

HumanGood California Obligated Group (Members of HumanGood)

Continuing Care Liquid Reserve Schedules
and Supplementary Information

December 31, 2025

HumanGood California Obligated Group (Members of HumanGood)

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HumanGood California Obligated Group (Members of HumanGood)

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Independent Auditors' Report

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

Opinion

We have audited the accompanying continuing care liquid reserve schedules, Form 5-1 through Form 5-5 (the Schedules) of the HumanGood California Obligated Group (Members of HumanGood) (the Corporations), which comprise the continuing care liquid reserve schedules, as of and for the year ended December 31, 2025, and the related notes to the continuing care liquid reserve schedules.

In our opinion, the Schedules referred to above present fairly, in all material respects, the continuing care reserves of the Corporations as of and for the year ended December 31, 2025 in accordance with the liquid reserve requirements of California Health and Safety Code Section 1792 as described below.

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 Schedules 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 - Basis of Accounting

We draw attention to Note 2 to the Schedules, which describes the basis of accounting used to prepare the Schedules. The Schedules are prepared by the Corporations on the basis of the liquid reserve requirements of California Health and Safety Code Section 1792, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of California Health and Safety Code Section 1792. Our opinion is not modified with respect to this matter.

Management's Responsibility for the Schedules

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

Auditors' Responsibility for the Audit of the Schedules

Our objectives are to obtain reasonable assurance about whether the Schedules 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 Schedules.

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 Schedules, 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 Schedules.
- 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 Schedules.
- 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.

Restriction on Use

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Schedules, as a whole. The accompanying supplementary information, as identified on the table of contents, is presented for the purpose of additional analysis and is not a required part of the Schedules. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the Schedules. The information has been subjected to the auditing procedures applied in the audit of the Schedules, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Schedules, or to the Schedules themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the Schedules, taken as a whole.



Philadelphia, Pennsylvania
April 29, 2026

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

Form 5-1 Long-Term Debt Incurred in a Prior Fiscal Year (Including Balloon Debt)
Year Ended December 31, 2025

**FORM 5-1
LONG-TERM DEBT INCURRED
IN A PRIOR FISCAL YEAR
(Including Balloon Debt)**

Long-Term Debt Obligation	(a) Date Incurred	(b) Principal Paid During Fiscal Year	(c) Interest Paid During Fiscal Year	(d) Credit Enhancement Premiums Paid in Fiscal Year	(e) Total Paid (columns (b) + (c) + (d))
1	5/28/2015	\$0	\$1,375,000	\$0	\$1,375,000
2	12/17/2015	\$0	\$1,249,000	\$0	\$1,249,000
3	8/1/2019	\$3,230,000	\$6,446,000	\$0	\$9,676,000
4	10/1/2020	\$4,075,000	\$2,895,000	\$0	\$6,970,000
5	9/29/2021	\$140,000	\$3,774,000	\$0	\$3,914,000
6	Other	\$200,000	(\$22,000)	\$0	\$178,000
TOTAL:			\$15,717,000	\$0	\$23,362,000

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

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

NOTE: Debt obligations in lines 1 - 2 were fully paid off during fiscal year 2025 and were replaced with the debt obligations as displayed in Form 5-2. Debt service payments in the schedule above represent actual payments made on the debt obligations prior to refinancing and do not include the full payout of the obligations (\$71,935,000).

PROVIDER: HumanGood California Obligated Group (Members of HumanGood)

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

Form 5-2 Long-Term Debt Incurred During Fiscal Year (Including Balloon Debt)
Year Ended December 31, 2025

**FORM 5-2
LONG-TERM DEBT INCURRED
DURING FISCAL YEAR
(Including Balloon Debt)**

	(a)	(b)	(c)	(d)	(e)
Long-Term Debt Obligation	Date Incurred	Total Interest Paid During Fiscal Year	Amount of Most Recent Payment on the Debt	Number of Payments over next 12 Months	Reserve Requirement (see instruction 5) (columns (c) x (d))
1	8/1/2025	\$566,000	\$0	-	\$566,000
TOTAL:			\$0	-	\$566,000

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

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

PROVIDER: HumanGood California Obligated Group (Members of HumanGood)

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

Form 5-2 Long-Term Debt Incurred During Fiscal Year (Including Balloon Debt)
Year Ended December 31, 2025

