

# **HumanGood California Obligated Group (Members of HumanGood)**

Combined Financial Statements and  
Combining Supplementary Information

December 31, 2025

# HumanGood California Obligated Group (Members of HumanGood)

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## **Independent Auditors' Report**

To the Board of Directors of  
HumanGood California Obligated Group (Members of HumanGood)

### **Opinion**

We have audited the combined financial statements of HumanGood California Obligated Group (the Corporations), which comprise the combined balance sheet as of December 31, 2025, and the related combined statements of operations and changes in net assets and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of the Corporations as of December 31, 2025, and the results of their operations, changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Corporations and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Emphasis of Matter - Change in Reporting Entity**

As a result of the restructuring described in Note 1, HumanGood Foundation West's and HumanGood Foundation South's corporate memberships were transferred from HumanGood NorCal and HumanGood SoCal, respectively, to HumanGood Cornerstone, an affiliate, during 2025. Accordingly, the accounts of the HumanGood Foundation West and HumanGood Foundation South are not included in the combined financial statements as they are no longer subsidiaries of HumanGood NorCal and HumanGood SoCal, respectively. Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Combined Financial Statements**

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with GAAP, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporations' abilities to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditors' Responsibilities for the Audit of the Combined Financial Statements**

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporations' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporations' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

## **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining information, as identified in the table of contents, is presented for purposes of additional analysis of the combined financial statements rather than to present the financial position, results of operations, changes in net assets and cash flows of the individual organizations, and it is not a required part of the combined financial statements. 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 combined financial statements. The combining information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with GAAP. In our opinion, the combining information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

*Baker Tilly US, LLP*

Philadelphia, Pennsylvania  
April 29, 2026

**HumanGood California Obligated Group  
(Members of HumanGood)**

Combined Balance Sheet  
December 31, 2025  
(In Thousands)

<b>Assets</b>		<b>Liabilities and Net Assets</b>	
<b>Current Assets</b>		<b>Current Liabilities</b>	
Cash and cash equivalents	\$ 30,383	Accounts payable and accrued expenses	\$ 64,809
Resident accounts receivable, less allowance for credit losses of \$4,795	13,187	Deposits	10,612
Other receivables	10,582	Accrued interest	3,743
Current portion of restricted investments	6,527	Current portion of notes and bonds payable	<u>7,650</u>
Intercompany advances due	33,229	Total current liabilities	86,814
Prepaid expenses, deposits and other assets	<u>12,455</u>		
Total current assets	106,363	<b>Notes and Bonds Payable, Net</b>	427,623
<b>Investments</b>	479,144	<b>Rebatable Entrance Fees Due</b>	171,950
<b>Designated Investments</b>	24,834	<b>Entrance Fees Subject to Refund</b>	105,512
<b>Investment in Affiliate Bonds</b>	93,660	<b>Entrance Fees Nonrefundable</b>	263,083
<b>Restricted Investments</b>	31,465	<b>Retirement Liabilities</b>	10,460
<b>Interest in Net Assets of HumanGood Foundation</b>	107,740	<b>Workers' Compensation Liability</b>	16,882
<b>Subordinated Interaffiliate Notes Receivable, Net</b>	14,063	<b>Other Liabilities</b>	<u>6,019</u>
<b>Land, Buildings and Equipment, Net</b>	513,442	Total liabilities	<u>1,088,343</u>
<b>Interest and Management Fees Due From Affiliates</b>	628	<b>Net Assets</b>	
<b>Other Noncurrent Assets</b>	25,813	Without donor restrictions	201,069
		With donor restrictions	<u>107,740</u>
		Total net assets	<u>308,809</u>
Total assets	<u>\$ 1,397,152</u>	Total liabilities and net assets	<u>\$ 1,397,152</u>

See notes to combined financial statements

**HumanGood California Obligated Group**  
**(Members of HumanGood)**

Combined Statement of Operations and Changes in Net Assets  
Year Ended December 31, 2025  
(In Thousands)

**Changes in Net Assets Without Donor Restrictions**

Operating revenues:	
Residential living	\$ 137,946
Assisted living	45,519
Health center	118,753
Memory support	19,228
Other resident services	5,142
COVID relief funding	2,192
Other operating revenues	11,937
Net assets released from restrictions	1,802
Amortization of entrance fees	54,466
	<hr/>
Total operating revenues	396,985
	<hr/>
Operating expenses:	
Salaries and wages	177,432
Employee benefits	41,673
Supplies	26,901
Ancillary services	14,694
Repairs and maintenance	4,113
Marketing and advertising	4,091
Purchased services	22,784
Utilities	16,002
Travel and related	2,927
Leases and rents	1,172
Insurance	8,589
Other operating expenses	1,541
	<hr/>
Total operating expenses	321,919
	<hr/>
Income before other operating income (expense)	75,066
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Other operating income (expense):	
Realized gains on investments, net	4,182
Change in unrealized gains on investments, net	28,759
Investment income, net	21,246
Depreciation and amortization	(47,232)
Interest expense	(15,443)
Gains on disposal of fixed assets, net	15,501
Gain on early retirement of debt	1,120
Nonrecurring operating expenses	(333)
	<hr/>
Income from operations	82,866
	<hr/>

See notes to combined financial statements

## HumanGood California Obligated Group (Members of HumanGood)

Combined Statement of Operations and Changes in Net Assets  
Year Ended December 31, 2025  
(In Thousands)

### Changes in Net Assets Without Donor Restrictions

Income from operations	\$	82,866
Other changes in net assets without donor restrictions:		
Net assets released from restrictions for capital		612
Other affiliate distributions and equity transfers		(1,755)
Unrealized losses on interest rate swaps and caps		(1,181)
		<u>80,542</u>

### Changes in Net Assets With Donor Restrictions

Changes in interest in net assets of HumanGood Foundation		17,815
Net assets released from restrictions for benevolence		(1,802)
Net assets released from restrictions for capital		(612)
		<u>15,401</u>

Change in net assets

**Net Assets, Beginning** 212,866

**Net Assets, Ending** \$ 308,809

## HumanGood California Obligated Group (Members of HumanGood)

Combined Statement of Cash Flows  
Year Ended December 31, 2025  
(In Thousands)

### Cash Flows From Operating Activities

Cash received for resident services	\$ 328,561
Cash received from nonrebatable entrance fees from reoccupancy	93,255
Cash received from COVID relief funding	2,192
Cash received from other operating activities	19,853
Cash earnings realized from investments	21,246
Cash paid for employee salaries	(163,752)
Cash paid for employee benefits	(42,678)
Cash paid for temporary labor	(11,244)
Cash paid to vendors	(98,783)
Cash paid for interest	(16,422)

Net cash provided by operating activities 132,228

### Cash Flows From Investing Activities

Acquisition of land, buildings and equipment	(72,218)
Proceeds from sale of fixed assets	19,503
Net purchases of unrestricted investments	(106,115)
Net purchases of restricted investments	(69)
Cash received from intercompany and affiliate transactions	928

Net cash used in investing activities (157,971)

### Cash Flows From Financing Activities

Proceeds from rebatable entrance fees	19,528
Refunds of deposits and entrance fees	(23,213)
Principal payments on notes and bonds payable	(7,645)
Cash paid for bond issuance costs	(824)
Affiliate cash distributions	(1,755)

Net cash used in financing activities (13,909)

Decrease in cash, cash equivalents  
and restricted cash and cash equivalents (39,652)

### Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning

106,564

### Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending

\$ 66,912

See notes to combined financial statements

**HumanGood California Obligated Group  
(Members of HumanGood)**

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Combined Statement of Cash Flows  
Year Ended December 31, 2025  
(In Thousands)

**Noncash Disclosures**

Long-term debt repaid with proceeds from Series 2025 bonds	<u>\$ 71,935</u>
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**Reconciliation of Cash and Cash Equivalents and Restricted Cash  
and Cash Equivalents to Combined Balance Sheet**

Cash and cash equivalents	\$ 30,383
Restricted cash and cash equivalents included in restricted investments	<u>36,529</u>

Total cash, cash equivalents and restricted cash and cash equivalents	<u>\$ 66,912</u>
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# HumanGood California Obligated Group (Members of HumanGood)

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Notes to Combined Financial Statements  
December 31, 2025

## 1. Business and Organization

HumanGood (Parent Organization) is a California nonprofit public benefit tax-exempt corporation providing housing, health care and supportive services for seniors 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, SoCal and TSJG form the HumanGood California Obligated Group (COG, the Corporations). Through December 30, 2025, NorCal was the sole member of HumanGood Foundation West and SoCal was the sole member of HumanGood Foundation South. Effective December 31, 2025, Foundation South merged into Foundation West. Concurrent with this merger, Foundation West changed its name to HumanGood Foundation, and its corporate membership was transferred from NorCal to Cornerstone. Accordingly, the accounts of HumanGood Foundation West and HumanGood Foundation South are not included in the combined financial statements as they are no longer subsidiaries of NorCal and SoCal, respectively.

### 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, COG was formed (Note 6).

#### 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 seniors. Certain NorCal directors are also HumanGood's directors. The executive officers of HumanGood also serve as executive officers of NorCal. As of December 31, 2025, the following LPCs were owned and operated by NorCal:

Terraces at Los Altos	Valle Verde
Piedmont Gardens	Rosewood
Plymouth Village	Terraces of Los Gatos
Grand Lake Gardens (closed and delicensed in 2023, sold in 2025, Note 5)	

#### 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 seniors. Certain SoCal directors are also HumanGood's directors. The executive officers of HumanGood also serve as executive officers of SoCal. As of December 31, 2025, the following LPCs were owned and operated by SoCal:

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

#### HumanGood Fresno

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

## **HumanGood California Obligated Group (Members of HumanGood)**

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Notes to Combined Financial Statements  
December 31, 2025

### **HumanGood Cornerstone and Related Enterprises**

HumanGood Cornerstone, an affiliate of the Corporations, is a California nonprofit public benefit tax-exempt corporation and, as the sole member, exercises its direction and control through the appointment of the Board of Directors of HumanGood Arizona, Inc. (dba Terraces of Phoenix, TOP), HumanGood Washington (dba Judson Park, JP), HumanGood Nevada (dba Las Ventanas), HumanGood Idaho (dba The Terraces of Boise, Boise), HumanGood East, HumanGood Affordable Housing, West Valley Nursing Homes, Inc., (dba The Terraces at Summitview) including its subsidiary, HG Hillside LLC, Springhouse, Mount Pleasant Home, HG Perennial LLC, and effective December 31, 2025, HumanGood Foundation (Foundation).

HumanGood and HumanGood Cornerstone's Boards are composed of the same directors.

### **HumanGood Affordable Housing**

HumanGood Affordable Housing (HGAH) is a California nonprofit public benefit tax-exempt corporation. HGAH serves as the sole or majority General Partner and controlling organization for 30 tax-credit affordable housing communities, serves as the sole or majority member and controlling organization for 23 additional affordable housing communities and provides management services to 14 additional affordable housing communities, including one for whom HGAH serves as the minority General Partner.

On January 1, 2015, NorCal purchased Beacon Development Group (BDG) for a combination of cash and a \$2,000,000 note and simultaneously assigned its rights thereto to HGAH. NorCal then entered into a \$2,350,000 affiliate note with BDG to assign the cost of purchase to the acquired entity.

Simultaneous with this January 1, 2015 purchase, NorCal transferred all operational activities, assets and liabilities associated with NorCal's affordable housing line of business to HGAH in exchange for a noninterest bearing affiliate note with NorCal for \$2,242,000, which was paid in full in 2025, and a noninterest bearing contingent note with NorCal for \$1,364,000, which was paid in full in 2021.

