

April 22, 2026

Continuing Care Contracts Branch

California Department of Social Services

To Whom It May Concern:

I, Darren Smith, certify that the annual audit, reports and any amendments thereto submitted for December 31, 2025 for Compass Health, Inc., dba Bayside Care Center, Casa de Flores as well as Arroyo Grande Care Center and Wyndham Residence have been audited by a Certified Public Accountant and are true and correct to the best of my knowledge.

The continuing care contract forms currently in use and offered to new residents at Bayside Care Center, Casa de Flores, Arroyo Grande Care Center and Wyndham Residence have been approved by the Department of Social Services.

Compass Health, Inc. is maintaining the required liquid reserve of \$1,686,147.

Sincerely,



Darren Smith, CEO  
Compass Health, Inc.  
(805) 474-7010 x 109



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

4/28/2026

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

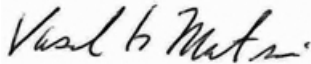
<b>PRODUCER</b> Alliant Insurance Services, Inc. 333 S Hope St Ste 3700 Los Angeles CA 90071	<b>CONTACT NAME:</b> Carina Velasquez <b>PHONE (A/C, No, Ext):</b> _____ <b>FAX (A/C, No):</b> _____ <b>E-MAIL ADDRESS:</b> Carina.Velasquez@alliant.com
	<b>INSURER(S) AFFORDING COVERAGE</b>
License#: 0C36861 COMPHEA-13	<b>INSURER A:</b> Liberty Mutual Fire Insurance <b>NAIC #</b> 23035 <b>INSURER B:</b> General Star Indemnity Company <b>NAIC #</b> 37362 <b>INSURER C:</b> Admiral Insurance Company <b>NAIC #</b> 24856 <b>INSURER D:</b> _____ <b>INSURER E:</b> _____ <b>INSURER F:</b> _____
<b>INSURED</b> Compass Health, Inc. 200 S. 13th Street, Suite 208 Grover Beach, CA 93433	

**COVERAGES** **CERTIFICATE NUMBER:** 666752831 **REVISION NUMBER:** \_\_\_\_\_

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
C	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input checked="" type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> GL/PL SIR \$250K <input checked="" type="checkbox"/> Policy Agg. \$7M GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC OTHER: _____			SCP280009602	5/1/2026	5/1/2027	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$50,000 MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$3,000,000 PRODUCTS - COMP/OP AGG \$3,000,000 \$
A	<input checked="" type="checkbox"/> <b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			AS2641445459026	5/1/2026	5/1/2027	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input type="checkbox"/> <b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <input type="checkbox"/> <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED _____ RETENTION \$ _____						EACH OCCURRENCE \$ AGGREGATE \$ \$
	<input type="checkbox"/> <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y/N <input checked="" type="checkbox"/> N/A (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A B	<input checked="" type="checkbox"/> XS Workers Compensation Per Statute <input checked="" type="checkbox"/> XS Auto Liability			EW264N445459016 IXG674284D	5/1/2026 5/1/2026	5/1/2027 5/1/2027	Limit \$1,000,000 SIR \$600,000 Each Occurrence \$5,000,000

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)**  
 Professional Liability:  
 Policy #SCP280009602; Eff Date: 5/1/2026 Exp Date: 5/1/2027  
 Limit: Each Claim/Agg Limit \$1M/\$7M  
 Professional/General Liability: 05/01/2005 Retro Date; \$7,000,000 Maximum Aggregate Limit.  
 Evidence of Coverage.  
 See attachment.

<b>CERTIFICATE HOLDER</b>  Evidence of Insurance	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

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## Compass Health, Inc.

GLPL Named Insured Schedule

Effective: 5/1/2026-27

Updated: 3/24/2026

Facility Name	Description	Address	City	State	Zip	Retro Date
Compass Health, Inc.	Corporate Office	200 S. 13th Street	Grover Beach	CA	93433	5/1/2005
Compass Health, Inc. General Liab. Only	Workshop	510 W. Ormonde Road	San Luis Obispo	CA	93401	10/22/2014
Arroyo Grande Care Center	Skilled Nursing	1212 Farroll Avenue	Arroyo Grande	CA	93420	5/1/2005
Bayside Care Center	Skilled Nursing	1405 Teresa Drive	Morro Bay	CA	93442	5/1/2005
Casa de Flores	Assisted Living	1405 Teresa Drive	Morro Bay	CA	93442	5/1/2005
San Luis Transitional Care	Skilled Nursing	1575 Bishop Street	San Luis Obispo	CA	93401	5/1/2005
Vineyard Hills Health Center	Skilled Nursing	290 Heather Court	Templeton	CA	93465	5/1/2005
Mission View Health Center	Skilled Nursing	1425 Woodside Drive	San Luis Obispo	CA	93401	4/1/2006
Wyndham Residence	Assisted Living	222 S. Elm Street	Arroyo Grande	CA	93420	5/1/2005
San Luis Post Acute Center	Skilled Nursing	3033 Augusta Street	San Luis Obispo	CA	93401	11/1/2019



## SETO KIRAKOSIAN

Accountancy, Corp

### Independent Auditors' Report on Supplementary Information

To the Board of Directors of  
Compass Health, Inc. and Subsidiary  
Grover Beach, California

We have audited the consolidated financial statements of Compass Health, Inc. and Subsidiary (the "Company"), as of and for the years ended December 31, 2025 and 2024, and our report thereon dated April 28, 2026, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1 and 2. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 22 to 24 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and it is not a required part of the consolidated financial statements. The supplementary information on pages 25 to 46 has been prepared for filing with the State of California, Department of Social Services, in accordance with Section 1792 of the California Health and Safety Code, and is presented for purpose of additional analysis and is not a required part of the consolidated financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole and presents fairly, in all material respects, the continuing care reserve requirements of the Company at December 31, 2025, in conformity with the report preparation provisions of the California Health and Safety Code Section 1792.

