Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2015

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2015 or fiscal plan year beginning 07/01/2015 and ending 06/30/2016

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
GIUMARRA VINEYARDS CORPORATION HOURLY PENSION PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 05/01/1967

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
GIUMARRA VINEYARDS CORPORATION

P.O. BIN 1969
BAKERSFIELD, CA 93220

11220 EDISON HWY
BAKERSFIELD, CA 93220

2b Employer Identification Number (EIN)
95-1496509

2c Plan Sponsor's telephone number
661-395-7020

2d Business code (see instructions)
111300

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	04/15/2017	KENNETH BOWLES
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

Preparer's name (including firm name, if applicable) and address (include room or suite number)

Preparer's telephone number

3a	Plan administrator's name and address [X] Same as Plan Sponsor	**3b**	Administrator's EIN
		3c	Administrator's telephone number
4	If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:	**4b**	EIN
a	Sponsor's name	**4c**	PN

5	Total number of participants at the beginning of the plan year	**5**	1793
6	Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1)	Total number of active participants at the beginning of the plan year	**6a(1)**	1783
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	1783
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	0
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	1783
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f	Total. Add lines **6d** and **6e**.	**6f**	1783
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	0
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
1A 1H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)	[X]	Insurance
(2)	[ ]	Code section 412(e)(3) insurance contracts
(3)	[X]	Trust
(4)	[ ]	General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)	[X]	Insurance
(2)	[ ]	Code section 412(e)(3) insurance contracts
(3)	[X]	Trust
(4)	[ ]	General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	[X]	**R** (Retirement Plan Information)
(2)	[ ]	**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)	[X]	**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	[X]		**H** (Financial Information)
(2)	[ ]		**I** (Financial Information – Small Plan)
(3)	[X]	1	**A** (Insurance Information)
(4)	[ ]		**C** (Service Provider Information)
(5)	[ ]		**D** (DFE/Participating Plan Information)
(6)	[ ]		**G** (Financial Transaction Schedules)

Part III **Form M-1 Compliance Information (to be completed by welfare benefit plans)**

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ……..... ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2015 Form M-1 annual report. If the plan was not required to file the 2015 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Insurance Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

2015

This Form is Open to Public Inspection

For calendar plan year 2015 or fiscal plan year beginning 07/01/2015 and ending 06/30/2016

A Name of plan
GIUMARRA VINEYARDS CORPORATION HOURLY PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
GIUMARRA VINEYARDS CORPORATION

D Employer Identification Number (EIN)
95-1496509

Part I Information Concerning Insurance Contract Coverage, Fees, and Commissions

Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

1 Coverage Information:

(a) Name of insurance carrier
PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
06-1050034	93629	004332	1783	07/01/2015	06/30/2016

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

RAY KNIGHT
5070 N. SIXTH ST.
STE. 130
FRESNO, CA 93710

(b) Amount of sales and base commissions paid	Fees and other commissions paid		
	(c) Amount	(d) Purpose	(e) Organization code

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		
	(c) Amount	(d) Purpose	(e) Organization code

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4	Current value of plan's interest under this contract in the general account at year end	4	
5	Current value of plan's interest under this contract in separate accounts at year end	5	

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

b	Premiums paid to carrier	6b	
c	Premiums due but unpaid at the end of the year	6c	
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity (3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee (3) ☐ guaranteed investment (4) ☐ other ▶

b	Balance at the end of the previous year			7b	6647168
c	Additions: (1) Contributions deposited during the year	7c(1)	900000		
	(2) Dividends and credits	7c(2)			
	(3) Interest credited during the year	7c(3)	256419		
	(4) Transferred from separate account	7c(4)			
	(5) Other (specify below) ▶	7c(5)			
	(6) Total additions			7c(6)	1156419
d	Total of balance and additions (add lines **7b** and **7c(6)**).			7d	7803587
e	Deductions:				
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	540291		
	(2) Administration charge made by carrier	7e(2)			
	(3) Transferred to separate account	7e(3)			
	(4) Other (specify below) ▶	7e(4)	261019		
	(5) Total deductions			7e(5)	801310
f	Balance at the end of the current year (subtract line **7e(5)** from line **7d**)			7f	7002277

