

A G E N D A

AUDIT COMMITTEE

REGULAR MEETING MONDAY, AUGUST 12, 2019, AT 11:00 AM **DONNER ROOM – EVENT CENTER**

- 1) MEETING CALLED TO ORDER: Dwight Walker, Chair
- 2) ROLL CALL: Dwight Walker, John Kikuchi, Merek Lipson, Mary Neff (nonvoting), Barbara Rothway, Kathleen Stumpfel, and Christopher Yahng

INTRODUCTIONS: Tim O’Keefe, CEO; Rick Chakoff, CFO; and Bob Kelso, GRF Board President
- 3) APPROVAL OF REPORT: June 3, 2019
- 4) ELECTION OF VICE CHAIR
- 5) RESIDENTS’ FORUM

The Audit Committee will follow Rossmoor custom and limit comments to 3 minutes.
- 6) ANNOUNCEMENTS
 - a) Sheldon Solloway
- 7) NEW BUSINESS
 - a) Review of Audit Firm proposals-Rick Chakoff and Chris Yahng (Attachments)
- 8) UNFINISHED BUSINESS
 - a) Code of Conduct Task Force—John Kikuchi (Attachment)
 - b) Whistleblower Policy—Employee Handbook Update in Process
 - c) MTF Task Force—Mary Neff
 - d) Enterprise Risk Management presentation to GRF Planning Committee—Merek Lipson (Attachment)
 - e) CDARS—Rick Chakoff
 - f) 2019 FASB Changes—(new) auditors to address
- 9) ADJOURNMENT
- 10) NEXT MEETING: Monday, September 9, 2019, at 10:00 a.m. in **Multi-Purpose Room #3 at Gateway Complex.**

cc: GRF Board

AUDIT COMMITTEE REPORT
REGULAR MEETING
MONDAY, JUNE 3, 2019, AT 10:00 A.M.

A regular meeting of the Audit Committee was convened by the Chair, Dwight Walker, at 10:00 a.m. on Monday, June 3, 2019, in the Board Room at Gateway Complex.

Members present were Dwight Walker, Chair; John Kikuchi, Mary Neff, Alan Swanson, Roll Call Barbara Rothway and Chris Yahng. Excused absence: Sheldon Solloway,

Also attending were Tim O'Keefe, CEO; Rick Chakoff, CFO; and GRF Board members: Dale Harrington and Kathleen Stumpf; and Chris Preminger, Business Ops Manager

1. APPROVAL OF REPORT: Minutes from April 1, 2019 meeting were unanimously approved with a motion from Barbara Rothway, seconded by Chris Yahng.
2. RESIDENTS' FORUM—No comments.
3. ANNOUNCEMENTS—
 - Sheldon Solloway has indicated that he will not be returning to the Audit Committee at the end of his term which ends this month.
 - Recruitment of new Audit Committee members is essential with terms expiring in June 2019 for Dwight Walker, Alan Swanson and Sheldon Solloway.
4. MEMBER TRANSFER FEE TASK FORCE UPDATE—Chris Preminger and Mary Neff.
 - Chris reported that the Task Force received a list of approximately 80 residents who have multiple units and have paid only one MTF. The Task Force considers the issue to be of high importance and appropriate steps are being taken in conjunction with the GRF Board.
 - The Task Force has not found any instance where policies are not being followed by staff. However, there appear to be some inconsistencies between GRF Bylaw's and policies that may need to be corrected and legal consultations are underway.
 - Mary reported that the Board is updated on the Task Force process and that Chris Preminger and Rick Chakoff will be taking the lead on the issue with assistance from a Guidance Review Team, consisting of Bob Kelso, GRF Board President; Mary Neff, GRF Treasurer; and Dwight Walker, Audit Committee Chair.
 - The Audit Committee will continue to receive updates on this important issue.
5. ASSESSMENT OF EXTERNAL AUDITORS—Rick indicated that he was pleased with the new BPM staff assigned to the audit this past year. There was discussion about good business practices providing for a change in auditors every 6 years or so or, at least, a change in the audit

partner. BPM have been the auditors of GRF for the past 7 years. There was consensus that the time is appropriate to look for other potential auditors and speak to BPM about a change in audit partner. Chris Yahng and Rick Chakoff volunteered to develop a list of potential auditors and report to the full Committee at the August 12th meeting where next steps will be determined.

6. MUTUALS AS RELATED PARTIES—There was a discussion about GRF and the Mutuals as related parties. The consensus of the Committee was that appropriate related party disclosures are being made in the GRF audited financial statements.
7. 2019 FASB CHANGES—Alan Swanson pointed out a number of FASB changes that could impact financial statements in 2019/2020. Rick indicated that he has had preliminary discussions with Scott Taylor, BPM Partner, about these changes and the potential impact on GRF financial statements. Rick further stated that he has alerted Mechanics Bank that there is the possibility of on-bill financing of various energy projects, which might create an issue with loan covenants.
8. NET ASSETS FOR THE BENEFIT OF WALNUT CREEK MUTUAL ENTITIES—Sheldon Solloway prompted a question for the Committee regarding the reporting of this item. The “net assets” are reported in the equity portion of the GRF balance sheet but there is nothing reported on Mutual balance sheets as an asset that is held for their benefit. Rick Chakoff offered to research this interesting question.
9. UNFINISHED BUSINESS
 - Tim reported that the Employee Handbook is being updated to be consistent with the GRF Whistleblower Policy, along with other items and should be available by the end of June.
 - Merek Lipson and Dwight Walker will be attending the July GRF Planning Committee Meeting to present Enterprise Risk Management (ERM) concept for board/management consideration.
 - John Kikuchi reported that the Task Force for Code of Conduct Compliance has been meeting and will have a report for the Committee in August.
 - Rick Chakoff reported that Mechanics Bank is ready to implement a CDARS program for GRF cash that will provide for FDIC insured accounts and interest income.
10. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 11:35 a.m.
11. NEXT MEETING:

The next regular meeting of the Audit Committee will be August 12 at 11am in the Event Center Donner Room.

Dwight Walker, Chair
Audit Committee

DRAFT

GRF AUDIT COMMITTEE							
Company		Eide Bailly LLP		Shea Labagh Dobberstein		Moss Adams LLP	BPM LLP
Address		260 Sheridan Ave, Suite 440		100 Pringle Ave Suite 415		101 Second St, Suite 900	600 California St, Ste 600
		Palo Alto, CA 94306		Walnut Creek, CA		San Francisco, CA 94105	San Francisco, CA 94108
Phone		650-462-0400				415-956-1500	415-288-6284
Email		agharaibeh@eidebailly.com		sldcpa.com			
Contact		Ahmad Gharaibeh, CPA, Partner				Joelle Pulver, Partner	Daniel Figueredo, Partner
Fees:							
Financial Statements		\$60,000		\$62,000 to 64,000		\$68,500	\$72,000
Pension Plan		22,000		30,000 to 31,000		27,000	26,500
Tax Returns		9,000		5,000 to 6,000		6,200	9,200
Total		\$91,000		\$97,000 to 101,000		\$101,700	\$107,700
Timeline:							
Planning		October		October		December	September
Interim Audit Fieldwork		November		Nov - Dec		December	October
Fieldwork		February		February		January & February	January & February
Exit Conference		March		March		March	March & April
Reporting		March		March & April		March	March & April
Audit Retirement Plans				June			
Tax Returns				July			

Appendix I:

Selecting the external auditors

Recommended practices

First, know that the decision is yours. The evaluation and selection of the external auditor must be made by the audit committee, not by management. The audit committee may solicit the views of management, but the responsibility for monitoring the external audit function rests with the audit committee.

Second, decide carefully based on the criteria discussed earlier whether a change is warranted. If it is, soliciting qualified audit firms to propose on performing the audit on a three- to five-year cycle is standard practice. An alternative is to consider partner rotation with your current provider. The responsibility to evaluate the services of — and possibly replace — your current external auditor should not be taken lightly.

Third, agree on the relative importance of your evaluation criteria before reviewing proposals.

Fourth, determine the critical business, financial and regulatory issues facing your organization, and agree on the size, depth of resources, industry expertise and range of capabilities that a firm must possess to address these issues.

Fifth, provide potential firms the opportunity — before they propose — to meet with management in person, review past audited financial statements and internal control letters, offerings, IT and operating units/segments, and establish how your organization's internal audit department (if one exists) could potentially support the external audit.

Template for RFP¹

Description of the organization to be served

- Purpose and mission
- Governance and management structure
- History (e.g., when the organization was founded and how it has developed)
- Tax status
- Location(s); indicate where books and records are kept
- Structure of finance function (e.g., staffing, and centralized versus decentralized)
- Financial overview (e.g., amount of revenue, sources of revenue, types of expenses, and types and amounts of assets)
- Technology supporting financial operations
- Sources for additional information (e.g., a website)
- How the services requested in the request for proposal (RFP) are currently executed
- Nature of any regulatory reviews that may be upcoming or are currently underway

¹ This template outlines certain typical items to be included in an RFP. It is not tailored to specific situations and includes more items than would usually be listed in a single RFP.

Specific service(s) required

- The scope of work that the vendor is expected to perform, including deliverables to be provided
- Standards to be followed by the vendor in providing services
- Other vendor obligations to the organization such as regular reporting, problem-solving and method of billing
- Length of the service contract

Qualifications of the prospective vendor

- Size (in terms of annual revenue, staffing or other metrics)
- Financial viability
- Commitment to the not-for-profit sector (e.g., thought leadership, industry sponsorship, issuance of accounting/tax updates, and continuing professional education seminars/webinars offered)
- History of successful client service
- Length of time providing specific services requested
- Experience with similar types of entities (including provision of references)
- Level of training and experience of staff members to be assigned to the engagement
- Commitment to diversity and social responsibility in the firm's delivery of services and in its governance, employment, environmental and investing practices
- Geographic proximity to the organization being audited
- Clear processes of communication and problem resolution
- Inclusion of peer review reports
- Confirmation that no disciplinary action has been taken against the firm by regulatory bodies or professional associations
- Confirmation that the vendor is independent of the entity (for audit services)
- Willingness to propose a fixed or an all-inclusive fee for the service period

Requirements of the proposal

- Transmittal letter signed by a corporate officer or authorized agent of the vendor
- Description of the firm (date founded, services provided, business philosophy or approach, quality standards)
- Location of the office to provide the requested services
- Individuals who will be responsible for delivery of the services, as well as the qualifications of those individuals (i.e., specific training, experience, and length of service with the firm and industry)
- Similar information for all other key personnel who will be responsible for service delivery
- The names and contact information for organizations of a similar type currently served by the bidder
- A comparison of the firm's proposed services with the specific services requested in the RFP
- Identification and qualifications of any subcontractors, and the functions to be performed by each subcontractor
- Methodology used for pricing and fee structure
- Quote of fee(s) to provide requested services
- Approach to additional requested services and billing for such services

Decision-making process

- Contact person within the organization who is coordinating the RFP process and can respond to questions about the process and the organization
- Contact person (if different) who can respond to technical questions about the services required
- Date when the proposal must be received by the organization
- Number of copies — including electronic copies — of the proposal
- If not elsewhere specified, the criteria to be used for evaluation of proposals

Step 1: Selecting an Audit Firm

[Printer-friendly version](#)

If there is an audit committee, one of its primary responsibilities is to select an auditor who has the expertise and knowledge to perform an audit for a tax-exempt charitable nonprofit. (If there is no audit committee then the responsibility to recommend the retention of an auditor may fall to the executive director and the full board.) Before meeting with CPAs and/or audit firms, the audit committee should develop goals and objectives to help narrow the search to only those CPAs and/or audit firms that have the skills and experience to provide the services your organization needs. It is essential to make sure the CPA or audit firm is licensed in your state!

When it's time to find a CPA or audit firm for your charitable nonprofit

- Contact your [state association of nonprofits](#), or your state society of CPAs.
- Check with other professional service providers and organizations similar to your own for recommendations on CPAs and/or audit firms.
- Not all auditors have nonprofit experience, so you should check references and ask for a copy of their Peer Review (most states require auditors to be audited themselves by a third party, which is called a "peer review").
- Before you decide on an auditor, do enough due diligence to know whether there are any conflicts of interest. Don't forget to check with your board members as part of that investigation.
- Sometimes free consultations can be an opportunity to interview potential CPAs or audit firms.
- Don't hesitate to ask for references and/or resumes of individual CPAs within larger firms.
- If you are obtaining a federal single audit be aware of the requirements of [2 CFR Part 200.509](#) – Auditor Selection

Practice Pointers

- Look for a CPA or auditing firm that understands accounting for charitable nonprofits and has expressed interest in your mission. Be sure to ask how the CPA or firm will educate your staff on how to *prepare* for the audit since that will be the most time-consuming process for your staff, and can most directly impact the time it takes for the auditors to investigate and complete their report. This is where the nonprofit can help control some of the costs of the audit!
- Research organizations that represent the accounting profession in your state, such as your [State Board of Accountancy](#), to help you determine how to evaluate the CPA/audit firm, based on standards that CPAs are expected to follow in your state. (Memberships in some professional associations require CPAs to adhere to certain ethical standards of

service. For example, the American Institute of Certified Accountants requires its CPA members to follow its [Code of Professional Conduct](#).)

- Use a “request for proposals” process. Request a proposal letter from qualified CPA firms. When requesting a proposal for audit services, the objectives and scope of the audit should be clear. Ask them to meet with you, provide a quote, as well as their credentials and references. Be sure to ask for references from tax-exempt charitable organization clients.
- Auditors are required by their own professional standards to document their agreements with clients in writing. A signed written agreement is a legal contract, enforceable by either the audit firm/CPA or the nonprofit. For that reason, consider enlisting professional guidance from a lawyer to review the agreement.
- When evaluating a proposal for audit services, the audit committee should consider the following:
 - The responsiveness to the request for proposal
 - Relevant experience
 - Availability of staff with professional qualifications and technical abilities
 - The results of external quality control reviews
 - References from other nonprofit clients, and
 - Of course, costs.

Resources for choosing an auditor

- [Hiring a quality auditor](#) (AICPA)
- [How to hire an auditor: a brief primer](#) (Grantsmanship Center)
- [Nonprofit Auditor-Selection Guide](#) (Wallace Foundation)
- [Sample Request for Proposal](#) (RFP) for audit services (Propel Nonprofits)
- [Procuring government audit services](#) (AICPA)

Conflicts of interests and auditor independence

Inevitably staff members are involved in the audit field work and in preparing the documents that are reviewed by the auditors. There is always the potential for a conflict in that staff are implementing the internal controls and because they are often the people with the most opportunity to mask financial irregularities.

The AICPA and the individual state governments require auditors to be independent. The Sarbanes-Oxley Act requires *publicly traded companies* to rotate lead auditors -- not necessarily audit firms -- every five years. While this provision of the [Sarbanes-Oxley Act of 2002](#) does not apply directly to nonprofits, it is still a wise practice for a nonprofit to consider how to ensure that fresh eyes are periodically looking at its financial records. The rotation of the individual lead auditor periodically can ensure that the eyes of those examining the nonprofit’s financial records are fresh, and less likely to be overlooking something just because of a long-standing relationship with the nonprofit as a client. Auditor independence may also be compromised if the audit firm provides consulting services to a client-nonprofit, while at the same time performing an audit (or a financial review, or a compilation). (AICPA’s Code of Professional Conduct). As a

result, it is considered “best practice” to refrain from engaging the same individual or firm for both auditing and non-auditing services (other than filing their IRS annual reports, such as the IRS Form 990). This will help avoid conflicts of interest.

Remember that CPAs and auditing firms work with their clients to improve financial practices and ensure accountability. In this sense, they are responsible to the public as well as to their clients. Therefore, CPAs and auditing firms, as licensed professionals with their own professional code of conduct and regulations, are charged with remaining independent and objective, regardless of the level of financial review they provide to the nonprofit client.

Background

- [Independence and Conflicts of Interest](#) (AICPA)
- [AICPA Code of Professional Conduct](#) (AICPA)
- [Rule 102-2 Conflicts of Interest](#) (AICPA)

[Nonprofit Audit Guide© Home](#)

A photograph of several hands stacked together in a supportive gesture, set against a blurred background of green foliage. The image is overlaid with a semi-transparent orange filter.

INSPIRED TO WORK TOGETHER TOWARD SUCCESS

July 31, 2019

Proposal to Provide Auditing Services to:

GOLDEN RAIN FOUNDATION

Submitted By:

Eide Bailly LLP
Ahmad Gharaibeh, CPA, Partner
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Executive Summary

WE WANT TO WORK WITH YOU.

Thank you for giving Eide Bailly LLP the opportunity to propose on audit services for Golden Rain Foundation ("Foundation"). We've served nonprofit clients for more than 100 years, so we know the ins and outs of your specific challenges, needs and goals.

We are confident the Foundation will benefit from working with Eide Bailly. Eide Bailly currently serves over 2,200 nonprofit organizations throughout the nation. Our extensive nonprofit experience and knowledge positions us to be the right firm for you. We know business is about more than numbers, and we pride ourselves on fostering strong relationships. We're active in the nonprofit community and constantly grow our knowledge by attending workshops and trainings.

During your engagement, we will work closely with your management team to identify issues and provide responsive solutions that are tailored to your organization. In addition, you will experience partner involvement during all phases of the engagement, as well as throughout the year. At Eide Bailly, we make it a priority to be accessible to our clients, which includes returning phone calls and e-mails in a timely manner.

We've developed the following proposal with the Foundation in mind, and we'll provide timely, personalized services for you. We will also take the time to understand your specific challenges and opportunities. We pride ourselves on delivering honest and insightful advice beyond what is normally experienced in the public accounting industry.

The following pages highlight our firm's strengths and demonstrate why Eide Bailly merits serious consideration. Know that you will be a highly valued client. Our people would be proud to work with the Golden Rain Foundation and build a trusting relationship with your team. Please contact me at 650-462-0400 or agharaibeh@eidebailly.com if you would like to discuss any aspect of this proposal.

Sincerely,



Ahmad Gharaibeh, CPA, Partner

1 EXPERIENCE

Our experienced professionals are committed to the industries we serve. We focus on training, and we like to think of ourselves as thought leaders.

2 PEOPLE

We're a team of collaborators and innovators. Our culture is the heart of our Firm, and we're always working together to do things differently and better.

3 COMMUNICATIONS

Open, honest, frequent communication ensures that you're not in for any surprises. We'll stay in touch throughout the year so you feel understood, connected and confident.

4 CORPORATE RESPONSIBILITY

We consider ourselves good corporate citizens—caring for our people, giving back to our communities, and taking care of our environment.

PUTTING THE PIECES TOGETHER



Experience and Qualifications

WHAT INSPIRES YOU, INSPIRES US.

With more than 100 years of service, your experience will be different than working with other CPA firms. Our professionals deliver industry and subject matter expertise resourcefully, ensuring that we're providing guidance that directly reflects your needs.

Eide Bailly is a Top 25 CPA firm in the nation with offices in 15 states. Our clients benefit from local, personal service and, at the same time, enjoy access to 2,500 professionals with diverse skill sets and experiences.



We pride ourselves on being leaders in the industries we serve, offering valuable perspectives beyond our core strength of accounting and tax compliance. We're here to help guide the strategy and operations of your organization, and we aim to make sure our clients feel connected and understand the process.

Our people are optimistic and good-natured—we know you'll enjoy working with us as much as we enjoy working with each other. Our service style is hands-on, and we're always looking for new ways to solve your problems or help you embrace opportunities.

