

GOLDEN RAIN FOUNDATION AND TRUST

COMBINED FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

Years Ended December 31, 2023 and 2022

GOLDEN RAIN FOUNDATION AND TRUST

Years Ended December 31, 2023 and 2022

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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF GOLDEN RAIN FOUNDATION OF WALNUT CREEK AND GOLDEN RAIN FOUNDATION OF WALNUT CREEK TRUST

Opinion

We have audited the combined financial statements of Golden Rain Foundation of Walnut Creek and Golden Rain Foundation of Walnut Creek Trust (referred to herein as “Golden Rain Foundation and Trust”), which comprise the combined balance sheets as of December 31, 2023 and 2022, and the related combined statements of revenues and expenses, changes in net assets and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of Golden Rain Foundation and Trust as of December 31, 2023 and 2022, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (“GAAS”). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of Golden Rain Foundation and Trust and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Golden Rain Foundation and Trust’s ability to continue as a going concern for one year after the date that the combined financial statements are available to be issued.



Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Golden Rain Foundation and Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Golden Rain Foundation and Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Mayer Hoffman McCann P.C.

San Francisco, California
April 29, 2024

GOLDEN RAIN FOUNDATION AND TRUST

COMBINED BALANCE SHEETS

ASSETS

	December 31,	
	<u>2023</u>	<u>2022</u>
<u>CURRENT ASSETS</u>		
Cash and Cash Equivalents	\$ 20,184,143	\$ 14,051,413
Accounts Receivable, Net	1,070,633	1,051,143
Inventories	480,048	457,006
Prepaid Expenses and Other Assets	<u>322,874</u>	<u>104,247</u>
<u>TOTAL CURRENT ASSETS</u>	22,057,698	15,663,809
<u>PROPERTY AND EQUIPMENT</u>		
Cost	112,491,387	110,438,045
Less: Accumulated Depreciation and Amortization	<u>68,491,249</u>	<u>65,560,430</u>
<u>PROPERTY AND EQUIPMENT, NET</u>	44,000,138	44,877,615
<u>NOTES RECEIVABLE</u>	<u>560,625</u>	<u>415,578</u>
<u>TOTAL ASSETS</u>	<u>\$ 66,618,461</u>	<u>\$ 60,957,002</u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES</u>		
Accounts Payable and Accrued Expenses	\$ 1,974,946	\$ 1,980,437
Advances from Mutual Entities	3,869,250	-
Accrued Payroll and Benefits	1,918,335	1,997,868
Notes Payable, Current Portion	1,551,367	1,502,689
Pension Liability	<u>1,575,956</u>	<u>-</u>
<u>TOTAL CURRENT LIABILITIES</u>	<u>10,889,854</u>	<u>5,480,994</u>
<u>LONG-TERM LIABILITIES</u>		
Notes Payable, Net of Current Portion	8,177,301	9,732,909
Pension Liability	<u>-</u>	<u>3,721,202</u>
<u>TOTAL LONG-TERM LIABILITIES</u>	<u>8,177,301</u>	<u>13,454,111</u>
<u>TOTAL LIABILITIES</u>	<u>19,067,155</u>	<u>18,935,105</u>
<u>COMMITMENTS AND CONTINGENCIES</u>		
<u>NET ASSETS FOR THE BENEFIT OF WALNUT CREEK MUTUAL ENTITIES</u>	<u>47,551,306</u>	<u>42,021,897</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 66,618,461</u>	<u>\$ 60,957,002</u>

GOLDEN RAIN FOUNDATION AND TRUST

COMBINED STATEMENTS OF REVENUES AND EXPENSES

	<u>Years Ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
<u>REVENUES</u>		
Property Management Services	\$ 37,824,989	\$ 35,592,926
Less: Refunds to Mutuals	<u>(17,821)</u>	<u>(3,641,416)</u>
<u>NET REVENUES</u>	<u>37,807,168</u>	<u>31,951,510</u>
<u>OTHER REVENUES</u>		
Community Facilities Services	1,883,685	2,033,517
Newspaper and Advertising	1,044,464	975,914
Lease Revenue	210,890	203,398
Noncommunity Facilities Services	974,356	848,153
Financial Income	315,318	49,171
Other Revenue	<u>881,880</u>	<u>661,297</u>
<u>TOTAL OTHER REVENUES</u>	<u>5,310,593</u>	<u>4,771,450</u>
<u>TOTAL REVENUES</u>	<u>43,117,761</u>	<u>36,722,960</u>
<u>OPERATING EXPENSES</u>		
Employee Compensation	25,396,593	21,431,367
Operations and Maintenance	13,816,061	13,696,894
Administrative	4,783,093	3,675,580
Depreciation and Amortization	<u>3,018,360</u>	<u>3,343,263</u>
<u>TOTAL OPERATING EXPENSES</u>	<u>47,014,107</u>	<u>42,147,104</u>
<u>EXPENSES IN EXCESS OF REVENUES</u>		
<u>RELATED TO OPERATIONS</u>	<u>(3,896,346)</u>	<u>(5,424,144)</u>
<u>OTHER INCOME (EXPENSES)</u>		
Interest Expense	(499,209)	(567,105)
Impairment of Property and Equipment	(457,487)	-
Other Income, Net	<u>1,121,532</u>	<u>427,189</u>
<u>TOTAL OTHER INCOME (EXPENSES)</u>	<u>164,836</u>	<u>(139,916)</u>
<u>EXPENSES IN EXCESS OF REVENUES</u>	<u>\$ (3,731,510)</u>	<u>\$ (5,564,060)</u>

