

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 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 2009 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan HARRISON RETIREMENT AND SAVINGS PROGRAM	1b Three-digit plan number (PN) ▶ 003
	1c Effective date of plan 03/01/2005
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) HARRISON MEMORIAL HOSPITAL 2520 CHERRY AVENUE BREMERTON, WA 98310-4229	2b Employer Identification Number (EIN) 91-0565546 2c Sponsor's telephone number 360-792-6721 2d Business code (see instructions) 622000

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.	10/13/2010	RICK SMITH
	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 (if same as plan sponsor, enter "Same")

HARRISON MEMORIAL HOSPITAL

2520 CHERRY AVENUE
BREMERTON, WA 98310-4229**3b** Administrator's EIN

91-0565546

3c Administrator's telephone number

360-792-6721

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:**a** Sponsor's name**4b** EIN**4c** PN**5** Total number of participants at the beginning of the plan year**5**

2922

6 Number of participants as of the end of the plan year (welfare plans complete only lines **6a**, **6b**, **6c**, and **6d**).**a** Active participants.....**6a**

2880

b Retired or separated participants receiving benefits.....**6b**

0

c Other retired or separated participants entitled to future benefits.....**6c**

245

d Subtotal. Add lines **6a**, **6b**, and **6c**.....**6d**

3125

e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....**6e**

0

f Total. Add lines **6d** and **6e**.....**6f**

3125

g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....**6g**

1869

h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....**6h**

71

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 Characteristic Codes in the instructions:

2L 2M 2F

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:**9a** Plan funding arrangement (check all that apply)(1) ☒

Insurance

(2) ☐

Code section 412(e)(3) insurance contracts

(3) ☒

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) ☒

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) ☒**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)

<div><div>SCHEDULE A</div><div>(Form 5500)</div><div>Department of the Treasury Internal Revenue Service</div><div>Department of Labor Employee Benefits Security Administration</div><div>Pension Benefit Guaranty Corporation</div></div>	<div>Insurance Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div> <div>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).</div>	<div>OMB No. 1210-0110</div> <div>2009</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
<div>A Name of plan</div> <div>HARRISON RETIREMENT AND SAVINGS PROGRAM</div>	<div>B Three-digit plan number (PN)</div> <div>▶</div> <div>003</div>	
<div>C Plan sponsor's name as shown on line 2a of Form 5500.</div> <div>HARRISON MEMORIAL HOSPITAL</div>	<div>D Employer Identification Number (EIN)</div> <div>91-0565546</div>	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

<div>(a) Name of insurance carrier</div> <div>LINCOLN NATIONAL LIFE INSURANCE COMPANY</div>

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
35-0472300	65676	892354-007		01/01/2009	12/31/2009

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Part II Investment and Annuity Contract Information

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

4	Current value of plan's interest under this contract in the general account at year end	4	
5	Current value of plan's interest under this contract in separate accounts at year end	5	
6	Contracts With Allocated Funds:		
a	State the basis of premium rates ▶		
b	Premiums paid to carrier	6b	
c	Premiums due but unpaid at the end of the year	6c	
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	
e	Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity (3) ☐ other (specify) ▶		
f	If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐		
7	Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)		
a	Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee (3) ☐ guaranteed investment (4) ☒ other ▶ STABLE VALUE		
b	Balance at the end of the previous year	7b	4124580
c	Additions: (1) Contributions deposited during the year	7c(1)	1153296
	(2) Dividends and credits	7c(2)	
	(3) Interest credited during the year	7c(3)	157619
	(4) Transferred from separate account	7c(4)	192449
	(5) Other (specify below)	7c(5)	36968
	▶ LOAN REPAYMENTS		
	(6) Total additions	7c(6)	1540332
d	Total of balance and additions (add b and c(6)).	7d	5664912
e	Deductions:		
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	399124
	(2) Administration charge made by carrier	7e(2)	8086
	(3) Transferred to separate account	7e(3)	
	(4) Other (specify below)	7e(4)	65837
	▶ LOANS ISSUED		
	(5) Total deductions	7e(5)	473047
f	Balance at the end of the current year (subtract e(5) from d)	7f	5191865

Part III Welfare Benefit Contract Information

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

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

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

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.	10b	

Specify nature of costs ▶

Part IV Provision of Information

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

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

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan HARRISON RETIREMENT AND SAVINGS PROGRAM	B Three-digit plan number (PN) ▶	003
C Plan sponsor's name as shown on line 2a of Form 5500 HARRISON MEMORIAL HOSPITAL	D Employer Identification Number (EIN) 91-0565546	

Part I	Service Provider Information (see instructions)
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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
LINCOLN NATIONAL LIFE INSURANCE COM
35-0472300

(b) Enter name and EIN or address of person who provided you disclosure 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)

LINCOLN NATIONAL LIFE INSURANCE COM

35-0472300

(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?
13	SERVICE PROVIDER	90257	Yes ☒ No ☐	Yes ☒ No ☐	0	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 ☐

(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.	