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

a ☐ Health (other than dental or vision) **b** ☐ Dental **c** ☐ Vision **d** ☐ Life insurance

e ☐ Temporary disability (accident and sickness) **f** ☐ Long-term disability **g** ☐ Supplemental unemployment **h** ☐ Prescription drug

i ☐ Stop loss (large deductible) **j** ☐ HMO contract **k** ☐ PPO contract **l** ☐ Indemnity contract

m ☐ Other (specify) ▶

9 Experience-rated contracts:				
a Premiums: (1) Amount received	**9a(1)**			
(2) Increase (decrease) in amount due but unpaid	**9a(2)**			
(3) Increase (decrease) in unearned premium reserve	**9a(3)**			
(4) Earned (**(1)** + **(2)** - **(3)**)			**9a(4)**	
b Benefit charges (1) Claims paid	**9b(1)**			
(2) Increase (decrease) in claim reserves	**9b(2)**			
(3) Incurred claims (add **(1)** and **(2)**)			**9b(3)**	
(4) Claims charged			**9b(4)**	
c Remainder of premium: (1) Retention charges (on an accrual basis) --				
(A) Commissions	**9c(1)(A)**			
(B) Administrative service or other fees	**9c(1)(B)**			
(C) Other specific acquisition costs	**9c(1)(C)**			
(D) Other expenses	**9c(1)(D)**			
(E) Taxes	**9c(1)(E)**			
(F) Charges for risks or other contingencies	**9c(1)(F)**			
(G) Other retention charges	**9c(1)(G)**			
(H) Total retention			**9c(1)(H)**	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)			**9c(2)**	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement			**9d(1)**	
(2) Claim reserves			**9d(2)**	
(3) Other reserves			**9d(3)**	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line **9c(2)**.)			**9e**	
10 Nonexperience-rated contracts:				
a Total premiums or subscription charges paid to carrier			**10a**	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount.			**10b**	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2015

This Form is Open to Public Inspection

For calendar plan year 2015 or fiscal plan year beginning 07/01/2015 and ending 06/30/2016

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
GIUMARRA VINEYARDS CORPORATION HOURLY PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
GIUMARRA VINEYARDS CORPORATION

D Employer Identification Number (EIN)
95-1496509

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 07 Day 01 Year 2015

2 Assets:

a Market value	**2a**	7507761
b Actuarial value	**2b**	7507761

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	0	0	0
b For terminated vested participants	840	3330191	3330191
c For active participants	943	4513979	4540415
d Total	1783	7844170	7870606

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

a Funding target disregarding prescribed at-risk assumptions	**4a**	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**	
5 Effective interest rate	**5**	6.27%
6 Target normal cost	**6**	666070

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

Signature of actuary

03/09/2017
Date

HELAINE PROSCHANSKY
Type or print name of actuary

14-04543
Most recent enrollment number

ACO/DCS
Firm name

904-249-9171
Telephone number (including area code)

P.O. BOX 1967
WOODSTOCK, GA 30188
Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of 4.51%	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		67207
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.57%		4415
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
	c Total available at beginning of current plan year to add to prefunding balance		71622
	d Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections		
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages

14	Funding target attainment percentage	14	95.38 %
15	Adjusted funding target attainment percentage	15	95.38 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	94.16 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
03/02/2017	860000	0			
			Totals ► 18(b)	860000	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	
	b Contributions made to avoid restrictions adjusted to valuation date	19b	
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	749727

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [ ] Yes [X] No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
4.72 %	6.11 %	6.81 %	☐ N/A, full yield curve used

b Applicable month (enter code) — **21b**

22 Weighted average retirement age	**22**	65

23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	**28**	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	**29**	
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	**30**	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)	**31a**	666070
b Excess assets, if applicable, but not greater than line 31a	**31b**	0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	362845	79834
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	745904

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement			0

36 Additional cash requirement (line 34 minus line 35)	**36**	745904
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	749727

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	**38a**	3823
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	**42**	
43 Excess installment acceleration amount to be carried over to future plan years	**43**	

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2015

This Form is Open to Public Inspection

For calendar plan year 2015 or fiscal plan year beginning 07/01/2015 and ending 06/30/2016

A Name of plan
GIUMARRA VINEYARDS CORPORATION HOURLY PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
GIUMARRA VINEYARDS CORPORATION

D Employer Identification Number (EIN)
95-1496509

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	900000	860000
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	6647168	7002276

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	7547168	7862276
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	7547168	7862276

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	860000	
	(B) Participants	2a(1)(B)		
	(C) Others (including rollovers)	2a(1)(C)		
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		860000
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	256419	
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)		
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		256419
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
	(B) Other	2b(5)(B)		
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		1116419
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	540292	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		540292
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	261019	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		261019
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		801311
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		315108
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: BAKER, CHI & PARKER ACCOUNTANCY COR **(2)** EIN: 94-2259577

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

		Yes	No	N/A	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X		
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X		

		Yes	No	N/A	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X		
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X		
e Was this plan covered by a fidelity bond?	4e	X			500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X		
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X		
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X		
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X			
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j	X			
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X		
l Has the plan failed to provide any benefit when due under the plan?	4l		X		
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X		
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n				
o Did the plan trust incur unrelated business taxable income?	4o				
p Were in-service distributions made during the plan year?	4p				

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If "Yes," enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☒ Yes ☐ No ☐ Not determined

Part V Trust Information

6a Name of trust	**6b** Trust's EIN

6c Name of trustee or custodian	**6d** Trustee's or custodian's telephone number

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2015

This Form is Open to Public Inspection.

