

Report of Independent Auditors and
Continuing Care Liquid Reserve Schedules with
Supplementary Information

Odd Fellows Home of California

As of and for the Year Ended March 31, 2025

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Report of Independent Auditors

The Board of Directors
Odd Fellows Home of California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Odd Fellows Home of California, which comprise the continuing care liquid reserve schedules, Form 5-1 through 5-5, as of and for the year ended March 31, 2025, and the related notes to reserve reports.

In our opinion, the accompanying financial statements present fairly, in all material respects, the continuing care reserve of Odd Fellows Home of California as of and for the year ended March 31, 2025, in conformity with the liquid reserve requirements of California Health and Safety Code Section 1792.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the liquid reserve requirements of California Health and Safety Code Section 1792, 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.

Auditor's 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 auditor's 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 Odd Fellows Home of California'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 Odd Fellows Home of California'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.

Basis of Accounting

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

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements, as a whole. The accompanying supplementary schedules of Attachment I to Form 5-5: Schedule of Qualifying Assets – Operating Reserve Schedule, Attachment I to Form 5-1, 5-2, and 5-4: Reconciliation of Interest Expense to Interest Paid, and Attachment II to Form 5-4: Reconciliation of Depreciation for the year ended March 31, 2025, presented as supplementary information, are presented for the purpose of additional analysis and are not a required part of the basic 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 information has been subjected to the auditing procedures applied in the audit of 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 auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements, taken as a whole.

Restriction on Use

Our report is intended solely for the information and use of the members of the Board of Directors and management of Odd Fellows Home of California, and the California Department of Social Services and is not intended to be, and should not be, used by anyone other than these specified parties.

Baker Tilly US, LLP

San Francisco, California

July 28, 2025

Odd Fellows Home of California
Form 5-1
Long-Term Debt Incurred in a Prior Fiscal Year (Including Balloon Debt)
For the Year Ended March 31, 2025

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

Long-Term Debt Obligation	(a) Date Incurred	(b) Principal Paid During Fiscal Year	(c) Interest Paid During Fiscal Year	(d) Credit Enhancement Premiums Paid in Fiscal Year	(e) Total Paid (columns (b) + (c) + (d))
1	8/8/2023	\$ 1,215,000	\$ 3,055,975	-	\$ 4,270,975
2					
3					
		TOTAL	\$ 3,055,975	-	\$ 4,270,975

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

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

Provider: Odd Fellows Home of California

Odd Fellows Home of California
Form 5-2
Long-Term Debt Incurred During Fiscal Year (Including Balloon Debt)
For the Year Ended March 31, 2025

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

Long-Term Debt Obligation	(a) Date Incurred	(b) Total Interest Paid During Fiscal Year	(c) Amount of Most Recent Payment on the Debt	(d) Number of Payments next 12 months	(e) Reserve Requirement (see instruction 5) (columns (c) x (d))
1				1	
2					
3					
4					
5					
6					
7					
8					
			\$ -		\$ -

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

Note: For column (b), do not include voluntary payments made to paydown principal.

Provider: Odd Fellows Home of California

Odd Fellows Home of California
Form 5-3
Calculation of Long-Term Debt Reserve Amount
For the Year Ended March 31, 2025

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

LINE		TOTAL
1	Total from Form 5-1 bottom of column (e)	<u>\$ 4,270,975</u>
2	Total from Form 5-2 bottom of column (e)	<u>-</u>
3	Facility leasehold or rental payment paid by provider during fiscal year (including related payments such as lease insurance)	<u>-</u>
4	TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE	<u><u>\$ 4,270,975</u></u>

Odd Fellows Home of California
Form 5-4
Calculation of Net Operating Expenses – Saratoga Retirement Community
For the Year Ended March 31, 2025

		Amounts	TOTAL
1	Total operating expenses from financial statements		\$ 41,858,629
2	Deductions		
	a Interest paid on long-term debt (see instructions)	-	
	b Credit enhancement premiums paid for long-term debt (see instructions)	-	
	c Depreciation	5,103,323	
	d Amortization	-	
	e Revenues received during the fiscal year for services to persons who did not have continuing care contract	-	
	f Extraordinary expenses approved by the Department	-	
3	Total Deductions		5,103,323
4	Net Operating Expenses		36,755,306
5	Divide Line 4 by 365 and enter the result		100,699
6	Multiply Line 5 by 75 and enter the result		\$ 7,552,425
	This is the provider's operating expense reserve amount for this community		

PROVIDER: Odd Fellows Home of California
COMMUNITY: Saratoga Retirement Community

Odd Fellows Home of California
Form 5-4
Calculation of Net Operating Expenses – Meadows of Napa Valley
For the Year Ended March 31, 2025

