

A G E N D A

AUDIT COMMITTEE

REGULAR MEETING
THURSDAY, OCTOBER 19, 2017, AT 9:00 A.M.
BOARD ROOM – GATEWAY COMPLEX

1. CALL TO ORDER: Paul Rosenzweig, Chairman
2. ROLL CALL: Rosenzweig, Neff, Cutter, Solloway, Swanson, Walker, and Yahng
3. ELECTION OF VICE CHAIRMAN
4. RESIDENTS' FORUM

The Audit Committee will follow Rossmoor custom and limit comments to 3 minutes.
5. APPROVAL OF REPORT OF MARCH 28, 2017 (Attachment)
6. CHAIRMAN'S REPORT
7. CORRESPONDENCE AND ANNOUNCEMENTS
8. UNFINISHED BUSINESS

None
9. NEW BUSINESS

Review December 31, 2016, Pension Plan and 401(k) Plan financial statements. (Attachment)
10. OTHER BUSINESS
11. RECESS
12. MEETING RECONVENED IN EXECUTIVE SESSION TO DISCUSS A LEGAL MATTER
13. ADJOURNMENT
14. NEXT MEETING: TBA

cc: GRF Board

AUDIT COMMITTEE REPORT

REGULAR MEETING
TUESDAY, MARCH 28, 2017, AT 10:30 A.M.

A regular meeting of the Audit Committee was convened by the Chairman, Paul Rosenzweig, at 10:30 a.m. on Tuesday, March 28, 2017, in the Board Room at Gateway Complex.

Present, in addition to the Chairman, were David L. Cutter, Kenneth W. Haley, Mary K. Neff, Devon L. Olson, Sheldon Solloway and Alan W. Swanson. Also attending were Leslie Birdsall, President, Melvin C. Fredlund, Vice President, Mary Lou Delpech, Secretary, and Geraldine Pyle and Stephen D. Roath, Directors, GRF; Timothy O’Keefe, CEO, and Richard S. Chakoff, CFO. Also invited were Scott Taylor and Nathan Farris of Burr Pilger Mayer (BPM).

Attendance

The report of the Committee’s meeting held on November 14, 2016, was approved.

Report
Approved/
Residents’
Forum

There were no speakers during the Residents’ Forum.

The Chairman announced that the FASB had issued a new accounting standard on March 10, 2017, affecting the presentation on net benefits cost for pension plans, but it will not be required for GRF audited statements until 2019.

FASB New
Accounting
Standard

The Chairman then asked Mr. Taylor to lead the Committee through a review of BPM’s “Report to the Audit Committee – Results of the audit for the year ended December 31, 2016”, and BPM’s draft of their letter of Significant Audit Findings.

BPM Reports
and Letter
Draft

The Committee and the BPM representatives then discussed recommended changes to the 3-17-17 draft of the combined financial statements and supplementary information.

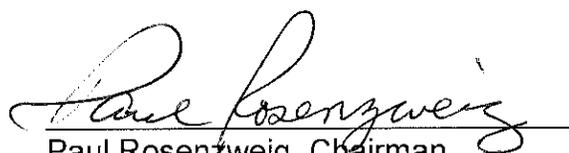
Financial
Statement
Draft

A motion was made by Mr. Cutter and seconded by Mr. Haley that the Committee recommend that the GRF Board accept the BPM report after the recommended changes are made and reviewed by the Committee. The vote on the motion was taken, and the motion CARRIED UNANIMOUSLY.

Reviewed/
Motion to
Recom-
mend
Acceptance
of Report

There being no additional matters, the meeting was adjourned at 12:07 p.m.

Adjournment



Paul Rosenzweig, Chairman
Audit Committee

**PENSION PLAN FOR EMPLOYEES OF
GOLDEN RAIN FOUNDATION OF WALNUT CREEK,
A NONPROFIT MUTUAL BENEFIT CORPORATION**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES**

December 31, 2016 and 2015

**PENSION PLAN FOR EMPLOYEES OF
GOLDEN RAIN FOUNDATION OF WALNUT CREEK,
A NONPROFIT MUTUAL BENEFIT CORPORATION**

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600 California Street, Suite 600, San Francisco, CA 94108

Phone (415) 421-5757 **Fax** (415) 288-6288 **Email** bpm@bpmcpa.com **Web** bpmcpa.com

INDEPENDENT AUDITORS' REPORT

To the Trustees of
Pension Plan for Employees of Golden Rain Foundation
of Walnut Creek, a Nonprofit Mutual Benefit Corporation:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Pension Plan for Employees of Golden Rain Foundation of Walnut Creek, a Nonprofit Mutual Benefit Corporation (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015 and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by Massachusetts Mutual Life Insurance Company, the custodian of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the custodian as of December 31, 2016 and 2015, and for the years then ended, that the information provided to the plan administrator by the custodian is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

To the Trustees of
Pension Plan for Employees of Golden Rain Foundation
of Walnut Creek, a Nonprofit Mutual Benefit Corporation

Other Matter

The supplemental schedules of Schedule H, Line 4i - Schedule of Assets (Held at End of Year) and Schedule H, Line 4j - Schedule of Reportable Transactions as of or for the year ended December 31, 2016 are required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

BPM LLP

San Francisco, California
September 25, 2017

**PENSION PLAN FOR EMPLOYEES OF
GOLDEN RAIN FOUNDATION OF WALNUT CREEK,
A NONPROFIT MUTUAL BENEFIT CORPORATION
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**

December 31, 2016 and 2015

	2016	2015
Investments, at fair value:		
Pooled separate investment accounts	\$ 39,721,965	\$ 36,959,566
Massachusetts Mutual Life Insurance Company Immediate Participation Guarantee Contracts	3,664,454	4,517,267
Total investments	43,386,419	41,476,833
Employer contribution receivable	1,025,000	1,000,000
Net assets available for benefits	\$ 44,411,419	\$ 42,476,833

The accompanying notes are an integral
part of these financial statements.

