Rydal Park

of
HumanGood Pennsylvania

A Community of HumanGood East

Disclosure Statement

April 30, 2026

Issuance of a Certificate of Authority by the Pennsylvania Insurance Department does not constitute approval, recommendation or endorsement of HumanGood Pennsylvania by the department, nor is it evidence of, nor does it attest to, the accuracy or completeness of the information set forth in this disclosure statement.

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Rydal Waters Continuing Care Agreement - Fee For Service for HumanGood Pennsylvania D/B/A Rydal Park[1]	"F"
Rydal Park Personal Care Agreement - for HumanGood Pennsylvania D/B/A Rydal Park[1]	"G"

[1] The Agreements noted as Exhibit B, C, D, E, F and G are attached only if this Disclosure Statement is being provided to someone considering residence at Rydal Park or Rydal Waters. The Notice of Right to Rescind is found on the last page of the Residence and Care Agreement.

Preface
(40 P.S. § 3204; 31 Pa. Code § 151.7)

This Disclosure Statement is designed to be read in conjunction with the Rydal Park Continuing Care Agreement. Complete disclosure of all terms and conditions for residence at Rydal Park may be obtained by reading both documents. The Rydal Park Continuing Care Agreement describes the obligations of HumanGood Pennsylvania and of the Resident at Rydal Park. The Disclosure Statement sets forth the information required by the Pennsylvania CONTINUING CARE PROVIDER REGISTRATION AND DISCLOSURE ACT.

Summary
(40 P.S. § 3207(a))

1. Name and address of our community:

RYDAL PARK
1515 The Fairway
Jenkintown, Pennsylvania 19046-1435

2. Name and address of the licensed provider:

RYDAL PARK
HumanGood Pennsylvania
2000 Joshua Road
Lafayette Hill, PA 19444-2430

3. Person to be contacted to discuss admissions:

Debbie Leo
Director of Sales
RYDAL PARK
1515 The Fairway
Jenkintown, Pennsylvania 19046-1435
Telephone: (215) 376-6295
Fax: (215) 576-5916

Description of Our Community
(40 P.S. § 3207(a)(5); 31 Pa. Code § 151.7(c))

RYDAL PARK and RYDAL WATERS is located on more than 55 acres in Abington Township, Montgomery County, a northern suburb of Philadelphia. The main campus consists of six mid-rise (four to six floor) buildings which are attached by glass enclosed, climate-controlled walkways: Hillside, Brookside, Woodside, and Parkside, Rydal Main, and The Joseph C. Scott Health Center. Four of these buildings are residential, and include 149

one-bedroom and 146 two-bedroom residences as well as 54 personal care residences. Rydal Main houses full-service and cafe dining areas, club room and bar, auditorium/performing arts center, greenhouse, resident business center, library, styling salon, fitness center, indoor heated saltwater swimming pool, full-service wellness center, resident mailroom and administrative areas. The Joseph C. Scott Health Center opened November 2011 and includes 114 private skilled health center accommodations with private bathrooms and showers, outdoor resident patio with sitting areas and a water feature, and a parking garage.

Rydal Park opened its newest neighborhood, Rydal Waters, in March 2020. Rydal Waters sits on 33 acres with eighty-one cottage homes and a modern clubhouse and adjoins the Rydal Park main campus. All eighty-one cottages have been occupied as of June 2024. Each twin or single home features two bedrooms, living room, two bathrooms, dining room, full kitchen and two-car garage parking, with the larger cottages offering an additional den and the largest cottage offering an additional half bath. The clubhouse and outdoor pool and walking trails were completed in 2020, and two pickleball courts were completed in the summer of 2022. In addition, a bocce ball court was constructed in Q4 2023.

1. Minimum age:

   The minimum age for entrance to Rydal Park is 62 years. If two residents share a living accommodation, at least one must be 62 years old. For the co-resident who is under 62, a surcharge will be added to the pro-rata entrance fee and health care benefits may not be available until the co-resident attains the age of 62.

   The minimum age for Rydal Waters entrance is 55 years.

2. Current resident population as of March 31, 2026 is as follows:

Contract Type	**Independent Living**	**Personal Care/Memory Support**	**Skilled Nursing**
Type A (Life Care)	201	28	20
Type C (Fee for service)	163	8	-
Other	-	14	82
Total	**364**	**50**	**102**

3. Sample fees:

   As a sample of the costs of a Type A (Life Care) residence at Rydal Park, the current charges for a one bedroom (525 square foot) residence as of January 1, 2026 are:

Occupancy	Entrance Fee	Monthly Rate
Single	$104,000	$5,714
Double	$154,000	$8,314

As a sample of the costs of a Type C (Fee for Service) residence at Rydal Park, the current charges for a one bedroom (525 square foot) residence as of January 1, 2026 are:

Occupancy	Entrance Fee	Monthly Rate
Single	$95,000	$4,648
Double	$120,000	$5,920

The Corporation (HumanGood Pennsylvania) and Affiliates
(40 P.S. § 3207(a)(1)–(2)); 40 P.S. § 3207(a)(3)(B); 31 Pa. Code §§ 151.7, 151.9)

HumanGood Pennsylvania 2000 Joshua Road, Lafayette Hill, PA 19444-2430
Telephone (610) 834-1001
Fax (610) 834-6556

The Rydal Park continuing care retirement community, as well as Rydal Waters (a recently added development at the Rydal Park campus) is owned and operated by HumanGood Pennsylvania (HGPA). HGPA, a subsidiary of HG East, is a Pennsylvania non-profit corporation, and is exempt from federal income tax under Section 501(c)(3) of the United States Internal Revenue Code. Rydal Park opened in 1974. HGPA also operates The Mansion at Rosemont, an independent living and personal care community in Bryn Mawr, Delaware County, Pennsylvania, and Spring Mill Pointe, an independent living, personal care and memory support community in Whitemarsh Township, Montgomery County, Pennsylvania.

HGPA is a member of HumanGood East (HG East), a not-for-profit corporation engaged in establishing, maintaining, supporting and operating communities for the care of seniors which is also the parent of The Presbyterian Home at 58th Street, Bala Presbyterian Home Foundation (Bala), Makemie at Whiteland, Philadelphia Presbytery Homes WC Trust, Inc. and various Affordable Housing properties (see table below). HG East is a member of HumanGood Cornerstone.

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

HumanGood is a California nonprofit public benefit tax-exempt corporation providing housing, health care and supportive services for seniors through its LPCs and affordable housing communities. HumanGood is the sole member of HumanGood Cornerstone, HumanGood Fresno (dba Terraces at San Joaquin Gardens), HumanGood SoCal (SoCal) and HumanGood NorCal (NorCal).

HGPA provides management services for certain sister organizations (listed below) providing long term care and/or housing for older adults, some of which are exempt from federal income tax under Section 501 (c) (3) of the United States Internal Revenue Code whereas other are Limited Partnerships with affiliated corporations serving as General Partners.

Legal Entity Name	Doing Business As (d/b/a)	Entity Type
Riverside Senior Apartments, LP	Riverside Senior Apartments	Limited Partnership (LP)
Philadelphia Presbytery Apartments of Morrisville, Inc.	Morrisville Presbyterian Apartments	Nonprofit Corporation
Presbyterian Apartments at 58th Street, Inc.	Ann Thomas Presbyterian Apartments	Nonprofit Corporation
Mary Field Senior Apartments, L.P.	Mary Field Presbyterian Apartments	Limited Partnership (LP)
Germantown Interfaith Housing, Inc.	Interfaith House in Germantown	Nonprofit Corporation
Tioga Presbyterian Apartments, Inc.	Tioga Presbyterian Apartments	Nonprofit Corporation
Old City Presbyterian Apartments, Inc.	Old City Presbyterian Apartments	Nonprofit Corporation
Avenue of the Arts Presbyterian-PSC Apartments, Inc.	Reed Street Presbyterian Apartments	Nonprofit Corporation
Bensalem Senior Apartments, L.P.	Bensalem Presbyterian Apartments	Limited Partnership (LP)
South Philadelphia Presbyterian Apartments	Jackson Place	Nonprofit Corporation
Mantua Presbyterian Apartments, Inc.	Mantua Presbyterian Apartments	Nonprofit Corporation
Grace Court, Inc.	Grace Court	Nonprofit Corporation
Wynnefield Place, L.P.	Wynnefield Place, L.P.	Limited Partnership (LP)
Paschall Senior Housing, Inc.	Paschall Senior Housing, Inc.	Nonprofit Corporation
Cantrell Place, L.P.	Cantrell Place, L.P.	Limited Partnership (LP)
Witherspoon Senior Apartments, L.P.	Witherspoon Senior Apartments, L.P.	Limited Partnership (LP)
Makemie Court, L.P.	Makemie Court, L.P.	Limited Partnership (LP)
Bala Presbyterian Home Foundation, Inc.	Bala Presbyterian Home Foundation, Inc.	Nonprofit Corporation
Janney Street Apartments, L.P.	Janney Street Apartments, L.P.	Limited Partnership (LP)
Maple Village, L.P.	Maple Village, L.P.	Limited Partnership (LP)
Ardmore House II, L.P.	Ardmore House II, L.P.	Limited Partnership (LP)

The address of the above organizations is 2000 Joshua Road, Lafayette Hill, Pennsylvania 19444-2430.

HGPA also manages, on a fee-for-service basis, federally subsidized communities offering housing to lower income older adults and/or physically disabled individuals for unrelated nonprofit sponsors and for-profit organizations.

HGPA and HG NorCal are parties to an administrative services agreement which provides for the sharing and cost allocation of executive leadership, finance and accounting, human resources, information technology, marketing, risk management, compliance, and other administrative and operational services.

