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 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

2016

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

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.)
- [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
C.R. PHARMACY SERVICE, INC. EMPLOYEE STOCK OWNERSHIP PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/2004

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)

C. R. PHARMACY SERVICE, INC.

1014 5TH AVE SE
CEDAR RAPIDS, IA 52403

2b Employer Identification Number (EIN) 42-0985270

2c Plan Sponsor's telephone number 319-363-1284

2d Business code (see instructions) 446110

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.	10/09/2017	BRENT BORMANN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/09/2017	BRENT BORMANN
	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**	226
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)**	178
a(2) Total number of active participants at the end of the plan year	**6a(2)**	161
b Retired or separated participants receiving benefits	**6b**	2
c Other retired or separated participants entitled to future benefits	**6c**	65
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	228
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f Total. Add lines **6d** and **6e**.	**6f**	228
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	222
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	26
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:
2I 2P 2Q 3I

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)		**9b** Plan benefit arrangement (check all that apply)	
(1)	[ ] Insurance	**(1)**	[ ] Insurance
(2)	[ ] Code section 412(e)(3) insurance contracts	**(2)**	[ ] Code section 412(e)(3) insurance contracts
(3)	[X] Trust	**(3)**	[X] Trust
(4)	[ ] General assets of the sponsor	**(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) [ ] **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) [X] **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 2016 Form M-1 annual report. If the plan was not required to file the 2016 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 C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**2016** **This Form is Open to Public Inspection.**

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan C.R. PHARMACY SERVICE, INC. EMPLOYEE STOCK OWNERSHIP PLAN	**B** Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 C. R. PHARMACY SERVICE, INC.	**D** Employer Identification Number (EIN) 42-0985270

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions). . . . . ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	**(c)** Relationship to employer, employee organization, or person known to be a party-in-interest	**(d)** Enter direct compensation paid by the plan. If none, enter -0-.	**(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	**(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	**(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	**(h)** Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

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(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

SCHEDULE H (Form 5500)

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

2016

This Form is Open to Public Inspection

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan
C.R. PHARMACY SERVICE, INC. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
C. R. PHARMACY SERVICE, INC.

D Employer Identification Number (EIN)
42-0985270

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 reported 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	3107	2847
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	39248
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	2088
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)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	**1d(1)**	9447563	6969960
	(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**	9450670	7014143
	Liabilities			
g	Benefit claims payable	**1g**	0	
h	Operating payables	**1h**	0	
i	Acquisition indebtedness	**1i**	0	
j	Other liabilities	**1j**	3742563	3665175
k	Total liabilities (add all amounts in lines 1g through1j)	**1k**	3742563	3665175
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	**1l**	5708107	3348968

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)**	732305	
	(B) Participants	**2a(1)(B)**	0	
	(C) Others (including rollovers)	**2a(1)(C)**	0	
	(2) Noncash contributions	**2a(2)**	0	
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	**2a(3)**		732305
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	**2b(1)(A)**	0	
	(B) U.S. Government securities	**2b(1)(B)**	0	
	(C) Corporate debt instruments	**2b(1)(C)**	0	
	(D) Loans (other than to participants)	**2b(1)(D)**	0	
	(E) Participant loans	**2b(1)(E)**		
	(F) Other	**2b(1)(F)**	0	
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	**2b(1)(G)**		0
	(2) Dividends: **(A)** Preferred stock	**2b(2)(A)**	0	
	(B) Common stock	**2b(2)(B)**	0	
	(C) Registered investment company shares (e.g. mutual funds)	**2b(2)(C)**	0	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	**2b(2)(D)**		0
	(3) Rents	**2b(3)**		0
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	**2b(4)(A)**	0	
	(B) Aggregate carrying amount (see instructions)	**2b(4)(B)**	0	
	(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)**	0	
	(B) Other	**2b(5)(B)**	-2477603	
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	**2b(5)(C)**		-2477603

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		0
c Other income	2c		0
d Total income. Add all **income** amounts in column (b) and enter total	2d		-1745298
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	423661	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		423661
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		190082
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	98	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		98
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		613841
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		-2359139
l Transfers of assets:			
(1) To this plan	2l(1)		0
(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: RSM US LLP **(2)** EIN: 42-0714325

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	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	0
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	0

			Yes	No	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	0
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	0
e	Was this plan covered by a fidelity bond?	4e	X		1000000
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	Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	4o			

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
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year_____. (See instructions.)

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 sections 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

2016

This Form is Open to Public Inspection.

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan
C.R. PHARMACY SERVICE, INC. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
C. R. PHARMACY SERVICE, INC.

D Employer Identification Number (EIN)
42-0985270

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** 0

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): 42-0127290

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**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 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? If "No," skip b	☐ Yes ☐ No
20b How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply:	☐ Design-based safe harbor ☐ "Prior year" ADP test ☐ "Current year" ADP test ☐ N/A
21a What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply:	☐ Ratio percentage test ☐ Average benefit test ☐ N/A
21b Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules?	☐ Yes ☐ No

22a If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter _____/_____/_____ and the serial number _____.