**FORM 5-3
CALCULATION OF LONG-TERM DEBT RESERVE AMOUNT**

Line		Total
1	Total from Form 5-1 bottom of Column (e)	<u>\$23,362,000</u>
2	Total from Form 5-2 bottom of Column (e)	<u>\$566,000</u>
3	Facility leasehold or rental payment paid by provider during fiscal year (including related payments such as lease insurance)	<u>1,172,000</u>
4	TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE:	<u><u>\$25,100,000</u></u>

PROVIDER: HumanGood California Obligated Group (Members of HumanGood)

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

Form 5-4 Calculation of Net Operating Expenses (Terraces at Los Altos)
Year Ended December 31, 2025

FORM 5-4 CALCULATION OF NET OPERATING EXPENSES			
Line		Amounts	TOTAL
1	Total operating expenses from financial statements		<u>\$28,263,000</u>
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	<u>\$1,546,000</u>	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	<u>-</u>	
	c. Depreciation	<u>\$4,135,000</u>	
	d. Amortization	<u>-</u>	
	Revenues received during the fiscal year for services to persons who did not have a		
	e. continuing care contract	<u>\$10,995,000</u>	
	f. Extraordinary expenses approved by the Department	<u>-</u>	
3	Total Deductions		<u>\$16,676,000</u>
4	Net Operating Expenses		<u>\$11,587,000</u>
5	Divide Line 4 by 365 and enter the result		<u>\$32,000</u>
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		<u><u>\$2,400,000</u></u>

PROVIDER: HumanGood California Obligated Group (Members of HumanGood)

COMMUNITY: Terraces at Los Altos

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

Form 5-4 Calculation of Net Operating Expenses (Piedmont Gardens)
Year Ended December 31, 2025

**FORM 5-4
CALCULATION OF NET OPERATING EXPENSES**

Line		Amounts	TOTAL
1	Total operating expenses from financial statements		<u>\$38,779,000</u>
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	<u>\$698,000</u>	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	<u>-</u>	
	c. Depreciation	<u>\$2,643,000</u>	
	d. Amortization	<u>-</u>	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	<u>\$15,374,000</u>	
	f. Extraordinary expenses approved by the Department	<u>-</u>	
3	Total Deductions		<u>\$18,715,000</u>
4	Net Operating Expenses		<u>\$20,064,000</u>
5	Divide Line 4 by 365 and enter the result		<u>\$55,000</u>
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		<u><u>\$4,125,000</u></u>

PROVIDER: HumanGood California Obligated Group (Members of HumanGood)

COMMUNITY: Piedmont Gardens

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

Form 5-4 Calculation of Net Operating Expenses (Plymouth Village)
Year Ended December 31, 2025

**FORM 5-4
CALCULATION OF NET OPERATING EXPENSES**

Line		Amounts	TOTAL
1	Total operating expenses from financial statements		<u>\$22,284,000</u>
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	<u>\$438,000</u>	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	<u>-</u>	
	c. Depreciation	<u>\$2,784,000</u>	
	d. Amortization	<u>-</u>	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	<u>\$5,857,000</u>	
	f. Extraordinary expenses approved by the Department	<u>-</u>	
3	Total Deductions		<u>\$9,079,000</u>
4	Net Operating Expenses		<u>\$13,205,000</u>
5	Divide Line 4 by 365 and enter the result		<u>\$36,000</u>
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		<u><u>\$2,700,000</u></u>

PROVIDER: HumanGood California Obligated Group (Members of HumanGood)

COMMUNITY: Plymouth Village

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

Form 5-4 Calculation of Net Operating Expenses (Valle Verde)
Year Ended December 31, 2025

**FORM 5-4
CALCULATION OF NET OPERATING EXPENSES**

Line		Amounts	TOTAL
1	Total operating expenses from financial statements		<u>\$40,594,000</u>
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	<u>\$1,533,000</u>	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	<u>-</u>	
	c. Depreciation	<u>\$5,096,000</u>	
	d. Amortization	<u>-</u>	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	<u>\$9,489,000</u>	
	f. Extraordinary expenses approved by the Department	<u>-</u>	
3	Total Deductions		<u>\$16,118,000</u>
4	Net Operating Expenses		<u>\$24,476,000</u>
5	Divide Line 4 by 365 and enter the result		<u>\$67,000</u>
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		<u><u>\$5,025,000</u></u>

PROVIDER: HumanGood California Obligated Group (Members of HumanGood)

COMMUNITY: Valle Verde

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

Form 5-4 Calculation of Net Operating Expenses (Rosewood)
Year Ended December 31, 2025