GOLDEN RAIN FOUNDATION AND TRUST

COMBINED STATEMENTS OF CHANGES IN NET ASSETS

Years Ended December 31, 2023 and 2022

<u>NET ASSETS, JANUARY 1, 2022</u>	\$ 41,761,821
Membership Transfer Fees	5,236,000
Comprehensive Income (Loss):	
Expenses in Excess of Revenues	(5,564,060)
Adjustment to Pension Benefit Obligation	<u>588,136</u>
Total Comprehensive Loss	<u>(4,975,924)</u>
<u>NET ASSETS, DECEMBER 31, 2022</u>	42,021,897
Membership Transfer Fees	5,375,000
Comprehensive Income (Loss):	
Expenses in Excess of Revenues	(3,731,510)
Adjustment to Pension Benefit Obligation	<u>3,885,919</u>
Total Comprehensive Income	<u>154,409</u>
<u>NET ASSETS, DECEMBER 31, 2023</u>	<u>\$ 47,551,306</u>

GOLDEN RAIN FOUNDATION AND TRUST

COMBINED STATEMENTS OF CASH FLOWS

	<u>Years Ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Expenses in Excess of Revenues	\$ (3,731,510)	\$ (5,564,060)
Adjustments to Reconcile Net Expenses to Net Cash		
Provided by (Used In) Operating Activities:		
Depreciation and Amortization	3,018,360	3,343,263
Impairment of Property and Equipment	457,487	-
Pension Plan Costs (Recovery), Net of Contributions	1,740,673	(744,833)
Change in Operating Asset and Liability Accounts:		
Accounts Receivable, Net	(19,490)	(341,554)
Inventories	(23,042)	(20,101)
Prepaid Expenses and Other Assets	(220,401)	165,677
Accounts Payable and Accrued Expenses, and		
Accrued Payroll and Benefits	(85,024)	194,051
Advances from Mutual Entities	3,869,250	-
	<u>5,006,303</u>	<u>(2,967,557)</u>
<u>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</u>		
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchases of Property and Equipment	(2,596,596)	(2,024,521)
Collection on Notes Receivable	268,853	279,116
Cash Deposits Received	-	375,000
	<u>(2,327,743)</u>	<u>(1,370,405)</u>
<u>NET CASH USED IN INVESTING ACTIVITIES</u>		
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Payments on Notes Payable	(1,506,930)	(1,460,607)
Proceeds from Membership Transfer Fees	4,961,100	4,998,942
	<u>3,454,170</u>	<u>3,538,335</u>
<u>NET CASH PROVIDED BY FINANCING ACTIVITIES</u>		
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	6,132,730	(799,627)
<u>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</u>	14,051,413	14,851,040
<u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u>	<u>\$ 20,184,143</u>	<u>\$ 14,051,413</u>
<u>SUPPLEMENTAL CASH FLOW INFORMATION:</u>		
Interest Paid	<u>\$ 499,209</u>	<u>\$ 567,105</u>
<u>NON-CASH FINANCING ACTIVITY:</u>		
Membership Transfer Fees Financed with Notes Receivable	<u>\$ 413,900</u>	<u>\$ 195,000</u>

GOLDEN RAIN FOUNDATION AND TRUST

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 1 – ORGANIZATION AND OPERATIONS

The Golden Rain Foundation of Walnut Creek (“Golden Rain Foundation”) is organized under California general nonprofit corporation’s law as a nonprofit mutual benefit corporation. The Golden Rain Foundation is the trustee of the Golden Rain Foundation of Walnut Creek Trust (the “Trust”). The Trust was created to provide services and community facilities to the approximately 9,700 residents of the community commonly known as Rossmoor of Walnut Creek, California (“Rossmoor”). Together the Golden Rain Foundation and the Trust are referred to herein as the “Company”.

The community facilities consist of roads, on and off-site improvements and recreational service facilities and are held in the Trust for 24 mutual corporations (the “Mutual Entities”) as the beneficiaries of the Trust. The Mutual Entities consist of associations as defined by California Civil Code §4080, each of which manage common interest developments as defined by California Civil Code §4100, including 3 stock cooperatives, 20 condominium associations and 1 planned unit development. The common interest developments are owned by the Mutual Entities and their respective individual members.

Golden Rain Foundation has two divisions; Mutual Operations, which is the supporting division for all activity related to the Mutual Entities, and General Operations, which accounts for all other activities of the Golden Rain Foundation.

All functions of the Golden Rain Foundation are governed by a Board of Directors elected by the Golden Rain Foundation members.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Accounting – These combined financial statements include the accounts of the Golden Rain Foundation and the accounts of the Trust. The financial statements are presented on a combined basis due to the integrated nature and common management of these entities. Intercompany accounts and transactions have been eliminated in these combined financial statements. The combined financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Recent Accounting Pronouncements – Effective January 1, 2023, the Company adopted Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-13, *Financial Instruments – Credit Losses (Topic 326)*, which introduces an approach based on expected losses to estimate credit losses on certain types of financial instruments, including trade accounts receivable and notes receivable. Management had determined that the adoption of this guidance did not have a material impact on the combined financial statements.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Company management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

GOLDEN RAIN FOUNDATION AND TRUST

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentrations – The Company is exposed to a concentration of credit risk arising from cash deposits and accounts receivable, discussed below. The Company maintains cash deposits in one financial institution which may, at times, exceed the amounts insured by the Federal Deposit Insurance Corporation. Cash deposits are placed with a financial institution which management believes is of high credit quality and management believes cash deposits are not exposed to a significant level of credit risk. The Company has not experienced any credit losses in cash deposit accounts.

The Company is exposed to labor concentration as approximately 32% of Golden Rain Foundation's employees are covered by a collective bargaining agreement which expires in July 2025.

Cash and Cash Equivalents – Cash and cash equivalents include cash on hand and cash deposited in banks and highly liquid investments with an original maturity of three months or less at the date of purchase. As of December 31, 2023 and 2022, cash includes \$583,982 and \$575,039, respectively, of amounts designated by the Board as reserves.

Accounts Receivable – Accounts receivable of the Golden Rain Foundation consist primarily of amounts due from the Mutual Entities for resident services, management services, and newspaper advertising.