For calendar plan year 2015 or fiscal plan year beginning 07/01/2015 and ending 06/30/2016

A Name of plan
GIUMARRA VINEYARDS CORPORATION HOURLY PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
GIUMARRA VINEYARDS CORPORATION

D Employer Identification Number (EIN)
95-1496509

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1**

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): _____ _____

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year **3** 40

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☒ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☒ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☒ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 a Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Part VII IRS Compliance Questions

20a Is the plan a 401(k) plan?	☐ Yes	☐ No
20b If "Yes," how does the 401(k) plan satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under sections 401(k)(3) and 401(m)(2)?	☐ Design-based safe harbor method	☐ ADP/ACP test
20c If the ADP/ACP test is used, did the 401(k) plan perform ADP/ACP testing for the plan year using the "current year testing method" for nonhighly compensated employees (Treas. Reg sections 1.401(k)-2(a)(2)(ii) and 1.401(m)-2(a)(2)(ii))?	☐ Yes	☐ No
21a Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b):	☐ Ratio percentage test	☐ Average benefit test
21b Does the plan satisfy the coverage and nondiscrimination tests of sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules?	☐ Yes	☐ No
22a Has the plan been timely amended for all required tax law changes?	☐ Yes	☐ No ☐ N/A

22b Date the last plan amendment/restatement for the required tax law changes was adopted ____/____/____. Enter the applicable code _____ (See instructions for tax law changes and codes).

22c If the plan sponsor is an adopter of a pre-approved master and prototype (M&P) or volume submitter plan that is subject to a favorable IRS opinion or advisory letter, enter the date of that favorable letter _____/_____/_____ and the letter's serial number _____.

22d If the plan is an individually-designed plan and received a favorable determination letter from the IRS, enter the date of the plan's last favorable determination letter _____/_____/_____.

23 Is the Plan maintained in a U.S. territory (i.e., Puerto Rico (if no election under ERISA section 1022(i)(2) has been made), American Samoa, Guam, the Commonwealth of the Northern Mariana Islands or the U.S. Virgin Islands)?	☐ Yes	☐ No

Baker, Chi & Parkey
Accountancy Corporation

Timothy Baker, CPA
Angela Chi, CPA
Valerie Parkey, CPA
Waymon Watts, Ret

INDEPENDENT AUDITORS REPORT

To the Pension Committee of the
Giumarra Vineyards Corporation
Hourly Pension Plan
Bakersfield, California

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Giumarra Vineyards Corporation Hourly Pension Plan (the "Plan"), which comprise the statement of net assets available for benefits as of June 30, 2016, and the related statement of changes in net assets available for benefits for the years then ended, and the statement of accumulated plan benefits as of June 30, 2015, and related statement of changes in accumulated plan benefits for the year ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 7, which was certified by Prudential Retirement Insurance and Annuity Company, the custodian of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the custodian as of and for the years ended June 30, 2016, that the information provided to the plan administrator by the custodian is complete and accurate.

Disclaimer of Opinion

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

Other Matter

The supplemental schedules of assets (held at end of year) and reportable transactions are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Due to the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules referred to above.

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

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

Baker, Chi & Parkey

Baker, Chi & Parkey
Accountancy Corporation
Fresno, California
March 15, 2017

GIUMARRA VINEYARDS CORPORATION
HOURLY PENSION PLAN
Statement of Net Assets Available for Benefits
June 30, 2016 and 2015

ASSETS

	2016	2015
Assets		
Investments – at Fair Value, Guaranteed Deposit - Prudential Retirement Insurance and Annuity Company	7,002,276	6,647,168
Receivables		
Employer Contribution	860,000	900,000
Total Receivables	860,000	900,000
Total Assets	7,862,276	7,547,168

LIABILITIES

Total Liabilities	-0-	-0-
Net assets available for benefits	7,862,276	7,547,168

See Accompanying Notes to the Financial Statements.

