# 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

**2017**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2017 or fiscal plan year beginning 09/01/2017 and ending 08/31/2018

**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
- [X] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
CATTLEMENS PROFIT SHARING PLAN

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 08/30/1976

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

CATTLEMENS

PETER MROZIK

250 DUTTON AVENUE
SANTA ROSA, CA 95407

**2b** Employer Identification Number (EIN) 94-1729627

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

**2d** Business code (see instructions) 722511

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

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

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 06/10/2019 | AMANDA DAVIS |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

**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 or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:
**a** Sponsor's name
**c** Plan Name

**4b** EIN

**4d** PN

| | | |
|---|---|---|
| **5** Total number of participants at the beginning of the plan year | **5** | 290 |
| **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)** | 221 |
| **a(2)** Total number of active participants at the end of the plan year | **6a(2)** | 222 |
| **b** Retired or separated participants receiving benefits | **6b** | |
| **c** Other retired or separated participants entitled to future benefits | **6c** | 77 |
| **d** Subtotal. Add lines **6a(2)**, **6b**, and **6c** | **6d** | 299 |
| **e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | |
| **f** Total. Add lines **6d** and **6e**. | **6f** | 299 |
| **g** Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 299 |
| **h** Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 10 |
| **7** Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

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

2E 3D

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

**9a** Plan funding arrangement (check all that apply)

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

**9b** Plan benefit arrangement (check all that apply)

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

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

**a Pension Schedules**

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

**b General Schedules**

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

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

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

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

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

**11c** Enter the Receipt Confirmation Code for the 2017 Form M-1 annual report. If the plan was not required to file the 2017 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

# SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Financial Information

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

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

OMB No. 1210-0110

**2017**

**This Form is Open to Public Inspection**

For calendar plan year 2017 or fiscal plan year beginning 09/01/2017 and ending 08/31/2018

**A** Name of plan
CATTLEMENS PROFIT SHARING PLAN

**B** Three-digit plan number (PN) ▶ 001

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

**D** Employer Identification Number (EIN)
94-1729627

## Part I Asset and Liability Statement

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

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | | |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 100000 | 100000 |
| **(2)** Participant contributions | 1b(2) | | |
| **(3)** Other | 1b(3) | | |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 1906339 | 201930 |
| **(2)** U.S. Government securities | 1c(2) | 127419 | |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | | |
| **(B)** All other | 1c(3)(B) | 192463 | |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | | |
| **(B)** Common | 1c(4)(B) | 261142 | 352008 |
| **(5)** Partnership/joint venture interests | 1c(5) | 100100 | 57330 |
| **(6)** Real estate (other than employer real property) | 1c(6) | | |
| **(7)** Loans (other than to participants) | 1c(7) | | |
| **(8)** Participant loans | 1c(8) | 4766 | 7999 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | | 0 |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | | |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | | |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | | |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | | |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | 763053 | 1417404 |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | 466640 | 457452 |
| | **(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 | 3921922 | 2594123 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | | |
| **h** | Operating payables | 1h | | |
| **i** | Acquisition indebtedness | 1i | | |
| **j** | Other liabilities | 1j | | 4406 |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | | 4406 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 3921922 | 2589717 |

## Part II Income and Expense Statement

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

| | Income | | (a) Amount | (b) Total |
|---|---|---|---|---|
| **a** | **Contributions:** | | | |
| | **(1)** Received or receivable in cash from: **(A)** Employers | 2a(1)(A) | 100000 | |
| | **(B)** Participants | 2a(1)(B) | | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | | |
| | **(2)** Noncash contributions | 2a(2) | | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 100000 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 8755 | |
| | **(B)** U.S. Government securities | 2b(1)(B) | | |
| | **(C)** Corporate debt instruments | 2b(1)(C) | | |
| | **(D)** Loans (other than to participants) | 2b(1)(D) | | |
| | **(E)** Participant loans | 2b(1)(E) | 216 | |
| | **(F)** Other | 2b(1)(F) | | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 8971 |
| | **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| | **(B)** Common stock | 2b(2)(B) | 35586 | |
| | **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 35586 |
| | **(3)** Rents | 2b(3) | | |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | 1493909 | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | 1463137 | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 30772 |
| | **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | | |
| | **(B)** Other | 2b(5)(B) | 154653 | |
| | **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 154653 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | |
| (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | |
| c Other income | 2c | | -1621 |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 328361 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 1660353 | |
| (2) To insurance carriers for the provision of benefits | 2e(2) | | |
| (3) Other | 2e(3) | | |
| (4) Total benefit payments. Add lines **2e(1)** through **(3)** | 2e(4) | | 1660353 |
| f Corrective distributions (see instructions) | 2f | | |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | |
| h Interest expense | 2h | | |
| i Administrative expenses: **(1)** Professional fees | 2i(1) | | |
| (2) Contract administrator fees | 2i(2) | | |
| (3) Investment advisory and management fees | 2i(3) | | |
| (4) Other | 2i(4) | 213 | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 213 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 1660566 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | -1332205 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