22b If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter _____/_____/_____.

C.R. Pharmacy Service, Inc.
Employee Stock Ownership Plan

Financial Report
December 31, 2016

THE POWER OF BEING UNDERSTOOD
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RSM US LLP

Independent Auditor's Report

Board of Trustees
C.R. Pharmacy Service, Inc.
Employee Stock Ownership Plan

Report on the Financial Statements
We have audited the accompanying financial statements of C.R. Pharmacy Service, Inc. Employee Stock Ownership Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, the related statements of changes in net assets available for benefits for the years ended December 31, 2016 and 2015, 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 our audits. We conducted our audits 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 of 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 judgment, 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.

RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

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

Emphasis of Matter
As discussed in Note 6, the financial statements include investments representing a significant concentration of plan assets as of December 31, 2016 and 2015, whose fair values have been estimated by management in the absence of readily-ascertainable fair values. Because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

Other Matter – Report on Supplementary Information
Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets (held at end of year), as of December 31, 2016 is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplementary 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 audits 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.

RSM US LLP

Cedar Rapids, Iowa
October 5, 2017

C.R. Pharmacy Service, Inc.
Employee Stock Ownership Plan

Statements of Net Assets Available for Benefits
December 31, 2016 and 2015

	2016		
	Allocated	**Unallocated**	**Total**
Assets			
Investment in common stock of C.R. Pharmacy Services, Inc., at fair value	**$ 3,656,527**	**$ 3,313,433**	**$ 6,969,960**
Cash	**2,847**	**-**	**2,847**
Employer contribution receivable	**-**	**39,248**	**39,248**
Other receivable	**2,088**	**-**	**2,088**
Total assets	**3,661,462**	**3,352,681**	**7,014,143**
Liabilities			
Notes payable	**-**	**3,625,927**	**3,625,927**
Interest payable	**-**	**39,248**	**39,248**
Total liabilities	**-**	**3,665,175**	**3,665,175**
Net assets (deficit) available for benefits	**$ 3,661,462**	**$ (312,494)**	**$ 3,348,968**

See notes to financial statements.

2015		
Allocated	Unallocated	Total
$ 4,748,191	$ 4,699,372	$ 9,447,563
3,107	-	3,107
-	-	-
-	-	-
4,751,298	4,699,372	9,450,670
-	3,742,563	3,742,563
-	-	-
-	3,742,563	3,742,563
$ 4,751,298	$ 956,809	$ 5,708,107

C.R. Pharmacy Service, Inc.
Employee Stock Ownership Plan

Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2016 and 2015

	2016		
	Allocated	**Unallocated**	**Total**
Additions to net assets attributed to:			
Employer contribution	**$ 425,587**	**$ 306,718**	**$ 732,305**
Investments:			
Net unrealized appreciation in estimated fair value of stock of C.R. Pharmacy Service, Inc.	**-**	**-**	**-**
Allocation of shares 2016 9,996; 2015 15,353 of common stock of C.R. Pharmacy Service, Inc., at estimated fair value	**153,539**	**-**	**153,539**
Total additions	**579,126**	**306,718**	**885,844**
Deductions from net assets attributed to:			
Interest expense	**-**	**190,082**	**190,082**
Distributions to participants	**423,661**	**-**	**423,661**
Investments:			
Net unrealized depreciation in estimated fair value of stock of C.R. Pharmacy Service, Inc.	**1,245,203**	**1,232,400**	**2,477,603**
Allocation of shares 2016 9,996; 2015 15,353 of common stock of C.R. Pharmacy Service, Inc., at estimated fair value	**-**	**153,539**	**153,539**
Administrative expenses	**98**	**-**	**98**
Total deductions	**1,668,962**	**1,576,021**	**3,244,983**
Net (decrease) increase	**(1,089,836)**	**(1,269,303)**	**(2,359,139)**
Transfer for debt service	**-**	**-**	**-**
Net assets (deficit) available for benefits:			
Beginning of year	**4,751,298**	**956,809**	**5,708,107**
End of year	**$ 3,661,462**	**$ (312,494)**	**$ 3,348,968**

See notes to financial statements.

	2015		
Allocated	Unallocated	Total	
$ 189,296	$ 309,853	$ 499,149	
1,331,540	1,509,082	2,840,622	
319,656	-	319,656	
1,840,492	1,818,935	3,659,427	
-	196,152	196,152	
189,296	-	189,296	
-	-	-	
-	319,656	319,656	
32	-	32	
189,328	515,808	705,136	
1,651,164	1,303,127	2,954,291	
(63,000)	63,000	-	
3,163,134	(409,318)	2,753,816	
$ 4,751,298	$ 956,809	$ 5,708,107	

Note 1. Plan Description

The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General: C.R. Pharmacy Service, Inc. and its subsidiaries, C.R. IV Service, Inc. and CarePro Integrative Health Clinic, Inc. (collectively the Company) established the Plan effective January 15, 2004. The Plan operates as an employee stock ownership plan (ESOP), and is designed to comply with Section 4975 (e)(7) and the regulations there under the Internal Revenue Code of 1986 (IRC), as amended and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by C.R. Pharmacy Service, Inc. with oversight from the Plan's trustees. The stock certificates are held by an independent third party.

