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 09/01/2015 and ending 08/31/2016

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:
- [ ] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
CATTLEMENS PROFIT SHARING PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 08/30/1976

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)

CATTLEMENS

PETER MROZIK

250 DUTTON AVENUE
SANTA ROSA, CA 95407

2b Employer Identification Number (EIN)
94-1729627

2c Plan Sponsor's telephone number
707-528-1040

2d Business code (see instructions)
722511

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.	02/09/2017	PETER MROZIK
	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)

PATRICK L. STOLL

BOYLE & STOLL CPAS

3755 BRICKWAY BLVD 100
SANTA ROSA, CA 95403

Preparer's telephone number
707-571-1951

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**	294
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)**	224
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	229
b	Retired or separated participants receiving benefits	**6b**	1
c	Other retired or separated participants entitled to future benefits	**6c**	59
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	289
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	
f	Total. Add lines **6d** and **6e**.	**6f**	289
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	289
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	4
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:
2E 3D

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)	[ ]	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)	[ ]	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)	[ ]	**R** (Retirement Plan Information)
(2)	[ ]	**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)	[ ]	**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)	[ ]	**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 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 09/01/2015 and ending 08/31/2016

A Name of plan
CATTLEMENS PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
CATTLEMENS

D Employer Identification Number (EIN)
94-1729627

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)	50000	100000
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	1470	90
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	774005	360401
(2) U.S. Government securities	1c(2)		440155
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		401075
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)	53641	316496
(5) Partnership/joint venture interests	1c(5)	100100	100100
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)	254632	239912
(8) Participant loans	1c(8)	12916	8943
(9) Value of interest in common/collective trusts	1c(9)		0
(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)	1695034	1081863

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)	496905	550921
	(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	3438703	3599956
	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		
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	3438703	3599956

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)	100000	
	(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)		100000
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	178	
	(B) U.S. Government securities	2b(1)(B)	8205	
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)	13610	
	(E) Participant loans	2b(1)(E)	556	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		22549
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)	94644	
	(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)		94644
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	1118723	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	1135232	
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		-16509
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
	(B) Other	2b(5)(B)	119820	
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		119820

		(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		-685
d Total income. Add all **income** amounts in column (b) and enter total	2d		319819
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	158566	
(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)		158566
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)		
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		158566
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		161253
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) [X] Unqualified **(2)** [ ] Qualified **(3)** [ ] Disclaimer **(4)** [ ] Adverse

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

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

(1) Name: BOYLE & STOLL CPAS **(2)** EIN: 94-2901944

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			620000
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		X		

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

CATTLEMENS PROFIT SHARING PLAN

AUDIT REPORT

AUGUST 31, 2016 AND 2015

CATTLEMENS PROFIT SHARING PLAN

August 31, 2016

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FINANCIAL STATEMENTS

Boyle & Stoll
CERTIFIED PUBLIC ACCOUNTANTS

PHONE 707.571.1951 FAX 707.571.1817
3755 BRICKWAY BLVD. SUITE 100 SANTA ROSA, CA 95403 WWW.BOYLE-STOLL.COM

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
the Cattlemens Profit Sharing Plan

We have audited the accompanying financial statements of Cattlemens Profit Sharing Plan, which comprise the statement of net assets available for benefits as of August 31, 2016 and 2015, and the related statement of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Cattlemens Profit Sharing Plan as of August 31, 2016 and 2015, and the changes in its net assets available for benefits for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule of Assets Held for Investment Purposes, Schedule of Assets Acquired and Disposed of Within the Year, and Schedule of Reportable Transactions, referred to as "supplemental information," is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Boyle & Stoll

Paul Scheinberg
Certified Public Accountant
Santa Rosa, CA

January 10, 2017

CATTLEMENS PROFIT SHARING PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

August 31, 2016 and 2015

	2016	2015
ASSETS		
Investments, at fair value:		
Common stock	$ 867,419	$ 550,546
Mutual funds	1,035,307	1,695,034
Corporate bonds	401,075	-
Other investment securities	486,711	-
Notes receivable	239,912	254,632
Limited liability company	100,100	100,100
Total investments	3,130,524	2,600,312
Receivables:		
Employer's contributions	100,000	50,000
Notes receivable from participants	8,943	12,916
Other	90	1,470
Total receivables	109,033	64,386
Cash	360,401	774,007
NET ASSETS AVAILABLE FOR BENEFITS	$ 3,599,958	$ 3,438,705