**FORM 5-4
CALCULATION OF NET OPERATING EXPENSES**

Line		Amounts	TOTAL
1	Total operating expenses from financial statements		<u>\$23,342,000</u>
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	<u>447,000.00</u>	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	<u>-</u>	
	c. Depreciation	<u>\$1,471,000</u>	
	d. Amortization	<u>-</u>	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	<u>\$13,404,000</u>	
	f. Extraordinary expenses approved by the Department	<u>-</u>	
3	Total Deductions		<u>\$15,322,000</u>
4	Net Operating Expenses		<u>\$8,020,000</u>
5	Divide Line 4 by 365 and enter the result		<u>\$22,000</u>
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		<u><u>\$1,650,000</u></u>

PROVIDER: HumanGood California Obligated Group (Members of HumanGood)

COMMUNITY: Rosewood

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

Form 5-4 Calculation of Net Operating Expenses (Terraces of Los Gatos)
Year Ended December 31, 2025

**FORM 5-4
CALCULATION OF NET OPERATING EXPENSES**

Line		Amounts	TOTAL
1	Total operating expenses from financial statements		<u>\$39,416,000</u>
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	<u>\$1,733,000</u>	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	<u>-</u>	
	c. Depreciation	<u>\$4,626,000</u>	
	d. Amortization	<u>-</u>	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	<u>\$10,825,000</u>	
	f. Extraordinary expenses approved by the Department	<u>-</u>	
3	Total Deductions		<u>\$17,184,000</u>
4	Net Operating Expenses		<u>\$22,232,000</u>
5	Divide Line 4 by 365 and enter the result		<u>\$61,000</u>
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		<u><u>\$4,575,000</u></u>

PROVIDER: HumanGood California Obligated Group (Members of HumanGood)

COMMUNITY: Terraces of Los Gatos

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

Form 5-4 Calculation of Net Operating Expenses (Terraces at San Joaquin Gardens)
Year Ended December 31, 2025

**FORM 5-4
CALCULATION OF NET OPERATING EXPENSES**

Line		Amounts	TOTAL
1	Total operating expenses from financial statements		<u>\$39,120,000</u>
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	<u>\$2,167,000</u>	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	<u>-</u>	
	c. Depreciation	<u>\$5,594,000</u>	
	d. Amortization	<u>-</u>	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	<u>\$10,267,000</u>	
	f. Extraordinary expenses approved by the Department	<u>-</u>	
3	Total Deductions		<u>\$18,028,000</u>
4	Net Operating Expenses		<u>\$21,092,000</u>
5	Divide Line 4 by 365 and enter the result		<u>\$58,000</u>
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		<u><u>\$4,350,000</u></u>

PROVIDER: HumanGood California Obligated Group (Members of HumanGood)

COMMUNITY: Terraces at San Joaquin Gardens

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

Form 5-4 Calculation of Net Operating Expenses (Royal Oaks)
Year Ended December 31, 2025

**FORM 5-4
CALCULATION OF NET OPERATING EXPENSES**

Line		Amounts	TOTAL
1	Total operating expenses from financial statements		<u>\$27,929,000</u>
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	<u>\$211,000</u>	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	<u>-</u>	
	c. Depreciation	<u>\$4,019,000</u>	
	d. Amortization	<u>-</u>	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	<u>\$7,749,000</u>	
	f. Extraordinary expenses approved by the Department	<u>-</u>	
3	Total Deductions		<u>\$11,979,000</u>
4	Net Operating Expenses		<u>\$15,950,000</u>
5	Divide Line 4 by 365 and enter the result		<u>\$44,000</u>
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		<u><u>\$3,300,000</u></u>

PROVIDER: HumanGood California Obligated Group (Members of HumanGood)

COMMUNITY: Royal Oaks

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

Form 5-4 Calculation of Net Operating Expenses (White Sands La Jolla)
Year Ended December 31, 2025

**FORM 5-4
CALCULATION OF NET OPERATING EXPENSES**

Line		Amounts	TOTAL
1	Total operating expenses from financial statements		<u>\$34,577,000</u>
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	<u>\$2,759,000</u>	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	<u>-</u>	
	c. Depreciation	<u>\$5,791,000</u>	
	d. Amortization	<u>-</u>	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	<u>\$8,847,000</u>	
	f. Extraordinary expenses approved by the Department	<u>-</u>	
3	Total Deductions		<u>\$17,397,000</u>
4	Net Operating Expenses		<u>\$17,180,000</u>
5	Divide Line 4 by 365 and enter the result		<u>\$47,000</u>
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		<u><u>\$3,525,000</u></u>

