

**HumanGood California Obligated Group  
& Foundation Affiliates  
(Members of HumanGood)**

Continuing Care Liquid Reserve Schedules  
and Supplementary Information

December 31, 2020

# HumanGood California Obligated Group & Foundation Affiliates (Members of HumanGood)

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Table of Contents  
December 31, 2020

	<u>Page</u>
<b>Independent Auditors' Report</b>	1
<b>Continuing Care Liquid Reserve Schedules</b>	
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 5-4 Calculation of Net Operating Expenses (Terraces at San Joaquin Gardens)	13
Form 5-4 Calculation of Net Operating Expenses (Royal Oaks)	14
Form 5-4 Calculation of Net Operating Expenses (White Sands La Jolla)	15
Form 5-4 Calculation of Net Operating Expenses (Windsor)	16
Form 5-4 Calculation of Net Operating Expenses (Regents Point)	17
Form 5-4 Calculation of Net Operating Expenses (Westminster Gardens)	18
Form 5-4 Calculation of Net Operating Expenses (Redwood Terrace)	19
Form 5-5 Annual Reserve Certification	20
Notes to Continuing Care Liquid Reserve Schedules	21

# HumanGood California Obligated Group & Foundation Affiliates (Members of HumanGood)

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Table of Contents  
December 31, 2020

	<u>Page</u>
<b>Supplementary Information</b>	
Attachment I to Form 5-1: Principal Paid During Fiscal Year	23
Attachment II to Form 5-1: Interest Paid During Fiscal Year	24
Attachment I to Form 5-2: Interest Paid on Long-Term Debt Incurred During Fiscal Year	25
Attachment I to Form 5-4: Operating Expenses From Combining Financial Statements	26
Attachment II to Form 5-4: Deductions From Operating Expenses	27
Attachment I to Form 5-5: Schedule of Qualifying Assets, Debt Service Reserve and Operating Reserve	28
Form 5-5 Supplemental Schedule: Description of Reserves Under SB 1212	29
Form 5-5 Supplemental Schedule: Per Capita Cost of Operations	30

## **Independent Auditors' Report**

To the Members of the Boards of Directors of  
HumanGood California Obligated Group & Foundation Affiliates  
(Members 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 the HumanGood California Obligated Group & Foundation Affiliates (Members of HumanGood) (the Corporations), which comprise the continuing care liquid reserve schedules, as of and for the year ended December 31, 2020, and the related notes to the continuing care liquid reserve schedules.

### ***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 Corporations as of and for the year ended December 31, 2020, in conformity with the liquid reserve requirements of California Health and Safety Code Section 1792.

***Basis of Accounting***

We draw attention to Note 2 to the Schedules, which describes the basis of accounting used to prepare the Schedules. The Schedules are prepared by the Corporations 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 Corporations 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 23 through 30 is presented for the purpose of additional analysis and is not a required part of the 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.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Philadelphia, Pennsylvania  
May, 27, 2021

**HumanGood California Obligated Group & Foundation Affiliates  
(Members of HumanGood)**

Form 5-1 Long-Term Debt Incurred in a Prior Fiscal Year (including Balloon Debt)  
Year Ended December 31, 2020

**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	1/5/2012	\$ 675,000	\$ 182,000	\$ -	\$ 857,000
2	9/26/2012	\$ 705,000	\$ 2,826,000	\$ -	\$ 3,531,000
3	2/1/2013	\$ 440,000	\$ 1,135,000	\$ -	\$ 1,575,000
4	2/2/2013	\$ 74,000	\$ -	\$ -	\$ 74,000
5	5/28/2015	\$ 1,970,000	\$ 2,234,000	\$ -	\$ 4,204,000
6	12/17/2015	\$ 990,000	\$ 1,014,000	\$ -	\$ 2,004,000
7	12/1/2016	\$ 509,000	\$ 54,000	\$ -	\$ 563,000
8	8/1/2019	\$ 2,995,000	\$ 6,897,000	\$ -	\$ 9,892,000
9	Other	\$ 193,000	\$ (33,000)	\$ -	\$ 160,000
					\$ -
<b>TOTAL:</b>			\$ 14,309,000	\$ -	\$ 22,860,000

*(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 lines 1-3 were fully paid off during fiscal year 2020 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 obligations (\$79,470,000).

**PROVIDER:** HumanGood California Obligated Group & Foundation Affiliates (Members of HumanGood)

**HumanGood California Obligated Group & Foundation Affiliates  
(Members of HumanGood)**

Form 5-2 Long-Term Debt Incurred During Fiscal Year (including Balloon Debt)  
Year Ended December 31, 2020

**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	10/1/2020	\$ 221,000	\$ 2,265,000	1	\$ 2,265,000
2					\$ -
3					\$ -
4					\$ -
5					\$ -
6					\$ -
7					\$ -
8					\$ -
<b>TOTAL:</b>			<b>\$ 2,265,000</b>	<b>1</b>	<b>\$ 2,265,000</b>

*(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 2021. The amount included in column (c) is the future principal payment.

**PROVIDER:** HumanGood California Obligated Group & Foundation Affiliates (Members of HumanGood)

**HumanGood California Obligated Group & Foundation Affiliates  
(Members of HumanGood)**

Form 5-3 Calculation of Long-Term Debt Reserve Amount  
Year Ended December 31, 2020

Form 5-3		Total
Line		
1	Total from Form 5-1 bottom of Column (e)	\$ 22,860,000
2	Total from Form 5-2 bottom of Column (e)	\$ 2,265,000
3	Facility leasehold or rental payment paid by provider during fiscal year (including related payments such as lease insurance)	1,884,000
4	<b>TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE:</b>	<b>\$ 27,009,000</b>

**PROVIDER:** HumanGood California Obligated Group & Foundation Affiliates (Members of HumanGood)



**HumanGood California Obligated Group & Foundation Affiliates  
(Members of HumanGood)**

Form 5-4 Calculation of Net Operating Expenses (Terraces at Los Altos)  
Year Ended December 31, 2020