Provisions for losses on accounts receivable are made to maintain an adequate allowance for potential credit losses, which historically have been within management's expectations. The allowance estimate is derived from a review of the Company's historical credit losses. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Company. As of December 31, 2023 and 2022, the allowance for credit losses is \$1,000. During the years ended December 31, 2023 and 2022, the Company incurred no credit loss expenses.

Inventories – Inventories consist of primarily repair materials and retail merchandise. Inventories are stated at the lower of cost, or net realizable value. Cost is generally determined on the first-in, first-out method.

Property and Equipment – Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful life of the related asset, which range from five to forty years. Costs of capital additions and improvements that enhance or extend the useful life of an asset are capitalized; whereas costs of repairs and maintenance are charged to expense as incurred. The Company's management evaluates long-lived assets for indicators of possible impairment whenever events or circumstances indicate the value may be impaired. Should impairment exist, an impairment loss would be measured and recognized based on the excess carrying value of the asset over the asset's estimated fair value. During the year ended December 31, 2023, management identified certain construction in progress assets which were unlikely to have future benefit and, therefore, recognized an impairment loss of \$457,487. Management did not identify any such impairment losses during the year ended December 31, 2022.

Other Assets – Other assets include prepaid expenses, deposits on purchases, and capitalized contract costs. Prepaid expenses are charged to expense when the underlying expense is incurred and contract costs are amortized over the life of the contract.

GOLDEN RAIN FOUNDATION AND TRUST

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Notes Receivable – Notes receivable arise from new residents who wish to finance the payment of their membership transfer fees. The Company believes the exposure to credit losses from notes receivable is minimal and, accordingly, has not provided an allowance for credit losses on notes receivable.

Membership Transfer Fees – Membership transfer fees arise as a result of a change of membership in the Golden Rain Foundation. Typically, this occurs upon the change of ownership of a residence, subject to certain exceptions. Membership transfer fees are recorded as additions to unrestricted net assets in the combined statements of changes in net assets.

Fair Value Measurements – The Company applies the *Fair Value Measurements and Disclosures* topic of the FASB. This guidance establishes a framework for measuring fair value and includes 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).

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Inputs to the valuation methodology include: a) quoted prices for similar assets or liabilities in active markets; b) quoted prices for identical or similar assets or liabilities in inactive markets; c) inputs other than quoted prices that are observable for the asset or liability; d) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

The asset 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 are required to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Company sponsors a pension plan which holds assets that are measured at fair value (see Note 6).

Income Taxes – The Golden Rain Foundation is a California nonprofit, nonstock, corporation which is treated as a taxable corporation for federal and California state income tax purposes. However, because it is a membership organization, it is subject to the special rules of Section 277 of the Internal Revenue Code. Under Section 277, the Golden Rain Foundation is subject to federal and state income taxes whenever its nonmember revenue, consisting primarily of investment income, exceeds nonmember expenses and also when its membership revenue exceeds membership expenses. Net membership losses cannot be used to reduce net nonmember income; however, such losses may be carried over indefinitely to reduce future net membership income. Net membership losses for federal income tax purposes amounted to approximately \$77,000,000 and \$75,000,000 as of December 31, 2023 and 2022, respectively. Net membership losses for California state income tax purposes amounted to approximately \$74,000,000 and \$71,000,000 as of December 31, 2023 and 2022, respectively. Membership transfer fees are treated as contributions to capital, thus are not taxable revenues.

GOLDEN RAIN FOUNDATION AND TRUST

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued) – Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by the Golden Rain Foundation in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Golden Rain Foundation in the federal and state tax returns are more likely than not to be sustained upon examination.

Revenues – The Company accounts for revenues in accordance with FASB Accounting Standards Codification (“ASC”) 606, *Revenue from Contracts with Customers*. The majority of the Company’s revenue arrangements generally consist of a single performance obligation to transfer promised goods or services. Revenue is measured based on considerations specified in a contract with a customer, and excludes any sales incentives and amounts collected on behalf of third parties. The Company recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer.

The Golden Rain Foundation operates, improves and maintains the Trust’s facilities and assists management of various Mutual Entities in the operation and maintenance of their residential properties. The majority of the Mutual Entities enter into contracts with the Golden Rain Foundation for property management services, which includes accounting services. An operating budget and operating fees of the Golden Rain Foundation are approved annually by the Board of Directors. For performance obligations related to management services of the Mutual Entities, control transfers to the customer over time. The Company recognizes the revenue from management services on a monthly basis as the Company has rendered the services. The Board of Directors may periodically approve distributions to Mutual Entities of accumulated revenues in excess of expenses. Such distributions are accounted for as a refund of property management revenue in the combined statements of revenues and expenses. For the year ended December 31, 2022, such refunds totaled \$3,641,416. No such refunds were made in 2023.

Other revenues of the Golden Rain Foundation are derived from service fees charged to members and nonmembers and golf course revenue, which are included in community facilities services and noncommunity facilities services on the combined statements of revenues and expenses. These revenues are recognized as work is completed. For performance obligations related to services provided to members and nonmembers and golf course revenue, control transfers to the customer at a point in time. Certain revenues of the Golden Rain Foundation are derived from sales of the newspaper and related newspaper advertising. For performance obligations related to the sale of newspaper advertising, control transfers to the customer over time. The Company recognizes the revenue from newspaper advertising on a weekly basis as the Company has rendered the services. Financial income associated with notes receivable arising from membership transfer fees (Note 3) is recognized as incurred in accordance with the promissory agreement. Financial income also includes interest income on cash and cash equivalent accounts.

Lease revenue is derived primarily from contracts related to the café and recreational vehicle storage space rentals. Lease revenue is carved out of the guidance provided under ASC 606.

In addition, the Company’s contracts do not contain variable consideration and contract modifications are generally minimal. The Company does not have any significant financing components as payment is received at or shortly after the point of sale.