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
(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

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) 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
		2009
		This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan HARRISON RETIREMENT AND SAVINGS PROGRAM	B Three-digit plan number (PN) ►	003
C Plan sponsor's name as shown on line 2a of Form 5500 HARRISON MEMORIAL HOSPITAL	D Employer Identification Number (EIN) 91-0565546	

Part I	Asset and Liability Statement
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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	259	402
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	20720	42997
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	30968	113023
(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)	390007	512421
(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)	19595677	32516630
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	4124580	5191865
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	24162211	38377338

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	8293	42996
k Total liabilities (add all amounts in lines 1g through 1j)	1k	8293	42996

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	24153918	38334342
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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 Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	2197296	
(B) Participants	2a(1)(B)	5934459	
(C) Others (including rollovers)	2a(1)(C)	597031	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		8728786

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	157	
(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)	29101	
(F) Other	2b(1)(F)	157619	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		186877

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	734721	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		734721

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(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)		6127480
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		15777864

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1509790	
(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)		1509790
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)	87650	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		87650
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1597440

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		14180424
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ 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 ☐ No

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

(1) Name: CLARK NUBER P.S.

(2) EIN: 91-1194016

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 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 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.).....		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.).....		X	
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.)		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.).....		X	
e Was this plan covered by a fidelity bond?.....	X		2000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		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?		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?		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.).....	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.).....		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?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		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.			

- 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)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection.
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan <u>HARRISON RETIREMENT AND SAVINGS PROGRAM</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>HARRISON MEMORIAL HOSPITAL</u>	D Employer Identification Number (EIN) <u>91-0565546</u>

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	<u>0</u>
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): <u>51-6502293</u>		
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	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 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
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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(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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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.
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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

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2009
v.092308.1

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 items 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 items 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 items 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 items 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 items 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 items 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 item 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 items (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 item 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

HARRISON RETIREMENT AND SAVINGS PROGRAM

Financial Statements and Supplemental Schedule
with Independent Auditors' Report

December 31, 2009 and 2008

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Independent Auditors' Report***To the Plan Administrator
Harrison Retirement and Savings Program
Bremerton, Washington***

We were engaged to audit the accompanying statements of net assets available for plan benefits of Harrison Retirement and Savings Program (the Plan) as of December 31, 2009 and 2008, and the related statement of changes in net assets available for plan benefits and supplemental schedule as of and for the year ended December 31, 2009. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6, which was certified by Wilmington Trust Company, the custodian of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. The plan administrator has informed us that the custodian holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the custodian as of December 31, 2009 and 2008, and for the year ended December 31, 2009, that the information provided to the plan administrator by the custodian is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Certified Public Accountants
October 8, 2010

HARRISON RETIREMENT AND SAVINGS PROGRAM

Statements of Net Assets Available for Plan Benefits

	<i>December 31,</i>	<u>2009</u>	<u>2008</u>
Assets:			
Investments, at fair value:			
Mutual funds		\$ 32,516,630	\$ 19,595,677
Guaranteed interest account		5,191,865	4,124,580
Money market fund		113,023	30,968
Cash		402	259
Participant loans		<u>512,421</u>	<u>390,007</u>
Total investments		38,334,341	24,141,491
Receivables:			
Employee		358	
Employer		1,753,568	1,449,081
Accrued interest and dividends		<u>42,997</u>	<u>20,720</u>
Total receivables		<u>1,796,923</u>	<u>1,469,801</u>
Total Assets		40,131,264	25,611,292
Liabilities:			
Pending purchases		<u>42,996</u>	<u>8,293</u>
Total Liabilities		42,996	8,293
Net Assets Available for Plan Benefits		<u>\$ 40,088,268</u>	<u>\$ 25,602,999</u>

See accompanying notes to financial statements.

HARRISON RETIREMENT AND SAVINGS PROGRAM

Statement of Changes in Net Assets Available for Plan Benefits For the Year Ended December 31, 2009

Additions to Net Assets Attributable to:

Contributions:

Employee	\$ 5,934,817
Employer	2,501,783
Employee rollovers	<u>597,031</u>

Total contributions 9,033,631

Investment income:

Net appreciation in fair value of investments	6,127,480
Dividends	734,721
Guaranteed interest account income	157,619
Interest on participant loans	29,101
Interest	<u>157</u>

Net investment income 7,049,078

Total Additions to Net Assets 16,082,709

Deductions from Net Assets Attributable to:

Benefit payments	1,509,790
Administrative and other expenses	<u>87,650</u>

Total Deductions from Net Assets 1,597,440

Increase in Net Assets Available for Plan Benefits 14,485,269

Net Assets Available for Plan Benefits:

Beginning of period 25,602,999

End of Period \$ 40,088,268

See accompanying notes to financial statements.

HARRISON RETIREMENT AND SAVINGS PROGRAM

Notes to Financial Statements

Note 1 - Description of the Plan

The following description of Harrison Retirement and Savings Program (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General - The Plan is a defined contribution plan, established by Harrison Memorial Hospital (the Employer or Sponsor) under the provisions of Section 403(b) of the Internal Revenue Code (IRC), which includes a deferral arrangement as described in Section 403(b) of the IRC, for the benefit of eligible employees of the Employer. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Plan Administration - Lincoln Financial Group is the trustee and recordkeeper of the Plan. Wilmington Trust Company is the custodian of the Plan.