Form 5-4		Amounts	TOTAL
Line			
1	Total operating expenses from the combining financial statements		\$ 20,437,000
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	\$ 845,000	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	\$ -	
	c. Depreciation	\$ 3,893,000	
	d. Amortization	\$ -	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$ 6,449,000	
	f. Extraordinary expenses approved by the Department	\$ -	
3	Total Deductions		\$ 11,187,000
4	Net Operating Expenses		\$ 9,250,000
5	Divide Line 4 by 365 and enter the result		\$ 25,000
6	<b>Multiply Line 5 by 75 and enter the result.</b> This is the provider's operating expense reserve amount.		\$ 1,875,000

**PROVIDER:** HumanGood California Obligated Group & Foundation Affiliates (Members of HumanGood)  
**COMMUNITY:** Terraces at Los Altos

**HumanGood California Obligated Group & Foundation Affiliates  
(Members of HumanGood)**

Form 5-4 Calculation of Net Operating Expenses (Grand Lake Gardens)  
Year Ended December 31, 2020

		Form 5-4		
Line		Amounts	TOTAL	
1	Total operating expenses from the combining financial statements		\$ 5,326,000	
2	Deductions:			
	a. Interest paid on long-term debt (see instructions)	\$ 132,000		
	b. Credit enhancement premiums paid for long-term debt (see instructions)	\$ -		
	c. Depreciation	\$ 769,000		
	d. Amortization	\$ -		
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$ 1,931,000		
	f. Extraordinary expenses approved by the Department	\$ -		
3	Total Deductions		\$ 2,832,000	
4	Net Operating Expenses		\$ 2,494,000	
5	Divide Line 4 by 365 and enter the result		\$ 7,000	
6	<b>Multiply Line 5 by 75 and enter the result.</b> This is the provider's operating expense reserve amount.		\$ 525,000	

**PROVIDER:** HumanGood California Obligated Group & Foundation Affiliates (Members of HumanGood)

**COMMUNITY:** Grand Lake Gardens

**HumanGood California Obligated Group & Foundation Affiliates  
(Members of HumanGood)**

Form 5-4 Calculation of Net Operating Expenses (Piedmont Gardens)  
Year Ended December 31, 2020

		Form 5-4	
Line		Amounts	TOTAL
1	Total operating expenses from the combining financial statements		\$ 28,917,000
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	\$ 429,000	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	\$ -	
	c. Depreciation	\$ 2,354,000	
	d. Amortization	\$ -	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$ 12,992,000	
	f. Extraordinary expenses approved by the Department	\$ -	
3	Total Deductions		\$ 15,775,000
4	Net Operating Expenses		\$ 13,142,000
5	Divide Line 4 by 365 and enter the result		\$ 36,000
6	<b>Multiply Line 5 by 75 and enter the result.</b> This is the provider's operating expense reserve amount.		\$ 2,700,000

**PROVIDER:** HumanGood California Obligated Group & Foundation Affiliates (Members of HumanGood)  
**COMMUNITY:** Piedmont Gardens

**HumanGood California Obligated Group & Foundation Affiliates  
(Members of HumanGood)**

Form 5-4 Calculation of Net Operating Expenses (Plymouth Village)  
Year Ended December 31, 2020

		Form 5-4	
Line		Amounts	TOTAL
1	Total operating expenses from the combining financial statements		<u>\$18,576,000</u>
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	<u>\$ 310,000</u>	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	<u>\$ -</u>	
	c. Depreciation	<u>\$ 2,737,000</u>	
	d. Amortization	<u>\$ -</u>	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	<u>\$ 4,325,000</u>	
	f. Extraordinary expenses approved by the Department	<u>\$ -</u>	
3	Total Deductions		<u>\$7,372,000</u>
4	Net Operating Expenses		<u>\$11,204,000</u>
5	Divide Line 4 by 365 and enter the result		<u>\$31,000</u>
6	<b>Multiply Line 5 by 75 and enter the result.</b> This is the provider's operating expense reserve amount.		<u><u>\$2,325,000</u></u>

**PROVIDER:** HumanGood California Obligated Group & Foundation Affiliates (Members of HumanGood)

**COMMUNITY:** Plymouth Village

**HumanGood California Obligated Group & Foundation Affiliates  
(Members of HumanGood)**

Form 5-4 Calculation of Net Operating Expenses (Valle Verde)  
Year Ended December 31, 2020

		Form 5-4	
Line		Amounts	TOTAL
1	Total operating expenses from the combining financial statements		\$ 31,187,000
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	\$ 742,000	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	\$ -	
	c. Depreciation	\$ 4,942,000	
	d. Amortization	\$ -	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$ 7,622,000	
	f. Extraordinary expenses approved by the Department	\$ -	
3	Total Deductions		\$ 13,306,000
4	Net Operating Expenses		\$ 17,881,000
5	Divide Line 4 by 365 and enter the result		\$ 49,000
6	<b>Multiply Line 5 by 75 and enter the result.</b> This is the provider's operating expense reserve amount.		\$ 3,675,000

**PROVIDER:** HumanGood California Obligated Group & Foundation Affiliates (Members of HumanGood)  
**COMMUNITY:** Valle Verde

**HumanGood California Obligated Group & Foundation Affiliates  
(Members of HumanGood)**

Form 5-4 Calculation of Net Operating Expenses (Rosewood)  
Year Ended December 31, 2020

		Form 5-4	
Line		Amounts	TOTAL
1	Total operating expenses from combining financial statements		\$ 19,149,000
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	\$ 389,000	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	\$ -	
	c. Depreciation	\$ 1,331,000	
	d. Amortization	\$ -	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$ 10,753,000	
	f. Extraordinary expenses approved by the Department	\$ -	
3	Total Deductions		\$ 12,473,000
4	Net Operating Expenses		\$ 6,676,000
5	Divide Line 4 by 365 and enter the result		\$ 18,000
6	<b>Multiply Line 5 by 75 and enter the result.</b> This is the provider's operating expense reserve amount.		\$ 1,350,000