**PENSION PLAN FOR EMPLOYEES OF
GOLDEN RAIN FOUNDATION OF WALNUT CREEK,
A NONPROFIT MUTUAL BENEFIT CORPORATION**

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the years ended December 31, 2016 and 2015

	2016	2015
Additions to net assets attributed to:		
Investment income/(loss):		
Net appreciation/(depreciation) in fair value of investments	\$ 3,501,099	\$ (304,584)
Interest and dividend income	142,738	191,546
Total investment income/(loss)	3,643,837	(113,038)
Contributions from Golden Rain Foundation	1,050,000	1,000,000
Total additions to net assets	4,693,837	886,962
Deductions from net assets attributed to:		
Benefits paid directly to participants	2,505,890	2,338,700
Administrative expenses	253,361	166,293
Total deductions from net assets	2,759,251	2,504,993
Net increase/(decrease) in net assets	1,934,586	(1,618,031)
Net assets available for benefits:		
Beginning of year	42,476,833	44,094,864
End of year	\$ 44,411,419	\$ 42,476,833

The accompanying notes are an integral
part of these financial statements.

**PENSION PLAN FOR EMPLOYEES OF
GOLDEN RAIN FOUNDATION OF WALNUT CREEK,
A NONPROFIT MUTUAL BENEFIT CORPORATION**

NOTES TO FINANCIAL STATEMENTS

December 31, 2016 and 2015

1. Description of Plan

The following description of the Pension Plan for Employees of Golden Rain Foundation of Walnut Creek, a Nonprofit Mutual Benefit Corporation (the “Plan”) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

General

The Plan is a defined benefit pension plan covering all employees who have one year of service with at least 1,000 hours, are age 21 or older, and who are not covered by a collective bargaining agreement. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”) and subsequent laws. Employees hired or re-hired after May 1, 2009 are not eligible to participate in the Plan, as the participation under the Plan was frozen May 1, 2009.

In the unlikely event that the Plan’s assets are deemed worthless and the Plan is discontinued, most benefits under the Defined Benefit Plan are insured by the Pension Benefit Guaranty Corporation (“PBGC”). Generally, the PBGC guarantees most normal retirement benefits, most early retirement benefits, most vested benefits, and some disability and death benefits. However, the PBGC does not guarantee all benefits under the Plan.

Contribution and Funding Policy

Golden Rain Foundation (the “Sponsor”) makes contributions subject to the minimum funding requirements as required by ERISA and as determined by the Plan’s actuary. The Plan is subject to minimum funding requirements of ERISA, which have been met for 2016 and 2015.

Benefits

Participants are entitled to annual pension benefits beginning at normal retirement age, 62 years old, equal to 2.25% of average compensation plus 0.5% of excess compensation, as defined, before June 15, 1994, and 2% plus 0.5% after June 15, 1994. The Plan permits early retirement at ages 55 through 61 with actuarially reduced amount of benefits. The Plan also provides disability benefits and death benefits. Participants may elect to receive the value of their accumulated plan benefits as a lump-sum distribution if it is under \$5,000, or they may elect to receive their benefits as an annuity. Benefit payments are recorded upon distribution.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared using the accrual method of accounting.

Continued

**PENSION PLAN FOR EMPLOYEES OF
GOLDEN RAIN FOUNDATION OF WALNUT CREEK,
A NONPROFIT MUTUAL BENEFIT CORPORATION**

NOTES TO FINANCIAL STATEMENTS

December 31, 2016 and 2015

2. Summary of Significant Accounting Policies, continued

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Accordingly, actual results may differ from those estimates.

Contributions to the Plan and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, employee compensation, and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions will occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements.

Investment Valuation and Income Recognition

All Plan assets are held by Massachusetts Mutual Life Insurance Company (the “Custodian” or “MassMutual”) in Immediate Participation Guarantee Contracts (“IPG”) and pooled separate investment accounts under a group annuity contract. Investments are reported at fair value. Fair value is 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. The Plan’s Committee determines the Plan’s valuation policies utilizing information provided by its investment advisers, custodians, and insurance company. See Note 4 for a discussion of fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation/(depreciation) includes the Plan’s gains and losses on investments bought and sold as well as held during the year.

Risks and Uncertainties

The Plan may invest in various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Continued

**PENSION PLAN FOR EMPLOYEES OF
GOLDEN RAIN FOUNDATION OF WALNUT CREEK,
A NONPROFIT MUTUAL BENEFIT CORPORATION**

NOTES TO FINANCIAL STATEMENTS

December 31, 2016 and 2015

2. Summary of Significant Accounting Policies, continued

Administrative Expenses

Some administrative expenses are paid directly by the Plan, primarily the fee to the Pension Benefit Guaranty Corporation. The Plan's expenses are paid either by the Plan or the Company, as provided by the plan document. Expenses that are paid by the Company are excluded from these financial statements. Certain expenses incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as deductions in the accompanying statement of changes in net assets available for benefits. In addition, certain investment related expenses are included in net appreciation/(depreciation) of fair value of investment presented in the accompanying statement of changes in net assets available for benefits.