Eligibility - All employees may participate in the Plan the first pay period following their date of hire. Employees, other than per diem employees and employees that are active participants receiving employer contributions in the Retirement Plan for Employees of Harrison Memorial Hospital (defined benefit plan), are eligible for the employer match contribution and the employer discretionary contribution. There is no service requirement to participate in the Plan or to receive the employer match contribution. Employees are eligible to receive an employer discretionary contribution after completing 1,000 hours of service in a 12 consecutive month period. Eligible employees must complete 1,000 hours of service during the Plan year and be employed on the last day of the Plan year to receive the employer discretionary contribution.

Contributions - Participants may elect to contribute pretax eligible compensation, as defined by the Plan, subject to an annual minimum contribution requirement of \$200 and certain limitations under the IRC. Eligible participants who have attained age 50 may elect an additional catch-up contribution, subject to certain limitations under the IRC. Participants are also allowed to rollover contributions from other qualified employer sponsored retirement plan. The Employer matches 50% of participant contributions not to exceed 4% of eligible compensation. On an annual basis, the Employer may make additional discretionary contributions based on each employee's years of eligible service between 3% and 5% of an employee's eligible compensation.

Participant Accounts - Participants are allowed to direct the investment of all contributions into various investment options that offer a diversity of investment risk and return. Each participant's account is credited with any contributions made to the account as well as increases or decreases in the market value of investments. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Plan Transfers - At the direction of the Employer, for a class of employees who are participants or beneficiaries in another plan under Code Section 403(b), the Plan Administrator may permit a transfer of assets to the Plan.

Distributions - Upon termination of service, death, disability, or retirement, a participant may elect to receive a distribution of their vested account balance. The distribution may be in the form of a lump-sum payment. The Plan also provides for hardship withdrawals in accordance with provisions specified in the Plan document.

HARRISON RETIREMENT AND SAVINGS PROGRAM

Notes to Financial Statements

Note 1 - Continued

Vesting - Participants are immediately vested in their contributions and employer matching contributions plus earnings. Employer discretionary contributions vest ratably over five years.

Forfeitures - Forfeitures of the nonvested portion of terminated participants' accounts may be used to reduce employer contributions (2009 - \$0). Unapplied forfeitures of terminated participants' nonvested accounts were \$118,584 and \$75,962 at December 31, 2009 and 2008, respectively.

Participant Loans - In accordance with the Plan document, participant may borrow up to the lesser of \$50,000 or 50% of their vested account balance, subject to certain restrictions. Loans are available from participant pre-tax deferrals, 90-24 transfers and the participant's rollover balance, if any. The minimum loan amount is \$1,000. Loan terms range from one to five years, unless the loan is used to acquire a principal residence, in which case the limitation is 15 years. The participant's vested account balance will be used as collateral for the loan.

Investment and Administrative Expenses - Investments, loans and distributions are subject to service fees paid by Plan participants (2009 - \$87,650). All other administrative expenses related to the Plan are paid by the Sponsor.

Plan Termination - Although the Employer has not expressed any intent to do so, may at any time terminate the Plan subject to the provisions of ERISA. Upon termination, the Plan's assets will be distributed to the participants on the basis of their asset account balances existing at the date of termination, provided that the Employer on the date of termination does not make contributions to an alternative Section 403(b) contract that is not part of the Plan during the period beginning on the date of Plan termination and ending 12 months after the distribution of all assets from the Plan, except as permitted by the Income Tax Regulations.

Subsequent Events - The Plan's management has evaluated subsequent events through October 8, 2010, the date on which the Plan's financial statements were available to be issued.

Note 2 - Significant Accounting Policies

Basis of Accounting - The financial statements of the Plan have been prepared on the accrual basis of accounting.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan's guaranteed interest account is recorded at contract value. Reporting the interest accumulation account at fair value would not have a material effect on the Plan's financial statements as interest rates are periodically adjusted to market. Accordingly, contract value, which represents net contributions plus interest at the contract rate, approximates fair value.

Use of Estimates - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan's management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

HARRISON RETIREMENT AND SAVINGS PROGRAM

Notes to Financial Statements

Note 2 - Continued

Investment Valuation and Income Recognition - The Plan's 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. See Note 3 for discussion of fair value measurements.

Purchases and sales are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

Net Appreciation in Fair Value of Investments - The net appreciation in the fair value of investments represents the change in fair value from one period to the next and includes realized gains and losses on investments.

Risks and Uncertainties - The Plan provides for various investment options which in turn invest in a combination of stocks, bonds, and other investment securities. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the statements of net assets available for benefits.

Benefit Payments - Benefit payments are recognized when paid. At December 31, 2009, one distribution totaling \$80,240 was requested and not paid until 2010 (2008 - \$0).

Note 3 - Fair Value Measurements

Generally accepted accounting principles provide a consistent framework for determining fair value measures for financial assets and liabilities. That framework 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: Unadjusted quoted prices available in active markets for identical assets or liabilities;

Level 2: Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or

Level 3: Unobservable inputs that are significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based upon 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, 2009 and 2008.