PROVIDER: HumanGood California Obligated Group (Members of HumanGood)

COMMUNITY: White Sands La Jolla

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

Form 5-4 Calculation of Net Operating Expenses (White Sands La Jolla)
Year Ended December 31, 2025

**FORM 5-4
CALCULATION OF NET OPERATING EXPENSES**

Line		Amounts	TOTAL
1	Total operating expenses from financial statements		<u>\$33,132,000</u>
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	<u>\$930,000</u>	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	<u>-</u>	
	c. Depreciation	<u>\$4,712,000</u>	
	d. Amortization	<u>-</u>	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	<u>\$8,510,000</u>	
	f. Extraordinary expenses approved by the Department	<u>-</u>	
3	Total Deductions		<u>\$14,152,000</u>
4	Net Operating Expenses		<u>\$18,980,000</u>
5	Divide Line 4 by 365 and enter the result		<u>\$52,000</u>
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		<u><u>\$3,900,000</u></u>

PROVIDER: HumanGood California Obligated Group (Members of HumanGood)

COMMUNITY: Regents Point

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

Form 5-4 Calculation of Net Operating Expenses (Westminster Gardens)
Year Ended December 31, 2025

**FORM 5-4
CALCULATION OF NET OPERATING EXPENSES**

Line		Amounts	TOTAL
1	Total operating expenses from financial statements		<u>\$11,359,000</u>
2	Deductions:		
	a. Interest paid on long-term debt (see instructions)	<u>\$402,000</u>	
	b. Credit enhancement premiums paid for long-term debt (see instructions)	<u>-</u>	
	c. Depreciation	<u>\$1,704,000</u>	
	d. Amortization	<u>-</u>	
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	<u>\$1,649,000</u>	
	f. Extraordinary expenses approved by the Department	<u>-</u>	
3	Total Deductions		<u>\$3,755,000</u>
4	Net Operating Expenses		<u>\$7,604,000</u>
5	Divide Line 4 by 365 and enter the result		<u>\$21,000</u>
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.		<u><u>\$1,575,000</u></u>

PROVIDER: HumanGood California Obligated Group (Members of HumanGood)

COMMUNITY: Westminster Gardens

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

Form 5-4 Calculation of Net Operating Expenses (Redwood Terrace)
Year Ended December 31, 2025

**FORM 5-4
CALCULATION OF NET OPERATING EXPENSES**

Line	Amounts	TOTAL
1	Total operating expenses from financial statements	<u>\$25,985,000</u>
2	Deductions:	
	a. Interest paid on long-term debt (see instructions)	<u>\$240,000</u>
	b. Credit enhancement premiums paid for long-term debt (see instructions)	<u>-</u>
	c. Depreciation	<u>\$2,383,000</u>
	d. Amortization	<u>-</u>
	e. Revenues received during the fiscal year for services to persons who did not have a continuing care contract	<u>\$11,398,000</u>
	f. Extraordinary expenses approved by the Department	<u>-</u>
3	Total Deductions	<u>\$14,021,000</u>
4	Net Operating Expenses	<u>\$11,964,000</u>
5	Divide Line 4 by 365 and enter the result	<u>\$33,000</u>
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve amount.	<u><u>\$2,475,000</u></u>

PROVIDER: HumanGood California Obligated Group (Members of HumanGood)

COMMUNITY: Redwood Terrace

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

Form 5-5 Annual Reserve Certification
Year Ended December 31, 2025

**FORM 5-5
ANNUAL RESERVE CERTIFICATION**

Provider Name: HumanGood California Obligated Group (Members of HumanGood)
Fiscal Year Ended: 12/31/2025

We have reviewed our debt service reserve and operating expense reserve requirements as of, and for the period ended 12/31/2025 and are in compliance with those requirements.