**PROVIDER:** HumanGood California Obligated Group & Foundation Affiliates (Members of HumanGood)  
**COMMUNITY:** Rosewood

**HumanGood California Obligated Group & Foundation Affiliates  
(Members of HumanGood)**

Form 5-4 Calculation of Net Operating Expenses (Terraces of Los Gatos)  
Year Ended December 31, 2020

Form 5-4		Amounts	TOTAL
Line			
1	Total operating expenses from the combining financial statements		\$ 29,609,000
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	\$ 1,222,000	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	\$ -	
	c. Depreciation	\$ 3,862,000	
	d. Amortization	\$ -	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$ 10,955,000	
	f. Extraordinary expenses approved by the Department	\$ -	
3	Total Deductions		\$ 16,039,000
4	Net Operating Expenses		\$ 13,570,000
5	Divide Line 4 by 365 and enter the result		\$ 37,000
6	<b>Multiply Line 5 by 75 and enter the result.</b> This is the provider's operating expense reserve amount.		\$ 2,775,000

**PROVIDER:** HumanGood California Obligated Group & Foundation Affiliates (Members of HumanGood)

**COMMUNITY:** Terraces of Los Gatos

**HumanGood California Obligated Group & Foundation Affiliates  
(Members of HumanGood)**

Form 5-4 Calculation of Net Operating Expenses (Terraces at San Joaquin Gardens)  
Year Ended December 31, 2020

Form 5-4		Amounts	TOTAL
Line			
1	Total operating expenses from the combining financial statements		\$ 30,792,000
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	\$ 3,806,000	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	\$ -	
	c. Depreciation	\$ 4,758,000	
	d. Amortization	\$ -	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$ 9,458,000	
	f. Extraordinary expenses approved by the Department	\$ -	
3	Total Deductions		\$ 18,022,000
4	Net Operating Expenses		\$ 12,770,000
5	Divide Line 4 by 365 and enter the result		\$ 35,000
6	<b>Multiply Line 5 by 75 and enter the result.</b> This is the provider's operating expense reserve amount.		\$ 2,625,000

**PROVIDER:** HumanGood California Obligated Group & Foundation Affiliates (Members of HumanGood)

**COMMUNITY:** Terraces at San Joaquin Gardens



**HumanGood California Obligated Group & Foundation Affiliates  
(Members of HumanGood)**

Form 5-4 Calculation of Net Operating Expenses (Royal Oaks)  
Year Ended December 31, 2020

		Form 5-4	
Line		Amounts	TOTAL
1	Total operating expenses from the combining financial statements		\$ 20,961,000
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	\$ 800,000	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	\$ -	
	c. Depreciation	\$ 2,856,000	
	d. Amortization	\$ -	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$ 2,421,000	
	f. Extraordinary expenses approved by the Department	\$ -	
3	Total Deductions		\$ 6,077,000
4	Net Operating Expenses		\$ 14,884,000
5	Divide Line 4 by 365 and enter the result		\$ 41,000
6	<b>Multiply Line 5 by 75 and enter the result.</b> This is the provider's operating expense reserve amount.		\$ 3,075,000

**PROVIDER:** HumanGood California Obligated Group & Foundation Affiliates (Members of HumanGood)

**COMMUNITY:** Royal Oaks

**HumanGood California Obligated Group & Foundation Affiliates  
(Members of HumanGood)**

Form 5-4 Calculation of Net Operating Expenses (White Sands La Jolla)  
Year Ended December 31, 2020

		Form 5-4	
Line		Amounts	TOTAL
1	Total operating expenses from the combining financial statements		\$ 25,471,000
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	\$ 1,936,000	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	\$ -	
	c. Depreciation	\$ 5,901,000	
	d. Amortization	\$ -	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$ 3,976,000	
	f. Extraordinary expenses approved by the Department	\$ -	
3	Total Deductions		\$ 11,813,000
4	Net Operating Expenses		\$ 13,658,000
5	Divide Line 4 by 365 and enter the result		\$ 37,000
6	<b>Multiply Line 5 by 75 and enter the result.</b> This is the provider's operating expense reserve amount.		\$ 2,775,000

**PROVIDER:** HumanGood California Obligated Group & Foundation Affiliates (Members of HumanGood)  
**COMMUNITY:** White Sands La Jolla

**HumanGood California Obligated Group & Foundation Affiliates  
(Members of HumanGood)**

Form 5-4 Calculation of Net Operating Expenses (Windsor)  
Year Ended December 31, 2020

		Form 5-4		
Line		Amounts	TOTAL	
1	Total operating expenses from the combining financial statements		\$ 11,276,000	
2	Deductions:			
	a. Interest paid on long-term debt (see instructions)	\$ 59,000		
	b. Credit enhancement premiums paid for long-term debt (see instructions)	\$ -		
	c. Depreciation	\$ 812,000		
	d. Amortization	\$ -		
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$ 4,554,000		
	f. Extraordinary expenses approved by the Department	\$ -		
3	Total Deductions		\$ 5,425,000	
4	Net Operating Expenses		\$ 5,851,000	
5	Divide Line 4 by 365 and enter the result		\$ 16,000	
6	<b>Multiply Line 5 by 75 and enter the result.</b> This is the provider's operating expense reserve amount.		\$ 1,200,000	

**PROVIDER:** HumanGood California Obligated Group & Foundation Affiliates (Members of HumanGood)  
**COMMUNITY:** Windsor

**HumanGood California Obligated Group & Foundation Affiliates  
(Members of HumanGood)**

Form 5-4 Calculation of Net Operating Expenses (Regents Point)  
Year Ended December 31, 2020