The accompanying notes are an integral part to the financial statements

CATTLEMENS PROFIT SHARING PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the Years Ended August 31, 2016 and 2015

	2016	2015
Additions to net assets attributed to:		
Investment income:		
Net (depreciation) appreciation in fair value of investments	$ 103,311	$ (225,009)
Dividends	94,644	298,818
Interest	21,993	22,174
Miscellaneous	(685)	(52)
Total investment income	219,263	95,931
Interest income on notes receivable from participants	556	768
Employer contributions	100,000	50,000
Total additions	319,819	146,699
Deductions from net assets attributed to:		
Benefits paid to participants	158,566	2,824,214
Net increase (decrease)	161,253	(2,677,515)
Net assets available for benefits:		
Beginning of the year	3,438,705	6,116,220
END OF THE YEAR	$ 3,599,958	$ 3,438,705

The accompanying notes are an integral part to the financial statements

CATTLEMENS PROFIT SHARING PLAN

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016 and 2015

NOTE 1 – DESCRIPTION OF PLAN

The following description of Cattlemens Profit Sharing Plan (Plan) provides only general information. Participants should refer to the Plan documents for a more complete description of the Plan's provisions.

General

The Plan is a profit sharing plan covering all employees of the Company who are eighteen years of age or older and meet certain service requirements. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Board of Trustees oversees governance of the Plan.

Contributions

Contributions to the Plan are made at the discretion of the Board of Directors of Cattlemens, Inc. Under provisions of the Plan, employee contributions are neither required nor allowed.

Participant accounts

Each participant's account is credited with the participant's allocation of (a) the Company's contribution, (b) the Plan's earnings, and (c) the forfeitures of terminated participants' nonvested accounts. Allocations are based on participant compensation or beginning account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Vesting is based on years of service. Plan participants begin vesting after two years of service and are fully vested after six years of service.

Notes receivable from participants

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their nonforfeitable (vested) account balance. The notes are secured by the balance in the participant's account and bear interest at a rate that is comparable to the rate being charged by institutional lenders in Santa Rosa, California. Principal and interest is paid through payroll withholding in substantially level payments.

Payments of benefits

On termination of service, a participant receives a lump-sum amount or installments over not more than five years equal to the value of their account.

NOTE 1 – DESCRIPTION OF PLAN (continued)

Forfeited accounts

At August 31, 2016 and 2015, forfeited nonvested accounts totaled $16,290 and $15,128, respectively. These accounts have been reallocated to current participants in the same manner as Company contributions.

Plan termination

Although it has not expressed any intent 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 of ERISA. In the event of Plan termination, participants will become 100% vested in their account balances.

Plan amendments

The plan was restated and amended in August 2015 as required by the Pension Protection Act of 2006 (PPA), the Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART), the Emergency Economic Stabilization Act of 2008 (EFSA), the Workers Retiree and Employer Recovery Act of 2008 (WRERA). The reason for the restatement is to comply with IRS Revenue Procedure 2007-44 by incorporating all statutes, regulations and other guidance identified in the IRS 2010 Cumulative List of Changes in Plan Qualification Requirements. The IRS issued a favorable determination letter dated September 27, 2016 that includes the restated and amended plan dated August 2015. These changes do not have a significant material effect on the benefits or net assets either individually or in the aggregate of the Plan

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

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

Use of Estimates

The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Notes receivable from participants

Notes receivable from participants are measured at their unpaid principal balance. Interest income is recorded as earned. As of August 31, 2016 and 2015, no allowance for credit

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Notes receivable from participants (continued)
losses has been recorded. If a participant does not make loan repayments, and the plan administrator considers the participant loan to be in default, the loan balance is reduced, and the delinquent note receivable is recorded as a benefit payment based on the terms of the Plan document.

Investment valuation and income recognition
Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's Board of Trustees determines the Plan's valuation policies. See NOTE 3 for discussion of fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of benefits
Benefits are recorded when paid.

Operating expenses
All expenses of maintaining the Plan are paid by the Company.

NOTE 3 – FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefits. The methods used to measure fair value may produce an amount that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to measure the fair value of certain financial instruments could result in a different fair value on the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs are quoted prices for identical or similar assets or liabilities in inactive markets, and Level 3 inputs are

NOTE 3 – FAIR VALUE MEASUREMENTS (continued)

unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 inputs were available to the Plan, and Level 3 inputs were only used when Level 1 or Level 2 inputs were unavailable.