A handwritten signature in black ink, appearing to read 'Seto K.', written in a cursive style.

Sierra Madre, California

April 28, 2026

**COMPASS HEALTH, INC. AND SUBSIDIARY**  
**SUPPLEMENTARY INFORMATION**  
**CONSOLIDATING BALANCE SHEETS**

DECEMBER 31, 2025

**SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION**

	AGCC	BCC	CDF	CHI	DCC	MVHC	SLPA	SLTC	TPY	VHHC	WYND	Eliminations	Total
<b>CURRENT ASSETS:</b>													
Cash and cash equivalents	\$ (34,500)	\$ (20,100)	\$ (1,300)	\$ 6,642,500	\$ (1,300)	\$ 23,800	\$ (55,200)	\$ 48,400	\$ (800)	\$ 171,200	\$ 55,700	\$ -	\$ 6,828,400
Accounts receivable, net	1,320,500	1,328,500	30,100	149,800	300	1,849,100	1,578,800	330,200	-	2,120,300	14,600	-	8,722,200
Prepaid expenses	140,300	153,700	19,800	10,900	13,500	62,100	238,800	38,000	-	168,200	7,100	-	852,400
Due from related parties, net	500	39,752,200	(39,752,200)	1,522,800	-	27,300	(20,500)	(6,900)	-	600	-	-	1,523,800
Total current assets	1,426,800	41,214,300	(39,703,600)	8,326,000	12,500	1,962,300	1,741,900	409,700	(800)	2,460,300	77,400	-	17,926,800
<b>INVESTMENT IN SUBSIDIARY</b>	-	-	-	3,770,300	-	-	-	-	-	-	-	(3,770,300)	-
<b>PLANT, PROPERTY, AND EQUIPMENT, net</b>	65,200	309,000	528,900	24,900	792,100	-	270,400	403,800	-	1,672,300	-	-	4,066,700
<b>INTANGIBLE ASSETS, net</b>	-	-	-	-	-	-	29,400	-	-	-	-	-	29,400
<b>DEPOSITS AND OTHER ASSETS</b>	18,000	-	-	13,100	-	33,900	-	-	-	-	-	-	65,000
<b>OPERATING LEASE RIGHT-OF-USE ASSETS</b>	2,014,500	8,967,300	-	344,300	-	4,186,400	1,648,600	1,336,800	-	-	6,818,500	-	25,216,400
Total assets	\$ 3,524,600	\$ 50,490,600	\$ (39,174,700)	\$ 12,478,600	\$ 804,600	\$ 6,182,600	\$ 3,690,300	\$ 2,150,300	\$ (800)	\$ 4,132,600	\$ 6,895,900	\$ (3,770,300)	\$ 47,404,300
<b>CURRENT LIABILITIES:</b>													
Accounts payable	\$ 222,800	\$ 248,600	\$ 47,400	\$ 114,500	\$ (300)	\$ 312,100	\$ 200,200	\$ 47,700	\$ -	\$ 253,000	\$ 31,600	\$ -	\$ 1,477,600
Accrued compensation and related expenses	1,160,100	936,200	179,500	2,706,400	-	1,097,400	814,300	51,400	834,400	689,800	189,000	-	8,658,500
Income taxes payable	-	-	-	86,900	-	-	-	-	-	-	-	-	86,900
Security deposits and other liabilities	250,000	250,000	-	4,640,200	9,400	-	300,000	-	-	215,000	-	-	5,664,600
Current portion of operating lease liabilities	595,700	1,661,000	-	158,100	-	616,200	488,900	248,900	-	-	197,700	-	3,966,500
Total current liabilities	2,228,600	3,095,800	226,900	7,706,100	9,100	2,025,700	1,803,400	348,000	834,400	1,157,800	418,300	-	19,854,100
<b>OPERATING LEASE LIABILITIES, net of current portion</b>	1,418,800	7,306,300	-	186,200	-	3,570,200	1,159,700	1,087,900	-	-	6,620,800	-	21,349,900
Total liabilities	\$ 3,647,400	\$ 10,402,100	\$ 226,900	\$ 7,892,300	\$ 9,100	\$ 5,595,900	\$ 2,963,100	\$ 1,435,900	\$ 834,400	\$ 1,157,800	\$ 7,039,100	\$ -	\$ 41,204,000
<b>COMMITMENTS AND CONTINGENCIES</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>SHAREHOLDER'S EQUITY (DEFICIENCY):</b>													
Common stock, no par value; 1,000 shares authorized; 1,000 shares issued and outstanding	900	30,000	-	1,000	-	586,700	727,200	714,400	(835,200)	2,974,800	(143,200)	-	31,900
Retained earnings (deficiency)	(123,700)	40,059,500	(39,401,600)	4,583,300	795,500	-	-	-	-	-	-	(3,770,300)	6,168,400
Total shareholder's equity (deficiency)	(122,800)	40,089,500	(39,401,600)	4,584,300	795,500	586,700	727,200	714,400	(835,200)	2,974,800	(143,200)	(3,770,300)	6,200,300
Total liabilities and shareholder's equity (deficiency)	\$ 3,524,600	\$ 50,490,600	\$ (39,174,700)	\$ 12,478,600	\$ 804,600	\$ 6,182,600	\$ 3,690,300	\$ 2,150,300	\$ (800)	\$ 4,132,600	\$ 6,895,900	\$ (3,770,300)	\$ 47,404,300