Form 5-4		Amounts	TOTAL
Line			
1	Total operating expenses from the combining financial statements		<u>\$25,845,000</u>
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	<u>\$ 579,000</u>	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	<u>\$ -</u>	
	c. Depreciation	<u>\$ 3,148,000</u>	
	d. Amortization	<u>\$ -</u>	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	<u>\$ 4,877,000</u>	
	f. Extraordinary expenses approved by the Department	<u>\$ -</u>	
3	Total Deductions		<u>\$8,604,000</u>
4	Net Operating Expenses		<u>\$17,241,000</u>
5	Divide Line 4 by 365 and enter the result		<u>\$47,000</u>
6	<b>Multiply Line 5 by 75 and enter the result.</b> This is the provider's operating expense reserve amount.		<u><u>\$3,525,000</u></u>

**PROVIDER:** HumanGood California Obligated Group & Foundation Affiliates (Members of HumanGood)  
**COMMUNITY:** Regents Point

**HumanGood California Obligated Group & Foundation Affiliates  
(Members of HumanGood)**

Form 5-4 Calculation of Net Operating Expenses (Westminster Gardens)  
Year Ended December 31, 2020

		Form 5-4		
Line		Amounts	TOTAL	
1	Total operating expenses from the combining financial statements		\$ 8,604,000	
2	Deductions:			
	a. Interest paid on long-term debt (see instructions)	\$ 169,000		
	b. Credit enhancement premiums paid for long-term debt (see instructions)	\$ -		
	c. Depreciation	\$ 1,597,000		
	d. Amortization	\$ -		
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$ 1,045,000		
	f. Extraordinary expenses approved by the Department	\$ -		
3	Total Deductions		\$ 2,811,000	
4	Net Operating Expenses		\$ 5,793,000	
5	Divide Line 4 by 365 and enter the result		\$ 16,000	
6	<b>Multiply Line 5 by 75 and enter the result.</b> This is the provider's operating expense reserve amount.		\$ 1,200,000	

**PROVIDER:** HumanGood California Obligated Group & Foundation Affiliates (Members of HumanGood)  
**COMMUNITY:** Westminster Gardens

**HumanGood California Obligated Group & Foundation Affiliates  
(Members of HumanGood)**

Form 5-4 Calculation of Net Operating Expenses (Redwood Terrace)  
Year Ended December 31, 2020

		Form 5-4	
Line		Amounts	TOTAL
1	Total operating expenses from the combining financial statements		<u>\$19,763,000</u>
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	<u>\$ -</u>	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	<u>\$ -</u>	
	c. Depreciation	<u>\$ 2,549,000</u>	
	d. Amortization	<u>\$ -</u>	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	<u>\$ 7,092,000</u>	
	f. Extraordinary expenses approved by the Department	<u>\$ -</u>	
3	Total Deductions		<u>\$9,641,000</u>
4	Net Operating Expenses		<u>\$10,122,000</u>
5	Divide Line 4 by 365 and enter the result		<u>\$28,000</u>
6	<b>Multiply Line 5 by 75 and enter the result.</b> This is the provider's operating expense reserve amount.		<u><u>\$2,100,000</u></u>

**PROVIDER:** HumanGood California Obligated Group & Foundation Affiliates (Members of HumanGood)  
**COMMUNITY:** Redwood Terrace

**HumanGood California Obligated Group & Foundation Affiliates  
(Members of HumanGood)**

Form 5-5 Annual Reserve Certification  
Year Ended December 31, 2020

**Form 5-5**

Provider Name: HumanGood California Obligated Group and Foundation Affiliates (Members of HumanGood)  
Fiscal Year Ended: 12/31/2020

We have reviewed our debt service reserve and operating expense reserve requirements as of, and for the period ended 12/31/2020 and are in compliance with those requirements.

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

[1] Debt Service Reserve Amount	<u>\$27,009,000</u>
[2] Operating Expense Reserve Amount	<u>\$31,725,000</u>
[3] <b>Total Liquid Reserve Amount:</b>	<u>\$58,734,000</u>

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

<u>Qualifying Asset Description</u>	<u>Amount</u> <u>(market value at end of quarter)</u>	
	<u>Debt Service Reserve</u>	<u>Operating Reserve</u>
[4] Cash and Cash Equivalents	<u>\$ 5,753,000</u>	<u>\$ 17,260,000</u>
[5] Investment Securities	<u>\$ 87,637,000</u>	<u>\$ 262,909,000</u>
[6] Equity Securities	<u></u>	<u></u>
[7] Unused/Available Lines of Credit	<u></u>	<u></u>
[8] Unused/Available Letters of Credit	<u></u>	<u></u>
[9] Debt Service Reserve	<u>\$ 3,665,000</u>	<u>(not applicable)</u>
[10] Other:	<u></u>	<u></u>
<u></u> <u>(describe qualifying asset)</u>	<u></u>	<u></u>
<b>Total Amount of Qualifying Assets Listed</b>		
<b>for Reserve Obligation: [11]</b>	<u>\$ 97,055,000</u>	<u>[12] \$ 280,169,000</u>
<b>Reserve Obligation Amount: [13]</b>	<u>\$ 27,009,000</u>	<u>[14] \$ 31,725,000</u>
<b>Surplus/ (Deficiency): [15]</b>	<u>\$ 70,046,000</u>	<u>[16] \$ 248,444,000</u>

Signature:

  
(Authorized Representative)

Date: May 27, 2021

Chief Financial Officer  
(Title)

# HumanGood California Obligated Group & Foundation Affiliates (Members of HumanGood)

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Notes to Continuing Care Liquid Reserve Schedules  
December 31, 2020

## 1. Business and Organization

HumanGood (Parent Organization) is a California nonprofit public benefit tax-exempt corporation providing housing, health care and supportive services for the elderly through its Life Plan Communities (LPCs) and affordable housing communities owned by its subsidiaries. HumanGood is the sole member of HumanGood NorCal (NorCal), HumanGood SoCal (SoCal), HumanGood Fresno (dba Terraces at San Joaquin Gardens, TSJG) and HumanGood Cornerstone (Cornerstone). NorCal is the sole member of HumanGood Foundation West (Foundation West) and SoCal is the sole member of HumanGood Foundation South (Foundation South). NorCal, SoCal and TSJG, which collectively form the HumanGood California Obligated Group, share the common parent entity of HumanGood, and together with Foundation West and Foundation South, constitute the HumanGood California Obligated Group & Foundation Affiliates.