### **HumanGood Arizona, Inc.**

HumanGood Arizona, Inc. is an Arizona nonprofit tax-exempt corporation providing housing, health care and supportive services for seniors in Phoenix, Arizona through its LPC, Terraces of Phoenix. Prior to September 29, 2003, TOP was a controlled affiliate of NorCal. The funds previously advanced by NorCal to support TOP's operating and capital needs were retained in the form of a subordinated note receivable from TOP. The note has been recorded as part of subordinated interaffiliate notes receivable, net in the accompanying combined balance sheet at the estimated net realizable value of \$4,315,000 as of December 31, 2025.

NorCal manages TOP under a multiyear management agreement at a management fee of 8.5% of total budgeted cash revenues, with half of this amount subject to subordination upon noncompliance with certain covenants. The agreement automatically renews annually unless terminated.

### **HumanGood Washington**

HumanGood Washington is a Washington nonprofit tax-exempt corporation providing housing, health care and supportive services for seniors in Washington through its LPC, Judson Park. On May 30, 2012, NorCal entered into a 10-year management agreement, at a base fee of 8.5% of total budgeted cash revenues, with half of this amount subject to subordination upon noncompliance with certain covenants. The agreement automatically renews annually unless terminated.

## **HumanGood California Obligated Group (Members of HumanGood)**

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Notes to Combined Financial Statements  
December 31, 2025

### **HumanGood Nevada**

HumanGood Nevada is a California nonprofit public benefit tax-exempt corporation providing housing, health care and supportive services for seniors in the Las Vegas, Nevada area, through its LPC, Las Ventanas. On July 1, 2004, NorCal began providing oversight management services to Las Ventanas. On January 1, 2010, NorCal began providing full management services to Las Ventanas at a rate of 3.0% of total cash revenues, which increased to 5.0% effective August 31, 2025.

On November 16, 2021, HumanGood Nevada filed a public disclosure informing bondholders that it intended to call for redemption its previously outstanding Series 2012 Bonds. On December 16, 2021, using a combination of \$22,540,000 of NorCal cash, \$11,851,000 of HumanGood Nevada cash and an exchange of \$28,262,000 of Series 2012 Bonds held by NorCal, HumanGood Nevada retired, at a 1.0% premium, its Series 2012 Bonds in exchange for the issuance to NorCal of a CUSIP-bearing \$43,819,000 Series 2021 senior secured note bearing interest at a fixed rate of 4.0% over 35 years, which is included in investment in affiliate bonds on the accompanying combined balance sheet.

In December 2023, the original Series 2021 senior secured note was retired and a new Series 2021 senior secured note was reissued with identical terms except that the interest rate was converted to the twelve-month SOFR rate (subject to a 1% floor) plus 1.4% in exchange for NorCal amending the management agreement to lock in the current management fee of 3% of revenue until August 31, 2025 and a 5% management fee thereafter.

### **HumanGood Idaho**

HumanGood Idaho is a California nonprofit public benefit tax-exempt corporation, which has been providing housing, health care and supportive services for seniors in Boise, Idaho, through its LPC, the Terraces of Boise, since 2015.

Effective February 2021, NorCal entered into a management agreement with Boise, whereby NorCal receives a base fee of 5% of budgeted cash revenues, with 3% deferred and payable only from cash balances greater than 150 days. In 2025, payments of \$618,000 were received towards the deferred portion. Deferred amounts of \$628,000 are included in interest and management fees due from affiliates on the accompanying combined balance sheet at December 31, 2025.

On October 6, 2021, HumanGood Idaho issued \$75,045,000 of Series 2021A Bonds and \$4,170,000 of Series 2021B Bonds in exchange for the previously outstanding Series 2014 Bonds. NorCal provided an unfunded liquidity support agreement of \$1,500,000, contributed \$6,500,000 in working capital in exchange for subordinated Series 2021C Bonds and forgave previous unsecured amounts owing in exchange for \$2,250,000 of junior subordinated Series 2021 Direct Obligation No. 4, both included in subordinated interaffiliate notes receivable, net in the accompanying combined balance sheet.

### **West Valley Nursing Homes, Inc. and Affiliate**

West Valley Nursing Homes, Inc. (dba The Terraces at Summitview) is a Washington nonprofit tax-exempt corporation providing housing, health care and supportive services for seniors in Yakima, Washington through its LPC, The Terraces at Summitview. Effective February 1, 2022, NorCal entered into a management agreement with The Terraces at Summitview at a base fee of 3% of total budgeted cash revenues, with year-end adjustments allowing for an increase in management fees of 50% of net income available for debt service exceeding \$1,572,000, with annual management fee amounts not to exceed 6.5% of total budgeted cash revenues. The agreement automatically renews annually unless terminated.

## **HumanGood California Obligated Group (Members of HumanGood)**

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Notes to Combined Financial Statements  
December 31, 2025

During 2024, NorCal issued a revolving loan agreement to The Terraces at Summitview for a maximum amount of \$3,000,000 in the form of an operating liquid reserve. The revolving loan bears interest at the 12-month SOFR rate plus 0.5%. No amounts have been drawn as of December 31, 2025.

On May 1, 2023, West Valley Nursing Homes, Inc., through a newly formed subsidiary, HG Hillside LLC, acquired a life plan community in McMinneville, Oregon (Hillside). Hillside was assigned and assumed the purchase and sale agreement of the life plan community from NorCal for \$43,430,000 in exchange for a senior secured promissory note. This note is included in investment in affiliate bonds in the accompanying combined balance sheet as of December 31, 2025. Effective May 1, 2023, NorCal entered into a consulting and financial services agreement with Hillside at a base fee of 5% of total budgeted cash revenues. The agreement automatically renews annually unless terminated. In conjunction with the acquisition, NorCal issued a revolving line of credit to Hillside for a maximum amount of \$8,000,000, with \$6,500,000 designated to meet statutory reserve requirements and the remaining \$1,500,000 designated to support working capital needs. The line of credit bears interest at the twelve-month SOFR rate (subject to a 1% floor) plus 1.4%. No amounts have been drawn as of December 31, 2025.

During 2024, NorCal issued a revolving loan agreement to Hillside for a maximum amount of \$10,000,000 to fund ongoing construction projects on the campus. The revolving loan bears interest at the 12-month SOFR rate (subject to a 1% floor) plus 1.4%. No amounts have been drawn as of December 31, 2025.

### **Springhouse**

Springhouse Inc. (dba Springhouse) is a nonprofit corporation which was formed on April 17, 1992 under the laws of the Commonwealth of Massachusetts. The organization was created to construct and operate a community which offers independent living, assisted living and memory support in Boston, Massachusetts. Springhouse opened and began operations on November 12, 1996. In August 2023, NorCal entered into a management agreement with Springhouse at a fee of 5% of total budgeted revenues. The agreement automatically renews annually unless terminated.

### **Mount Pleasant Home**

Mount Pleasant Home, Inc. (MPH) is a non-profit corporation organized on March 15, 1901, pursuant to the laws of the Commonwealth of Massachusetts, to provide a home for aged indigent people of both sexes and currently operates a 60-bed rest home located in Boston, Massachusetts. Effective February 1, 2024, NorCal entered into a management agreement with MPH at a fee of 5% of total budgeted revenues. The agreement automatically renews annually unless terminated.

### **HumanGood East**

HumanGood East is a Pennsylvania nonprofit tax-exempt corporation providing housing, health care and supportive services for seniors through its three LPCs, 19 owned and operated affordable housing communities and 18 additional affordable housing communities managed for unrelated entities.

### **HumanGood Foundation**

HumanGood Foundation (Foundation) 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 residents. The Foundation's principal activity is to administer such funds under donor agreements.

# HumanGood California Obligated Group (Members of HumanGood)

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Notes to Combined Financial Statements  
December 31, 2025

## HG Perennial LLC

HG Perennial LLC is a Delaware limited liability company, which was formed in July 2024 for the purpose of holding HumanGood's minority ownership interest in Perennial Advantage, a network of Medicare Advantage plans.

## Basis of Presentation and Principles of Combination

The accompanying combined financial statements combine the accounts of NorCal, SoCal and TSJG, and were prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). All entities share a common parent, HumanGood, which has the sole corporate membership and controlling financial interest in each of these organizations.

All interaffiliate transactions between the Corporations eliminate in combination.

## 2. Summary of Significant Accounting Policies

### Use of Estimates

The preparation of the combined financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reported periods. Significant items subject to such estimates and assumptions include the fair values of interest rate swaps and caps assets; fair values of allowance for credit losses; fair values of notes receivable; fair values of investments; future service benefit obligations; entrance fees subject to refund; entrance fees nonrefundable; liabilities for self-insured workers' compensation; liabilities for self-insured health insurance; and liabilities for pension and retirement plans. Actual results could differ from those estimates.

### Cash and Cash Equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits with financial institutions, money market funds and overnight investments considered to be cash equivalents. For the purposes of the combined statement of cash flows, cash, cash equivalents and restricted cash and cash equivalents included in restricted investments include investments purchased with an initial maturity of three months or less.

### Resident Accounts Receivable

Accounts receivable are reported net of an allowance for credit losses, which represents the Corporations' estimate of expected losses at the combined balance sheet date. Accounts are written off when they are determined to be uncollectible. The adequacy of the Corporations' allowance for credit losses is reviewed on an ongoing basis, using historical payment trends, write-off experience, analyses of receivable portfolios by payor source and aging of receivables, a review of specific accounts, and expected future economic conditions and market trends. Adjustments are made to the allowance, as necessary.

### Investments

Investments include certain cash and cash equivalents held by investment managers, mutual funds, equity securities, exchange-traded funds and closed-end funds, corporate debt, U.S. government securities, municipal bonds and alternative investments and are stated at fair value in the accompanying combined balance sheet.

## HumanGood California Obligated Group (Members of HumanGood)

Notes to Combined Financial Statements  
December 31, 2025

Investment income or loss (including interest, dividends and fees), realized gains and losses, and changes in unrealized gains and losses on investments are included in income from operations. Interest income is measured as earned on the accrual basis. Dividends are measured based on the ex-dividend date. Purchases and sales of securities and realized gains and losses are recorded on a trade-date basis.

The Corporations' investments are comprised of a variety of financial instruments and are managed by investment advisors. The fair value reported is subject to various risks, including changes in the equity markets, the interest rate environment and general economic conditions. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the amounts reported could change materially in the near term.

### Restricted Investments

Certain investments are restricted as assets held in trust. These include assets held by trustees in accordance with the indentures relating to debt agreements and are classified as restricted investments in the accompanying combined balance sheet (Note 4).

### Designated Investments

Designated investments of \$24,834,000 as of December 31, 2025 are designated by the Board of Directors primarily for future capital projects (Note 4).

### Investment in Affiliate Bonds

Investment in affiliate bonds consists of the Series 2021 senior secured note due from HumanGood Nevada and the Series 2023 senior secured note due from Hillside both bearing interest at the twelve-month SOFR rate (subject to a 1% floor) plus 1.4% over 35 years. In March 2025, NorCal purchased at par the outstanding Multifamily Housing Revenue Bonds 2008 Series A of Riverside Senior Apartments LP, an affiliate, in the amount of \$7,585,000, with a fixed interest rate of 5.85%.

These investments are recorded at fair market value as of December 31, 2025 in the accompanying combined balance sheet.

### Subordinated Interaffiliate Notes Receivable, Net

Subordinated interaffiliate notes receivable, net as of December 31, 2025 are comprised of the following (in thousands):

Subordinated note receivable from the Terraces of Phoenix	\$	4,315
Subordinated note receivable from the Terraces of Boise		6,500
Junior subordinated note receivable from the Terraces of Boise		2,250
Other note receivable		998
Total	\$	<u>14,063</u>

Subordinated interaffiliate notes receivable are further described in HumanGood Cornerstone and Related Enterprises subsection in Note 1.