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

[1] Debt Service Reserve Amount	\$25,100,000
[2] Operating Expense Reserve Amount	\$39,600,000
[3] Total Liquid Reserve Amount:	\$64,700,000

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

<u>Qualifying Asset Description</u>	Amount (market value at end of quarter)	
	<u>Debt Service Reserve</u>	<u>Operating Reserve</u>
[4] Cash and Cash Equivalents	\$7,596,000	\$22,787,000
[5] Investment Securities	\$125,994,000	\$377,984,000
[6] Equity Securities		
[7] Unused/Available Lines of Credit		\$65,000,000
[8] Unused/Available Letters of Credit		
[9] Debt Service Reserve	\$6,527,000	(not applicable)
[10] Other: (describe qualifying asset)		
Total Amount of Qualifying Assets Listed for Reserve Obligation: [11]	\$140,117,000	[12] \$465,771,000
Reserve Obligation Amount: [13]	\$25,100,000	[14] \$39,600,000
Surplus/ (Deficiency): [15]	\$115,017,000	[16] \$426,171,000

Signature:

Andrew McDonald

(Authorized Representative)

Date: 4/29/2026

Chief Financial Officer

(Title)

HumanGood California Obligated Group (Members of HumanGood)

Notes to Continuing Care Liquid Reserve Schedules
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.

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.

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)	

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 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 HumanGood's directors. The executive officers of HumanGood also serve as executive officers of TSJG.

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

Notes to Continuing Care Liquid Reserve Schedules
December 31, 2025

2. Basis of Accounting

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

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

Attachment I to Form 5-1: Principal Paid During Fiscal Year
State of California - Department of Social Services
Year Ended December 31, 2025

Description

Total principal paid from combining financial statements	<u>\$ 7,645,000</u>
Total principal paid during fiscal year per Form 5-1	
Long-term debt obligation #1	\$ -
Long-term debt obligation #2	-
Long-term debt obligation #3	3,230,000
Long-term debt obligation #4	4,075,000
Long-term debt obligation #5	140,000
Long-term debt obligation #6	<u>200,000</u>
 Total principal paid during fiscal year	 <u>\$ 7,645,000</u>

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

Attachment II to Form 5-1: Interest Paid on Long-Term Debt Incurred During Prior Fiscal Year
State of California - Department of Social Services
Year Ended December 31, 2025

Description

Total interest paid from combining financial statements	\$ 16,422,000
Subtract:	
Loan Fees	139,000
Total interest paid during fiscal year	<u>\$ 16,283,000</u>
Interest paid related to long-term debt incurred during fiscal year (Form 5-2)	<u>\$ 566,000</u>
Interest paid related to long-term debt incurred during a prior fiscal year (Form 5-1)	<u><u>\$ 15,717,000</u></u>

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

Attachment I to Form 5-2 Interest Paid on Long-Term Debt Incurred During Fiscal Year
State of California - Department of Social Services
December 31, 2025

Description

Total interest paid from combining financial statements	\$ 16,422,000
Subtract:	
Loan Fees	<u>139,000</u>
Total interest paid during fiscal year	<u>16,283,000</u>
Interest related to long-term debt incurred during prior fiscal year (Form 5-1)	<u>15,717,000</u>
Interest paid related to long-term debt incurred during fiscal year (Form 5-2)	<u><u>\$ 566,000</u></u>

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

Attachment I to Form 5-4: Operating Expenses From Combining Financial Statements
State of California - Department of Social Services
Year Ended December 31, 2025

Description	Terraces at Los Altos	Piedmont Gardens	Plymouth Village	Valle Verde	Rosewood	Terraces of Los Gatos	Terraces at San Joaquin Gardens	Royal Oaks	White Sands La Jolla	Regents Point	Westminster Gardens	Redwood Terrace	Total
Line 1, Total Operating Expenses From Combining Financial Statements:													
Total operating expenses from combining financial statements as reported	\$ 22,582,000	\$ 35,438,000	\$ 19,062,000	\$ 33,965,000	\$ 21,424,000	\$ 33,057,000	\$ 31,359,000	\$ 23,699,000	\$ 26,027,000	\$ 27,490,000	\$ 9,253,000	\$ 23,362,000	\$ 306,718,000
Add:													
Depreciation and amortization	4,135,000	2,643,000	2,784,000	5,096,000	1,471,000	4,626,000	5,594,000	4,019,000	5,791,000	4,712,000	1,704,000	2,383,000	44,958,000
Interest expense	1,546,000	698,000	438,000	1,533,000	447,000	1,733,000	2,167,000	211,000	2,759,000	930,000	402,000	240,000	13,104,000
Total	\$ 28,263,000	\$ 38,779,000	\$ 22,284,000	\$ 40,594,000	\$ 23,342,000	\$ 39,416,000	\$ 39,120,000	\$ 27,929,000	\$ 34,577,000	\$ 33,132,000	\$ 11,359,000	\$ 25,985,000	\$ 364,780,000