GOLDEN RAIN FOUNDATION AND TRUST

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassification – Certain prior year financial statement amounts have been reclassified to conform to current year presentation. These reclassifications had no effect on the previously reported results of operation or net assets.

NOTE 3 – NOTES RECEIVABLE

Notes receivable arise from membership transfer fees that have been financed. The repayment term is over seven (7) years and borrowings bear interest at an annual rate of 5.00% for the years ended December 31, 2023 and 2022. These unsecured notes receivable amounted to \$560,625 and \$415,578 as of December 31, 2023 and 2022, respectively.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment at December 31 consist of the following:

	<u>2023</u>	<u>2022</u>
Golden Rain Foundation:		
Building Improvements	\$ 27,606	\$ 27,606
Furniture and Equipment	543,803	543,803
Transportation Equipment	67,926	67,926
Computer Equipment	110,284	110,284
	<u>749,619</u>	<u>749,619</u>
Trust:		
Land and Land Improvements	35,074,523	33,851,006
Buildings	21,728,742	21,728,742
Building Improvements	40,110,311	39,946,358
Furniture and Equipment	7,281,265	7,043,707
Transportation Equipment	3,185,920	3,188,484
Computer Equipment	1,640,519	1,527,851
Construction in Progress	2,720,488	2,402,278
	111,741,768	109,688,426
Less: Accumulated Depreciation and Amortization	<u>(68,491,249)</u>	<u>(65,560,430)</u>
Property and Equipment, Net	<u>\$ 44,000,138</u>	<u>\$ 44,877,615</u>

Construction in progress includes certain renovations and improvements to the Company's property and equipment which extend their useful lives. Depreciation and amortization expense for the years ended December 31, 2023 and 2022 was \$3,018,360 and \$3,343,263, respectively. For each of the years ended December 31, 2023 and 2022, depreciation and amortization includes \$1,774 of amortization of deferred organization costs.

GOLDEN RAIN FOUNDATION AND TRUST

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 5 – NOTES PAYABLE

The Trust is obligated under three separate promissory notes payable to a bank as follows.

The Trust has borrowed under a note payable agreement having an outstanding principal balance as of December 31, 2023 and 2022, of \$2,397,426 and \$3,014,751, respectively. This note requires monthly payments of \$62,446, including interest at a fixed interest rate equal to 4.75%. The note matures on June 7, 2027. Interest expense on this note payable amounted to \$132,028 and \$160,768 for the years ended December 31, 2023 and 2022, respectively.

The Trust has borrowed under a second note payable agreement having an outstanding principal balance as of December 31, 2023 and 2022, of \$2,970,000 and \$3,510,000, respectively. This note requires monthly payments of \$45,000, plus interest at an interest rate equal to the average yield of U.S. Treasury Securities plus 2.80% (interest rate was 3.94% as of December 31, 2023 and 2022). The note matures on June 10, 2029. Interest expense on this note payable amounted to \$130,872 and \$152,444 for the years ended December 31, 2023 and 2022, respectively.

The Trust has borrowed under a third note payable agreement having an outstanding principal balance as of December 31, 2023 and 2022, of \$4,361,242 and \$4,710,847, respectively. This note requires monthly payments of \$48,826, including interest at a fixed interest rate equal to 5.11%. The note matures on May 10, 2033. Interest expense on this note payable amounted to \$236,309 and \$253,893 for the years ended December 31, 2023 and 2022, respectively.

All of the above notes are subject to certain financial covenants which include, among other things, a minimum debt service ratio. The Company believes it is in compliance with the covenants contained in the debt agreements. In addition, the Company has pledged certain assets as collateral for these notes.

Future minimum principal payments are as follows:

<u>Years Ending December 31,</u>	
2024	\$ 1,551,367
2025	1,607,968
2026	1,662,035
2027	1,331,633
2028	992,929
Thereafter	<u>2,582,736</u>
	<u>\$ 9,728,668</u>

GOLDEN RAIN FOUNDATION AND TRUST

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 6 – RETIREMENT PLANS

The Golden Rain Foundation sponsors a noncontributory (employer-sponsored) defined benefit pension plan and a defined contribution pension plan and contributes to a multi-employer union-sponsored retirement benefit plan.

Defined Benefit Pension Plan – The defined benefit pension plan is noncontributory and provides benefits based on each covered employee’s years of service and highest five-year average compensation out of the last ten years of employment. Employees hired or re-hired after May 1, 2009 are not eligible to participate in the defined benefit plan, as the participation under the plan was frozen May 1, 2009. The Golden Rain Foundation’s funding policy is to make at least the minimum annual contributions recommended by the plan’s actuary. In 2023, the Board of Directors approved termination of the defined benefit pension plan effective December 31, 2023. Distributions to participants will be made as soon as administratively feasible according to the terms of the plan.

The following table presents information about the pension plan’s funded status as of December 31:

	<u>2023</u>	<u>2022</u>
Projected Benefit Obligation	\$ 52,739,691	\$ 52,350,434
Fair Value of Plan Assets	<u>51,163,735</u>	<u>48,629,232</u>
Unfunded Status	<u>\$ (1,575,956)</u>	<u>\$ (3,721,202)</u>

The unfunded status is recognized in the accompanying combined balance sheets as a current pension liability for 2023 and noncurrent pension liability for 2022. The accumulated benefit obligation amounted to \$52,739,691 and \$51,123,648 as of December 31, 2023 and 2022, respectively.

The net adjustment to decrease the pension liability amounted to \$2,145,246 and \$1,332,969 for the years ended December 31, 2023 and 2022, respectively. This adjustment to the pension liability is reported in the combined statements of changes in net assets as it represents the net gains or losses and prior service costs or credits that arose during the year. The accumulated adjustment to the pension benefit obligation recorded in accumulated other comprehensive loss in the combined statements of changes in net assets at December 31, 2023 and 2022 is \$(4,333,754) and \$(6,479,000), respectively.