## **HumanGood California Obligated Group (Members of HumanGood)**

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Notes to Combined Financial Statements  
December 31, 2025

### **Interest in Net Assets of the HumanGood Foundation**

The Foundation's primary purpose is to develop, invest and administer funds to provide housing and care on behalf of the residents of HumanGood and its affiliates. The Foundation fundraises and holds donor restricted assets on behalf of the Corporations, including deferred gifts such as gift annuities and charitable remainder trusts, and bequests to the Corporations. As a financially interrelated organization, the Corporations recognize their beneficial interest in the net assets of the Foundation which is separately presented on the accompanying combined balance sheet as interest in net assets of the HumanGood Foundation as of December 31, 2025. Changes in the interest in net assets of the HumanGood Foundation are recorded as increases or decreases in net assets with donor restrictions in the accompanying combined statement of operations and changes in net assets. During 2025, distributions from the Foundation to the Corporations were \$1,802,000 for benevolence and \$612,000 for capital projects.

### **Land, Buildings and Equipment, Net**

Land, buildings and equipment, net are recorded at cost, or fair value when received, if donated. The cost basis includes any interest, finance charges and other related costs capitalized during construction. Maintenance and repair costs are charged to operations when incurred.

Depreciation of buildings and equipment is computed on the straight-line method using estimated useful lives of 3 to 50 years. When assets are retired or otherwise disposed of, the cost of the asset and its related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized for the period.

### **Asset Impairment**

The Corporations periodically evaluate the carrying value of their long-lived assets for impairment. The evaluations address the estimated recoverability of the assets' carrying value, which is principally determined based on projected undiscounted cash flows generated by the underlying tangible assets. When the carrying value of an asset exceeds estimated recoverability, an asset impairment is recognized. No asset impairment was recognized at December 31, 2025.

### **Other Noncurrent Assets**

Other noncurrent assets are primarily comprised of membership interests in Caring Communities, a Reciprocal Risk Retention Group (CCrRRG), limited partner interests in three Ziegler Link-Age Funds, capitalized contract acquisition costs, and the fair market value of interest rate cap and swap agreements. Related amortization expense of capitalized contract acquisition costs, which is included in depreciation and amortization expense in the accompanying combined statement of operations and changes in net assets was \$920,000 in 2025.

### **Deferred Debt Issuance Costs**

Expenses incurred in connection with the issuance of debt are deferred and are amortized over the term of the related financing agreements using the interest method, and are presented in the combined balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. Amortization expense, which is included as a component of interest expense, in the accompanying combined statement of operations and changes in net assets was \$312,000 in 2025.

## **HumanGood California Obligated Group (Members of HumanGood)**

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Notes to Combined Financial Statements  
December 31, 2025

### **Obligation to Provide Future Services**

If the present value of future outflows to provide future health care services to current contracted residents, adjusted for certain noncash items, exceeds the present value of future cash inflows, a liability is recognized. Management engages an actuary to periodically calculate the obligation to provide future health care services to current contracted residents. Based upon the last calculations performed using a discount rate of 5%, the present value of future outflows to provide future services, adjusted for certain noncash items, did not exceed the present value of future cash inflows. Based upon these calculations, and analysis of management, no liability for the obligation to provide future services has been recorded at December 31, 2025.

### **Types of Entrance Fees**

The care and residence agreements between the Corporations and their residents provide for the payment of an entrance fee. Entrance fees received by the Corporations are categorized into two types: initial entrance fees and entrance fees from reoccupancy, which are recorded as either rebatable entrance fees due, entrance fees subject to refund or entrance fees nonrefundable in the accompanying combined balance sheet. Initial entrance fees, which are the initial fees on new or expanded facilities, are used to provide funds for acquisition and construction of physical facilities, debt retirement and to defray anticipated deficits in the operations of new homes for a period of time. Entrance fees from reoccupancy in existing homes are used for general purposes, including capital expenditures, support of operations (including benevolence) and funding of reserves.

### **Refund Policy on Entrance Fees**

The care and residence agreement provides the resident with the right to a refund of the entrance fee, less 2.0% for each month of residency for 41 months after an initial reduction to the original fee of 18% after 90 days, under certain circumstances. In certain cases, upon the move out of a resident, the unamortized balance of the entrance fee on a contractual basis is payable to the resident.

The Corporations have offered contract options whereby 50% and 100% of the entrance fee is rebatable at termination of the contract and subsequent reoccupancy of their apartment. The Corporations currently offer a 50%, 75%, 80% and 85% contract option at certain LPCs. At December 31, 2025, \$171,950,000 of the entrance fees related to these types of contracts are contractually rebatable and are included in rebatable entrance fees due in the accompanying combined balance sheet.

At December 31, 2025, the Corporations had nonrefundable entrance fees of \$263,083,000 related to entrance fees received that will be recognized as revenues in future years. Additionally, at December 31, 2025, the Corporations had entrance fees subject to refund of \$105,512,000, which will be recognized as revenues in future years, unless refunded.

Actual refunds and rebates of entrance fees were \$23,213,000 for the year ended December 31, 2025. Based on historical experience, management expects to pay refunds in future years of approximately \$23,000,000 per year.

# HumanGood California Obligated Group (Members of HumanGood)

Notes to Combined Financial Statements  
December 31, 2025

## Interest Rate Swaps and Caps

The Corporations have utilized interest rate swaps and caps as part of their overall debt management policy. The Corporations' account for interest rate swaps and caps in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) *Topic 815, Derivatives and Hedging*. The topic requires that all derivatives be carried at fair value and are included in other noncurrent assets in the accompanying combined balance sheet. Changes in fair value of derivatives are recorded as a change in net assets (see Note 7).

## Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

**Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions. All revenues not restricted by donors and donor-restricted contributions whose restrictions are met in the same period in which they are received are accounted for in net assets without donor restrictions.

**Net Assets With Donor Restrictions** - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. All revenues restricted by donors as to either timing or purpose of the related expenditures or required to be maintained in perpetuity as a source of investment income are accounted for in net assets with donor restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are included in net assets released from restrictions in the accompanying combined statement of operations and changes in net assets.

Net assets with donor restrictions represent the Corporations' beneficial interest in the net assets of the HumanGood Foundation and are comprised of the following for the year ended December 31, 2025 (in thousands):

Benevolence	\$	85,909
Purpose restricted, other		14,807
Restricted in perpetuity		<u>7,024</u>
Total	\$	<u><u>107,740</u></u>

## Net Resident Service Revenues

Net resident service revenues are reported at the amount that reflects the consideration the Corporations expect to receive in exchange for the services provided. These amounts are due from residents or third-party payors and include variable consideration for retroactive adjustments, if any, under reimbursement programs. Performance obligations are determined based on the nature of the services provided. Net resident service revenues are recognized as performance obligations are satisfied.

Payment terms and conditions for the Corporations' resident contracts vary by contract type and payor source. Net resident service revenues for recurring and routine monthly services are generally billed monthly in advance. Net resident service revenues for ancillary services are generally billed monthly in arrears. Additionally, entrance fees are generally billed and collected in advance of move-in.

## **HumanGood California Obligated Group (Members of HumanGood)**

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Notes to Combined Financial Statements  
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Net resident service revenues are primarily comprised of the following revenue streams:

### **Health Center**

Health center revenues are primarily derived from providing nursing services to residents at a stated daily fee, net of any explicit and implicit price concessions. The Corporations have determined that health center services are considered one performance obligation, which is satisfied over time as services are provided. Therefore, health center revenues are recognized on a daily basis as services are rendered.

Health center revenues, including monthly service fees, ancillary and other services fees are reported at the estimated net realizable amounts from residents, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors.

The Corporations receive revenues for services under third-party payor programs, including Medicare, MediCal and other third-party payors. Nursing and ancillary services provided to Medicare and MediCal beneficiaries are paid at prospectively determined rates per day. These rates vary according to a resident-specific classification system that is based on clinical, diagnostic and other factors and the reimbursement methodology is subject to various limitations and adjustments. The determination of these rates is partially based on the Corporations' clinical assessment of their residents.

The Corporations are required to clinically assess their residents at predetermined time periods throughout the year. The documented assessments are subject to review and adjustment by Medicare and MediCal. The basis for payment to the Corporations for other payor agreements includes prospectively determined rates per day or discounts from established charges. Laws and regulations governing the Medicare and MediCal programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties and exclusion from the Medicare and MediCal programs.

Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing resident care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence with the payor and the Corporations' historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenues recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or no longer subject to such audits, reviews and investigations. Adjustments arising from a change in the transaction price were not significant in 2025.

### **Assisted Living and Memory Support**

Assisted living and memory support revenues are primarily derived from providing housing and personal care services to residents at stated monthly housing and care fees. The Corporations have determined that the services included in the monthly fees have the same timing and pattern of transfer and are a series of distinct services that are considered one performance obligation for each of these levels of care, which is satisfied over time as services are provided. Therefore, assisted living and memory support revenues are recognized on a month-to-month basis.

# HumanGood California Obligated Group (Members of HumanGood)

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Notes to Combined Financial Statements  
December 31, 2025

## Residential Living

Residential living revenues are primarily derived from providing housing and services to residents. The Corporations have determined that the services included in the monthly fee have the same timing and pattern of transfer and are a series of distinct services that are considered one performance obligation, which is satisfied over time as services are provided. Therefore, residential living monthly fees are recognized on a month-to-month basis.

Entrance fees collected from residents in advance are recognized as deferred revenues from entrance fees until performance obligations are satisfied and are included in entrance fees nonrefundable in the accompanying combined balance sheet. The Corporations recognized amortization income of \$54,466,000 in 2025. The Corporations apply the practical expedient in FASB ASC 606, *Revenue Recognition*, and therefore, do not disclose amounts for remaining performance obligations that have original expected durations of one year or less.

The guaranteed refund component of entrance fees is not amortized to income and is classified as rebatable entrance fees due in the accompanying combined balance sheet.

For residents with Type B contracts, revenues from entrance fees other than rebatable entrance fees received are recognized through amortization using the straight-line method over annually adjusted estimated remaining life expectancies of the residents, which approximates the period of time the goods and services under the agreements are expected to be transferred to residents. Amortization of entrance fees other than rebatable entrance fees is included as amortization of entrance fees in the combined statement of operations and changes in net assets.

## Contract Balances

Contract assets represent the Corporations' right to consideration in exchange for goods or services that the Corporations has transferred to a resident when that right is conditioned on something other than the passage of time (for example, the Corporations' future performance). Contract liabilities represent the Corporations' obligation to transfer goods or services to a resident for which the Corporations have received consideration (or the amount is due) from the resident.

The Corporations' ending contract liabilities are separately presented on the combined balance sheet as of December 31, 2025. There were no contract assets as of December 31, 2025 or 2024. Contract liabilities as of December 31, 2024 were as follows (in thousands):

Entrance fees subject to refund	\$	104,926
Entrance fees nonrefundable		238,582

## Benevolence

The Corporations provide services under their benevolence policy to residents who meet certain criteria without charge or at amounts less than its established rates. Partial payments to which the Corporations are entitled from public assistance programs on behalf of residents that meet the Corporations' benevolence criteria are reported as revenues. Because the Corporations do not normally pursue collection of amounts determined to qualify as benevolence, they are not reported as revenues. For the year ended December 31, 2025, benevolence provided was \$2,898,000.