GROW WITH US



Experience and Qualifications

INSPIRED TO SERVE NONPROFITS

Our professionals have the experience, talent and skill sets to meet the Foundation's needs.

Nonprofit Experience

Eide Bailly's strong financial foundation, continued growth and commitment to the nonprofit industry ensures our clients that we can maintain a long-term relationship with them. Clients will work with a team of professionals who are highly qualified and experienced and who truly understand the nonprofit industry.

Our firm has set up industry groups to focus on the needs of each industry we serve—with one group dedicated to nonprofit. Our nonprofit team members have made a career commitment to working with nonprofits and, therefore, they focus their training and education around this sector. These staff members and partners understand the issues faced by nonprofits and are in a better position to provide solutions to your issues and needs that may affect your organization. This focus also ensures that our staff members stay abreast of current regulations and issues. Through our nonprofit industry group, we have established relationships within the community of nonprofit organizations—including attorneys, financial advisors and industry associations. Such relationships enable us to work together effectively as a team to our clients' benefit.

Eide Bailly's nonprofit professional staff members are actively involved in industry-specific organizations and associations, so we can continuously deliver value and new ideas to our clients. Our staff members have served on numerous American Institute of Certified Public Accountants (AICPA) nonprofit committees, including the nonprofit tax committee. Through this involvement, we stay on top of and have input into new issues involving the nonprofit sector; this translates directly into additional value for our clients.

One of our strong points is our ability to answer operational and advisory questions. Our clients feel comfortable calling us for input and advice on their ideas. Consulting Eide Bailly can help a nonprofit organization "look before they leap" into projects and fundraisers and allows us to be proactive in helping the organization structure the event or projects to their best advantage. You can feel confident that Eide Bailly has the quality reputation and experience required to serve as your professional services firm.



A COLLABORATIVE APPROACH

Team Qualifications

AN EXPERIENCED FIRM

We're passionate about our work—and your success. We have selected professionals for your service team who are the right fit for your engagement, based on their knowledge and experience in the nonprofit industry.

Ahmad Gharaibeh will lead the engagement team and serve as the Audit Engagement Partner and Troy Atkinson will serve as the Pension Plans Audit Engagement Partner. Heather Maire will serve as the Tax Compliance Partner. Joseph Escobar and Melissa Evjenth will serve as the Audit Managers. The audit project managers are responsible for planning the audit and assuring that the design of the audit plan executes the audit procedures we believe are necessary to accomplish the objectives of the audit. The audit project manager will work closely with management to ensure issues are identified and addressed and that the delivery of services is timely. These professionals are licensed to practice public accounting and bring strong credentials and a desire to work with the Foundation. If awarded these engagements, these individuals will serve as your primary contacts. Additional resources will support the project team as necessary.

Because we are committed to the nonprofit industry, we provide our professionals, as well as our clients, with specific, ongoing training related to new and common issues. This investment ensures not only our people, but the public sector in general stays current on the unique challenges and opportunities that are present so that as many people as possible are in the best position to address these issues.

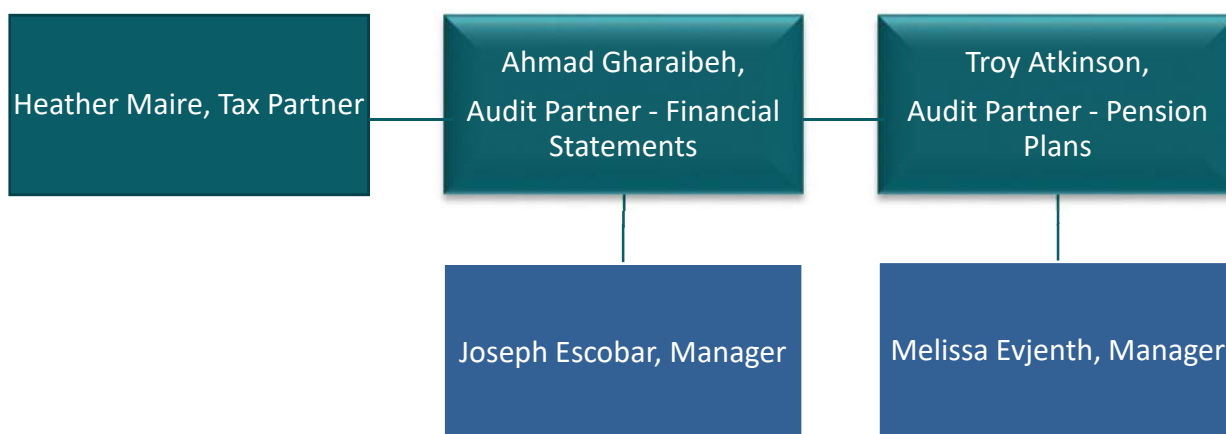
Senior Associate and Staff Members

All of our seniors have more than two years of experience in public accounting, with several who specialize in the nonprofit industry. We require Yellow Book compliance for all members of our assurance staff. This means no fewer than 80 hours of specific Attestation Education courses each two-years. Most members of our audit staff significantly exceed that amount.

Once an agreeable timeline has been determined, we will assign a few of our talented seniors and staff to your engagement.

Team Qualifications

We're passionate about our work—and your success. We have selected professionals for your service team who are the right fit for your engagement, based on their knowledge and experience in the nonprofit industry.



Staff Continuity

To help ensure a strong business relationship and to minimize disruptions, we keep staffing changes to a minimum. Compared to the national average, Eide Bailly experiences a high retention rate which translates to providing our clients with consistent service teams. We will strive for continuity of staff for your engagement. With this continuity comes quality, as team members' knowledge of your organization grows from year to year.



Should the need arise to change any of the key engagement personnel, we will notify you in writing and provide the qualifications of the proposed replacement. Upon your approval, new engagement personnel will join your service team.

Team Qualifications

SERVICE TEAM

We know the importance of a strong business relationship, so we keep staffing changes to a minimum year-to-year. Eide Bailly has a high retention rate, allowing us to provide stability. Your service team has extensive experience in the nonprofit industry. You'll find profiles for each team member in Appendix A. The following information will provide an overview of your service team:

**Ahmad Gharaibeh, CPA****Partner**

Ahmad will serve as the engagement partner and will be responsible for directing the activities of the team. Ahmad provides audit and accounting services to a variety of organizations focusing primarily on nonprofits, government, healthcare, manufacturing and financial institutions. He has performed the financial audits for entities with assets exceeding ten billion dollars. Mr. Gharaibeh has over 20 years of experience in auditing and leads the audit practice groups for many of the firm's audit industries. In addition to his audit experience, Mr. Gharaibeh has performed a variety of other engagements such as forensic audits, fraud investigations and cyber security and risk audits. Mr. Gharaibeh is a frequent speaker at the CalCPA, local professional chapters in the bay area and the California Society of Municipal Finance Officials.

**Troy Atkinson, CPA****Partner**

Troy will serve as the engagement partner for the Foundation's pension plans. Troy has specialized exclusively in auditing the financial statements of Employee Benefit Plans. He has been a speaker at the CalCPA Employee Benefit Plans Conference as well as the International Foundation of Employee Benefit Plans Annual Conference.

Troy is a member of the American Institute of Certified Public Accountants, the California Society of Certified Public Accountants, and the International Foundation of Employee Benefit Plans. He is also active in the Western Association of Accounting Firms as Chair of the Business and Audit Group, and participates in several annual professional conferences that focus on industry auditing issues.

Team Qualifications



Heather Maire, CPA

Partner

Heather leads Eide Bailly's Palo Alto Office Tax Practice and will lead the tax team in serving the Foundation. During her over 20 years serving organizations similar to the Foundation, Heather has developed an extensive understanding of the issues affecting tax-exempt organizations including the unique rules relating to membership organizations under 26 USC Code §277. She will be responsible for the final review of the tax returns and for working with the Foundation to develop and maintain tax strategies to ensure and maximize the benefits of unique tax-exempt status of the Foundation. Heather speaks regularly to nonprofit groups throughout the firm on issues related to their tax-exempt status.



Joseph Escobar, CPA

Manager

Joe will serve as the audit manager and will be responsible for ensuring the timely delivery of quality services to the Foundation. He has more than six years in private and public industry accounting with a focused experience in nonprofit and governmental audits, including extensive experience working with nonprofit organizations with complex consolidations and budgets exceeding \$100 million. He leads engagement teams in planning and reviewing audit engagements and drafting complex financial statements.

Melissa Evjenth

Manager

Melissa has worked with the pension audit group since 1998. She specializes in Employee Benefit Plans for multi and single employers. Melissa is experienced in the preparation, related regulations and electronic filing of the Form 5500 and other various tax exempt filings. As part of the management team, she works to maintain efficiency and consistent quality audits by staying abreast of the changes in regulations and technology. Her experience working with Employee Benefit Plans has allowed her to work with third party administrators and the board of Trustees to evaluate the performance of the internal control procedures in place. She finds the time she spends working with staff to develop their skills very rewarding. Being a member of the International Foundation of Employee Benefit Plans and attendance of their conferences enables Melissa to stay informed in respect to the specific issues effecting Employee Benefit Plans.

Affirmative Action

Eide Bailly adheres to the principles of Affirmative Action through our daily human resources and business operations practices. All members of Eide Bailly operate within the Affirmative Action guidelines and value its objectives.

Team Qualifications

Continuing Education

Along with industry experience, Eide Bailly places a high emphasis on lifelong learning and recognizes the importance of continued professional education (CPE). Firmwide, our CPE program requires all professional staff obtain education that exceeds the requirements of the American Institute of Certified Public Accountants (AICPA). Our firm places a high emphasis on lifelong learning. We continually evaluate our training needs, based on the needs of our clients, to develop and deliver quality learning opportunities for our staff.

This past year, we provided our client service providers with an average of 46 hours of CPE compared with the standard 40 hours required by most states. With specialized training, we stay up-to-date with industry trends and emerging issues.

Thought Leadership

Passing our Experience onto You

We have many opportunities during the year for continuing professional education (CPE) for our clients at minimal or no cost. A number of our clients attend these trainings, and this allows for good networking opportunities for sharing of information. Every year we host at least three updates with focuses on Audit and Assurance, Governmental, and Tax.

Another source of added value that Eide Bailly brings to its clients is industry thought leadership communication. The main forum through which Eide Bailly provides this thought leadership to our nonprofit clients is Eide Bailly *Insights*.

The *Insights* are a forum for ideas, a place to share leading best practices and a source of thought leadership as a catalyst to help our clients address difficult challenges and emerging issues. This thought leadership includes white papers, articles and other publications and webcasts focusing on financial reporting, audit and operational topics that are on demand for viewing at your convenience.

We also have a number of webcasts and live events offered throughout the year, with many focusing on issues relevant to the Foundation.



AN INNOVATIVE APPROACH

Audit Approach

AUDIT METHODOLOGY

At Eide Bailly, we promise you a better overall experience. While we recognize that multiple firms are capable of accomplishing the objectives of an audit, Eide Bailly appreciates that every situation and every organization is different, and we tailor our approach based on the needs of each client.

Eide Bailly values its business relationships and demonstrates this through our partner and manager involvement. Our senior level professionals are involved with our clients and accessible throughout the year. They do not delegate all tasks to staff, but rather stay involved onsite during fieldwork as well as stay connected throughout the year. This approach delivers the greatest benefit to our clients in that we are able to stay abreast of changes in and updates to our client's operating environment and partner with them to achieve optimal results.

Our clients experience a communication approach that stands apart in both style and frequency. Because we recognize that effective communication is critical throughout the entire audit process, our service approach is one where communication begins with planning and continues throughout the year. Additionally, we take a collaborative communication approach with our clients and include them in the process as our peers. Our clients offer a wealth of knowledge and information about their organization and communicating with them as a business partner ultimately produces the best outcome.

Prior to beginning the engagement, we will discuss with management:

- The engagement timeline.
- The audit approach and process.
- Additional considerations that may affect scope, schedules and work papers to be prepared by your personnel.

Upon appointment as your auditor, we will discuss the audit schedules and work with you to ensure the timeline meets your needs and makes the most effective use of your staff members' time.

Audit Approach

Audit Schedule

We understand your requested timeline and are committed to meeting your deadlines.

Eide Bailly commits to you that if your team is prepared for the audit when our team is in the field, we will meet your deadlines. We will work closely with your team through the planning stages to clearly define expectations and the items required from your team in order to facilitate an efficient audit to enable us to meet your deadline. The following table identifies the structure of our audit for the Foundation reports and the timing of each section.

Engagement Timeline

Activity	Timing
Planning	October
Interim Audit Fieldwork	November
Fieldwork	February
Exit Conference	March
Reporting	March

We will meet your deadlines. By engaging in thorough audit planning and communications with management, we begin each engagement with a strong understanding of the various deadlines for each of the financial and single audits and the steps involved along the way to meet these deadlines. An audit project plan will be developed between our team and the Foundation and then followed closely, and we will work with the Foundation's management team to customize our auditing services and specific timelines to your needs. We believe in clear, up-front and open communication with no surprises.

Level of Staffing and Number of Hours

Below is our proposed level of staffing and estimated hours for each segment of the audit.

	Partner	Manager	Supervisory Staff	Staff	Other	Total
Planning	10	5	10	5	0	30
Interim Fieldwork	15	50	40	15	0	120
Final Fieldwork	20	40	40	20	0	120
Exit Conference	10	10	0	0	0	20
Final Report	30	40	0	0	10	80
Tax Returns	15	15	10	0	10	50
Total	100	160	100	40	20	420

Audit Approach

Audit Process

Our audit approach is designed to collaborate with the Foundation and achieve optimal results. The approach consists of five major components: Planning, Interim, Fieldwork, Reporting, and Ongoing Communication. If awarded, we will discuss with management our proposed schedule but have the flexibility to make any changes in order to meet the reporting deadlines. The objectives of each component are described in the following pages.

Planning and Pre-Work

- Gain knowledge of organization and environment.
- Perform analytical procedures to identify audit risk areas.
- Consider fraud through inquiry and brainstorm.
- Develop audit budget by individual areas.
- Determine audit procedures by area, based on results of audit planning.
- Determine confirmation needs.
- Prepare listing of audit information requested from organization.

Interim Work

- Review internal controls.
- Review minutes, resolutions and ordinances.
- Perform tests of legal compliance.

Fieldwork

- Audit areas based on risk assessment.
- Obtain and prepare schedule and analyses supporting the financial information.
- Discuss findings with management.
- Discuss proposed journal entries with management.

Reporting

- Prepare draft of financial report and management letter.
- Provide report to management for review and comment.
- Present final report to designated representatives.

Ongoing Communication

- Obtain interim financial statements throughout the year for review.
- Analyze significant changes and identify areas to further tailor our audit plans and to keep us up to date with continuing changes.
- Compare the interim results to year-end results for the past few years to identify potential issues in the financial reporting process.
- Participate periodically at your Board meetings, and any other meetings, at the Board's request.



Tax Approach

TAX METHODOLOGY

Nonprofit Tax Expertise and Rules relating to Membership Organizations under 26 USC Code §277

Our Exempt Organization Tax Practice prepares more than 2,200 federal and state information, income tax and charitable organization registration returns and filings for nonprofit organizations nationwide. Through local and National Tax Office resources, we help our clients manage their tax planning, compliance and reporting needs through proactive planning, sound advice and thorough research. Our focused knowledge and understanding of the tax laws and regulations applicable to nonprofits allows us to help clients meet their overall goals and minimize tax liabilities and risks.

Tax laws are complex and continually changing. Eide Bailly professionals stay abreast of the latest legislative changes and how they affect each clients' unique tax situation. Our ability to apply and interpret tax law is fundamental to minimizing our clients' tax liability, maintaining tax-exempt status and providing the sound guidance our clients count on.

Our exempt organization tax practice helps clients maintain their most valuable asset; their tax-exempt status. Eide Bailly has recognized the complexity of the tax issues for nonprofit organizations. We have developed a specialized team of over 30 professionals dedicated to serving the compliance and consulting needs of our nonprofit clients. More than 15 of these professionals, including 7 partners and managers, spend over 70% of their time working in this area of tax. Our consulting services include such things as assisting clients with identifying and reporting unrelated business income tax; securing public charity status; fundraising reporting and disclosures; 501(r) compliance, intermediate sanctions planning and documentation; IRS examinations and appeals; compensation and benefits issues; and entity structuring and restructuring.

Tax Approach

Tax Process

Our engagement team will work closely with management to provide you with ideas and planning scenarios for minimizing your federal and state tax obligations. We routinely advise our clients on such issues as strategies for the deferral of income or acceleration of deductions for tax reporting purposes, management of nexus and state tax reporting issues, tax implications of entity selection, organization structure, business valuation and assistance in structuring agreements.

When preparing and reviewing the income tax returns for our clients, we do so in light of the fact that these records are available to the public – including the media. Our approach to providing value regarding the preparation of the tax return includes several areas. We review the information that is being accumulated, as well as the theory behind how the information is included in the income tax return. The tax team works closely with the accounting team to understand your objectives and would use this information in the preparation of the income tax returns. We work closely with the audit team to use the information they have collected in the audit process in our preparation of the tax returns. We will also communicate with the audit team to understand any financial or operational changes that may affect preparation of the income tax returns.

As part of our information-gathering process, we will conduct an interview with the Foundation staff, management and appropriate Board members to accumulate the majority of the information needed for the tax return and discuss the questions on the return. We believe this will result in less time needed from you in gathering information and interpreting the questions on the Form.

In addition, we will provide management and Board members with insight on IRS best practices and help you develop responses to narrative information required on the income tax returns in light of the increased scrutiny by the IRS. We will be available to present the income tax returns to the Board to provide an overview of the areas of significance prior to filing the tax returns.

The tax team will work with the audit team to avoid duplicate requests for information. We also include a member of the tax team as part of our audit planning meeting at the beginning of the engagement to share information related to changes in your organization or the environment.

Once we have discussed your preferences, we will develop a timeline for delivery that includes time for management and the Board of Directors to review the tax return prior to filing.

References

SIMILAR CLIENTS

We provide audit services for a variety of nonprofit organizations, including:

- Los Angeles County Fair
- Santa Clara Valley Transportation Authority (VTA)
- Child Development Centers
- Carpenters Funds of Northern California
- Crossroads Bible Church

**What Our Clients Say**

"The City of Dilworth has worked with Eide Bailly for more than 25 years. Through the years, we have built a strong working relationship and value their professionalism. Their staff is extremely knowledgeable and provides a caring attitude at all times. The city appreciates their timely and efficient delivery of our audit and the willingness to answer questions throughout the year."

Sherri Farwell
Finance Officer,
City of Dilworth

As a top 25 CPA firm, we've built our business on relationships and believe our clients to be the best critics of our service. The clients below have similarities to your organization, and we encourage you to contact them to learn about their Eide Bailly experiences.

 **Similar Clients**
Los Angeles County Fair

Ms. Karen Furlow, Controller
(909) 865-4206
furlow@fairplex.com

Carpenters Funds of Northern California

Gene Price - Administrator
(510) 633-0333

Child Development Centers

Mariana Aungurencei, Controller
(408) 556-7361
MAungurencei@cdicdc.org

Crossroads Bible Church

Kim Neher
(408) 288-4117
kneher@cbclife.org

Santa Clara Valley Transportation Authority

Grace Salandanan, Assistant Controller
(408) 321-7019
Gracita.Ragni@vta.org

CONNECTING YOU TO SERVICES

Additional Information

LET US HELP YOU WITH MORE.