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

Attachment II to Form 5-4: Deductions From Operating Expenses
State of California - Department of Social Services
December 31, 2025

Line	Description	Terraces at Los Altos	Piedmont Gardens	Plymouth Village	Valle Verde	Rosewood	Terraces of Los Gatos	Terraces at San Joaquin Gardens	Royal Oaks	White Sands La Jolla	Regents Point	Westminster Gardens	Redwood Terrace	Total
2e	Total cash received during the fiscal year for services to resident who did not have a continuing care contract:													
sum of {A}	Monthly Fees - Private (Noncontract)	\$ 9,002,000	\$ 12,738,000	\$ 5,238,000	\$ 8,410,000	\$ 13,185,000	\$ 8,454,000	\$ 8,284,000	\$ 6,523,000	\$ 7,735,000	\$ 8,131,000	\$ 1,649,000	\$ 9,902,000	\$ 99,251,000
sum of {B}	Second Person Fee - PP	-	-	-	-	-	-	-	-	-	-	-	-	-
sum of {D}	Monthly Fees - Wellness - Private (Noncontract)	-	197,000	-	-	17,000	-	5,000	166,000	373,000	1,000	-	-	759,000
{I}	Laboratory - Private (Noncontract)	131,000	129,000	10,000	75,000	202,000	91,000	122,000	58,000	-	51,000	-	168,000	1,037,000
{F}	Therapies - Private (Noncontract)	1,441,000	1,599,000	22,000	602,000	(270,000)	1,754,000	1,307,000	521,000	(22,000)	188,000	-	597,000	7,739,000
sum of {E}	Chargeable Supplies - Private (Noncontract)	-	110,000	-	10,000	239,000	36,000	6,000	165,000	42,000	57,000	-	-	665,000
sum of {C}	Drugs - Private (Noncontract)	420,000	428,000	77,000	358,000	497,000	399,000	464,000	187,000	-	239,000	-	514,000	3,583,000
{J}	Oxygen - Private (Noncontract)	-	-	-	-	-	-	-	-	-	-	-	-	-
{G}	Change in Accounts Receivable (Noncontract)	1,000	173,000	510,000	34,000	(466,000)	91,000	79,000	129,000	719,000	(157,000)	-	217,000	1,330,000
	Total for Line 2e	\$ 10,995,000	\$ 15,374,000	\$ 5,857,000	\$ 9,489,000	\$ 13,404,000	\$ 10,825,000	\$ 10,267,000	\$ 7,749,000	\$ 8,847,000	\$ 8,510,000	\$ 1,649,000	\$ 11,398,000	\$ 114,364,000
	Residential Living Fees Reconciliations													
{A}	Monthly Fees - Private (Noncontract)	\$ -	\$ 701,000	\$ 209,000	\$ 7,000	\$ 1,506,000	\$ -	\$ -	\$ 463,000	\$ (92,000)	\$ 87,000	\$ 152,000	\$ 363,000	\$ 3,396,000
	Contract	9,467,000	11,986,000	9,973,000	18,256,000	3,029,000	14,758,000	15,257,000	9,688,000	14,689,000	14,746,000	6,557,000	6,215,000	134,621,000
	Total Residential Living Fees	\$ 9,467,000	\$ 12,687,000	\$ 10,182,000	\$ 18,263,000	\$ 4,535,000	\$ 14,758,000	\$ 15,257,000	\$ 10,151,000	\$ 14,597,000	\$ 14,833,000	\$ 6,709,000	\$ 6,578,000	\$ 138,017,000
	Assisted Living Fees Reconciliation													
{A}	Monthly Fees - Private (Noncontract)	\$ 1,912,000	\$ 2,227,000	\$ 327,000	\$ 245,000	\$ 1,230,000	\$ 704,000	\$ 1,535,000	\$ 521,000	\$ 2,635,000	\$ 848,000	\$ 1,102,000	\$ 1,226,000	\$ 14,512,000
	Contract	2,270,000	3,351,000	2,182,000	2,694,000	1,312,000	3,998,000	3,674,000	2,514,000	1,606,000	3,615,000	1,393,000	2,398,000	31,007,000
	Total Assisted Living Fees	\$ 4,182,000	\$ 5,578,000	\$ 2,509,000	\$ 2,939,000	\$ 2,542,000	\$ 4,702,000	\$ 5,209,000	\$ 3,035,000	\$ 4,241,000	\$ 4,463,000	\$ 2,495,000	\$ 3,624,000	\$ 45,519,000