The changes in benefit obligations recognized in other comprehensive income or loss during the years ended December 31 are as follows:

	<u>2023</u>	<u>2022</u>
Net Gain	\$ 3,885,919	\$ 588,136
Net Periodic Benefit Cost	(1,990,673)	(255,167)
Employer Contributions	<u>250,000</u>	<u>1,000,000</u>
Other Comprehensive Gain	<u>\$ 2,145,246</u>	<u>\$ 1,332,969</u>

GOLDEN RAIN FOUNDATION AND TRUST

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 6 – RETIREMENT PLANS (Continued)

Defined Benefit Pension Plan (Continued) – The net periodic pension costs for pension benefits for the years ended December 31, 2023 and 2022 includes the following components:

	2023	2022
Service Cost	\$ 515,598	\$ 860,505
Interest Cost	2,465,499	1,727,607
Expected Return on Plan Assets	(2,585,743)	(3,282,793)
Amortization of Net Loss	1,595,319	949,848
Net Periodic Benefit Cost	\$ 1,990,673	\$ 255,167

The net gain during the year ended December 31, 2023 consists of gains from assets of \$3,147,756, changes in assumptions of \$335,930, from amortizations of prior net gain of \$1,595,319, a curtailment gain of \$1,121,902 and actuarial experience costs of (\$2,314,988).

Amounts recorded for the years ended December 31 are as follows:

	2023	2022
Net Periodic Benefit Cost	\$ 1,990,673	\$ 255,167
Employer Contributions	\$ 250,000	\$ 1,000,000
Benefits Paid	\$ 3,448,996	\$ 3,496,823

The following weighted-average assumptions were used to determine the net periodic benefit cost and benefit obligation for the years ended December 31:

	2023	2022
Discount Rate – Net Periodic Benefit Cost	4.90%	2.69%
Discount Rate – Accumulated Benefit Obligation	4.98%	4.90%
Expected Long-Term Return on Plan Assets	5.50%	5.50%
Rate of Compensation Increase	3.00%	3.00%

The expected long-term rate of return on plan assets reflects the average rate of earnings expected on the funds invested or to be invested to provide for the benefits included in the projected benefit obligation. In estimating that rate, appropriate consideration is given to the returns being earned by the plan assets in the fund and rates of return expected to be available for reinvestment, using a building block method. The expected rate of return on each asset class is broken down into three components: (1) inflation, (2) the real risk-free rate of return (i.e., the long-term estimate of future returns on default-free U.S. government securities), and (3) the risk premium for each asset class (i.e., the expected return in excess of the risk-free rate).

GOLDEN RAIN FOUNDATION AND TRUST

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 6 – RETIREMENT PLANS (Continued)

Defined Benefit Pension Plan (Continued) – All three components are based primarily on historical data, with modest adjustments to take into account additional relevant information that is currently available. For the inflation and risk-free return components, the most significant additional information is that provided by the market for nominal and inflation-indexed U.S. Treasury securities. That market provides implied forecasts of both the inflation rate and risk-free rate for the period over which currently available securities mature. The historical data on risk premiums for each asset class is adjusted to reflect any systemic changes that have occurred in the relevant markets; e.g., the higher current valuations for equities, as a multiple of earnings, relative to the longer-term average for such valuations.

The exact expected return derived using the building block method will vary from year to year; however, as the rate is a long-term assumption, it remains constant as long as it remains within a reasonable range.

Except for the Level 3 investment, the fair value of the plan's assets held as of December 31, 2023, fully consisted of fixed income mutual funds. The fair value of the plan's assets as of December 31, 2022 consisted 51% of equity securities and 49% debt securities.

The plan assets consisted of \$50,933,353 Level 1 assets and \$230,382 Level 3 assets as of December 31, 2023. The plan assets consisted of \$46,938,416 Level 2 assets and \$1,690,816 Level 3 assets as of December 31, 2022. Level 3 assets consisted of Immediate Participation Guarantee Contracts and were valued based on a market value formula approach that uses the Barclays Capital U.S. Aggregate Index. For the year ended December 31, 2023, total purchases and transfers into the Immediate Participation Guarantee Contracts were \$4,902 and \$1,306,952, respectively. Significant unobservable inputs primarily consisted of the assumed interest rate of 0.00% and the experience rate of 3.82%.

Prior to the decision to terminate the plan, the plan's investment strategy utilized several different asset classes with varying risk/return characteristics. The returns of the asset classes were not expected to move in tandem, which allowed the plan to take part in different parts of the global economic cycle. Due to the termination the plan, 100% of the plan's investments are fixed income investments at December 31, 2023.

In addition, investment activity in the following is prohibited: those specifically prohibited by the Employee Retirement Income Security Act of 1974, municipal or tax-exempt securities, short sales, margin purchases, commodities, securities of the trustee of investment manager, its parents or subsidiaries, and unregistered or restricted stock.

No plan assets are expected to be returned to Golden Rain Foundation during 2024. Due to the termination of this plan, Golden Rain Foundation is expected to make employer contributions that are required to fund the deficit, if applicable, between the plan's termination liabilities and assets when the benefits are distributed.

GOLDEN RAIN FOUNDATION AND TRUST

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 6 – RETIREMENT PLANS (Continued)

Defined Contribution Plan – The Company also sponsors a defined contribution plan designed in accordance with Internal Revenue Code 401(k). Substantially all employees, other than those covered by a collective bargaining agreement which has not negotiated inclusion, are eligible to participate. The Golden Rain Foundation provides a certain level of matching contributions on salary deferrals. The Company’s contributions are recorded as operating expenses when paid or declared. The Company’s contribution to this plan for 2023 and 2022 amounted to \$387,541 and \$307,243, respectively.