We pride ourselves on being leaders in the nonprofit industry, offering valuable perspectives beyond our core strength of accounting and tax compliance. We're business advisors who want to help guide the strategy and operations of your organization, and we'll make sure you feel connected and understand the process. Our professionals work closely together so you receive valuable service from people who understand your needs and know your organization.

When you work with us, you'll have access to the knowledge and talents of 2,500 professionals across our firm. This includes specialized tax knowledge, a full spectrum of audit/assurance services and our many specialized services, such as:

Cybersecurity

Our professionals have deep IT backgrounds, specializing in a broad range of security services and allowing us to tailor solutions to your needs. We work with every level of your organization—your boards and executives, technical IT admins and general users—to provide insight and guidance so you can feel confident your data is protected.

Discover Your Organization's Potential

Regulatory requirements, finances and growing pains can make it difficult to understand your organization's value. And knowing value is crucial for dispute resolutions, acquisitions, exit-planning strategies and wealth management. Our valuation professionals understand compliance, and they'll identify operational inefficiencies to create a stronger cash flow.

The right tools and the right team make a difference. That's why we combine our financial expertise and deep understanding of the marketplace with the most effective data and resources to deliver results. Our big-firm resources and small-firm feel ensure you have the best of both worlds—the best tools and the best people.

Additional Information

Business Analytics

In today's data-rich world, it's vitally important to analyze your financial metrics in real-time to stay at the top of your industry. Our business analytics professionals can help you with:

- Performing ratio and trend analyses.
- Creating a customized narrative report converting math to English for your management team.
- Estimating your company's value using an (informal) valuation tool.
- Benchmarking your KPIs against the industry.
- Financial modeling.

We'll work together through your results, talk about your goals and help you make sense of your options because that's how we do business. Our goal is to be your trusted advisor and help you reach success as you define it.

Technology Consulting

Our technology consultants are committed to helping organizations with their technology to enhance productivity and profitability. They will help you to prioritize technology project initiatives to maximize your available resources. They offer a variety of services including IT value assessments, technology planning, technology systems selection, project management, and IT resource identification.

Board Education and Training

We have provided educational sessions to many of our clients as they experience changes in their operations or governance structures. Specific ways we have worked with clients include providing background and education on understanding financial statements and the tax returns, understanding the Board's fiduciary responsibility, developing Board committees and other Board governance issues. These educational meetings reflect our commitment to helping clients achieve their mission and objectives.

Cost Proposal

EXPECTED HOURS AND FEES

Our fees are based on the complexity of the issue and the experience level of the staff members necessary to address it. If you request additional services, we will obtain your agreement on fees before commencing work, so there are no surprises or hidden fees.

We propose the following fees based on our understanding of the scope of work and the level of involvement of the Foundation's staff:

Engagement Services and Fees

Professional Services	2019	2020	2021
Financial Statement Audits	\$60,000	\$61,000	\$62,000
Pension Plan Audits	\$22,000	\$23,000	\$24,000
C-Corp Income Tax Returns	\$9,000	\$9,100	\$9,200
Total Fees	\$91,000	\$93,100	\$95,200

INCLUSIVE

The professional fees listed above are inclusive of all out-of-pocket expenses and you will not be billed for expenses such as travel time, mileage, and meals.

Billing Policy Regarding Telephone Inquiries

We know clients appreciate access to all of their service team members. We embrace this opportunity for constant communication and will ensure our team members are available when you have questions and issues. This service is included in the scope of the engagement. If a particular issue surfaces that falls outside the scope of this engagement, we'll bring it to your attention and obtain approval before proceeding.



Why Choose Eide Bailly

WE WANT TO WORK WITH YOU.

To us, work isn't just work; we see it as a chance to help you solve problems, achieve goals and pursue passions. After thoughtfully reviewing your needs and taking the time to understand your business, we feel we're the best fit for this opportunity.

We can connect you with the knowledge, resources and solutions that help bring confidence to your business decisions. We want to work with you!

If you have questions or would like additional information, don't hesitate to contact us. We want to make sure you have everything you need to make your decision.



Ahmad Gharaibeh, CPA, Partner

650-462-0400

agharaibeh@eidebailly.com

What inspires you, inspires us.

We're driven to help clients take on the now and the next with inspired ideas, solutions and results. We look forward to working with you.

Appendix A — Team Profiles

TEAM PROFILES



Ahmad Gharaibeh, CPA

Audit Partner
650.223.6103 | agharaibeh@eidebailly.com

Knowledge and Experience

- 20 years of public accounting experience in nonprofit and governmental auditing.
- His experience includes:
 - Across the Bridge Foundation
 - Child Development Centers
 - Palo Alto Foundation Medical
 - Millennium Housing of California
 - Golden Gate Bridge, Highway and Transportation District
 - Santa Clara VTA
 - City of Santa Cruz

Professional Memberships

- American Institute of Certified Public Accountants
- Association of Government Accountants
- California Society of Municipal Finance Officials
- California Society of Certified Public Accountants

Designations & Licensures

- Certified Public Accountant

Education

- Masters of Accountancy – East Tennessee State University



Troy Atkinson, CPA

Audit Partner

650.522.3410 | tatkinson@eidebailly.com

Knowledge and Experience

- 22 years of public accounting experience in employee benefit plan auditing.
- His experience includes:
 - Apartment Employees Pension Trust
 - B.A.C. Local No. 3 Defined Contribution Pension Plan
 - Bay Area Painters and Tapers Pension Trust Fund
 - Bay Area Painters and Tapers Pension Trust Fund
 - Bakers Health and Welfare Fund
 - Retirement Plan for Hospital Employees
 - East Bay Restaurant and Tavern Retirement Plan
 - Redwood Empire Electrical Workers Pension Trust

Professional Memberships

- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants
- International Foundation of Employee Benefit Plans

Designations & Licensures

- Certified Public Accountant

Education

- Bachelor of Science, Business Administration - California State University, Chico



Joe Escobar, CPA

Audit Manager

650.223.6131 | jescobar@eidebailly.com

Knowledge and Experience

- 6 years of public and private industry accounting experience in auditing.
- His experience includes:
 - Child Development Services
 - Across the Bridge Foundation
 - CalTrain and SamTrans
 - City of Capitola
 - Santa Clara Valley Water District
 - Town of Hillsborough

Professional Memberships

- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants

Designations & Licensures

- Certified Public Accountant

Education

- Masters of Accounting and Financial Management – Keller Graduate School
- Bachelor of Science – Business Administration, University of California at Riverside

Melissa Evjenth,

Audit Manager

6505223412 | mevjenth@eidebailly.com

Knowledge and Experience

- Over 20 years of public accounting experience in auditing pension plans including single and multiple employer plans.
- Her experience includes auditing the following:
 - San Francisco Culinary, Bartenders and Service Employees Pension Plan
 - Sign, Display and Allied Crafts Union Local No. 510
 - UFCW Employers Benefit Plans of Northern California Group Administration, LLC
 - United Food and Commercial Workers Unions and Food Employers Benefit Fund
 - Multiple 401K and ERISA related audits for single employer plans.

Professional Memberships

- American Institute of Certified Public Accountants
- International Foundation of Employee Benefit Plans

Education

- B.S. Business Administration with an emphasis in Accounting, California State University, Chico

Appendix B — Peer Review

PEER REVIEW



Report on the Firm's System of Quality Control

December 28, 2017

To the Partners of Eide Bailly LLP and the
National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Eide Bailly LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended July 31, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, audits performed under FDICIA, and examinations of service organizations [SOC 1 and SOC 2 engagements].

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Eide Bailly LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended July 31, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Eide Bailly LLP has received a peer review rating of *pass*.

Cherry Bekaert LLP



Caring for our external and internal clients with a passion to go the extra mile.

Respecting our peers and their individual contributions.

Conducting ourselves with the highest level of integrity at all times.

Trusting and supporting one another.

Being accountable for the overall success of the Firm,
not just individual or office success.

Stretching ourselves to be innovative and creative, while managing the related risks.

Recognizing the importance of maintaining a balance between work and home life.

Promoting positive working relationships.

And, most of all, enjoying our jobs ... and having fun!



What inspires you, inspires us.
eidebailly.com

BPM

**Proposal of Services
Prepared for Golden Rain Foundation**



**Presented by
Daniel Figueredo
July 30, 2019**

July 30, 2019

Rick Chakoff
Golden Rain Foundation
800 Rockview Drive
Walnut Creek, CA 94595

Dear Rick,

We are excited to have the opportunity to provide the Golden Rain Foundation (the "Organization"), with Audit and Tax Services. The enclosed proposal outlines our capabilities, proposed scope of services, the engagement team, a brief background of our industry experience, and proposed fees. The purpose of this letter is to serve as an executive summary of our proposal.

We are very enthusiastic about being a trusted advisor to the Organization, being a part of your team, and helping you succeed. As our existing clients can attest, we will closely listen to your concerns and challenges, and customize our approach to help you reach and exceed your business goals.

BPM knows that you have a choice of accounting firms, and we are honored to be considered as your outside auditors and tax accountants. Based on our understanding of your needs and objectives, and our relevant experience with your organization, we are confident that we are the right partner for you - now and in the future. Our experience will provide you with a qualified sounding board you can be confident in, and our flexibility will ensure that your needs are met every single day.

So what makes BPM special? It starts with our brand promise, Because People Matter, which is at the heart of our culture. We combine the knowledge and expertise of a national firm with the hands-on approach of a local team, and our industry-specific focus allows us to bring each client a combination of deep industry knowledge and expert perspectives on the specific challenges you face.

Your BPM team will gain insight into critical areas of your operation, and we will use this knowledge to offer recommendations on potential business and operational improvements. Our goal is to provide you with the client experience you deserve and identify opportunities for growth to drive the greatest possible return on investment.

BPM would be proud to have the Organization as a client, and we look forward to having the opportunity to work together. Please do not hesitate to call Daniel Figueredo at (415) 288-6284 if you have questions or if we can be of further assistance.

Sincerely,



Daniel Figueredo
Partner
BPM LLP

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I. BPM and You

We Understand Your Business

The nonprofit industry is a challenging and exciting industry. It is about providing a need in the local and national community that isn't currently being met. Golden Rain Foundation (the "Organization") was created to provide services and community facilities to the approximately 9,700 residents to the community known as Rossmoor. BPM has a long commitment to the nonprofit industry. We would welcome the opportunity to serve and help the Organization grow and expand their operations.

From Problem to Solution

The Organization is at a crossroads for growth. Still, many unforeseen problems can arise. Our approach to these obstacles comes from a desire to explore how your organization works so we can resolve issues while helping you reach your goals.



Data-Driven Analysis: Your situation has unique ramifications. Whether you're having a cash-flow issue or are struggling with an audit, BPM uses data to identify the specific causes and risks posed by the challenges that you're facing.



Goal-Oriented Advice: There are a myriad of ways to look at a problem, and you need the right approach that supports your business plan. We pride ourselves on our dedication to analyze the business goals of our clients before presenting a single piece of advice because financial governance has wide-reaching implications for the way that your organization operates.



Future-Oriented Solutions: In the hectic environment of expanding and growing a company, there's a tendency to respond to situations while focusing only on short-term ramifications. This can create complex policies and workflows that damage long-term viability and limit your ability to become the company you seek to be. We are dedicated to producing solutions that correspond with both short and long-term goals.

Our Approach

We're not just a CPA firm—we're a growth partner. Through our assurance and risk advisory service offerings, we counsel clients on how they can stay protected from cyber threats and adhere to regulatory compliance issues. We provide clients with consulting services around corporate financing, business process outsourcing and a range of technology solutions. We want clients to succeed for the long term. Helping them exceed their goals is what we strive for every step of the way. With one of the largest and best known tax practices on the West Coast, our individual, corporate, and nonprofit tax expertise allows us to seamlessly advise clients on unexpected and challenging tax issues.

Audit Approach

We will present our plan to your management and Board of Directors or Audit Committee in the planning phase of our audit, and will report back to management and the Board or Audit Committee throughout our work and upon completion of field work. Because we understand the importance of consistent and continual communication, the BPM engagement team will be available throughout the year for any questions that might present themselves.

Our approach to audit services is unique in its structure and customized to each client.



The BPM audit process includes three phases:

1. Scoping and Planning:

- Assess risks/identify significant accounts and disclosures.
- Identify processes and assertions to design test plan.
- Develop an effective "reliance" model, leveraging off the controls performed by Management.
- Communicate Audit Plan to Management and the Board of Directors or Audit Committee

2. Understanding and Evaluation:

- Test key monitoring controls.
- Design and perform substantive tests, including tests of details and substantive analytics.
- Design and perform other audit procedures.

3. Evaluate Results, Completion and Reporting:

- Communicate with Management continuously.
- Evaluate testing results.
- Aggregate and access any known or estimated errors.
- Review or prepare financial statements and disclosures.
- Provide an opinion on the audit of the financial statements.
- Report and discuss our findings with Management and the Audit Committee/Board of Directors.

Employee Benefit Audit Approach

BPM audits nearly 200 employee benefit plans annually. These plans range in size from 100 to over 3,000 participants and \$1 million to over \$200 million in assets and include defined contribution, defined benefit, employee stock ownership, health and welfare, money purchase pension, and 403(b) plans, and 11-K filings.

BPM is a member of the AICPA Employee Benefit Plan Audit Quality Center, a voluntary membership organization for firms performing ERISA audits that was established to promote the quality of employee benefit plan audits. This affiliation requires we document a program that includes required continuing professional education for those professionals working on employee benefit plan audits. Our team stays up-to-date on issues impacting employee benefit plans through ongoing on-the-job and formal training, including attending the annual AICPA Employee Benefit Plan Conference.

Nonprofit Tax Resources and Approach

BPM boasts a dedicated team of nonprofit tax specialists, who prepare numerous nonprofit, trust and corporation income tax returns annually. The team includes 3 tax partners, 1 managing director, 2 managers/directors, 2 seniors/supervisors, and a number of staff. We are ready to assist and guide you through tax issues confronting your organization and its activities.

We will meet with the executive team to review key disclosures in the tax forms, discuss policies needed or in place, governance, related party transactions, and other similar items. The result will be an open item list for both parties for data that is not part of the standard audit process. Our tax team works collaboratively with our audit team when we provide both audit and tax services, including participating in our planning meetings and client check-ins throughout the year. They are regularly consulted by the audit team and clients for guidance on tax return and other compliance matters.

A Passion for Nonprofit

BPM's Nonprofit Industry Group, the Firm's most established industry group, consists of over 60 members who collectively serve over 400 nonprofit organizations around the globe. One of our founding goals as an industry group was to make a difference in the way nonprofits were served by our profession.

For this reason, we work year round to ensure we stay informed of the latest trainings, regulations, and changes impacting nonprofits. Our partners regularly attend, host and speak at local and national events to help organizations build and achieve long term success.

We advise clients on a wide range of issues, including:

- Proper organizational structures for new revenue streams
- Financial modeling in a changing funding environment
- Complex compliance issues impacting organizations
- Charitable contribution planning, fundraising reporting, and donor contribution matters
- Nonprofit employment tax matters
- Tax planning for new nonprofit organizations
- Tax structuring involving for-profit subsidiaries and related organizations
- Unrelated Business Income Tax analysis
- IRS and State tax-exemption applications (IRS Forms 1023, 1024)
- Alternative investment reporting and analysis
- Updates on the impacts of Federal grant funding and audit results
- Fiduciary responsibilities of nonprofit boards
- Proper governance practices
- Comprehensive nonprofit tax services
- Compensation and benefits strategies
- Outsourced accounting services

Who we serve

- Arts and Culture
- Associations
- Public Charities
- Educational Institutions
- Environmental Organizations
- Government
- Health care

- Private Foundations
- Private Schools
- Real Estate and Low Income Housing and Services
- Religious Organizations
- Social Welfare Agencies
- Private Social and Athletic Clubs

Fast facts

- Through our well known Nonprofit Education Series, we host sessions covering significant emerging issues that affect every facet of a nonprofit. Although registration is required, these sessions are offered at no charge to participants.
- Our Firm is a voluntary member of the AICPA's Governmental Audit Quality Center (GAQC), which promotes the importance of quality governmental audits and the value of such audits to purchasers of governmental audit services.
- A number of our professionals hold AICPA Not-for-Profit Certifications, providing us with the skillsets required to serve a nonprofit's unique financial needs.
- As part of our motto, "Because People Matter," we have contributed more than 100,000 hours of volunteer labor to over 75 nonprofits through "BPM Day." Our staff members also participate in our annual Giants Opener Fundraiser, the proceeds of which are donated to a different charitable organization each year.
- Our partners and managers currently serve on more than 80 boards of nonprofit, business and community organizations.

Representative Clients

The BPM Nonprofit audit and tax teams have a deep experience in working with a wide range of nonprofit and for profit clients. We have worked with a number of world-class institutions and are regular thought leaders and presenters for nonprofit accounting and tax issues. We help our clients grow and we work with both domestic and international nonprofit organizations. Our experience include the following organizations:

- American Conservatory Theater
- Animals Asia Foundation
- Behring Global Educational Foundation
- Bernard Osher Foundation
- CamFed
- Caminar
- Center for the Next Generation
- Contra Costa Country Club
- Education Training and Research Associates
- Encompass Community Services
- Evelyn and Walter Haas Jr. Fund
- First Place for Youth
- Giants Community Fund
- Hidden Villa
- HomeFirst
- Ladera Oaks Swim & Tennis Club
- Marin Country Club
- Marine Science Institute
- Meals on Wheels of San Francisco
- Medicines360
- NASDAQ, Inc.
- National Center for International Schools
- Northern California Golf Association
- NCGA Foundation (Youth on Course)
- Open Source Robotics Foundation
- Opportunity Institute
- PolicyLink
- Positive Coaching Alliance
- RippleWorks, Inc.
- Rossmoor (Golden Rain Foundation)
- Someland Foundation
- SEMI
- Sustainable Apparel Coalition
- TED
- The Family
- United Way – Santa Cruz County
- Vodafone America Foundation

References

Craig Ziegler/ Vice President of Finance / California Healthcare Foundation / (510) 238-1040
 Elliot Stein/ Asst. Secretary/Treasurer Director / Behring Global Education Foundation / (877) 378-3839

II. Working with BPM

Your BPM Client Experience

We are committed to the success of our clients. As part of our client service standards, we commit to interacting with you regularly to provide solutions and seek opportunities to continuously improve and enhance your BPM experience. We will meet with you and your team to discuss immediate needs as well as long term goals. Our commitment to communication, responsiveness, continuity, and consistency will help ensure minimal disruption to your personnel and operations.

You will experience exceptional team-based service from our industry-focused advisors. Our goal is to provide you with effective solutions that exceed your expectations today and tomorrow.

Your Lead Relationship Partner, Daniel Figueredo, will oversee a service team comprised of advisors with deep and broad experience in the Nonprofit industry and the issues faced by the Organization. Your engagement team will meet with you and your Board to review results, identify needs and learn how we can help. We will also check in regularly to request feedback regarding our delivery of the world-class service you deserve.

Below is an anticipated timeline of deliverables. We will develop and agree on an actual plan with you as the first step of our engagement.

Training and Education

BPM's nonprofit series is offered to clients and friends of the firm at no charge. These presentations highlight topics relevant to current nonprofit organizations. In addition, BPM provides training specific to an organization or Board's needs if requested. Depending on the specific topic (general education or advance level), BPM would provide these trainings on site at no charge or for a nominal fee to cover expenses.