### HumanGood California Obligated Group

On August 1, 2019, concurrent with the date of issuance of the Series 2019A Tax-Exempt Revenue and Refunding Bonds and the Series 2019B Taxable Bonds, the HumanGood California Obligated Group (COG) was formed.

### HumanGood NorCal

NorCal is a California nonprofit public benefit tax-exempt corporation which owns, operates and manages LPCs in which housing, health care and supportive services are provided for the elderly. Seven of NorCal's nine directors are HumanGood's directors. The executive officers of HumanGood also serve as executive officers of NorCal. As of December 31, 2020, the following LPCs were owned and operated by NorCal:

Terraces at Los Altos	Valle Verde
Grand Lake Gardens	Rosewood
Piedmont Gardens	Terraces of Los Gatos
Plymouth Village	

### HumanGood SoCal

SoCal is a California nonprofit public benefit tax-exempt corporation which owns, operates and manages LPCs in which housing, health care and supportive services are provided for the elderly. Seven of SoCal's nine directors are HumanGood's directors. The executive officers of HumanGood also serve as executive officers of SoCal. As of December 31, 2020, the following LPCs were owned and operated by SoCal:

Royal Oaks	Regents Point
White Sands La Jolla	Westminster Gardens
Windsor	Redwood Terrace

### HumanGood Fresno

TSJG is a California nonprofit public benefit tax-exempt corporation providing housing, health care and supportive services for the elderly in Fresno, California, through its LPC. Seven of TSJG's nine directors are HumanGood's directors. The executive officers of HumanGood also serve as executive officers of TSJG.



## **HumanGood California Obligated Group & Foundation Affiliates (Members of HumanGood)**

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Notes to Continuing Care Liquid Reserve Schedules  
December 31, 2020

### **HumanGood Foundation West**

Foundation West is a California nonprofit public benefit tax-exempt corporation whose primary purpose is to develop, invest and administer funds to provide housing and care on behalf of certain residents. Foundation West's principal activity is to administer such funds under donor agreements. NorCal is the sole member of Foundation West, and therefore, elects the directors of Foundation West. Foundation West guarantees certain of the NorCal bond obligations. Foundation West's obligations under the guaranty agreement are limited to Foundation West's income earned on its net assets without donor restrictions.

### **HumanGood Foundation South**

Foundation South is a California nonprofit public benefit tax-exempt corporation whose primary purpose is to develop, invest and administer funds to provide housing and care on behalf of certain residents. Foundation South's principal activity is to administer such funds under donor agreements. SoCal is the sole member of Foundation South, and therefore, elects the directors of Foundation South. As a result, SoCal has control over Foundation South.

## **2. 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 the HumanGood California Obligated Group & Foundation Affiliates' assets, liabilities, revenues and expenses.

**HumanGood California Obligated Group & Foundation Affiliates  
(Members of HumanGood)**

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Attachment I To Form 5-1: Principal Paid During Fiscal Year  
State of California, Department of Social Services  
Year Ended December 31, 2020

Total principal paid from combining financial statements	<u><u>\$ 8,551,000</u></u>
Total principal paid during fiscal year per Form 5-1	
Long-term debt obligation #1	\$ 675,000
Long-term debt obligation #2	705,000
Long-term debt obligation #3	440,000
Long-term debt obligation #4	74,000
Long-term debt obligation #5	1,970,000
Long-term debt obligation #6	990,000
Long-term debt obligation #7	509,000
Long-term debt obligation #8	2,995,000
Long-term debt obligation #9	<u>193,000</u>
Total principal paid during fiscal year	<u><u>\$ 8,551,000</u></u>

**HumanGood California Obligated Group & Foundation Affiliates  
(Members of HumanGood)**

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Attachment II To Form 5-1: Interest Paid During Fiscal Year  
State of California, Department of Social Services  
Year Ended December 31, 2020

Total interest paid from combining financial statements	\$ 14,622,000
Subtract:	
Loan Fees	<u>92,000</u>
Total interest paid during fiscal year	<u>14,530,000</u>
Interest paid related to long-term debt incurred during fiscal year (Form 5-2)	<u>221,000</u>
Interest paid related to long-term debt incurred during a prior fiscal year (Form 5-1)	<u><u>\$ 14,309,000</u></u>

**HumanGood California Obligated Group & Foundation Affiliates  
(Members of HumanGood)**

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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, 2020

Total interest paid from combining financial statements	\$ 14,622,000
Subtract:	
Loan Fees	<u>92,000</u>
Total interest paid during fiscal year	<u>14,530,000</u>
Interest related to long-term debt incurred during prior fiscal year (Form 5-1)	<u>14,309,000</u>
<b>Interest paid related to long-term debt incurred during fiscal year (Form 5-2)</b>	<u><u>\$ 221,000</u></u>

**HumanGood California Obligated Group & Foundation Affiliates**  
**(Members 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, 2020