GIUMARRA VINEYARDS CORPORATION
HOURLY PENSION PLAN

Statement of Changes in Net Assets Available for Benefits

For the Years Ended June 30, 2016 and 2015

	2016	2015
Additions		
Additions Attributed to:		
Interest income	256,419	244,850
Employer Contributions	860,000	900,000
Total Additions	1,116,419	1,144,850
Deductions		
Deductions Attributed to:		
Benefits Paid to Participants	540,292	707,998
Administration Expenses	261,019	163,861
Total Deductions	801,311	871,859
Net Increase	315,108	272,991
Net Assets Available for Benefits Beginning of Year	7,547,168	7,274,177
End of Year	7,862,276	7,547,168

See Accompanying Notes to the Financial Statements.

GIUMARRA VINEYARDS CORPORATION
HOURLY PENSION PLAN

Statement of Accumulated Plan Benefits

June 30, 2015

Actuarial Present Value of Accumulated Plan Benefits:	
Vested Benefits - Active Participants	3,247,771
Vested Benefits – Terminated and Retired Participants	4,923,199
Total Vested	8,170,970
Non-Vested Benefits	34,669
Total Non-Vested	34,669
Total Actuarial Present Value of Accumulated Plan Benefits	8,205,639

See Accompanying Notes to the Financial Statements.

GIUMARRA VINEYARDS CORPORATION
HOURLY PENSION PLAN

Statement of Changes in Accumulated Plan Benefits

For the Year Ended June 30, 2015

Increase in Accumulated Plan Benefits:		
Increase for Interest Due to the Decrease in the Discount Period	490,089	463,170
Changes in Actuarial Assumptions		
Benefits Paid	(707,998)	(653,040)
Benefits Accumulated	529,717	636,624
Net Increase in Accumulated Plan Benefits	311,808	446,754
Actuarial Present Value of Accumulated Plan Benefits:		
Beginning of Year	7,893,831	7,447,077
End of Year	8,205,639	7,893,831

See Accompanying Notes to the Financial Statements

NOTE 1 - DESCRIPTION OF PLAN

The following description of the Giumarra Vineyards Corporation Hourly Pension Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a noncontributory defined benefit pension plan, as amended and restated effective July 1, 2011. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is established for the hourly employees of Giumarra Vineyards Corporation (the "Company") who are not covered by a collective bargaining agreement pursuant to which the Company makes contributions.

The Plan is administered by a pension committee composed of individuals appointed by the board of directors of the Company. The pension committee has appointed outside specialists to assist with the Plan's administration and investment decisions.

Participation Requirements

All hourly employees of the Company, except those covered by a collective bargaining agreement or leased employees, are eligible to become participants of the Plan after completing one year of service with the Company and having attained age 21. An employee becomes eligible to participate in the plan on the first day of January or July after meeting the eligibility requirements. A minimum of 1,000 hours in a period of 12 consecutive months constitutes a year of service.

Vesting

Employees are 100% vested in their benefits after five years of service. An employee must have at least 1,000 hours of service in a plan year to earn one year of service for vesting purposes.

Benefits

Active participants in the Plan shall be entitled to benefits based on 20% of the highest five-year average of salary, reduced on a pro rata basis for less than 25 years of service. Benefits are paid through lump sum payments from the Plan.

NOTE 1 - DESCRIPTION OF PLAN (cont.)

Plan Termination

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth by ERISA. In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

Annuity benefits to former employees (or their beneficiaries) receiving such benefits for at least a three year period, or those employees eligible to retire for that three year period who would have been receiving annuity benefits if they had retired and been eligible for such benefits under the Plan.

Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC), subject to certain limitations. Certain vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination, subject to a statutory ceiling in the amount of an individual's monthly benefit amount.

All other vested benefits not insured by the PBGC.

All non-vested benefits.

Whether all participants receive their benefits, should the Plan terminate at some future time, will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits and may also depend on the level of benefits guaranteed by the PBGC. Some benefits may be fully or partially provided by the then existing assets and the PBGC guaranty while other benefits may not be provided for at all.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared in accordance with accounting principles generally accepted in the United States of America.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deletions to net assets available for benefits during the reporting period.. Actual results may differ from those estimates.

Fair Value Measurements

In accordance with ASC 820, *Fair Value Measurement and Disclosures,* the Plan classifies its investments into Level 1, which refers to securities valued using quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to securities valued based on significant unobservable inputs.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the valuation methodologies used at June 30, 2016 and 2015.