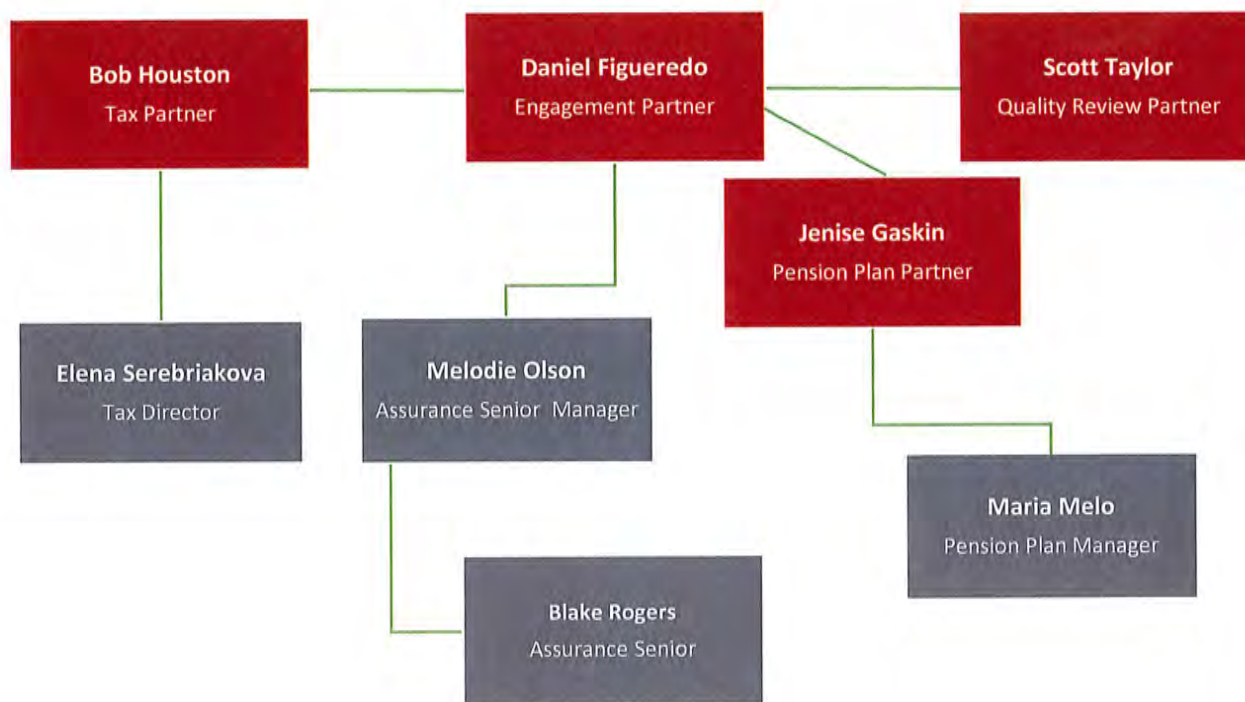
Anticipated Timeline

PHASE 1 Engagement Acceptance (September 2019)	PHASE 2 Scoping and Planning (October 2019)	PHASE 3 Fieldwork (January- February 2020)	PHASE 4 Completion and Reporting (March - April 2020)
<ol style="list-style-type: none"> 1. Provide engagement letters 2. Kick-off meeting with management 3. Gain an understanding of operations and management style 4. Review and understand significant contracts and funding arrangements 5. Agree on timing of services and delivery of reports/returns 	<ol style="list-style-type: none"> 6. Review prior auditor workpapers and files 7. Provide list of schedules and documents requested 8. Meet with management to discuss request list 9. Review Board minutes and other significant agreements 10. Send audit confirmations 11. Meet with the Audit Committee 	<ol style="list-style-type: none"> 12. Tax visit to gather data and provide requests 13. Audit fieldwork 14. Audit partner review 15. Audit exit conference with management 16. Provide draft financials, and management advisory letter 	<ol style="list-style-type: none"> 17. Presentation to Audit Committee 18. Delivery of final audited financial statements and management advisory letter 19. Discuss emerging accounting standards/issues, as applicable 20. Periodic check-in

Your BPM Team

Your service team has been selected to provide the Organization with expertise, responsiveness and value. Our experienced professionals offer innovative solutions and prompt replies enabling your management team to move forward with strategic decisions. True to our client-service model, the Organization will have direct access to the best and most qualified resources on our BPM team.

Below are the key people who will work with and be readily available to the Organization:



Proposed Professional Fees

You deserve a clear understanding of the value of our work so we can build a strong and lasting relationship with the Organization. We are committed to performing all work on time and in a cost-effective manner and we will partner with your staff to establish the schedule of deliverables. Direct out-of-pocket expenses such as travel, lodging, and other similar expenses are billed at our cost. Indirect expenses such as telephone, fax, postage, photocopy, and technology services are billed at 7% of our fees.

To protect ongoing consistency, the assigned engagement team is dedicated to you for the duration of this project and available to meet and discuss accounting issues with you in a timely manner. The engagement partners and managers will be available to answer questions throughout the year. We are committed to providing the Organization with continuity on the audit and tax team from year to year. Our general policy is to charge for technical questions that come up that may take more than a half hour to answer.

We do not charge a fee for learning the Organization's business, processes and accounting issues during our first year ramp up time. This ramp up time includes the time it takes to review your prior auditor's working papers. The time spent with you and your team is our investment in what we hope to be a long-lasting relationship. Future years price estimates are based upon no major changes in your current operations. Major changes to your operations (i.e., changes to your business structure, new programs, additional events, international outreach, staff turnover, etc.), or significant new accounting pronouncements may impact these estimates.

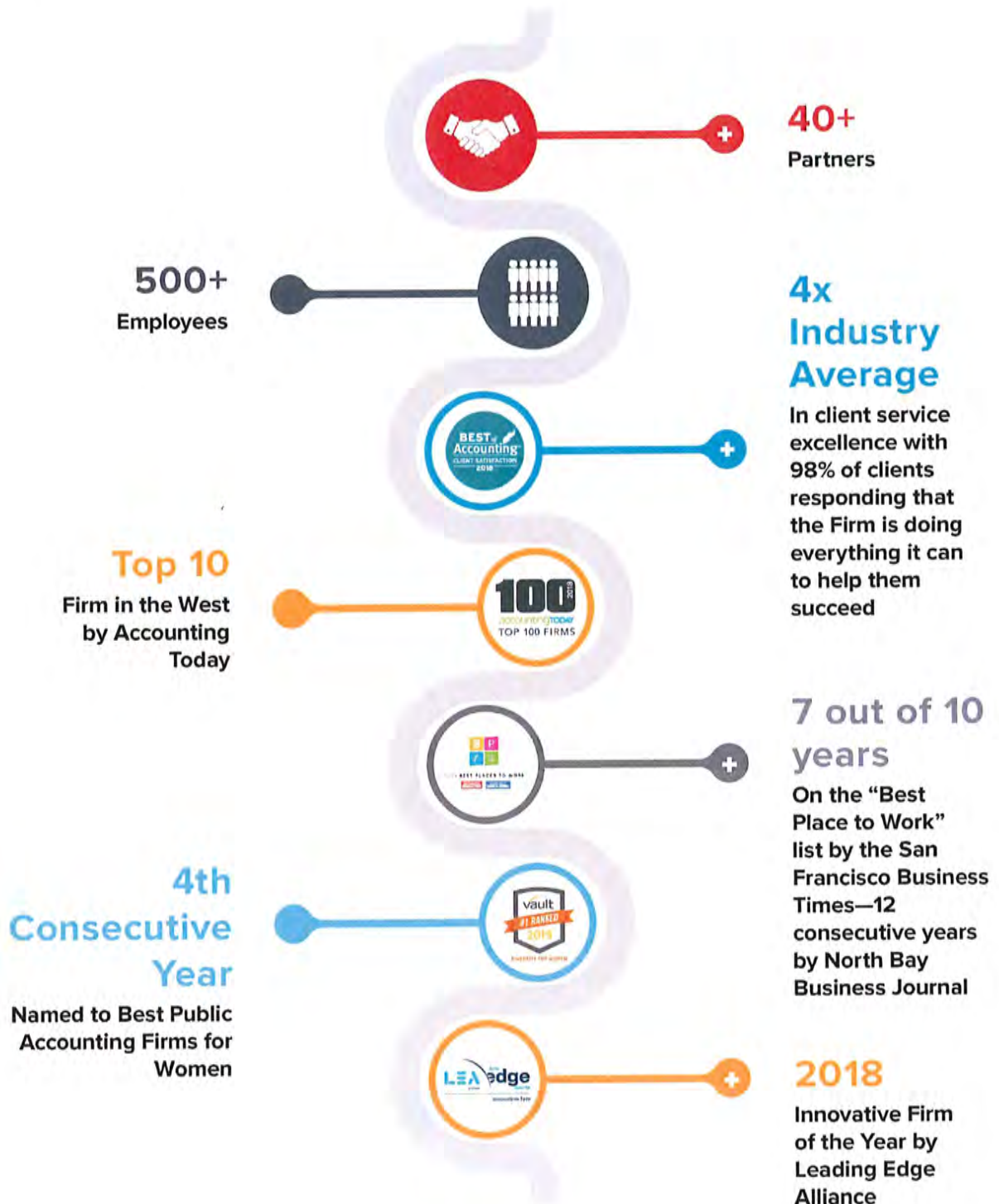
Our estimated fees for the Organization are as follows:

Scope of Work

Golden Rain Foundation financial statements audit for the year ending December 31, 2019*	\$72,000
Golden Rain Foundation 401(k) Retirement Plan and Pension Plan for Employees of Golden Rain Foundation for the year ending December 31, 2019	\$26,500
Golden Rain Foundation Form 1120 C-Corporation Income Tax Returns for the year ending December 31, 2019	\$9,200

* This fee includes \$2,500 for assistance with the implementation of new revenue recognition accounting standard

BPM by the Numbers



III. Why BPM

Overview

First established in 1986, BPM was designed to serve the needs of the Bay Area's emerging businesses. Since then, we have built a proactive, client-focused culture from the ground up. Through strategic business combinations, we have grown our talent and specialty services to include a robust national presence, with one of the largest SEC and Tax practices on the West Coast. Our people-centered values continue to propel BPM onto numerous lists of "Best Places to Work" and "Best Managed CPA Firms."

Today, we are one of the 50 largest public accounting and advisory firms in the country. With six offices across the Bay Area—as well as offices in India, Stockton, Orange County, Oregon, Hong Kong and the Cayman Islands—we help clients succeed around the world. Our 40 plus partners and staff of over 470, mean we have the expertise and global reach of a national firm, with the capability of maintaining the hands-on approach of a local firm.



We are a firm that:

- Has significant experience and recognized expertise, capabilities, and credibility - and a track record of success in Nonprofit.
- Takes a "value-added" approach to service and is highly accessible and open in our relationship with you.
- Utilizes an approach that is customized and focused on your needs.
- Values a good working relationship among the engagement teams serving you, including timely support when consultation is required.
- Assembles a team of trusted advisors who provide strategic guidance and act as a sounding board for questions and research.
- Uses out-of-the-box thinking and innovative solutions to solve your most complex challenges.

Think Locally, Act Globally

In addition to our U.S. presence, we are also known for our accessibility and responsiveness serving clients worldwide. From our offices in Hong Kong, the Cayman Islands and India, to our tax and audit work in Europe, we have the expertise to support clients anywhere in the world.

We help facilitate cross-border transactions between China and the U.S. in setting up global structure and business models, complying with tax laws, controlling tax and transfer pricing risk, and achieving tax and operational efficiency. BPM has one of the largest International Tax

Services practice on the West Coast, which allows us to advise on challenging issues such as transfer pricing, IC-DISC and IP transfer for both high-net-worth individuals and corporations.

For nonprofit clients with international issues or activities, our International Tax experts are available for consultation or compliance needs.

As a select partner of the Leading Edge Alliance (“LEA”), we have access to 350 member firms in 100 countries. Our affiliation enables us to transfer international resources and benefits directly to our clients. This means more diverse services, broader industry expertise, and greater opportunities for our international clients. Whether it’s establishing the first overseas subsidiary or operating long-standing facilities in multiple countries, our clients trust BPM to provide the same proactive approach and personalized service as in a domestic engagement.

The below highlights areas in which we serve clients around the world.



Commitment to Diversity and Inclusion

Diversity in the workforce is at the center of BPM's core values. We seek to create an environment where people are valued as individuals and team members are treated with respect, dignity and fairness. We strive to create opportunities for our employees to help reach their full potential and achieve their professional and personal goals. Of our 500+ employees, over 70% are female and/or minorities. We believe a culture of inclusivity is a key driver of innovation. We value the different perspectives that individuals of many backgrounds bring to complex and sophisticated problem-solving.

Diverse Workforce (Women, Minorities, LGBT)	
44	% of diversity on BPM's Board of directors
>60	% of diversity of new BPM partners (last 5 years)
40	% of women on BPM's management committee
>70	% of diversity of all BPM

WIN! – Women’s Initiative Now!

Research continues to build on the importance of gender equity and its impact on the economy. Companies that elevate women to leadership positions perform better in productivity and profitability. Through *win!, Women’s Initiative Now!*, we focus on creating opportunities that improve women leadership participation from its current level to a level that is more reflective of women in the workforce. Specifically, the program’s goals are designed to ensure a culture that enhances the retention and recruitment of women, enhance the personal development of a woman’s career at all stages, and increases the visibility of their success. Of the 43 partners at BPM, 26% are women, while 40% of our Management Committee is comprised of women. This is one reason why the Accounting and Financial Women’s Alliance and American Women’s Society of CPAs recognized us as one of the “Best Public Accounting Firms for Women” for the fourth consecutive year.

BPM FLEX – Creating a Culture of Flexibility

We know that colleagues who work in environments offering high levels of flexibility report significant levels of satisfaction, performance, commitment and loyalty. We believe that flexibility is critical to BPM’s continued growth and future success. We are equally committed to maintaining a high level of client service and recognize that there may be times when service to clients takes precedence over flexibility. BPM FLEX was created in 2015 to allow exempt employees more freedom and flexibility in their day-to-day work lives. The initiative gives employees the ability to complete their work week without an eight hour daily reporting requirement. The initiative stresses the continued importance on client services, a quality work product, and quality of life.

Independence

BPM is independent of the Organization based on our current understanding of the Organization. In addition, BPM has an internal process to insure that independence is maintained on all jobs. Our client listing is reviewed annually by employees for any conflicts and an independence form is signed.

Staff Continuity and Turnover

The stability of staff assigned to your account is paramount to providing exceptional client service. Our staff turnover for the firm as a whole is historically under 10%. Our policy is to commit our staff on each job for as long as possible. We believe that staff consistency creates efficiencies by understanding our client’s operations and saving our client’s time during the audit process.

Benefits/Employee Resources

BPM provides a competitive benefits package to its employees. We are exceptionally proud of the benefits, perks and resources provided to our working and expectant parents. Recognized by the Healthy Mother’s Coalition for creating a culture that embraces working parents, BPM offers services that help parents prepare to be parents, provides access to needed specialists and services (CLEO), nannies and childcare services (Urban Sitter and Cocern:EAP), parental wellness classes (BPM Wellness) and flexible work arrangements.

Community Impact Statement

We recognize the support we've received from surrounding communities is what has enabled our success. To show our gratitude, BPM is committed to giving back.

We challenge our staff to become actively involved in their local neighborhoods as volunteers and they respond. BPM employees have devoted over 100,000 hours to various community service activities. Our partners and managers serve on the Boards of over one hundred charitable organizations with many holding local leadership positions.

During our annual "BPM Day," all of our offices, including those in India and Oregon, close for a full day, so staff can volunteer at local community sites. Past projects have ranged widely and have included painting and cleaning, habitat restoration, teaching in classrooms and building sets for a local community theater.

Adding Value for the Organization

BPM's services go much further than audits. Our full service approach means that we cover a wide breadth of disciplines, and our focus on the nonprofit sector as our firm's largest industry group means that our expertise runs deep. The following are additional areas where BPM can add value:

Cyber Security	<ul style="list-style-type: none"> • Our information security assessment services helps you identify vulnerabilities in your IT infrastructure with a robust pentetration test focused on e-mail, firewalls, web services, physical access, phishing, and more.
Outsource Human Resources	<ul style="list-style-type: none"> • Our HR consulting services include an assessment to evaluate compliance with regulations, policies and procedures of the organization. We can help to train your supervisory staff to be great employee coaches. BPM can also help develop your employee handbook and HR policies and procedures. We can also help develop and implement HR workflows to support operating efficiencies.
Risk and Advisory	<ul style="list-style-type: none"> • Our risk and advisory team can assist with enterprise risk assessments, internal audit, technical accounting advice, and forensic investigations.
Pension Advisory	<ul style="list-style-type: none"> • Our pension group provides fiduciary, advisory, and consulting services for retirement plans. We advise on key industry topics, best practices, plan governance issues, benchmarking, and IRS/DOL target areas.
Technology Solutions	<ul style="list-style-type: none"> • We help clients implement new accounting software, such as Intacct, NetSuite, Blackbaud, Sage, Adaptive Insights, QuickBooks and Xero to reduce manual processes and provide real-time insights.
Transaction Advisory Services	<ul style="list-style-type: none"> • Our team assists nonprofits and for-profits with mergers and acquisitions due diligence, quality of earnings, carve-outs, restructurings, turnarounds, and growth strategy services.
Nonprofit Consulting	<ul style="list-style-type: none"> • Our consulting services include budgeting, forecasting, outsourced CFO/Controller/Accounting, financial analysis, audit preparation and support, and grants management/ compliance.
BPM Resources	<ul style="list-style-type: none"> • BPM has an extensive network of resources we make available to clients in the areas of legal, banking, insurance, investing, compensation, strategy, planned giving, fundraising, impact investing, tax credit financing, executive search, foundations, and governance.

Our Suite of Accounting Solutions



Appendices

Daniel Figueredo, CPA, CGMA

Partner, Assurance

Nonprofit Industry Group Leader
and FinTech Leader

415-288-6284

DFigueredo@bpmcpa.com

San Francisco

600 California Street, Suite 600
San Francisco, California 94108



Overview

Daniel is a Partner in Assurance, Head of BPM's Nonprofit Industry group and FinTech Leader at BPM. He started his career at BPM and has been with the Firm since 2003.

He has worked extensively with fair value and alternative investments, the Uniform Guidance and Single Audits, significant endowments and UPMIFA, tax-exempt debt, planned giving, partnership accounting, program-related investments, New Markets Tax Credits, gifts-in-kind, crypto/digital currency, and significant capital campaigns.

He is deeply involved in serving nonprofit organizations as part of his commitment to contributing to the betterment of society. He supports a variety of nonprofits, including but not limited to private foundations, social enterprises, trade associations, arts and culture, advocacy and political organizations, private schools, community foundations, and higher education. Daniel provides extensive international NGOs, CDFIs and impact investing, and single audit services. Under his leadership, BPM's Nonprofit Group has grown significantly during the past several years.

As Leader of BPM's FinTech practice, Daniel is a thought leader in the cryptocurrency and Bitcoin space. He works closely with companies involved with BitCoin, Ether, ICOs, crypto hedge funds and exchanges. Some of his clients include marketplace and peer-to-peer lenders, crypto/digital currency and other FinTech companies. He also serves other financial services institutions such as broker-dealers, investment banks, registered investment advisors (RIA), venture capital funds, private equity funds, mortgage pools and hedge funds.