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

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

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

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

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

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

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

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

## Part IV Compliance Questions

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

During the plan year:

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

| | | | Yes | No | Amount |
|---|---|---|---|---|---|
| c | Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) | 4c | | X | |
| d | Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | 4d | | X | |
| e | Was this plan covered by a fidelity bond? | 4e | X | | 300000 |
| 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 | | 514782 |
| 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 | | X | |

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

**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.)

# CATTLEMENS PROFIT SHARING PLAN

## AUDIT REPORT

## AUGUST 31, 2018 AND 2017

CATTLEMENS PROFIT SHARING PLAN

August 31, 2018

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# FINANCIAL STATEMENTS

Boyle & Stoll
CERTIFIED PUBLIC ACCOUNTANTS

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

# INDEPENDENT AUDITORS' REPORT

To the Trustees of
the Cattlemens Profit Sharing Plan

We have audited the accompanying financial statements of Cattlemens Profit Sharing Plan, which comprise the statements of net assets available for benefits as of August 31, 2018 and 2017, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

## Management's Responsibility for the Financial Statements

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

## Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Cattlemens Profit Sharing Plan as of August 31, 2018 and 2017, 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.

## Report on Supplemental 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 the End of the Year, and Schedule of Reportable Transactions, together referred to as "supplemental information," are presented for the purpose of additional analysis and are not a required part of the financial statements but are supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the 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.

Boyle & Stoll

Paul Scheinberg

Paul Scheinberg
Certified Public Accountant
Santa Rosa, CA

February 28, 2019

CATTLEMENS PROFIT SHARING PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

August 31, 2018 and 2017

| | 2018 | 2017 |
|---|---|---|
| ASSETS | | |
| Investments, at fair value: | | |
| Common stock | $ 809,460 | $ 727,782 |
| Mutual funds | - | 742,402 |
| Corporate bonds | - | 192,463 |
| Exchange traded funds | 1,417,404 | 148,070 |
| Limited liability company | 57,330 | 100,100 |
| Total investments | 2,284,194 | 1,910,817 |
| Receivables: | | |
| Employer's contributions | 100,000 | 100,000 |
| Notes receivable from participants | 7,999 | 4,766 |
| Total receivables | 107,999 | 104,766 |
| Cash | 201,930 | 1,906,339 |
| Total assets | 2,594,123 | 3,921,922 |
| LIABILITIES | | |
| Withholdings from distributions | (4,406) | - |
| Total liabilities | (4,406) | - |
| NET ASSETS AVAILABLE FOR BENEFITS | $ 2,589,717 | $ 3,921,922 |

The accompanying notes are an integral part to the financial statements

CATTLEMENS PROFIT SHARING PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the Years Ended August 31, 2018 and 2017

| | 2018 | 2017 |
|---|---|---|
| Additions to net assets attributed to: | | |
| Investment income: | | |
| Net (depreciation) appreciation in fair value of investments | $ 185,424 | $ 195,417 |
| Dividends | 35,587 | 98,449 |
| Interest | 8,755 | 11,232 |
| Loss from limited liability company | (2,875) | - |
| Miscellaneous | 1,254 | 11 |
| Total investment income | 228,145 | 305,109 |
| Interest income on notes receivable from participants | 216 | 352 |
| Employer contributions | 100,000 | 100,000 |
| Total additions | 328,361 | 405,461 |
| Deductions from net assets attributed to: | | |
| Benefits paid to participants | 1,660,353 | 83,497 |
| Miscellaneous transaction fees | 213 | |
| Total deductions | 1,660,566 | 83,497 |
| Net increase (decrease) in net assets available for benefits | (1,332,205) | 321,964 |
| Net assets available for benefits: | | |
| Beginning of the year | 3,921,922 | 3,599,958 |
| END OF THE YEAR | $ 2,589,717 | $ 3,921,922 |