# HumanGood California Obligated Group (Members of HumanGood)

Notes to Combined Financial Statements  
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## COVID Relief Funding

COVID relief funding in the accompanying combined statement of operations and changes in net assets is comprised of amounts received from federal and state funding sources related to the COVID-19 pandemic. The Corporations account for this funding in accordance with FASB ASC 958-605, *Not-for-Profit Entities - Revenue Recognition* guidance for conditional contributions and accordingly, revenues are measured and recognized when barriers are substantially met, which occurs when the Corporations comply with the terms and conditions related to the purpose of the grant rather than those that are administrative in nature.

Included in COVID Relief Funding for 2025 were COVID relief funding payments of \$2,192,000 received in an award from the U.S. Department of Homeland Security, Federal Emergency Management Agency passed through the California Governor's Office of Emergency Services (CalOES) for expenses incurred at the LPCs included in COG for years ended December 31, 2020 through December 31, 2023.

The majority of the funding received is subject to future reporting and audit requirements. Noncompliance with the terms and conditions of the funding sources could result in repayment of some or all of the support, which can be subject to government review and interpretation. An estimate of the possible effects of these matters cannot be made as of the date these combined financial statements were issued.

## Performance Indicator

Income from operations as reflected in the accompanying combined statement of operations and changes in net assets is the performance indicator. Income from operations includes all changes in net assets without donor restrictions other than net assets released from restrictions for capital, other affiliate distributions and equity transfers, and unrealized gains or losses on interest rate swaps and caps.

## Tax-Exempt Status

The Corporations are comprised of several California nonprofit corporations as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and have been granted tax-exempt status by the Internal Revenue Service and the California Franchise Tax Board.

The Corporations assess uncertain tax positions in accordance with the provisions of the FASB ASC Topic 740-10, *Income Taxes*. The Corporations recognize the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Corporations recognize interest and penalties related to income tax matters in operating expenses. As of December 31, 2025 there were no such uncertain tax positions.

## 3. Liquidity and Availability of Resources

As of December 31, 2025, the Corporations have financial assets available for utilization within one year of the combined balance sheet date, which consist of the following (in thousands):

Cash and cash equivalents	\$	30,383
Resident accounts receivable		13,187
Entrance fee notes receivable, included in other receivables		4,477
Investments		<u>479,144</u>
Total	\$	<u>527,191</u>

## HumanGood California Obligated Group (Members of HumanGood)

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Notes to Combined Financial Statements  
December 31, 2025

The Corporations' investments are available for utilization within one year in the normal course of operations. Accordingly, these assets have been included above.

Board-designated assets are internally designated for long-term purposes and an operating reserve. These investments, which are more fully described in Note 4 are not used for general expenditure within the next year; however, the Board-designated amounts could be made available, if necessary.

As part of the Corporations' liquidity management plan, cash in excess of daily requirements are invested in short-term investments and money market funds. These funds may be drawn upon, if necessary, to meet unexpected liquidity needs.

#### 4. Investments, Designated Investments, Restricted Investments and Fair Value Measurements

The composition of investments, designated investments and restricted investments is set forth in the following table (in thousands):

Investments (including designated investments and investment in affiliate bonds):	
Cash and cash equivalents	\$ 53,282
Mutual funds	140,784
Equity securities	85,818
Exchange-traded funds and closed-end funds	76,241
Corporate debt	54,546
U.S. government securities	69,962
Municipal bonds	19,286
Alternative investments	4,059
Investment in affiliate bonds	<u>93,660</u>
Total investments (including designated investments and investment in affiliate bonds):	<u>597,638</u>
Restricted investments:	
Cash and cash equivalents	36,529
Mutual funds	<u>1,463</u>
Total restricted investments	<u>37,992</u>
Total investments (including designated investments and investment in affiliate bonds) and restricted investments:	<u>\$ 635,630</u>

## HumanGood California Obligated Group (Members of HumanGood)

Notes to Combined Financial Statements  
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Investments held as of December 31, 2025 are comprised of the following (at fair value) (in thousands):

Restricted investments:	
Principal, interest and other reserves held in trust under bond indenture or mortgage agreements	\$ 8,521
Undrawn funds held for LPC construction projects	<u>29,471</u>
Total restricted investments	37,992
Investment in affiliate bonds	93,660
Investments, unrestricted	479,144
Investments, designated	<u>24,834</u>
Total investments (including designated investments and investment in affiliate bonds) and restricted investments:	<u><u>\$ 635,630</u></u>

The following disclosure is made pursuant to Section 1790(a)(3) of the California Health and Safety Code. The Corporations have identified certain corporate initiatives and contingencies listed below to which assets without restriction may be exposed, and therefore, have designated reserves as a safeguard against such contingencies. Although not restricted in accordance with FASB ASC Topic 958, *Not-for-Profit Entities*, the designations are as follows (in thousands):

Designated for Retirement	\$ 12,250
Designated for Capital Projects	<u>12,584</u>
Total designations	<u><u>\$ 24,834</u></u>

### Investment Returns

Investment returns for the year ended December 31, 2025 are as follows (in thousands):

Dividend, interest and other investment income, net of expenses	\$ 21,246
Realized gains on investments	4,182
Net change in unrealized gains on investments	<u>28,759</u>
Total	<u><u>\$ 54,187</u></u>

Investment income is net of investment expenses of \$1,397,000 for the year ended December 31, 2025.

### Fair Value Measurements

FASB ASC Topic 820, *Fair Value Measurement*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC Topic 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

## HumanGood California Obligated Group (Members of HumanGood)

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Notes to Combined Financial Statements  
December 31, 2025

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or net asset value (NAV) per share (or its equivalent) with the ability to redeem the investments in the near term.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying combined financial statements, as well as the general classification of such instruments pursuant to the valuation hierarchy:

- Mutual funds - Mutual funds registered with the U.S. Securities and Exchange Commission as mutual funds under the Investment Company Act of 1940 are valued based on quoted market prices and are categorized as Level 1.
- Equity securities (domestic and foreign), exchange-traded funds and closed-end funds - Securities that are actively traded on a securities exchange are valued based on quoted prices from the applicable exchange and are categorized as Level 1.
- Corporate debt (domestic and foreign) - Investment-grade bonds are valued using inputs and techniques which include third-party pricing vendors, dealer quotations and recently executed transactions in securities of the issuer or comparable issuers. To the extent that these inputs are observable and timely, the values are categorized as Level 2.
- U.S. government securities - Government securities are valued based on prices provided by third-party vendors that obtain feeds from a number of live data sources, including active market makers and interdealer brokers. To the extent that these inputs are observable and timely, values are categorized as Level 2.
- Municipal bonds - Municipal bonds are valued using inputs and techniques which include identification of similar issues and market activity. To the extent that these inputs are observable and timely, values are categorized as Level 2.
- Investment in affiliate bonds - The fair value is estimated by a third-party using a small sample of sales comparables of other nonrelated LPC fixed rate bonds. Due to a lack of available Level 1 and Level 2 inputs, the investments have been classified as Level 3.
- Alternative investments valued at NAV - Primarily hedge funds are valued at NAV per share of the underlying investment fund. In accordance with ASU No. 2015-07, *Disclosures for Investments in Certain Entities That Calculate NAV per Share (or Its Equivalent)*, investments are not categorized within the fair value hierarchy.
- Interest rate swaps and caps agreements - The fair value is estimated by a third-party using inputs that are observable or that can be corroborated by observable market data and, therefore, are classified as Level 2.

## HumanGood California Obligated Group (Members of HumanGood)

Notes to Combined Financial Statements  
December 31, 2025

The following table presents the fair value measurements of financial instruments recognized in the accompanying combined balance sheet measured at fair value on a recurring basis and the level within the FASB ASC Topic 820 fair value hierarchy in which the fair value measurements fall at December 31, 2025 (in thousands):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments, designated investments and restricted investments:				
Mutual funds:				
Equity	\$ 34,165	\$ -	\$ -	\$ 34,165
Fixed income	70,480	-	-	70,480
Open funds	37,602	-	-	37,602
Equity securities:				
Domestic	55,868	-	-	55,868
Foreign	29,950	-	-	29,950
Exchange-traded funds and closed-end funds	76,241	-	-	76,241
Corporate debt:				
Domestic	-	41,588	-	41,588
Foreign	-	12,958	-	12,958
U.S. government securities	-	69,962	-	69,962
Municipal bonds	-	19,286	-	19,286
Investment in affiliate bonds	-	-	93,660	93,660
	<u>\$ 304,306</u>	<u>\$ 143,794</u>	<u>\$ 93,660</u>	541,760
Total investments, designated investments and restricted investments measured at fair value				
Alternative investments valued at NAV				4,059
Cash and cash equivalents				<u>89,811</u>
Total investments (including designated investments and investment in affiliate bonds) and restricted investments				<u>\$ 635,630</u>
Interest rate swaps and caps measured at fair value	<u>\$ -</u>	<u>\$ 16,451</u>	<u>\$ -</u>	<u>\$ 16,451</u>

## HumanGood California Obligated Group (Members of HumanGood)

Notes to Combined Financial Statements  
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The following table reconciles the beginning and ending balances of recurring fair value measurements recognized in the accompanying combined financial statements using significant unobservable (Level 3) inputs (in thousands):

Balance, December 31, 2024	\$	86,500
Purchases		7,585
Payments received		(425)
		<u>          </u>
Balance, December 31, 2025	\$	<u>93,660</u>

### 5. Land, Buildings and Equipment, Net

Land, buildings and equipment, net at cost at December 31, 2025, consist of the following (in thousands):

Land	\$	17,313
Land improvements		22,974
Buildings and improvements		857,666
Furnishings, equipment and automotive		<u>125,530</u>
Total		1,023,483
Accumulated depreciation		<u>(576,890)</u>
Total		446,593
Construction in progress		<u>66,849</u>
Land, buildings and equipment, net	\$	<u>513,442</u>

Depreciation expense for the year ended December 31, 2025 was \$46,312,000. Fully depreciated assets of \$9,335,000 were disposed of for the year ended December 31, 2025.

On October 14, 2022, a fire occurred in a resident's unit and quickly spread across the 5th floor at Grand Lake Gardens, a Life Plan Community in Oakland, California, part of HumanGood NorCal. No residents were injured but the building sustained material damage. All of the residents were permanently relocated into alternate affiliate or third-party senior care facilities. On April 6, 2023, Grand Lake Gardens was decertified as a Residential Care Facility for the Elderly in California, and consequently, the Corporations engaged a broker and entered into negotiations for the sale of Grand Lake Gardens and its assets to an unrelated party, at which point its assets were then classified as assets held for sale. On March 10, 2025, the Corporations closed on the sale of Grand Lake Gardens at fair market value for a gain, which is included in gain on disposal of fixed assets, net in the accompanying statement of operations and changes in net assets.

The Corporations have entered into construction contracts totaling approximately \$28,952,000 at December 31, 2025 with approximately \$26,197,000 incurred through December 31, 2025.