Level 1 fair value measurements

The fair value of common stocks, mutual funds, corporate bonds and other investment securities are based on quoted net assets' values of the share held by the Plan at year-end. The fair value of common stocks, mutual funds, corporate bonds, and other investment securities are based on the closing price reported on the active market where individual securities are traded.

Level 2 fair value measurements

The Plan had no Level 2 investments.

Level 3 fair value measurements

Investments in Cattlemens' (plan sponsor) common stock, notes and deeds of trust, and limited liability companies are not actively traded, and significant inputs are unavailable. The fair value of Cattlemens' (plan sponsor) common stock is determined by independent appraisal using comparable companies. Notes and deeds of trust are based on the appraised value of the underlying security, or discounting the related cash flows based on current yields of comparable duration considering the credit-worthiness of the borrower. The limited liability company's assets consist of real estate. The fair values are determined by the appraised value of the real estate.

For those assets with fair value measurement using Level 3 inputs, the Plan determines the fair value measurement policies and procedures in consultation with the Company's chief financial officer and the Plan trustees. Those policies and procedures are reassessed at least annually to determine if the current valuation methodologies are still appropriate. At that time, the unobservable inputs used in the fair value measurements are evaluated and adjusted, as necessary, based on current market conditions and other third-party information.

NOTE 3 – FAIR VALUE MEASUREMENTS (continued)

Level 3 fair value measurements (continued)

The following table reconciles the beginning and ending balances of fair value measurements using significant unobservable inputs (Level 3) for the year ended August 31, 2016:

	Cattlemens Common Stock	Notes Receivable	Limited Liability Company	Total
Beginning balance, September 1, 2015	$ 496,905	$ 254,632	$ 100,100	$ 851,637
Total gains or losses included in changes in net assets available for benefits	54,016		-	54,016
Interest earned		13,610		13,610
Principal payments	-	(28,330)	-	(28,330)
Ending balance	$ 550,921	$ 239,912	$ 100,100	$ 890,933

NOTE 3 – FAIR VALUE MEASUREMENTS (continued)

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

Assets at Fair Value as of August 31, 2016

	Level 1	Level 2	Level 3	Total
Mutual funds	$ 1,035,307	$ -	$ -	$ 1,035,307
Common stock	316,498			316,498
Corporate bonds	401,075			401,075
Other investment funds	486,711			486,711
Notes receivable	-	-	239,912	239,912
Cattlemens common stock (plan sponsor)	-	-	550,921	550,921
Limited liability company	-	-	100,100	100,100
Total investments at fair value	$ 2,239,591	$ -	$ 890,933	$ 3,130,524

Assets at Fair Value as of August 31, 2015

	Level 1	Level 2	Level 3	Total
Mutual funds	$ 1,695,034	$ -	$ -	$ 1,695,034
Common stock	53,641			53,641
Notes receivable	-	-	254,632	254,632
Cattlemens common stock (plan sponsor)	-	-	496,905	496,905
Limited liability company	-	-	100,100	100,100
Total investments at fair value	$ 1,748,675	$ -	$ 851,637	$ 2,600,312

The Plan's policy is to recognize transfers into and out of Level 3 as of the date of the event or change in circumstances that caused the transfer. For the year ended August 31, 2016, there were no transfers into or out of Level 3.

The amount of total gains or losses for the year ended August 31, 2016 included in changes in net assets available for benefits which were attributable to the changes in unrealized gains or losses relating to assets held at the end of the reporting period was $119,820.

NOTE 3 – FAIR VALUE MEASUREMENTS (continued)

Unrealized gains and losses included in changes in net assets available for benefits is reported as part of the net (depreciation) appreciation in fair value of investments.

NOTE 4 – INVESTMENTS

The following presents investments in the Plan's net assets:

	August 31, 2016		August 31, 2015	
Investments at fair value as determined by quoted market price (level 1):				
Mutual Funds:				
Sandridge Permian Trust, 0 and 3800 shares, respectively	$ -		$ 19,266	
Pacific Coast, 0 and 125000 shares, respectively	-		34,375	
Mair & Power Growth Fund, 4010 and 4101 shares, respectively	471,874	*	363,221	*
Oakmark Select Fund, 0 and 11494 shares, respectively	-		439,867	*
Longleaf Partners Fund, 0 and 3262 shares, respectively	-		85,475	
Dodge & Cox Stock Fund, 2562 and 1830 shares, respectively	438,545	*	310,778	*
Vanguard Index Fund, 604 and 2190 shares, respectively	124,888		495,693	*
Equities (common stock):				
Annaly Capital 431 and 0 shares, respectively	11,047		-	
BGC Partners 1884 and 0 shares, respectively	16,523		-	
BP PLC 488 and 0 shares, respectively	16,516		-	
CF Industries Holding 735 and 0 shares, respectively	19,110		-	
Cosan Limited 1880 and 0 shares, respectively	13,235		-	
FMC Corporation 394 and 0 shares, respectively	18,491		-	
Fairfax Financial Holding 610 and 0 shares, respectively	34,160		-	
First Cash Financial Services 227 and 0 shares, respectively	11,739		-	
Four Corners Properties 665 and 0 shares, respectively	13,772		-	