	<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>Terraces at San Joaquin Gardens</u>	<u>Royal Oaks</u>	<u>White Sands La Jolla</u>	<u>Windsor</u>	<u>Regents Point</u>	<u>Westminster Gardens</u>	<u>Redwood Terrace</u>	<u>Total</u>
<b>Line 1, Total Operating Expenses from Combining Financial Statements:</b>															
Total operating expenses from combining financial statements as reported	\$ 15,699,000	\$ 4,425,000	\$ 26,134,000	\$ 15,529,000	\$ 25,503,000	\$ 17,429,000	\$ 24,525,000	\$ 22,228,000	\$ 17,305,000	\$ 17,634,000	\$ 10,405,000	\$ 22,118,000	\$ 6,838,000	\$ 17,214,000	\$ 242,986,000
<b>Add:</b>															
Depreciation	3,893,000	769,000	2,354,000	2,737,000	4,942,000	1,331,000	3,862,000	4,758,000	2,856,000	5,901,000	812,000	3,148,000	1,597,000	2,549,000	41,509,000
Mortgage interest	<u>845,000</u>	<u>132,000</u>	<u>429,000</u>	<u>310,000</u>	<u>742,000</u>	<u>389,000</u>	<u>1,222,000</u>	<u>3,806,000</u>	<u>800,000</u>	<u>1,936,000</u>	<u>59,000</u>	<u>579,000</u>	<u>169,000</u>	<u>-</u>	<u>11,418,000</u>
<b>Total</b>	<b>\$ 20,437,000</b>	<b>\$ 5,326,000</b>	<b>\$ 28,917,000</b>	<b>\$ 18,576,000</b>	<b>\$ 31,187,000</b>	<b>\$ 19,149,000</b>	<b>\$ 29,609,000</b>	<b>\$ 30,792,000</b>	<b>\$ 20,961,000</b>	<b>\$ 25,471,000</b>	<b>\$ 11,276,000</b>	<b>\$ 25,845,000</b>	<b>\$ 8,604,000</b>	<b>\$ 19,763,000</b>	<b>\$ 295,913,000</b>

**HumanGood California Obligated Group & Foundation Affiliates  
(Members of HumanGood)**

Attachment II To Form 5-4: Deductions From Operating Expenses  
State of California, Department of Social Services  
Year Ended December 31, 2020