As a leading subject matter and thought leader, he frequently presents at BPM's Nonprofit Education Series, CalCPA, NCPGC Planned Giving Conference, the Conference on Charitable Giving, Foundation Financial Officers Group Conference, CFO/Arts, and other industry associations and conferences.

Daniel Figueredo holds an active CPA license in California and New York.

Interesting Tidbit

Daniel loves to travel and spent several months in Australia for BPM's exchange program. He also visited Cuba while studying abroad, where he received an address from President Fidel Castro.

Services

Audit
Regulatory Compliance Assistance
Reviews & Compilations

Industries

Blockchain and Digital Assets
FinTech
Financial Services
Nonprofit

Education

BA/Accounting and Finance – University
of San Francisco

Continued

Community

- Board Member – Northern California Planned Giving Council (Treasurer)
- Board of Governors – The Online Lending Policy Institute (Treasurer)
- Audit Committee – CalCPA
- Board Member – Smith-Kettlewell Eye Research Institute
- Finance Committee Member - San Francisco Performances
- Co-Chair – CalCPA Not-for-Profit Organizations Conference
- Conference Committee – NCPGC Planned Giving Conference
- Accounting Advisory Board – University of San Francisco
- Assistant Treasurer – The Guardsmen
- Leadership San Francisco – Class of 2018
- Member – American Institute of Certified Public Accountants (AICPA)
- Member – FASB Not-for-Profit Advisory Committee Resource Group

Certification

- Certified Public Accountant (CPA)
- Chartered Global Management Accountant (CGMA)

Scott Taylor, CPA

Partner, Assurance
Life Science Industry Group
Co-leader
850-865-8882
STaylor@bpmcpa.com

Menlo Park
4200 Bohannon Drive, Suite 250
Menlo Park, California 94025



Overview

Scott is a Partner in Assurance at BPM. He has over twenty-seven years of public accounting and private industry experience, including 10 years with a Big Four accounting firm. He provides both public and private health care organizations and nonprofit organizations a variety of accounting and tax services, including financial statements, audit reviews, compilations, agreed-upon procedures and internal control evaluations. Scott also consults with management on complex accounting, tax, and SEC reporting matters.

Interesting Tidbit

Travelling adventures include meeting a shark while snorkeling the Great Barrier Reef, river rafting down the "Shot Over" river in New Zealand, hiking to the top of Interlaken Mountain in Switzerland, and braving a small plane ride through a rainstorm in Costa Rica!

Professional and Community

- Board of Directors — St. Francis Foundation
- Board of Directors — Martin Luther Tower
- Member — Quality Inspection Team, American Institute of Certified Public Accountants (AICPA)
- Member — California Society of CPAs (CalCPA)
- Member — Healthcare Financial Management Association (HFMA)
- Past President — Mid-Peninsula Page Mill YMCA
- Past Treasurer — Palo Alto Chamber of Commerce
- Past Vice Chairman — Eldercare Alliance
- Past Board of Directors — Bay Bio Institute
- Past Treasurer — Friends of Palo Alto Junior Museum and Zoo

Services

Audit

Industries

Life Science
Technology

Education

MS/Taxation — Golden Gate University
BA/Business Economics — University of California, Santa Barbara

Jenise Gaskin, CPA

Business Process Outsourcing Practice Group Leader

Employee Benefit Plan Audit
Group Leader

925-296-1016

JGaskin@bpmcpa.com

Walnut Creek
2001 North Main Street, Suite 360
Walnut Creek, California 94596

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



Overview

Jenise leads BPM's Pension Industry Group. She has over 32 years of experience in a variety of industries including auto dealerships, banks, construction, health care, insurance, manufacturing, nonprofits, overhead rate audits, professional services, real estate, retail, and restaurants. She has extensive experience in governmental and HUD projects, audits and consultation on all types of pension plans including 403b, 401a, 401(k), Defined Benefit, ESOP and profit sharing plans.

Jenise assists clients in the preparation of business plans, implementation of accounting and software systems, personnel issues, mergers and acquisitions, bankruptcy, and internal controls. She also provides audits, compilations, reviews, analysis of internal controls and operations, forecasts, and projections.

Industries

Automotive
Consumer Business
Nonprofit
Pension
Real Estate

Education

BS/Business Administration —
University of California, Berkeley

Interesting Tidbit

Jenise turns on BPM's lights every morning at 5:00 am! She joined BPM in 1992 and is currently the longest running full-time employee at the firm.

Community

- Board Member – Diablo Valley College Foundation
- Chair – ProVisors, Walnut Creek Chapter
- Member – American Institute of Certified Public Accountants (AICPA) and AICPA's Employee Benefit Plan Audit Quality Control Center (EBPAQC)
- Member – Financial Women's Association of the East Bay
- Member – Leading Edge Alliance – Pension Sig Leader
- Member – ESOP Association and NCEO
- Member - California Society of CPA/s (CalCPA)

Certification

Certified Public Accountant (CPA)

Robert Houston, CPA

Partner, Tax

Tax Specialty Services Leader

415-288-6238

RHouston@bpmcpa.com

San Francisco

600 California Street, Suite 600
San Francisco, California 94108



Overview

Bob's practice includes planning, compliance, and implementation of sophisticated tax strategies for complex, multinational multi-entity organizations, including extensive experience with public and closely-held corporations. Additionally, Bob has specific experience working with foreign subsidiaries of U.S.-based parent companies. Areas of expertise include Subchapter C, Subchapter S, tax accounting methods and periods, and accounting for income taxes (FAS 109 and FIN 48).

Bob has been actively involved in developing and delivering tax training programs nationwide for the Big Four accounting firms. Previous experience also includes being an adjunct professor of Accounting and Taxation at Golden Gate University, along with being a contract trainer for a large international bank.

Bob Houston holds an active CPA license in California.

Interesting Tidbit

Bob has flown around the world in 9 days, with stops in London, Budapest, Zurich, Bangkok, and Hong Kong.

Services

ASC 740 Solutions
Corporate Tax Services
FIN 48 Analysis
State & Local Taxes
Tax Credit Incentives

Industries

Consumer Business
Life Science
Nonprofit
Technology

Education

BS/Accounting — San Francisco State University

Community

- Certified Public Accountant — California
- Member — American Institute of Certified Public Accountants (AICPA)
- Member — Tax Division of the American Institute of Certified Public Accountants
- Member — California Society of CPAs (CalCPA)

Melodie Olson, CPA

Senior Manager, Assurance

415-677-4606
MOlson@bpmcpa.com

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



Overview

Melodie has more than ten years of professional public accounting experience, and is an assurance senior manager in BPM's San Francisco office. Her audit experience includes working with companies in a variety of industries – including education nonprofits, private foundations, religious organizations, professional service organizations, real estate and consumer products. Melodie is active in BPM's nonprofit group, and she assists in developing and conducting nonprofit training sessions for staff.

Melodie Olson holds an active CPA license in California.

Interesting Tidbit

Melodie was born and raised in Michigan and travels back annually to spend time "Up North" at her family's cabin.

Certification

- Certified Public Accountant (CPA)

Professional Affiliations

Member – California Society of CPAs (CalCPA)

News & Events

Nonprofit Accounting Update 07.18.19

Learn Why a Successful Capital Campaign is Important to Your Nonprofit Organization 03.07.19

Preparing Nonprofit Finance Teams for a Successful Capital Campaign 01.16.19

Services

Audit

Industries

Manufacturing & Wholesale
Nonprofit
Real Estate

Education

B.S.E. Accounting – Saint Mary's
College of California

Blake Rogers

Senior, Assurance
415-288-8251
BRogers@bpmcpa.com

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



Overview

Blake has been with BPM for 3 years. He serves a wide variety of clients in industries including nonprofit and for profit organizations, including Nonprofit, Renewable Energy and Venture Capital. He has several years of experience in public accounting providing primarily review services. He has also worked on audits for international entities under International Financial Reporting Standards (IFRS)

Professional Affiliations

- Member – California Society of CPAs (CalCPA)

Certification

Certified Public Accountant (CPA)

Services

Audit

Industries

Nonprofit
Renewable
Energy
Venture Capital

Education

BA/Economics and Accounting
– University of California, Santa
Barbara

Maria Melo, CPA

Senior Manager, Assurance

925-296-1024

MMelo@bpmcpa.com



Overview

Maria has more than ten years of professional experience in public accounting, serving both public and private companies in a wide variety of industries including benefits plans, manufacturing, retail and financial services. Maria has extensive knowledge of ERISA regulations and auditing Employee Benefits Plans. Maria assists clients implement their fiduciary responsibilities and prepare for their annual auditing process as required by the Department of Labor and the Internal Revenue Service. Maria has also conducted many of BPM's employee benefit plan training sessions for our staff. She is experienced in providing accounting and attest services including financial statement audits, reviews and compilations. She is a member of the Cal Society of CPAs.

Interesting Tidbit

Maria had about a one percent chance of falling out of a raft on a company excursion—and of course did. Bonus points: Maria can't swim.

Professional Affiliations

- Treasurer— Ronald McDonald House Charities of the Bay Area –2011
- Member – California Society of CPAs (CalCPA)

Certification

- Certified Public Accountant (CPA)

Services

Audit
Employee Benefit Plan Audit

Industries

Financial Services
Manufacturing & Wholesale
Pension

Education

BS/Business Administration, Accounting
– California State University-Hayward

Elena Serebriakova, CPA

Director, Tax

925-266-1087
ESerebriakova@bpmcpa.com

Walnut Creek

2001 North Main Street, Suite 360
Walnut Creek, California 94596



Overview

Elena has over twelve years in public accounting, with a focus on providing tax services to nonprofit and for-profit organizations. Her nonprofit experience includes community foundations, professional membership associations, education organizations, performing arts organizations, social welfare organizations and private foundations.

Interesting Tidbit

Elena's first degree is in Applied Mathematics.

Professional Affiliations

Member – California Society of CPAs (CalCPA)

News & Events

Nonprofit Education Series: Recent Tax Reform Changes for Nonprofits 07.19.18

Nonprofit Education Series: Accounting and Tax Update | August 24, 2017 08.24.17

Services

Private Client Services

Industries

Nonprofit

Education

MS/Accounting – California State University, Fresno

2019 Schedule of Billing Rates and Billing Policies

Firm Member	Work Performed	Hourly Fees*
Partner	Accounting/Tax/Consulting Services	\$500 – 660
Partner	SEC Services*	\$550
Director	All Services	\$350 – 510
Manager	All Services	\$330 – 410
Supervisor	All Services	\$240 – 330
Senior	All Services	\$200 – 220
Associate II	All Services	\$160 – 195
Associate I	All Services	\$130 – 160
Bookkeeper	All Services	\$120-140
Administrative	Word Processing/Administrative Support	\$65 – 110
Intern	Miscellaneous	\$30 – 85

*SEC services are billed at 100-110% of normal rates.

These billing rates will be charged for all work unless there is a written agreement stating otherwise.

Out-of-Pocket Expenses

Direct out-of-pocket expenses such as travel, outside consultants, lodging, and other similar expenses are billed at our cost. Indirect expenses such as telephone, fax, postage, photocopy and technology services are billed at 7% of our fees.

Billing

Professional fees and out-of-pocket expenses are billed on a monthly basis. In some cases, billings will be semimonthly. Our billing cycle ends on the last day of each month and bills are usually completed and mailed within ten days. Amounts are due upon receipt of invoice. A service charge of 1% per month will be assessed on all accounts past due 90 days. The firm reserves the right to discontinue services if a balance becomes 60 days past due, unless there is an agreement stating otherwise.



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 Dallas, TX 75251-2005
 (214) 346-5800
 (214) 346-5899 (fax)
 CRIcpa.com

SYSTEM REVIEW REPORT

To the Partners of
BPM LLP
 and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of BPM LLP (fka Burr Pilger Mayer, Inc.) (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended July 31, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As part of our review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards*, audits of employee benefit plans, and examinations of service organizations [Service Organization Control (SOC) 1 and SOC 2 engagements].

In our opinion, the system of quality control for the accounting and auditing practice of BPM LLP (fka Burr Pilger Mayer, Inc.) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended July 31, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. BPM LLP (fka Burr Pilger Mayer, Inc.) has received a peer review rating of *pass*.

Carr, Riggs & Ingram, LLC

CARR, RIGGS & INGRAM, LLC

Dallas, Texas

November 18, 2016



Peer Review Program
Administered by the National Peer Review Committee

American Institute of CPAs
220 Leigh Farm Road
Durham, NC 27707-8110

March 2, 2017

James K Wallace
Burr Pilger Mayer, Inc.
600 California St Ste 600
San Francisco, CA 94108

Dear Mr. Wallace:

It is my pleasure to notify you that on March 1, 2017 the National Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is January 31, 2020. This is the date by which all review documents should be completed and submitted to the administering entity. If your due date falls between January and April, you can arrange to have your review a few months earlier to avoid having a review during tax season.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,

Michael Fawley
Chair—National PRC
nprc@aicpa.org 919 4024502

cc: Douglas Charles Koval

Firm Number: 10102875

Review Number 469601

Letter ID: 1149866A

T 1 819.402.4502 | F 1 819.402.4876 | nprc@aicpa.org

We pride ourselves on exceptional client service and the quality of our work. We would be privileged to work with Golden Rain Foundation.

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This publication contains information in summary form and is intended for general guidance only. It is not intended to be a substitute for detailed research or the exercise of professional judgment. Neither BPM nor any other member of the BPM firm can accept any responsibility for loss brought to any person acting or refraining from action as a result of any material in this publication. On any specific matter, reference should be made to the appropriate advisor.





SHEA LABAGH DOBBERSTEIN
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

Our Proposal for Audit and Tax Services



ROSSMOOR
WALNUT CREEK



SHEA LABAGH DOBBERSTEIN
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS



ROSSMOOR
WALNUT CREEK

July 31, 2019

Rick Chakoff
Chief Financial Officer
GOLDEN RAIN FOUNDATION
800 Rockview Drive
Walnut Creek, California 94545

Dear Rick,

We appreciate this opportunity to submit our proposal to provide professional accounting and tax services to **GOLDEN RAIN FOUNDATION dba ROSSMOOR WALNUT CREEK**.

Our firm works with many prestigious companies in the real estate industry including developers and real estate management organizations. Our clients include real estate enterprises that hold over 200 commercial buildings, cover over 9 million square feet and include over 75,000 apartments. We work with over 600 real estate partnerships and trusts. In addition to our deep experience working with real estate enterprises, our firm specializes in audits of employee retirement plans. We audit over 100 employee retirement plans annually and we are members of the AICPA's Employee Benefit Plan Audit Quality Center. We are one of the largest firms serving the employee retirement plan sector in Northern California.

The following sections of this proposal expand on our qualifications, the scope of our services and our fees. Please feel free to reach out to me if there is further information we may provide as you evaluate our qualifications.

Very truly,

Robert Zurcher

Robert Zurcher CPA
SHEA LABAGH DOBBERSTEIN
Certified Public Accountants and Advisors



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ROSSMOOR
WALNUT CREEK

Firm Facts

BY THE NUMBERS

- *94 Personnel, 14 Principals*
- *75 Year History, founded in San Francisco*
- *9 languages*
- *62% females, 38% males; ages ranging from 22 to 71 years*
- *Over 120 Years Combined “Big 4” Experience*
- *DFK International – Global Presence with Local Expertise – 412 offices*

SERVICES

- *Audit/Assurance*
- *Tax Compliance/Tax Strategy*
- *M&A Support*



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Why Us?

SIX KEY BENEFITS

1. **Senior Level Attention** – Responsive open communication with engagement leaders
2. **Deep Experience Serving Clients in the Real Estate Management, Resorts and Hospitality Sectors**
3. **Technical Ability** of a large firm; **Personal Service** of a regional firm
4. **Dedicated to Private Businesses and their Owners** – not distracted by public company orientation
5. **Low Turnover** – Continuity of SLD staff assigned to clients
6. **San Francisco Based** – Long-standing relationships in the Bay Area business community



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One Coordinated Service Team

One coordinated SLD service team will –

- *Streamline our services through data and knowledge sharing*
- *Create synergies to identify advisory and tax planning strategies*
- *Leverage work performed to minimize overall costs*
- *Minimize disruption to your schedule*



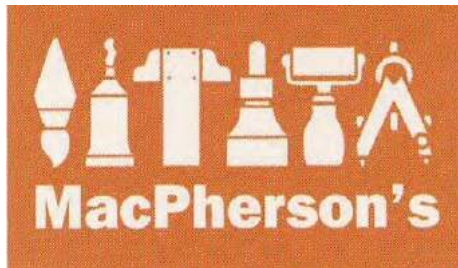


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Representative Clients Served



BevMo!

Hoffmeyer
Company, Inc.

BiRITE
FOODSERVICE DISTRIBUTORS


peak design



KIMPTON[®]
HOTELS & RESTAURANTS

 **Medallion**
A DIVISION OF STURLA, INC.

bcci

builders

IDEC



PURCELL MURRAY

 **The Companion Group**
Family of Brands
AN ESOP COMPANY

HAYES
GROUP
ARCHI
TECTS

SEBASTIANI
VINEYARDS & WINERY



SAARMAN
CONSTRUCTION, LTD



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Rossmoor Walnut Creek Leadership Team at SLD – Page 1



Bob Zurcher, CPA | Principal – Assurance Services (bzurcher@sldcpa.com)

Bob has been providing assurance services to companies for over thirty years. He has worked extensively with companies in the hospitality industry and with companies in a broad range of industries. Bob provides assurance services to privately owned companies facing complex financial reporting issues. Clients served include Pan Pacific Hotels, Epiphany Hotel, Hyatt Hotels, Silverado Resort, Bi-Rite Foods, Don Sebastiani & Sons, Kikkoman and Suntory.

As a former audit partner of PricewaterhouseCoopers, Bob delivered assurance services to both public and private companies for over twenty years. He helped guide many of these clients through initial public offerings, and mergers and acquisitions. Bob was a Director of PwC's international services in Tokyo, Japan and Seoul, Korea. Bob holds a B.A. in Business Administration, Accounting, from the University of Notre Dame.



Nancy Farrell, CPA | Principal – Tax Services (nfarrell@sldcpa.com)

She has over thirty years of tax experience in public accounting, serving diverse clients, from multinational corporations to high-net-worth individuals. Nancy specializes in real estate development, leasing and she also has extensive experience in the fields of architecture, engineering, manufacturing, distribution and retail.

Prior to joining SLD, Nancy's career included over twenty years with the firm Elwood Espina Ferrell, LLP, a premier accounting firm in San Mateo County which merged with SLD in 2007.

Nancy holds a B.A. in Business Administration, Accounting, from San Francisco State University. Nancy is a Certified Public Accountant.



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Rossmoor Walnut Creek Leadership Team at SLD – Page 2



Liza Belale, CPA | Principal – Consulting Audit Partner (lbelale@sldcpa.com)

Liza has over twenty years of experience providing auditing and accounting services to multinational corporations and closely held businesses and their retirement plans. She is the technical leader of the firm's employee benefit plans practice. Liza was an audit manager with Ernst & Young (formerly Arthur Andersen), an international accounting firm where she was responsible for managing multiple engagements with overseas operations, complex consolidations and supervision of multiple audit teams.