		Amounts	TOTAL
1	Total operating expenses from financial statements		\$ 37,248,741
2	Deductions		
	a Interest paid on long-term debt (see instructions)	-	
	b Credit enhancement premiums paid for long-term debt (see instructions)	-	
	c Depreciation	7,965,237	
	d Amortization	-	
	e Revenues received during the fiscal year for services to persons who did not have continuing care contract	-	
	f Extraordinary expenses approved by the Department	-	
3	Total Deductions		7,965,237
4	Net Operating Expenses		29,283,504
5	Divide Line 4 by 365 and enter the result		80,229
6	Multiply Line 5 by 75 and enter the result		\$ 6,017,175
	This is the provider's operating expense reserve amount for this community		

PROVIDER: Odd Fellows Home of California
COMMUNITY: Meadows of Napa Valley

Odd Fellows Home of California

Form 5-5

Annual Reserve Certification

FORM 5-5
ANNUAL RESERVE CERTIFICATION

Provider Name: Odd Fellows Home of California
 Fiscal Year Ended: March 31, 2025

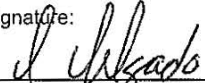
We have reviewed our debt service reserve and operating expense reserve requirements as of and for the period ended March 31, 2025, and are in compliance with those requirements.

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

	Amount
[1] Debt Service Reserve Amount	\$ 4,270,975
[2] Operating Expense Reserve Amount	13,569,600
[3] Total Liquid Reserve Amount:	\$ 17,840,575

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

Qualifying Asset Description Description	Amount (market value at end of quarter)	
	Debt Service Reserve	Operating Reserve
[4] Cash and Cash Equivalents	\$ -	\$ 14,266,741
[5] Investment Securities	\$ -	\$ 15,058,496
[6] Equity Securities	\$ -	\$ 35,249,268
[7] Unused/Available Lines of Credit	\$ -	\$ -
[8] Unused/Available Letters of Credit	\$ -	\$ -
[9] Debt Service Reserve	\$ 1,495,457	\$ -
[10] Other: bond trust accounts	\$ 4,028,138	\$ -
(describe qualify asset)		
Total Amount of Qualifying Assets Listed for Reserve Obligation:	[11] \$ 5,523,595	[12] \$ 64,574,505
Reserve Obligation Amount:	[13] \$ 4,270,975	[14] \$ 13,569,600
Surplus/(Deficiency):	[15] \$ 1,252,620	[16] \$ 51,004,905

Signature: 
 (Authorized Representative)
Chairman
 (Title)

Odd Fellows Home of California
Notes to Reserve Reports
As of and for the Year Ended March 31, 2025

Note 1 – Basis of Accounting

The accompanying reserve reports have been prepared in accordance with the provisions of Health and Safety Code Section 1792 administered by the State of California Department of Social Services and are not intended to be a complete presentation of Odd Fellows Home of California's assets, liabilities, revenues, and expenses.

Supplementary Information

Odd Fellows Home of California
Attachment I to Form 5-5
Schedule of Qualifying Assets – Operating Reserve Schedule
March 31, 2025

Operating Reserve Supporting Schedule

	Cash and Cash Equivalents (operating)	\$	12,809,382	[4]
	Cash and Cash Equivalents		1,457,359	[4]
	Fixed Income		13,670,651	[5]
	Equities		35,249,268	[6]
	Hedge Funds		<u>1,387,845</u>	[5]
	Total	\$	<u>64,574,505</u>	
 Per Financial Statements:				
	Cash and Cash Equivalents	\$	12,809,382	
	Investments		<u>51,765,123</u>	
	Total Cash and Investments	\$	<u>64,574,505</u>	
	Current Portion of Assets Restricted Under Bond Indenture Agreement	\$	4,028,138	[10]
	Assets Restricted Under Bond Indenture Agreement, Net of Current Portion		<u>1,495,457</u>	[9]
	Total Restricted Bond Funds	\$	<u>5,523,595</u>	
 Form 5-5:				
sum of [4]	Cash and Cash Equivalents	\$	14,266,741	
sum of [5]	Investment Securities		15,058,496	
sum of [6]	Equity Securities		<u>35,249,268</u>	
[12]		\$	<u>64,574,505</u>	
sum of [9]	Debt Service Reserve	\$	1,495,457	
sum of [10]	Other		<u>4,028,138</u>	
[11]		\$	<u>5,523,595</u>	

Odd Fellows Home of California
Attachment I to Form 5-1, 5-2, and 5-4
Reconciliation of Interest Expense to Interest Paid
March 31, 2025

Interest

Total interest paid per audited financials	\$ 3,055,975
Less: 3/31/2024 accrued interest	(1,543,175)
Add: 3/31/2025 accrued interest	<u>1,512,800</u>
Interest expense	<u>3,025,600</u>
Add: bond fees	22,127
Add: bond legal fees	(50,683)
Add: bond legal fees	<u>1,348</u>
Total interest expense per audited financials	<u><u>\$ 2,998,392</u></u>

Odd Fellows Home of California
Attachment II to Form 5-4
Reconciliation of Depreciation
For the Year Ended March 31, 2025

Depreciation

Meadows of Napa Valley depreciation	\$ 7,965,237
Saratoga Retirement Community depreciation	<u>5,103,323</u>
Total depreciation per audited financials	<u><u>\$ 13,068,560</u></u>

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