The Plan purchased 453,773.417 shares of the Company's common shares using the proceeds of notes payable to the Company and its eight former stockholders. The notes are scheduled to be repaid over a period of 20 to 30 years by fully deductible Company contributions to the Trust and dividends paid on the Company's common shares. As the Plan makes each payment, an appropriate percentage of stock will be allocated to eligible employee's accounts in accordance with applicable regulations under the IRC.

The unallocated shares of Company stock collateralize the borrowings. The lenders have no rights against the shares once they are allocated under the ESOP. Accordingly, the accompanying financial statements presented separately the assets and liabilities and changes therein pertaining to a) the accounts of employees with rights in allocated stock (allocated) and b) stock not yet allocated to employees (unallocated). Shares are released from collateral and become allocated generally in the period in which debt service is actually paid in cash.

Eligibility: Employees of the Company who are age 21 and over are generally eligible to participate in the Plan after one year of service, providing they worked at least 1,000 hours during the Plan year. Only employees who are actively employed on the last day of the Plan year are eligible to share in the discretionary Company contribution, as well as those employees whose termination prior to year-end was due to retirement, death or disability.

Contributions: Company contributions are discretionary; however, each year the Company must contribute, at a minimum, an amount at least equal to the principal and interest payments on the notes payable.

Distributions: No distributions from the Plan will be made until a participant retires, dies or otherwise terminates employment with the Company (except for diversifications). Distributions will be in a lump sum or installments over a certain period. The period over which such installment payments is to be made shall not extend beyond the earlier of the participant's life expectancy or five years. Plan provisions provide to pay out all vested account balances under $1,000 for terminated participants even when a distribution election form is not completed.

Distributions of a participant's benefit may be made in cash or Company stock, except as restricted in the Company charter, by-laws or by the administrator. The Company's charter/by-laws restrict the ownership of Company stock to participants or a qualified pension, profit-sharing or stock bonus trust. Because the Company is an S Corporation, the administrator may distribute a participant's account entirely in cash without granting the participant the right to demand distribution in shares of Company stock or may subject a distribution in shares of Company stock to an immediate, mandated put to the Company or ESOP.

Note 1. Plan Description (Continued)

Voting rights: The Trustee shall vote all Company stock held by it as part of the Plan assets. Provided, however, that if any agreement entered into by the Trust provides for voting of any shares of Company stock pledged as security for any obligation of the Plan, then such shares of Company stock shall be voted in accordance with such agreement. If the Trustee does not timely receive voting directions from a participant or beneficiary with respect to any Company stock allocated to that participant's or beneficiary's Company stock account, the Trustee shall vote such Company stock. Each participant is entitles to direct the Trustee as to the manner in which voting right on shares of Company stock, which are allocated to his or her account, are to be exercised with respect to any corporate matter which involves the voting of such shares.

Participant accounts: The Plan is a defined contribution plan under which a separate individual account is established for each participant. Company contributions are allocated to each participant's account based upon the relation of the participant's compensation to total eligible compensation for the Plan year.

As of each valuation date, before allocation of Company contributions for the entire Plan year and after allocation of forfeitures, if any, earnings or losses (net appreciation or depreciation) of the Trust fund are allocated to each participant's account in the same proportion that the participant's nonsegregated accounts (other that each participant's Company stock account) bears to the total of all participants' nonsegregated accounts (other than each participant's Company stock account) as of such date.

Company stock acquired by the Plan with the proceeds of an exempt loan shall only be allocated to each participant's Company stock account upon release from the unallocated Company stock suspense account. Dividends or "S Corporation distributions" received with respect to shares in the unallocated Company stock suspense account shall be allocated to each participant based upon the proportion that each participant's compensation for the Plan year bears to the total of all participants' compensation for the Plan year. Such dividend or other income may, at the discretion of the Company, be used to repay an exempt loan.

Vesting: Benefits are fully vested if a participant terminates under normal retirement, death or disability. If a participant's employment with the Company ends for any other reason, the account will vest 20 percent after the second year of qualifying service, and vesting will increase at the rate of 20 percent per year thereafter until fully vested after six years of qualifying service.

Put option: Under federal income tax regulation, the Company stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the fair market value of the stock. The Company can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

Diversification: Diversification is offered to participants close to retirement so they may have the opportunity to move part of the value of their investment in Company stock into investments which are more diversified. Participants who are at least 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account if it exceeds $500. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25 percent of the number of post-1986 shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50 percent. Participants who elect to diversify will receive a cash distribution or have the ability to rollover funds into a qualified defined contribution plan maintained by the Company.