**COMPASS HEALTH, INC. AND SUBSIDIARY**  
**SUPPLEMENTARY INFORMATION**

**CONSOLIDATING STATEMENTS OF OPERATIONS AND RETAINED EARNINGS (DEFICIENCY)**

FOR THE YEAR ENDED DECEMBER 31, 2025

SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

	AGCC	BCC	CDF	CHI	DCC	MVHC	SLPA	SLTC	TPY	VHHC	WYND	Eliminations	Total
<b>REVENUES:</b>													
Net patient service revenue	\$ 12,557,800	\$ 13,561,500	\$ 5,119,700	\$ -	\$ 2,074,400	\$ 17,596,300	\$ 12,331,600	\$ 2,532,100	\$ 3,200,600	\$ 13,271,100	\$ -	\$ -	\$ 77,125,400
Net residential board and care revenue	-	-	-	-	-	-	-	-	-	-	4,003,600	-	9,123,300
Net other revenue	36,300	87,200	-	702,900	77,100	95,900	7,900	5,300	-	74,100	-	(729,300)	357,400
Management fees	(690,700)	(731,600)	(256,700)	4,874,900	(105,000)	(955,200)	(662,900)	(173,900)	(387,600)	(717,300)	(194,000)	-	-
<b>Total revenues</b>	<b>11,903,400</b>	<b>12,917,100</b>	<b>4,863,000</b>	<b>5,577,800</b>	<b>2,046,500</b>	<b>16,737,000</b>	<b>11,676,600</b>	<b>2,363,500</b>	<b>2,813,000</b>	<b>12,627,900</b>	<b>3,809,600</b>	<b>(729,300)</b>	<b>86,606,100</b>
<b>EXPENSES:</b>													
Nursing services	5,144,500	6,349,200	1,498,700	129,000	1,247,500	9,091,000	5,869,600	1,113,400	-	6,248,900	970,200	-	37,662,000
Plant operations and maintenance	422,800	743,400	533,100	48,000	188,000	699,500	697,100	129,900	-	542,100	348,900	-	4,352,800
Housekeeping and laundry	460,400	603,600	186,200	-	135,000	608,300	644,000	59,200	-	441,200	196,100	-	3,334,000
Dietary	1,148,300	1,285,700	770,300	13,900	243,100	1,374,500	1,032,000	184,800	-	1,055,600	617,400	-	7,725,600
Social services and activities	426,200	280,400	208,100	-	48,200	392,000	386,800	184,800	-	160,900	140,100	-	2,042,700
Education	128,500	141,000	-	-	69,600	134,700	115,800	2,400	-	136,500	-	-	728,500
General and administrative	2,838,400	2,988,800	1,461,100	2,699,300	577,000	4,013,400	3,397,100	1,048,000	404,100	2,576,400	1,040,600	-	23,044,200
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy	273,400	274,500	-	-	15,600	537,400	182,800	120,900	-	191,000	-	-	1,595,600
Laboratory	34,900	18,600	-	-	2,300	37,600	20,000	13,500	-	19,000	-	-	145,900
X-ray	40,400	24,600	-	-	4,800	40,200	19,800	21,700	-	29,500	-	-	181,000
<b>Total expenses</b>	<b>10,917,800</b>	<b>12,709,800</b>	<b>4,657,500</b>	<b>2,890,200</b>	<b>2,531,100</b>	<b>16,928,600</b>	<b>12,365,000</b>	<b>2,693,800</b>	<b>404,100</b>	<b>11,401,100</b>	<b>3,313,300</b>	<b>-</b>	<b>80,812,300</b>
<b>INCOME (LOSS) BEFORE INCOME TAX PROVISION</b>	<b>985,600</b>	<b>207,300</b>	<b>205,500</b>	<b>2,687,600</b>	<b>(484,600)</b>	<b>(191,600)</b>	<b>(688,400)</b>	<b>(330,300)</b>	<b>2,408,900</b>	<b>1,226,800</b>	<b>496,300</b>	<b>(729,300)</b>	<b>5,793,800</b>
<b>INCOME TAX PROVISION</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(86,900)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12,600)</b>	<b>-</b>	<b>-</b>	<b>(99,500)</b>
<b>NET INCOME (LOSS)</b>	<b>985,600</b>	<b>207,300</b>	<b>205,500</b>	<b>2,600,700</b>	<b>(484,600)</b>	<b>(191,600)</b>	<b>(688,400)</b>	<b>(330,300)</b>	<b>2,408,900</b>	<b>1,214,200</b>	<b>496,300</b>	<b>(729,300)</b>	<b>5,694,300</b>
<b>DISTRIBUTIONS TO SHAREHOLDER</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,728,300)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,728,300)</b>
<b>INTERCOMPANY TRANSFERS</b>	<b>(1,537,700)</b>	<b>2,297,400</b>	<b>(3,204,700)</b>	<b>5,219,900</b>	<b>(306,700)</b>	<b>(313,600)</b>	<b>131,400</b>	<b>357,900</b>	<b>(2,473,400)</b>	<b>(872,900)</b>	<b>(476,900)</b>	<b>1,179,300</b>	<b>-</b>
<b>RETAINED EARNINGS (DEFICIENCY), beginning of year</b>	<b>428,400</b>	<b>37,553,800</b>	<b>(36,402,400)</b>	<b>2,493,000</b>	<b>1,586,800</b>	<b>1,091,900</b>	<b>1,284,200</b>	<b>686,800</b>	<b>(770,700)</b>	<b>2,633,500</b>	<b>(162,600)</b>	<b>(4,220,300)</b>	<b>6,202,400</b>
<b>RETAINED EARNINGS (DEFICIENCY), end of year</b>	<b>(123,700)</b>	<b>\$ 40,058,500</b>	<b>\$ (39,401,600)</b>	<b>\$ 4,585,300</b>	<b>\$ 795,500</b>	<b>\$ 586,700</b>	<b>\$ 727,200</b>	<b>\$ 714,400</b>	<b>\$ (835,200)</b>	<b>\$ 2,974,800</b>	<b>\$ (143,200)</b>	<b>\$ (3,770,300)</b>	<b>\$ 6,168,400</b>