Recent Accounting Pronouncements

Effective January 1, 2016, the Plan adopted Part II of Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2015-12, *Plan Accounting: Defined Benefit Pension Plans* (Topic 960), *Defined Contribution Pension Plans* (Topic 962), *Health and Welfare Benefit Plans* (Topic 965): (Part I) *Fully Benefit-Responsive Investment Contracts*, (Part II) *Plan Investment Disclosures*, and (Part III) *Measurement Date Practical Expedient* (consensuses of the FASB Emerging Issues Task Force). Under Part I of the new ASU, fully benefit-responsive investment contracts are to be measured, presented, and disclosed at contract value only. Part II of the ASU eliminates the disclosure requirements for 1) individual investments that represent 5 percent or more of net assets available for benefits, 2) the net appreciation or depreciation for investment by general type (disclosure in the aggregate is still required), for both participant-directed investments and nonparticipant-directed investments and 3) disaggregation of investments by nature, characteristics and risks (disclosure in aggregate by type is still required). Part III of the ASU permits the election of a practical expedient to measure investments and investment-related accounts as of a month-end date that is closest to the Plan's fiscal year-end, when the fiscal period does not coincide with the month-end. Any significant contribution, distribution, or other event that occurs between these two measurement dates is required to be disclosed. The Plan adopted Part I effective January 1, 2015. Part III is not applicable to this Plan.

Effective January 1, 2015, the Plan adopted FASB ASU No. 2015-07, *Fair Value Measurement* (Topic 820), *Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. The amendments in ASU 2015-07 apply to reporting entities that measure an investment's fair value using the net asset value ("NAV") per share (or its equivalent) practical expedient. The ASU eliminates the requirement to classify the investment within the fair value hierarchy. In addition, the requirement to make certain disclosures for all investments eligible to be assessed at fair value with the NAV per share practical expedient has been removed. Instead, such disclosures are restricted only to investments that the entity has elected to measure using the practical expedient.

These ASUs have been applied retrospectively. Accordingly, the 2015 statement of net assets available for benefits and certain related 2015 disclosures have been modified to be in accordance with these new standards. The modifications had no effect on previously reported net assets available for benefits.

Continued

**PENSION PLAN FOR EMPLOYEES OF
GOLDEN RAIN FOUNDATION OF WALNUT CREEK,
A NONPROFIT MUTUAL BENEFIT CORPORATION**

NOTES TO FINANCIAL STATEMENTS

December 31, 2016 and 2015

3. Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are estimated future payments that are attributable under the Plan's provisions to services rendered by the employees to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or former employees or their beneficiaries, and (b) active employees. Benefits for retired or former employees or their beneficiaries are based on the employee's average compensation during the employee's highest consecutive five years during the last ten years of credited service. Benefits for active employees are based on their average compensation during the five years preceding the valuation date.

The actuarial present value of accumulated plan benefits is determined by an actuary from Massachusetts Mutual Life Insurance Company and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payments. The accumulated plan benefits information as of January 1 is as follows:

	<u>2016</u>	<u>2015</u>
Vested benefits:		
Participants currently receiving payments	\$ 19,853,579	\$ 18,662,586
Other participants	<u>15,938,242</u>	<u>15,121,303</u>
Total vested	35,791,821	33,783,889
Nonvested benefits	<u>16,221</u>	<u>15,103</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 35,808,042</u>	<u>\$ 33,798,992</u>
Actuarial present value of accumulated plan benefits as of January 1, 2015	<u>\$ 33,798,992</u>	
Increase/(decrease) during the Plan year attributed to:		
Benefits accumulated	613,266	
Increase for interest due to the decrease in the discount period	2,659,433	
Benefits paid (including lump-sum amounts)	(2,338,700)	
Miscellaneous gains/losses and other demographic changes	<u>1,075,051</u>	
Net increase	<u>2,009,050</u>	
Actuarial present value of accumulated plan benefits as of January 1, 2016	<u>\$ 35,808,042</u>	

Continued

**PENSION PLAN FOR EMPLOYEES OF
GOLDEN RAIN FOUNDATION OF WALNUT CREEK,
A NONPROFIT MUTUAL BENEFIT CORPORATION**

NOTES TO FINANCIAL STATEMENTS

December 31, 2016 and 2015

3. Actuarial Present Value of Accumulated Plan Benefits, continued

Significant assumptions underlying these actuarial computations are:

Actuarial cost method	Present value of the increase in accrued benefits and the administrative expenses expected to be paid out of plan assets
Average assumed rate of return	8.0% compounded annually
Mortality	IRC §430 2015 static tables
Employee turnover	Table T-5 of “Actuary’s Handbook”
Normal retirement age	62
Benefit formula	Based on 2.25% of average compensation plus 0.5% of excess compensation, as defined, before June 15, 1994. Based on 2.0% of average compensation plus 0.5% of excess compensation, as defined, after June 15, 1994
Benefit service	1,000 hours
Salary scale	3.0% per year
Discount rate	6.03%

These actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

4. Fair Value Measurements

The Plan defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The three levels of fair value hierarchy are as follows:

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Plan has the ability to access at the measurement date.

Continued

**PENSION PLAN FOR EMPLOYEES OF
GOLDEN RAIN FOUNDATION OF WALNUT CREEK,
A NONPROFIT MUTUAL BENEFIT CORPORATION**

NOTES TO FINANCIAL STATEMENTS

December 31, 2016 and 2015

4. Fair Value Measurements, continued

Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities 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.

Level 3 – Inputs are unobservable inputs for the asset or liability.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of December 31, 2016 and 2015:

Massachusetts Mutual Life Insurance Company Immediate Participation Guarantee Contracts: Valued at fair value by insurance company based on market value formula approach that uses the Barclays Capital U.S. Aggregate Index.