HARRISON RETIREMENT AND SAVINGS PROGRAM

Notes to Financial Statements

Note 3 - Continued

Mutual Funds - Valued at quoted market prices in active markets, which represent the net asset value (NAV) of shares held by the Plan at year-end.

Money Market Fund - Valued at cost plus accrued interest, which approximates fair value.

Cash - Valued at book value, which approximates fair value.

Guaranteed Interest Account - Valued at contract value, which represents contributions received plus interest earned to date less applicable charges and amounts withdrawn, which approximates fair value.

Participant Loans - Valued at their outstanding balance, which approximates fair value.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2009:

	<i>Fair Value Measurements</i>			
	<i>(Level 1)</i>	<i>(Level 2)</i>	<i>(Level 3)</i>	<i>Total</i>
Mutual funds:				
Targeted retirement	\$ 16,822,127	\$ -	\$ -	\$ 16,822,127
Equity blend	4,090,263			4,090,263
Fixed income	3,459,833			3,459,833
Equity growth	2,950,085			2,950,085
Equity small/mid-cap	1,931,893			1,931,893
International equity	1,656,924			1,656,924
Equity value	<u>1,605,505</u>			<u>1,605,505</u>
Total mutual funds	32,516,630			32,516,630
Cash	402			402
Money market fund	113,023			113,023
Guaranteed interest account			5,191,865	5,191,865
Participant loans			<u>512,421</u>	<u>512,421</u>
	<u>\$ 32,630,055</u>	<u>\$ -</u>	<u>\$ 5,704,286</u>	<u>\$ 38,334,341</u>

HARRISON RETIREMENT AND SAVINGS PROGRAM

Notes to Financial Statements

Note 3 - Continued

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2008:

	<i>Fair Value Measurements</i>			
	<i>(Level 1)</i>	<i>(Level 2)</i>	<i>(Level 3)</i>	<i>Total</i>
Mutual funds:				
Targeted retirement	\$ 9,434,587	\$ -	\$ -	\$ 9,434,587
Equity blend	2,872,833			2,872,833
Fixed income	2,225,260			2,225,260
Equity growth	1,855,663			1,855,663
Equity small/mid-cap	1,233,122			1,233,122
International equity	1,057,840			1,057,840
Equity value	<u>916,372</u>			<u>916,372</u>
Total mutual funds	19,595,677			19,595,677
Cash	259			259
Money market fund	30,968			30,968
Guaranteed interest account			4,124,580	4,124,580
Participant loans			<u>390,007</u>	<u>390,007</u>
	<u>\$ 19,626,904</u>	<u>\$ -</u>	<u>\$ 4,514,587</u>	<u>\$ 24,141,491</u>

A reconciliation of the beginning and ending balances for fair value measurements made using significant unobservable inputs (Level 3) is as follows for the year ended December 31, 2009:

	<i>Level 3 Investments</i>	
	<i>Guaranteed Interest Account</i>	<i>Participant Loans</i>
Balance as of January 1, 2009	\$ 4,124,580	\$ 390,007
Interest income	157,619	
Purchases and sales, net	909,666	
Borrowings and repayments, net		<u>122,414</u>
Balance as of December 31, 2009	<u>\$ 5,191,865</u>	<u>\$ 512,421</u>

HARRISON RETIREMENT AND SAVINGS PROGRAM

Notes to Financial Statements

Note 4 - Investments

The following table presents the fair values of investments at December 31 that represent 5% or more of total Plan assets:

	<u>2009</u>	<u>2008</u>
T. Rowe Price Retirement 2020 Fund	\$ 6,894,039	\$ 4,085,269
Lincoln Financial Group Guaranteed Interest Account	5,191,865	4,124,580
T. Rowe Price Retirement 2030 Fund	4,632,540	2,410,180
T. Rowe Price Retirement 2040 Fund	2,962,154	1,284,755
T. Rowe Price Retirement 2010 Fund	2,117,697	1,518,810
Vanguard Index Trust 500 Portfolio Fund	2,094,693	*
T. Rowe Price Balanced Fund	*	1,598,460

** Did not comprise 5% or more of net assets at December 31.*

Participants may choose to invest in the Lincoln Financial Group Guaranteed Interest Account, which is a guaranteed interest account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. For the year ended December 31, 2009, fair value has been determined to approximate contract value. Participants may ordinarily direct the withdrawal or transfer at all or a portion of their investment at contract value. Therefore, the investment contract is considered to be fully benefit-responsive.

The average yield for the guaranteed interest account was approximately 3.4% and 3.6% for 2009 and 2008, respectively. The crediting interest rate for the stable value fund was approximately 4% and 3.8% for 2009 and 2008, respectively.

Note 5 - Federal Income Taxes

Final regulations under Section 403(b) were published by the Internal Revenue Service (IRS) on July 26, 2007. Under the regulations, a 403(b) plan sponsor by December 31, 2009 must have adopted a written plan intended to satisfy the requirements of Section 403(b) and the regulations effective as of January 1, 2009. The IRS is in the process of establishing pre-approved and individually designed plan programs under which a plan sponsor can obtain assurance that the written form of its plan satisfies Section 403(b). Transition relief will be provided to 403(b) plan sponsors who have made appropriate efforts to comply with the written plan requirement in the final regulations. The Plan sponsor adopted a written plan in 2009 which it believes satisfies the written plan requirement. The Plan sponsor also believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC.