## HumanGood California Obligated Group (Members of HumanGood)

Notes to Combined Financial Statements  
December 31, 2025

### 6. Notes and Bonds Payable, Net

A summary of the Corporations' notes and bonds payable at December 31, 2025 is as follows (in thousands):

#### Secured

Bonds used to refinance existing debt and renovate HumanGood California Obligated Group communities, all secured under a Master Trust Indenture by HumanGood California Obligated Group's gross revenues pledged and by a deed of trust on certain HumanGood California Obligated Group's assets:

Series 2019A Tax-Exempt Revenue and Refunding Bonds issued by the California Municipal Finance Authority (dated August 1, 2019) to refund existing NorCal Series 2010 and SoCal Series 2009 Bonds and as well as to support additional construction projects for COG communities, with annual principal payable commencing on October 1, 2028, in varying amounts ranging from \$2,865 to \$5,370 through 2036, and \$11,810 to \$13,370 through 2044, interest at fixed rate of 4% through 2039 and ranging from 4.00% to 5.00% through 2044, payable annually on October 1.	\$ 141,705
Series 2019B Taxable Bonds issued concurrently with Series 2019A in August 2019 and maturing in 2028 with annual principal payable in varying amounts ranging from \$2,995 to \$3,415 with a final balloon payment of \$650 in 2028; interest at fixed rate of 3% through 2028, payable annually on October 1.	7,375
Series 2020A Tax-Exempt Revenue and Refunding Bonds issued by the California Municipal Finance Authority (dated October 1, 2020) and subsequently sold and delivered to Washington Federal Bank to refund existing NorCal Series 2012A Bonds in a tax-exempt variable rate mode with interest payable monthly based on 79% of the sum of one-month SOFR rate plus 1.5%. The interest rate at December 31, 2025 was 4.22%. Principal payments are payable annually commencing on October 1, 2021, in varying amounts ranging from \$770 to \$1,125 through 2036. In connection with the issuance of the Series 2020A Bonds, an interest rate cap was purchased with an "all in" strike price of 3.50% and an expiration of November 1, 2035.	11,210
Series 2020B Tax-Exempt Revenue and Refunding Bonds issued by the California Municipal Finance Authority (dated October 1, 2020) and subsequently sold and delivered to Washington Federal Bank to refund existing NorCal Series 2013A Bonds and TSJG Series 2012A Bonds, initially in a taxable variable rate mode with interest payable monthly based on one-month LIBOR, plus a bank credit spread, converted to a tax-exempt variable rate mode in September 2022 with interest payable monthly based on 79% of the sum of one-month SOFR rate plus 1.5%. The interest rate at December 31, 2025 was 4.22%. Principal payments on the Series 2020B Bonds are payable annually commencing on October 1, 2021, through 2047. In connection with the Series 2020B Bonds, an interest rate cap was purchased with an "all in" strike price of 1.6% and an expiration of August 1, 2022 and a forward starting swap was entered into, beginning August 1, 2022 and expiring November 1, 2035 (see Note 7 for details).	56,010

## HumanGood California Obligated Group (Members of HumanGood)

Notes to Combined Financial Statements  
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### Secured

Series 2020 Taxable Bank Loan for \$33,755, with \$2,110 drawn at the date of issuance and the remaining \$31,645 drawn in November 2022, issued directly to HumanGood California Obligated Group (dated October 1, 2020) by Washington Federal Bank in a taxable variable rate mode with interest payable monthly based on one-month SOFR rate plus 1.5%, converted to a Term Loan effective December 1, 2022. Principal payments are payable monthly, commencing December 1, 2022 in varying amounts ranging from \$90 to \$190 through October 1, 2047. In connection with the Series 2020 Taxable Loan, a forward starting swap for the full loan amount was entered into, beginning November 1, 2022 and expiring November 1, 2035 (see Note 7 for details). The interest rate at December 31, 2025 was 5.34%. \$ 30,390

Series 2021 Tax-Exempt Revenue Bonds issued by the California Municipal Finance Authority (dated September 1, 2021) and maturing in 2049 with annual principal payable in varying amounts ranging from \$85 in 2025 to \$26,610 in 2049; interest is fixed at rates ranging from 3% to 5% for the various tranches of the debt, payable annually on October 1. During 2022, HumanGood California Obligated Group purchased \$19,220,000 of its Series 2021 Bonds in the open market at a discount. The repurchased 2021 Bonds are held as treasury bonds reducing the senior external debt amounts in the accompanying combined balance sheet. 100,555

Series 2025A Tax-Exempt Revenue Refunding Bonds issued by the California Municipal Finance Authority (dated August 1, 2025) and maturing in 2049 with annual principal payments beginning in 2033 in varying amounts ranging from \$1,590 to \$6,625; interest is fixed at 5% for the various tranches of the debt, payable annually on October 1. 67,230

Total 414,475

Less current portion of notes and bonds payable (7,650)  
Add unamortized bond premium 25,719  
Less unamortized bond issuance costs, net (4,921)

Notes and bonds payable, net \$ 427,623

### 2025 Financing Transaction

On August 1, 2025, HumanGood California Obligated Group completed a \$67,230,000 financing (Series 2025A) at a premium of \$2,796,000 and a 4.76% yield to maturity.

The majority of the proceeds were used to legally defease the existing NorCal Series 2015 Tax-Exempt Revenue Bonds and to refund the existing SoCal Series 2015 Tax-Exempt Revenue Bonds. In conjunction with this transaction, the HumanGood California Obligated Group recorded a gain on early retirement of debt of \$1,120,000, which is included in the combined statement of operations and changes in net assets. The gain primarily consisted of unamortized bond premium net of unamortized bond issuance costs.

Simultaneously with the Series 2025 A financing, the California Obligated Group closed on a line of credit with Truist bank in the amount of \$65 million with interest payable monthly commencing September 1, 2025 at one-month SOFR plus .80%. As of December 31, 2025, no amounts have been drawn from this line.

## HumanGood California Obligated Group (Members of HumanGood)

Notes to Combined Financial Statements  
December 31, 2025

Scheduled maturities of notes and bonds payable are as follows (in thousands):

Years ending December 31:		
2026	\$	7,650
2027		7,880
2028		8,120
2029		11,595
2030		9,435
Thereafter		<u>369,795</u>
Total	\$	<u>414,475</u>

The Corporations are subject to financial covenants on debt, which include debt service coverage ratios and minimum days of cash on hand requirements.

### 7. Interest Rate Caps and Swaps

On December 1, 2015, HumanGood SoCal entered into an interest rate cap agreement with a counterparty to extend the management of interest rate risk on \$25,000,000 of its Series 2015 Tax-Exempt Variable Rate Revenue Bonds from December 1, 2015 to December 1, 2025. The original agreement established that when 65.1% of the one-month LIBOR rate exceeds 2.5%, SoCal is reimbursed for the excess by the counterparty to the transaction. During 2023, the agreement was amended with modified terms that establish that when 65.1% of the one-month SOFR rate plus a spread of 0.11448% exceed 2.5%, SoCal is reimbursed for the excess by the counterparty to the transaction. The agreement matured in December 31, 2025.

On October 16, 2020, in conjunction with the Series 2020 financing, NorCal, as an Obligated Group representative, entered into the following derivative agreements with two counterparties.

A summary of the interest rate caps and swaps' terms are as follows:

<u>Outstanding Notional Amount (in thousands)</u>	<u>Effective Date</u>	<u>Expiration Date</u>	<u>Reimbursement Terms</u>
2020A Tax-Exempt Variable Rate Bonds (\$11,210)	October 28, 2020	October 1, 2035	When 79% of the one-month SOFR rate plus a spread of 0.11448% exceed 2.394%
2020B Tax-Exempt Variable Rate Bonds (\$56,010)	August 1, 2022	October 1, 2035	The receive leg of the swap to 10-year SOFR such that the Series 2020B bonds receive 74.779% of 10-year SOFR
2020C Taxable Bank Loan (\$30,390)	November 1, 2022	October 1, 2035	The receive leg of the swap to 10-year SOFR such that the Series 2020 taxable variable rate bank loan receives 95.229% of 10-year SOFR

Interest rate cap and swap payments in the amount of \$2,231,000 were received to reduce interest expense for the year ended December 31, 2025.

The fair value of the interest rate caps and swaps was \$16,451,000 as of December 31, 2025, which is included in noncurrent assets on the combined balance sheet. The unrealized loss from mark-to-market adjustments of floating to fixed rate interest rate caps was \$1,181,000 for the year ended December 31, 2025.

## **HumanGood California Obligated Group (Members of HumanGood)**

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Notes to Combined Financial Statements  
December 31, 2025

### **8. Employee Benefit Plans**

#### **Defined Contribution Plan**

The Corporations participate in a defined contribution retirement plan covering all eligible employees with a corporate match of employee contributions up to 4% of eligible earnings. Expenses amounted to \$4,758,000 for the year ended December 31, 2025.

#### **Supplemental Retirement Income Plan Agreements**

Certain retirees of NorCal participate in a frozen supplemental retirement income plan whereby the retired employees are being provided specific amounts of annual retirement income for the balance of their lifetime. The present value of these future payments to participants of \$1,090,000 as of December 31, 2025 are included in retirement liabilities in the accompanying combined balance sheet.

In 2020, an IRC 457(f) plan was established for certain key executive leadership whereby the plan will fund based on predetermined annual contributions and earn a return equal to the Consumer Price Index rate plus 2.5% with a cap of 6.0% and a floor of 2.5%. The accrued liability is \$2,783,000 as of December 31, 2025, which is included in retirement liabilities in the accompanying combined balance sheet.

In 2003, an IRC 457(b) plan was established to provide a program of deferred compensation to certain eligible employees. The accrued liability is \$6,320,000 as of December 31, 2025, which is included in retirement liabilities in the accompanying combined balance sheet.

Assets available for benefits to these three pools of participants are subject to the claims of NorCal's creditors. The assets are included in designated investments in the accompanying combined balance sheet and amounted to \$12,250,000 as of December 31, 2025.

### **9. Self-Insured Programs**

#### **Workers' Compensation Plan**

The Corporations are self-insured to a stipulated retention amount followed by a commercial policy with a major insurance company providing benefits up to state statutory limits for 2025. Claims are accrued under the plan as the incidents that give rise to them occur. The estimate of incurred but not reported claims is based on actuarial projections of the ultimate cost of settlement, including claim settlement expenses, using the Corporations' historical claim payment experience. The estimated liability is continually monitored and reviewed and, as settlements are made or estimates are adjusted, differences are reflected in current operations. The Corporations have recorded a total liability for claims payable of \$16,882,000 including an estimate of incurred but not reported claims as of December 31, 2025. The estimated insurance recovery receivables of \$3,152,000 are recorded under other receivables in the accompanying combined balance sheet as of December 31, 2025. As required by the insurer, the Corporations hold a letter of credit in connection with the program. The balance of the letter of credit was \$420,000 for December 31, 2025.

Given the inherent variability of such estimates, the actual liability could differ significantly from the estimates. While the ultimate payments of self-insured workers' compensation claims are dependent upon future developments, management believes that the recorded liability is adequate.

## HumanGood California Obligated Group (Members of HumanGood)

Notes to Combined Financial Statements  
December 31, 2025

### Health Insurance Plan

The Corporations are self-insured for health insurance claims for eligible active employees with certain self-insured retention limits. Based on claims incurred through December 31, an estimated liability for claims incurred, but not paid of \$3,361,000 is included in accounts payable and accrued expenses in the accompanying combined balance sheet as of December 31, 2025. The estimate of incurred but not paid claims is based on actuarial projections using the Corporations' historical claim payment experience and previous patterns of payments. While estimates are based on the information and data available at a point in time, management believes that the recorded liability has been properly accounted for and accrued at December 31, 2025.

### Professional Liability Insurance

The Corporations have secured claims-made policies for malpractice and general liability insurance with certain self-insured retentions. The Corporations have accrued liabilities of \$5,030,000 as their best estimate of the cost of known claims incurred prior to December 31, 2025. There were no related insurance recovery receivables as of December 31, 2025 in the accompanying combined balance sheet. In addition, the Corporations have accrued liabilities of \$4,145,000 as of December 31, 2025, as their best estimate of the cost of claims incurred but not yet reported. These liabilities are included in accounts payable and accrued expenses in the accompanying combined balance sheet.