Note 1. Plan Description (Continued)

Forfeitures: Forfeitures may be made available to reinstate previously forfeited account balances of former participants, if any, or may be used to satisfy any required contribution due or may be used to pay Plan administrative expenses. Any remaining forfeitures shall be allocated each year among the participants in the same proportion that each participant's eligible compensation for the year bears to the total eligible compensation of all participants for the year. Forfeitures allocated to participants totaled $29,255 and $51,693 during the years ended December 31, 2016 and 2015, respectively.

Note 2. Significant Accounting Policies

Basis of accounting: The financial records of the Plan are maintained on the accrual basis of accounting.

Accounting estimates: The preparation of 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, liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates. The fair value of the Company stock is subject to significant estimates and the change in value may be material.

Investment valuation and income recognition: Investments are reported at fair value. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. See Note 7 for discussion of fair value measurements. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividend income is accrued on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold (if any) as well as held during the year.

Payment of benefits: Benefits are recorded when paid.

Concentration: All of the Plan's investments are in the stock of the Company. The primary liquidity to the Plan comes from the Company's repurchase of stock or additional cash contributions.

Risks and uncertainties: The Plan investments consist primarily of the Company's common stock, which is exposed to various risks, such as interest rate, market, and credit risks, as well as valuation assumptions based on earnings, cash flows, and other such techniques. Due to the level of risk associated with the investment in the common stock and to uncertainties inherent in estimates and assumptions, it is at least reasonably possible that changes in the value of the common stock will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Administrative expenses: Most administrative expenses are paid by the Company. The Plan incurred and paid expenses of $98 and $32 for the years ended December 31, 2016 and 2015, respectively.

Subsequent events: The Plan Administrator has evaluated subsequent events through October 5, 2017, the date the financial statements were available to be issued.

Subsequent to December 31, 2016, the Company entered into a letter of intent to sell their retail pharmacy locations. This sale is expected to result in greater than 20 percent of employees being terminated and a partial plan termination. All existing participants become fully vested in their accounts if they are terminated as a result of this sale.

Note 3. Plan Termination

The Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon termination of the Plan, the Trustee would pay all liabilities and expenses of the ESOP and sell shares of financed common stock held as collateral to the extent it determines such sale to be necessary in order to repay the loans. Subsequently, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and the IRC.

Note 4. Related Party and Party in Interest Transactions

The Plan invests in Company common stock and has indebtedness guaranteed by the Company. These are related party and party in interest transactions. As described in Note 2, the Company pays most plan expenses. The Plan has a number of service providers. Such providers are parties in interest under ERISA.

Note 5. Tax Status

The Plan is a noncontributory defined contribution employee benefit plan. The Plan has received a favorable opinion letter from the Internal Revenue Service for its qualified status dated December 19, 2016. The Plan Administrator and management believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, they believe that the Plan was qualified and the related trust was tax-exempt as of the financial statement date.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability if the Plan has taken a significant uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Note 6. Investments

The Plan's investment in the Company's common stock as of December 31, 2016 and 2015 is summarized as follows:

	2016		2015	
	Allocated	Unallocated	Allocated	Unallocated
C.R. Pharmacy Service, Inc. common stock:				
Number of shares	238,054	215,719	228,058	225,715
Cost	$3,215,864	$2,914,136	$3,080,833	$3,049,167
Market value	$3,656,527	$3,313,433	$4,748,191	$4,699,372

The estimated fair value per share was $15.36 and $20.82 as of December 31, 2016 and 2015, respectively.

Note 7. 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 are described as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2016 and 2015.

Common stock of C.R. Pharmacy Service, Inc.: Valued based on an appraisal performed by an independent appraisal company based on a going-concern basis.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2016 and 2015:

	Level 1	Level 2	Level 3	Total
		2016		
C.R. Pharmacy Service, Inc. Class A common stock	$ -	$ -	$ 6,969,960	$ 6,969,960
		2015		
C.R. Pharmacy Service, Inc. Class A common stock	$ -	$ -	$ 9,447,563	$ 9,447,563

Note 7. Fair Value Measurements (Continued)

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the years ended December 31, 2016 and 2015:

	Common Stock
Balance as of December 31, 2014	$ 6,606,941
Unrealized gain on investment	2,840,622
Balance as of December 31, 2015	9,447,563
Unrealized (loss) on investment	(2,477,603)
Balance as of December 31, 2016	$ 6,969,960

The following table presents the Plan's Level 3 financial instrument, the valuation techniques used to measure the fair value, and the significant unobservable inputs used to value the financial instrument:

Instrument	Fair Value at December 31 2016	Fair Value at December 31 2015	Valuation Techniques	Unobservable Inputs
Common Stock, C.R. Pharmacy Service, Inc.	$ 6,969,960	$ 9,447,563	Discounted cash flow method (income approach)	Projected debt free cash flows Discount rate Weighted average cost of capital and terminal Discount for lack of marketability

The fair value of the Sponsor Company common stock held by the Plan is valued at fair value based upon an independent appraisal. This appraisal was based upon an income valuation technique consistent with prior years. The appraiser took into account historical and projected cash flow and net income, return on assets and return on equity. Plan management has concluded that a market participant would also recognize a discount for lack of marketability.