HARRISON RETIREMENT AND SAVINGS PROGRAM

Notes to Financial Statements

Note 6 - Information Certified by Trustee

The Sponsor elected the method of compliance permitted by Section 2520.103-8 for the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Under this provision of ERISA, certain information certified by the trustee, need not be subjected to independent audit.

The Sponsor has obtained a certification from the custodian that the following information provided by the custodian and information included in the Plan's financial statements and supplemental schedule is complete and accurate:

- Fair value and, if applicable, contract value of investments as of December 31, 2009 and 2008;
- Investment and other income earned for the year ended December 31, 2009; and
- Investment transactions for the year ended December 31, 2009.

Note 7 - Party-In-Interest

The Plan invests in a money market fund sponsored by the Plan's custodian, Wilmington Trust Company. Plan investments also include guaranteed interest accounts offered by Lincoln National Life Insurance Company, a subsidiary of Lincoln National Corporation, the administrator of the Plan. Accordingly, these transactions are considered party-in-interest transactions.

Note 8 - Reconciliation of Financial Statements to Form 5500

Following is a reconciliation of net assets available for plan benefits per the financial statements at December 31 to the Form 5500:

	<u>2009</u>	<u>2008</u>
Net assets available for plan benefits per the financial statements	\$ 40,088,268	\$ 25,602,999
Less: Participant contributions receivable	(358)	
Less: Employer contributions receivable	<u>(1,753,568)</u>	<u>(1,449,081)</u>
Net Assets Available for Plan Benefits per Form 5500	<u>\$ 38,334,342</u>	<u>\$ 24,153,918</u>

Following is a reconciliation of the change in net assets available for plan benefits per the financial statements for the year ended December 31, 2009, to the Form 5500:

Increase in net assets available for plan benefits per the financial statements	\$ 14,485,269
Less: 2009 participant contributions receivable	(358)
Less: 2009 employer contributions receivable	(1,753,568)
Plus: 2008 employer contributions receivable	<u>1,449,081</u>
Increase in Net Assets Available for Plan Benefits per Form 5500	<u>\$ 14,180,424</u>

SUPPLEMENTAL SCHEDULE

HARRISON RETIREMENT AND SAVINGS PROGRAM

Attachment to Form 5500, Schedule H, Line 4(i) Schedule of Assets Held as of December 31, 2009

EMPLOYER: Harrison Memorial Hospital

EIN: 91-0565546

Plan #: 003

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
	T. Rowe Price	Retirement 2020 Fund	**	\$ 6,894,039
*	Lincoln Financial Group	Guaranteed Interest Account	**	5,191,865
	T. Rowe Price	Retirement 2030 Fund	**	4,632,540
	T. Rowe Price	Retirement 2040 Fund	**	2,962,154
	T. Rowe Price	Retirement 2010 Fund	**	2,117,697
	Vanguard	Index Trust 500 Portfolio	**	2,094,693
	T. Rowe Price	Balanced Fund Income Common	**	1,995,570
	Rainier	Small/Mid Cap Equity Portfolio	**	1,931,893
	PIMCO	Total Return Fund	**	1,869,525
	Artio	International Equity Fund	**	1,656,924
	Hotchkis & Wiley	Large Cap Value Fund	**	1,605,505
	PIMCO	Real Return Fund	**	1,590,308
	American Funds	Growth Fund	**	1,528,139
	Capital World	Growth and Income Fund	**	1,421,946
	T. Rowe Price	Retirement Income Fund	**	215,697
*	Wilmington Trust	Prime Money Market Fund	**	113,023
	Cash	Cash	**	402
*	Participant Loans	Interest rates from 4.25% to 9.25%, maturing through October 2022	- 0 -	512,421
Total				\$ 38,334,341

* Party-in-interest as defined by section 3(14) of ERISA.

** Historical cost information omitted with respect to assets held for investment purposes on participant-directed individual account balances.

See independent auditors' report.

HARRISON RETIREMENT AND SAVINGS PROGRAM

Financial Statements and Supplemental Schedule
with Independent Auditors' Report

December 31, 2009 and 2008

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Independent Auditors' Report***To the Plan Administrator
Harrison Retirement and Savings Program
Bremerton, Washington***

We were engaged to audit the accompanying statements of net assets available for plan benefits of Harrison Retirement and Savings Program (the Plan) as of December 31, 2009 and 2008, and the related statement of changes in net assets available for plan benefits and supplemental schedule as of and for the year ended December 31, 2009. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6, which was certified by Wilmington Trust Company, the custodian of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. The plan administrator has informed us that the custodian holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the custodian as of December 31, 2009 and 2008, and for the year ended December 31, 2009, that the information provided to the plan administrator by the custodian is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Certified Public Accountants
October 8, 2010

