WHITWORTH UNIVERSITY
RETIREMENT PLAN
Spokane, Washington

FINANCIAL STATEMENTS
Including Independent Auditors' Report

As of December 31, 2016 and 2015
and for the Year Ended December 31, 2016

WHITWORTH UNIVERSITY
RETIREMENT PLAN

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Note: Supplemental schedules required by the Employee Retirement Income Security Act of 1974 not included as part of these statements are not applicable to Whitworth University Retirement Plan.

INDEPENDENT AUDITORS' REPORT

To the Participants and Plan Administrator
Whitworth University Retirement Plan
Spokane, Washington

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Plan 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 error or fraud.

Auditor's Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 9, which was certified by Principal Trust Company, the Custodian of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the Plan administrator that the Custodian holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained certifications from the Custodian as of December 31, 2016 and 2015, and for the year ended December 31, 2016, that the information provided to the Plan administrator by the Custodian is complete and accurate.

Basis for Disclaimer of Opinion (continued)

As described in Note 7, the Plan has excluded from investments in the accompanying financial statements certain annuity and custodial accounts issued to current and former employees prior to January 1, 2009, as permitted by the Department of Labor's Field Assistance Bulletin No, 2009-02 and 2010-01. Accounting principles generally accepted in the United States of America (U.S. GAAP) require that these accounts and the related income and distributions be included in the accompanying financial statements. Management has not determined the impact of this departure from U.S. GAAP, but estimates that it could be material to the financial statements.

Disclaimer of Opinion

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

Other Matter - Supplemental Information

The supplemental Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2016, is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph we do not express an opinion on the supplemental schedule 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 schedule, other than that derived from the information certified by the Custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Baker Tilly Virchow Krause, LLP

Minneapolis, Minnesota
July 25, 2017

WHITWORTH UNIVERSITY
RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
As of December 31, 2016 and 2015

ASSETS	2016	2015
Investments at fair value	$ 54,447,645	$ 50,674,589
Investments at contract value	4,350,618	2,454,910
Total Investments	58,798,263	53,129,499
Employer contribution receivable	2,397	6,444
NET ASSETS AVAILABLE FOR BENEFITS	$ 58,800,660	$ 53,135,943

See accompanying notes to financial statements.

WHITWORTH UNIVERSITY
RETIREMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Year Ended December 31, 2016

ADDITIONS	
Additions to net assets attributed to	
Investment income	
Interest and dividend income	$ 2,105,220
Net appreciation in fair value of investments	2,020,873
	4,126,093
Contributions	
Employer contributions	2,310,981
Employee contributions	2,719,559
Employee rollover contributions	240,423
Total contributions	5,270,963
Total additions	9,397,056
DEDUCTIONS	
Deductions from net assets attributed to	
Benefits paid to participants	4,100,677
Administrative expenses	24,012
Total deductions	4,124,689
Net increase in net assets available for benefits	5,272,367
Transfers from other vendors	392,350
NET ASSETS AVAILABLE FOR BENEFITS -	
Beginning of year	53,135,943
NET ASSETS AVAILABLE FOR BENEFITS -	
End of year	$ 58,800,660

See accompanying notes to financial statements.

NOTE 1 - Description of the Plan

The following description of the Whitworth University Retirement Plan (the "Plan") provides only general information. Participants should refer to the Plan's summary plan description and plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan established by Whitworth University (the "University") and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and the requirements of Section 403(b) of the Internal Revenue Code. The University is the sponsor and administrator of the Plan and has appointed Principal Trust Company to be the Custodian and Recordkeeper. The Custodian manages the investments of the Plan as directed by the participants and provides recordkeeping services. A participant may direct employer and employee contributions to any combination of available investment options.

Eligibility

Eligible employees who are regularly scheduled to work at least half-time for nine or more months during the plan year will be automatically enrolled in the Plan by the University for purposes of the mandatory salary reduction contribution, and are required to contribute 5% of their regular salary. Eligible employees who are subject to the mandatory salary reduction contribution must enter into a written voluntary salary reduction agreement with the University if they wish to contribute more than 5% of their regular salary.