CATTLEMENS PROFIT SHARING PLAN

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016 and 2015

NOTE 4 – INVESTMENTS (continued)

	August 31, 2016	2015
GlaxcoSmithKline PLC 764 and 0 shares, respectively	33,191	-
HD Supply Holdings Inc 397 and 0 shares, respectively	14,336	-
MagicJack Vocal Tec Ltd 1345 and 0 shares, respectively	8,339	-
Micron Technology 940 and 0 shares, respectively	15,501	-
News Corporation 1100 and 0 shares, respectively	15,466	-
Oaktree Capital Group LLC 333 and 0 shares, respectively	14,644	-
Oracle Corporation 682 and 0 shares, respectively	28,102	-
Teekay Offshore Partnership 2233 and 0 shares, respectively	12,326	-
Teekay Offshore Preferred 1000 and 0 shares, respectively	20,000	-
Corporate bonds:		
RR Donnelley & Co 6.125% due 01/15/17	100,250	-
Century Link Inc 5.15% due 06/15/17	102,500	-
Dean Food Company 6.9% due 10/15/17	93,825	-
Dell Inc 5.65% due 04/15/15	104,500	-
Other investment securities:		
Annaly Capital Management (REIT) 1501 and 0 shares, respectively	16,081	-
Grammercy Trust REIT 3148 and 0 shares, respectively	30,475	-
Schwab Short Term US Treasury 2905 and 0 shares, respectively	147,564	-
Vanguard Intermediate Government 759 and 0 shares, respectively	50,516	-
Ishares 20 Plus Years Treasury 387 and 0 shares, respectively	54,156	-
Schwab Short Term Treasury 1726 and 0 shares, respectively	87,687	-

NOTE 4 – INVESTMENTS (continued)

	August 31, 2016		August 31, 2015	
Vanguard Intermediate Government 1506 and 0 shares, respectively	100,232		-	
Other investments at estimated fair value (level 3):				
Cattlemens stock (party in interest), 211 and 211 shares, respectively	550,921	*	496,905	*
Notes receivable as follows:				
- 13.2818% interest in note receivable, secured by 1st deed of trust, 10%, due 09/01/17	115,000		115,000	
- 7.759% interest in note receivable, secured by 1st deed of trust, .75%, due 01/01/17	122,314		133,716	
- 7.759% interest in note receivable, secured by 1st deed of trust, 18%, due 04/01/17	2,598		5,916	
Limited liability company	100,100		100,100	
Total assets held for investment	$ 3,130,524		$ 2,600,312	

*represent 5% or more of the Plan's net assets available for benefits.

During the year ending August 31, 2016, the Plan's investment (including investments bought, sold, and held during the year) appreciated in value by $103,311 as follows:

Common stock	$ 27,819
Company stock	54,016
Mutual funds	13,156
Corporate bonds	(5,335)
Other investment securities	13,655
Net change in fair value	$ 103,311

NOTE 5 – RELATED PARTY TRANSACTIONS

A portion of the Plan's assets are investments in Cattlemens common stock. As the Company is the Plan sponsor, transactions involving Cattlemens common stock are classified as party in interest transaction. In August 2015, the Company purchased 70 shares of Cattlemens common stock for $164,850, realizing a gain of $115,850. The Company did not purchase any Cattlemens stock in the year end August 31, 2016. The plan held 211 shares of Cattlemens common stock for each year, at August 31, 2016 and 2015. This party in interest transaction is exempt from the prohibited transaction rules of ERISA.

NOTE 6 – REPORTABLE TRANSACTIONS

A reportable transaction is any single transaction within the plan year in excess of 5% of the current value of the plan assets.