As disclosed in footnote 7 of the attached audited financial statements, notes payable due from HGPA to affiliates at December 31, 2025 consist of the following:

- Note payable to Bala Presbyterian Home Foundation in semi-annual installments of $311,000, including interest at 4%, with final payment due in 2030. Proceeds were used to finance Makemie development cost. Outstanding amounts at December 31, 2025 were $2,791,000.
- Note payable to Bala Presbyterian Home Foundation in semi-annual installments of $235,000, including interest at 4%, with final payment due in 2054. Proceeds were used to acquire land for the Rydal Waters Project. Outstanding amounts at December 31, 2025 were $7,936,000.
- Note payable to Bala Presbyterian Home Foundation, over a 10-year term at 2% annual interest rate. Proceeds are drawn to reimburse construction expenditures related to a Residential Living expansion and a Memory Support renovation at Spring Mill Pointe up to a $3,000,000 maximum. Repayments and amortization will begin after projects are fully constructed. Outstanding amounts at December 31, 2025 were $3,000,000.

The Continuing Care Retirement Community (Rydal Park)
(40 P.S. § 3207(a)(5)–(6))

Rydal Park & Waters offers the convenience of suburban living, access to the cultural opportunities of Center City Philadelphia, and the quiet of a wooded, residential location. Various churches, synagogues, hospitals, a university, colleges, and a public library complement the spiritual, health, educational, and recreational programs indigenous to the Rydal Park & Waters community.

Rydal Park fulfills the HumanGood East mission by offering a continuum of care following independent living, including personal care, memory support, and nursing care. Residents of Rydal Park & Waters have priority access to higher levels of care and numerous services, including but not limited to wellness, homecare and therapy within the community should they require additional care. Residents in all levels of care maintain access to various amenities of the community.

Our Leadership
(40 P.S. § 3207(a)(3)(A))

Officers of the Corporation

William J. Battison III, Board Chair

Mr. Battison joined the be.group board of directors in 2011. He has held numerous corporate leadership positions, including stints as president of Westwood One Inc. and NBC Radio Network; president and CEO of BuyitNow Inc.; executive vice president and chief operating officer of Iwerks Entertainment; and executive vice president of Valence Technology Inc. He has his master's degree in business administration from the University of Virginia's Colgate Darden Graduate Business School and his bachelor's degree in economics from the University of Virgina.

John H. Cochrane III, President and CEO

Mr. Cochrane was appointed President and Chief Executive Officer of HumanGood upon the affiliation of HG NorCal and HG SoCal. As President and Chief Executive Officer, Mr. Cochrane is responsible for the strategic direction of the company, overseeing operations and serving as the primary liaison to the Boards of Directors. Mr. Cochrane joined HG SoCal as President and Chief Executive Officer in August 2009. From December 2006 to August 2009, Mr. Cochrane served as Chief Operating Officer of Life Care Retirement Communities, Inc. (now Lifespace Communities), a large nonprofit senior housing provider headquartered in Des Moines, Iowa. He previously worked as a Principal with Glenwood Senior Living in Chicago from April 1997 to December 2006. He started his career in the senior housing industry with Erickson Retirement Communities (a for-profit provider) where he served as Executive Director of Oak Crest Village, Baltimore, Maryland, from September 1993 to April 1997. He received his B.A. in Political Science from Northern Illinois University in 1983 and a J.D. from Northwestern University in 1986. He practiced real estate law in Chicago, Illinois, from June 1986 until September 1993.

Daniel S. Ogus, Chief Operating Officer

Mr. Ogus joined HG SoCal in 1995, became Vice President of Operations in 2007 and Chief Operating Officer in 2009. He continued as the Chief Operating Officer of HumanGood following the affiliation of HG SoCal with HG NorCal. As Chief Operating Officer, Mr. Ogus oversees HumanGood's operational areas, which

include life plan communities and affordable housing communities, as well as human resources, procurement and the resident experience. Prior to February 2007, he served as Executive Director of two of HG SoCal's life plan communities as well as serving as a Regional Executive Director. Prior to joining HG SoCal he was employed at the University of San Diego in student affairs. He received his B.S. degree from the University of Houston and his M.B.A. from the University of Dallas. He also was awarded an M.A. in Gerontology from the University of Southern California in 2004. Mr. Ogus is a licensed nursing home and residential facility for the elderly administrator in California. He has served on several committees of LeadingAge California, and is a prior member of its board of directors. Mr. Ogus is a trained evaluator and former site chair for the Continuing Care Accreditation Commission, Commission of Accreditation of Rehabilitation Facilities (CARF-CCAC). He is a former board member of Moldaw life plan community, Sunwest Bank, the Boys and Girls Club and the Greater San Diego YMCA.

Andrew McDonald, Chief Financial Officer

Mr. McDonald serves as the Chief Financial Officer of HumanGood and all of its affiliates, including the members of the California Obligated Group. In addition to leading the finance and accounting function which oversees HumanGood's financial audits, budgets, compliance and financial reporting and analysis, as Chief Financial Officer, Mr. McDonald is responsible for overseeing financial performance optimization, capital sourcing and allocation, strategic initiatives, and evaluation of acquisition and affiliation targets. Mr. McDonald joined HG NorCal in 2007 as Vice President of Finance and Controller after serving as the Controller for a real estate developer in Southern California. Mr. McDonald's professional background includes working on corporate restructurings in Arthur Andersen's Global Corporate Finance group and acting as the lead financial analyst preparing long term financial forecasts for Southern California Edison. Mr. McDonald is a graduate of the Larry Minnix LeadingAge Leadership Academy, a Certified Public Accountant in the state of New Mexico, and has an undergraduate degree in economics and accounting from Claremont McKenna College and an M.B.A. from UCLA.

Nick Lindberg, Chief Technology Officer

Mr. Lindberg is the Chief Technology Officer of HumanGood where he oversees the convergence of IT, technology and innovation, and data strategy both internally and around HumanGood's symbiotic investment strategy in the startup space. He has been in the technology field for nearly 25 years, starting at IBM designing next-gen microprocessor architecture and performance models for 8 years, before taking over as CTO at The Milwaukee Institute, a non-profit research foundation that leveraged emerging technology in high-performance computing to help Midwest companies modernize their design approach in 2011. In 2017, Nick began consulting in applied machine learning, working with both large companies and in the startup space, and

ultimately landing at Yes Health in 2020 as Director of Machine Learning, a digital health company focused on diabetes prevention management where he was able to apply his many years of experience around applied AI and data science to help innovate and scale the business. Nick received double bachelor's degrees in Electrical Engineering and Computer Science, and an MS in Computer Engineering from the University of Wisconsin, Madison.

Bethany Ghassemi, Chief Legal Officer

Ms. Ghassemi joined HG NorCal in June 2015 as Staff Attorney and then as Associate General Counsel. Promoted to General Counsel in May 2019, she oversees legal operations for HumanGood and all of its affiliates, including oversight of HG NorCal, HG SoCal and HG Fresno. She is also accountable for enterprise risk management, governance, and advocacy. Previously, she spent seven years in private practice at the law firms Jones Day and Hawkins Delafield & Wood, where she provided clients, including HG NorCal and HG SoCal, with healthcare finance advice. Ms. Ghassemi is licensed to practice law in California and is a member of the California Bar Association and the American Health Lawyers Association. She participates in the General Counsel Group of Leading Age. She has a B.A. from Princeton University and a J.D. from UCLA Law School.

The Board of Directors

Rev. Randy L. Barge

Rev. Barge is Pastor of First Presbyterian Church of Olney in Philadelphia and the Moderator of the Presbytery of Philadelphia.

Harry G. (Skip) Dittmann

Skip Dittmann retired from Wachovia as senior vice president of portfolio management, where he oversaw the investment management of portfolios of high net worth individuals.

Alan J. Griffith, Vice Chair

Alan is a senior financial executive with over 30 years of experience. Significant areas of accomplishment include corporate development, including acquisitions, divestitures and restructurings, planning and analysis and SEC reporting. He spent 25 years of his professional career with ARAMARK Corporation in various financial roles. He serves on the advisory board of Contract Pharmacy Services, a provider of pharmaceutical services to the long-term care and correctional industries. Alan is a member of Oreland Evangelical Presbyterian Church and has previously served as a Ruling elder. He is a member of the PICPA and AICPA. He chairs the HumanGood Risk, Quality and Services Committee.

Rev. Michelle M. Holmes

Rev. Michelle Holmes joined the board in 2019 as part of the affiliation with HumanGood. She has held several positions with the American Baptist Seminary of the West in Berkeley, California since 1990. She served as vice president and chief financial officer, vice president for Institutional Advancement, acting president and assistant to the president for recruitment and development. She is chair of the Chief Financial Officers Steering Committee and is a member of the Graduate Theological Union Council of Development Officers and the Council of Chief Financial Officers. She founded and is an Honorary Lifetime Member of the Wellness Council in San Luis Obispo County, California. An ordained American Baptist minister, Holmes has served on the Minister's Council of the Greater Bay Area of the American Baptist Churches USA in numerous capacities. She chairs the HumanGood Audit Committee.

Kenneth McKeown

Kenneth McKeown joined the board in 2012. Mr. McKeown has over thirty years' experience in both the advertising and pharmaceutical industries managing production and distribution staffs. He is currently the president of MacB Associates, which provides consulting services to pharmaceutical, graphic arts and logistic companies. He chairs the HumanGood East Philanthropy Advisory Council.

Rev. Dr. Nancy E. Muth

Dr. Muth is a retired minister of the First Presbyterian Church in Germantown. Prior to her ministry, Dr. Muth specialized in financial stewardship and funds development with churches and religious organizations.

Declan Brown

Mr. Brown began his service in 2013 as a member of the American Baptist Homes of the West (ABHOW) board. He joined the HumanGood board when be.group and ABHOW merged in 2016. As a merger specialist, he contributed his expertise in mergers and acquisitions in subsequent affiliations with Presby's – now HumanGood East – and others. He has more than 25 years of consulting experience in the transportation industry, which spans the world of strategic planning for railroads, ports, ocean carriers, intermodal marketing companies and shippers.

As co-founder and president of the Kingsley Group Inc., he consulted on several major mergers/acquisitions and has worked on other rail transactions in Europe, Brazil, Mexico and Central America. He has experience with Southern Pacific Transportation Company and has been an advisor to governments in Central America, Europe, Asia and Africa. He has been a speaker on transportation maters at conferences both national and internationally.