The accompanying notes are an integral part to the financial statements

CATTLEMENS PROFIT SHARING PLAN

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2018 and 2017

## NOTE 1–DESCRIPTION OF PLAN

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

### General

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

### Eligibility

Employees are eligible to participate in the Plan as of the September 1st that occurs immediately before the date that all of the age and service requirements have been met. Employees must be 18 years of age, completed 12 consecutive months of employment, worked at least 1,000 hours of service during the applicable Plan year, and be employed as of the last day of the Plan year.

### Contributions

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

### Participant accounts

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

### Vesting

Vesting is based on years of service. Plan participants begin vesting at 20% per year after two years of service and are fully vested after six years of service.

### Forfeited accounts

At August 31, 2018 and 2017, forfeited nonvested accounts totaled $18,054 and $14,635, respectively. These accounts have been reallocated to current participants in the same manner as Company contributions.

NOTE 1–DESCRIPTION OF PLAN (continued)

Notes receivable from participants

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

Payments of benefits

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

Plan termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their account balances.

NOTE 2–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accompanying financial statements of the Plan are prepared in compliance with the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Notes receivable from participants

Notes receivable from participants are measured at their unpaid principal balance. Interest income is recorded as earned. As of August 31, 2018 and 2017, no allowance for credit losses have been recorded. If a participant does not make loan repayments, and the plan administrator considers the participant loan to be in default, the loan balance is reduced, and the delinquent note receivable is recorded as a benefit payment based on the terms of the Plan document.

Investment valuation and income recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's trustees determine the Plan's valuation policies. See NOTE 3 for discussion of fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned. Dividends are recorded on the ex-dividend date. Realized gains and losses are calculated as the difference between the proceeds from sales and the related investment's fair market value at the beginning of the year, or acquisition cost if acquired during the year. Unrealized appreciation and depreciation is calculated as the difference between the fair market value at the end of the year less their fair market value at the beginning of the year, or acquisition cost if acquired during the year.

Payment of benefits

Benefits are recorded when paid.

Operating expenses

With the exception of minimal transaction fees, expenses of maintaining the Plan are paid by the Company and are therefore excluded from these financial statements.

Adoption of accounting pronouncement

In May 2015, the FASB issued Accounting Standards Update (ASU) 2015-07 *Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share,* which amends the disclosure requirements of Accounting Standards Codification Topic 820 *Fair Value Measurements and Disclosures,* for reporting entities that measure the fair value of an investment using net asset value (NAV) per share as a practical expedient. The amendments in ASU 2017-07 remove the requirement to categorize within the fair value hierarchy and make certain disclosures for all investments for which fair value is measured

NOTE 2–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Adoption of accounting pronouncement (continued)
using the NAV per share practical expedient. The Plan adopted ASU 2015-07 for its fiscal year ended August 31, 2018, and has applied the amendments retrospectively to all periods presented in NOTE 3.

NOTE 3–FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 fair value measurements
Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 fair value measurements
Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

The asset 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

NOTE 3 – FAIR VALUE MEASUREMENTS (continued)

Following is a brief description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at August 31, 2018 and 2017.

*Common stocks*: valued at the closing price reported on the active market on which the individual securities are traded.

*Corporate bonds:* valued at the closing price reported on the active market on which the individual bonds are traded.

*Mutual funds:* valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-ended mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

*Exchange traded funds:* valued at the daily closing price as reported by the fund. Exchange traded funds, similar to mutual funds, held by the Plan are open-ended mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The exchange traded funds held by the Plan are deemed to be actively traded.

*Cattlemens' (plan sponsor) common stock and limited liability companies:* the fair value of Cattlemens' (plan sponsor) common stock is determined by independent appraisal using comparable companies. The limited liability company's assets consist of real estate. The fair values are determined by the estimated appraised value of the real estate. These assets are not actively traded, and significant inputs are unavailable.