Multi-Employer Plan – Golden Rain Foundation contributes to a multi-employer defined benefit pension plan under a collective bargaining agreement that covers its union-represented employees. This plan is not administered by the Golden Rain Foundation. The risks of participation in this multi-employer plan differ from single-employer plans in the following aspects:

- Assets contributed to the plans by a company may be used to provide benefits to participants of other companies,
- If a participating company discontinues contributions to a plan, other participating employers may be required to cover any unfunded liability that may exist, and
- If the Company stops participating in the multi-employer pension plan, the Company may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The following table provides information about the status of the multi-employer plan as of December 31:

Name of Pension Plan	EIN / Pension Plan Number	Pension Protection Act Zone Status	Funding Improvement		Company Contributions		Expiration Date of Collective Bargaining Agreement
			Plan / Rehabilitation Plan Implemented	Surcharge Imposed	Year Ended December 31, 2023	Year Ended December 31, 2022	
Laborers Pension Trust Fund for Northern California	94-6277608/001	Green for the year ended May 31, 2023	No	No	\$ 1,659,113	\$ 1,571,490	July 31, 2025

Golden Rain Foundation’s maximum contribution exposure is limited to no more than 80% of the total pension contribution rate, with any excess being borne by the employee. Since July 1, 2016, Golden Rain Foundation’s per employee pension contribution was \$8.96/hour. If the employer’s pension contribution is less than 80% of the total required pension contribution, Golden Rain Foundation agrees to increase its pension contribution by up to a maximum of \$0.50/hour.

The Company’s total contributions to the multi-employer plan were less than 5% of the total contributions received by the plan from all sources in the plan years ended May 31, 2023 and 2022.

GOLDEN RAIN FOUNDATION AND TRUST

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 7 – RELATED PARTY TRANSACTIONS

Golden Rain Foundation provides recurring accounting and administrative services for most of the Mutual Entities. Gross revenues from services provided to the Mutual Entities, before refunds, amounted to \$36,708,269 and \$34,472,345 for the years ended December 31, 2023 and 2022, respectively. As of December 31, 2023 and 2022, accounts receivable from the Mutual Entities amounted to \$575,416 and \$686,754, respectively.

In addition, Golden Rain Foundation acts as an agent on behalf of the Mutual Entities to collect and remit certain annual expenses such as insurance. As of December 31, 2023, Golden Rain Foundation had advances from the Mutual Entities related to such expenses in the amount of \$3,869,250.

NOTE 8 – LEASING ACTIVITY

The Company has generated lease income from certain properties under separate lease agreements. Under these agreements, the Company has recognized lease income of \$210,890 and \$203,398 during the years ended December 31, 2023 and 2022, respectively.

Golden Rain Foundation has a noncancelable operating lease agreement with a third-party to lease the café premises. The lease has a base rent of \$11,257 per month with stated annual increases of 5% through the end of the lease term. The lease was most recently amended May 19, 2023 to increase base rent to \$13,031 starting January 1, 2024 and to extend the lease to December 31, 2024. Golden Rain Foundation also leases recreational vehicle parking spaces to members at monthly and annual rates.

In 2020, the Company entered into an agreement with a local university to make space and equipment within the Company's fitness center available for a medical study from April 1, 2020 through June 30, 2024. In consideration for the use of space, the local university pays the Company an annual fee. The Company received \$125,000 and \$175,000 for the use of the space and equipment during the years ended December 31, 2023 and 2022, respectively. The Company will receive \$175,000 in June 30, 2024 under this agreement.

GOLDEN RAIN FOUNDATION AND TRUST

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 9 – OTHER INCOME

On June 14, 2021, the Company entered into a Purchase and Sale Agreement (the “Agreement”) with a purchaser for the sale of the Rossmoor Medical Center. Subsequently the Agreement was amended several times to extend the closing date of the sale. In compensation for agreeing to the extensions in 2022, the Company received payments from the purchaser of \$750,000, of which the nonrefundable portion of \$375,000, was recognized as other income during the year ended December 31, 2022. During 2023, the Company received \$650,000 from the purchaser of the Rossmoor Medical Center as consideration for additional extensions of the Agreement.

In February 2023, the Company notified the purchaser of the Rossmoor Medical Center that the purchaser was in default of the Purchase and Sale Agreement, as amended. Effective March 2, 2023, the Company terminated the Agreement for default and the remaining funds held in escrow were released. The Company recognized the remaining \$1,025,000 of extension payments as other income during the year ended December 31, 2023.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Solar Power Agreement – On December 1, 2016, the Company entered into a solar power services agreement to purchase electricity generated from a solar system. The system has been installed on Rossmoor’s community property by the service provider who owns the equipment and is responsible for operating and maintaining the system. The term of the agreement is for 25 years starting on the date the system began operations and may be extended for additional one-year periods thereafter. The system began operating on October 14, 2019. Under the terms of the agreement the Company is required to pay the service provider for all electricity produced by the system at annual variable rates per kWh as specified in the agreement. The Company has the option of purchasing the equipment over the life of the agreement at the greater of a specified purchase price or its then fair market value. The agreement is subject to early termination penalties and certain reporting covenants.

Management has determined that this arrangement does not constitute an embedded lease, primarily because the Company does not have the power to control the assets underlying this service agreement among other factors. The Company is unable to direct the use of those assets and did not participate in the design of the assets.

Software Agreement – In 2023, the Company entered into agreements with multiple vendors for the development and implementation of a new software system. The total contract price is approximately \$1,200,000, which may be adjusted through subsequent change orders. Payments are made to the software vendors based on completion of progress goals outlined in the contracts. Total payments of \$21,731, have been made through December 31, 2023. The project is expected to be completed in 2024.

Lawsuits – From time to time, the Company may be engaged in lawsuits, generally in the ordinary course of business. The Company has been named as a defendant in a case involving personal injuries and a fatality. Management has determined that, at this time, it is not possible to estimate the range of damages, if any, that may arise from this case. In the opinion of management, based on advice of counsel, the ultimate outcome of these lawsuits will not have a material impact on the Company’s combined financial statements.