## 10. Net Resident Service Revenues

The Corporations disaggregate revenues from contracts with customers by type of service and payor source as this depicts the nature, amount, timing and uncertainty of their revenues and cash flows as affected by economic factors. Net resident service revenues consist of the following for the year ended December 31, 2025 (in thousands):

	<u>Residential Living</u>	<u>Assisted Living</u>	<u>Health Center</u>	<u>Memory Support</u>	<u>Total</u>
Private (contract)	\$ 134,549	\$ 31,007	\$ 14,636	\$ 13,897	\$ 194,089
Private (noncontract)	3,397	14,512	12,205	5,331	35,445
Medicare (Part A)	-	-	47,139	-	47,139
Medicare (Part B)	-	-	1,859	-	1,859
MediCal	-	-	25,752	-	25,752
Managed care	-	-	17,162	-	17,162
Subtotal	<u>\$ 137,946</u>	<u>\$ 45,519</u>	<u>\$ 118,753</u>	<u>\$ 19,228</u>	321,446
Amortization of entrance fees					<u>54,466</u>
Total					<u>\$ 375,912</u>

## HumanGood California Obligated Group (Members of HumanGood)

Notes to Combined Financial Statements  
December 31, 2025

### 11. Functional Expenses

The Corporations provide housing, health care and other related services to residents within their geographic location. The combined financial statements report certain expense categories that are attributable to more than one program service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Expenses relating to providing these services are approximately as follows for the year ended December 31, 2025 (in thousands):

	<u>Residential Services</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries and wages	\$ 145,512	\$ 31,920	\$ 177,432
Employee benefits	34,176	7,497	41,673
Supplies	26,271	630	26,901
Ancillary services	14,694	-	14,694
Repairs and maintenance	4,077	36	4,113
Marketing and advertising	4,048	43	4,091
Purchased services	12,528	10,256	22,784
Utilities	14,925	1,077	16,002
Travel and related	1,554	1,373	2,927
Leases and rents	642	530	1,172
Insurance	8,589	-	8,589
Other operating expenses	881	660	1,541
Depreciation and amortization	47,232	-	47,232
Interest expense	15,443	-	15,443
Nonrecurring operating expenses	333	-	333
	<u>\$ 330,905</u>	<u>\$ 54,022</u>	<u>\$ 384,927</u>
Total expenses			

### 12. Transactions With Affiliates

The Corporations manage rental housing communities and LPCs (see Note 1) under management agreements whereby the Corporations and its affiliates provide administrative and management services to all communities and sales management services to the LPCs.

Management and related fees for providing these services for the year ended December 31, 2025 are included in other operating revenues earned by the Corporations in the accompanying combined statement of operations and changes in net assets and are as follows (in thousands):

HumanGood LPCs Management Fee:	
HumanGood Arizona, Inc.	\$ 1,997
HumanGood Washington	2,220
HumanGood Nevada	721
HumanGood Idaho	1,036
Terraces at Summitview	251
Springhouse	288
Mount Pleasant Home	175
	<u>6,688</u>
Total	<u>\$ 6,688</u>

Other operating revenues in the accompanying statement of operations and changes in net assets include \$526,000 for the year ended December 31, 2025, of fees related to a consulting agreement with Hillside.

## HumanGood California Obligated Group (Members of HumanGood)

Notes to Combined Financial Statements  
December 31, 2025

Interest and management fees due from affiliates in the accompanying combined balance sheet include deferred management fees due from the Terraces of Boise in the amounts of \$628,000.

Interest receivable amounts related to accrued interest income from the investments in affiliate bonds are included in other receivables in the accompanying combined balance sheet and are as follows (in thousands):

Interest receivable from Hillside	\$	2,542
Interest receivable from HumanGood Idaho		76
Interest receivable from Riverside		37
		<u>37</u>
Total	\$	<u>2,655</u>

No amounts are outstanding for interest receivable from the investment in affiliate bonds from Las Ventanas as of December 31, 2025.

Amounts due from affiliates for management fees and cost recoveries for other services such as dining, purchase cards, payroll, benefits and insurance are included in intercompany advances due as of December 31, 2025 in the accompanying combined balance sheet, and are as follows (in thousands):

Due from HumanGood Affordable Housing and Affiliates	\$	2,961
Due from HumanGood Washington		16,579
Due from HumanGood Arizona, Inc.		6,177
Due from HumanGood Idaho		862
Due from HumanGood Nevada		875
Due from HumanGood Pennsylvania		1,285
Due from Terraces at Summitview		2,378
Due from Hillside		677
Due from Springhouse		289
Due from Mount Pleasant Home		110
Due from HumanGood Foundation		219
Due from other affiliates		817
		<u>817</u>
Total	\$	<u>33,229</u>

These balances are settled in the normal course of operations with no fixed repayment terms.

Additionally, as described in Note 2, the Corporations record their interest in the net assets of the HumanGood Foundation and received distributions from the Foundation during 2025.

Other affiliate distributions and equity transfers in the accompanying combined statement of operations and changes in net assets is primarily comprised of cash distributions of \$2,375,000 from NorCal and SoCal to Cornerstone for the year ended December 31, 2025.

### 13. Commitments and Contingencies

#### Legal and Other

The Corporations are party to various claims and legal actions in the normal course of business. In the opinion of management, based upon current facts and circumstances the resolution of these matters is not expected to have a material adverse effect on the financial position of the Corporations.

## **HumanGood California Obligated Group (Members of HumanGood)**

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Notes to Combined Financial Statements  
December 31, 2025

The Corporations are aware of the existence of asbestos in certain of its buildings. The Corporations have not recorded a liability for any asbestos abatement costs because the cost cannot be reasonably estimated at this time. At such time in the future that plans are made to make changes to structures with asbestos and the related asbestos removal cost estimates are completed, the Corporations will record an estimate of the costs of the required asbestos abatement.

For the tax-credit financed affordable housing communities in which HGAH serves as a General Partner (Note 1), NorCal and HGAH, as co-guarantors, have previously issued on-going guarantees to cover operating deficits and guarantees to ensure compliance with certain on-going aspects of the Limited Partnership Agreement (LPA). NorCal periodically evaluates the potential exposure from these on-going guarantees. NorCal has not provided support under these guarantees in the past and based on the current evaluation, management believes they cumulatively do not constitute a material future financial risk exposure for NorCal.

In addition to operating deficit and LPA guarantees, NorCal and HGAH, as co-guarantors, have previously issued, unconditional project completion guarantees for tax-credit financed affordable housing communities in which HGAH serves as a General Partner (see Note 1). NorCal has not provided support under these guarantees in the past and based on the current evaluation, management believes they cumulatively do not constitute a material future financial risk exposure for NorCal.

### **Senior Living Services Industry**

The senior living services industry is subject to numerous laws, regulations and administrative directives of federal, state and local governments and agencies. Compliance with these laws, regulations and administrative directives is subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. Government activity continues to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for resident services previously billed. Management is not aware of any material incidents of noncompliance; however, the possible future effects of this matter on the Corporations, if any, are not presently determinable.

### **14. Concentrations of Credit Risk**

The Corporations grant credit without collateral to their residents, some of whom are insured under third-party payor arrangements.

The Corporations maintain cash and cash equivalents accounts, which, at times, may exceed federally insured limits. The Corporations have not experienced any losses from maintaining cash and cash equivalents accounts in excess of federally insured limits. Management believes they are not subject to any significant credit risk on its cash and cash equivalents accounts.

## **HumanGood California Obligated Group (Members of HumanGood)**

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Notes to Combined Financial Statements  
December 31, 2025

### **15. Subsequent Events**

Subsequent events are events or transactions that occur after the combined balance sheet date but before the combined financial statements are issued. The Corporations recognize in the combined financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the combined balance sheet, including the estimates inherent in the process of preparing the combined financial statements. The Corporations' combined financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the combined balance sheet but arose after the combined balance sheet date and before the combined financial statements are issued.

The Corporations have evaluated subsequent events through April 29, 2026, which is the date the combined financial statements were issued.

**HumanGood California Obligated Group  
(Members of HumanGood)**

Combining Balance Sheet Schedule

December 31, 2025

(In Thousands)

	<u>HumanGood NorCal</u>	<u>HumanGood SoCal</u>	<u>HumanGood Fresno</u>	<u>Eliminations</u>	<u>COG</u>
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 18,683	\$ 10,127	\$ 1,573	\$ -	\$ 30,383
Resident accounts receivable, net	7,865	4,559	763	-	13,187
Other receivables	6,478	3,910	194	-	10,582
Current portion of restricted investments	6,527	-	-	-	6,527
Intercompany advances due	17,210	14,749	1,270	-	33,229
Prepaid expenses, deposits and other assets	10,695	1,356	404	-	12,455
Total current assets	67,458	34,701	4,204	-	106,363
<b>Investments</b>	294,100	165,987	19,057	-	479,144
<b>Designated Investments</b>	24,834	-	-	-	24,834
<b>Investment in Affiliate Bonds</b>	93,660	-	-	-	93,660
<b>Restricted Investments</b>	31,465	-	-	-	31,465
<b>Interest in Net Assets of HumanGood Foundation</b>	62,628	33,707	11,405	-	107,740
<b>Subordinated Interaffiliate Notes Receivable, Net</b>	14,063	-	-	-	14,063
<b>Land, Buildings and Equipment, Net</b>	255,831	181,866	75,745	-	513,442
<b>Interest and Management Fees Due From Affiliates</b>	628	-	-	-	628
<b>Other Noncurrent Assets</b>	20,982	4,587	244	-	25,813
Total assets	<u>\$ 865,649</u>	<u>\$ 420,848</u>	<u>\$ 110,655</u>	<u>\$ -</u>	<u>\$ 1,397,152</u>

**HumanGood California Obligated Group  
(Members of HumanGood)**

Combining Balance Sheet Schedule

December 31, 2025

(In Thousands)

	<u>HumanGood NorCal</u>	<u>HumanGood SoCal</u>	<u>HumanGood Fresno</u>	<u>Eliminations</u>	<u>COG</u>
<b>Liabilities and Net Assets (Deficit)</b>					
<b>Current Liabilities</b>					
Accounts payable and accrued expenses	\$ 52,404	\$ 10,024	\$ 2,381	\$ -	\$ 64,809
Deposits	7,591	2,507	514	-	10,612
Accrued interest	3,743	-	-	-	3,743
Current portion of notes and bonds payable	2,809	3,310	1,531	-	7,650
Total current liabilities	66,547	15,841	4,426	-	86,814
<b>Notes and Bonds Payable, Net</b>	221,809	140,222	65,592	-	427,623
<b>Rebatable Entrance Fees Due</b>	101,469	43,197	27,284	-	171,950
<b>Entrance Fees Subject to Refund</b>	51,753	41,998	11,761	-	105,512
<b>Entrance Fees Nonrefundable</b>	147,076	91,511	24,496	-	263,083
<b>Retirement Liabilities</b>	10,382	59	19	-	10,460
<b>Workers' Compensation Liability</b>	11,023	5,859	-	-	16,882
<b>Other Liabilities</b>	4,283	1,697	39	-	6,019
Total liabilities	614,342	340,384	133,617	-	1,088,343
<b>Net Assets (Deficit)</b>					
Without donor restrictions	188,679	46,757	(34,367)	-	201,069
With donor restrictions	62,628	33,707	11,405	-	107,740
Total net assets (deficit)	251,307	80,464	(22,962)	-	308,809
Total liabilities and net assets (deficit)	<u>\$ 865,649</u>	<u>\$ 420,848</u>	<u>\$ 110,655</u>	<u>\$ -</u>	<u>\$ 1,397,152</u>