Accounting for Investments

The Plan's investment is held in trust by Prudential Retirement Insurance and Annuity Company (Prudential). The investment is held in a guaranteed deposit account and is valued as an interest rate fund. Interest rate funds are valued at book value, which is calculated by multiplying the balance in the guaranteed deposit account by an established interest rate. Book value of the account approximates its fair value as determined by Prudential.

Administrative Expenses

All administrative expenses are obligations of the Plan. Certain administrative services are provided by the Company at no cost to the Plan.

Benefits

Benefit payments to participants are recorded upon distribution.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Actuarial Present Value of Accumulated Plan

Accumulated plan benefits are those estimated future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to services rendered by the employees as of the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. The amount of an employee's retirement benefit depends primarily on the length of service and compensation received during certain years of the employment period. In addition to normal retirement benefits at 65, the Plan also provides, under certain conditions, for early retirement, disability retirement and death benefits.

The most recent actuarial valuation is as of July 1, 2015 (see Note 3).

Funding Policy

The Company's funding policy is to make annual contributions to the Plan to fund the normal pension cost as determined under the Aggregate Actuarial Cost Method. During the years ended June 30, 2016 and 2015, contributions of $860,000 and $900,000, respectively, were recorded in accordance with the actuarially determined contribution requirements estimated through actuarial valuations performed as of July 1, 2015 and 2014 respectively. The minimum funding requirements of ERISA have been met for the years ended June 30, 2016 and 2015.

Federal Income Tax Status

The Internal Revenue Service ruled on October 5, 2012, that the Plan qualifies, in form, under Section 401(a) of the Internal Revenue Code (the Code) and the underlying Plan is, therefore, exempt from federal income tax under Section 501(a) of the Code. On June 29, 2005, the Internal Revenue Service ruled that the Plan amendment effective as of July 1, 2003, qualifies, in form, under 401(a) of the Code. The Plan is required to operate in conformity with the Code to maintain its qualification. The Plan Administrator is not aware of any events which would cause the Plan to become disqualified under the Code. Therefore, no provision of income taxes has been included in the Plan's financial statements. The tax years after June 30, 2012 remain open to examination by the United States federal tax jurisdiction.

Subsequent Events

The Plan has evaluated subsequent events through March 15, 2017, the date which the financial statements were available to be issued.

NOTE 3 – ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to service rendered by employees as of the valuation date. Accumulated plan benefits include benefits expected to be paid to (1) retired or terminated employees or their beneficiaries, (2) beneficiaries of employees who have died, and (3) present employees or their beneficiaries. The actuarial present value of accumulated plan benefits is determined by an independent actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

Significant assumptions underlying the actuarial computations at July 1, 2015 and 2014 are as follows:

Assumed rate of return on investments	- 6.27% & 6.57% per annum, compounded annually, respectively
Discount rate	- 6.5% and 6.5% per annum, respectively
Mortality	- The 2000 Group Annuity Mortality Table for both males and females
Retirement age	- Normal retirement age per the Plan

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

NOTE 4 – CONTRACTS WITH INSURANCE COMPANIES

The Company has a guaranteed deposit insurance contract with Prudential. Prudential maintains the Company's contributions in an unallocated fund to which it has added interest at a rate of 2.50%, and 2.85% for 2016 and 2015, respectively. At the direction of the Plan Administrator, funds are drawn for lump sum payments to retired participants.

Certain events, such as the premature termination of the insurance contract by the Plan or the termination of the Plan, would limit the Plan's ability to transact at contract value with Prudential. The Plan administrator believes the occurrence of such events that would also limit the Plan's ability to transact at contract value with plan participants is not probable.

The insurance contract with Prudential represents 5% or more of the net assets available for benefits at June 30, 2016 and 2015.

NOTE 5 – FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefits at June 30:

2016

	Fair Value	Level 1	Level 2	Level 3
Guaranteed deposit - Prudential Retirement Insurance And Annuity Company	7,002,276	-	-	7,002,276

2015

Guaranteed deposit - Prudential Retirement Insurance And Annuity Company	6,647,168	-	-	6,647,168

The following is a summary of changes in the fair value of the Plan's level 3 assets for the year ended June 30:

	2016	2015
Guaranteed deposit		
Balance, beginning of year	6,647,168	6,524,177
Interest	256,419	244,850
Fund transactions:		
Purchases	900,000	750,000
Sales	(801,311)	(871,859)
Transfers in	-	-
Transfers out	-	-
Balance, end of year	7,002,276	6,647,168

NOTE 6 – PARTIES-IN-INTEREST TRANSACTIONS

Parties-in-interest are defined under Department of Labor regulations as any fiduciary of the Plan, any party rendering service to the Plan, the employer, and certain others. The Plan's investment in the unallocated insurance contract is held by Prudential. Prudential is the custodian of this investment and, therefore, these transactions qualify as party-in-interest. For the years ended June 30, 2016 and 2015, administrative expenses include fees paid to Prudential of $82,075 and $72,801, respectively.