The Rydal Park Staff

To assure full service within the continuing care retirement community, Rydal Park employs over 500 full and part time employees as administrative staff, certified nurse practitioners, nurses and nursing assistants, sales, dining services, housekeeping, laundry, maintenance and security personnel. The following key staff may be reached at Rydal Park, 1515 The Fairway, Jenkintown, Pennsylvania 19046-1664, telephone (215) 885-6800:

Carisa Livingston, Executive Director

> Carisa joined Rydal Park in 2025 as Executive Director, having previously served in escalating leadership roles between The Mansion at Rosemont and Spring Mill Pointe communities since 2010. Carisa brings her love of the campus and team, coupled with her commitment to helping the community reach new levels of excellence with 20 years of service in senior living. Carisa is a Licensed Nurse, a certified Personal Care Home Administrator, and holds a Bachelor's Degree in Business Administration. Carisa also worked in an acute dialysis, long term care nursing and leadership roles prior to joining HumanGood.

Debbie Leo, Director of Sales

Debbie joined Rydal Park in 1999 as a Sales Consultant and is now the Director of Sales, overseeing the Rydal Park Sales Department. Prior to working in the senior living industry, Debbie started her career in product sales.

The Rydal Park Residents' Association

(40 P.S. § 3207(a)(11))

All Rydal Parks & Waters contract residents are automatically members of the Rydal Park Resident's Association. The Association is governed by a Resident Council President and Vice President who are elected by the council representatives. The council representatives are elected by the resident body. The Association has many committees that plan and carry out the many activities of the Rydal Park & Waters community. These activities include hobby/interest groups, recreational programming, current event forums, movies, cultural and musical programs, chorus and hand bell groups.

The Association also carries out an annual fund drive for the *Rydal Park Friendship Fund* which benefits residents who have outlived their financial resources. In October, the Association holds the *Team Member Appreciation Fund Drive.* The proceeds are distributed to employees in December to thank them for their care and concern for the residents.

The *A-to-Z Repair Shop* and the *Holiday Bazaar* are sponsored by the Association and are managed as well as staffed by the residents. Each of these activities generates funds that support the Association and its programs.

Services Provided at Rydal Park
(40 P.S. § 3207(a)(6)–(7))

The Rydal Park Continuing Care Agreement (attached as Exhibits "B" through "G" for new applicants), executed at the time of occupancy of a residence at the community, details the residential and health care services provided within the community.

There are two types of agreements available to new applicants at Rydal Park: a Life Care Continuing Care Agreement and a Fee For Service Continuing Care Agreement. Under the Life Care Continuing Care Agreement, a resident is charged the currently published monthly fee regardless of level of care whereas under the Fee For Service Continuing Care Agreement, residents will pay the currently published residential living rates while in residential living, but should the residents transfer to personal care and /or nursing, the residents will pay the currently published private pay rates for those levels of care

Both agreements provide the option to elect a 0% refund or 90% refund of the entrance fee. Under the 0% refund option, the entrance fee amortizes over a 32-month period at 3% per month and over a 48-month period at 2% per month for Rydal Park and Rydal Waters, respectively, with the first 4% of the entrance fee earned immediately by the Community. Under the 90% refundable option, the resident receives 90% of the paid entrance fee as a refund upon both surrendering the residence and the re-occupancy of the residence by another resident. Further, the other 10% amortizes over 2 months at 3% per month with the first 4% of the entrance fee earned immediately by the Community. Any applicable refund is subject to deductions for any financial assistance provided, and/or any amounts necessary to cover costs incurred by Rydal Park to refurbish, restore or repair the residence in the event of unreasonable wear and tear, and/or costs incurred at the resident's specific written request, and/or any unpaid charges. Under these agreements, there is the equivalent of one meal per day included in the monthly fee.

The following is intended to serve only as a summary of offered services; reference should be made to the Continuing Care and Residency Agreements for further information.

Included in the basic Type A (Life Care) and Type C (Fee-for-Service) agreement:

- Use of a living accommodation;
- Use of community areas and amenities, such as dining rooms, lobbies, auditorium, library, social and recreational areas, pool, club lounge, fitness center and resident business center;
- Group exercise programs;
- Washers and dryers;
- Flexible dining plans for Rydal Park;
- Weekly housekeeping service (bi-weekly at Rydal Waters);
- Provision and laundering of community supplied standard sized bed linens and towels at Rydal Park if requested;
- Maintenance of Rydal Park/Rydal Waters property, within living accommodations, in the common areas of the buildings, and on the grounds;

- Water, electricity, heat, air conditioning, sewer and refuse collection; and
- Basic digital cable service provided by Comcast.
- WiFi

Health care and other services included in the basic Type A (Life Care) agreement (may require an additional fee):

- Licensed Personal Care Program; and
- General nursing care in the Joseph C. Scott Health Center

Services available at extra cost:

- Premium cable television channels;
- Beauty and barber shop services;
- Catering services in a private dining room; and
- Off-campus trips.

Health care services available at extra cost:

- On-site medical services, when prescribed by a Rydal Park physician and to the extent not reimbursed by insurance;
- Visits to the Rydal Park wellness center;
- Visits to other physicians when directly referred in writing by a Rydal Park physician;
- Physical, occupational, and speech therapy when prescribed by a physician;
- Medicines that can be obtained without a prescription;
- Refractions;
- Eye glasses and contact lenses;
- Hearing aids;
- Dentistry;
- Dentures;
- Dental inlays;
- Orthopedic appliances;
- Podiatry;
- Diagnosis and therapy for psychiatric disorders;
- Care for any pre-existing conditions which are specifically identified for a given individual;
- Care for residents under the age of 62 (55 at Rydal Waters);
- Availability of in-home care;
- Personal laundry;
- Incontinence supplies;
- Proximity control products.
- Nurse Practitioner as primary or urgent/sick care;
- Psychiatry;
- Shiatsu massage;
- Acupuncture;

- Acupressure;
- Cardiology;
- Ophthalmology;
- Pain Physician;
- Licensed Clinical Social Worker;
- COVID testing;
- Influenza testing; and
- Nutritional coaching.

Costs of Care

Application for residence at Rydal Park must be accompanied by a non-interest-bearing non-refundable deposit of $3,000 to be applied to the Entrance Fee for the apartment desired. The deposit secures an applicant's apartment selection.

The Entrance Fee and Monthly Service Fee
(40 P.S. § 3207(a)(7))

There are two costs: An Entrance Fee, which is a one-time payment to HGPA and which varies with the type of apartment/cottage home and the number of residents, and a Monthly Fee, which covers the services described in the section above. For Life Care contracts, a portion of the Monthly Fee is designated as the health care component. The Entrance Fee and Monthly Fee may be adjusted from time to time as the cost of providing services changes. Under ordinary circumstances, these adjustments are announced by December 1 to be effective the following January 1. Generally, the Monthly Fee has been raised approximately the same percentage for each type of residence; however, because some components of the Monthly Fee are related to the number of persons (such as dining service or health care), and others are related to the size of the apartment/cottage home (such as energy), it is sometimes necessary to re-evaluate the relationship between Monthly Fees for different residence types and occupancies.

The chart below provides the monthly fees and average rate increases for a one-bedroom residence for the past 5 years at Rydal Park.

Year	Typical 1 Bedroom Fee*	Rate Increase	% Rate Increase
2022	$4,867	$243	5.26%
2023	$5,251	$384	7.89%
2024	$5,500	$249	4.74%
2025	$5,731	$231	4.20%
2026	$5,989	$258	4.50%

**Rates for residents entering in 2001 through 2026. Rates for residents entering prior to 2001 with contract pharmacy coverage have a slightly different fee structure.*

As of January 1, 2026, the Schedule of Charges for Life Care Contracts at Rydal Park are as follows:

Rydal Park

a human good community

2026 Residential Living Apartment Rates

Effective January 2026. Rates are subject to change.

RESIDENCE STYLE	LIFE CARE			FEE-FOR-SERVICE		
	Traditional Entrance Fee	90% Refundable Entrance Fee	Monthly Fee	Traditional Entrance Fee	90% Refundable Entrance Fee	Monthly Fee
Hillside One Bedroom I (525 sq. ft.)	$104,000	$312,000	$5,714	$95,000	$220,000	$4,648
Brookside One Bedroom II (583 sq. ft.)	$114,000	$367,000	$5,989	$101,000	$279,000	$4,877
Hillside One Bedroom Corner I (590 sq. ft.)	$142,000	$383,000	$6,094	$103,000	$296,000	$4,938
Brookside One Bedroom Corner II (590–639 sq. ft.)	$172,000	$406,000	$6,507	$105,000	$311,000	$5,355
Brookside or Hillside One Bedroom with Den (760 sq. ft.)	$257,000	$473,000	$6,943	$220,000	$412,000	$5,696
Hillside One Bedroom with Den Deluxe (813 sq. ft.)	$275,000	$504,000	$7,229	$239,000	$447,000	$5,930
Hillside Fairway One Bedroom with Great Room (1,015 sq. ft.)	$326,000	$593,000	$7,701	$294,000	$520,000	$6,174
Brookside or Hillside Suite (1,050–1,222 sq. ft.)	$348,000	$622,000	$8,110	$303,000	$552,000	$6,311
Hillside Fairway Two Bedroom with Great Room (1,360 sq. ft.)	$460,000	$706,000	$8,206	$415,000	$643,000	$6,453
Woodside Two Bedroom (1,378 sq. ft.)	$540,000	$837,000	$8,644	$513,000	$765,000	$6,485
Woodside Two Bedroom with Den (1,500 sq. ft.)	$620,000	$879,000	$8,822	$580,000	$802,000	$7,580
Parkside Two Bedroom with Den (1,500 sq. ft.)	$620,000	$879,000	$8,822	$580,000	$802,000	$7,580
Second Person Fee	$50,000	$64,000	$2,600	$25,000	$40,000	$1,272

1515 The Fairway • Jenkintown, PA 19046 • (267) 550-5980

The Entrance Fees and Monthly Fees for Rydal Waters as of January 1, 2026 are listed below. The payment schedule for the Entrance Fee and Monthly Fee is reflected in the Continuing Care Agreements.