	Health Center Fees Reconciliation													
{A}	Monthly Fees - Private (Noncontract)	\$ 5,496,000	\$ 9,467,000	\$ 4,513,000	\$ 7,992,000	\$ 9,820,000	\$ 7,539,000	\$ 6,120,000	\$ 5,539,000	\$ 4,220,000	\$ 7,196,000	\$ -	\$ 8,108,000	\$ 76,010,000
{I}	Laboratory - Private (Noncontract)	131,000	129,000	10,000	75,000	202,000	91,000	122,000	58,000	-	51,000	-	168,000	1,037,000
{F}	Therapies - Private (Noncontract)	1,441,000	1,599,000	22,000	602,000	(270,000)	1,754,000	1,307,000	521,000	(22,000)	188,000	-	597,000	7,739,000
{E}	Chargeable Supplies - Private (Noncontract)	-	110,000	-	10,000	239,000	36,000	6,000	165,000	42,000	57,000	-	-	665,000
{C}	Drugs - Private (Noncontract)	420,000	428,000	77,000	358,000	497,000	399,000	464,000	187,000	-	239,000	-	514,000	3,583,000
{J}	Oxygen - Private (Noncontract)	-	-	-	-	-	-	-	-	-	-	-	-	-
{G}	Change in Accounts Receivable (Noncontract)	1,000	173,000	510,000	34,000	(466,000)	91,000	79,000	129,000	719,000	(157,000)	-	217,000	1,330,000
	Total (Noncontract)	7,489,000	11,906,000	5,132,000	9,071,000	10,022,000	9,910,000	8,098,000	6,599,000	4,959,000	7,574,000	-	9,604,000	90,364,000
	Contract	2,323,000	4,377,000	2,071,000	3,187,000	1,513,000	4,923,000	2,734,000	2,294,000	1,558,000	2,422,000	-	2,889,000	30,291,000
	Total Health Center Fees Reconciliation	\$ 9,812,000	\$ 16,283,000	\$ 7,203,000	\$ 12,258,000	\$ 11,535,000	\$ 14,833,000	\$ 10,832,000	\$ 8,893,000	\$ 6,517,000	\$ 9,996,000	\$ -	\$ 12,493,000	\$ 120,655,000
	Memory Support Reconciliation													
{A}	Monthly Fees - Private (Noncontract)	\$ 1,594,000	\$ 343,000	\$ 189,000	\$ 166,000	\$ 629,000	\$ 211,000	\$ 629,000	\$ -	\$ 972,000	\$ -	\$ 395,000	\$ 205,000	\$ 5,333,000
	Contract	1,223,000	1,443,000	620,000	2,410,000	974,000	2,362,000	2,154,000	-	518,000	802,000	611,000	778,000	13,895,000
	Total Memory Support Fees	\$ 2,817,000	\$ 1,786,000	\$ 809,000	\$ 2,576,000	\$ 1,603,000	\$ 2,573,000	\$ 2,783,000	\$ -	\$ 1,490,000	\$ 802,000	\$ 1,006,000	\$ 983,000	\$ 19,228,000
	Other Resident Services Reconciliation													
{D}	Monthly Fees - Other - Private (Noncontract)	\$ -	\$ 197,000	\$ -	\$ -	\$ 17,000	\$ -	\$ 5,000	\$ 166,000	\$ 373,000	\$ 1,000	\$ -	\$ -	\$ 759,000
	Contract	66,000	605,000	266,000	478,000	54,000	93,000	57,000	1,023,000	1,645,000	96,000	-	-	4,383,000
	Total Other Residential Services Revenue	\$ 66,000	\$ 802,000	\$ 266,000	\$ 478,000	\$ 71,000	\$ 93,000	\$ 62,000	\$ 1,189,000	\$ 2,018,000	\$ 97,000	\$ -	\$ -	\$ 5,142,000
	Total Cash Received for Resident Services	\$ 26,344,000	\$ 37,136,000	\$ 20,969,000	\$ 36,514,000	\$ 20,286,000	\$ 36,959,000	\$ 34,143,000	\$ 23,268,000	\$ 28,863,000	\$ 30,191,000	\$ 10,210,000	\$ 23,678,000	\$ 328,561,000

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

Attachment I to Form 5-5: Schedule of Qualifying Assets, Investments and Debt Service Reserve
State of California - Department of Social Services
Year Ended December 31, 2025