Pooled separate investment accounts: Pooled separate accounts ("PSA") are privately managed through investment companies and are not publicly quoted. PSA are valued at NAV which is based on the value of the underlying assets owned by the PSA minus any liabilities, and then divided by the number of shares outstanding. The Plan has concluded that the NAVs reported by the investment companies approximate the fair value of the investments.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2016 and 2015:

	Assets at Fair Value as of December 31, 2016			
	Level 1	Level 2	Level 3	Total
Immediate Participation Guarantee Contracts	\$ -	\$ -	\$ 3,664,454	\$ 3,664,454
Total assets in the fair value hierarchy	\$ -	\$ -	\$ 3,664,454	3,664,454
Investments measured at net asset value				39,721,965
Investments at fair value				\$ 43,386,419

Continued

**PENSION PLAN FOR EMPLOYEES OF
GOLDEN RAIN FOUNDATION OF WALNUT CREEK,
A NONPROFIT MUTUAL BENEFIT CORPORATION**

NOTES TO FINANCIAL STATEMENTS

December 31, 2016 and 2015

4. **Fair Value Measurements**, continued

	Assets at Fair Value as of December 31, 2015			
	Level 1	Level 2	Level 3	Total
Immediate Participation Guarantee Contracts	\$ -	\$ -	\$ 4,517,267	\$ 4,517,267
Total assets in the fair value hierarchy	\$ -	\$ -	\$ 4,517,267	4,517,267
Investments measured at net asset value				36,959,566
Investments at fair value				\$ 41,476,833

The Plan invests in pooled separate investment accounts, which trade at NAV per share practical expedient of the fund. These funds are not categorized within the fair value hierarchy.

The following is a reconciliation of the beginning and ending balances for investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the period ended December 31, 2016:

	Level 3 Assets
	Immediate Participation Guarantee Contracts
Balance, January 1, 2015	\$ 5,291,927
Interest income	191,546
Purchases	113,643
Sales	(2,504,992)
Transfer into Level 3	1,425,143
Balance, December 31, 2015	4,517,267
Interest income	142,738
Purchases	109,291
Sales	(2,759,251)
Transfer into Level 3	1,654,409
Balance, December 31, 2016	\$ 3,664,454

Continued

**PENSION PLAN FOR EMPLOYEES OF
GOLDEN RAIN FOUNDATION OF WALNUT CREEK,
A NONPROFIT MUTUAL BENEFIT CORPORATION**

NOTES TO FINANCIAL STATEMENTS

December 31, 2016 and 2015

4. **Fair Value Measurements**, continued

Quantitative Information About Significant Unobservable Inputs Used in Level 3 Fair Value Measurements

Instrument	Fair Value 2016	Fair Value 2015	Principal Valuation Technique	Significant Unobservable Inputs	Range of Significant Input Values
Massachusetts Mutual Life Insurance Company Immediate Participation Guarantee Contracts	\$ 3,664,454	\$ 4,517,267	Market value formula	Assumed interest rate Experience rate	3.60% 4.43%

Fair Value of Investments that Calculate Net Asset Value

The following table summarizes investments measured at fair value based on NAV per share as of December 31, 2016 and 2015, respectively.

December 31, 2016	Fair Value	Unfunded Commitments	Redemption Frequency (if eligible)	Redemption Notice Period
Separate accounts:				
Growth funds	\$ 13,144,561	n/a	Daily	none
Value funds	11,279,819	n/a	Daily	none
Blend funds	8,460,992	n/a	Daily	none
Bond funds	6,836,593	n/a	Daily	none
	<u>\$ 39,721,965</u>			
December 31, 2015	Fair Value	Unfunded Commitments	Redemption Frequency (if eligible)	Redemption Notice Period
Separate accounts:				
Growth funds	\$ 13,410,716	n/a	Daily	none
Value funds	9,908,594	n/a	Daily	none
Blend funds	7,741,428	n/a	Daily	none
Bond funds	5,898,828	n/a	Daily	none
	<u>\$ 36,959,566</u>			

Continued

**PENSION PLAN FOR EMPLOYEES OF
GOLDEN RAIN FOUNDATION OF WALNUT CREEK,
A NONPROFIT MUTUAL BENEFIT CORPORATION**

NOTES TO FINANCIAL STATEMENTS

December 31, 2016 and 2015

5. Information Prepared and Certified by the Custodian (unaudited)

In accordance with 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the Custodian certified the following information used in the preparation of the accompanying financial statements and supplemental schedules.

	2016	2015
Investments, at fair value	\$ 43,386,419	\$ 41,476,833
Interest and dividend income	\$ 142,738	\$ 191,546
Net appreciation/(depreciation) in fair value of investments	\$ 3,501,099	\$ (304,584)

6. Guaranteed Investment Contract with Massachusetts Mutual Life Insurance Company

The plan entered into a guaranteed investment contract with Massachusetts Mutual Life Insurance Company (MassMutual). MassMutual maintains the contributions in an unallocated fund to which it adds interest at a rate of 3 percent. The interest rate is guaranteed but is subject to change for each succeeding period. When changed, the new rate applies only to funds deposited from the date of change.