Rydal Waters

a human good community

2026 Residential Living Cottage Rates

Effective January 2025. Rates are subject to change.

RESIDENCE STYLE	LIFE CARE			FEE-FOR-SERVICE		
	Traditional Entrance Fee	90% Refundable Entrance Fee	Monthly Fee	Traditional Entrance Fee	90% Refundable Entrance Fee	Monthly Fee
COTTAGES						
1,750 sq. ft. twin	$635,000	$893,000	$6,733	$593,000	$826,000	$5,179
2,000 sq. ft. twin	$695,000	$977,000	$7,074	$649,000	$910,000	$5,519
2,150 sq. ft. single	$755,000	$1,063,000	$7,818	$705,000	$995,000	$6,263
2,400 sq. ft. single	$796,000	$1,130,000	$8,354	$746,000	$1,062,000	$6,799
Second person fee	$49,000	$63,000	$2,322	$24,000	$39,000	$1,102
COTTAGES INCLUDING WALK-OUT BASEMENTS						
2,000 sq. ft. twin	$800,000	$1,107,000	$7,074	$738,000	$1,021,000	$5,519
2,150 sq. ft. twin	$860,000	$1,193,000	$7,818	$798,000	$1,104,000	$6,263
2,400 sq. ft. single	$901,000	$1,260,000	$8,354	$839,000	$1,170,000	$6,799
Second person fee	$49,000	$63,000	$2,322	$24,000	$39,000	$1,102
COTTAGES INCLUDING SUNROOMS						
1,750 sq. ft. twin	$667,000	$935,000	$6,733	$634,000	$880,000	$5,179
2,000 sq. ft. twin	$727,000	$1,019,000	$7,074	$695,000	$964,000	$5,519
2,150 sq. ft. single	$786,000	$1,106,000	$7,818	$754,000	$1,049,000	$6,263
2,400 sq. ft. single	$827,000	$1,171,000	$8,354	$794,000	$1,115,000	$6,799
Second-person fee	$49,000	$63,000	$2,322	$24,000	$39,000	$1,102

Unrestricted Income Statements for the Year Ended December 31, 2025

(40 P.S. § 3207(a)(9); 31 Pa. Code § 151.7(d))

	(in thousands)			
	Budget 2026	Actual 2025	Budget 2025	Variance
Revenue, gains and other support:				
Resident service revenue, net including amortization of entrance fees	$58,657	$57,017	$56,184	$833
Contributions and bequests	101	182	110	72
Investment income	450	3,491	425	3,066
Other revenue	687	1,014	908	106
Net assets released from restrictions	285	232	230	2
Total revenue, gains, and other support	60,180	61,936	57,857	4,079
Expenses:				
Salaries and employee benefits	28,334	28,326	26,939	(1,387)
Other operating nonwage expenses	21,547	21,112	19,996	(1,116)
Interest	4,105	4,142	4,318	176
Depreciation and amortization	11,589	11,191	10,846	(345)
Total expenses	65,575	64,771	62,099	(2,672)
Operating income (loss)	(5,395)	(2,835)	(4,242)	(1,407)

Explanation of line items

- Resident service revenue, net including amortization of entrance fees includes monthly room and board charges, therapy, pharmacy, other ancillary revenues, and deferred revenue determined to be earned relating to traditional and refundable entrance fee contracts.
- Contributions and bequests are unrestricted donations made to the organization during the year.
- Investment income includes all interest, dividends and realized gains (losses) on unrestricted investments but excludes unrealized gains or losses on investments.
- Other revenue includes miscellaneous revenues earned for the community.
- Net assets released from restrictions captures all contributions released during the year due to meeting the restricted purpose that the contribution was intended for.
- Salaries and employee benefits includes costs incurred for all departments and positions, as well as costs of all health benefit coverage, employer paid taxes and other benefit costs incurred.
- Other operating expenses includes direct costs relating to food service, pharmacy, therapy, physical property contract services, as well as medical, building and other

supplies and materials necessary for the operation of the community; utility costs; real estate taxes; management fees relating to the management services performed by the community support center encompassing senior management, human resource, marketing, information technology, contract program administration, finance, and other services; and bad debt in recognition of uncollectible service charges.

- Interest costs include all related charges for the outstanding debt of the community.
- Depreciation and amortization is the estimated depreciated value relating to certain fixed or intangible assets of the community.

Explanation of Variances

Revenues, gains and other support exceeded budget by $4.1 million. Resident service fee revenues exceeded budget by $833,000, primarily due to higher Residential Living and Home Care revenues, coupled with higher than anticipated amortization of entrance fees income. Investment income exceeded budget by $3.1 million primarily from favorable realized gains experience. Other revenue exceeded budget by $106,000, primarily driven by miscellaneous income stemming from dining and other on-site resident services. Net assets released from restrictions came in within $2,000 from budget.

Expenses exceeded budgeted amounts by $2.7 million, driven by a number of factors including an unfavorable budget variance in employee salaries and benefits of $1.4 million. Other operating nonwage expenses exceeded budget by $1.1 million and primarily stemmed from higher than anticipated ancillary expenses, purchased services, rentals and leases, and other operating expenses, partially offset by favorable repairs and maintenance, marketing, utilities and insurance in 2025. Interest expense was favorable to budget by $176,000. Depreciation and amortization exceeded budget by $345,000.

Funds

(40 P.S. § 3207(a)(8); 31 Pa. Code § 151.8)

HGPA has established two separate funds to provide financial security for residents of the community.

Short-term investments are managed by the Chief Financial Officer under policies established by the Board of Directors, regularly monitored by the Finance/Investment Committee of the Board.

Long-term investments are held in custody by Deutsche Bank and are managed by the professional investment advisory firm of Hirtle, Callahan & Co., Conshohocken, PA. The Finance/Investment Committee of the Board of Directors meets regularly with the investment advisor and continuously monitors the performance of the funds.

Entrance fee deposits received prior to a resident occupying a unit are held in a separate

escrow account in accordance with Pennsylvania Continuing Care regulations. For previously occupied units, escrowed funds are released to HGPA's operating account upon resident move-in.

Building and Equipment Replacement Fund

The community maintains a building and equipment replacement fund for extraordinary capital replacements. As of December 31, 2025, the market value of the Rydal Park Fund for Building and Equipment Replacement was approximately $19,772,000.

The Rydal Park Friendship Fund

The Rydal Park Friendship Fund is a donor restricted fund of HGPA, established to benefit independent living contract residents of the community who have paid the full entrance fee and whose resources, at the time of admission, were believed to be sufficient for their lifetime at Rydal Park.

HGPA has established guidelines regarding eligibility for assistance to individuals from this Fund. Investment of the Fund is solely the responsibility of HGPA. Reports of contributions to the Fund and assistance provided are made periodically to the Rydal Park Residents' Council through the Friendship Fund Committee.

Full confidentiality is assured. Names of residents requiring assistance will never be divulged. Amounts of individual gifts to the Rydal Park Friendship Fund will not be publicized, except with the expressed approval of the donor.

Residents requiring financial assistance will, in the normal course of events, come to the attention of the management of HGPA through the Executive Director of Rydal Park. *It is the policy of HGPA as set forth in the by-laws of the Corporation that no person, once admitted, will be asked to give up residence solely for financial cause, unless a prejudicial distribution of assets has been made.*

The value of the Rydal Park Friendship Fund on December 31, 2025 was $5,099,000.

Exhibit A

HumanGood Pennsylvania
(a Member of HumanGood East)

Financial Statements

December 31, 2025 and 2024

HumanGood Pennsylvania
(a Member of HumanGood East)

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December 31, 2025 and 2024

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Independent Auditors' Report

To the Board of Directors of
HumanGood Pennsylvania

Opinion

We have audited the financial statements of HumanGood Pennsylvania (a member of HumanGood East) (the Corporation), which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2025 and 2024, and the results of their operations, changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audits 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 Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 Corporation's 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's 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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The combining information, as identified in the table of contents, is presented for purposes of additional analysis of the financial statements, and it is not a required part of the 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 financial statements. The combining information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Baker Tilly US, LLP

Philadelphia, Pennsylvania
April 29, 2026

HumanGood Pennsylvania
(a Member of HumanGood East)

Balance Sheets
December 31, 2025 and 2024
(In Thousands)

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	$ 4,153	$ 4,495
Resident accounts receivable, net	2,406	2,794
Other receivables, net	2,283	5,333
Prepaid expenses, deposits and other assets	1,717	1,572
Intercompany advances due	4,136	5,084
Total current assets	14,695	19,278
Restricted Cash and Cash Equivalents	7,765	5,898
Investments	83,859	74,901
Statutory Minimum Liquid Reserve	6,989	6,959
Restricted Investments	25,775	22,613
Other Affiliate Receivables	3,315	4,606
Other Noncurrent Assets	2,357	2,630
Beneficial Interest in Split-Interest Agreements and Perpetual Trusts	4,830	4,493
Land, Buildings and Equipment, Net	172,272	175,469
Total assets	$ 321,857	$ 316,847

	2025	2024
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	$ 6,058	$ 6,088
Deposits	325	280
Accrued interest	404	380
Current portion of long-term debt	3,521	3,103
Payable to affiliates	1,285	4,897
Entrance fee rebates payable	50	-
Total current liabilities	11,643	14,748
Rebatable Entrance Fees Due	95,256	94,326
Entrance Fees Nonrefundable	37,013	32,343
Entrance Fees Subject to Refund	18,669	20,174
Long-Term Debt	93,665	96,324
Notes and Bonds Payable Held by Affiliates	12,754	11,037
Retirement Liability	50	70
Workers' Compensation Liability	1,410	747
Other Long-Term Liabilities	139	171
Total liabilities	270,599	269,940
Net Assets		
Net assets without donor restrictions	19,681	19,025
Net assets with donor restrictions	31,577	27,882
Total net assets	51,258	46,907
Total liabilities and net assets	$ 321,857	$ 316,847