Line	Description	Terraces at Los Altos	Grand Lake Gardens	Piedmont Gardens	Plymouth Village	Valle Verde	Rosewood	Terraces of Los Gatos	Terraces at San Joaquin Gardens	Royal Oaks	White Sands La Jolla	Windsor	Regents Point	Westminster Gardens	Redwood Terrace	Total
2e	<b>Total cash received during the fiscal year for services to resident who did not have a continuing care contract:</b>															
sum of (A)	Monthly Fees – Private (Noncontract)	\$ 4,878,000	\$ 1,931,000	\$ 10,637,000	\$ 3,927,000	\$ 6,446,000	\$ 9,439,000	\$ 6,956,000	\$ 7,475,000	\$ 2,266,000	\$ 3,965,000	\$ 4,484,000	\$ 4,317,000	\$ 1,045,000	\$ 6,093,000	\$ 73,859,000
sum of (B)	Second Person Fee - PP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
sum of (D)	Monthly Fees - Wellness - Private (Noncontract)	-	-	-	1,000	-	31,000	1,000	10,000	-	-	-	-	-	-	43,000
(I)	Laboratory – Private (Noncontract)	54,000	-	54,000	66,000	50,000	53,000	260,000	70,000	7,000	-	6,000	20,000	-	32,000	672,000
(F)	Therapies – Private (Noncontract)	912,000	-	1,858,000	196,000	878,000	976,000	2,217,000	1,037,000	179,000	-	143,000	346,000	-	463,000	9,205,000
sum of (E)	Chargeable Supplies – Private (Noncontract)	41,000	-	3,000	186,000	38,000	51,000	140,000	4,000	53,000	27,000	2,000	8,000	-	45,000	598,000
sum of (C)	Drugs – Private (Noncontract)	143,000	-	276,000	148,000	361,000	401,000	528,000	436,000	19,000	-	36,000	155,000	-	97,000	2,600,000
(J)	Oxygen – Private (Noncontract)	-	-	-	-	9,000	-	27,000	-	-	-	-	-	-	-	36,000
(G)	Change in Accounts Receivable (Noncontract)	421,000	-	164,000	(199,000)	(160,000)	(198,000)	826,000	426,000	(103,000)	(16,000)	(117,000)	31,000	-	362,000	1,437,000
	<b>Total for Line 2e</b>	<b>\$ 6,449,000</b>	<b>\$ 1,931,000</b>	<b>\$ 12,992,000</b>	<b>\$ 4,325,000</b>	<b>\$ 7,622,000</b>	<b>\$ 10,753,000</b>	<b>\$ 10,955,000</b>	<b>\$ 9,458,000</b>	<b>\$ 2,421,000</b>	<b>\$ 3,976,000</b>	<b>\$ 4,554,000</b>	<b>\$ 4,877,000</b>	<b>\$ 1,045,000</b>	<b>\$ 7,092,000</b>	<b>\$ 88,450,000</b>
	<b>Residential Living Fees Reconciliations</b>															
(A)	Monthly Fees – Private (Noncontract)	-	1,931,000	79,000	367,000	-	1,175,000	-	222,000	449,000	360,000	1,164,000	157,000	166,000	467,000	6,537,000
(B)	Second Person Fee - PP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Drugs - Private (Noncontract)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (Noncontract)	-	1,931,000	79,000	367,000	-	1,175,000	-	222,000	449,000	360,000	1,164,000	157,000	166,000	467,000	6,537,000
	Contract	7,028,000	2,129,000	8,654,000	6,719,000	13,875,000	2,825,000	11,197,000	11,079,000	6,736,000	10,025,000	1,836,000	10,660,000	4,306,000	4,110,000	101,179,000
	<b>Total Residential Living Fees</b>	<b>\$ 7,028,000</b>	<b>\$ 4,060,000</b>	<b>\$ 8,733,000</b>	<b>\$ 7,086,000</b>	<b>\$ 13,875,000</b>	<b>\$ 4,000,000</b>	<b>\$ 11,197,000</b>	<b>\$ 11,301,000</b>	<b>\$ 7,185,000</b>	<b>\$ 10,385,000</b>	<b>\$ 3,000,000</b>	<b>\$ 10,817,000</b>	<b>\$ 4,472,000</b>	<b>\$ 4,577,000</b>	<b>\$ 107,716,000</b>
	<b>Assisted Living Fees Reconciliation</b>															
(A)	Monthly Fees – Private (Noncontract)	1,175,000	-	1,878,000	199,000	-	696,000	1,075,000	1,340,000	15,000	810,000	1,305,000	400,000	432,000	656,000	9,981,000
(B)	Second Person Fee - PP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(E)	Chargeable Supplies - Private (Noncontract)	-	-	-	-	-	1,000	-	-	-	-	-	-	-	-	1,000
(C)	Drugs - Private (Noncontract)	-	-	-	-	-	-	7,000	-	-	-	-	-	-	-	7,000
	Total (Noncontract)	1,175,000	-	1,878,000	199,000	-	697,000	1,082,000	1,340,000	15,000	810,000	1,305,000	400,000	432,000	656,000	9,989,000
	Contract	1,728,000	-	2,180,000	2,008,000	2,073,000	1,243,000	2,444,000	2,540,000	1,748,000	2,046,000	1,137,000	2,946,000	1,024,000	949,000	24,066,000
	<b>Total Assisted Living Fees</b>	<b>\$ 2,903,000</b>	<b>\$ -</b>	<b>\$ 4,058,000</b>	<b>\$ 2,207,000</b>	<b>\$ 2,073,000</b>	<b>\$ 1,940,000</b>	<b>\$ 3,526,000</b>	<b>\$ 3,880,000</b>	<b>\$ 1,763,000</b>	<b>\$ 2,856,000</b>	<b>\$ 2,442,000</b>	<b>\$ 3,346,000</b>	<b>\$ 1,456,000</b>	<b>\$ 1,605,000</b>	<b>\$ 34,055,000</b>
	<b>Health Center Fees Reconciliation</b>															
(A)	Monthly Fees – Private (Noncontract)	2,507,000	-	8,411,000	3,180,000	6,446,000	7,215,000	5,425,000	5,235,000	1,802,000	2,428,000	2,015,000	3,501,000	-	4,633,000	52,798,000
(I)	Laboratory – Private (Noncontract)	54,000	-	54,000	66,000	50,000	53,000	260,000	70,000	7,000	-	6,000	20,000	-	32,000	672,000
(F)	Therapies – Private (Noncontract)	912,000	-	1,858,000	196,000	878,000	976,000	2,217,000	1,037,000	179,000	-	143,000	346,000	-	463,000	9,205,000
(E)	Chargeable Supplies – Private (Noncontract)	41,000	-	3,000	186,000	38,000	50,000	134,000	4,000	53,000	27,000	2,000	8,000	-	45,000	591,000
(C)	Drugs – Private (Noncontract)	143,000	-	276,000	148,000	361,000	401,000	521,000	436,000	19,000	-	36,000	155,000	-	97,000	2,593,000
(J)	Oxygen – Private (Noncontract)	-	-	-	-	9,000	-	27,000	-	-	-	-	-	-	-	36,000
(G)	Change in Accounts Receivable (Noncontract)	421,000	-	164,000	(199,000)	(160,000)	(198,000)	826,000	426,000	(103,000)	(16,000)	(117,000)	31,000	-	362,000	1,437,000
	Total (Noncontract)	4,078,000	-	10,766,000	3,577,000	7,622,000	8,497,000	9,410,000	7,208,000	1,957,000	2,439,000	2,085,000	4,061,000	-	5,632,000	67,332,000
	Contract	1,832,000	-	1,870,000	563,000	2,514,000	227,000	1,753,000	542,000	3,305,000	2,181,000	703,000	1,894,000	-	1,589,000	18,973,000
	<b>Total Health Center Fees Reconciliation</b>	<b>\$ 5,910,000</b>	<b>\$ -</b>	<b>\$ 12,636,000</b>	<b>\$ 4,140,000</b>	<b>\$ 10,136,000</b>	<b>\$ 8,724,000</b>	<b>\$ 11,163,000</b>	<b>\$ 7,750,000</b>	<b>\$ 5,262,000</b>	<b>\$ 4,620,000</b>	<b>\$ 2,788,000</b>	<b>\$ 5,955,000</b>	<b>\$ -</b>	<b>\$ 7,221,000</b>	<b>\$ 86,305,000</b>
	<b>Memory Support Reconciliation</b>															
(A)	Monthly Fees – Private (Noncontract)	1,196,000	-	269,000	181,000	-	353,000	456,000	678,000	-	367,000	-	259,000	447,000	337,000	4,543,000
(E)	Chargeable Supplies – Private (Noncontract)	-	-	-	-	-	-	6,000	-	-	-	-	-	-	-	6,000
(C)	Drugs – Private (Noncontract)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (Noncontract)	1,196,000	-	269,000	181,000	-	353,000	462,000	678,000	-	367,000	-	259,000	447,000	337,000	4,549,000
	Contract	542,000	-	1,200,000	264,000	1,904,000	803,000	1,316,000	1,560,000	-	566,000	-	471,000	290,000	388,000	9,304,000
	<b>Total Memory Support Fees</b>	<b>\$ 1,738,000</b>	<b>\$ -</b>	<b>\$ 1,469,000</b>	<b>\$ 445,000</b>	<b>\$ 1,904,000</b>	<b>\$ 1,156,000</b>	<b>\$ 1,778,000</b>	<b>\$ 2,238,000</b>	<b>\$ -</b>	<b>\$ 933,000</b>	<b>\$ -</b>	<b>\$ 730,000</b>	<b>\$ 737,000</b>	<b>\$ 725,000</b>	<b>\$ 13,853,000</b>
	<b>Other Resident Services Reconciliation</b>															
(D)	Monthly Fees - Wellness - Private (Noncontract)	-	-	-	1,000	-	31,000	1,000	10,000	-	-	-	-	-	-	43,000
	Total (Noncontract)	-	-	-	1,000	-	31,000	1,000	10,000	-	-	-	-	-	-	43,000
	Contract	66,000	139,000	655,000	226,000	234,000	112,000	291,000	59,000	354,000	164,000	74,000	949,000	217,000	177,000	3,717,000
	<b>Total Other Residential Services Revenue</b>	<b>\$ 66,000</b>	<b>\$ 139,000</b>	<b>\$ 655,000</b>	<b>\$ 227,000</b>	<b>\$ 234,000</b>	<b>\$ 143,000</b>	<b>\$ 292,000</b>	<b>\$ 69,000</b>	<b>\$ 354,000</b>	<b>\$ 164,000</b>	<b>\$ 74,000</b>	<b>\$ 949,000</b>	<b>\$ 217,000</b>	<b>\$ 177,000</b>	<b>\$ 3,760,000</b>
	<b>Total Cash Received for Resident Services</b>	<b>\$ 17,645,000</b>	<b>\$ 4,199,000</b>	<b>\$ 27,551,000</b>	<b>\$ 14,105,000</b>	<b>\$ 28,222,000</b>	<b>\$ 15,963,000</b>	<b>\$ 27,956,000</b>	<b>\$ 25,238,000</b>	<b>\$ 14,564,000</b>	<b>\$ 18,958,000</b>	<b>\$ 8,304,000</b>	<b>\$ 21,797,000</b>	<b>\$ 6,882,000</b>	<b>\$ 14,305,000</b>	<b>\$ 245,689,000</b>