HARRISON RETIREMENT AND SAVINGS PROGRAM

Statements of Net Assets Available for Plan Benefits

	<i>December 31,</i>	<u>2009</u>	<u>2008</u>
Assets:			
Investments, at fair value:			
Mutual funds		\$ 32,516,630	\$ 19,595,677
Guaranteed interest account		5,191,865	4,124,580
Money market fund		113,023	30,968
Cash		402	259
Participant loans		<u>512,421</u>	<u>390,007</u>
Total investments		38,334,341	24,141,491
Receivables:			
Employee		358	
Employer		1,753,568	1,449,081
Accrued interest and dividends		<u>42,997</u>	<u>20,720</u>
Total receivables		<u>1,796,923</u>	<u>1,469,801</u>
Total Assets		40,131,264	25,611,292
Liabilities:			
Pending purchases		<u>42,996</u>	<u>8,293</u>
Total Liabilities		42,996	8,293
Net Assets Available for Plan Benefits		<u>\$ 40,088,268</u>	<u>\$ 25,602,999</u>

See accompanying notes to financial statements.

HARRISON RETIREMENT AND SAVINGS PROGRAM

Statement of Changes in Net Assets Available for Plan Benefits For the Year Ended December 31, 2009

Additions to Net Assets Attributable to:

Contributions:

Employee	\$ 5,934,817
Employer	2,501,783
Employee rollovers	<u>597,031</u>

Total contributions 9,033,631

Investment income:

Net appreciation in fair value of investments	6,127,480
Dividends	734,721
Guaranteed interest account income	157,619
Interest on participant loans	29,101
Interest	<u>157</u>

Net investment income 7,049,078

Total Additions to Net Assets 16,082,709

Deductions from Net Assets Attributable to:

Benefit payments	1,509,790
Administrative and other expenses	<u>87,650</u>

Total Deductions from Net Assets 1,597,440

Increase in Net Assets Available for Plan Benefits 14,485,269

Net Assets Available for Plan Benefits:

Beginning of period 25,602,999

End of Period \$ 40,088,268

See accompanying notes to financial statements.

HARRISON RETIREMENT AND SAVINGS PROGRAM

Notes to Financial Statements

Note 1 - Description of the Plan

The following description of Harrison Retirement and Savings Program (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General - The Plan is a defined contribution plan, established by Harrison Memorial Hospital (the Employer or Sponsor) under the provisions of Section 403(b) of the Internal Revenue Code (IRC), which includes a deferral arrangement as described in Section 403(b) of the IRC, for the benefit of eligible employees of the Employer. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Plan Administration - Lincoln Financial Group is the trustee and recordkeeper of the Plan. Wilmington Trust Company is the custodian of the Plan.

Eligibility - All employees may participate in the Plan the first pay period following their date of hire. Employees, other than per diem employees and employees that are active participants receiving employer contributions in the Retirement Plan for Employees of Harrison Memorial Hospital (defined benefit plan), are eligible for the employer match contribution and the employer discretionary contribution. There is no service requirement to participate in the Plan or to receive the employer match contribution. Employees are eligible to receive an employer discretionary contribution after completing 1,000 hours of service in a 12 consecutive month period. Eligible employees must complete 1,000 hours of service during the Plan year and be employed on the last day of the Plan year to receive the employer discretionary contribution.

Contributions - Participants may elect to contribute pretax eligible compensation, as defined by the Plan, subject to an annual minimum contribution requirement of \$200 and certain limitations under the IRC. Eligible participants who have attained age 50 may elect an additional catch-up contribution, subject to certain limitations under the IRC. Participants are also allowed to rollover contributions from other qualified employer sponsored retirement plan. The Employer matches 50% of participant contributions not to exceed 4% of eligible compensation. On an annual basis, the Employer may make additional discretionary contributions based on each employee's years of eligible service between 3% and 5% of an employee's eligible compensation.

Participant Accounts - Participants are allowed to direct the investment of all contributions into various investment options that offer a diversity of investment risk and return. Each participant's account is credited with any contributions made to the account as well as increases or decreases in the market value of investments. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Plan Transfers - At the direction of the Employer, for a class of employees who are participants or beneficiaries in another plan under Code Section 403(b), the Plan Administrator may permit a transfer of assets to the Plan.

Distributions - Upon termination of service, death, disability, or retirement, a participant may elect to receive a distribution of their vested account balance. The distribution may be in the form of a lump-sum payment. The Plan also provides for hardship withdrawals in accordance with provisions specified in the Plan document.

HARRISON RETIREMENT AND SAVINGS PROGRAM

Notes to Financial Statements

Note 1 - Continued

Vesting - Participants are immediately vested in their contributions and employer matching contributions plus earnings. Employer discretionary contributions vest ratably over five years.

Forfeitures - Forfeitures of the nonvested portion of terminated participants' accounts may be used to reduce employer contributions (2009 - \$0). Unapplied forfeitures of terminated participants' nonvested accounts were \$118,584 and \$75,962 at December 31, 2009 and 2008, respectively.

Participant Loans - In accordance with the Plan document, participant may borrow up to the lesser of \$50,000 or 50% of their vested account balance, subject to certain restrictions. Loans are available from participant pre-tax deferrals, 90-24 transfers and the participant's rollover balance, if any. The minimum loan amount is \$1,000. Loan terms range from one to five years, unless the loan is used to acquire a principal residence, in which case the limitation is 15 years. The participant's vested account balance will be used as collateral for the loan.