**FORM 1-1**  
**RESIDENT POPULATION**

<u>Line</u>	<u>Continuing Care Residents</u>	<u>TOTAL</u>
[1]	Number at beginning of fiscal year	78
[2]	Number at end of fiscal year	93
[3]	Total Lines 1 and 2	171
[4]	Multiply Line 3 by ".50" and enter result on Line 5.	x .50
[5]	Mean number of continuing care residents	85.5
<b>All Residents</b>		
[6]	Number at beginning of fiscal year	161
[7]	Number at end of fiscal year	183
[8]	Total Lines 6 and 7	344
[9]	Multiply Line 8 by ".50" and enter result on Line 10.	x .50
[10]	Mean number of <i>all</i> residents	172
[11]	Divide the mean number of continuing care residents (Line 5) by the mean number of <i>all</i> residents (Line 10) and enter the result (round to two decimal places).	0.50

**FORM 1-2**  
**ANNUAL PROVIDER FEE**

<u>Line</u>		<u>TOTAL</u>
[1]	Total Operating Expenses (including depreciation and debt service - interest only)	\$17,367,300
[a]	Depreciation	\$143,540
[b]	Debt Service (Interest Only)	\$0
[2]	Subtotal (add Line 1a and 1b)	\$143,540
[3]	Subtract Line 2 from Line 1 and enter result.	\$17,223,760
[4]	Percentage allocated to continuing care residents (Form 1-1, Line 11)	50%
[5]	Total Operating Expense for Continuing Care Residents (multiply Line 3 by Line 4)	\$8,561,811
[6]	Total Amount Due (multiply Line 5 by .001)	x .001 \$8,562

**PROVIDER:** Compass Health, Inc.  
**COMMUNIT** Bayside Care Center and Casa de Flores

**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	n/a			\$0	\$0
2					\$0
3					\$0
4					\$0
5					\$0
6					\$0
7					\$0
8					\$0
<b>TOTAL:</b>			\$0	\$0	\$0

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

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

**PROVIDER:** Compass Health, Inc.

**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 over next 12 months	(e) Reserve Requirement (see instruction 5) (columns (c) x (d))
1	N/A				\$0
2					\$0
3					\$0
4					\$0
5					\$0
6					\$0
7					\$0
8					\$0
<b>TOTAL:</b>		\$0	\$0	0	\$0

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

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

**PROVIDER:** Compass Health, Inc.

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

<b>Line</b>	<b>TOTAL</b>
1 Total from Form 5-1 bottom of Column (e)	<u>\$0</u>
2 Total from Form 5-2 bottom of Column (e)	<u>\$0</u>
3 Facility leasehold or rental payment paid by provider during fiscal year (including related payments such as lease insurance)	<u>\$1,008,447</u>
4 <b>TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE:</b>	<b><u><u>\$1,008,447</u></u></b>

**PROVIDER:** Compass Health, Inc.

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

Line	Amounts	TOTAL
1	Total operating expenses from financial statements	\$17,367,300
2	Deductions:	
a.	Interest paid on long-term debt (see instructions)	\$0
b.	Credit enhancement premiums paid for long-term debt (see instructions)	\$0
c.	Depreciation	\$143,540
d.	Amortization	\$0
e.	Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$14,187,277
f.	Extraordinary expenses approved by the Department	\$0
3	Total Deductions	\$14,330,817
4	Net Operating Expenses	\$3,036,483
5	Divide Line 4 by 365 and enter the result.	\$8,319
6	<b>Multiply Line 5 by 75 and enter the result.</b> This is the provider's operating expense reserve amount.	<u>\$623,925</u>