Reportable transactions in the year ended August 31, 2016

Identity of Party	Description	Purchase/Selling Price	Cost of Asset	Current Value	Net Gain(Loss)
Schwab Short-Term Treasury	Purchase	$ 248,706	$ 248,706	$ 235,251	$ -
Oakmark Funds	Sale of Fund	452,854	439,866	452,854	12,988
Vanguard Health Fund	Sale of Fund	349,580	377,988	349,580	(28,408)

Reportable transactions in the year ended August 31, 2015

Identity of Party	Description	Selling Price	Cost of Asset	Current Value	Net Gain(Loss)
Fairholme Fund	Sale of Fund	$ 314,607	$ 351,414	$ 314,607	$ (36,807)
Longleaf Fund	Sale of Fund	424,952	506,902	424,952	(81,950)
Vanguard Health Fund	Sale of Fund	449,952	401,108	449,952	48,844
Weitz Fund	Sale of Fund	501,741	515,379	501,741	(13,638)
Oakmark Funds	Sale of Fund	250,000	280,004	250,000	(30,004)

NOTE 7 – 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.

NOTE 8 – TAX STATUS

The Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified, and the related trust is tax-exempt. The Internal Revenue Service (IRS) has determined and informed the Company by a letter dated September 27, 2016 that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC).

Accounting principles generally accepted in the United States of America require the Plan administrator to evaluate tax positions taken by the Plan and recognize a tax liability for any uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by tax authorities. There are currently no audits for any tax periods in progress. The Plan administrator believes the Plan is no longer subject to income tax examination for prior years ending August 31, 2011.

NOTE 9 – RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The net assets available for benefits per the financial statements are equal to the net assets available for benefits per the Form 5500.

NOTE 10 – CONCENTRATION OF CREDIT RISK FOR CASH DEPOSITS

Financial instruments that potentially subject the Plan to concentrations of credit risk consist principally of cash deposits at a nationally known brokerage firm. The accounts at the brokerage firm contain cash and marketable securities. Balances are insured up to $500,000, with a limit of $250,000 for cash, by the SIPC (Securities Investor Protection Corporation). At August 31, 2016 and 2015, the Plan had approximately $114,000 and $524,000 in excess of SIPC insured limits, respectively.

CATTLEMENS PROFIT SHARING PLAN

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2016 and 2015

NOTE 11 – DATE OF MANAGEMENT'S REVIEW

Subsequent events were evaluated on January 10, 2017, which is the date the financial statements were available to be issued.

NOTE 12 – SUBSEQUENT EVENT

On September 29, 2016, the Company approved the repurchase of approximately 70 shares of Cattlemens common stock held by the Plan. According to the Plan administrator, the stock repurchase plan is currently being drawn up with the Plan attorney. The repurchase price is estimated to be $182,700 and will be based on the appraised value of the Company stock as of August 31, 2016.

In January 2017, the borrower on the note secured by 1st deed of trust due 01/01/17 in the amount of $122,314 requested and was granted a 90 day extension to pay the note in full by 04/01/17.