**HumanGood California Obligated Group  
(Members of HumanGood)**

Combining Statement of Operations and Changes in Net Assets Schedule  
Year Ended December 31, 2025  
(In Thousands)

	HumanGood NorCal	HumanGood SoCal	HumanGood Fresno	Eliminations	COG
<b>Changes in Net Assets Without Donor Restrictions</b>					
Operating revenues:					
Residential living	\$ 69,892	\$ 52,797	\$ 15,257	\$ -	\$ 137,946
Assisted living	22,452	17,858	5,209	-	45,519
Health center	71,322	36,705	10,726	-	118,753
Memory support	12,164	4,281	2,783	-	19,228
Other resident services	1,776	3,304	62	-	5,142
COVID relief funding	849	1,111	232	-	2,192
Other operating revenues	11,988	1,863	451	(2,365)	11,937
Net assets released from restrictions	979	451	372	-	1,802
Amortization of entrance fees	29,633	19,584	5,249	-	54,466
	<u>221,055</u>	<u>137,954</u>	<u>40,341</u>	<u>(2,365)</u>	<u>396,985</u>
Total operating revenues					
Operating expenses:					
Salaries and wages	100,081	63,020	14,331	-	177,432
Employee benefits	24,042	14,151	3,480	-	41,673
Supplies	14,316	9,189	3,396	-	26,901
Ancillary services	8,769	4,268	1,657	-	14,694
Repairs and maintenance	1,959	1,751	403	-	4,113
Marketing and advertising	1,777	1,732	582	-	4,091
Purchased services	12,117	9,127	1,540	-	22,784
Corporate allocations	-	-	2,365	(2,365)	-
Utilities	7,657	6,306	2,039	-	16,002
Travel and related	1,894	963	70	-	2,927
	812	238	122	-	1,172
Insurance	4,442	3,312	835	-	8,589
Other operating expenses	516	486	539	-	1,541
	<u>178,382</u>	<u>114,543</u>	<u>31,359</u>	<u>(2,365)</u>	<u>321,919</u>
Total operating expenses					
Income before other operating income (expense)	42,673	23,411	8,982	-	75,066

**HumanGood California Obligated Group  
(Members of HumanGood)**

Combining Statement of Operations and Changes in Net Assets Schedule  
Year Ended December 31, 2025  
(In Thousands)

	HumanGood NorCal	HumanGood SoCal	HumanGood Fresno	Eliminations	COG
Other operating income (expense):					
Income before other operating income (expense)	\$ 42,673	\$ 23,411	\$ 8,982	\$ -	\$ 75,066
Realized gains on investments, net	2,370	1,812	-	-	4,182
Change in unrealized gains on investments, net	17,042	11,683	34	-	28,759
Investment income, net	15,528	5,021	697	-	21,246
Depreciation and amortization	(22,930)	(18,708)	(5,594)	-	(47,232)
Interest expense	(8,683)	(4,593)	(2,167)	-	(15,443)
Gains on disposal of fixed assets	15,113	388	-	-	15,501
Gain on early retirement of debt	347	605	168	-	1,120
Nonrecurring operating expenses	(98)	(235)	-	-	(333)
Income from operations	61,362	19,384	2,120	-	82,866
Other changes in net assets without donor restrictions:					
Net assets released from restrictions for capital	158	454	-	-	612
Other affiliate distributions and equity transfers	(1,187)	(568)	-	-	(1,755)
Unrealized losses on interest rate swaps and caps	(1,108)	(73)	-	-	(1,181)
Change in net assets without donor restrictions	59,225	19,197	2,120	-	80,542
<b>Changes in Net Assets With Donor Restrictions</b>					
Changes in interest in net assets of HumanGood Foundation	8,641	7,553	1,621	-	17,815
Net assets released from restrictions for benevolence	(979)	(451)	(372)	-	(1,802)
Net assets released from restrictions for special project funds	(158)	(454)	-	-	(612)
Change in net assets with donor restrictions	7,504	6,648	1,249	-	15,401
Change in net assets (deficit)	66,729	25,845	3,369	-	95,943
<b>Net Assets (Deficit), Beginning, As Previously Reported*</b>	129,454	27,560	(36,487)	-	120,527
<b>Adjustment</b>	55,124	27,059	10,156	-	92,339
<b>Net Assets (Deficit), Beginning as Restated</b>	184,578	54,619	(26,331)	-	212,866
<b>Net Assets (Deficit), Ending</b>	\$ 251,307	\$ 80,464	\$ (22,962)	\$ -	\$ 308,809

\* Beginning net assets with donor restrictions of NorCal, SoCal, and TSJG previously reported as ending net assets with donor restrictions in the 2024 combined financial statements supplementary information were restated to include each's respective interest in the HumanGood Foundation. This restatement was the result of the restructuring described in Note 1 and an analysis of historical net assets balances and purpose restrictions. Beginning net assets with donor restriction were increased by the amounts shown in the adjustment above for NorCal, SoCal and TSJG, respectively.

**HumanGood California Obligated Group  
(Members of HumanGood)**

Combining Statement of Cash Flows Schedule  
Year Ended December 31, 2025  
(In Thousands)

	HumanGood NorCal	HumanGood SoCal	HumanGood Fresno	Eliminations	COG
<b>Cash Flows From Operating Activities</b>					
Cash received for resident services	\$ 178,208	\$ 116,210	\$ 34,143	\$ -	\$ 328,561
Cash received from nonrebatable entrance fees from reoccupancy	51,190	32,440	9,625	-	93,255
Cash received from COVID relief funding	849	1,111	232	-	2,192
Cash received from other operating activities	17,860	3,517	823	(2,347)	19,853
Cash earnings realized from investments	15,528	5,021	697	-	21,246
Cash paid for employee salaries	(91,744)	(58,470)	(13,538)	-	(163,752)
Cash paid for employee benefits	(24,655)	(14,568)	(3,455)	-	(42,678)
Cash paid for temporary labor	(5,506)	(4,894)	(844)	-	(11,244)
Cash paid to vendors	(50,487)	(36,819)	(13,824)	2,347	(98,783)
Cash paid for interest	(8,941)	(5,277)	(2,204)	-	(16,422)
Net cash provided by operating activities	<u>82,302</u>	<u>38,271</u>	<u>11,655</u>	<u>-</u>	<u>132,228</u>
<b>Cash Flows From Investing Activities</b>					
Acquisition of land, buildings and equipment	(44,648)	(23,293)	(4,277)	-	(72,218)
Proceeds from sale of fixed assets	19,503	-	-	-	19,503
Net purchases of unrestricted investments	(73,350)	(23,244)	(9,521)	-	(106,115)
Net sales of restricted investments	(69)	-	-	-	(69)
Cash (paid for) received from intercompany and affiliate transactions	(20,997)	17,981	3,944	-	928
Net cash used in investing activities	<u>(119,561)</u>	<u>(28,556)</u>	<u>(9,854)</u>	<u>-</u>	<u>(157,971)</u>
<b>Cash Flows From Financing Activities</b>					
Proceeds from rebatable entrance fees	10,929	4,914	3,685	-	19,528
Refunds of deposits and entrance fees	(11,627)	(7,857)	(3,729)	-	(23,213)
Principal payments on notes and bonds payable	(2,919)	(3,230)	(1,496)	-	(7,645)
Cash paid for bond issuance costs	(251)	(448)	(125)	-	(824)
Affiliate cash distributions	(1,187)	(568)	-	-	(1,755)
Net cash used in financing activities	<u>(5,055)</u>	<u>(7,189)</u>	<u>(1,665)</u>	<u>-</u>	<u>(13,909)</u>
Increase in cash, cash equivalents and restricted cash and cash equivalents	(42,314)	2,526	136	-	(39,652)
<b>Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning</b>	<u>97,526</u>	<u>7,601</u>	<u>1,437</u>	<u>-</u>	<u>106,564</u>
<b>Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending</b>	<u>\$ 55,212</u>	<u>\$ 10,127</u>	<u>\$ 1,573</u>	<u>\$ -</u>	<u>\$ 66,912</u>

**HumanGood California Obligated Group  
(Members of HumanGood)**

Combining Statement of Cash Flows Schedule  
Year Ended December 31, 2025  
(In Thousands)

	<u>HumanGood NorCal</u>	<u>HumanGood SoCal</u>	<u>HumanGood Fresno</u>	<u>Eliminations</u>	<u>COG</u>
<b>Noncash Disclosures</b>					
Long-term debt repaid with proceeds from Series 2025 bonds	\$ 22,255	\$ 38,875	\$ 10,805	\$ -	\$ 71,935
<b>Reconciliation of Cash, Cash Equivalents and Restricted Cash and Cash Equivalents to Combining Balance Sheet</b>					
Cash and cash equivalents	\$ 18,683	\$ 10,127	\$ 1,573	\$ -	\$ 30,383
Restricted cash and cash equivalents included in restricted investments	36,529	-	-	-	36,529
Total cash, cash equivalents and restricted cash and cash equivalents	<u>\$ 55,212</u>	<u>\$ 10,127</u>	<u>\$ 1,573</u>	<u>\$ -</u>	<u>\$ 66,912</u>

**HumanGood California Obligated Group**  
**(Members of HumanGood)**

Supplemental Combining Statement of Operations and Changes in Net Assets Schedule (HumanGood NorCal)

Year Ended December 31, 2025

(In Thousands)

	Terraces at Los Altos	Grand Lake Gardens	Piedmont Gardens	Plymouth Village	Valle Verde	Rosewood	Terraces of Los Gatos	NorCal Community Support Center	Eliminations	HumanGood NorCal
<b>Changes in Net Assets Without Donor Restrictions</b>										
Operating revenues:										
Residential living	\$ 9,467	\$ -	\$ 12,687	\$ 10,182	\$ 18,263	\$ 4,535	\$ 14,758	\$ -	\$ -	\$ 69,892
Assisted living	4,182	-	5,578	2,509	2,939	2,542	4,702	-	-	22,452
Health center	9,811	-	16,045	6,486	12,211	12,072	14,697	-	-	71,322
Memory support	2,817	-	1,786	809	2,576	1,603	2,573	-	-	12,164
Other resident services	66	-	802	266	478	71	93	-	-	1,776
COVID relief funding	36	-	95	-	24	303	275	116	-	849
Other operating revenues	60	-	257	270	1,224	279	228	22,496	(12,826)	11,988
Net assets released from restrictions	-	-	262	235	170	194	118	-	-	979
Amortization of entrance fees	4,562	-	3,499	3,226	7,214	805	10,327	-	-	29,633
<b>Total operating revenues</b>	<b>31,001</b>	<b>-</b>	<b>41,011</b>	<b>23,983</b>	<b>45,099</b>	<b>22,404</b>	<b>47,771</b>	<b>22,612</b>	<b>(12,826)</b>	<b>221,055</b>
Operating expenses:										
Salaries and wages	10,839	-	17,945	9,345	16,814	10,319	16,451	18,368	-	100,081
Employee benefits	2,559	-	4,320	2,189	4,060	2,469	3,809	4,636	-	24,042
Supplies	1,699	-	2,832	1,737	3,448	1,601	2,858	141	-	14,316
Ancillary services	1,490	-	1,423	550	1,394	1,874	2,038	-	-	8,769
Repairs and maintenance	86	-	481	219	391	304	476	2	-	1,959
Marketing and advertising	200	-	339	367	280	289	288	14	-	1,777
Purchased services	1,650	-	1,795	978	1,305	1,030	1,544	3,815	-	12,117
Corporate allocations	1,818	-	2,618	1,382	2,729	1,483	2,796	-	(12,826)	-
Utilities	960	-	1,707	937	1,890	726	1,263	174	-	7,657
Travel and related	36	-	74	97	155	58	91	1,383	-	1,894
Leases and rents	109	-	219	111	39	87	98	149	-	812
Insurance	746	-	812	642	858	655	729	-	-	4,442
Other operating expenses	390	-	873	508	602	529	616	(3,002)	-	516
<b>Total operating expenses</b>	<b>22,582</b>	<b>-</b>	<b>35,438</b>	<b>19,062</b>	<b>33,965</b>	<b>21,424</b>	<b>33,057</b>	<b>25,680</b>	<b>(12,826)</b>	<b>178,382</b>
<b>Income (loss) before other operating income (expense)</b>	<b>8,419</b>	<b>-</b>	<b>5,573</b>	<b>4,921</b>	<b>11,134</b>	<b>980</b>	<b>14,714</b>	<b>(3,068)</b>	<b>-</b>	<b>42,673</b>
Other operating income (expense):										
Realized gains on investments, net	-	-	-	-	-	-	-	2,370	-	2,370
Change in unrealized gains on investments, net	-	-	-	-	-	-	-	17,042	-	17,042
Investment income, net	-	-	-	-	(1)	-	-	15,529	-	15,528
Depreciation and amortization	(4,135)	-	(2,643)	(2,784)	(5,096)	(1,471)	(4,626)	(2,175)	-	(22,930)
Interest expense	(1,546)	-	(698)	(438)	(1,533)	(447)	(1,733)	(2,288)	-	(8,683)
Gain on disposal of fixed assets	-	15,092	-	-	-	16	-	5	-	15,113
Gain on early retirement of debt	107	-	27	40	117	35	13	8	-	347
Nonrecurring operating expenses	(98)	-	-	-	-	-	-	-	-	(98)
<b>Income (loss) from operations</b>	<b>2,747</b>	<b>15,092</b>	<b>2,259</b>	<b>1,739</b>	<b>4,621</b>	<b>(887)</b>	<b>8,368</b>	<b>27,423</b>	<b>-</b>	<b>61,362</b>