**PROVIDER:** Compass Health, Inc.

**COMMUNITY:** Bayside Care Center and Casa de Flores



Provider Name: COMPASS HEALTH, INC.  
Fiscal Year End: 12/31/2025

**DSS - Reserve Report - Part of Form 5-5**  
**Description of Reserves under SB 1212**

**Total Qualifying Assets as Filed:**

Cash and Cash Equivalents	\$6,828,400
Line of Credit	\$0
Other	\$0
Less Funds Reserved for Specific Designations	\$0
Total Qualifying Assets as Filed	<u><u>\$6,828,400</u></u>

---

Provider: COMPASS HEALTH, INC.  
Community: BAYSIDE CARE CENTER & CASA DE FLORES

Per Capita Cost of Operations Operating  
Expenses (Form 5-4 (1) line #1) 17,367,300

Mean # of All Residents (Form 1-1 line #10) 172

Per Capita Cost of Operations 100,973

\*\* No funds have been set aside for capital improvements or any other reserves outside of the CCRC Liquid Reserve Requirement

COMPASS HEALTH, INC.  
 BAYSIDE CARE CENTER & CASA DE FLORES

Reconciliation to Audited Financial Statements

Form 1-2, Line 1a - Reconciliation

Account Detail	BCC	CDF	
SNF - General & Admin 7300.18	1,741,258		
RCF General & Admin 7300.19		610,232	
SNF Depreciation & Amortization	65,053		
RCF Depreciation & Amortization		78,487	
SNF - Leases & Rentals	1,089,152		
RCF - Leases & Rentals		720,145	
SNF - Property Taxes	-		
RCF - Property Taxes		-	
SNF - Property Insurance	68,882		
RCF - Property Insurance		52,632	
SNF - Misc	-		
RCF - Misc		(350)	
Patient Supplies	1,028		
Priv Other Ancillaries 7300.45	745		
Mcare Other Ancillaries 7300.46	-		
Mcal Other Ancillaries 7300.47	22,641		
<b>Total General &amp; Administrative Costs</b>	<b>2,988,759</b>	<b>1,461,146</b>	<b>Ties to Audited FS pg. 23 line 12 under BCC &amp; CDF respectively</b>
From Audited FS pg 24			
SNF Depreciation & Amortization	65,053		
RCF Depreciation & Amortization	78,487		
<b>Total Depreciation from FS</b>	<b>143,540</b>		<b>Ties to Form 1-2 Line 1a.</b>

Form 5-3 Line 3 - Reconciliation

Account Detail	Consolidated		
SNF - General & Admin	15,531,658		
RCF General & Admin	1,050,854		
SNF Depreciation & Amortization	411,676		
RCF Depreciation & Amortization	78,487		
SNF - Leases & Rentals	3,810,077		
RCF - Leases & Rentals	1,288,673		
SNF - Property Taxes	242,410		
RCF - Property Taxes	-		
SNF - Property Insurance	319,631		
RCF - Property Insurance	70,544		
SNF - Misc	-		
RCF - Misc	19,475		
Patient Supplies	45,173		
Priv Other Ancillaries	17,360		
Mcare Other Ancillaries	410		
Mcal Other Ancillaries	157,769		
<b>Total General &amp; Administrative Costs</b>	<b>23,044,197</b>	Ties to Audited FS pg. 23 line 12 under Total	
<b>SNF - Leases &amp; Rentals</b>		<b>RCFE - Leases &amp; Rentals</b>	
Lease - Buildings	3,639,543	Lease - Buildings	1,282,528
Lease - Equipment	11,729	Lease - Equipment	145
Lease - Auto	158,805	Lease - Auto	6,000
	3,810,077		1,288,673
		Ties to RCF Leases & Rentals Above	
Ties to SNF Leases & Rentals Above			
<b>SNF Leases - Buildings</b>		<b>RCFE Leases - Buildings</b>	
AGCC	681,326	CDF	720,000
ALTC	-	Wynd	562,528
BCC	1,080,000		1,282,528
CHI	223,323		
MVHC	822,640		
SLPA	504,000		
SLTC	328,254		
	3,639,543		
SNF Leases - Buildings	3,639,543		
RCFE Leases - Buildings	1,282,528		
<b>Total SNF &amp; RCF Building Leases</b>	<b>4,922,071</b>		
Deferred Rent	4,922,071		
Less Portion Paid to Related Parties (Not applicable to long-term debt)	(3,913,624)		
<b>Facility Leasehold/Rental Payments</b>	<b>1,008,447</b>	Ties to Form 5-3 line 3	

x

COMPASS HEALTH, INC.  
BAYSIDE CARE CENTER & CASA DE FLORES

Form 5-4 (1) Lines 1 2(c) & 2(e) - Reconciliation

<b>Total Operating Expense (BCC &amp; CDF)</b>	17,367,300	Form 5-4 (1) Line 1
BCC Total Expenses	12,709,800	Audited FS pg. 23, line 17 under BCC
CDF Total Expenses	4,657,500	Audited FS pg. 23, line 17 under CDF
	<b>17,367,300</b>	<b>Ties to Form 5-4 (1) Line 1</b>
Variance	-	
<b>Depreciation</b>	<b>143,540</b>	<b>Form 5-4 (1) Line 2c</b> See Form 5-1 Reconciliation Above. Ties to Audited FS pg. 23, line 12
Revenue from Persons not under CCRC Contract		
See separate reconciliation to Consolidated Statement of Cash Flows (Direct Method)		