The valuation process involves the plan trustees' selection of an independent appraiser under a written annual contract. Company management accumulates the data for the appraiser from the financial statements of the Company and prepares the models for future growth or profitability expectations. The appraiser prepares a preliminary report which Company management, along with the ESOP fiduciary, reviews in detail, discusses, modifies, if appropriate and ultimately, approves. The results of this process are documented in the minutes of the plan fiduciary.

Note 8. Notes Payable

The Plan has a note payable to the Company with a balance of $826,276 at December 31, 2016 and 2015. The note is due in annual installments through 2023. The Plan has prepaid a portion of the principal and is expected to make interest only payments through 2016, with regularly scheduled principal and interest payments starting in 2017. Interest on the note is subject to adjustment every five years based on the prime interest rate plus 1.50 percent. The effective interest rate at December 31, 2016 was 4.75 percent. Unallocated shares of Company stock collateralize the note. Interest payable related to the note payable totaled $39,248 and none as of December 31, 2016 and 2015, respectively

The Plan also has notes payable with former stockholders of the Company with a combined balance of $2,799,651 and $2,916,287 at December 31, 2016 and 2015, respectively. The notes are due in quarterly installments totaling $66,867 through 2033. Interest on the notes is subject to adjustment every five years based on the prime interest rate plus 2 percent. The effective interest rate at December 31, 2016 is 5.25 percent. Unallocated shares of Company stock collateralize the notes.

Aggregate maturities of these notes at December 31, 2016 are as follows:

Year ending:	
2017	$ 49,637
2018	158,682
2019	209,107
2020	263,325
2021	276,626
Thereafter	2,668,550
	$ 3,625,927

C.R. Pharmacy Service, Inc.
Employee Stock Ownership Plan

Form 5500, Schedule H - Part IV, Item 4i -
Schedule of Assets (Held at End of Year)
December 31, 2016

Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investment	Cost	Current Value
C.R. Pharmacy Service, Inc. *	453,773 shares of Class A common stock	$ 6,130,000	$ 6,969,960

* Indicates a party-in-interest.

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C.R. Pharmacy Service, Inc.
Employee Stock Ownership Plan

Financial Report
December 31, 2016

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Independent Auditor's Report

Board of Trustees
C.R. Pharmacy Service, Inc.
Employee Stock Ownership Plan

Report on the Financial Statements
We have audited the accompanying financial statements of C.R. Pharmacy Service, Inc. Employee Stock Ownership Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, the related statements of changes in net assets available for benefits for the years ended December 31, 2016 and 2015, 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 our audits. We conducted our audits 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 of 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 judgment, 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.

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

Emphasis of Matter
As discussed in Note 6, the financial statements include investments representing a significant concentration of plan assets as of December 31, 2016 and 2015, whose fair values have been estimated by management in the absence of readily-ascertainable fair values. Because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

Other Matter – Report on Supplementary Information
Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets (held at end of year), as of December 31, 2016 is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplementary 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 audits 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.

RSM US LLP

Cedar Rapids, Iowa
October 5, 2017

C.R. Pharmacy Service, Inc.
Employee Stock Ownership Plan

Statements of Net Assets Available for Benefits
December 31, 2016 and 2015

	2016		
	Allocated	**Unallocated**	**Total**
Assets			
Investment in common stock of C.R. Pharmacy Services, Inc., at fair value	**$ 3,656,527**	**$ 3,313,433**	**$ 6,969,960**
Cash	**2,847**	**-**	**2,847**
Employer contribution receivable	**-**	**39,248**	**39,248**
Other receivable	**2,088**	**-**	**2,088**
Total assets	**3,661,462**	**3,352,681**	**7,014,143**
Liabilities			
Notes payable	**-**	**3,625,927**	**3,625,927**
Interest payable	**-**	**39,248**	**39,248**
Total liabilities	**-**	**3,665,175**	**3,665,175**
Net assets (deficit) available for benefits	**$ 3,661,462**	**$ (312,494)**	**$ 3,348,968**

See notes to financial statements.