See notes to financial statements

HumanGood Pennsylvania
(a Member of HumanGood East)

Statements of Operations and Changes in Net Assets
Years Ended December 31, 2025 and 2024
(In Thousands)

	2025	2024
Changes in Net Assets Without Donor Restrictions		
Operating revenues:		
Residential living	$ 34,601	$ 32,583
Personal care	9,139	8,634
Health center	16,440	16,669
Memory support	5,447	5,708
Other service income	4,227	4,038
COVID relief funding	-	20
Developer fee revenue	1,121	2,164
Other operating revenue	71	71
Affordable housing fees	2,178	2,065
Net assets released from restrictions	751	839
Unrestricted contributions	2,205	2,332
Amortization of entrance fees	7,632	9,349
Total operating revenues	83,812	84,472
Operating expenses:		
Salaries and wages	40,269	37,955
Employee benefits	9,192	8,207
Supplies	5,777	5,219
Ancillary services	2,687	2,291
Repairs and maintenance	789	886
Marketing and advertising	1,446	1,530
Purchased services	6,276	7,223
Utilities	3,053	2,915
Travel and related	726	571
Leases and rents	342	294
Insurance	1,675	1,405
Other operating expense	2,878	3,696
Total operating expenses	75,110	72,192
Income before other operating income (expense)	8,702	12,280
Other operating income (expense):		
Realized gains on investments, net	5,506	7,120
Change in unrealized gains on investments, net	4,991	1,292
Investment income, net	2,158	1,755
Depreciation and amortization expenses	(16,521)	(15,707)
Interest expense	(4,842)	(5,108)
Other (expense) income, net	(88)	75
(Loss) income from operations	(94)	1,707
Net Assets Released From Restrictions Used for Property and Equipment	1,169	225
Equity Transfers	(419)	362
Change in net assets without donor restrictions	656	2,294
Changes in Net Assets With Donor Restrictions		
Dividend and interest income	582	505
Unrealized gains on investments with donor restrictions, net	1,693	1,073
Valuation gains, beneficial interest in perpetual trusts	337	206
Realized gains on investments, net	1,198	1,172
Contributions	1,805	999
Net assets released from restrictions	(1,920)	(1,064)
Change in net assets with donor restrictions	3,695	2,891
Change in net assets	4,351	5,185
Net Assets, Beginning	46,907	41,722
Net Assets, Ending	$ 51,258	$ 46,907

See notes to financial statements

HumanGood Pennsylvania
(a Member of HumanGood East)

Statements of Cash Flows
Years Ended December 31, 2025 and 2024
(In Thousands)

	2025	2024
Cash Flows From Operating Activities		
Cash received for resident services	$ 68,348	$ 65,922
Cash received from nonrebatable entrance fees from reoccupancy	14,976	7,701
Cash received from COVID relief funding	-	20
Cash received from other operating activities	7,850	5,139
Cash received from bequests and trust maturities	1,049	904
Cash earnings realized from investments	2,158	1,755
Cash paid for employee salaries	(37,542)	(35,155)
Cash paid for employee benefits	(8,544)	(8,342)
Cash paid for temporary labor	(2,787)	(2,714)
Cash paid to vendors	(23,940)	(26,306)
Cash paid for interest, net	(4,932)	(5,222)
Net cash provided by operating activities	16,636	3,702
Cash Flows From Investing Activities		
Acquisition of land, buildings and equipment	(13,114)	(11,773)
Net sales of unrestricted investments	1,508	5,299
Net purchases of restricted investments	(2,124)	(1,006)
Net cash used in investing activities	(13,730)	(7,480)
Cash Flows From Financing Activities		
Cash received from initial entrance fees and deposits	-	4,221
Proceeds from rebatable entrance fees	6,216	9,324
Refunds of deposits and refundable entrance fees	(5,767)	(9,054)
Repayments of long-term debt	(2,460)	(2,323)
Net proceeds (repayment) of notes payables, affiliates	2,050	(310)
Cash used in intercompany and affiliate transactions	(2,664)	(970)
Other affiliate (payments) distributions	(419)	362
Cash (paid) received from other trust activity, net	(142)	611
Cash received from restricted contributions	1,805	999
Net cash (used in) provided by financing activities	(1,381)	2,860
Increase (decrease) in cash, cash equivalents and restricted cash and cash equivalents	1,525	(918)
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	10,393	11,311
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending	$ 11,918	$ 10,393
Noncash Disclosures		
Obligations incurred for the acquisition of land, buildings and equipment	$ -	$ 270
Reconciliation of Cash, Cash Equivalents and Restricted Cash and Cash Equivalents to Balance Sheet		
Cash and cash equivalents	$ 4,153	$ 4,495
Restricted cash and cash equivalents	7,765	5,898
Total cash, cash equivalents and restricted cash and cash equivalents	$ 11,918	$ 10,393

See notes to financial statements

1. Business and Organization

HumanGood Pennsylvania (the Corporation), includes The Mansion at Rosemont (Rosemont), Rydal Park, and Spring Mill Pointe (Spring Mill), and is a member of HumanGood East (HGE). HGE is a member of HumanGood Cornerstone. HGE is a not-for-profit corporation engaged in establishing, maintaining, supporting and operating communities for the care of seniors and is the parent of the following entities:

- The Corporation
- The Presbyterian Home at 58th Street (58th Street)
- Bala Presbyterian Home Foundation (Bala)
- Makemie at Whiteland (Makemie)
- Philadelphia Presbytery Homes WC Trust, Inc. (PPH)
- 19 Affordable Housing Communities

Parent Organization

HumanGood Cornerstone (a Member of HumanGood), a California nonprofit public benefit tax-exempt corporation, is the sole member and exercises its direction and control through the appointment of the Boards of Directors of the Corporation, HumanGood Idaho (dba Terraces of Boise), HumanGood Nevada (dba Las Ventanas), HGE, HumanGood Affordable Housing, West Valley Nursing Homes, Inc. (dba Terraces at Summitview), including its subsidiary, HG Hillside LLC, Springhouse, Inc., Mount Pleasant Home, HG Perennial LLC and effective December 31, 2025, HumanGood Foundation.

HumanGood is a California nonprofit public benefit tax-exempt corporation providing housing, health care and supportive services for seniors through its LPCs and affordable housing communities. HumanGood is the sole member of HumanGood Cornerstone, HumanGood Fresno (dba Terraces at San Joaquin Gardens), HumanGood SoCal (SoCal) and HumanGood NorCal (NorCal). HumanGood Fresno, SoCal and NorCal together constitute an obligated group (HumanGood California Obligated Group or COG). 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 (the Foundation), and its corporate membership was transferred from NorCal to HumanGood Cornerstone. 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.

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

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Corporation were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) on the accrual basis of accounting.

Use of Estimates

The preparation of the 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 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 allowances for credit losses; fair values of notes receivable; fair values of investments; future service benefit obligations; rebatable entrance fees due; entrance fees subject to refund; entrance fees nonrefundable; liabilities for self-insured workers' compensation; self-insured health insurance; liabilities for retirement plans; and valuation of split-interest agreements. 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 and overnight investments considered to be cash equivalents. For the purposes of the statements of cash flows, cash, cash equivalents and restricted cash and cash equivalents include investments purchased with an initial maturity of three months or less.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents include cash and cash equivalents held under bond indenture agreements, and first-generation entrance fees.

Resident Accounts Receivable and Other Receivables

Accounts receivable are reported net of an allowance for credit losses, which represents the Corporation's estimate of expected losses at the balance sheet date. Accounts are written off when they are determined to be uncollectible. The adequacy of the Corporation's 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.

Entrance fee receivables, included in other receivables, net, are evaluated for collectability prior to residents being admitted to the community based on the resident's credit worthiness. The terms and conditions of each entrance fee receivable are determined when a resident agreement is executed. All amounts are contractually due within 90 days.

Other items in other receivables include management and bookkeeping fees owed by managed (unowned) affordable housing communities and miscellaneous insurance claim receivables.

Investments

Investments include certain cash equivalents held by investment managers, mutual funds, and alternative investments. Investments are measured at fair value in the accompanying balance sheets (Note 4).

Investment income or loss (including interest, dividends and fees), realized gains and losses and unrealized gains and losses on investments are included in (loss) 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 Corporation's 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 classified as restricted investments in the accompanying balance sheets (Note 4). These include assets set aside in accordance with donor restrictions.

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 40 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 Corporation periodically evaluates the carrying value of their long-lived assets for impairment. The evaluation addresses 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 and 2024.

Other Noncurrent Assets

Other assets are primarily comprised of contract acquisition costs, contributions for membership in Caring Communities, a Reciprocal Risk Retention Group (CCrRRG), Ziegler Link-Age capital contribution, net, tax credit compliance fees, health insurance program capital contribution, noncurrent portion of pledges receivable and capitalized contract acquisition costs. Related amortization expense of capitalized contract acquisition costs, which is included in depreciation and amortization expense in the accompanying consolidated statements of operations and changes in net assets was $480,000 and $87,000 in 2025 and 2024, respectively.

Beneficial Interest in Split-Interest Agreements and Perpetual Trusts

The Corporation has been designated the beneficiary under several split-interest agreements and perpetual trusts.

Under the split-interest agreements, the Corporation primarily recorded the assets and recognized restricted contributions at the fair value of the estimated present value of the remainder interest in the split-interest agreements. The Corporation revalues its interest in the split-interest agreements annually and reports gains or losses in the net assets with donor restrictions class.

A perpetual trust is held by a third-party and is an arrangement in which the donor establishes and funds a trust to exist in perpetuity that is administered by an individual or organization other than the beneficiary. The Corporation has the irrevocable right to receive the income earned on the trust's assets but will never receive the assets themselves. The Corporation recognizes contribution revenue at the time an irrevocable trust is created, at the fair value of the trust's assets (a proxy for present value of discounted cash flows). The contribution revenue is classified with donor restrictions.

The Corporation revalues its interest in the perpetual trusts annually and reports gains or losses in net assets with donor restrictions class.

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. These unamortized amounts are presented in the balance sheets 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, was $71,000 in 2025 and 2024.