NOTE 7 – INFORMATION PREPARED AND CERTIFIED BY CUSTODIAN

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the following information was certified by Prudential as custodian and was not subjected to any auditing procedures by independent auditors as of June 30:

	2016	2015
Investment – at fair value:		
Guaranteed deposit – Prudential Retirement Insurance and Annuity Company	7,002,276	6,647,168
Interest income	256,419	244,850
Administrative expenses	261,019	163,861

NOTE 8– RISKS AND UNCERTAINTIES

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that these estimates and assumptions in the near term would be material to the financial statements.

PLAN SPONSOR: GIUMARRA VINEYARDS CORP
PLAN NAME: GIUMARRA VINEYARDS CORP HOURLY PENSION PLAN
EIN: 95-1496509
PIN: 002
PLAN YEAR: 7/1/2015-6/30/2016
SCHEDULE SB, LINE 32: SCHEDULE OF AMORTIZATION BASES

Base Type	Outstanding Balance	Date Established	Remaining Amortization Period	Amortization Installment
Shortfall	$357,983	7/1/2013	5	$ 78,348
	$ 30,892	7/1/2014	6	$ 5,815
	($ 26,030)	7/1/2015	7	($ 4,329)
Total	$ 362,845			$ 79,834

PLAN SPONSOR: GIUMARRA VINEYARDS CORP
PLAN NAME: GIUMARRA VINEYARDS CORP HOURLY PENSION PLAN
EIN: 95-1496509
PIN: 002
PLAN YEAR: 7/1/2015-6/30/2016
SCHEDULE SB, LINE 26: SCHEDULE OF ACTIVE PARTICIPANT DATA

Svc/ Age	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
<25	0	38	4	0	0	0	0	0	0	0	42
Avg Comp	n/a	1183	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1229
25-29	0	40	24	6	0	0	0	0	0	0	70
Avg Comp	n/a	1374	1593	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1484
30-34	0	43	45	35	8	0	0	0	0	0	131
Avg Comp	n/a	1061	1414	1869	n/a	n/a	n/a	n/a	n/a	n/a	1449
35-39	0	39	46	57	16	1	0	0	0	0	159
Avg Comp	n/a	1220	1343	1846	n/a	n/a	n/a	n/a	n/a	n/a	1568
40-44	0	32	29	45	27	10	2	0	0	0	145
Avg Comp	n/a	1207	1629	1904	2051	n/a	n/a	n/a	n/a	n/a	1740
45-49	0	24	24	30	24	13	10	0	0	0	125
Avg Comp	n/a	1396	1359	1646	1653	n/a	n/a	n/a	n/a	n/a	1643
50-54	0	17	20	25	19	18	20	4	0	0	123
Avg Comp	n/a	n/a	1189	1545	n/a	n/a	2044	n/a	n/a	n/a	1552
55-59	0	9	14	18	15	12	12	8	5	0	93
Avg Comp	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1723
60-64	0	6	3	5	4	5	10	3	2	0	38
Avg Comp	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1602
65-69	0	1	2	2	3	0	3	1	4	0	16
Avg Comp	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
70+	0	0	1	0	0	0	0	0	0	0	1
Avg Comp	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	0	249	212	223	116	59	57	16	11	0	943
Avg Comp	n/a	1234	1404	1755	1743	2002	2093	n/a	n/a	n/a	1584

PLAN SPONSOR: GIUMARRA VINEYARDS CORP
PLAN NAME: GIUMARRA VINEYARDS CORP HOURLY PENSION PLAN
EIN: 95-1496509
PIN: 002
PLAN YEAR: 7/1/2015-6/30/2016
SCHEDULE SB, LINE 24: CHANGE IN ACTUARIAL ASSUMPTIONS

None

PLAN SPONSOR: GIUMARRA VINEYARDS CORP
PLAN NAME: GIUMARRA VINEYARDS CORP HOURLY PENSION PLAN
EIN: 95-1496509
PIN: 002
PLAN YEAR: 7/1/2015-6/30/2016
SCHEDULE SB, PART V: STATEMENT OF ACTUARIAL ASSUMPTIONS/METHODS

Actuarial Cost Method – PPA

Contributions are based on plan's Funding Target. The minimum required contribution is the sum of target normal cost plus a 7-year amortization of unfunded funding target liability of the plan.