2015		
Allocated	Unallocated	Total
$ 4,748,191	$ 4,699,372	$ 9,447,563
3,107	-	3,107
-	-	-
-	-	-
4,751,298	4,699,372	9,450,670
-	3,742,563	3,742,563
-	-	-
-	3,742,563	3,742,563
$ 4,751,298	$ 956,809	$ 5,708,107

C.R. Pharmacy Service, Inc.
Employee Stock Ownership Plan

Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2016 and 2015

	2016		
	Allocated	**Unallocated**	**Total**
Additions to net assets attributed to:			
Employer contribution	**$ 425,587**	**$ 306,718**	**$ 732,305**
Investments:			
Net unrealized appreciation in estimated fair value of stock of C.R. Pharmacy Service, Inc.	**-**	**-**	**-**
Allocation of shares 2016 9,996; 2015 15,353 of common stock of C.R. Pharmacy Service, Inc., at estimated fair value	**153,539**	**-**	**153,539**
Total additions	**579,126**	**306,718**	**885,844**
Deductions from net assets attributed to:			
Interest expense	**-**	**190,082**	**190,082**
Distributions to participants	**423,661**	**-**	**423,661**
Investments:			
Net unrealized depreciation in estimated fair value of stock of C.R. Pharmacy Service, Inc.	**1,245,203**	**1,232,400**	**2,477,603**
Allocation of shares 2016 9,996; 2015 15,353 of common stock of C.R. Pharmacy Service, Inc., at estimated fair value	**-**	**153,539**	**153,539**
Administrative expenses	**98**	**-**	**98**
Total deductions	**1,668,962**	**1,576,021**	**3,244,983**
Net (decrease) increase	**(1,089,836)**	**(1,269,303)**	**(2,359,139)**
Transfer for debt service	**-**	**-**	**-**
Net assets (deficit) available for benefits:			
Beginning of year	**4,751,298**	**956,809**	**5,708,107**
End of year	**$ 3,661,462**	**$ (312,494)**	**$ 3,348,968**

See notes to financial statements.

	2015		
Allocated	Unallocated	Total	
$ 189,296	$ 309,853	$ 499,149	
1,331,540	1,509,082	2,840,622	
319,656	-	319,656	
1,840,492	1,818,935	3,659,427	
-	196,152	196,152	
189,296	-	189,296	
-	-	-	
-	319,656	319,656	
32	-	32	
189,328	515,808	705,136	
1,651,164	1,303,127	2,954,291	
(63,000)	63,000	-	
3,163,134	(409,318)	2,753,816	
$ 4,751,298	$ 956,809	$ 5,708,107	

Note 1. Plan Description

The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General: C.R. Pharmacy Service, Inc. and its subsidiaries, C.R. IV Service, Inc. and CarePro Integrative Health Clinic, Inc. (collectively the Company) established the Plan effective January 15, 2004. The Plan operates as an employee stock ownership plan (ESOP), and is designed to comply with Section 4975 (e)(7) and the regulations there under the Internal Revenue Code of 1986 (IRC), as amended and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by C.R. Pharmacy Service, Inc. with oversight from the Plan's trustees. The stock certificates are held by an independent third party.

The Plan purchased 453,773.417 shares of the Company's common shares using the proceeds of notes payable to the Company and its eight former stockholders. The notes are scheduled to be repaid over a period of 20 to 30 years by fully deductible Company contributions to the Trust and dividends paid on the Company's common shares. As the Plan makes each payment, an appropriate percentage of stock will be allocated to eligible employee's accounts in accordance with applicable regulations under the IRC.

The unallocated shares of Company stock collateralize the borrowings. The lenders have no rights against the shares once they are allocated under the ESOP. Accordingly, the accompanying financial statements presented separately the assets and liabilities and changes therein pertaining to a) the accounts of employees with rights in allocated stock (allocated) and b) stock not yet allocated to employees (unallocated). Shares are released from collateral and become allocated generally in the period in which debt service is actually paid in cash.

Eligibility: Employees of the Company who are age 21 and over are generally eligible to participate in the Plan after one year of service, providing they worked at least 1,000 hours during the Plan year. Only employees who are actively employed on the last day of the Plan year are eligible to share in the discretionary Company contribution, as well as those employees whose termination prior to year-end was due to retirement, death or disability.

Contributions: Company contributions are discretionary; however, each year the Company must contribute, at a minimum, an amount at least equal to the principal and interest payments on the notes payable.

Distributions: No distributions from the Plan will be made until a participant retires, dies or otherwise terminates employment with the Company (except for diversifications). Distributions will be in a lump sum or installments over a certain period. The period over which such installment payments is to be made shall not extend beyond the earlier of the participant's life expectancy or five years. Plan provisions provide to pay out all vested account balances under $1,000 for terminated participants even when a distribution election form is not completed.

Distributions of a participant's benefit may be made in cash or Company stock, except as restricted in the Company charter, by-laws or by the administrator. The Company's charter/by-laws restrict the ownership of Company stock to participants or a qualified pension, profit-sharing or stock bonus trust. Because the Company is an S Corporation, the administrator may distribute a participant's account entirely in cash without granting the participant the right to demand distribution in shares of Company stock or may subject a distribution in shares of Company stock to an immediate, mandated put to the Company or ESOP.