Resident Deposits

Resident deposits included in prepaid expenses, deposits and other assets on the accompanying financial statements, represent entrance fees deposits paid to reserve a residence at Rydal Park and Rosemont. These deposits become part of the entrance fees when the resident moves in, or are fully refundable at the residents' discretion. Resident deposits also represent security deposits paid in advance to cover possible costs when residents vacate their apartments. These deposits are taken into income only if earned upon the termination of a rental agreement.

Entrance Fees

Rydal Park and Rosemont charge entrance fees to residents to obtain a nontransferable right to lifetime occupancy at that community. Residents enter into different types of continuing care contracts depending on their move-in date and the community they reside in. Under the terms of the various contracts, entrance fees are recorded as either rebatable entrance fees due, entrance fees subject to refund or entrance fees nonrefundable. Entrance fees may be nonrebatable or, for certain Rydal Park residents, entrance fees may be subject to refund. Under the nonrebatable contracts, entrance fees are generally subject to refund on a decreasing basis for 32 to 50 months, depending on the contract selected, after which no refund is due or payable.

The refundable contracts have a guaranteed rebate component, which is 50% or 90% of the entrance fees paid; the balance of the entrance fees paid under the 90% refundable contracts is generally nonrefundable while the balance of the entrance fees paid under the 50% contract is generally refundable on a decreasing basis for 25 months.

Nonrefundable entrance fees are recorded as entrance fees nonrefundable upon receipt and amortized to income using the straight-line method over the annually adjusted estimated remaining life expectancy of the resident. Entrance fees subject to refund will be amortized to income in future years unless refunded. The refundable amounts for Rydal Park residents are reported as rebatable entrance fees due and are not amortized to income.

Refunds to residents are generally paid when the residential living unit vacated has been reoccupied by a new resident and the entrance fees have been paid in full by the new resident.

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 in-flows. Based upon these calculations, and analysis of management, no liability for the obligation to provide future services has been recorded at December 31, 2025 and 2024.

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 statements of operations and changes in net assets.

Net Resident Service Revenues

Net resident service revenues are reported at the amount that reflects the consideration the Corporation expects 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 Corporation's 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.

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 Corporation has 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.

Rydal Park receives revenues for services under third-party payor programs, including Medicare, Medicaid and other third-party payors. Laws and regulations governing the Medicare and Medicaid 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 Medicaid programs. A summary of the principal payment arrangements with major third-party payors follows:

Medical Assistance - Nursing services provided to Medical Assistance program beneficiaries are paid at prospectively determined rates per day. These rates vary according to a resident classification system that is based on clinical, diagnostic and other factors and the reimbursement methodology is subject to various limitations and adjustments.

Medicare - Nursing and ancillary services provided to Medicare Part A 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.

Medicare Part A and Medical Assistance rates are based on clinical, diagnostic and other factors. The determination of these rates is partially based on Rydal Park's clinical assessment of their residents. Rydal Park is required to clinically assess its residents at predetermined time periods throughout the year. The documented assessments are subject to review and adjustment by the Medicare and Medical Assistance programs.

Other - Rydal Park also entered into payment agreements with certain commercial insurance carriers and others. The basis for payment to Rydal Park under these agreements includes prospectively determined rates per day or discounts from established charges.

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 Rydal Park's 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 or 2024.

Personal Care and Memory Support

Personal care and memory support revenues are primarily derived from providing housing and personal care services to residents at stated daily housing and care fees. The Corporation has determined that the services included in the daily fees 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, personal care and memory support revenues are recognized on a daily basis as services are rendered.

Residential Living

Residential living revenues are primarily derived from providing housing and services to residents. The Corporation has 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 balance sheets. The Corporation recognized amortization income of $7,632,000 and $9,349,000 in 2025 and 2024, respectively. The Corporation updated its life expectancies during 2025 and as a result, amortization income decreased by approximately $1,087,000. The Corporation applies the practical expedient in the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) 606 *Revenue From Contracts With Customers*, 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 refundable entrance fees and deposits in the accompanying balance sheets.

Revenues from nonrefundable entrance fees received are recognized through amortization of entrance fees 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. The unamortized portion is classified as entrance fees nonrefundable in the balance sheets.

Affordable Housing Fees

Affordable housing fees include management fees for management services provided to HGE's affordable housing communities, which are affiliates of the Corporation, and unrelated entities that provide affordable housing for seniors. These fees are recognized as these services are provided.

Contract Balances

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

The Corporation's beginning and ending contract liabilities are separately presented on the balance sheets as of December 31, 2025 and 2024, as described below. There were no contract assets as of December 31, 2025 or 2024 or January 1, 2024. Contracts liabilities as of January 1, 2024 were as follows (in thousands):

Entrance fees subject to refund	$	18,872
Entrance fees nonrefundable		29,022

Benevolence

The Corporation provides services to residents who meet certain criteria under their benevolence policy without charge or at amounts less than its established rates. Partial payments to which the Corporation is entitled from public assistance programs on behalf of residents that meet the Corporation's benevolence criteria are reported as revenues. Because the Corporation does not normally pursue collection of amounts determined to qualify as benevolence, they are not reported as revenues. For the years ended December 31, 2025 and 2024, benevolence recorded was $2,042,200 and $2,020,000, respectively.

The financial assistance amounts above are not materially different than the difference between the cost of providing services to residents that qualified for financial assistance and the amounts these residents were able to pay for services rendered.

Performance Indicator

The statements of operations and changes in net assets includes the determination of (loss) income from operations. Changes in net assets without donor restrictions, which are excluded from (loss) income from operations consistent with industry practice, include net assets released from restrictions used for property and equipment and equity transfers.

Tax-Exempt Status

The Corporation is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on their exempt income under Section 501(a) of the Internal Revenue Code and is also exempt from state and local income taxes under similar statutes.

The Corporation assesses uncertain tax positions in accordance with the provisions of the FASB ASC Topic 740-10, *Income Taxes*. The Corporation recognizes 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 Corporation recognizes interest and penalties related to income tax matters in operating expenses. At December 31, 2025 and 2024 there were no such uncertain tax positions.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

3. Liquidity and Availability of Resources

As of December 31, the Corporation has financial assets available for general expenditure within one year of the balance sheet date, consist of the following (in thousands):

	2025	2024
Cash and cash equivalents	$ 4,153	$ 4,495
Resident accounts receivable, net	2,406	2,794
Other receivables, net	2,283	5,333
Investments	83,859	74,901
Total	$ 92,701	$ 87,523

The Corporation has investments which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the qualitative information above. The Corporation has other restricted cash and cash equivalents and investments, held for deposits from initial sales contracts, assets held by trustees under trust indentures, and assets reserved for donor-restricted purposes. These restricted cash and cash equivalents and investments, which are more fully described in Note 4, are not available for general expenditure within the next year and are not reflected in the amounts above.

As stated in Note 4, the Corporation designated a portion of its investments "reserved" to comply with the requirements of Pennsylvania Act 82, which are excluded from the total financial assets available for general expenditure within one year of the balance sheet date. Although the Corporation does not intend to utilize the Act 82 Reserves for general expenditures as part of its annual budget and approval process, amounts designated as Act 82 reserves could be made available as necessary. The Act 82 reserves are included with the restricted investments in Note 4, and do not have third-party restrictions or limitations on the withdrawal and subsequent liquidation of such funds.

4. Investments and Restricted Investments

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

	2025	2024
Investments:		
Cash and cash equivalents	$ 3,407	$ 3,227
Mutual funds	70,250	63,316
Alternative investments	17,191	15,317
Total	90,848	81,860
Less amounts available to meet statutory minimum liquid reserve requirement	6,989	6,959
Total investments	$ 83,859	$ 74,901
Restricted investments:		
Cash and cash equivalents	$ 561	$ 539
Mutual funds	20,819	18,619
Alternative investments	4,395	3,455
Total	$ 25,775	$ 22,613

Restricted investments are comprised of investments restricted by donors.

Investments and statutory minimum liquid reserve were comprised of the following (in thousands):

	2025	2024
Without board restriction	$ 2,625	$ 3,171
Community restricted, board-designated	43,035	35,851
Reserve for replacement, board-designated	38,199	35,879
Statutory minimum liquid reserve	6,989	6,959
Total investments	$ 90,848	$ 81,860

Investment return is comprised of the following (in thousands):

	2025	2024
Without donor restrictions:		
Investment income	$ 2,456	$ 2,045
Investment expenses	(298)	(290)
Total investment income, net	2,158	1,755
Net realized gains on investments	5,506	7,120
Net change in unrealized gains on investments	4,991	1,292
Total investment return without donor restrictions	12,655	10,167
With donor restrictions:		
Dividend and interest income	582	505
Net realized gains on investments with donor restrictions	1,198	1,172
Net unrealized gains on investments with donor restrictions	1,693	1,073
Total investment return with donor restrictions	3,473	2,750
Total investment return	$ 16,128	$ 12,917

In compliance with Section 9 of the Commonwealth of Pennsylvania's Continuing Care Provider Registration and Disclosure Act (Act 82), the Board of Directors designated a portion of the Corporation's investments "reserved" to meet the requirements of Act 82.

These designated funds amounted to approximately $6,989,000 and $6,959,000 at December 31, 2025 and 2024, respectively. The amounts are based on the allowable calculation methodology. The December 31, 2025 amount was calculated as follows (in thousands):

Budgeted operating expenses for the year ending December 31, 2026	$ 98,795	
Less budgeted depreciation and amortization expense	(16,980)	
Expenses subject to minimum liquid reserve requirement	81,815	
Percentage of residents subject to entrance fee agreements at December 31, 2025	83.0%	
Subtotal		
Statutory requirement	10.0%	
Statutory minimum liquid reserve requirement	$ 6,791	(a)
Debt service requirements for the year ending December 31, 2026 on long-term debt:		
Principal payments	$ 3,521	
Interest payments	4,899	
Total debt service	8,420	
Percentage of residents subject to entrance fee agreements at December 31, 2025	83.0%	
Statutory minimum liquid reserve requirement	$ 6,989	(b)
Greater of (a) or (b) above (rounded)	$ 6,989	

5. 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.