Actuarial Assumptions

Interest Rates:	For Minimum Required Contributions:
	Effective 6.27%
	Tier 1 Segment Rate 4.72%
	Tier 2 Segment Rate 6.11%
	Tier 3 Segment Rate 6.72%
	For Maximum Tax Deductible Contributions:
	Tier 1 Segment Rate 1.31%
	Tier 2 Segment Rate 4.07%
	Tier 3 Segment Rate 5.10%
	ASC 960 ..... 6.50%
Mortality:	Valuation ..... 2015 PPA Funding Table
	ASC 960 ..... RP 2000 Combined
Asset Method:	Market Value of Assets
Salary Scale:	4%
Retirement Age:	65
Turnover:	T-5
Disability:	None
Expense Load:	$163,861
OPTIONAL FORMS:	0% Load to account for the value of optional annuity forms.

PLAN SPONSOR: GIUMARRA VINEYARDS CORP
PLAN NAME: GIUMARRA VINEYARDS CORP HOURLY PENSION PLAN
EIN: 95-1496509
PIN: 002
PLAN YEAR: 7/1/2015-6/30/2016
SCHEDULE SB, PART V: SUMMARY OF PLAN PROVISIONS

Effective Date:	December 1, 1977
Plan Year:	July 1 through June 30
Employer:	Guimarra Vineyards Corporation
Employee:	Any person who is employed by the Employer, or by an affiliated employer that has adopted the plan. An individual who performs services for the Employer pursuant to an agreement between the employer and an employee leasing organization shall not be considered to be an Employee. Only employees compensated on an hourly basis shall be eligible for this plan.
Participation:	An employee will be eligible for participation the date on which he has attained age 21 and has been credited with one year of service. Participation is effective as of the first day of the Plan Year or the first day of the seventh month of such Plan Year.
Vesting Service:	A participant shall be credited with a year of Vesting Service for each Service Computation Period for which he/she is credited with at least 1,000 Hours of Service.
Service:	A participant shall be credited with a year of service for benefit computations for each Play Year in which he/she is credited with at least 1,000 Hours of Service.
Disability:	A participant who is found to have a physical or mental condition resulting from bodily injury, disease, or mental disorder who in incapable of continuing usual and customary employment with the employer is disabled under the terms of the plan.
Normal Retirement	
Date:	The first day of the calendar month coincident with or next following the later of age 65 and the fifth anniversary of the effective date of participation.
Early Retirement	
Date:	The first day of the month coinciding with, or next following attainment of age 55, and completion of 10 years of service
Disability Retirement	
Date:	Benefits commence on the first of the month following six (6) consecutive months of disability.

PLAN SPONSOR: GIUMARRA VINEYARDS CORP
PLAN NAME: GIUMARRA VINEYARDS CORP HOURLY PENSION PLAN
EIN: 95-1496509
PIN: 002
PLAN YEAR: 7/1/2015-6/30/2016
SCHEDULE SB, PART V: SUMMARY OF PLAN PROVISIONS (CONT)

Annual Compensation: A participant's Annual Compensation is his/her wages from the Employer as reported by you for federal income tax purpose on Form W-2.

Average Annual Compensation: A participant's Average Annual Compensation is his/her highest average monthly Compensation received during any 5 consecutive Plan Years during the last 10 consecutive Plan Years before his/her termination of employment with the Employer. If the participant has received Annual Compensation for 5 or fewer consecutive Plan Years, the annual average is taken by using the months of service that are available.

Normal Form: Annuity payable for life, with 120 monthly payments guaranteed.

Normal Retirement Benefit: Twenty percent (20%) of the participant's average compensation, pro-rated for less than 25 Years of Service at Normal Retirement.

Accrued Benefit: At any time prior to Normal Retirement, the accrued benefit is equal to the projected benefit at Normal Retirement, calculated using current Average Compensation, and multiplied by the ratio (not to exceed 1.) of the Years of Service to Date to the Years of Service at Normal Retirement.

Termination Benefit: A participant who has at least five years of Vesting Service has a nonforfeitable right to his or her Accrued Benefit.

Early Retirement Benefit: If an eligible participant elects to draw benefits, they are reduced so as to be actuarially equivalent to the Accrued Benefit payable at Normal Retirement.

Disability Retirement Benefit: Monthly benefits are the actuarial equivalent of the participant's vested Accrued Benefit payable at Normal Retirement.