**HumanGood California Obligated Group  
(Members of HumanGood)**

Supplemental Combining Statement of Operations and Changes in Net Assets Schedule (HumanGood NorCal)

Year Ended December 31, 2025

(In Thousands)

	Terraces at Los Altos	Grand Lake Gardens	Piedmont Gardens	Plymouth Village	Valle Verde	Rosewood	Terraces of Los Gatos	NorCal Community Support Center	Eliminations	HumanGood NorCal
<b>Changes in Net Assets Without Donor Restrictions (Continued)</b>										
Income (loss) from operations	\$ 2,747	\$ 15,092	\$ 2,259	\$ 1,739	\$ 4,621	\$ (887)	\$ 8,368	\$ 27,423	\$ -	\$ 61,362
Other changes in net assets without donor restrictions:										
Net assets released from restrictions for capital	-	-	5	97	56	-	-	-	-	158
Other affiliate distributions and equity transfers	15	(7,767)	17	-	289	-	78	6,181	-	(1,187)
Unrealized losses on interest rate swaps and caps	-	-	-	-	-	-	-	(1,108)	-	(1,108)
Change in net assets without donor restrictions	2,762	7,325	2,281	1,836	4,966	(887)	8,446	32,496	-	59,225
<b>Changes in Net Assets With Donor Restrictions</b>										
Changes in interest in net assets of HumanGood Foundation	887	-	1,414	1,116	2,288	790	1,397	749	-	8,641
Net assets released from restrictions for benevolence	-	-	(262)	(235)	(170)	(194)	(118)	-	-	(979)
Net assets released from restrictions for special project funds	-	-	(5)	(97)	(56)	-	-	-	-	(158)
Change in net assets with donor restrictions	887	-	1,147	784	2,062	596	1,279	749	-	7,504
Change in net assets	3,649	7,325	3,428	2,620	7,028	(291)	9,725	33,245	-	66,729
<b>Net Assets (Deficit), Beginning, As Previously Reported*</b>	7,214	(7,325)	49,694	2,414	84,974	(28,270)	72,007	(51,254)	-	129,454
<b>Adjustment</b>	5,620	-	9,105	6,649	16,109	5,445	6,133	6,063	-	55,124
<b>Net Assets (Deficit), Beginning as Restated</b>	12,834	(7,325)	58,799	9,063	101,083	(22,825)	78,140	(45,191)	-	184,578
<b>Net Assets (Deficit), Ending</b>	\$ 16,483	\$ -	\$ 62,227	\$ 11,683	\$ 108,111	\$ (23,116)	\$ 87,865	\$ (11,946)	\$ -	\$ 251,307

\* Beginning net assets with donor restrictions of NorCal, SoCal, and TSJG previously reported as ending net assets with donor restrictions in the 2024 combined financial statements supplementary information were restated to include each's respective interest in the HumanGood Foundation. This restatement was the result of the restructuring described in Note 1 and an analysis of historical net assets balances and purpose restrictions. Beginning net assets with donor restriction were increased by the amounts shown in the adjustment above for NorCal, SoCal and TSJG, respectively.

**HumanGood California Obligated Group  
(Members of HumanGood)**

Supplemental Combining Statement of Operations and Changes in Net Assets Schedule (HumanGood SoCal)  
Year Ended December 31, 2025  
(In Thousands)

	Royal Oaks	White Sands La Jolla	Regents Point	Westminster Gardens	Redwood Terrace	SoCal Community Support Center	Eliminations	HumanGood SoCal
<b>Changes in Net Assets Without Donor Restrictions</b>								
Operating revenues:								
Residential living	\$ 10,151	\$ 14,597	\$ 14,833	\$ 6,638	\$ 6,578	\$ -	\$ -	\$ 52,797
Assisted living	3,035	4,241	4,463	2,495	3,624	-	-	17,858
Health center	8,719	5,571	10,203	-	12,212	-	-	36,705
Memory support	-	1,490	802	1,006	983	-	-	4,281
Other resident services	1,189	2,018	97	-	-	-	-	3,304
COVID relief funding	163	148	323	16	212	249	-	1,111
Other operating revenues	298	457	482	210	425	8,179	(8,188)	1,863
Net assets released from restrictions	64	122	45	64	156	-	-	451
Amortization of entrance fees	3,649	5,536	5,859	2,222	2,318	-	-	19,584
<b>Total operating revenues</b>	<b>27,268</b>	<b>34,180</b>	<b>37,107</b>	<b>12,651</b>	<b>26,508</b>	<b>8,428</b>	<b>(8,188)</b>	<b>137,954</b>
Operating expenses:								
Salaries and wages	11,385	13,196	12,923	4,563	11,387	9,566	-	63,020
Employee benefits	2,681	2,889	2,879	1,043	2,589	2,070	-	14,151
Supplies	2,080	2,301	2,474	721	1,576	37	-	9,189
Ancillary services	899	65	1,012	9	2,283	-	-	4,268
Repairs and maintenance	648	530	348	175	49	1	-	1,751
Marketing and advertising	324	461	448	276	216	7	-	1,732
Purchased services	1,435	1,640	2,129	589	1,335	1,999	-	9,127
Corporate allocations	1,783	2,106	2,088	716	1,495	-	(8,188)	-
Utilities	1,057	1,654	1,741	587	1,204	63	-	6,306
Travel and related	78	61	111	31	50	632	-	963
Leases and rents	41	56	53	(88)	47	129	-	238
Insurance	771	821	743	427	540	10	-	3,312
Other operating expenses	517	247	541	204	591	(1,614)	-	486
<b>Total operating expenses</b>	<b>23,699</b>	<b>26,027</b>	<b>27,490</b>	<b>9,253</b>	<b>23,362</b>	<b>12,900</b>	<b>(8,188)</b>	<b>114,543</b>
<b>Income (loss) before other operating income (expense)</b>	<b>3,569</b>	<b>8,153</b>	<b>9,617</b>	<b>3,398</b>	<b>3,146</b>	<b>(4,472)</b>	<b>-</b>	<b>23,411</b>
Other operating income (expense):								
Realized gains on investments, net	-	-	-	-	-	1,812	-	1,812
Change in unrealized gains on investments, net	-	-	-	-	-	11,683	-	11,683
Investment income, net	-	73	-	7	-	4,941	-	5,021
Depreciation and amortization	(4,019)	(5,791)	(4,712)	(1,704)	(2,383)	(99)	-	(18,708)
Interest expense	(211)	(2,759)	(930)	(402)	(240)	(51)	-	(4,593)
Gain on disposal of fixed assets	-	-	-	-	390	(2)	-	388
Gain on early retirement of debt	-	554	-	51	-	-	-	605
Nonrecurring operating expenses	(65)	(92)	-	(78)	-	-	-	(235)
<b>(Loss) Income from operations</b>	<b>(726)</b>	<b>138</b>	<b>3,975</b>	<b>1,272</b>	<b>913</b>	<b>13,812</b>	<b>-</b>	<b>19,384</b>

**HumanGood California Obligated Group  
(Members of HumanGood)**

Supplemental Combining Statement of Operations and Changes in Net Assets Schedule (HumanGood SoCal)  
Year Ended December 31, 2025  
(In Thousands)

	Royal Oaks	White Sands La Jolla	Regents Point	Westminster Gardens	Redwood Terrace	SoCal Community Support Center	Eliminations	HumanGood SoCal
<b>Changes in Net Assets Without Donor Restrictions (Continued)</b>								
(Loss) Income from operations	\$ (726)	\$ 138	\$ 3,975	\$ 1,272	\$ 913	\$ 13,812	\$ -	\$ 19,384
Other changes in net assets without donor restrictions:								
Net assets released from restrictions for capital	176	138	22	118	-	-	-	454
Other affiliate distributions and equity transfers	93	68	-	55	-	(784)	-	(568)
Unrealized losses on interest rate swaps and caps	-	(67)	-	(6)	-	-	-	(73)
Change in net assets without donor restrictions	(457)	277	3,997	1,439	913	13,028	-	19,197
<b>Changes in Net Assets With Donor Restrictions</b>								
Changes in interest in net assets of HumanGood Foundation	2,419	2,589	701	605	812	427	-	7,553
Net assets released from restrictions for benevolence	(64)	(122)	(45)	(64)	(156)	-	-	(451)
Net assets released from restrictions for special project funds	(176)	(138)	(22)	(118)	-	-	-	(454)
Change in net assets with donor restrictions	2,179	2,329	634	423	656	427	-	6,648
Change in net assets	1,722	2,606	4,631	1,862	1,569	13,455	-	25,845
<b>Net (Deficit) Assets, Beginning, As Previously Reported*</b>	(11,423)	(23,578)	45,193	10,800	(22,997)	29,565	-	27,560
<b>Adjustment</b>	3,095	7,353	4,259	4,405	4,853	3,094	-	27,059
<b>Net (Deficit) Assets, Beginning as Restated</b>	(8,328)	(16,225)	49,452	15,205	(18,144)	32,659	-	54,619
<b>Net (Deficit) Assets, Ending</b>	\$ (6,606)	\$ (13,619)	\$ 54,083	\$ 17,067	\$ (16,575)	\$ 46,114	\$ -	\$ 80,464

\* Beginning net assets with donor restrictions of NorCal, SoCal, and TSJG previously reported as ending net assets with donor restrictions in the 2024 combined financial statements supplementary information were restated to include each's respective interest in the HumanGood Foundation. This restatement was the result of the restructuring described in Note 1 and an analysis of historical net assets balances and purpose restrictions. Beginning net assets with donor restriction were increased by the amounts shown in the adjustment above for NorCal, SoCal and TSJG, respectively.