7. Tax Status

The Plan obtained its latest favorable tax determination letter dated June 14, 2011, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code ("IRC"). The Plan has been restated since receiving the determination letter. However, the plan administrator and management believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

8. Plan Termination

Although it has not expressed any intent to do so, the Sponsor has the right under the Plan to terminate the Plan subject to the provisions of ERISA. Should the Plan terminate at some future time, participants will become fully vested in their accounts. Net assets would be allocated to participants in the order of priority set forth in the Plan. Whether all participants receive their benefits should the Plan terminate will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Sponsor and the level of benefits guaranteed by the Pension Benefit Guaranty Corporation, a U.S. government agency. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Continued

**PENSION PLAN FOR EMPLOYEES OF
GOLDEN RAIN FOUNDATION OF WALNUT CREEK,
A NONPROFIT MUTUAL BENEFIT CORPORATION**

NOTES TO FINANCIAL STATEMENTS

December 31, 2016 and 2015

9. Related-Party Transactions and Party-in-Interest Transactions

The Plan has included in their investment fund options certain funds managed by Massachusetts Mutual Life Insurance Company. Massachusetts Mutual Life Insurance Company is the Plan's custodian as defined by the Plan and, therefore, these transactions qualify as exempt party-in-interest transactions.

10. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits and contributions from the financial statements to Form 5500:

	2016	2015
Net assets available for benefits per financial statements	\$ 44,411,419	\$ 42,476,833
Contribution receivable	(1,025,000)	(1,000,000)
Net assets available for benefits per Form 5500	\$ 43,386,419	\$ 41,476,833
	2016	2015
Employer contribution per financial statements	\$ 1,050,000	\$ 1,000,000
2016 contribution received in 2017	(1,025,000)	-
2015 contribution received in 2016	1,000,000	(1,000,000)
2014 contribution received in 2015	-	1,025,000
Employer contribution per Form 5500	\$ 1,025,000	\$ 1,025,000

11. Plan Premium

The Pension Benefit Guaranty Corporation requires annual premium payments to cover all participants in the Plan. The total premium was \$240,828 and \$154,599 for the Plan for the years ended December 31, 2016 and 2015, respectively.

12. Subsequent Events

In accordance with accounting standards affecting disclosures of subsequent events, the Plan evaluated subsequent events for recognition and disclosure through September 25, 2017, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2016 that require recognition or disclosure in such financial statements.

SUPPLEMENTAL SCHEDULES

**PENSION PLAN FOR EMPLOYEES OF
GOLDEN RAIN FOUNDATION OF WALNUT CREEK,
A NONPROFIT MUTUAL BENEFIT CORPORATION**

EIN: 94-1655715

Plan Number 001

Schedule H, Line 4i

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2016

(a)	(b)	(c)	(d)	(e)
	Identity of Issuer, Borrower, Lessor, or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	Cost	Current Value
	General Account:			
*	Massachusetts Mutual Life Insurance Company Immediate Participation Guarantee Contracts	Experience account	\$ 3,664,454	\$ 3,664,454
	Pooled Separate Investment Accounts:			
	Massachusetts Mutual Life Insurance Company			
*	MFS Value	Mutual funds	\$ 8,554,866	\$ 8,689,266
*	Growth America	Mutual funds	\$ 4,429,539	\$ 8,220,964
*	Select Strategic Bond	Mutual funds	\$ 5,862,971	\$ 6,836,593
*	Select Overseas	Mutual funds	\$ 4,001,639	\$ 5,812,727
*	Premier Oppenheimer Fund Small Cap Ops II	Mutual funds	\$ 2,192,062	\$ 2,648,263
*	Adv Mid Cap Disc	Mutual funds	\$ 1,253,670	\$ 2,590,553
*	Select Small Cap Growth	Mutual funds	\$ 1,316,592	\$ 2,547,107
*	Select Mid Cap Growth II	Mutual funds	\$ 1,132,721	\$ 2,376,492

* Party-in-interest

**PENSION PLAN FOR EMPLOYEES OF
GOLDEN RAIN FOUNDATION OF WALNUT CREEK,
A NONPROFIT MUTUAL BENEFIT CORPORATION**

EIN: 94-1655715

Plan Number 001

Schedule H, Line 4j

SCHEDULE OF REPORTABLE TRANSACTIONS

For the year ended December 31, 2016

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Identity of Party Involved	Description of Asset (include interest rate and maturity in case of a loan)	Purchase Price	Selling Price	Lease Rental	Expense Incurred with Transaction	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain or (Loss)
I. Single Transactions Exceeding 5% of Plan Assets								
* MassMutual	Invesco Comstock	\$ -	\$ 9,069,195	\$ -	\$ -	\$ 8,183,810	\$ 9,069,195	\$ 885,385
* MassMutual	Select Strategic Bond	\$ 2,097,893	\$ -	\$ -	\$ -	\$ 2,097,893	\$ 2,097,893	\$ -
* MassMutual	MFS Value	\$ 8,554,866	\$ -	\$ -	\$ -	\$ 8,554,866	\$ 8,554,866	\$ -

II. A Series of Transactions with the Same Person Aggregating to More than 5% of Plan Assets

None noted.

III. Transactions in a Series of Securities Transactions Involving the Same Issue Which Aggregates to More than 5% of Plan Assets

None noted.

IV. Securities Transactions with a Person, if any Preceding or Subsequent Single Securities Transaction with the Same Person Exceeds 5% of Plan Assets

None noted.