Investment and Administrative Expenses - Investments, loans and distributions are subject to service fees paid by Plan participants (2009 - \$87,650). All other administrative expenses related to the Plan are paid by the Sponsor.

Plan Termination - Although the Employer has not expressed any intent to do so, may at any time terminate the Plan subject to the provisions of ERISA. Upon termination, the Plan's assets will be distributed to the participants on the basis of their asset account balances existing at the date of termination, provided that the Employer on the date of termination does not make contributions to an alternative Section 403(b) contract that is not part of the Plan during the period beginning on the date of Plan termination and ending 12 months after the distribution of all assets from the Plan, except as permitted by the Income Tax Regulations.

Subsequent Events - The Plan's management has evaluated subsequent events through October 8, 2010, the date on which the Plan's financial statements were available to be issued.

Note 2 - Significant Accounting Policies

Basis of Accounting - The financial statements of the Plan have been prepared on the accrual basis of accounting.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan's guaranteed interest account is recorded at contract value. Reporting the interest accumulation account at fair value would not have a material effect on the Plan's financial statements as interest rates are periodically adjusted to market. Accordingly, contract value, which represents net contributions plus interest at the contract rate, approximates fair value.

Use of Estimates - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan's management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

HARRISON RETIREMENT AND SAVINGS PROGRAM

Notes to Financial Statements

Note 2 - Continued

Investment Valuation and Income Recognition - The Plan's 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. See Note 3 for discussion of fair value measurements.

Purchases and sales are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

Net Appreciation in Fair Value of Investments - The net appreciation in the fair value of investments represents the change in fair value from one period to the next and includes realized gains and losses on investments.

Risks and Uncertainties - The Plan provides for various investment options which in turn invest in a combination of stocks, bonds, and other investment securities. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the statements of net assets available for benefits.

Benefit Payments - Benefit payments are recognized when paid. At December 31, 2009, one distribution totaling \$80,240 was requested and not paid until 2010 (2008 - \$0).

Note 3 - Fair Value Measurements

Generally accepted accounting principles provide a consistent framework for determining fair value measures for financial assets and liabilities. That framework 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: Unadjusted quoted prices available in active markets for identical assets or liabilities;

Level 2: Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or

Level 3: Unobservable inputs that are significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based upon 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, 2009 and 2008.

HARRISON RETIREMENT AND SAVINGS PROGRAM

Notes to Financial Statements

Note 3 - Continued

Mutual Funds - Valued at quoted market prices in active markets, which represent the net asset value (NAV) of shares held by the Plan at year-end.

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Guaranteed Interest Account - Valued at contract value, which represents contributions received plus interest earned to date less applicable charges and amounts withdrawn, which approximates fair value.

Participant Loans - Valued at their outstanding balance, which approximates fair value.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2009:

	<i>Fair Value Measurements</i>			
	<i>(Level 1)</i>	<i>(Level 2)</i>	<i>(Level 3)</i>	<i>Total</i>
Mutual funds:				
Targeted retirement	\$ 16,822,127	\$ -	\$ -	\$ 16,822,127
Equity blend	4,090,263			4,090,263
Fixed income	3,459,833			3,459,833
Equity growth	2,950,085			2,950,085
Equity small/mid-cap	1,931,893			1,931,893
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	<u>\$ 32,630,055</u>	<u>\$ -</u>	<u>\$ 5,704,286</u>	<u>\$ 38,334,341</u>

HARRISON RETIREMENT AND SAVINGS PROGRAM

Notes to Financial Statements

Note 3 - Continued

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2008:

	<i>Fair Value Measurements</i>			
	<i>(Level 1)</i>	<i>(Level 2)</i>	<i>(Level 3)</i>	<i>Total</i>
Mutual funds:				
Targeted retirement	\$ 9,434,587	\$ -	\$ -	\$ 9,434,587
Equity blend	2,872,833			2,872,833
Fixed income	2,225,260			2,225,260
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Participant loans			<u>390,007</u>	<u>390,007</u>
	<u>\$ 19,626,904</u>	<u>\$ -</u>	<u>\$ 4,514,587</u>	<u>\$ 24,141,491</u>

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	<i>Guaranteed Interest Account</i>	<i>Participant Loans</i>
Balance as of January 1, 2009	\$ 4,124,580	\$ 390,007
Interest income	157,619	
Purchases and sales, net	909,666	
Borrowings and repayments, net		<u>122,414</u>
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HARRISON RETIREMENT AND SAVINGS PROGRAM

Notes to Financial Statements

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** Did not comprise 5% or more of net assets at December 31.*

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HARRISON RETIREMENT AND SAVINGS PROGRAM

Notes to Financial Statements

Note 6 - Information Certified by Trustee

The Sponsor elected the method of compliance permitted by Section 2520.103-8 for the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Under this provision of ERISA, certain information certified by the trustee, need not be subjected to independent audit.

The Sponsor has obtained a certification from the custodian that the following information provided by the custodian and information included in the Plan's financial statements and supplemental schedule is complete and accurate:

- Fair value and, if applicable, contract value of investments as of December 31, 2009 and 2008;
- Investment and other income earned for the year ended December 31, 2009; and
- Investment transactions for the year ended December 31, 2009.