Liza obtained her BS degree in Commerce, major in Accounting from Saint Louis University, Philippines, cum laude. She is a Certified Public Accountant in both the United States and the Philippines, member of the American Institute of Certified Public Accountants, and member of the California State Society of CPAs



Mike Stephens, CPA, MBA | Director – Assurance Services (mstephens@sldcpa.com)

He has over thirteen years of experience providing auditing and accounting services to companies in a broad range of industries, including food and beverage, manufacturing, and distribution and wholesale.

Prior to joining SLD, Michael worked with the publicly traded, multinational financial services firm, Franklin Templeton Investments, as a Financial Reporting manager. Prior to that, he was audit manager with PricewaterhouseCoopers where he worked for over five years.

Michael graduated from St. Louis University with an MBA and a Bachelor's of Science degree in Business Administration, with a major in Accounting.



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Rossmoor Walnut Creek Leadership Team at SLD – Page 3



Maggie Monroe, CPA | Senior Manager – Tax Services (mmonroe@sldcpa.com)

Maggie has been providing tax services for over twenty-five years. Maggie has extensive experience with high net worth individuals, partnerships, trusts and corporations. Originally from Honolulu, Hawaii, Maggie moved to the mainland in 2000. She gained experience with Moss Adams before moving joining Shea Labagh Dobberstein in 2006.

Maggie is a Certified Public Accountant licensed in California, Hawaii and Washington. She graduated with a Bachelor of Business Administration degree in Accounting from the University of Hawaii at Manoa's Schidler School of Business. Maggie is a member of the American Institute of CPAs, the Washington State Society of CPAs.



Yvonne Wu, CPA | Manager – Assurance Services (ywu@sldcpa.com)

Yvonne has over six years of experience in public accounting, providing auditing, accounting and tax services. She works with companies in numerous industries, including food and beverage, manufacturing, distribution, technology, professional services and online retail.

Yvonne holds a Bachelor in Business and Commerce from Aichi-Gakuin University in Nagoya, Japan. She earned her Master of Accountancy degree from University of Idaho. Yvonne is trilingual in English, Chinese (Mandarin) and Japanese. She is a member of the American Institute of Certified Public Accountants and the California State Society of Certified Public Accountants.



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Assurance Program for Rossmoor

Areas of Audit Focus and Approach

- Revenue Recognition and Allowances
- Accounts Receivable and Reserves
- Treasury and Cash
- Property Plant and Equipment Activity
- Accounts Payable and Accrued Liabilities
- Borrowing / Credit Agreements
- Pension Liabilities and Expense
- Payroll and Other Operating Expenses
- Discuss Draft Financial Statements and Audit Results with Management
- Meet with Audit Committee and Management at Conclusion of the Audit



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Assurance Program for Rossmoor, Continued

We Will Develop Our Audit Plan Based On

- ✓ An audit approach specifically tailored to your organization and accounting systems as they relate to the Trust's financial reporting and your retirement plans
- ✓ Obtaining an understanding of your organization and dynamics of the plans
- ✓ Obtaining an understanding of your internal controls and key terms and features of the plans
- ✓ Developing appropriate audit procedures designed to attain assurance about financial statement representations and within the parameters of your Plan's DOL limited-scope audits
- ✓ Discussion with the predecessor auditor regarding their prior testing of the financial statements and underlying records
- ✓ Applying analytical review techniques to financial records and making inquiries of key financial personnel

Audit Service Timeline

Process	Timing
Tax and Audit Planning, including Coordination with Audit Committee and Management	October 2019
Communicate Preliminary Requests for Client Prepared Documents for Audit and Tax	November 2019
Internal Control Procedural Walk-through and Audit Risk Assessments	December 2019
Perform Interim Audit Testing of Accounting Records	December 2019
Sample Selections and Confirmation Templates to Rossmoor Walnut Creek	Late January 2020
Rossmoor Walnut Creek Delivers Account Details for Tax Return Preparation and Audit	Early February 2020
Perform Audit Fieldwork at Rossmoor Walnut Creek's Office	Mid February 2020
Audit Report Draft to Management for Review and Approval	Mid March 31, 2020
Audit Report Issuance	Mid March 2020
Audit Committee Communication and Internal Control Recommendations	April 2020
Perform Audits of Rossmoor Retirement Plans	June 2020
Finalize 2019 Tax Returns	July 2020



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Our Service Philosophy

Ongoing Open Communications

We believe that open communications are critical to an effective and non-disruptive audit process.

- We will provide regular check-in calls to keep you apprised of the audit status

Rossmoor Walnut Creek will obtain the greatest benefit from our relationship through candid, open communication. We want to be your advisors as well as your accountants. Our commitment to communication includes:

- Year-round availability of the team leaders for consultation
- Meeting with management to discuss the results of the engagement
- Candid discussion about our observations and suggestions involving your organization



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Seamless Coordination with SLD Tax Team

A key advantage of working with SLD is our close coordination between our tax and audit personnel

- Our focus on private businesses allows our personnel to quickly recognize tax and business opportunities for the Company
- The SLD audit team will obtain much of the critical information needed for your income tax filings – thereby eliminating duplicate requests for data and making your life easier

Our SLD tax team will provide:

- ✓ Proactive Tax Planning During the Year to Avoid Surprises
- ✓ Clear Communication of Information Required from Rossmoor Walnut Creek
- ✓ Close Coordination of Tax Service with Audit Team
- ✓ Identification of Tax Credits and Deductions
- ✓ Evaluation of the Impact on Income Taxes of New Developments in the Organization's Business or Transactions Being Considered



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Our Employee Benefit Plan Audit Expertise

Our proposal includes the audit of financial statements of your employee retirement plans.

- We are a member of the AICPA Employee Benefit Plan Audit Quality Center, which was established to promote the quality of employee benefit plan audits
- Annually, we provide audit services to over 100 employee benefit plans
- SLD is proud to hold the distinction of being among the top 10% of accounting firms in the country, based on a recent peer review report
- Our in-depth understanding of the reporting and compliance issues facing 401(k) plans will benefit your plan with:
 - ✓ *Improved financial statement presentation and analysis for compensation committee*
 - ✓ *Completion of the audit and delivery of all reports in a timely manner*
 - ✓ *Smooth coordination of responsibilities with the plan administrator*
 - ✓ *Communication of observations and recommendations related to DOL compliance and financial reporting matters*



Proposed Fees

Requested Services

- » Audit of the combined financial statements of Golden Rain Foundation Trust and Trustee for the year ending December 31, 2019
- » Limited scope audit of the Pension Plan for Employees of Golden Rain Foundation of Walnut Creek for the year ending December 31, 2019
- » Limited scope audit of the Golden Rain Foundation 401(k) Retirement Plan financial statements for the year ending December 31, 2019
- » Prepare federal and state income tax returns for Golden Rain Foundation for the year ending December 31, 2019

Proposed Fees

\$62,000 to \$64,000

\$18,000 to \$19,000

\$12,000

\$5,000 to \$6,000



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Proposed Fees, Continued

- In addition to our professional service fees quoted above, administrative and technology support costs will be billed separately at the rate of \$19 per hour incurred to cover our costs of local transportation, administrative support, computer and telecommunications support.
- Our fee proposals do not include time required for significant changes to the Company's operations or financial structure. Any significant acquisitions, mergers, equity transactions or unusual transactions will merit a review of the above fee proposals.
- Our hourly rates vary by experience level and type of service performed. Presently, our hourly rates are as follows:
 - Principals and Directors \$405 - \$455/hr.
 - Managers \$325 - \$400/hr.
 - Staff \$120 - \$320/hr.



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INSIDE Public Accounting Awards

INSIDE Public Accounting
2015 TOP 200 FIRMS

INSIDE Public Accounting
2015 BEST OF THE BEST FIRMS

INSIDE Public Accounting
2016 TOP 200 FIRMS

INSIDE Public Accounting
2016 BEST OF THE BEST FIRMS

INSIDE Public Accounting
2016 FASTEST-GROWING FIRMS

INSIDE
PUBLIC ACCOUNTING
TOP 200 FIRMS
2017

INSIDE
PUBLIC ACCOUNTING
BEST OF THE BEST FIRMS
2017

INSIDE
PUBLIC ACCOUNTING
FASTEST-GROWING FIRMS
2017

2015

2016

2017



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Our Global Alliance

Shea Labagh Dobberstein is a leading member of DFK International



- DFK is a strategic association of independent accounting and consulting firms with 412 offices throughout the world
- This alliance provides SLD with access to accounting, tax and advisory resources in 45 cities in the United States and 91 other countries
- This alliance provides Rossmoor Walnut Creek with resources nationally and internationally if your circumstances warrant

*Not everything that counts can be counted,
and not everything that can be counted counts.*

- Albert Einstein



sldcpa.com

San Francisco HQ

44 Montgomery Street
Suite 3200

San Mateo Office

1700 S. El Camino Real
Suite 500

Walnut Creek Office

100 Pringle Avenue
Suite 415

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OPPORTUNITY RISING

AUDIT AND TAX SERVICES PROPOSAL FOR

GOLDEN RAIN FOUNDATION

Joelle Pulver, Partner

Moss Adams LLP
101 Second Street, Suite 900
San Francisco, CA 94105
(415) 956-1500



Dear Mr. Chakoff:

We appreciate the opportunity to submit our proposal to provide audit and tax services to the Golden Rain Foundation. Golden Rain Foundation was a client of Gordon Odom and Davis for about 10 years and remained a client for another two years when that firm merged with Moss Adams in 2002. Moss Adams also did a consulting project a few years ago **and we're excited** at the prospect of serving you once again.

We're committed to one goal at Moss Adams: to provide noticeably superior, value-added services that make a difference to your organization. Our commitment to your success and desire to exceed your expectations drives everything we do. You'll see the Moss Adams difference because we're more than an accounting firm; we're a business resource you can count on.

As you'll see, our proposal offers you an exceptional combination of experiences and resources to meet your audit and tax needs cost effectively. We believe the following identifies us as the firm of choice.

July 31, 2019

Rick Chakoff
Chief Financial Officer

Golden Rain Foundation
800 Rockview Drive
Walnut Creek, CA 94595

- **Communication throughout the year.** Moss Adams isn't your once-a-year service provider. During the audit and throughout the year, we'll solicit and encourage communication to make sure we're up to date on your operations and keep management apprised of new accounting pronouncements, application of accounting policies, and new accounting and tax issues.
- **A local presence.** We have a thorough understanding of your market because we've been delivering high-quality accounting and related services in the West for 106 years. We have a strong presence in the state of California—with several offices a quick drive away from your location. **Our proximity to you means you'll** be supported by a local team experienced in working with clients like you in the East Bay Area community that will make sure you receive the most value for fees.
- **Superior client service.** You'll get close attention from an industry-focused team that's consistent from year to year, and a firm that cares about your organization. **Whether it's a phone call for advice or an in-person meeting, we're committed to going beyond the task at hand to help you prepare for the future.** Your dedicated team understands the issues you face and will remain actively involved with Golden Rain Foundation throughout our working relationship.

We'd be honored to have Golden Rain Foundation become one of our long-term, valued clients, and appreciate the opportunity to build this relationship with you.

With audit quality and client service placed above all else, we're enthusiastic about the opportunity to serve you and appreciate your consideration of our firm.

July 31, 2019

Rick Chakoff
Chief Financial Officer

Golden Rain Foundation
800 Rockview Drive
Walnut Creek, CA 94595

Sincerely,

A handwritten signature in cursive script, reading "Joelle Pulver".

Joelle Pulver, CPA
Partner
(415) 677-8291
joelle.pulver@mossadams.com

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Realize Your Potential



At Moss Adams, we're excited by the greatness of possibility and the extraordinary potential for companies and individuals to prosper. With a rare blend of optimism, openness, and technical excellence, we empower our clients to discover and claim the future.

We look ahead, and bring new approaches and fresh perspectives. And, we regularly collaborate across our practices to identify new opportunities for your business to succeed.

This means, you'll get much more than just accounting services—you'll get strategic and timely business

advice. Distinguished for our depth of industry knowledge, we take the time to understand each client's business or individual situation, anticipate needs, and identify gaps before they become obstacles. This way, you can grow, manage, and protect your prosperity with confidence.

WHY CHOOSE MOSS ADAMS?

When selecting a firm for Golden Rain Foundation's audit and tax services, you'll likely consider many factors: fees, experience, technical expertise, and knowledge of your industry. But there are other elements you'll want to take into account. For example:

- **Communication.** Will your engagement team communicate frequently with your management and board, avoiding the possibility of an unpleasant surprise?
- **Resources.** Will you have access to the entire firm's senior industry and technical resources, or just lower-level staff?
- **Team continuity.** Will the engagement team you hire remain consistent, or will you have to continually get new members up to speed on your business?
- **Relationship.** Will the relationship extend beyond the conclusion of the audit and tax work?
- **Additional services.** If you have transaction, IT, or other needs, can your firm handle those too?

Consider the benefits of having an auditor who can offer you a full portfolio of services beyond your current audit and tax needs, if the need arises. Our blended team of industry experts will bring you a fresh perspective based on our experience and insights. We'll take a holistic view of your operations—mission, services, geographic footprint—and provide creative ideas to help your business prosper.

Moss Adams understands your needs aren't limited to any given engagement or even any given service. Delivering a full spectrum of accounting, consulting, and wealth management services, we offer our perspective to help you conquer challenges as you plan for what's next.

Let us show you what Moss Adams can do for you.

Foundation and Senior Living Experience



Foundations are highly visible representatives of the not-for-profit sector and, as such, represent the largest segment of our Not-for-Profit Practice. We serve more than 400 independent grant-making foundations, community foundations, hospital foundations, and operating foundations throughout the western United States, most of which are large entities with hundreds of millions of dollars in assets. As funding intermediaries, foundations distribute grants from earnings of endowment investments and other sources, as well as contributions from donors, all of which require the specialized services we provide.

For nonprofit foundations like yours, we offer the following:

- Board education
- Pension audits
- State and local tax
- Strategic planning

We also have a significant practice serving senior living. Beyond tax compliance and financial statement audits, our team of dedicated senior living and long-term care professionals possesses a wide range of experience working closely with clients on a variety of issues relevant to your organization.

More than 170 senior living across the nation rely on us for help with some of their most important decisions. We strive to offer an exceptional level of expertise as well as the personal, partner-level attention you've come to expect.

Employee Benefit Plan Experience

Because of your commitment to your employees and their future retirement welfare, it's vital for you to work with an auditor who has significant experience providing audit and consulting services for benefit plans. Moss Adams has a specialty group devoted to benefit plan auditing which has been in place since the enactment of the Employee Retirement Income Security Act (ERISA).

Each year, Moss Adams audits over 1,750 plans of all types firmwide. Our benefit plan clients cover a number of industries, and the plans range in size from 100 to over 100,000 participants with \$100,000 to over \$5 billion in assets.

Number of Plans Audited by Type*

Type of Plan	Number of Plans Audited
ALL PLANS	1,752
Defined contribution plans	1,387
Defined benefit plans	147
403(b) plans	116
Health and welfare plans	65
Employee stock ownership plans	37

**Audits performed 11/1/17–10/31/18*

Number of Plans Audited by Size

Size of Plan	Number of Plans Audited
ALL PLANS	1,752
Assets greater than \$1 billion	37
Assets greater than \$100 million, less than \$1 billion	270
Assets greater than \$50 million, less than \$100 million	172
Assets greater than \$25 million, less than \$50 million	229
Assets greater than \$10 million, less than \$25 million	390
Assets greater than \$5 million, less than \$10 million	258
Assets greater than \$1 million, less than \$5 million	263
Assets less than \$1 million	133

Service Providers and Recordkeepers

Here's a partial list of service providers, recordkeepers, payroll providers, actuaries, and custodians we regularly work with. Moss Adams works with over 150 of these organizations. We've also worked with a variety of ERISA attorneys around the country.

Service Providers		
• ADP	• Merrill Lynch	• State Street Bank and Trust Company
• American Funds	• Milliman	• T. Rowe Price
• Ascensus	• Mutual of America	• TIAA
• Bank of New York Mellon	• Newport Group	• Transamerica
• Ceridian	• Northern Trust Company	• Ultipro
• Cuna	• Northwest Plan Services	• USI Consulting Group
• DST Retirement Solutions	• Paychex	• Vanguard
• Empower (formerly Great-West Life & Annuity Insurance Company)	• Paycom	• Variable Annuity Life Insurance
• Fidelity	• Paylocity	• Voya Financial
• John Hancock	• Principal Life Insurance Company	• Wells Fargo
• Kronos	• Prudential	• Willis Towers Watson
• Lincoln National Financial Group-Alliance & Multi-fund	• Schwab	• Workday
• Mass Mutual	• Standard Insurance Company Retirement Plans Business Unit	
• Mercer		

The Firm's Benefit Plan Consulting Capabilities

Our team of dedicated benefit plan consulting professionals offers a wide range of benefit plan consulting services:

- Review of plan documents and operating procedures
- Review of overall plan strategy and cost structure
- Assistance with determining the "Best Plan" to sponsor
- Facilitation of requests for proposal processes
- Assessment and recommendations for benefit service providers
- Facilitation in preparation or review of Form 5500 filings and attachments
- Resolution of complex compliance issues discovered during the audit
- Assistance with prohibited transaction issues
- Preparation and filing of Form 5330
- Assistance with IRS and DOL audits

We can provide consulting services to the extent permitted by professional standards in order to maintain our firm's independence to provide services and in such a manner which doesn't constitute the practice of law.

AICPA Employee Benefit Plan Audit Quality Center Member

Moss Adams has been a member of the AICPA's Employee Benefit Plan Audit Quality Center (EBPAQC) since its inception. The EBPAQC was established to help CPAs meet the challenges of performing quality audits in this unique and complex area. The EBPAQC provides members communication of regulatory developments, guidance on best practices, and technical updates. Bertha Minnihan, our firm's previous national Employee Benefit Plan Services leader, has served on the EBPAQC's executive committee and the AICPA Employee Benefit Plans Expert Panel.



Audit Services

Having helped numerous clients transition auditors over the years, we understand how important it is to make the changeover process as smooth as possible. We'll assume all costs related to the transition and make every effort possible to minimize disruption to you and your organization. We believe that the keys to a successful auditor transition include planning, understanding of expectations, open communication, understanding roles and responsibilities, and regular updates.

TRANSITIONING TO MOSS ADAMS

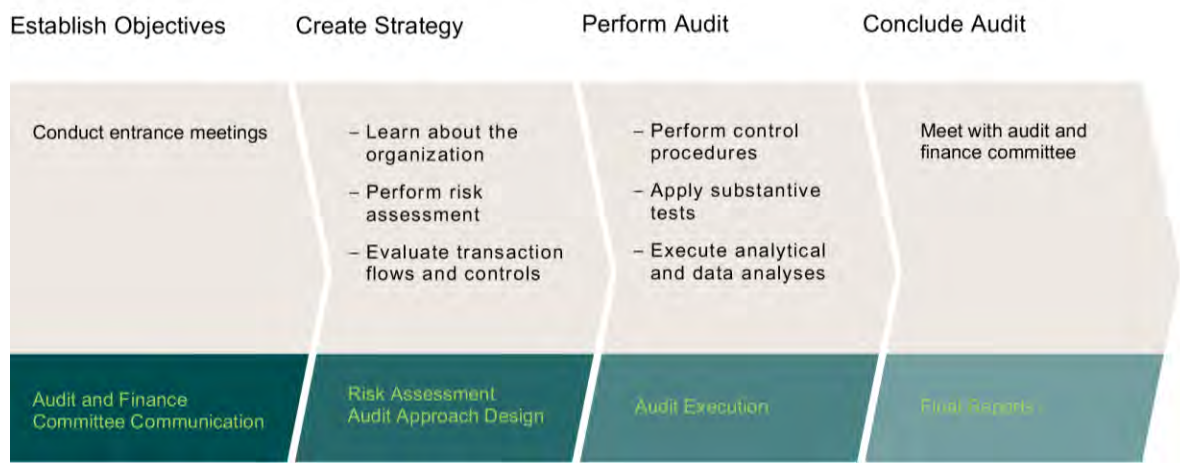
It's our first step in welcoming you as a new client—and it's an important one. Our goal? To avoid disruption to your staff and make the transition period as smooth as possible. You'll get the following:



Transition Steps

1. **Entrance meetings.** Conference with your finance department and other appropriate groups to discuss risks, expectations, processes, and timelines.
2. **Planning sessions.** Meet with key managers to discuss risks, expectations, the audit process and timelines, and to share key strategic, financial, and operational information.
3. **Review working papers.** Examine your prior auditor's working papers to understand their audit approach and the timing of their procedures and to determine the scope of any additional procedures our team will perform on the opening balances in your financial statements.
4. **Design audit approach.** Devise an efficient and effective approach that addresses the potential risks we discover during the transition.