* Party-in-interest

**GOLDEN RAIN FOUNDATION
401(k) RETIREMENT PLAN**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULE**

December 31, 2016

GOLDEN RAIN FOUNDATION
401(k) RETIREMENT PLAN

T A B L E O F C O N T E N T S

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600 California Street, Suite 600, San Francisco, CA 94108

Phone (415) 421-5757 **Fax** (415) 288-6288 **Email** bpm@bpmcpa.com **Web** bpmcpa.com

INDEPENDENT AUDITORS' REPORT

To the Trustees of
Golden Rain Foundation 401(k) Retirement Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Golden Rain Foundation 401(k) Retirement Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, and the related statement of changes in net assets available for benefits for the year ended December 31, 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Massachusetts Mutual Life Insurance Company, the custodian of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the custodian as of December 31, 2016 and 2015, and for the year ended December 31, 2016, that the information provided to the plan administrator by the custodian is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

To the Trustees of
Golden Rain Foundation 401(k) Retirement Plan

Other Matter

The supplemental schedule of Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2016 is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental schedule.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

BPM LLP

San Francisco, California
September 25, 2017

GOLDEN RAIN FOUNDATION
401(k) RETIREMENT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2016 and 2015

ASSETS	<u>2016</u>	<u>2015</u>
Investments, at fair value:		
Separate accounts	\$ 8,368,984	\$ 8,045,466
Investments, at contract value:		
Guaranteed accounts	<u>2,671,040</u>	<u>2,393,582</u>
Total investments	11,040,024	10,439,048
Notes receivable from participants	<u>188,591</u>	<u>176,527</u>
Net assets available for benefits	<u><u>\$ 11,228,615</u></u>	<u><u>\$ 10,615,575</u></u>

The accompanying notes are an integral
part of these financial statements.

**GOLDEN RAIN FOUNDATION
401(k) RETIREMENT PLAN**

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the year ended December 31, 2016

Additions to net assets attributed to:	
Investment income:	
Net appreciation in fair value of investments	\$ 749,099
Interest and dividend income	<u>74,923</u>
Total investment income	<u>824,022</u>
Interest on notes receivable from participants	<u>5,977</u>
Contributions and rollovers:	
Employer contributions	141,749
Participant salary deferrals	597,060
Rollover contributions	<u>72,224</u>
Total contributions	<u>811,033</u>
Total additions to net assets	<u>1,641,032</u>
Deductions from net assets attributed to:	
Benefits paid to participants	1,026,952
Administrative expenses	<u>1,040</u>
Total deductions from net assets	<u>1,027,992</u>
Net increase in net assets	613,040
Net assets available for benefits:	
Beginning of year	<u>10,615,575</u>
End of year	<u><u>\$ 11,228,615</u></u>

The accompanying notes are an integral
part of these financial statements.

**GOLDEN RAIN FOUNDATION
401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS**

December 31, 2016

1. Description of Plan

The following description of the Golden Rain Foundation 401(k) Retirement Plan (the “Plan”) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

General

The Plan was adopted by Golden Rain Foundation of Walnut Creek (the “Company” or “employer”) on January 1, 1997, and was restated effective January 1, 2015. The Plan is defined as a contribution retirement plan of the profit-sharing type containing a cash or deferred arrangement described in Internal Revenue Code (“IRC”) Section 401(k). The Plan covers all full-time employees who are 21 years of age or older, who are not covered by a collective-bargaining agreement, and who are not non-resident aliens. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”) and certain provisions of the IRC.

Plan Administration

The Company is the administrator of the Plan. As administrator, the Company has exclusive authority and responsibility for all matters in connection with the operation and administration of the Plan. Massachusetts Mutual Life Insurance Company (“MassMutual”) was the appointed custodian for the Plan in 2016 and 2015, and acted at the direction of the Plan’s administrator.

Contributions

Employees who elect to participate in the Plan may contribute a portion of their salary up to the limits imposed by Section 402(g) of the IRC. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. The Company provides a matching contribution of no greater than 2% of a participant’s eligible plan compensation. In addition, the Company also makes fixed employer contributions of 3% of participants’ eligible plan compensation. Additionally, the Plan allows qualified non-elective contributions at the discretion of the plan sponsor. All participants in the Plan that are also covered by the defined benefit plan of the Company are not eligible for match or employer contributions. Participants direct the investment of their contributions into various investment options offered by the Plan.

Participant Accounts

Each participant’s account is credited with the participant’s contributions, Company contributions, Plan earnings or losses, and rollovers from other qualified plans. Plan earnings or losses are allocated based upon each participant’s account balance. Certain fees are charged to the fund investments and are offset against Plan investment income and loss as presented on the statement of changes in net assets available for benefits. Participants should refer to the prospectuses of these funds for details on the various types and amounts of investment fees charged to the Plan and their individual accounts.

Continued

**GOLDEN RAIN FOUNDATION
401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS**

December 31, 2016

1. Description of Plan, continued

Vesting

Participant contributions, rollovers, Company contributions, and net earnings on these contributions, are fully vested when made or earned.

Notes Receivable from Participants

Participants are allowed two notes receivable at any time and may borrow from their fund accounts a minimum of \$1,000 up to 50% of the value of their account balance, or \$50,000, whichever is less. Note receivable terms range from one to five years. The notes receivable are secured by no more than 50% of the balance in the participant's account and bear interest at the prime rate at the time the note receivable originates. Interest rates on notes receivable from participants as of December 31, 2016 ranged from 3.25% to 3.5% per annum. Principal and interest are paid in equal installments through payroll deductions, personal checks from employees on leave, or cashier's checks for the full payoff of the notes receivable.

Payments of Benefits

When participants leave the Company, upon retirement or for any other reason, those participants (or their beneficiaries) may receive the full value of their salary deferrals, rollovers, vested employer contributions, and the net earnings thereon in a single lump-sum payment, partial lump sum, installment distributions, or annuity distribution. The Plan also allows for in-service withdrawals upon a participant attaining the age of 59½, or having a hardship. In-service withdrawals may be taken from the pre-tax elective deferral account, matching contribution, and employer contribution accounts as long as they are vested, with the exception of hardships that may only be taken from the participant elective deferral account.

