000	\$ 10,486,000	\$ 10,367,000	\$ 12,739,000	\$ 56,224,000
	Memory Support Reconciliation								
(A)	Monthly fees, private (noncontract)	\$ 1,166,000	\$ -	\$ 462,000	\$ 199,000	\$ -	\$ 659,000	\$ 426,000	\$ 2,912,000
(E)	Chargeable supplies, private (noncontract)	-	-	-	-	-	-	5,000	5,000
	Total (noncontract)	1,166,000	-	462,000	199,000	-	659,000	431,000	2,917,000
	Contract	868,000	-	1,011,000	489,000	1,834,000	709,000	1,479,000	6,390,000
	Total memory support fees	\$ 2,034,000	\$ -	\$ 1,473,000	\$ 688,000	\$ 1,834,000	\$ 1,368,000	\$ 1,910,000	\$ 9,307,000
	Other Residential Services Reconciliation								
(B)	Monthly fees, wellness, private (noncontract)	\$ 2,000	\$ -	\$ -	\$ 1,000	\$ -	\$ 69,000	\$ -	\$ 72,000
	Total (noncontract)	2,000	-	-	1,000	-	69,000	-	72,000
	Contract	79,000	101,000	627,000	95,000	232,000	160,000	121,000	1,415,000
	Total other residential services fees	\$ 81,000	\$ 101,000	\$ 627,000	\$ 96,000	\$ 232,000	\$ 229,000	\$ 121,000	\$ 1,487,000
	Total Cash Received for Resident Services	\$ 17,978,000	\$ 4,209,000	\$ 27,217,000	\$ 13,809,000	\$ 28,124,000	\$ 18,046,000	\$ 29,279,000	\$ 138,662,000
	Cash Received for Resident Services per the Audited Combined Financial Statements								\$ 138,662,000

**HumanGood NorCal and Foundation Affiliate
(a Member of HumanGood)**

Attachment I to Form 5-5: Schedule of Qualifying Assets, Debt Service Reserve and Operating Reserve
State of California, Department of Social Services
Year Ended December 31, 2019

Total Cash and Cash Equivalents From Combining Financial Statements

Cash and cash equivalents, HumanGood NorCal	\$ 18,428,000
Cash and cash equivalents, Foundation West	229,000

Total cash and cash equivalents from combining financial statements	<u>\$ 18,657,000</u>
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Cash and Cash Equivalents Reconciliation From Form 5-5

Debt service reserve, cash and cash equivalents	\$ 4,664,000
Operating reserve, cash and cash equivalents	13,993,000

Total cash and cash equivalents listed on Form 5-5	<u>\$ 18,657,000</u>
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Total Investments From Combining Financial Statements

Investments, HumanGood NorCal	\$ 88,433,000
Designated Investments, HumanGood NorCal	50,925,000
Designated Investments, Foundation West	56,185,000

Total investments from combining financial statements	<u>\$ 195,543,000</u>
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Investment Securities Reconciliation From Form 5-5

Debt service reserve, investments	\$ 48,886,000
Operating reserve, investments	146,657,000

Total investments listed on Form 5-5	<u>\$ 195,543,000</u>
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Debt Service Reserve Reconciliation

Cash and cash equivalents, Form 5-5	\$ 4,664,000
Investment securities, Form 5-5	48,886,000
NorCal debt service reserve, Form 5-5	5,177,000

Total listed for debt service reserve	<u>\$ 58,727,000</u>
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Operating Reserve Reconciliation

Cash and cash equivalents, Form 5-5	\$ 13,993,000
Investment securities, Form 5-5	146,657,000

Total listed for operating reserve	<u>\$ 160,650,000</u>
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**HumanGood NorCal and Foundation Affiliate
(a Member of HumanGood)**

Form 5-5 Supplemental Schedule: Description of Reserves Under SB 1212
Year Ended December 31, 2019

Total Qualifying Assets as Filed:

Cash and cash equivalents	\$ 18,657,000
Unrestricted investment securities	88,433,000
Designated Investments	<u>107,110,000</u>
 Total qualifying assets	 <u><u>\$ 214,200,000</u></u>

Comments in Consistency With Tax Exempt Status Under AB 1169

Reservations and Designations:

Designated for Endowment	\$ 56,185,000	Foundation unrestricted endowment funds that qualify for liquid reserves but are not available for operations. The Foundation provides a limited guarantee for certain debt service obligations as described in Note 6 to the audited combined financial statements. Earnings from the endowment funds are distributed to the communities for assistance with benevolence needs of residents.
Designated for Retirement	4,460,000	Assets included in non-qualified retirement plan that is subject to the claims of creditors as discussed in Note 8 to the audited combined financial statements.
Designated for Innovation	10,000,000	Anticipated funds to be utilized to fund innovation initiatives at HumanGood.
Designated for Capital Projects	<u>50,401,000</u>	
 Total reservations and designations	 <u><u>\$ 121,046,000</u></u>	

Note: These designations relate to combined HumanGood California Obligated Group and Foundation Affiliates, which consists of HumanGood NorCal, HumanGood SoCal, HumanGood Fresno and Foundation Affiliates' designated investments.

**HumanGood NorCal and Foundation Affiliate
(a Member of HumanGood)**

Form 5-5 Supplemental Schedule: Per Capita Cost of Operations
Year Ended December 31, 2019

Per Capita Cost of Operations

Operating expenses (Form 5-4, Line 1)	\$ 155,882,000
Mean Number of CCRC Residents	<u>1,467</u>
Per Capita Cost of Operations	<u><u>\$ 106,259</u></u>