Note 1. Plan Description (Continued)

Voting rights: The Trustee shall vote all Company stock held by it as part of the Plan assets. Provided, however, that if any agreement entered into by the Trust provides for voting of any shares of Company stock pledged as security for any obligation of the Plan, then such shares of Company stock shall be voted in accordance with such agreement. If the Trustee does not timely receive voting directions from a participant or beneficiary with respect to any Company stock allocated to that participant's or beneficiary's Company stock account, the Trustee shall vote such Company stock. Each participant is entitles to direct the Trustee as to the manner in which voting right on shares of Company stock, which are allocated to his or her account, are to be exercised with respect to any corporate matter which involves the voting of such shares.

Participant accounts: The Plan is a defined contribution plan under which a separate individual account is established for each participant. Company contributions are allocated to each participant's account based upon the relation of the participant's compensation to total eligible compensation for the Plan year.

As of each valuation date, before allocation of Company contributions for the entire Plan year and after allocation of forfeitures, if any, earnings or losses (net appreciation or depreciation) of the Trust fund are allocated to each participant's account in the same proportion that the participant's nonsegregated accounts (other that each participant's Company stock account) bears to the total of all participants' nonsegregated accounts (other than each participant's Company stock account) as of such date.

Company stock acquired by the Plan with the proceeds of an exempt loan shall only be allocated to each participant's Company stock account upon release from the unallocated Company stock suspense account. Dividends or "S Corporation distributions" received with respect to shares in the unallocated Company stock suspense account shall be allocated to each participant based upon the proportion that each participant's compensation for the Plan year bears to the total of all participants' compensation for the Plan year. Such dividend or other income may, at the discretion of the Company, be used to repay an exempt loan.

Vesting: Benefits are fully vested if a participant terminates under normal retirement, death or disability. If a participant's employment with the Company ends for any other reason, the account will vest 20 percent after the second year of qualifying service, and vesting will increase at the rate of 20 percent per year thereafter until fully vested after six years of qualifying service.

Put option: Under federal income tax regulation, the Company stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the fair market value of the stock. The Company can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

Diversification: Diversification is offered to participants close to retirement so they may have the opportunity to move part of the value of their investment in Company stock into investments which are more diversified. Participants who are at least 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account if it exceeds $500. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25 percent of the number of post-1986 shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50 percent. Participants who elect to diversify will receive a cash distribution or have the ability to rollover funds into a qualified defined contribution plan maintained by the Company.

Note 1. Plan Description (Continued)

Forfeitures: Forfeitures may be made available to reinstate previously forfeited account balances of former participants, if any, or may be used to satisfy any required contribution due or may be used to pay Plan administrative expenses. Any remaining forfeitures shall be allocated each year among the participants in the same proportion that each participant's eligible compensation for the year bears to the total eligible compensation of all participants for the year. Forfeitures allocated to participants totaled $29,255 and $51,693 during the years ended December 31, 2016 and 2015, respectively.

Note 2. Significant Accounting Policies

Basis of accounting: The financial records of the Plan are maintained on the accrual basis of accounting.

Accounting estimates: The preparation of 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, liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates. The fair value of the Company stock is subject to significant estimates and the change in value may be material.

Investment valuation and income recognition: Investments are reported at fair value. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. See Note 7 for discussion of fair value measurements. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividend income is accrued on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold (if any) as well as held during the year.

Payment of benefits: Benefits are recorded when paid.

Concentration: All of the Plan's investments are in the stock of the Company. The primary liquidity to the Plan comes from the Company's repurchase of stock or additional cash contributions.

Risks and uncertainties: The Plan investments consist primarily of the Company's common stock, which is exposed to various risks, such as interest rate, market, and credit risks, as well as valuation assumptions based on earnings, cash flows, and other such techniques. Due to the level of risk associated with the investment in the common stock and to uncertainties inherent in estimates and assumptions, it is at least reasonably possible that changes in the value of the common stock will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Administrative expenses: Most administrative expenses are paid by the Company. The Plan incurred and paid expenses of $98 and $32 for the years ended December 31, 2016 and 2015, respectively.

Subsequent events: The Plan Administrator has evaluated subsequent events through October 5, 2017, the date the financial statements were available to be issued.

Subsequent to December 31, 2016, the Company entered into a letter of intent to sell their retail pharmacy locations. This sale is expected to result in greater than 20 percent of employees being terminated and a partial plan termination. All existing participants become fully vested in their accounts if they are terminated as a result of this sale.

Note 3. Plan Termination

The Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon termination of the Plan, the Trustee would pay all liabilities and expenses of the ESOP and sell shares of financed common stock held as collateral to the extent it determines such sale to be necessary in order to repay the loans. Subsequently, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and the IRC.