In order to receive distributions, participants (or their beneficiaries) are required to file the appropriate forms with the third party administrator. Account values will be determined as of the day the distribution is made.

Distributions under the Plan shall generally be made as soon as possible after the date of retirement, date of death, or termination of employment. Mandatory distributions of account balances under \$5,000 will be made as soon as possible. In the event of a mandatory distribution greater than \$1,000 if the participant does not elect to have such distribution paid directly to an eligible retirement plan specified by the participant in a direct rollover or to receive the distribution directly, then the plan administrator will pay the distribution in a direct rollover to an Individual Retirement Account designated by the plan administrator.

Investment Options

Upon enrollment in the Plan, a participant may direct his or her contributions in percentage increments into separate accounts or guaranteed accounts offered by the Plan. Participants may change their investment options at any time.

Continued

GOLDEN RAIN FOUNDATION
401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS

December 31, 2016

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, disclosure of contingent assets and liabilities, and changes in net assets available for benefits. Actual results may differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is 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. The Plan's Investment Committee determines the Plan's valuation policies utilizing information provided by the investment advisor and custodian. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are reflected on a trade date basis. Interest is recorded as earned on an accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivable are reclassified as distributions based upon the terms of the Plan document. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2016 and 2015.

Payment of Benefits

Benefits are recorded when paid.

Expenses

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation of fair value of investments.

Continued

GOLDEN RAIN FOUNDATION
401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS

December 31, 2016

2. Summary of Significant Accounting Policies, continued

Recent Accounting Pronouncements

Effective January 1, 2016, the Plan adopted Part II of Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2015-12, *Plan Accounting: Defined Benefit Pension Plans* (Topic 960), *Defined Contribution Pension Plans* (Topic 962), *Health and Welfare Benefit Plans* (Topic 965): (Part I) *Fully Benefit-Responsive Investment Contracts*, (Part II) *Plan Investment Disclosures*, and (Part III) *Measurement Date Practical Expedient* (consensuses of the FASB Emerging Issues Task Force). Under Part I of the new ASU, fully benefit-responsive investment contracts are to be measured, presented, and disclosed at contract value only. Part II of the ASU eliminates the disclosure requirements for 1) individual investments that represent 5 percent or more of net assets available for benefits, 2) the net appreciation or depreciation for investment by general type (disclosure in the aggregate is still required), for both participant-directed investments and nonparticipant-directed investments and 3) disaggregation of investments by nature, characteristics and risks (disclosure in aggregate by type is still required). Part III of the ASU permits the election of a practical expedient to measure investments and investment-related accounts as of a month-end date that is closest to the Plan’s fiscal year-end, when the fiscal period does not coincide with the month-end. Any significant contribution, distribution, or other event that occurs between these two measurement dates is required to be disclosed. The Plan adopted Part I effective January 1, 2015. Part III is not applicable to this Plan.

Effective January 1, 2015, the Plan adopted FASB ASU No. 2015-07, *Fair Value Measurement* (Topic 820), *Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. The amendments in ASU 2015-07 apply to reporting entities that measure an investment’s fair value using the net asset value per share (or its equivalent) practical expedient. The ASU eliminates the requirement to classify the investment within the fair value hierarchy. In addition, the requirement to make certain disclosures for all investments eligible to be assessed at fair value with the net asset value per share practical expedient has been removed. Instead, such disclosures are restricted only to investments that the entity has elected to measure using the practical expedient.

These ASUs have been applied retrospectively. Accordingly, the 2015 statement of net assets available for benefits and certain related 2015 disclosures have been modified to be in accordance with these new standards. The modifications had no effect on previously reported net assets available for benefits.

Information Certified by the Custodian

Massachusetts Mutual Life Insurance Company has prepared and certified as complete and accurate the Plan’s schedule of investment assets, transactions, and net realized and unrealized gains and losses on investments, and interest and dividend income, which was used to prepare the accompanying financial statements and supplemental schedule.

Continued

**GOLDEN RAIN FOUNDATION
401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS**

December 31, 2016

3. Fair Value Measurements

Accounting standards for fair value measurements establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under these accounting standards are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of December 31, 2016 and 2015:

Separate accounts: are pooled separate accounts ("PSA") are privately managed through investment companies and are not publicly quoted. PSA are valued at net asset value ("NAV") which is based on the value of the underlying assets owned by the PSA minus any liabilities, and then divided by the number of shares outstanding. The Plan has concluded that the NAVs reported by the investment companies approximate the fair value of the investments.

Continued

GOLDEN RAIN FOUNDATION
401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS

December 31, 2016

3. Fair Value Measurements, continued

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

As of December 31, 2016 and 2015, there were no investments within the fair value hierarchy. The Plan invests in separate accounts, which trade at NAV per share practical expedient of the fund. These funds are not categorized within the fair value hierarchy.

Fair Value of Investments in Entities that Use NAV

The following table summarizes investments measured at fair value based on NAV per share as of December 31, 2016 and 2015.