**HumanGood California Obligated Group & Foundation Affiliates  
(Members 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, 2020

**Total Cash and Cash Equivalents from Combining Financial Statements**

Cash and cash equivalents (p.3)	\$ 23,013,000
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**Cash and Cash Equivalents Reconciliation from Form 5-5**

Debt service reserve, cash and cash equivalents	5,753,000
Operating reserve, cash and cash equivalents	17,260,000

Total cash and cash equivalents listed on Form 5-5	\$ 23,013,000
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**Total Investments from Combining Financial Statements**

Investments (p.3)	\$ 226,580,000
Designated Investments (p.3)	123,966,000

Total investments from combining financial statements	\$ 350,546,000
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**Investment Securities Reconciliation from Form 5-5**

Debt service reserve, investments	\$ 87,637,000
Operating reserve, investments	262,909,000

Total investments listed on Form 5-5	\$ 350,546,000
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**Debt Service Reserve from Combining Financial Statements**

Current portion of restricted investments (p.3)	\$ 3,665,000
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**Debt Service Reserve Reconciliation from Form 5-5**

Debt service reserve	\$ 3,665,000
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**Debt Service Reserve Reconciliation**

Cash and cash equivalents, Form 5-5	\$ 5,753,000
Investment securities, Form 5-5	87,637,000
HumanGood California Obligated Group debt service reserve	3,665,000

Total listed for debt service reserve	\$ 97,055,000
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**Operating Reserve Reconciliation**

Cash and cash equivalents, Form 5-5	17,260,000
Investment securities, Form 5-5	262,909,000

Total listed for operating reserve	\$ 280,169,000
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## HumanGood California Obligated Group & Foundation Affiliates (Members of HumanGood)

Form 5-5 Supplemental Schedule: Description of Reserves Under SB 1212  
State of California, Department of Social Services  
Year Ended December 31, 2020

### Total Qualifying Assets as Filed:

### Comments in Consistency with Tax Exempt Status Under AB 1169

Cash and cash equivalents	\$ 23,013,000
Unrestricted investment securities	226,580,000
Designated investments	<u>123,966,000</u>
Total qualifying assets	<u>373,559,000</u>

### Reservations and Designations:

Designated for Endowment	59,013,000	Foundation West unrestricted endowment funds qualify for liquid reserves but are not generally available for operations. Foundation West provides a limited guarantee for certain debt service obligations as described in Note 6 to the audited combined financial statements. Earnings from the Foundation West unrestricted endowment funds are distributed to the communities for assistance with benevolence needs of residents but could be made available if necessary.
Designated for Retirement	4,953,000	Assets included in non-qualified retirement plan that is subject to claims of creditors as discussed in Note 8 to the audited combined financial statements. Funds could be made available if necessary.
Designated for Innovation	10,000,000	Anticipated funds to be utilized to fund innovation initiatives at HumanGood. Funds could be made available if necessary.
Designated for Capital Projects	<u>50,000,000</u>	Anticipated funds to be utilized to fund certain capital project initiatives at HumanGood. Funds could be made available if necessary.
Total reservations and designations	<u>\$ 123,966,000</u>	

**Note:** The Corporations have investments, which are available for utilization within one year in the normal course of operations. Accordingly, these assets have been included above. Additionally, certain other board-designated assets are internally designated for long-term purposes and an operating reserve. These investments are not used for general expenditure within the next year; however, the board-designated amounts could be made available, if necessary, and as such are included above. Total qualifying assets exclude any amounts with external donor restrictions.



**HumanGood California Obligated Group & Foundation Affiliates**  
**(Members of HumanGood)**

Form 5-5 Supplemental Schedule

Per Capita Cost of Operations

State of California - Department of Social Services

December 31, 2020

Description	Terraces at Los Altos	Grand Lake Gardens	Piedmont Gardens	Plymouth Village	Valle Verde	Rosewood	Terraces of Los Gatos	Terraces at San Joaquin Gardens	Royal Oaks	White Sands La Jolla	Windsor	Regents Point	Westminster Gardens	Redwood Terrace	Total
<b>Per Capita Cost of Operations</b>															
Operating expenses (Form 5-4, line 1)	\$ 20,437,000	\$ 5,326,000	\$ 28,917,000	\$ 18,576,000	\$ 31,187,000	\$ 19,149,000	\$ 29,609,000	\$ 30,792,000	\$ 20,961,000	\$ 25,471,000	\$ 11,276,000	\$ 25,845,000	\$ 8,604,000	\$ 19,763,000	\$ 295,913,000
Mean Number of CCRC Residents	158.50	50.50	219.50	222.50	389.00	117.00	266.50	345.50	216.00	237.00	65.00	314.00	134.00	129.00	2,864.00
Per Capita Cost of Operations	\$ 128,940	\$ 105,465	\$ 131,740	\$ 83,488	\$ 80,172	\$ 163,667	\$ 111,103	\$ 89,123	\$ 97,042	\$ 107,473	\$ 173,477	\$ 82,309	\$ 64,209	\$ 153,202	\$ 103,322