## Reconciliation of Revenue to Consolidated Statement of Cash Flows

AGCC/WYD non-CCRC Revenue (A7 + A26)		BCC/CDF non-CCRC Revenue (H19 + H26)
13,943,222.12	AGCC/WYD non-CCRC Revenue (A7 + A26)	14,187,276.80
	Ties to Form 5-4 (2) line 2 ( e )	Ties to Form 5-4 (1) line 2 ( e )
-	AGCC CCRC Revenue	678,226.67
13,761,198.12	AGCC Non-CCRC Revenue	14,057,753.80
13,761,198.12	AGCC Room & Board Revenue	14,735,980.47
13,761,198.12	AGCC Room & Board	14,735,980.47
288,418.88	AGCC Other Rev + Contractual Adj.	52,834.53
14,049,617.00	AGCC Revenue	14,788,815.00
3,828,634.00	WYN CCRC Revenue	4,994,844.00
182,024.00	Non-CCRC	129,523.00
4,010,658.00	WYND Room & Board Revenue	5,124,367.00
		14,788,815.00
		14,049,617.00
		53,138,176.00
		81,976,608.00
		4,994,844.00
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**Continuing Care Retirement Community  
Disclosure Statement**

Date Prepared:04/25/2025

FACILITY NAME: Compass Health Inc., dba Bayside Care Center and Casa de Flores  
 ADDRESS: 1405 Teresa Dr., Morro Bay CA ZIP CODE: 93442 PHONE: 805-772-2237  
 PROVIDER NAME: Compass Health Inc FACILITY OPERATOR: Compass Health Inc  
 RELATED FACILITIES: \_\_\_\_\_ RELIGIOUS AFFILIATION: None  
 YEAR 1995 # OF \_\_\_\_\_  SINGLE  MULTI-  OTHER: \_\_\_\_\_ MILES TO SHOPPING CTR: 1  
 ACRES: 5.4 STORY \_\_\_\_\_ MILES TO HOSPITAL: 20

**NUMBER OF UNITS:**

<b>RESIDENTIAL LIVING</b>	<b>HEALTH CARE</b>
APARTMENTS — STUDIO: _____	ASSISTED LIVING: <u>90</u>
APARTMENTS — 1 BDRM: _____	SKILLED NURSING: <u>145</u>
APARTMENTS — 2 BDRM: _____	SPECIAL CARE: _____
COTTAGES/HOUSES: _____	DESCRIPTION: > _____
RLU OCCUPANCY (%) AT YEAR END: _____	OVERALL CCRC OCCUPANCY (%) AT YEAR END: <u>98.8%</u>

**TYPE OF OWNERSHIP:**  NOT-FOR-PROFIT  FOR-PROFIT ACCREDITED?:  YES  NO BY: \_\_\_\_\_

**FORM OF CONTRACT:**  CONTINUING CARE  LIFE CARE  ENTRANCE FEE  FEE FOR SERVICE  
*(Check all that apply)*  ASSIGNMENT OF ASSETS  EQUITY  MEMBERSHIP  RENTAL

**REFUND PROVISIONS:** *(Check all that apply)*  Refundable  Repayable  90%  75%  50%  OTHER: \_\_\_\_\_

**RANGE OF ENTRANCE FEES:** \$ 0 - \$ 0 **LONG-TERM CARE INSURANCE REQUIRED?**  YES  NO

**HEALTH CARE BENEFITS INCLUDED IN CONTRACT:** \_\_\_\_\_

**ENTRY REQUIREMENTS:** MIN. AGE: 65 PRIOR PROFESSION: \_\_\_\_\_ OTHER: \_\_\_\_\_

**RESIDENT REPRESENTATIVE(S) TO, AND RESIDENT MEMBER(S) ON, THE BOARD:** > Per HSC 1771.8(i)(1), a facility resident participates as a nonvoting resident representative to the facility's governing body. Per HSC 1771.8(i)(2)(A), there currently is not an open seat on the governing body and if a seat opens up on the governing body that seat will be offered to a member of the resident committee.