<u>December 31, 2016</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if eligible)</u>	<u>Redemption Notice Period</u>
Separate accounts:				
Growth funds	\$ 3,610,242	n/a	Daily	none
Blend funds	3,529,897	n/a	Daily	none
Value funds	962,079	n/a	Daily	none
Fixed income funds	<u>266,766</u>	n/a	Daily	none
	<u>\$ 8,368,984</u>			
<u>December 31, 2015</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if eligible)</u>	<u>Redemption Notice Period</u>
Separate accounts:				
Growth funds	\$ 3,671,580	n/a	Daily	none
Blend funds	3,088,301	n/a	Daily	none
Value funds	940,847	n/a	Daily	none
Fixed income funds	<u>344,738</u>	n/a	Daily	none
	<u>\$ 8,045,466</u>			

Continued

**GOLDEN RAIN FOUNDATION
401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS**

December 31, 2016

4. Information Prepared and Certified by Custodian (unaudited)

The following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified as complete and accurate by Massachusetts Mutual Life Insurance Company:

	2016	2015
Investments, at fair value	\$ 8,368,984	\$ 8,045,466
Investments, at contract value	\$ 2,671,040	\$ 2,393,582
Notes receivable from participants	\$ 188,591	\$ 176,527
Interest and dividend income	\$ 74,923	N/A
Interest on notes receivable from participants	\$ 5,977	N/A
Net appreciation in fair value of investments	\$ 749,099	N/A

5. Investment Contract with Massachusetts Mutual Life Insurance Company

The Plan entered into a benefit-responsive investment contract with Massachusetts Mutual Life Insurance Company. This contract meets the fully benefit-responsive investment contract criteria and therefore is reported at contract value. Contract value is the relevant measure for fully benefit-responsive investment contracts because this is the amount received by participants if they were to initiate permitted transactions under the terms of the Plan. MassMutual maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

The investment contract as of December 31, 2016 and 2015 was \$2,671,040 and \$2,393,582, respectively. The average yield and crediting interest rates were approximately 2.80% and 2.71% for 2016 and 2015, respectively.

Certain events such as premature termination of the contract by the Plan or termination of the Plan, would limit the Plan's ability to transact the contract value with Plan participants are not probable.

6. Related-Party Transactions and Party-in-Interest Transactions

Certain Plan investments in separate accounts and guaranteed accounts are managed by Massachusetts Mutual Life Insurance Company, the custodian of the Plan. Any purchases and sales of these funds are performed in the open market at fair value. Such transactions, while considered party-in-interest transactions under ERISA regulations, are permitted under the provisions of the Plan, and are specifically exempt from the prohibition of party-in-interest transactions under ERISA.

Continued

GOLDEN RAIN FOUNDATION
401(k) RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS

December 31, 2016

7. Tax Status

The Plan uses a volume submitter plan document sponsored by Massachusetts Mutual Life Insurance Company. Massachusetts Mutual Life Insurance Company received an opinion letter from the Internal Revenue Service (“IRS”) dated February 20, 2015, which states that the prototype document satisfies the applicable provisions of the IRC. The Plan itself has not received a determination letter from the IRS. However, the Plan’s management believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provisions for income tax have been included in the Plan’s financial statements.

8. Plan Termination

The Company has established the Plan with the intention and expectation that the Plan will continue indefinitely. However, the Company reserves the right at any time to terminate the Plan subject to the provisions of ERISA. In the event of termination of the Plan, distributions will be made to participants as described in the Plan agreement.

9. Risks and Uncertainties

The Plan provides for various investment options in any combination of separate accounts and guaranteed accounts offered by the Plan. Investment securities are exposed to various risks, such as interest rate, market fluctuations, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants’ account balances and the amounts reported in the statements of net assets available for benefits and the statement of changes in net assets available for benefits.

10. Subsequent Events

In accordance with accounting standards affecting disclosures of subsequent events, the Plan evaluated subsequent events for recognition and disclosure through September 25, 2017, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2016 that require recognition or disclosure in such financial statements.

SUPPLEMENTAL SCHEDULE

**GOLDEN RAIN FOUNDATION
401(k) RETIREMENT PLAN**

EIN: 94-1655715

Plan Number 002

Schedule H, Line 4i

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2016

(a)	(b)	(c)	(e)
Identity of Issuer, Borrower, Lessor, or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	Current Value	
Guaranteed Accounts:			
* MassMutual Guaranteed Interest Account	Guaranteed contract	\$ 2,671,040	**
Separate Accounts:			
* T. Rowe Price Retirement 2025	Mutual fund	\$ 1,266,493	
* MM Md Cap Growth II	Mutual fund	\$ 1,208,198	
* MM Indexed Equity	Mutual fund	\$ 899,038	
* MM Focused Value	Mutual fund	\$ 757,036	
* Growth America	Mutual fund	\$ 730,176	
* MFS Value	Mutual fund	\$ 650,958	
* MM Small Cap Growth	Mutual fund	\$ 553,904	
* Prm Oppenheimer Fund Small Cap Opportunity	Mutual fund	\$ 532,488	
* MM Premier Global	Mutual fund	\$ 472,974	
* T. Rowe Price Retirement 2035	Mutual fund	\$ 362,776	
* Wells Fargo Md Cap Growth	Mutual fund	\$ 311,121	
* PIMCO Income fund	Mutual fund	\$ 266,764	
* T. Rowe Price Retirement 2015	Mutual fund	\$ 152,260	
* Global Allocation	Mutual fund	\$ 112,502	
* T. Rowe Price Retirement 2045	Mutual fund	\$ 53,483	
* T. Rowe Price Retirement Balance	Mutual fund	\$ 26,216	
* T. Rowe Price Retirement 2055	Mutual fund	\$ 12,595	
* MM Holding Account	Mutual fund	\$ 1	
* Participant Loans	3.25% to 3.5%, various maturities	\$ 188,591	

* Party-in-interest

** At contract value