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.

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying 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.

Investments and restricted investments in the accompanying balance sheets includes $21,586,000 and $18,772,000 of an alternative investment fund (the Fund) at December 31, 2025 and 2024, respectively. The Fund is measured using the NAV per share as a practical expedient. The following represents the objectives and redemption restrictions for the Fund:

Hirtle Callaghan Select Equity Fund, LP - The investment objective of the fund is to generate long-term growth in assets by investing primarily in equity and equity-related securities. To realize the objective, the fund may allocate capital to be managed by third-party investment managers, as well as make directly investments. The fund allocates capital to managers through separate accounts and by subscribing to open and/or closed-end funds sponsored by such managers. While the fund intends that its investments will have a predominately long-bias, the fund will not be limited with respect to the types of investment strategies or structures it may employ or the markets or securities in which it may invest, except as it relates to the use of leverage. A limited partner may withdrawal all or a portion of its capital account as of the last day of each calendar quarter, or at such other times as the General Partner may determine in its sole discretion, provided that the capital account has been in existence for at least 12 months as of the relevant withdrawal date. Withdrawals shall require no less than 90 days' prior written notice to the General Partner. The General Partner, in its sole discretion, may waive the notice requirement for any withdrawal. Withdrawals by investors with more than one capital account will be on a first-in first-out basis. There were no unfunded commitments related to this fund at December 31, 2025.

The following table presents the fair value measurements of financial instruments recognized in the accompanying balance sheets 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 as of December 31, 2025 and 2024 (in thousands):

	2025			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments, statutory minimum liquid reserve and restricted investments:				
Mutual funds:				
Equity	$ 63,778	$ -	$ -	$ 63,778
Fixed income	27,291	-	-	27,291
Total	$ 91,069	$ -	$ -	91,069
Alternative investments valued at NAV (a)				21,586
Cash and cash equivalents				3,968
Total investments, statutory minimum liquid reserve and restricted investments				$ 116,623
Beneficial interest in split-interest agreements and perpetual trusts	$	$	$ 4,830	$ 4,830

	2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments, statutory minimum liquid reserve and restricted investments:				
Mutual funds:				
Equity	$ 57,580	$ -	$ -	$ 57,580
Fixed income	24,355	-	-	24,355
Total	$ 81,935	$ -	$ -	81,935
Alternative investments valued at NAV (a)				18,772
Cash and cash equivalents				3,766
Total investments, statutory minimum liquid reserve and restricted investments				$ 104,473
Beneficial interest in split-interest agreements and perpetual trusts	$ -	$ -	$ 4,493	$ 4,493

(a) In accordance with accounting principles generally accepted in the United States of America, certain investments that were measured at NAV per share have not been classified in the fair value hierarchy. The fair value is presented to reconcile to total investments, statutory minimum liquid reserve and restricted investments in the balance sheets.

The Corporation measures its beneficial interest in split-interest agreements and perpetual trusts at fair value based on the fund's underlying investments using unobservable inputs (Level 3) in accordance with accounting principles generally accepted in the United States of America. Changes in the beneficial interest in split-interest agreements and perpetual trusts in 2025 and 2024 were as follows (in thousands):

	2025	2024
Beginning balance	$ 4,493	$ 4,286
Investment income	110	117
Distributions	(110)	(116)
Valuation gain	337	206
Ending balance	$ 4,830	$ 4,493

6. Land, Buildings and Equipment, Net

Land, buildings and equipment, net at cost consist of the following at December 31, 2025 and 2024 (in thousands):

	2025	2024
Land and land improvements	$ 17,172	$ 16,135
Buildings and improvements	274,876	269,446
Furnishings, equipment and automotive	59,397	51,494
Total	351,445	337,075
Less accumulated depreciation	(180,468)	(164,429)
Subtotal	170,977	172,646
Construction in process	1,295	2,823
Land, buildings and equipment, net	$ 172,272	$ 175,469

Depreciation expense was $16,041,000 in 2025 and $15,620,000 in 2024.

Fully depreciated assets of $567,000 were disposed of during the year ended 2024. There were no fully depreciated assets disposed of in 2025.

7. External Long-Term Debt and Notes Payable to Affiliates

Long-term debt consists of the following at December 31, 2025 and 2024 (in thousands):

	2025	2024
External Long-Term Debt		
Montgomery County Industrial Development Authority Revenue Bonds, Philadelphia Presbytery Homes, Inc. Project, Series 2017 Bonds. (a)	$ 75,542	$ 77,317
Loan payable to Citizens Bank for the Rydal Waters expansion at Rydal Park. The initial loan amount was $20,567,000 and is payable over 30 years beginning May 2022. The loan bears interest equal to 79% of the Daily Simple SOFR rate plus 1.3% (4.07% as of December 31, 2025).	18,110	18,796
Notes Payable to Affiliates		
Note payable to Bala Presbyterian Home Foundation in semi-annual installments of $311, including interest at 4%, with final payment due in 2030. Proceeds were used to finance Makemie development costs.	2,791	3,286
Note payable to Bala Presbyterian Home Foundation in semi-annual installments of $235, including interest at 4%, with final payment due in 2054. Proceeds were used to acquire land for the Rydal Waters Project.	7,936	8,086
Note payable to Bala Presbyterian Home Foundation, over a 10-year term at 2% annual interest rate. Proceeds are drawn to reimburse construction expenditures related to a Residential Living expansion and a Memory Support renovation at Spring Mill up to a $3,000,000 maximum. Repayments and amortization will begin after projects are fully constructed.	3,000	307
Total	107,379	107,792
Unamortized premium	4,235	4,421
Less current portion	(3,521)	(3,103)
Less unamortized debt issuance costs	(1,674)	(1,749)
Long-term debt and notes payable to affiliates	$ 106,419	$ 107,361

(a) In October 2017, the Montgomery County Higher Education and Health Authority issued $88,145,000 of Series 2017 Revenue Bonds (the 2017 Bonds) on behalf of the Corporation. Proceeds from the 2017 Bonds were primarily used to refund the 2010 Bonds, the 2013 Bonds, finance various capital projects and fund a debt service reserve fund for the 2017 Bonds.

The 2017 Bonds bear interest payable semi-annually at rates ranging from 2% to 5%. Principal payments on the 2017 Bonds are due in varying annual installments through 2048.

The 2017 Bonds have been issued under a Master Trust Indenture dated October 1, 2017, as supplemented, which secures the obligations of the Corporation and includes a security interest on substantially all of the Borrower's property and equipment. The Corporation is subject to financial covenants under the terms of the Master Trust Indenture which includes debt service coverage ratio and minimum days cash-on-hand requirements.

Scheduled principal repayments required on long-term debt and notes payable to affiliates are as follows (in thousands):

Years ending December 31:		
2026	$	3,521
2027		3,639
2028		3,764
2029		3,900
2030		4,046
Thereafter		88,509
Total	$	107,379

8. Retirement Plan

The Corporation also participates in a defined contribution retirement plan covering all eligible employees. The Corporation's contribution is a match of employee contributions up to 4% of eligible earnings in a calendar year. Expenses, net of forfeitures and adjustments, related to the plan were approximately $846,000 in 2025 and $611,000 in 2024.

9. Self-Insured Programs

Workers' Compensation Plan

The Corporation maintains a plan of self-insurance for workers' compensation claims in accordance with Pennsylvania Department of Labor and Industry regulations. The estimated liabilities were arrived at using information provided by an outside actuary and include a provision for incurred but not reported claims.

Unemployment Compensation Plan

The Corporation is self-insured for unemployment compensation benefits in accordance with Commonwealth of Pennsylvania regulations. The Corporation has elected to pay actual claims incurred in lieu of the Commonwealth's premium as permitted for nonprofit organizations. The Corporation believes all costs related to this self-insurance program have been properly accounted for and accrued at December 31, 2025 and 2024.

Health Insurance

The Corporation is self-insured for health insurance claims for eligible active employees with certain self-insured retention limits. The program is managed by COG and estimates of the liability for claims incurred but not reported are included in the combined balance sheets of COG and costs related thereto are allocated to the Corporation through intercompany transactions based on a percentage of payroll.

10. Professional Liability Insurance

The Corporation maintains professional liability coverage on a claims-made basis as a member of CCrRRG. In addition to premiums paid under this policy, a legal reserve of $1,750,000 and $1,975,000 is included in accounts payable and accrued expenses in the accompanying balance sheets as of December 31, 2025 and 2024, respectively, to cover estimated self-insurance retentions. Management believes no incidents occurred or will be asserted that will exceed the Corporation's insurance coverages or will have a material adverse effect on the financial statements.