FINANCIAL STATEMENT AUDIT APPROACH



Golden Rain Foundation will benefit from our customized, risk-based audit approach as well as the timely and effective communication and coordination of our audit activities. With dedicated and ongoing involvement from our partners and senior-level professionals, the audit will be planned and executed by an experienced team that understands your industry. During the audit, your Moss Adams audit partner, will be in the field to review the work in progress and address any issues with management. This reduces time spent on post-audit procedures and wrap-up.

Our emphasis on tailoring an integrated audit to focus on the areas of significant risks allows us to complete the audit in an efficient and effective manner. Our audit will include the following:

- Plan the engagement based on a thorough understanding of your business risks and transactions
- Communicate and coordinate activities with management and the audit committee based on an agreed-upon timeline
- Conduct continuous audit procedures to increase efficiency and reduce the burden on your personnel at year-end
- Work with management to resolve any complex accounting or reporting issues as early as possible in the audit process
- Provide recommendations to management for areas of improvement

Communicating with Management

Your auditor is required by auditing standards to communicate certain matters to those charged with governance of your organization, such as your audit committee and board of directors, and with management. Such communications are required when planning the audit as well as when the audit is complete.

In the planning phase, we'll communicate such matters as our responsibilities with regard to the financial statement audit, independence matters, and the planned scope and timing of the audit. At the outset of the engagement, we'll strive to create two-way communication so we can hear from you about matters you consider relevant to the audit, such as strategic decisions that may significantly affect the nature, timing, and extent of audit procedures; the suspicion or the detection of fraud; or other concerns you have.

At the conclusion of the audit, we'll communicate the results of our audit and significant findings or issues from the audit. These may include our views about the qualitative aspects of your significant accounting practices, including accounting policies, estimates, and financial statement disclosures. We'll also communicate material audit adjustments and uncorrected misstatements. In addition, we're required to communicate to you all significant deficiencies and material weaknesses.

Our communication typically includes sharing best practices, exceptions encountered during testing, other deficiencies in internal control that aren't considered material weaknesses or significant deficiencies, and recommended areas of improvement.

Advanced Audit Technology for Efficiency

Moss Adams uses secure technology to provide an efficient and effective audit for our clients. Below, we've included some examples of the technology we use.



Audit Command Language (ACL) – A high-powered data mining tool.

Using ACL, our team can analyze up to 100% of data populations of nearly any size and quickly extract useful information. Our analysis of your data is more efficient and we can identify exceptions faster using ACL's hundreds of built-in data analysis commands and tools.

Moss Adams Client Portal – A secure web-based tool used to easily transfer and temporarily store sensitive documents related to your engagement.

The portal can accommodate extremely large data files, and because it's a private portal, it's also vastly more secure than email or physical media. The portal stores data files on Moss Adams servers located at our off-site commercial data center. This portal is designed to be user-friendly and accommodate the way your team works, while simultaneously streamlining the file sharing process and accelerating the transfer of your files.

ProSystem fx Engagement – Our trial balance and paperless audit documentation software.

This software electronically links all efforts we use in the assurance process. After obtaining your data and importing or scanning it into the system, our auditors can access the full working paper files from any location with internet access or synchronize documents for working without internet access. We then document our procedures using custom templates in Microsoft Excel, Word, and Adobe Acrobat.

EMPLOYEE BENEFIT PLAN AUDIT APPROACH



Because of the compliance-driven nature of the benefit plan audit, it's important we take time up front to train our staff so they understand benefit plan operations and are familiar with regulations. Our knowledge of AICPA and DOL reporting requirements helps us provide a timely audit with minimal impact on your personnel.

Communication with plan management and governing committees helps us clearly understand your concerns, and allows you to understand why we examine certain areas more than others. We'll meet with you before the start of fieldwork and throughout the year, as needed.

Moss Adams uses a risk-based approach to the audit while still being mindful of DOL “hot buttons.” During the initial stages of the audit, we'll gain an understanding of your plan, perform preliminary analytic procedures, and assess internal control. Our assessment of internal control includes relevant controls performed by your service provider(s) and relevant electronic data processing systems at your organization. To the extent these controls have previously been documented, we won't need documentation in a new format. After we review internal control documentation, we'll identify significant controls and, if necessary, perform detailed tests.

Your service team will perform substantive tests of details on the material account balances and classes of transactions. The substantive tests include evaluation of assumptions used by plan management and the actuary (if applicable) to develop actuarial valuations.

Transactions subjected to both control and substantive tests will be selected using a combination of directed testing and random sampling. The type of audit procedures we select depends on the nature of the account and the auditor's judgment about the risk that the account could be materially misstated.

What's Different About Employee Benefit Plan Audits?

Since employee benefit plan audits are also subject to review by the DOL, we must adhere to not only generally accepted auditing standards but also the expectations of the DOL as communicated to auditors. The DOL has certain expectations of employee benefit plan audits that go beyond the standard financial statement audit. We understand those expectations and have developed audit programs and procedures which encompass those expectations to help assess plan management's protection of the assets and benefits of the plan participants.

Implementation of New Standards

New Accounting Standards Updates (ASU) continue to be issued annually—we'll provide tools, guidance, sample disclosures, and feedback on how to present these disclosures in order to comply with current accounting standards. For example, investments are the largest and most critical component of plan assets. We've assisted our clients with the implementation of new disclosure requirements related to Fair Value Measurement (Subtopic 820-10) of the FASB Accounting Standards Codification.

During our annual planning meetings, we'll brief you on new accounting standards updates that may impact your financial statements.

Tax Services

Tax Approach

Each business is unique and therefore impacted by a distinct mix of tax issues. That's why we tailor our approach to your specific needs. Overall, client service is about building value through a strong client relationship. That's why we proactively help our clients address their tax issues, including strategic tax planning, transaction planning, state and local taxes, and choice of entity issues—just to name a few.

Our approach includes six features:



Our Audit and Tax Teams Work Together to Give You Greater Business Insight

There are many advantages to having the same firm provide both your audit and tax services, including better communication that comes from working as a team. Our tax professionals are an integral part of our client service team and attend audit planning meetings, review preliminary client financial information to identify tax issues, and assist the auditors in auditing tax-related matters. The benefits of this approach include discussing how audit findings can lead to tax savings opportunities and having our tax professionals assist in auditing the tax accruals in your financial statements. It also allows us to better identify areas of improvement in our overall service approach. Finally, it also means more efficient communication as our clients don't need to communicate everything about their business twice—once to their audit firm and once to their tax firm.

Timeline

The following is a proposed first-year engagement schedule for Golden Rain Foundation. We'll discuss any adjustments you may need when we meet with you.

Audit Services	Proposed Timing
AUDITOR TRANSITION	
Schedule to meet with your prior auditor to review their working papers	Upon selection
AUDIT PLANNING	
Meet with management for pre-audit planning and to obtain an understanding of systems, internal controls, and current-year issues	December 2019
Provide management with a detailed list of items needed to perform the audit, including the timing of when items are needed	December 2019
AUDIT FIELDWORK	
Perform interim audit fieldwork and tests of internal controls	December 2019
Send confirmations of cash, investment, and other accounts as deemed necessary	January 2020
Perform substantive audit fieldwork	End of January 2020 & Early February 2020
REPORT PREPARATION	
Present draft of financial statements, audit report, and management letter to senior management	Early March 2020
Present draft of financial statements, audit report, and management letter to the audit committee	March 23, 2020
BOARD COMMUNICATIONS	
Present final audit report, financial statements, and management letter to the board of directors	March 31, 2020

Employee Benefit Plan Audit Services	Proposed Timing
Complete client acceptance procedures and present engagement letter	End of January 2020
Contact Golden Rain Foundation to begin our understanding of systems, internal controls, and current-year issues	February 2020
Provide Golden Rain Foundation's plan administrator with a detailed list of items needed to perform the audit, including the timing of when items are needed	March 2020
Complete initial risk assessment procedures	April 2020
Perform detailed audit test work, provide an open item list, and discuss internal control issues	May 2020
Provide draft audit report to the plan oversight committee	August 15, 2020
Provide final financial statement	Upon management approval
Present findings and recommendations to the plan oversight committee	Upon management approval



Your Service Team

Working with the right team of professionals makes all the difference to your engagement. The team members we've thoughtfully selected to serve your specific needs have years of foundation and senior living experience. But more than that, you'll find they bring an optimistic perspective focused on helping Golden Rain Foundation explore and embrace emerging opportunity. Your Moss Adams team will personally engage with your team and bring a new level of energy and enterprise to your engagement.

TEAM BIOGRAPHIES

Joelle Pulver, CPA, Partner



Engagement Partner

Professional Experience

Joelle has practiced public accounting since 2002. She is experienced with senior living facilities, non-profit organizations, as well as other health care organizations. Joelle possesses a significant amount of experience in auditing and supervising audit engagements of health care entities in California and Oregon. She's a member of the firm's national office providing consultations on complex accounting issues specifically related to non-profits.

Professional Affiliations

- Member, American Institute of Certified Public Accountants
- Member, California Society of Certified Public Accountants
- Member, Oregon Society of Certified Public Accountants

Education

- MPA, Montana State University
- BA, business administration, University of Washington

Kinman Tong, CPA, Partner

*Quality Control
Review Partner*

Professional Experience

Kinman has practiced public accounting since 2003. He serves a diverse spectrum of not-for-profit entities and governments, providing assurance and consulting services to community health centers, FQHCs, higher education institutions, research organizations, foundations, international NGOs, and social welfare organizations.

Kinman also has significant experience working on forensic investigations and litigation support for health care and not-for-profit clients. He's a frequent speaker at conferences and industry events, including NWRPCA, NWRPCA/Community Health Association of Mountain/Plains States, and California Primary Care Association and has participated at the National Association of Community Health Centers. Kinman has also led training on accounting and auditing topics for Moss Adams professionals as well as clients and industry organizations.

Professional Affiliations

- Member, American Institute of Certified Public Accountants
- Member, California Society of Certified Public Accountants
- Member, Young Nonprofit Professionals Network
- Member, Ascend
- Associate, California Primary Care Association

Education

- BS, business administration, University of California, Berkeley

Tracy S. Paglia, CPA, Partner***Tax Partner*****Professional Experience**

Tracy has practiced public accounting since 1997. She has extensive experience assisting not for profit organizations on compliance and consulting tax issues from formation to termination. Tracy is a tax and consulting team member on common interest realty associations, public charity, private foundation, university, association, and health care clients throughout the firm. Her experience includes advising complex groups on interacting with charitable organizations, membership organization issues, treatment of non-member income, compensation and fringe benefit issues, application for tax-exempt status and entity formation, joint venture issues, and charitable planning options for donors.

Tracy is an integral part of the training programs both internally to Moss Adams and externally to groups such as the American Institute of CPAs (AICPA), National Association of College and University Business Officers (NACUBO), LeadingAge, Council on Foundations, and American Society of Association Executives. She leads the firm's tax committee for our Not-for-Profit and Government Practices, and is a member of the AICPA's Technical Resource Panel.

Professional Affiliations

- Member, American Institute of Certified Public Accountants
- Member, California Society of Certified Public Accountants
- Associate member, AICPA Technical Resource Panel

Education

- BS, accounting, University of Idaho

Katherine Djiauw, CPA, Senior Manager

*Audit Senior
Manager*

Professional Experience

Katherine has practiced public accounting since 2007. She focuses her time managing audits of not-for-profit organizations. Her clients include multisite CCRCs and senior living organizations, integrated health systems and district hospitals, community health centers, Knox-Keene health plans, and supporting foundations. Katherine has extensive experience performing accounting of complex areas of her clients' balance sheets and income statements, drafting and overseeing the completion of annual reports, and providing advice and counsel on audits and financial reporting.

Professional Affiliations

- Member, American Institute of Certified Public Accountants
- Member, California Society of Certified Public Accountants

Education

- BS, accounting, San Francisco State University

Jasleen Mann, CPA, Senior Manager

Technical Resource

Professional Experience

Jasleen has practiced public accounting since 2011. She specializes in providing business assurance and consulting services to clients in various industries, including real estate.

Jasleen works closely with clients and team members to provide efficient engagements. She has experience with project management, financial reporting, and accounting compliance; and participates in all phases of engagements including planning, supervision, and report review. Prior to joining the firm, Jasleen spent several years at a Big Four firm providing assurance services.

Professional Affiliations

- Member, California Society of Certified Public Accountants
- Member, Chartered Professional Accountants of British Columbia

Education

- BBA, accounting, Simon Fraser University, Canada

Joyce Fang, CPA, Senior Manager**Employee
Benefit Plan
Senior Manager****Professional Experience**

Joyce has practiced public accounting since 1997. She provides assurance and tax services for employee benefit plans, including defined benefit, defined contribution, health and welfare, governmental, and group legal plans. Her experience includes audit and tax services for closely held family businesses in the agribusiness, manufacturing, distribution, real estate, and consulting industries.

Professional Affiliations

- Member, American Institute of Certified Public Accountants
- Member, California Society of Certified Public Accountants

Education

- BS, accounting and business management, University of Maryland University College, *magna cum laude*
- BA, music, Shanghai Conservatory of Music

Jenae White, CPA, Senior**Audit Senior****Professional Experience**

Jenae has practiced public accounting since 2017. Her focus is providing assurance services to for-profit and not-for-profit health care organizations including long-term care facilities (including those needing single audits for HUD compliance), hospitals, medical groups, independent physician associations, risk-bearing health plans that administer MediCal and Medicare funds, Knox-Keene licensed organizations.

Professional Affiliations

- Member, American Institute of Certified Public Accountants
- Member, California Society of Certified Public Accountants

Education

- BA, business administration, accounting, University of Montana

Bailey Jennings, Staff



Audit Staff

Professional Experience

Bailey has practiced public accounting since 2018. Her focus is providing assurance services to for-profit and not-for-profit health care organizations including long-term care facilities, home health agencies, hospitals, and other Knox-Keene licensed organizations.

Education

- BS, business administration, accounting, California State University, Chico

THE MOSS ADAMS SERVICE PHILOSOPHY

At Moss Adams, we’re all in, personally engaging with clients to help them anticipate, prepare for, and embrace the future. We’re committed to forging a long-term business relationship with you, going beyond just the numbers.



One of the ways we foster closer relationships with our clients is through a high level of partner involvement with each engagement. You get personal attention from our most experienced professionals, who lend their proven technical skills, thoughtful guidance, and steady hand to your most complex business challenges.

And thanks to a staff-to-partner ratio that averages around six to one, we’ve created an environment of intense professional development. This mean our partners—and also our senior managers, managers, and other personnel—can provide Golden Rain Foundation with well-trained, seasoned, tested expertise.

We promise to be proactive, candid, accessible, and knowledgeable—always ready to share our expertise, but seeking first to listen to make sure we understand your organization, its unique needs, and how we can help. Our professional skills are the foundation upon which we build a successful client relationship. It’s the innovative way we apply those skills to your unique circumstances that sets Moss Adams apart.

Client References

Hear for yourself the unique experience our clients have in working with our firm. We're confident they'll share stories of how we make their lives easier, help them identify and take advantage of rising opportunities, and guide them to increased prosperity.

ODDFELLOWS HOMES OF CALIFORNIA / PACIFIC RETIREMENT SERVICES	Mary Schoegg, CFO	(541) 857-7211
PARADISE VALLEY ESTATES	Kevin Burke, CEO	(707) 432-1101
THE FORUM AT RANCH SAN ANTONIO	Nancy Kao, Executive Director	(650) 537-1408

Fees

For our clients, it's about more than the dollars you pay at the end of the day; it's about value. Consider both the tangible and intangible benefits of working with us. You'll get solid and timely deliverables. But more than that, the experience you'll have working with forward-thinking, industry-specialized professionals who work side by side with you to explore new possibilities is where you'll see the value. Invest in your future prosperity and experience a different style of service with us.

Service Description	2019	2020	2021
Audit the combined financial statements for the calendar year 2019 of the Golden Rain Foundation Trust and its trustee, the Golden Rain Foundation to be delivered by March 31, 2020	\$68,500	\$68,500	\$68,500
Audit the financial statements for the calendar year 2019 of the Pension Plan for the Employees of Golden Rain Foundation with a draft to be delivered by August 15, 2020	\$15,000	\$15,000	\$15,000
Audit the financial statements for the calendar year 2019 of the 401(k) Retirement Plan for the Employees of Golden Rain Foundation with a draft to be delivered by August 15, 2020.	\$12,000	\$12,000	\$12,000
Forms 1120 and 100 for Golden Rain Foundation	\$6,200	\$6,200	\$6,200
Examine any activities as determined by the Golden Rain Foundation Audit Committee		Included	
Transition meetings, review of predecessor auditor's workpapers, and getting up to speed		Included	
Attendance at audit committee meetings, including: <ul style="list-style-type: none"> • Presentation of audit results • Communication of internal control issues • Management letter 		Included	
Webinars, regular industry updates, educational and CPE opportunities		Included	
Consulting, as needed		Hourly rates	
Total	\$101,700	\$101,700	\$101,700

Fee Details

The scope of work and related fee quotes are subject to our firm's client acceptance process, which:

- 1) verifies that the firm and the client both understand the specific services we're being asked to perform;
- 2) ensures the terms of the contract are acceptable to both parties and in agreement with professional audit standards; and
- 3) confirms we've staffed the engagement with individuals qualified with the necessary expertise to fulfill our commitments to the prospective client.

In addition, we'll need to complete our inquiries of your former auditor as required by our professional audit standards. And finally, although we've performed an initial review of our independence from Golden Rain Foundation, we'll perform a more detailed inquiry of our partners and staff to make sure we've met applicable independence standards.

Our proposed fees are also based on a presumption that your books and records will be in good condition and your accounting and finance staff will provide reasonable and customary assistance. The estimate is also based on accounting and auditing standards that have been issued as of the date of this proposal submission, which cover a range of issues on an auditor's assessment of risk and required audit documentation. Accounting and auditing standards can and do change, so if future changes are significant enough to warrant it, we'll modify our audit approach, procedures, and scope of work. Before doing so, however, we'll negotiate any adjustment to our fees with you.