**FACILITY SERVICES AND AMENITIES**

<b>COMMON AREA AMENITIES</b>	<b>AVAILABLE</b>	<b>FEE FOR SERVICE</b>	<b>SERVICES AVAILABLE</b>	<b>INCLUDED IN FEE</b>	<b>FOR EXTRA CHARGE</b>
BEAUTY/BARBER SHOP	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	HOUSEKEEPING ( <u>3</u> TIMES/MONTH)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BILLIARD ROOM	<input type="checkbox"/>	<input type="checkbox"/>	MEALS ( <u>3</u> /DAY)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BOWLING GREEN	<input type="checkbox"/>	<input type="checkbox"/>	SPECIAL DIETS AVAILABLE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD ROOMS	<input type="checkbox"/>	<input type="checkbox"/>			
CHAPEL	<input type="checkbox"/>	<input type="checkbox"/>	24-HOUR EMERGENCY RESPONSE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
COFFEE SHOP	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	ACTIVITIES PROGRAM	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CRAFT ROOMS	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	ALL UTILITIES EXCEPT PHONE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
EXERCISE ROOM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	APARTMENT MAINTENANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GOLF COURSE ACCESS	<input type="checkbox"/>	<input type="checkbox"/>	CABLE TV	<input checked="" type="checkbox"/>	<input type="checkbox"/>
LIBRARY	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	LINENS FURNISHED	<input type="checkbox"/>	<input checked="" type="checkbox"/>
PUTTING GREEN	<input type="checkbox"/>	<input type="checkbox"/>	LINENS LAUNDERED	<input type="checkbox"/>	<input type="checkbox"/>
SHUFFLEBOARD	<input type="checkbox"/>	<input type="checkbox"/>	MEDICATION MANAGEMENT	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SPA	<input type="checkbox"/>	<input type="checkbox"/>	NURSING/WELLNESS CLINIC	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SWIMMING POOL-INDOOR	<input type="checkbox"/>	<input type="checkbox"/>	PERSONAL HOME CARE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SWIMMING POOL-OUTDOOR	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PERSONAL	<input checked="" type="checkbox"/>	<input type="checkbox"/>
TENNIS COURT	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PREARRANGED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
WORKSHOP	<input type="checkbox"/>	<input type="checkbox"/>	OTHER _____	<input type="checkbox"/>	<input type="checkbox"/>
OTHER _____	<input type="checkbox"/>	<input type="checkbox"/>			

All providers are required by Health and Safety Code section 1789.1 to provide this report to prospective residents before executing a deposit agreement or continuing care contract, or receiving any payment. Many communities are part of multi-facility operations which may influence financial reporting. Consumers are encouraged to ask questions of the continuing care retirement community that they are considering and to seek advice from professional advisors.

PROVIDER NAME: Compass Health Inc

**OTHER CCRCs**

**LOCATION (City, State)**

**PHONE (with area code)**

Arroyo Grande Care Center/Wyndham Residence

Arroyo Grande, CA

805-489-8137,805-474-7260

**MULTI-LEVEL RETIREMENT COMMUNITIES**

**LOCATION (City, State)**

**PHONE (with area code)**

**FREE-STANDING SKILLED NURSING**

**LOCATION (City, State)**

**PHONE (with area code)**

Danish Care Center

Atascadero CA

805-466-9254

Mission View Health Center

San Luis Obispo CA

805-543-0210

San Luis Transitional Care

San Luis Obispo CA

805-545-7575

Vineyard Hills Health Center

Templeton CA

805-805-434-3035

San Luis Post Acute Center

San Luis Obispo CA

805-544-5100

**SUBSIDIZED SENIOR HOUSING**

**LOCATION (City, State)**

**PHONE (with area code)**

**NOTE:** PLEASE INDICATE IF THE FACILITY IS A LIFE CARE FACILITY.

PROVIDER NAME: COMPASS HEALTH, INC.

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>INCOME FROM ONGOING OPERATIONS</b>				
<b>OPERATING INCOME</b> (Excluding amortization of entrance fee income)	70,927,300	73,922,700	81,730,300	86,606,100
<b>LESS OPERATING EXPENSES</b> (Excluding depreciation, amortization, and interest)	65,720,700	73,621,300	75,634,655	80,812,300
<b>NET INCOME FROM OPERATIONS</b>	<u>5,103,200</u>	<u>301,400</u>	<u>6,095,645</u>	<u>5,793,800</u>
<b>LESS INTEREST EXPENSE</b>	25,100	12,400	562	0
<b>PLUS CONTRIBUTIONS</b>				
<b>PLUS NON-OPERATING INCOME (EXPENSES)</b> (excluding extraordinary items)				
<b>NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION</b>	<u>5,078,100</u>	<u>289,000</u>	<u>6,095,083</u>	<u>5,793,800</u>
<b>NET CASH FLOW FROM ENTRANCE FEES</b> (Total Deposits Less Refunds)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

\*\*\*\*\*

**DESCRIPTION OF SECURED DEBT** (as of most recent fiscal year end)

<u>LENDER</u>	<u>OUTSTANDING BALANCE</u>	<u>INTEREST RATE</u>	<u>DATE OF ORIGINATION</u>	<u>DATE OF MATURITY</u>	<u>AMORTIZATION PERIOD</u>

\*\*\*\*\*

**FINANCIAL RATIOS** (see next page for ratio formulas)

	<b>2017 CCAC Medians 50<sup>th</sup> Percentile (optional)</b>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>DEBT TO ASSET RATIO</b>		0.000	0.000	0.000
<b>OPERATING RATIO</b>		0.9961	.9254	.9274
<b>DEBT SERVICE COVERAGE RATIO</b>		12.75	104.81	n/a – no debt
<b>DAYS CASH ON HAND RATIO</b>		83.69	80.77	76.92

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**HISTORICAL MONTHLY SERVICE FEES** (Average Fee and Change Percentage)