Contributions

Each year, eligible employees may contribute to the Plan salary reduction contributions of up to 100% of their eligible pretax annual compensation. These contributions may be made on a tax-deferred basis or a pre-tax basis. Tax-deferred withholdings must follow certain restrictions, as to not exceed the maximum under Code Section 402(g). Any employee, who has completed 15 years of experience or has attained the age of 50, may be eligible to make additional catch up contributions. Participants may also contribute amounts representing distributions from other qualified benefit or defined contribution plans (rollover contributions).

At the time an employee meets the requirements for mandatory salary reduction contributions, the University will contribute an amount equal to 8% of eligible salary.

Participant Accounts

Each participant's account is credited with the participant's salary reduction contributions, catch-up contributions, rollover contributions and an allocation of the University's contributions and plan earnings (net of administrative expenses). Income allocations are based on the participant's number of shares for participant selected investment options. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting and Forfeitures

Participant contributions, rollover contributions, and the University's employer contributions are immediately vested upon deposit into the Plan. As participants are immediately vested in their accounts, the Plan has no forfeitures.

NOTE 1 - Description of the Plan (cont.)

Payment of Benefits

Benefits may be paid to the participant or designated beneficiary upon death, disability, retirement or termination of employment, as defined in the Plan agreement. In service withdrawals are also acceptable for individuals who attain age 62, as set forth by the Plan agreement. In addition, if certain criteria under the Plan agreement are met and approved by the University, hardship distributions are allowed for participants who have immediate and heavy financial need.

Amendment and Termination of Plan

While it is expected that this plan will continue indefinitely, the University reserves the right to amend, modify or terminate the Plan, or to discontinue any further plan contributions or payments under the Plan, by resolution of the board, subject to the provisions of ERISA. The University has not expressed any intent to terminate the Plan.

Notes Receivable from Participants

Loans from the Plan are not available to participants.

Administrative Expenses

All reasonable plan administrative expenses including those involved in retaining necessary professional assistance may be paid from the assets of the Plan to the extent permitted by the participant's individual agreements. These expenses may be allocated to all plan participants, or for expenses directly related to one participant, charged against that participant's account balance. The University may, at its discretion, pay a portion or all of these expenses.

NOTE 2 - Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

Investments held by a defined contribution plan are required to be reported at fair value, except for fully benefit-responsive investment contracts. Contract value is the relevant measure for the portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the Plan.

Use of Estimates

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

NOTE 2 - Summary of Significant Accounting Policies (cont.)

Investment Valuation and Income Recognition

Investments are reported at fair value (except for fully benefit-responsive investment contracts, which are reported at contract value). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's management determines the Plan's valuation policies utilizing information provided by the investment advisors, custodians and insurance companies. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest and dividends are recorded on the cash basis, which approximates U.S. GAAP. Net appreciation (depreciation) includes the gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Benefits are recorded when paid.

NOTE 3 - Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under authoritative guidance are described as follows:

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

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly, such as:

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

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

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

NOTE 3 - Fair Value Measurements (cont.)

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

The Plan sponsor is responsible for the determination of fair value. Accordingly, they perform periodic analysis on the prices received from the Custodian used to determine whether the prices are reasonable estimates of fair value. As a result of these reviews, the Plan sponsor has not historically adjusted the prices obtained from the Custodian.

The table below presents the balances of assets measured at fair value on a recurring basis by level within the hierarchy.

	December 31, 2016			
	Total	Level 1	Level 2	Level 3
Mutual Funds				
Large-Cap US equity funds	$ 5,730,321	$ 5,730,321	-	-
Mid-Cap US equity funds	2,392,346	2,392,346	-	-
Small-Cap US equity funds	1,238,456	1,238,456	-	-
International equity funds	2,001,667	2,001,667	-	-
Target date funds	40,840,314	40,840,314	-	-
Fixed income funds	2,244,541	2,244,541	-	-
Total	$ 54,447,645	$ 54,447,645	$ -	$ -

	December 31, 2015			
	Total	Level 1	Level 2	Level 3
Mutual Funds				
Large-Cap US equity funds	$ 5,021,144	$ 5,021,144	-	-
Mid-Cap US equity funds	2,039,633	2,039,633	-	-
Small-Cap US equity funds	824,485	824,485	-	-
International equity funds	1,854,931	1,854,931	-	-
Target date funds	38,993,219	38,993,219	-	-
Fixed income funds	1,941,177	1,941,177	-	-
Total	$ 50,674,589	$ 50,674,589	$ -	$

The following methods and assumptions were used to measure the fair value for each class of financial instruments. There has been no change in the methodologies and assumptions used at December 31, 2016 and 2015.

The mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

NOTE 4 - Investment Contract with Principal Life Insurance Company

The Plan has an investment contract with Principal Life Insurance Company, who maintains certain contributions in a general account, the Fixed Income Guaranteed Option Fund (the "Fund"). The Fund is credited with earnings on the underlying investments and charges for Plan withdrawals and administrative expenses. Principal Life Insurance Company is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. There are no reserves against contract value for credit risk of the contract issuer or otherwise. Fair value currently approximates contract value.

The guaranteed minimum interest rate and crediting interest rate is based on a formula agreed upon with the issuer. Under the terms of the existing contract, the composite crediting rate is currently reset on a semiannual basis and will never be less than the guaranteed minimum interest rate.

The history of the average yield earned by the Plan and the interest rates credited to participants for the contract are listed as follows:

	Interest rate credited to participants	Average yield earned by the Plan
December 1, 2014 - May 31, 2015	2.00%	2.00%
June 1, 2015 - November 30, 2015	1.90%	1.90%
December 1, 2015 - May 31, 2016	1.85%	1.85%
June 1, 2016 - November 30, 2016	1.80%	1.80%
December 1, 2016 - May 31, 2017	1.75%	1.75%

The interest rate history summarized above is prior to any plan-level recordkeeping expenses being deducted. Any difference between the above summarized interest rates and the actual earned crediting rates for each plan participant would be due to the rate level service fee. The rate level service fee is a direct offset to the interest rates summarized above. See Article II of the service agreement for more information regarding the rate level service fee.

Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include the following: (1) material plan amendments (including partial or complete termination of the Plan or merger of the Plan with another plan); (2) the failure of the Plan’s trust to qualify for exemption from federal income taxes or any required prohibited exemption under ERISA; (3) changes in the Plan’s prohibition on competing investment options; (4) the closing of a facility or other business unit of the plan sponsor or the bankruptcy of the plan sponsor. The plan administrator does not believe that the occurrence of any such event, which would limit the Plan’s ability to transact at contract value with participants, is currently probable of occurring.

The guaranteed investment contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date. Article V of the contract defines the circumstances and amounts for which the contract may be terminated by the Plan. The issuer, PLIC, has the right to no longer receive deposits, however, the circumstances for termination of the contract are still subject to Article V.

NOTE 5 - Tax Status

The Plan has been designed to qualify under Section 403(b) of the IRC. The plan administrator believes the Plan is operating in accordance with the applicable requirements of Section 403(b) of the IRC and therefore believes the plan is qualified and the related custodial accounts are tax-exempt.

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 6 – Related Party and Party-in-Interest Transactions

The Plan’s investments are managed by the Custodian and, therefore, the transactions qualify as party-in-interest transactions. Fees incurred by the Plan for the investment management services are included in net appreciation in the fair value of the investment, as they are paid through revenue sharing, rather than a direct payment.

NOTE 7 - Allowable Excluded Investments

The Department of Labor’s Field Assistance Bulletin No. 2009-02, *Annual Reporting Requirements for 403(b) Plans* (as clarified by Field Assistance Bulletin No. 2010-01) allows a plan administrator of a 403(b) plan to exclude certain contracts and accounts from plan assets for purposes of ERISA’s annual reporting and audit requirements under specified conditions. Therefore, effective January 1, 2009, the Plan has excluded from the investments in the accompanying statements of net assets available for benefits certain annuity and custodial accounts issued to current and former employees prior to January 1, 2009. The related investment income and distributions have also been excluded in the accompanying statement of changes in net assets available for benefits. These amounts relate to vendors other than Principal Trust Company to whom contributions were made prior to January 1, 2009. No contributions were made or allowed to vendors other than Principal Trust Company after January 1, 2009. The amount of these excluded annuity and custodial accounts and the related income and distributions has not been determined, but management estimates that they are material to the financial statements. Accounting principles generally accepted in the United States of America require that these excluded annuity and custodial accounts and the related income and distributions be included in the accompanying financial statements.