GOLDEN RAIN FOUNDATION AND TRUST

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 11 – RISKS AND UNCERTAINTIES

The Company's operational and financial performance could be affected by a variety of factors, including general economic conditions, political developments, and a competitive market. In the normal course of business, the Company is exposed to market risks which include global events, such as pandemics or international conflicts. Possible areas that may be affected include, but are not limited to, reduction in membership transfer fees, disruption to the Company's labor workforce and capital spending, unavailability of products and supplies used in operations, and the decline in value of assets held by the Company.

NOTE 12 – SUBSEQUENT EVENTS

The Company's management has evaluated the impact of subsequent events on these combined financial statements, including disclosures, through April 29, 2024, the date the combined financial statements were available to be issued.

SUPPLEMENTARY INFORMATION



**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION**

**BOARD OF DIRECTORS OF GOLDEN RAIN FOUNDATION OF WALNUT CREEK
AND GOLDEN RAIN FOUNDATION OF WALNUT CREEK TRUST**

We have audited the combined financial statements of Golden Rain Foundation of Walnut Creek and Golden Rain Foundation of Walnut Creek Trust (referred to herein as “Golden Rain Foundation and Trust”), as of and for the year ended December 31, 2023, and our report thereon dated April 29, 2024, which expressed an unmodified opinion on those combined financial statements, appears on pages 1 and 2. Our audit was performed for the purpose of forming an opinion on the combined financial statements as a whole.

The accompanying supplementary information presented on the Combining Balance Sheet, Combining Statement of Revenues and Expenses and Changes in Net Assets, Divisional Balance Sheet, and Divisional Statement of Revenues and Expenses, is presented for the purpose of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Mayer Hoffman McCann P.C.

San Francisco, California
April 29, 2024

GOLDEN RAIN FOUNDATION AND TRUST

COMBINING BALANCE SHEET

December 31, 2023

	Golden Rain Foundation	Trust	Eliminations	Total
<u>ASSETS</u>				
<u>CURRENT ASSETS</u>				
Cash and Cash Equivalents	\$ 10,352,615	\$ 9,831,528	\$ -	\$ 20,184,143
Accounts Receivable, Net	983,269	87,364	-	1,070,633
Inventories	480,048	-	-	480,048
Prepaid (Accrued) Expenses and Other Assets	(87,421)	410,295	-	322,874
<u>TOTAL CURRENT ASSETS</u>	<u>11,728,511</u>	<u>10,329,187</u>	<u>-</u>	<u>22,057,698</u>
<u>PROPERTY AND EQUIPMENT</u>				
Cost	749,619	111,741,768	-	112,491,387
Less: Accumulated Depreciation and Amortization	749,619	67,741,630	-	68,491,249
<u>PROPERTY AND EQUIPMENT, NET</u>	<u>-</u>	<u>44,000,138</u>	<u>-</u>	<u>44,000,138</u>
<u>NOTES RECEIVABLE</u>	<u>-</u>	<u>560,625</u>	<u>-</u>	<u>560,625</u>
<u>TOTAL ASSETS</u>	<u>\$ 11,728,511</u>	<u>\$ 54,889,950</u>	<u>\$ -</u>	<u>\$ 66,618,461</u>
<u>LIABILITIES AND NET ASSETS</u>				
<u>CURRENT LIABILITIES</u>				
Accounts Payable and Accrued Expenses	\$ 1,840,514	\$ 134,432	\$ -	\$ 1,974,946
Advances from Mutual Entities	3,869,250	-	-	3,869,250
Accrued Payroll and Benefits	1,918,335	-	-	1,918,335
Notes Payable, Current Portion	-	1,551,367	-	1,551,367
Pension Liability	1,575,956	-	-	1,575,956
<u>TOTAL CURRENT LIABILITIES</u>	<u>9,204,055</u>	<u>1,685,799</u>	<u>-</u>	<u>10,889,854</u>
<u>NOTES PAYABLE, NET OF CURRENT PORTION</u>	<u>-</u>	<u>8,177,301</u>	<u>-</u>	<u>8,177,301</u>
<u>TOTAL LIABILITIES</u>	<u>9,204,055</u>	<u>9,863,100</u>	<u>-</u>	<u>19,067,155</u>
<u>COMMITMENTS AND CONTINGENCIES</u>				
<u>NET ASSETS FOR THE BENEFIT OF</u>				
WALNUT CREEK MUTUAL ENTITIES	2,524,456	45,026,850	-	47,551,306
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 11,728,511</u>	<u>\$ 54,889,950</u>	<u>\$ -</u>	<u>\$ 66,618,461</u>