	<u>2022</u>	%	<u>2023</u>	%	<u>2024</u>	%	<u>2025</u>
STUDIO							
ONE BEDROOM							
TWO BEDROOM							
COTTAGE/HOUSE							
ASSISTED LIVING	3732-7500	3%	3844-7725	3%	3955-7957	5%	4,147-8,355
SKILLED NURSING	8700-12000	23%	11,250-18,000	0%	11,250-18,000	0%	11,250-18,000
SPECIAL CARE							

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**COMMENTS FROM PROVIDER:** >

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**FORM 7-1**  
**REPORT ON CCRC MONTHLY SERVICE FEES**

	<b>RESIDENTIAL LIVING</b>	<b>ASSISTED LIVING</b>	<b>SKILLED NURSING</b>
[1] Monthly Service Fees at beginning of reporting period: (indicate range, if applicable)	N/A	<b>\$3,955- \$7,957</b>	<b>\$11,250 - \$18,000</b>
[2] Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)	N/A	<b>5% \$4,157 - \$8,355</b>	<b>0% \$11,250 - \$18,000</b>

- Check here if monthly service fees at this community were not increased during the reporting period. (If you checked this box, please skip down to the bottom of this form and specify the names of the provider and community.)

[3] Indicate the date the fee increase was implemented: September 1, 2025 for the Assisted Living (If more than 1 increase was implemented, indicate the dates for each increase.)

[4] Check each of the appropriate boxes:

- Each fee increase is based on the provider's projected costs, prior year per capita costs, and economic indicators.
- All affected residents were given written notice of this fee increase at least 30 days prior to its implementation. **Date of Notice: 6/25/2025 Method of Notice: By Letter**
- At least 30 days prior to the increase in monthly service fees, the designated representative of the provider convened a meeting that all residents were invited to attend. **Date of Meeting: 7/8/2025**
- At the meeting with residents, the provider discussed and explained the reasons for the increase, the basis for determining the amount of the increase, and the data used for calculating the increase.
- The provider provided residents with at least 14 days advance notice of each meeting held to discuss the fee increases. **Date of Notice: 6/19/2025**
- The governing body of the provider, or the designated representative of the provider posted the notice of, and the agenda for, the meeting in a conspicuous place in the community at least 14 days prior to the meeting. **Date of Posting: 6/19/2025 Location of Posting: Announcement Board/Mail Room**

[5] On an attached page, provide a concise explanation for the increase in monthly service fees including the amount of the increase.

**PROVIDER:** Compass Health, Inc.

**COMMUNITY:** Bayside Care Center and Casa de Flores

Compass Health, Inc. dba Bayside Care Center and Casa de Flores

Form 7-1 Attachment

Increase in Monthly Serve Fee

**Attachment to Item [5]:**

Rate increases on monthly fees for the following levels of care were approved by the Board based on projected operating costs of the continuing care retirement community, projected per capita costs and economic indicators:

	Rate Increase	Range of Monthly Fees
Assisted Living	5%	\$4,157 to \$8,355
Skilled Nursing Care	0%	\$11,250 to \$18,000

**Assisted Living**

The monthly care fees for the Assisted Living level of care were increased by 5% in line with increased operating costs. The Assisted Living census increased in F/Y 2025 and is projected to remain flat in F/Y 2026.

**Skilled Nursing Care**

The private monthly care fees for Skilled Nursing Care (SNF) were not increased in F/Y 2025.

**Form 7-1 Attachment  
Monthly Care Fee Increase**

Historically, year over year increases in operating expenses are closely tied to increases in the Consumer Price Index, not taking into account per patient day fixed costs. Based on the 3.3% CPI increase recently published by US Bureau of Labor Statistics and the real cost increases we are seeing on the ground, a 5% increase was applied to the Projected F/Y 2026 Operating Expenses over F/Y 2025 Operating Expenses in order to further insulate operations from additional increases in expenses.

**Form 7-1 Monthly Care Fee Increase (MCFI)  
Annual Reporting Fiscal Year (F/Y) 2025**

Line	Fiscal Years	2024	2025	2026	
1	F/Y 2024 Operating Expenses	(15,644,700)			Audited financials Total Expenses (BCC+CASA)
2	F/Y 2025 Operating Expenses		(17,367,300)		Audited financials Total Expenses (BCC+CASA)
3	Projected F/Y 2026 Results of Operations			(18,235,665)	
4	F/Y 2026 Anticipated MCF Revenue Based on Current and Projected Occupancy <sup>1</sup> and Other without			18,693,228	
5	Projected F/Y 2026 (Net) Operating Results without a MCFI			457,563	
6	Projected F/Y 2026 Anticipated Revenue Based on Current and Projected Occupancy <sup>1</sup> and Other with MCFI 3% on Assisted Living Monthly Fees			18,949,120	
7	Grand Total - Projected F/Y 2026 Net Operating Activating after MCFI 3% on Assisted Living Monthly Fees			713,455	

Monthly Care Fee Increase Assisted Living: 5%

Adjustments Explained:

- 1) Projected SNF occupancy based on current census is expected to remain flat from F/Y 2025 to F/Y 2026 and Projected Assisted Living occupancy based on current census is expected to remain flat over F/Y 2025.
- 2) In F/Y 2024, Assisted Living Revenue was 27% of the total MCF Revenue.