NOTE 3 – FAIR VALUE MEASUREMENTS (continued)

The following tables set forth, by level within the fair value hierarchy, the Plan's investments at fair value as of August 31, 2018 and 2017:

Assets at Fair Value as of August 31, 2018

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Common stock | $ 352,008 | $ - | $ - | $ 352,008 |
| Exchange traded funds | 1,417,404 | | | 1,417,404 |
| Cattlemens common stock (plan sponsor) | - | | 457,452 | 457,452 |
| Limited liability company | - | - | 57,330 | 57,330 |
| Total investments at fair value | $ 1,769,412 | $ - | $ 514,782 | $ 2,284,194 |

Assets at Fair Value as of August 31, 2017

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Mutual funds | $ 742,402 | $ - | $ - | $ 742,402 |
| Common stock | 261,142 | | | 261,142 |
| Corporate bonds | 192,463 | | | 192,463 |
| Exchange traded funds | 148,070 | | | 148,070 |
| Cattlemens common stock (plan sponsor) | - | - | 466,640 | 466,640 |
| Limited liability company | - | - | 100,100 | 100,100 |
| Total investments at fair value | $ 1,344,077 | $ - | $ 566,740 | $ 1,910,817 |

Level 3 fair value measurements

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

NOTE 3 – FAIR VALUE MEASUREMENTS (continued)

Level 3 fair value measurements continued)

The following table reconciles the beginning and ending balances of fair value measurements using significant unobservable inputs (Level 3) for the year ended August 31, 2018:

| | Cattlemens Common Stock | Limited Liability Company | Total |
|---|---|---|---|
| Beginning balance , September 1, 2017 | $ 466,640 | $ 100,100 | $ 566,740 |
| Total gains or losses included in changes in net assets available for benefits | 133,830 | (42,770) | 91,060 |
| Sales | (143,018) | | (143,018) |
| Ending balance | $ 457,452 | $ 57,330 | $ 514,782 |

The Plan's policy is to recognize transfers into and out of Level 3 as of the date of the event or change in circumstances that caused the transfer. For the year ended August 31, 2018, there were no transfers into or out of Level 3.

NOTE 4 – RELATED PARTY TRANSACTIONS

A portion of the Plan's assets are investments in Cattlemens common stock. As the Company is the Plan sponsor, transactions involving Cattlemens common stock are classified as a party in interest transaction. The Plan did not purchase any Cattlemens stock during the year end August 31, 2018. In March 2018, the Plan sold 43 shares of Cattlemens common stock for $143,018 realizing a gain of $112,918 from the original cost. The plan held 97 shares of Cattlemens common stock, at August 31, 2018 and 140 shares at August 31, 2017. This party in interest transaction is exempt from the prohibited transaction rules of ERISA.

## NOTE 5–RISKS AND UNCERTAINTIES

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

Of these investment securities, the Plan owns 97 shares of Cattlemens common stock. The fair market value of Cattlemens stock is $457,452 which is 20% of the Plan assets held for investment at August 31, 2018. This amount could materially affect participants' accounts and exposes them to a market risk resulting from a lack of diversification. The Company resolved to purchase the remaining 97 shares of Cattlemens common stock for $457,452 and completed the purchase in November 2018.

## NOTE 6–TAX STATUS

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

Accounting principles generally accepted in the United States of America require the Plan administrator to evaluate tax positions taken by the Plan and recognize a tax liability for any uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by tax authorities. There are currently no audits for any tax periods in progress. The Plan administrator believes the Plan is no longer subject to income tax examination for years ended prior to August 31, 2013.

## NOTE 7–RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

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

CATTLEMENS PROFIT SHARING PLAN

NOTES TO THE FINANCIAL STATEMENTS

August 31, 2018 and 2017

## NOTE 8–CONCENTRATION OF CREDIT RISK FOR CASH DEPOSITS

Financial instruments that potentially subject the Plan to concentrations of credit risk consist principally of cash deposits at a nationally known brokerage firm. The accounts at the brokerage firm contain cash and marketable securities. Balances are insured up to $500,000, with a limit of $250,000 for cash, by the SIPC (Securities Investor Protection Corporation). At August 31, 2018, the Plan had no deposits in excess of the SIPC insured limits. At August 31, 2017, the Plan had approximately $1,667,000 in excess of SIPC insured limits.