Death Benefit: If a participant dies prior to beginning benefit payments, the participant's beneficiary shall receive a benefit that is actuarially equivalent to the participant's Accrued Benefit payable at Normal Retirement.

PLAN SPONSOR: GIUMARRA VINEYARDS CORP
PLAN NAME: GIUMARRA VINEYARDS CORP HOURLY PENSION PLAN
EIN: 95-1496509
PIN: 002
PLAN YEAR: 7/1/2015-6/30/2016
SCHEDULE SB, PART V: SUMMARY OF PLAN PROVISIONS (CONT)

Optional Forms: Life annuity, a choice of a 50% or 100% Joint and Survivor Annuity, or a lump sum payment.

Actuarial Equivalence: For benefits paid in the form of an annuity, equivalence will be determined using an interest rate of 8.0% and the 1983 Group Annuity Mortality Table.

For benefits paid in the form of a lump sum, equivalence will be determined using the mortality table specified by the Secretary of the Treasury and the rate of interest on 30-year Treasury securities determined as of the second calendar month preceding the first day of the Play Year in which payments begin.

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2015

This Form is Open to Public Inspection

For calendar plan year 2015 or fiscal plan year beginning 07/01/2015 and ending 06/30/2016

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
GIUMARRA VINEYARDS CORPORATION HOURLY PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
GIUMARRA VINEYARDS CORPORATION

D Employer Identification Number (EIN)
95-1496509

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 07 Day 01 Year 2015

2 Assets:

a Market value	**2a**	7,507,761
b Actuarial value	**2b**	7,507,761

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	0	0	0
b For terminated vested participants	840	3,330,191	3,330,191
c For active participants	943	4,513,979	4,540,415
d Total	1,783	7,844,170	7,870,606

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

a Funding target disregarding prescribed at-risk assumptions	**4a**	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**	
5 Effective interest rate	**5**	6.27%
6 Target normal cost	**6**	666,070

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE Helaine Proschansky

Signature of actuary

03/09/2017
Date

Helaine Proschansky
Type or print name of actuary

1404543
Most recent enrollment number

ACO/DCS
Firm name

904-249-9171
Telephone number (including area code)

PO Box 1967
Woodstock GA 30188
Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of 4.51%	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		67,207
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.57%		4,415
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
	c Total available at beginning of current plan year to add to prefunding balance		71,622
	d Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections		
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages

14	Funding target attainment percentage	14	95.38%
15	Adjusted funding target attainment percentage	15	95.38%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	94.16%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
03/02/2017	860,000	0			
		Totals ► 18(b)	860,000	18(c)	0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
	b Contributions made to avoid restrictions adjusted to valuation date	19b	0
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	749,727

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [ ] Yes [X] No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0		0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
4.72%	6.11%	6.81%	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	0
22 Weighted average retirement age	**22**	65

23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	**28**	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	**29**	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	**30**	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)	**31a**	666,070
b Excess assets, if applicable, but not greater than line 31a	**31b**	0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	362,845	79,834
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	745,904

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement			0

36 Additional cash requirement (line 34 minus line 35)	**36**	745,904
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	749,727

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	**38a**	3,823
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	**42**	
43 Excess installment acceleration amount to be carried over to future plan years	**43**	

GIUMARRA VINEYARDS CORPORATION
HOURLY PENSION PLAN

Schedule 2
Form 5500, Schedule H, Part IV, Line 4j – Schedule of Reportable Transactions
For the Year Ended June 30, 2016

Category (i) – Single transactions in excess of 5% of plan assets at the beginning of the Plan year.

Current value of Plan Assets at the beginning of the plan year	6,647,168
	x 5%
	$332,358

(a) *	(b) Description of Assets	(c) Purchase Price	(d) Selling Price	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain (Loss)
	Guaranteed Deposit (GR4332)	902,316	-	902,316	902,316	
	Prudential Retirement Insurance and Annuity Company	N/A	803,627	803,627	803,627	-0-

* Indicates a party-in-interest, as defined ERISA

GIUMARRA VINEYARDS CORPORATION
HOURLY PENSION PLAN

Schedule I

Form 5500, Schedule H, Part IV, Line 4i – Schedule of Assets (Held at End of Year)

June 30, 2016

Investments at Fair Value
As determined by quoted market price

(a)	(b) Identity of Issue or Borrower	(c) Description of Investment	(d) Cost	(e) Current Value
*	Prudential Retirement Insurance and Annuity Company	Guaranteed Deposit (GR4333)	7,002,276	7,002,276

* Indicates a party-in-interest, as defined by ERISA