SUPPLEMENTAL INFORMATION

CATTLEMENS PROFIT SHARING PLAN
EIN: 94-1729627 Plan No: 001

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS HELD AT END OF YEAR

August 31, 2016

(a)	(b) Issuer	(c) Investment Description	(d) Cost	(e) Current Value
	Equities			
	Annaly Capital	431.1934 shares	$ 10,500	$ 11,047
	BGC Partners	1884 shares	16,268	16,523
	BP PLC	487.778 shares	16,423	16,516
	CF Industries Holding	735 shares	18,877	19,110
	Cosan Limited	1880 shares	4,995	13,235
	FMC Corporation	393.9628 shares	15,382	18,491
	Fairfax Financial Holding	61 shares	30,034	34,160
	First Cash Financial Services	226.976 shares	8,453	11,739
	Four Corners Properties	665 shares	10,004	13,772
	GlaxoSmithKline PLC	763.7084 shares	31,320	33,191
	HD Supply Holdings Inc	397 shares	9,907	14,336
	MagicJack Vocal Tec Ltd	1345 shares	8,260	8,339
	Micron Technology	940 shares	10,511	15,501
	News Corporation	1100 shares	15,070	15,466
	Oaktree Capital Group LLC	333.0338 shares	15,836	14,644
	Oracle Corporation	681.7334 shares	24,978	28,102
	Teekay Offshore Partnership	2233 shares	10,653	12,326
	Teekay Offshore Preferred	1000 shares	19,963	20,000
*	Cattlemens (party in interest)	211/281	147,700	550,921
	Total stocks		425,134	867,419
	Mutual Funds			
	Dodge & Cox Stock Fund	2562.1970 shares	372,483	438,545
	Mairs and Powers Growth Fund	4010.1490 shares	345,349	471,874
	Vanguard Health Care Fund	604.3710 shares	81,062	124,888
	Total mutual funds		798,894	1,035,307
	Corporate Bonds			
	RR Donnelley & Co	6.125% due 01/15/17	102,601	100,250
	Century Link Inc	5.15% due 06/15/17	102,795	102,500
	Dean Foods Company	6.9% due 10/15/17	94,754	93,825
	Dell Inc	5.65% due 04/15/15	104,975	104,500
	Total corporate bonds		405,125	401,075
	Other Assets			
	Annaly Capital Management (REIT)	1501.5436 shares	14,923	16,081
	Grammercy Trust REIT	3148.2202 shares	22,844	30,475
	Schwab Short Term US Treasury	2905.3736 shares	147,457	147,564
	Vanguard Intermediate Government	758.878 shares	50,247	50,516
	IShares 20 Plus Years Treasury	387.1866 shares	50,653	54,156
	Schwab Short Term Treasury	1726.4691 shares	87,152	87,687
	Vanguard Intermediate Government	1505.6720 shares	99,901	100,232
	Total other assets		473,177	486,711
	Notes Receivable			
	Notes receivable from participants, principal and interest at 5% due monthly, due 09/15/18		-	8,943
	13.2818% interest in note receivable, secured by 1st deed of trust, interest only payments due monthly at 10%, principal due 09/01/17		115,000	115,000
	7.759% interest in note receivable, secured by 1st deed of trust, monthly payments of principal and interest at .75%, principal due 01/01/17		122,314	122,314
	7.759% interest in note receivable, secured by 1st deed of trust, monthly payments of principal and interest at 18%, principal due 04/01/17		2,598	2,598
	Total notes receivable		239,912	248,855
	Limited liability company		136,149	100,100
	Total Assets Held for Investment		$ 2,478,391	$ 3,139,467

* Party in interest

CATTLEMENS PROFIT SHARING PLAN
EIN: 94-1729627 Plan No: 001

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS ACQUIRED AND DISPOSED OF WITHIN YEAR

August 31, 2016

(a) Issuer	(b) Investment Description	(c) Cost of acquisitions	(d) Proceeds of dispositions
ADT Corp Bond	2.25% corporate bond	$ 99,620	$ 101,387
HD Holdings	193 shares	5,496	6,414
IBM	81.4859 shares	10,888	12,190
Cott Corporation	2545 shares	25,003	39,025
First Cash Financial	60 shares	2,231	2,791
Leucadia National	750.7321 shares	15,087	12,953
Schwab Short Term Treasury	395 shares	19,940	20,063

CATTLEMENS PROFIT SHARING PLAN
EIN: 94-1729627 Plan No: 001

SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS

August 31, 2016

(a) Identity of Party	(b) Description	(c) Purchase Price	(d) Selling Price	(g) Cost of Asset	(h) Current Value	(i) Net Gain(Loss)
Schwab Short-term Treasury	5010 shares	$ 248,706	$ -	$ 248,706	$ 235,251	$ -
Oakmark Funds	1493.745 shares	-	452,854	439,866	452,854	12,988
Vanguard Health Fund	1670 shares	-	349,580	377,988	349,580	(28,408)

CATTLEMENS PROFIT SHARING PLAN
EIN: 94-1729627 Plan No: 001

SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS

August 31, 2016

(a) Identity of Party	(b) Description	(c) Purchase Price	(d) Selling Price	(g) Cost of Asset	(h) Current Value	(i) Net Gain(Loss)
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CATTLEMENS PROFIT SHARING PLAN
EIN: 94-1729627 Plan No: 001

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS HELD AT END OF YEAR

August 31, 2016

(a)	(b) Issuer	(c) Investment Description	(d) Cost	(e) Current Value
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	Annaly Capital	431.1934 shares	$ 10,500	$ 11,047
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	Cosan Limited	1880 shares	4,995	13,235
	FMC Corporation	393.9628 shares	15,382	18,491
	Fairfax Financial Holding	61 shares	30,034	34,160
	First Cash Financial Services	226.976 shares	8,453	11,739
	Four Corners Properties	665 shares	10,004	13,772
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	Total corporate bonds		405,125	401,075
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	Vanguard Intermediate Government	1505.6720 shares	99,901	100,232
	Total other assets		473,177	486,711
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	Total notes receivable		239,912	248,855
	Limited liability company		136,149	100,100
	Total Assets Held for Investment		$ 2,478,391	$ 3,139,467

* Party in interest