## NOTE 9–DATE OF MANAGEMENT'S REVIEW

Subsequent events were evaluated on February 28, 2019, which is the date the financial statements were available to be issued.

## NOTE 10–SUBSEQUENT EVENT

In September 2018, the Company approved to purchase the remaining 97 shares of Cattlemens common stock held by the Plan. The repurchase price is based on the appraised value of the Company stock as of August 31, 2018 and equals $457,452. The repurchase was completed in November 2018.

SUPPLEMENTAL INFORMATION

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

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

August 31, 2018

| (a) | (b) Identity of Issue | (c) Investment Description | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| | **Equities** | | | |
| | Avaya | 947 shares | $ 20,037 | $ 22,122 |
| | BGC Partners | 1717 shares | 17,175 | 21,325 |
| | BP PLC | 391.9925 shares | 13,358 | 16,809 |
| | Crown Holdings Inc | 433 shares | 19,711 | 18,537 |
| | Energy Fuels Inc | 2430 shares | 4,884 | 7,752 |
| | FMC Corporation | 160.8546 shares | 5,802 | 13,745 |
| | Fairfax Financial Holding | 47 shares | 23,225 | 25,831 |
| | GlaxoSmithKline PLC | 607.8985 shares | 24,662 | 24,620 |
| | HD Supply Holdings Inc | 398 shares | 10,050 | 18,145 |
| | Israel Chemical LTD | 3510 shares | 14,399 | 20,469 |
| | Lithium Amers Corp | 1053 shares | 3,213 | 5,023 |
| | MAG Silver Corp | 1035 shares | 11,408 | 7,918 |
| | Michaels Companies | 1087 shares | 20,862 | 18,468 |
| | News Corporation | 1069.1966 shares | 13,893 | 13,974 |
| | Novagold Res Inc | 2254 shares | 9,963 | 8,299 |
| | Oracle Corporation | 460.4584 shares | 16,502 | 22,369 |
| | R One R C M Inc | 3823 shares | 9,105 | 38,115 |
| | Serco Group Plc | 10868 shares | 16,177 | 13,761 |
| | Star Bulk Carriers | 797 shares | 9,294 | 10,066 |
| | Teekay Offshore Partnership | 5651 shares | 19,315 | 12,828 |
| | Omega Healthcare Investments | 358 shares | 9,859 | 11,832 |
| * | Cattlemens (party in interest) | 97 shares | 67,900 | 457,452 |
| | Total stocks | | 360,794 | 809,460 |
| | **Exchange Traded Funds** | | | |
| | Schwab Emerging Markets | 2740 shares | 75,475 | 71,013 |
| | Schwab International | 7440 shares | 251,137 | 247,306 |
| | Schwab Short Term US 9868 | 9375.324 shares | 469,661 | 466,235 |
| | Schwab US Broad Market | 6573 shares | 405,120 | 463,594 |
| | Vaneck Vectors Gold | 3332 shares | 78,554 | 61,809 |
| | Schwab Short term US 0614 | 2160.6028 shares | 109,614 | 107,447 |
| | Total Exchange Traded Funds | | 1,389,561 | 1,417,404 |
| | **Notes Receivable** | | | |
| | Notes receivable from participants, principal and interest range from 5-5.75 % due monthly, maturity dates from due 09/2018 thru 06/2023 | | - | 7,999 |
| | Total notes receivable | | - | 7,999 |
| | Limited liability company | | 135,100 | 57,330 |
| | Total Assets Held for Investment | | $ 1,885,455 | $ 2,292,193 |

* Party in interest

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

SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS

August 31, 2018

| (a) | (b) | (c) | (d) | (g) | (h) | (i) |
|---|---|---|---|---|---|---|
| Identity of Party | Description | Purchase Price | Selling Price | Cost of Asset | Current Value | Net Gain(Loss) |
| Schwab International | 8048 shares | $ 271,660 | $ - | $ 271,660 | $ 271,660 | $ - |
| Schwab ST US | 12290 shares | 616,391 | - | 616,391 | 616,391 | - |
| Schwab US Broad | 7783 shares | 479,697 | - | 479,697 | 479,697 | - |
| Dodge & Cox | 1970.798 shares | - | 397,953 | 382,590 | 397,953 | 15,363 |
| Mairs & Power Grwth | 3015.857 shares | - | 375,816 | 362,416 | 375,816 | 13,400 |