Additional Fee Information

Subject	The Details
Routine Phone Calls and Emails	Our policy is to not charge for short telephone calls seeking miscellaneous advice unless those consultations require significant additional work or research. If a matter requires further follow-up, we'll discuss a fee estimate with you before incurring significant time.
Expenses	Our engagement letter will provide an estimate of the expenses for the services to be provided. Moss Adams includes a standard 5% administrative and technology fee as part of standard expenses on all engagements. This fee covers certain costs that some firms bill separately, including tax and report processing charges, confirmation fees, filing fees, technology fees, and administrative billable time. Direct travel will be billed monthly as incurred.
Minor Research and Consultation	If we're requested to provide minor research or consultation service, we'll estimate the number of hours necessary to provide the requested services. We'll then provide a fee quote for your approval before commencing any work. Our fees for these services are generally at our standard billing rates.
Future New Audit, Review, and Accounting Standards	Our fee estimate discussed herein is based on accounting and professional standards that exist and are applicable as of the date of this proposal. To the extent that future rulemaking activities require modification to our audit approach, procedures, scope of work, etc., we'll advise you of such changes and the impact on our fee proposal. If we're unable to agree on the additional fees, if any, that may be required to implement any new accounting, auditing, and review standards that are required to be adopted and applied as part of our engagement, we reserve the right to withdraw from the engagement, regardless of the stage of completion.

About Moss Adams

FIRM BACKGROUND



Moss Adams is a fully integrated professional services firm dedicated to growing, managing, and protecting prosperity. With over 3,200 professionals across more than 25 locations in the market capitals of the West and beyond, we work with the world’s most innovative, dynamic, and promising clients and markets. Through a full spectrum of accounting, consulting, and wealth management services, we bring the deep industry specialization and inspired thinking our mid-market clients seek.

Since we put down roots in the Pacific Northwest more than 100 years ago, we’ve steadily expanded to serve clients not only in the West, but also across the nation and globally. Our full range of services includes accounting (assurance and tax), consulting (IT, strategy & operations, transactions, and specialty), as well as individual and institutional wealth management.

Moss Adams is one of the 15 largest US accounting and consulting firms and a founding member of Praxity, a global alliance of independent accounting firms providing clients with local expertise in the major markets of North America, South America, Europe, and Asia.

ADDITIONAL SERVICES

We offer a full range of services and specializations that span accounting, consulting, and wealth management to suit your specific needs.



Insights and Resources

Online Publications



Keeping you informed about changes in the financial landscape is one of our top priorities. We closely monitor regulatory agencies, participate in industry and technical forums, and write about a wide range of general as well as industry-specific accounting, tax, and business issues. The goal? To provide you with actionable information and guidance to help your organization succeed.

This information comes in two main forms, both delivered to you via email:

- **Alert.** Time-sensitive news about tax and regulatory changes.
- **Insight.** The big picture on accounting and business topics.

We also offer health care-specific newsletters, including the following:

- Quarterly Industry Update
- Health Care Tax Updates
- Market Monitors

Webcasts



Continuing education is vitally important to us, and we're happy to share our knowledge with you and your staff. We frequently offer a wide range of topical online seminars, many of which are archived and available on demand, allowing you to watch them on your schedule—play, pause, or resume later.

Visit mossadams.com/insights to learn more and browse webcasts currently available on demand.

Seminars and Events

You'll be invited to attend a number of conferences and networking events presented by Moss Adams and distinguished guest speakers. Our events are an opportunity for you and your staff to meet our professionals, share best practices with industry peers, and earn CPE.

Subject: Code of Conduct and Ethics

Purpose: To Establish a Code of Conduct for Directors and Committee Members

Board and committee members are expected to adhere to standards of conduct which serve the best interests of Golden Rain Foundation (“GRF”) and are consistent with the exercise of the duties of care and loyalty.

- Duty of care. Directors and committee members shall perform their duties in good faith, in a manner they believe to be in the best interests of GRF, and with appropriate care, including reasonable inquiry, under the circumstances.

In relying on the opinions or reports of others, directors and committee members must act in good faith and conduct reasonable inquiry when the need for such inquiry is indicated by the circumstances.

Before making any decision, directors and committee members should request and obtain all necessary background information and reports to promote informed decisions. They should use their own judgment in voting, and not simply follow the lead of others, or adopt the recommendations of management or staff.

- Duty of loyalty. Each director also owes a duty of loyalty to GRF. Directors and committee members must make decisions that they believe are in the best interest of GRF and must act in such best interest.

Purpose:

The Mutuals and the members of ~~Golden Rain~~GRF are entitled to fair, ethical, and accountable ~~Golden Rain~~GRF leadership. ~~The effective functioning of Golden Rain governance~~Effective governance requires that members of the GRF’s Board and committee members:

- ~~Directors and committee members c~~Comply with both the letter and the spirit of the rules and policies affecting the operations of ~~Golden Rain~~GRF;
- ~~Directors and committee members b~~Be independent, impartial, and fair in their judgments and actions;
- ~~Elected and appointed~~Use their positions ~~be used~~ for the good of ~~Golden Rain~~GRF and not for personal gain; and

Policy 201.5

- ~~Golden Rain~~ Conduct meetings and deliberations ~~and processes be conducted~~ openly, unless legally confidential, in an atmosphere of respect and civility.

The ~~Golden Rain~~ Board therefore adopts the following Code of Conduct for its members ~~of the Board~~ and for members of all committees, whether Board, standing, or ad hoc, to assure community confidence in the integrity of ~~Golden Rain~~ GRF and its effective and fair operation.

Policy:

~~It is the expectation that all~~ All Board ~~and~~ committee members will be expected to:

- Perform their duties in accordance with the established processes and rules of order ~~established by the Board and/or their respective committees.~~
- Respect and support ~~the~~ majority decisions of the Board and/or their respective committees.
- Refrain from using ~~service on the~~ Board or a committee service for ~~his/her~~ their own personal advantage or for the advantage of ~~his/her~~ their family, friends, and/or associates.
- Keep ~~all~~ confidential all GRF confidential information, ~~confidential.~~
- ~~Immediately d~~ Disclose immediately to the Board/committee any perceived or real conflict of interest as soon as ~~he/she has~~ they have knowledge of the potential conflict, in accordance with Policy 201.2.
- Approach all issues with an open mind, prepared to make the best decision for ~~the Foundation~~ GRF.
- Refuse under all circumstances ~~Refrain from accepting cash, any~~ gifts, favors, or promises of future benefits which might compromise ~~his/her~~ independence of judgment or action or give the appearance of such ~~being a~~ compromised. ~~Under no circumstances are cash gifts appropriate.~~
- Refrain from using for private gain or personal benefit GRF resources unavailable to the community in general such as staff time, equipment, supplies, or facilities, ~~for private gain or personal purposes.~~

Policy 201.5

- Support the maintenance of a positive and constructive work environment for ~~Golden Rain~~GRF employees and for residents and businesses dealing with ~~Golden Rain~~GRF.
- Refrain from abusive conduct and, personal ~~charges or verbal~~ attacks upon the character or motives of other Board/committee members, the staff, or the community.
- Make every effort to attend all regular, special, and executive Board meetings and/or committee meetings.
- Prepare appropriately before all~~themselves for~~ meetings, listen courteously and attentively during at all meetings, and focus on the business before the Board/committee.
- Refrain from interrupting other speakers, making personal comments, ~~not germane to the business before the Board/committee~~, or otherwise interfering with the orderly conduct of meetings.
- Comply with all applicable laws in the performance of their duties, including but not limited to the United States and California Constitutions, and the California Civil, Corporations, Business & Professions, and Labor Codes.
- ~~Only~~EExercise authority only as a Board/committee member when acting at a Board or Committee meeting, or as delegated by the Board/committee or Board President.
- Refrain from retaliation, harassment or adverse consequences against persons making good faith allegations of wrongdoing.
- Refrain from using social media to harass, threaten, disparage, or discriminate against any individual. Social media shall not be used to share any GRF privileged or copyrighted information or documents.
- Provide a harassment- and discrimination-free environment for everyone, regardless of gender, sexual orientation, disability, race, age, religion, or physical appearance.

While conducting GRF business or affairs, the following conduct is strictly prohibited:

- Unwelcomed physical contact of a sexual nature such as patting, pinching, or unnecessary touching.
- Overt or implied threats against an individual to induce him or her to perform sexual favors or engage in unwelcomed sexual relationships.
- Verbal harassment or abuse of a sexual nature, including intimating suggestions, making jokes or remarks of a sexual nature to, or in the presence of, an individual who finds them offensive.
- Use of sexually suggestive terms or gestures to describe an individual's body, clothing, or sexual activities.
- Displaying, printing, or transmitting offensive sexually suggestive pictures or materials.

Enforcement:

The ~~Golden Rain~~GRF Code of Conduct expresses standards of ethical conduct expected for members of the Board and ~~all~~GRF committees. Each Board ~~/and~~ committee members shall receive a copy of this Code of Conduct annually and will be expected to abide by ~~such~~it.

Board ~~and~~ /committee members ~~themselves have the primary~~ are primarily responsible ~~to for~~ leality ~~ing~~ that ethical standards are understood and met, and that the community can continue to have full confidence in the integrity of ~~Golden Rain~~GRF leadership.

Chairs of committees and the Board President ~~have the~~ are additionally leality for ~~intervening to intervene~~ when actions of members are brought to their attention that ~~are brought to their attention~~ appear to be in violation of the Code of Conduct.

If any member of the Board or any member of any GRF committee, has reason to believe that ~~there has been a serious~~ violation of the Code of Conduct that would adversely affect the best interests of GRF has occurred, he/she shall inform the accused Board/committee member of the basis for such belief at a meeting of the Board and/or committee and afford the accused Board/committee member an opportunity to respond to the allegation. Where warranted by the allegations, such confrontation shall take place in executive session. A decision as to whether executive session is appropriate, shall be made in consultation with the Chief Executive Officer and if necessary, counsel.

~~If af~~After hearing the accused Board/committee member's response and after making further investigation as warranted by the circumstances, if a majority of the Directors/committee members determine that the accused has committed a ~~serious~~ serious violation of the Code of Conduct, the Board/committee shall take appropriate disciplinary and corrective action. In the case of a violation by a committee member such appropriate

Policy 201.5

corrective action shall be limited to referring the matter for consideration by the Board.

The Board may impose sanctions on Board/committee members when their conduct does not comply with the Board's Code of Conduct, such as a reprimand, ~~or~~ censure, loss of committee assignment or loss of Board Office.

A violation of this Code of Conduct will not be considered a basis for challenging the validity of a Board or committee decision.

Authority: Policy

4/29/10

Subject: Code of Conduct and Ethics

Purpose: To Establish a Code of Conduct for Directors and Committee Members

Board and committee members are expected to adhere to standards of conduct which serve the best interests of Golden Rain Foundation (“GRF”) and are consistent with the exercise of the duties of care and loyalty.

- **Duty of care.** Directors and committee members shall perform their duties in good faith, in a manner they believe to be in the best interests of GRF, and with appropriate care, including reasonable inquiry, under the circumstances.

In relying on the opinions or reports of others, directors and committee members must act in good faith and conduct reasonable inquiry when the need for such inquiry is indicated by the circumstances.

Before making any decision, directors and committee members should request and obtain all necessary background information and reports to promote informed decisions. They should use their own judgment in voting, and not simply follow the lead of others, or adopt the recommendations of management or staff.

- **Duty of loyalty.** Each director also owes a duty of loyalty to GRF. Directors and committee members must make decisions that they believe are in the best interest of GRF and must act in such best interest.

Purpose:

The Mutuals and the members of GRF are entitled to fair, ethical, and accountable GRF leadership. Effective governance requires that members of the GRF’s Board and committee members:

- Comply with both the letter and the spirit of the rules and policies affecting the operations of GRF;
- Be independent, impartial, and fair in their judgments and actions;
- Use their positions for the good of GRF and not for personal gain; and
- Conduct meetings and deliberations openly, unless legally confidential, in an atmosphere of respect and civility.

The Board therefore adopts the following Code of Conduct for its members and for members of all committees, whether Board, standing, or ad hoc, to assure community

confidence in the integrity of GRF and its effective and fair operation.

Policy:

All Board and committee members are expected to:

- Perform their duties in accordance with the established processes and rules of order.
- Respect and support majority decisions of the Board and/or their respective committees.
- Refrain from using Board or a committee service for their own personal advantage or for the advantage of their family, friends, and/or associates.
- Keep confidential all GRF confidential information.
- Disclose immediately to the Board/committee any perceived or real conflict of interest as soon as they have knowledge of the potential conflict, in accordance with Policy 201.2.
- Approach all issues with an open mind, prepared to make the best decision for GRF.

Refuse under all circumstances cash, gifts, favors, or promises of future benefits which might compromise independence of judgment or action or give the appearance of such a compromise.

- Refrain from using for private gain or personal benefit GRF resources unavailable to the community in general such as staff time, equipment, supplies, or facilities.
- Support the maintenance of a positive and constructive work environment for GRF employees and for residents and businesses dealing with GRF.
- Refrain from abusive conduct and personal attacks upon the character or motives of other Board/committee members, the staff, or the community.
- Make every effort to attend all regular, special, and executive Board meetings and/or committee meetings.
- Prepare appropriately before all meetings, listen courteously and attentively during all meetings, and focus on the business before the Board/committee.

Policy 201.5

- Refrain from interrupting other speakers, making personal comments, or otherwise interfering with the orderly conduct of meetings.
- Comply with all applicable laws in the performance of their duties, including but not limited to the United States and California Constitutions and the California Civil, Corporations, Business & Professions, and Labor Codes.
- Exercise authority only as a Board/committee member when acting at a Board or Committee meeting, or as delegated by the Board/committee or Board President.
- Refrain from retaliation, harassment or adverse consequences against persons making good faith allegations of wrongdoing.
- Refrain from using social media to harass, threaten, disparage, or discriminate against any individual. Social media shall not be used to share any GRF privileged or copyrighted information or documents.
- Provide a harassment- and discrimination-free environment for everyone, regardless of gender, sexual orientation, disability, race, age, religion, or physical appearance.

While conducting GRF business or affairs, the following conduct is strictly prohibited:

- Unwelcomed physical contact of a sexual nature such as patting, pinching, or unnecessary touching.
- Overt or implied threats against an individual to induce him or her to perform sexual favors or engage in unwelcomed sexual relationships.
- Verbal harassment or abuse of a sexual nature, including intimating suggestions, making jokes or remarks of a sexual nature to, or in the presence of, an individual who finds them offensive.
- Use of sexually suggestive terms or gestures to describe an individual's body, clothing, or sexual activities.
- Displaying, printing, or transmitting offensive sexually suggestive pictures or materials.

Enforcement:

The GRF Code of Conduct expresses standards of ethical conduct expected for members of the Board and GRF committees. Each Board and committee member shall receive a copy of this Code of Conduct annually and will be expected to abide by it.

Policy 201.5

Board and committee members are primarily responsible for assuring that ethical standards are understood and met, and that the community can continue to have full confidence in the integrity of GRF leadership.

Chairs of committees and the Board President are additionally responsible for intervening when actions of members are brought to their attention that appear to be in violation of the Code of Conduct.

If any member of the Board or any member of any GRF committee has reason to believe that a violation of the Code of Conduct that would adversely affect the best interests of GRF has occurred, he/she shall inform the accused Board/committee member of the basis for such belief at a meeting of the Board and/or committee and afford the accused Board/committee member an opportunity to respond to the allegation. Where warranted by the allegations, such confrontation shall take place in executive session. A decision as to whether executive session is appropriate, shall be made in consultation with the Chief Executive Officer and if necessary, counsel.

After hearing the accused Board/committee member's response and after making further investigation as warranted by the circumstances, if a majority of the Directors/committee members determine that the accused has committed a serious violation of the Code of Conduct, the Board/committee shall take appropriate disciplinary and corrective action. In the case of a violation by a committee member such appropriate corrective action shall be limited to referring the matter for consideration by the Board.

The Board may impose sanctions on Board/committee members when their conduct does not comply with the Board's Code of Conduct, such as a reprimand, censure, loss of committee assignment or loss of Board Office.

A violation of this Code of Conduct will not be considered a basis for challenging the validity of a Board or committee decision.

Authority: Policy

4/29/10

Background on **Enterprise Risk Management**

GRF Planning Committee

July 8, 2019

Enterprise risk management (ERM): what is it?

ERM is a **systematic, disciplined approach** that an organization's Board and management can use to:

- *Identify*, *assess*, and *prioritize* risks that can affect it,
- *Minimize*, *monitor*, and *control* the likelihood of occurrence and the impact of those risks, and
- *Realize* opportunities.

ERM is a best practice developed by **COSO**

Committee of Sponsoring Organizations of the Treadway Commission
(established 1985)



COSO is an amalgam of five major American professional associations. It's a recognized and well-respected leader in generating guidance and frameworks on internal control procedures, fraud prevention, and ERM

COSO's definition of ERM

COSO defines ERM as:

“The culture, capabilities, and practices, integrated with strategy-setting and performance, that organizations rely on to manage risk in creating, preserving, and realizing value”

Ideally, ERM is embedded throughout an organization to align strategy and performance across all departments and functions. ERM is more than just preventing erosion of value and minimizing potential harm; it also can be a dynamic part of managing an entity in setting strategy and identifying and exploiting opportunities to create value.

Strategy and risk appetite

Risk appetite is defined as the **amount of risk an entity will accept to pursue value**.

Risk appetite relates directly to an entity's overall strategy. By using a systematic ERM approach, an organization's Board and management can select a strategy that aligns anticipated value creation with its risk appetite.

ERM roles and responsibilities

Responsibilities for ERM extend throughout an organization:

- The Board of Directors oversees the organization's ERM program
- **The CEO ultimately owns responsibility for ERM**
- The CEO may form an ERM Executive Committee within management, including the CFO, to help carry out the entity's ERM program
- Senior managers manage risks that relate to their unit's objectives
- Unit leaders and line employees comply with ERM policies and apply ERM techniques and methodologies to ensure that risks are appropriately identified, assessed, responded to, reported on, and monitored

The Audit Committee's role in ERM

Under best practices, audit committees are encouraged to **support the creation of an ERM function** and to **monitor** an organization's results.

In general, audit committee responsibilities include:

- Understanding the organization's internal control environment and overall risk profile
- Assessing whether effective internal controls are in place
- Assessing whether risks that might prevent the organization from achieving its objectives or maintaining its reputation have been identified
- Knowing how the organization mitigates these key risks

Benefits of ERM

An organization that integrates ERM into its structure and operations may be able to:

- **Increase its range of opportunities**

Opportunities can be realized by identifying both positive and negative aspects of risk

- **Increase positive outcomes and advantage while reducing negative surprises**

Both are achievable by developing appropriate responses to identified risks

- **Identify and manage entity-wide risks**

Integrating ERM allows an organization to recognize risks from one area that may affect other areas or the whole

- **Reduce performance variability**

Managing the risk of overperformance as well as underperformance to preserve value

- **Improve resource deployment**

Having risk information allows management to assess resource needs and optimize allocations

- **Enhance enterprise resilience**

ERM allows an entity to thrive by anticipating and responding to change

ERM and decision-making

As entities seek to create, realize, and preserve value, they make decisions about strategy, business objectives, performance targets, and allocation of resources. Integrating ERM into the life cycle of an organization means that it can make risk-aware decisions.

Specifically, gathering information about the organization's risk profile through ERM can enhance overall decision-making, including an understanding of:

- the severity and type of the risk
- the business context
- the assumptions underlying the identification and assessment of that risk, and
- the entity's risk culture and appetite.

Enterprise risk management (ERM): what is it?

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