11. Net Assets With Donor Restrictions

The purpose restricted assets are those whose use by the Corporation has been limited by donors to a specific purpose and are primarily available for resident support. Funds held by trustee are funds held by a bank in which Corporation has a proportion of the fair market value and from which dividends and interest are paid. Funds restricted in perpetuity have been restricted by donors to be maintained by the Corporation in perpetuity, the investment income from these funds is expendable to support the Corporation. Net assets with donor restrictions consist of the following for the years ended December 31, 2025 and 2024 (in thousands):

	2025	2024
With donor restrictions:		
Purpose restricted	$ 25,690	$ 22,332
Funds held by trustee	4,830	4,493
Restricted in perpetuity	1,057	1,057
Total net assets with donor restrictions	$ 31,577	$ 27,882

12. Net Resident Service Revenues

The Corporation disaggregates revenues from contracts with customers by type of service and payor source as this depicts the nature, amount, timing and uncertainty of its revenues and cash flows as affected by economic factors. Net resident service revenues consist of the following for the years ended December 31, 2025 and 2024 (in thousands):

	2025				
	Residential Living	Personal Care	Health Center	Memory Support	Total
Private (contract)	$ 32,161	$ 5,515	$ 1,061	$ 1,995	$ 40,732
Private (noncontract)	2,440	3,624	3,325	3,452	12,841
Medicare (Part A)	-	-	4,758	-	4,758
Medicare (Part B)	-	-	925	-	925
Medicaid	-	-	4,543	-	4,543
Managed care	-	-	1,828	-	1,828
Subtotal	$ 34,601	$ 9,139	$ 16,440	$ 5,447	65,627
Amortization of entrance fees					7,632
Total					$ 73,259

	2024				
	Residential Living	Personal Care	Health Center	Memory Support	Total
Private (contract)	$ 30,312	$ 4,914	$ 1,172	$ 2,355	$ 38,753
Private (noncontract)	2,271	3,720	4,007	3,353	13,351
Medicare (Part A)	-	-	4,603	-	4,603
Medicare (Part B)	-	-	858	-	858
Medicaid	-	-	4,281	-	4,281
Managed care	-	-	1,748	-	1,748
Subtotal	$ 32,583	$ 8,634	$ 16,669	$ 5,708	63,594
Amortization of entrance fees					9,349
Total					$ 72,943

13. Functional Expenses

The Corporation provide housing, healthcare and other related services to residents within their geographic location. The 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 at December 31, 2025 and 2024 (in thousands):

	2025			
	Residential Services	General and Administrative	Fundraising	Total
Salaries and wages	$ 29,248	$ 10,483	$ 538	$ 40,269
Employee benefits	5,717	3,377	98	9,192
Supplies	5,559	214	4	5,777
Ancillary services	2,687	-	-	2,687
Repairs and maintenance	786	3	-	789
Marketing and advertising	1,419	27	-	1,446
Purchased services	3,475	2,779	22	6,276
Utilities	2,909	141	3	3,053
Travel and related	122	588	16	726
Leases and rents	342	-	-	342
Insurance	1,675	-	-	1,675
Other operating expenses	2,751	-	127	2,878
Depreciation and amortization expenses	16,521	-	-	16,521
Interest expense	4,842	-	-	4,842
Total	$ 78,053	$ 17,612	$ 808	$ 96,473

	2024			
	Residential Services	General and Administrative	Fundraising	Total
Salaries and wages	$ 27,972	$ 9,496	$ 487	$ 37,955
Employee benefits	5,227	2,894	86	8,207
Supplies	5,060	154	5	5,219
Ancillary services	2,291	-	-	2,291
Repairs and maintenance	883	3	-	886
Marketing and advertising	1,506	24	-	1,530
Purchased services	3,248	3,926	49	7,223
Utilities	2,773	140	2	2,915
Travel and related	106	446	19	571
Leases and rents	294	-	-	294
Insurance	1,405	-	-	1,405
Other operating expenses	3,410	120	166	3,696
Depreciation and amortization expenses	15,683	24	-	15,707
Interest expense	5,108	-	-	5,108
Total	$ 74,966	$ 17,227	$ 814	$ 93,007

14. Transactions With Affiliates

Intercompany advances due of $4,136,000 and $5,084,000 at December 31, 2025 and 2024, respectively, represent management fees receivable and other operating advances to the HGE Affordable Housing Communities, for which there are no fixed repayment terms and which are expected to be settled during the normal course of business.

Other affiliate receivables of $3,315,000 and $4,606,000 at December 31, 2025 and 2024, respectively, represent net development fees receivable from Cantrell Place, LP, Witherspoon Senior Apartments, LP, Janney Street Apartments, LP, Mary Field Senior Apartments LP, Maple Village Apartments LP (HGE Affordable Housing Communities), and Makemie as well as a subordinated loan between the Corporation and Riverside Senior Apartments, LP (an HGE Affordable Housing Community). The amounts are evidenced by, and are to be paid in accordance with, the terms of their respective developer agreements. Management believes the balances due from communities listed above are fully collectible.

In April 2008, the Philadelphia Authority for Industrial Development issued $15,000,000 of Series 2008 Bonds on behalf of Riverside Senior Apartments, LP (an HGE Affordable Housing Community) (RSA). The Corporation is a guarantor on the Series 2008 Bonds. In addition to the guaranty agreement, the Bonds are secured by a mortgage agreement on certain property and equipment of RSA. In March 2025, NorCal purchased at par the outstanding Series 2008A Bonds in the amount of $7,510,000. Principal payments on the Series 2008A Bonds are due in quarterly installments ranging from $10,000 to $970,000 through April 2048 (Note 7). As of December 31, 2025 and 2024, the outstanding principal amount is $7,150,000 and $7,650,000, respectively, on the Series 2008A Bonds. Principal on the Series 2008B Bonds are payable from and to the extent of RSA's available surplus cash. As of December 31, 2025 and 2024, the outstanding principal amount is $6,000,000 on the Series 2008B Bonds.

Contributions to the Corporation from affiliates included in unrestricted contributions of $1,952,000 and $2,080,000 in 2025 and 2024, respectively, are primarily attributable to amounts received from Bala for resident, chaplain and philanthropy support. Contributions to the Corporation from affiliates for capital expenditures included in equity transfers of $1,000 and $871,000 in 2025 and 2024, respectively, are attributable to amounts received from Bala for capital expenditures. In addition, the Corporation contributed support to HumanGood Cornerstone in the amount of $420,000 and $509,000 in 2025 and 2024 respectively, which is also included in equity transfers.

The Corporation provides management services and other support services to HGE's subsidiaries as well as 18 unrelated affordable housing communities under management agreements. Management fees paid to the Corporation by related parties were $1,384,000 and $1,313,000 in 2025 and 2024, respectively, which are recorded in affordable housing fees revenue on the statement of operations and changes in net assets.

Payables to affiliates balances of $1,285,000 and $4,897,000 as of December 31, 2025 and 2024, respectively, represent amounts the Corporation owed NorCal for various costs which are expected to be settled during the normal course of business with no fixed repayment terms.

15. Contingencies

Legal

The Corporation is 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 Corporation.

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.

16. Concentrations

The Corporation grants credit without collateral to its residents, most of whom are local residents and some of whom are insured under third-party payor agreements, primarily with Medical Assistance, Medicare and various commercial insurance carriers.

The Corporation maintains cash accounts, which, at times, may exceed federally insured limits. The Corporation has not experienced any losses from maintaining cash accounts in excess of federally insured limits. Management believes that it is not subject to any significant credit risk.

17. Subsequent Events

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

The Corporation has evaluated subsequent events through April 29, 2026, which is the date the financial statements were issued.

HumanGood Pennsylvania
(a Member of HumanGood East)

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

	Supplementary Information					
	The Mansion at Rosemont	Spring Mill Pointe	Rydal Park	PA Community Support Center & Philanthropy	Eliminations	HumanGood PA Total
Changes in Net Assets Without Donor Restrictions						
Operating revenues:						
Residential living	$ 5,214	$ 2,303	$ 27,084	$ -	$ -	$ 34,601
Personal care	4,601	1,521	3,017	-	-	9,139
Health center	(2)	-	16,442	-	-	16,440
Memory support	1,521	1,750	2,176	-	-	5,447
Other service income	292	156	3,779	-	-	4,227
Amortization of entrance fees	2,099	-	5,533	-	-	7,632
Developer fee revenue	-	-	-	1,121	-	1,121
Other operating revenues	-	-	-	71	-	71
Affordable housing fees and rents	-	-	-	2,178	-	2,178
COVID relief funding	-	-	-	-	-	-
Net assets released from restrictions	317	-	232	202	-	751
Unrestricted contributions	443	1,179	182	647	(246)	2,205
Total operating revenues	14,485	6,909	58,445	4,219	(246)	83,812
Operating expenses:						
Salaries and wages	5,332	2,995	22,922	9,020	-	40,269
Employee benefits	1,275	697	5,404	1,816	-	9,192
Supplies	1,335	618	3,736	88	-	5,777
Ancillary services	27	34	2,626	-	-	2,687
Repairs and maintenance	163	55	568	3	-	789
Marketing and advertising	482	174	763	27	-	1,446
Purchased services	1,056	515	3,481	1,224	-	6,276
Utilities	644	311	2,047	51	-	3,053
Travel and related	40	21	122	543	-	726
Leases and rents	53	(264)	267	286	-	342
Insurance	274	148	1,030	223	-	1,675
Management fees	767	450	3,674	(4,891)	-	-
Other operating expense	534	182	2,798	(390)	(246)	2,878
Total operating expenses	11,982	5,936	49,438	8,000	(246)	75,110
Income (loss) before other operating income (expense)	2,503	973	9,007	(3,781)	-	8,702
Other operating income (expense):						
Realized gains on investments, net	2,035	117	2,592	762	-	5,506
Change in unrealized gains on investments, net	1,900	79	2,217	795	-	4,991
Investment income, net	718	36	899	505	-	2,158
Depreciation and amortization expenses	(3,997)	(1,244)	(11,191)	(89)	-	(16,521)
Interest expense	(147)	(313)	(4,142)	(240)	-	(4,842)
Other expense, net	(41)	-	-	(47)	-	(88)
Income (loss) from operations	2,971	(352)	(618)	(2,095)	-	(94)
Net Assets Released From Restrictions Used for Property and Equipment	280	312	577	-	-	1,169
Equity Transfers	1	-	-	(420)	-	(419)
Change in net assets without donor restrictions	3,252	(40)	(41)	(2,515)	-	656
Changes in Net Assets With Donor Restrictions						
Dividend and interest income	160	1	129	292	-	582
Unrealized gains on investments with donor restrictions, net	108	1	279	1,305	-	1,693
Valuation gains, beneficial interest in perpetual trusts	164	-	168	5	-	337
Realized gains on investments, net	161	2	416	619	-	1,198
Contributions	189	40	451	1,125	-	1,805
Net assets released from restrictions	(317)	-	(232)	(1,371)	-	(1,920)
Change in net assets with donor restrictions	465	44	1,211	1,975	-	3,695
Change in net assets	3,717	4	1,170	(540)	-	4,351
Net Assets (Deficit), Beginning	36,336	(3,598)	(24,727)	38,896	-	46,907
Net Assets (Deficit), Ending	$ 40,053	$ (3,594)	$ (23,557)	$ 38,356	$ -	$ 51,258