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

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

August 31, 2018

| (a) | (b) Identity of Issue | (c) Investment Description | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| | **Equities** | | | |
| | Avaya | 947 shares | $ 20,037 | $ 22,122 |
| | BGC Partners | 1717 shares | 17,175 | 21,325 |
| | BP PLC | 391.9925 shares | 13,358 | 16,809 |
| | Crown Holdings Inc | 433 shares | 19,711 | 18,537 |
| | Energy Fuels Inc | 2430 shares | 4,884 | 7,752 |
| | FMC Corporation | 160.8546 shares | 5,802 | 13,745 |
| | Fairfax Financial Holding | 47 shares | 23,225 | 25,831 |
| | GlaxoSmithKline PLC | 607.8985 shares | 24,662 | 24,620 |
| | HD Supply Holdings Inc | 398 shares | 10,050 | 18,145 |
| | Israel Chemical LTD | 3510 shares | 14,399 | 20,469 |
| | Lithium Amers Corp | 1053 shares | 3,213 | 5,023 |
| | MAG Silver Corp | 1035 shares | 11,408 | 7,918 |
| | Michaels Companies | 1087 shares | 20,862 | 18,468 |
| | News Corporation | 1069.1966 shares | 13,893 | 13,974 |
| | Novagold Res Inc | 2254 shares | 9,963 | 8,299 |
| | Oracle Corporation | 460.4584 shares | 16,502 | 22,369 |
| | R One R C M Inc | 3823 shares | 9,105 | 38,115 |
| | Serco Group Plc | 10868 shares | 16,177 | 13,761 |
| | Star Bulk Carriers | 797 shares | 9,294 | 10,066 |
| | Teekay Offshore Partnership | 5651 shares | 19,315 | 12,828 |
| | Omega Healthcare Investments | 358 shares | 9,859 | 11,832 |
| * | Cattlemens (party in interest) | 97 shares | 67,900 | 457,452 |
| | Total stocks | | 360,794 | 809,460 |
| | **Exchange Traded Funds** | | | |
| | Schwab Emerging Markets | 2740 shares | 75,475 | 71,013 |
| | Schwab International | 7440 shares | 251,137 | 247,306 |
| | Schwab Short Term US 9868 | 9375.324 shares | 469,661 | 466,235 |
| | Schwab US Broad Market | 6573 shares | 405,120 | 463,594 |
| | Vaneck Vectors Gold | 3332 shares | 78,554 | 61,809 |
| | Schwab Short term US 0614 | 2160.6028 shares | 109,614 | 107,447 |
| | Total Exchange Traded Funds | | 1,389,561 | 1,417,404 |
| | **Notes Receivable** | | | |
| | Notes receivable from participants, principal and interest range from 5-5.75 % due monthly, maturity dates from due 09/2018 thru 06/2023 | | - | 7,999 |
| | Total notes receivable | | - | 7,999 |
| | Limited liability company | | 135,100 | 57,330 |
| | Total Assets Held for Investment | | $ 1,885,455 | $ 2,292,193 |

* Party in interest

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

SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS

August 31, 2018

| (a) | (b) | (c) | (d) | (g) | (h) | (i) |
|---|---|---|---|---|---|---|
| Identity of Party | Description | Purchase Price | Selling Price | Cost of Asset | Current Value | Net Gain(Loss) |
| Schwab International | 8048 shares | $ 271,660 | $ - | $ 271,660 | $ 271,660 | $ - |
| Schwab ST US | 12290 shares | 616,391 | - | 616,391 | 616,391 | - |
| Schwab US Broad | 7783 shares | 479,697 | - | 479,697 | 479,697 | - |
| Dodge & Cox | 1970.798 shares | - | 397,953 | 382,590 | 397,953 | 15,363 |
| Mairs & Power Grwth | 3015.857 shares | - | 375,816 | 362,416 | 375,816 | 13,400 |