Note 4. Related Party and Party in Interest Transactions

The Plan invests in Company common stock and has indebtedness guaranteed by the Company. These are related party and party in interest transactions. As described in Note 2, the Company pays most plan expenses. The Plan has a number of service providers. Such providers are parties in interest under ERISA.

Note 5. Tax Status

The Plan is a noncontributory defined contribution employee benefit plan. The Plan has received a favorable opinion letter from the Internal Revenue Service for its qualified status dated December 19, 2016. The Plan Administrator and management believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, they believe that the Plan was qualified and the related trust was tax-exempt as of the financial statement date.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability if the Plan has taken a significant uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Note 6. Investments

The Plan's investment in the Company's common stock as of December 31, 2016 and 2015 is summarized as follows:

	2016		2015	
	Allocated	Unallocated	Allocated	Unallocated
C.R. Pharmacy Service, Inc. common stock:				
Number of shares	238,054	215,719	228,058	225,715
Cost	$3,215,864	$2,914,136	$3,080,833	$3,049,167
Market value	$3,656,527	$3,313,433	$4,748,191	$4,699,372

The estimated fair value per share was $15.36 and $20.82 as of December 31, 2016 and 2015, respectively.

Note 7. 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 are described as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2016 and 2015.

Common stock of C.R. Pharmacy Service, Inc.: Valued based on an appraisal performed by an independent appraisal company based on a going-concern basis.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2016 and 2015:

	Level 1	Level 2	Level 3	Total
		2016		
C.R. Pharmacy Service, Inc. Class A common stock	$ -	$ -	$ 6,969,960	$ 6,969,960
		2015		
C.R. Pharmacy Service, Inc. Class A common stock	$ -	$ -	$ 9,447,563	$ 9,447,563

Note 7. Fair Value Measurements (Continued)

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the years ended December 31, 2016 and 2015:

	Common Stock
Balance as of December 31, 2014	$ 6,606,941
Unrealized gain on investment	2,840,622
Balance as of December 31, 2015	9,447,563
Unrealized (loss) on investment	(2,477,603)
Balance as of December 31, 2016	$ 6,969,960

The following table presents the Plan's Level 3 financial instrument, the valuation techniques used to measure the fair value, and the significant unobservable inputs used to value the financial instrument:

Instrument	Fair Value at December 31 2016	Fair Value at December 31 2015	Valuation Techniques	Unobservable Inputs
Common Stock, C.R. Pharmacy Service, Inc.	$ 6,969,960	$ 9,447,563	Discounted cash flow method (income approach)	Projected debt free cash flows Discount rate Weighted average cost of capital and terminal Discount for lack of marketability

The fair value of the Sponsor Company common stock held by the Plan is valued at fair value based upon an independent appraisal. This appraisal was based upon an income valuation technique consistent with prior years. The appraiser took into account historical and projected cash flow and net income, return on assets and return on equity. Plan management has concluded that a market participant would also recognize a discount for lack of marketability.

The valuation process involves the plan trustees' selection of an independent appraiser under a written annual contract. Company management accumulates the data for the appraiser from the financial statements of the Company and prepares the models for future growth or profitability expectations. The appraiser prepares a preliminary report which Company management, along with the ESOP fiduciary, reviews in detail, discusses, modifies, if appropriate and ultimately, approves. The results of this process are documented in the minutes of the plan fiduciary.

Note 8. Notes Payable

The Plan has a note payable to the Company with a balance of $826,276 at December 31, 2016 and 2015. The note is due in annual installments through 2023. The Plan has prepaid a portion of the principal and is expected to make interest only payments through 2016, with regularly scheduled principal and interest payments starting in 2017. Interest on the note is subject to adjustment every five years based on the prime interest rate plus 1.50 percent. The effective interest rate at December 31, 2016 was 4.75 percent. Unallocated shares of Company stock collateralize the note. Interest payable related to the note payable totaled $39,248 and none as of December 31, 2016 and 2015, respectively

The Plan also has notes payable with former stockholders of the Company with a combined balance of $2,799,651 and $2,916,287 at December 31, 2016 and 2015, respectively. The notes are due in quarterly installments totaling $66,867 through 2033. Interest on the notes is subject to adjustment every five years based on the prime interest rate plus 2 percent. The effective interest rate at December 31, 2016 is 5.25 percent. Unallocated shares of Company stock collateralize the notes.

Aggregate maturities of these notes at December 31, 2016 are as follows:

Year ending:	
2017	$ 49,637
2018	158,682
2019	209,107
2020	263,325
2021	276,626
Thereafter	2,668,550
	$ 3,625,927

C.R. Pharmacy Service, Inc.
Employee Stock Ownership Plan

Form 5500, Schedule H - Part IV, Item 4i -
Schedule of Assets (Held at End of Year)
December 31, 2016

Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investment	Cost	Current Value
C.R. Pharmacy Service, Inc. *	453,773 shares of Class A common stock	$ 6,130,000	$ 6,969,960

* Indicates a party-in-interest.

RSM