NOTE 8 - Administration of Plan Assets

The Plan's assets are administered under a contract with Principal Trust Company, the custodian of the Plan. The custodian invests funds received from contributions, investment sales, interest, and dividend income and makes distribution payments to participants.

NOTE 9 - Information Certified by the Custodian

The Plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA for 2016 and 2015. Accordingly, Principal Trust Company, the custodian of the Plan, has certified to the completeness and accuracy of all investments reported in the accompanying Statement of Net Assets Available for Benefits as of December 31, 2016 and 2015 and the supplemental Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2016, and the related investment activity reported in the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2016.

NOTE 10 - Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statement of Net Assets Available for Benefits.

As of December 31, 2016 and 2015, the Plan had investments of $17,599,544 and $13,429,979, which were concentrated in two funds and one fund, respectively.

NOTE 11 - Subsequent Events

The Plan administrator has evaluated subsequent events through July 25, 2017 which is the date that the financial statements were approved and available to be issued, for events requiring recording or disclosure in the Plan's financial statements.

SUPPLEMENTAL INFORMATION

WHITWORTH UNIVERSITY
RETIREMENT PLAN

Schedule H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
Plan 001
EIN 91-0473310
As of December 31, 2016

(a)	(b) Identity of Issue	(c) Description of Investment	(d) Cost	(e) Current Value
	Investments			
*	Mutual fund	Principal LargeCap S&P 500 Index Fund - Institutional Class	**	$ 839,438
*	Mutual fund	Principal MidCap S&P 400 Index Fund - Institutional Class	**	1,601,334
*	Mutual fund	Principal SmallCap S&P 600 Index Fund - Institutional Class	**	1,026,313
	Mutual fund	T. Rowe Price Retirement 2005 Fund	**	325,036
	Mutual fund	T. Rowe Price Retirement 2010 Fund	**	716,549
	Mutual fund	T. Rowe Price Retirement 2015 Fund	**	5,181,634
	Mutual fund	T. Rowe Price Retirement 2020 Fund	**	11,581,854
	Mutual fund	T. Rowe Price Retirement 2025 Fund	**	6,017,690
	Mutual fund	T. Rowe Price Retirement 2030 Fund	**	5,455,912
	Mutual fund	T. Rowe Price Retirement 2035 Fund	**	3,287,950
	Mutual fund	T. Rowe Price Retirement 2040 Fund	**	3,935,467
	Mutual fund	T. Rowe Price Retirement 2045 Fund	**	2,179,368
	Mutual fund	T. Rowe Price Retirement 2050 Fund	**	1,635,037
	Mutual fund	T. Rowe Price Retirement 2055 Fund	**	507,541
	Mutual fund	T. Rowe Price Retirement 2060 Fund	**	16,276
	Mutual fund	Dimensional Fund Advisors Int'l Small Company I Fd	**	58,731
	Mutual fund	T. Rowe Price Equity Income Fund	**	1,541,553
	Mutual fund	T. Rowe Price Blue Chip GR Fund	**	1,963,417
	Mutual fund	American Funds EuroPacific Growth R6 Fund	**	1,942,936
	Mutual fund	American Funds Capital World Bond R6 Fund	**	202,431
	Mutual fund	American Century Inflation-Adjusted Bond Fund - Instl Class	**	281,956
	Mutual fund	Northern Funds Small Cap Value Fund	**	212,143
	Mutual fund	Invesco Real Estate R5 Fund	**	539,137
	Mutual fund	Loomis Sayles Core Plus BD Y Fund	**	1,760,154
	Mutual fund	Prudentail Jennison Small Company Z Fund	**	251,875
	Mutual fund	TIAA-CREF Social Choice Equity Retirement Fund	**	86,495
	Mutual fund	TIAA-CREF Growth & Income Fund - Premier Class	**	1,299,418
	Fully Benefit Responsive Investment Contract			
*	Fixed annuity contract	Principal Life Insurance Co Fixed Income Guaranteed Option	**	4,350,618
				$ 58,798,263

* Represents a party-in-interest
** Cost omitted for participant directed investments

This schedule has been prepared based on information certified as complete and accurate by Principal Trust Company, the Custodian.