GOLDEN RAIN FOUNDATION AND TRUST

COMBINING STATEMENT OF REVENUES AND EXPENSES
AND CHANGES IN NET ASSETS

Year Ended December 31, 2023

	<u>Golden Rain Foundation</u>	<u>Trust</u>	<u>Eliminations</u>	<u>Total</u>
<u>REVENUES</u>				
Property Management Services	\$ 37,824,989	\$ -	\$ -	\$ 37,824,989
Less: Refunds to Mutuals	(17,821)	-	-	(17,821)
<u>NET REVENUES</u>	37,807,168	-	-	37,807,168
<u>OTHER REVENUES</u>				
Community Facilities Services	1,883,685	206,756	(206,756)	1,883,685
Newspaper and Advertising	1,044,464	-	-	1,044,464
Lease Revenue	210,890	-	-	210,890
Noncommunity Facilities Services	974,356	-	-	974,356
Financial Income	58,167	257,151	-	315,318
Other Revenue	881,027	853	-	881,880
<u>TOTAL OTHER REVENUES</u>	5,052,589	464,760	(206,756)	5,310,593
<u>TOTAL REVENUES</u>	42,859,757	464,760	(206,756)	43,117,761
<u>OPERATING EXPENSES</u>				
Employee Compensation	25,396,593	-	-	25,396,593
Operations and Maintenance	13,816,061	-	-	13,816,061
Administrative	4,845,773	144,076	(206,756)	4,783,093
Depreciation and Amortization	-	3,018,360	-	3,018,360
<u>TOTAL OPERATING EXPENSES</u>	44,058,427	3,162,436	(206,756)	47,014,107
<u>EXPENSES IN EXCESS OF REVENUES RELATED TO OPERATIONS</u>				
	(1,198,670)	(2,697,676)	-	(3,896,346)
<u>OTHER INCOME (EXPENSES)</u>				
Interest Expense	-	(499,209)	-	(499,209)
Impairment of Property and Equipment	-	(457,487)	-	(457,487)
Other Income, Net	58,381	1,063,151	-	1,121,532
<u>TOTAL OTHER INCOME, NET</u>	58,381	106,455	-	164,836
<u>EXPENSES IN EXCESS OF REVENUES</u>	(1,140,289)	(2,591,221)	-	(3,731,510)
<u>COMPREHENSIVE INCOME</u>				
Adjustment to Pension Benefit Obligation	3,885,919	-	-	3,885,919
<u>TOTAL COMPREHENSIVE INCOME (LOSS)</u>	2,745,630	(2,591,221)	-	154,409
<u>MEMBERSHIP TRANSFER FEES</u>	-	5,375,000	-	5,375,000
<u>NET ASSETS (DEFICIT), DECEMBER 31, 2022</u>	(221,174)	42,243,071	-	42,021,897
<u>NET ASSETS, DECEMBER 31, 2023</u>	<u>\$ 2,524,456</u>	<u>\$ 45,026,850</u>	<u>\$ -</u>	<u>\$ 47,551,306</u>

GOLDEN RAIN FOUNDATION AND TRUST

DIVISIONAL BALANCE SHEET

December 31, 2023

	General Operations	Mutual Operations	Eliminations	Golden Rain Foundation
<u>ASSETS</u>				
<u>CURRENT ASSETS</u>				
Cash	\$ 9,626,400	\$ 726,215	\$ -	\$ 10,352,615
Accounts Receivable, Net	372,591	610,678	-	983,269
Inventories	218,125	261,923	-	480,048
Prepaid (Accrued) Expenses and Other Assets	676,572	(763,993)	-	(87,421)
<u>TOTAL CURRENT ASSETS</u>	<u>10,893,688</u>	<u>834,823</u>	<u>-</u>	<u>11,728,511</u>
<u>PROPERTY AND EQUIPMENT</u>				
Cost	652,644	96,975	-	749,619
Less: Accumulated Depreciation and Amortization	652,644	96,975	-	749,619
<u>PROPERTY AND EQUIPMENT, NET</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL ASSETS</u>	<u>\$ 10,893,688</u>	<u>\$ 834,823</u>	<u>\$ -</u>	<u>\$ 11,728,511</u>
<u>LIABILITIES AND NET ASSETS</u>				
<u>CURRENT LIABILITIES</u>				
Accounts Payable and Accrued Expenses	\$ 1,600,557	\$ 239,957	\$ -	\$ 1,840,514
Advances from Mutual Entities	3,869,250	-	-	3,869,250
Accrued Payroll and Benefits	1,579,126	339,209	-	1,918,335
Pension Liability	1,375,506	200,450	-	1,575,956
<u>TOTAL LIABILITIES</u>	<u>8,424,439</u>	<u>779,616</u>	<u>-</u>	<u>9,204,055</u>
<u>COMMITMENTS AND CONTINGENCIES</u>				
<u>NET ASSETS FOR THE BENEFIT OF WALNUT CREEK MUTUAL ENTITIES</u>	<u>2,469,249</u>	<u>55,207</u>	<u>-</u>	<u>2,524,456</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 10,893,688</u>	<u>\$ 834,823</u>	<u>\$ -</u>	<u>\$ 11,728,511</u>

GOLDEN RAIN FOUNDATION AND TRUST

DIVISIONAL STATEMENT OF REVENUES AND EXPENSES

Year Ended December 31, 2023

	General Operations	Mutual Operations	Eliminations	Golden Rain Foundation
<u>REVENUES</u>				
Property Management Services	\$ 26,430,551	\$ 11,394,438	\$ -	\$ 37,824,989
Less: Refunds to Mutuals	(17,821)	-	-	(17,821)
<u>NET REVENUES</u>	26,412,730	11,394,438	-	37,807,168
<u>OTHER REVENUES</u>				
Community Facilities Services	1,883,685	-	-	1,883,685
Newspaper and Advertising	1,044,464	-	-	1,044,464
Lease Revenue	210,890	-	-	210,890
Noncommunity Facilities Services	974,356	-	-	974,356
Financial Income	58,167	-	-	58,167
Other Revenue	881,027	-	-	881,027
<u>TOTAL OTHER REVENUES</u>	5,052,589	-	-	5,052,589
<u>TOTAL REVENUES</u>	31,465,319	11,394,438	-	42,859,757
<u>OPERATING EXPENSES</u>				
Employee Compensation	15,396,348	10,000,245	-	25,396,593
Operations and Maintenance	12,490,042	1,326,019	-	13,816,061
Administrative	4,218,398	627,375	-	4,845,773
<u>TOTAL OPERATING EXPENSES</u>	32,104,788	11,953,639	-	44,058,427
<u>EXPENSES IN EXCESS OF REVENUES RELATED TO OPERATIONS</u>	(639,469)	(559,201)	-	(1,198,670)
<u>OTHER INCOME (EXPENSE)</u>	(314,910)	373,291	-	58,381
<u>EXPENSES IN EXCESS OF REVENUES</u>	\$ (954,379)	\$ (185,910)	\$ -	\$ (1,140,289)