Total Cash and Cash Equivalents From Combining Financial Statements	
Cash and cash equivalents (p.3)	<u>\$ 30,383,000</u>
Cash and Cash Equivalents Reconciliation From Form 5-5	
Debt service reserve, cash and cash equivalents	\$ 7,596,000
Operating reserve, cash and cash equivalents	<u>22,787,000</u>
Total cash and cash equivalents listed on Form 5-5	<u>\$ 30,383,000</u>
Total Investments From Combining Financial Statements	
Investments (p.3)	\$ 479,144,000
Designated Investments (p.3)	<u>24,834,000</u>
Total investments from combining financial statements	<u>\$ 503,978,000</u>
Investment Securities Reconciliation from Form 5-5	
Debt service reserve, investments	\$ 125,994,000
Operating reserve, investments	<u>377,984,000</u>
Total investments listed on Form 5-5	<u>\$ 503,978,000</u>
Debt Service Reserve from Combining Financial Statements	
Current portion of restricted investments (p.3)	<u>\$ 6,527,000</u>
Debt Service Reserve Reconciliation from Form 5-5	
Debt service reserve	<u>\$ 6,527,000</u>
Available Line of Credit from Combining Financial Statements	
Available line of credit (Note 6)	<u>\$ 65,000,000</u>
Available Line of Credit Reconciliation from Form 5-5	
Available line of credit	<u>\$ 65,000,000</u>
Debt Service Reserve Reconciliation	
Cash and cash equivalents, Form 5-5	\$ 7,596,000
Investment securities, Form 5-5	125,994,000
HumanGood California Obligated Group debt service reserve	<u>6,527,000</u>
Total listed for debt service reserve	<u>\$ 140,117,000</u>
Operating Reserve Reconciliation	
Cash and cash equivalents, Form 5-5	\$ 22,787,000
Investment securities, Form 5-5	377,984,000
Available line of credit, Form 5-5	<u>65,000,000</u>
Total listed for operating reserve	<u>\$ 465,771,000</u>

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

Form 5-5 Supplemental Schedule: Description of Reserves Under SB 1212
State of California - Department of Social Services
Year Ended December 31, 2025

Total Qualifying Assets as Filed:

Comments in Consistency with Tax Exempt Status Under AB 1169

Cash and cash equivalents	\$ 30,383,000
Unrestricted investment securities	479,144,000
Designated investments	24,834,000
Unused/Available line of credit	65,000,000
Debt service reserve	<u>6,527,000</u>
Total qualifying assets	<u><u>\$ 605,888,000</u></u>

As disclosed in Note 6 to the audited financial statements, a line of credit with Truist bank is available with no amounts drawn to date.

Reservations and Designations:

Designated for Retirement	\$ 12,250,000
Designated for Capital Projects	<u>12,584,000</u>
Total reservations and designations	<u><u>\$ 24,834,000</u></u>

Assets included in non-qualified retirement plans that are subject to claims of creditors as discussed in Note 8 to the audited financial statements. Funds could be made available if necessary.
Anticipated funds to be utilized to fund certain capital project initiatives at HumanGood. Funds could be made available if necessary.

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

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

Form 5-5 Supplemental Schedule: Per Capita Cost of Operations
 State of California - Department of Social Services
 Year Ended December 31, 2025

Description	Terraces at Los Altos	Piedmont Gardens	Plymouth Village	Valle Verde	Rosewood	Terraces of Los Gatos	Terraces at San Joaquin Gardens	Royal Oaks	White Sands La Jolla	Regents Point	Westminster Gardens	Redwood Terrace	Total
Per Capita Cost of Operations													
Operating expenses (Form 5-4, line 1)	\$ 28,263,000	\$ 38,779,000	\$ 22,284,000	\$ 40,594,000	\$ 23,342,000	\$ 39,416,000	\$ 39,120,000	\$ 27,929,000	\$ 34,577,000	\$ 33,132,000	\$ 11,359,000	\$ 25,985,000	\$ 364,780,000
Mean Number of CCRC Residents	155	238	245	365	101	280	361	224	236	343	159	165	2,869
Per Capita Cost of Operations	\$ 182,932	\$ 162,937	\$ 91,141	\$ 111,216	\$ 231,109	\$ 141,023	\$ 108,516	\$ 124,962	\$ 146,513	\$ 96,595	\$ 71,666	\$ 157,485	\$ 127,145