Note 7 - Party-In-Interest

The Plan invests in a money market fund sponsored by the Plan's custodian, Wilmington Trust Company. Plan investments also include guaranteed interest accounts offered by Lincoln National Life Insurance Company, a subsidiary of Lincoln National Corporation, the administrator of the Plan. Accordingly, these transactions are considered party-in-interest transactions.

Note 8 - Reconciliation of Financial Statements to Form 5500

Following is a reconciliation of net assets available for plan benefits per the financial statements at December 31 to the Form 5500:

	<u>2009</u>	<u>2008</u>
Net assets available for plan benefits per the financial statements	\$ 40,088,268	\$ 25,602,999
Less: Participant contributions receivable	(358)	
Less: Employer contributions receivable	<u>(1,753,568)</u>	<u>(1,449,081)</u>
Net Assets Available for Plan Benefits per Form 5500	<u>\$ 38,334,342</u>	<u>\$ 24,153,918</u>

Following is a reconciliation of the change in net assets available for plan benefits per the financial statements for the year ended December 31, 2009, to the Form 5500:

Increase in net assets available for plan benefits per the financial statements	\$ 14,485,269
Less: 2009 participant contributions receivable	(358)
Less: 2009 employer contributions receivable	(1,753,568)
Plus: 2008 employer contributions receivable	<u>1,449,081</u>
Increase in Net Assets Available for Plan Benefits per Form 5500	<u>\$ 14,180,424</u>

SUPPLEMENTAL SCHEDULE

HARRISON RETIREMENT AND SAVINGS PROGRAM

Attachment to Form 5500, Schedule H, Line 4(i) Schedule of Assets Held as of December 31, 2009

EMPLOYER: Harrison Memorial Hospital

EIN: 91-0565546

Plan #: 003

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
	T. Rowe Price	Retirement 2020 Fund	**	\$ 6,894,039
*	Lincoln Financial Group	Guaranteed Interest Account	**	5,191,865
	T. Rowe Price	Retirement 2030 Fund	**	4,632,540
	T. Rowe Price	Retirement 2040 Fund	**	2,962,154
	T. Rowe Price	Retirement 2010 Fund	**	2,117,697
	Vanguard	Index Trust 500 Portfolio	**	2,094,693
	T. Rowe Price	Balanced Fund Income Common	**	1,995,570
	Rainier	Small/Mid Cap Equity Portfolio	**	1,931,893
	PIMCO	Total Return Fund	**	1,869,525
	Artio	International Equity Fund	**	1,656,924
	Hotchkis & Wiley	Large Cap Value Fund	**	1,605,505
	PIMCO	Real Return Fund	**	1,590,308
	American Funds	Growth Fund	**	1,528,139
	Capital World	Growth and Income Fund	**	1,421,946
	T. Rowe Price	Retirement Income Fund	**	215,697
*	Wilmington Trust	Prime Money Market Fund	**	113,023
	Cash	Cash	**	402
*	Participant Loans	Interest rates from 4.25% to 9.25%, maturing through October 2022	- 0 -	512,421
Total				\$ 38,334,341

* Party-in-interest as defined by section 3(14) of ERISA.

** Historical cost information omitted with respect to assets held for investment purposes on participant-directed individual account balances.

See independent auditors' report.

HARRISON RETIREMENT AND SAVINGS PROGRAM

Financial Statements and Supplemental Schedule
with Independent Auditors' Report

December 31, 2009 and 2008

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Independent Auditors' Report***To the Plan Administrator
Harrison Retirement and Savings Program
Bremerton, Washington***

We were engaged to audit the accompanying statements of net assets available for plan benefits of Harrison Retirement and Savings Program (the Plan) as of December 31, 2009 and 2008, and the related statement of changes in net assets available for plan benefits and supplemental schedule as of and for the year ended December 31, 2009. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6, which was certified by Wilmington Trust Company, the custodian of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. The plan administrator has informed us that the custodian holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the custodian as of December 31, 2009 and 2008, and for the year ended December 31, 2009, that the information provided to the plan administrator by the custodian is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Certified Public Accountants
October 8, 2010

HARRISON RETIREMENT AND SAVINGS PROGRAM

Statements of Net Assets Available for Plan Benefits

	<i>December 31,</i>	<u>2009</u>	<u>2008</u>
Assets:			
Investments, at fair value:			
Mutual funds		\$ 32,516,630	\$ 19,595,677
Guaranteed interest account		5,191,865	4,124,580
Money market fund		113,023	30,968
Cash		402	259
Participant loans		<u>512,421</u>	<u>390,007</u>
Total investments		38,334,341	24,141,491
Receivables:			
Employee		358	
Employer		1,753,568	1,449,081
Accrued interest and dividends		<u>42,997</u>	<u>20,720</u>
Total receivables		<u>1,796,923</u>	<u>1,469,801</u>
Total Assets		40,131,264	25,611,292
Liabilities:			
Pending purchases		<u>42,996</u>	<u>8,293</u>
Total Liabilities		42,996	8,293
Net Assets Available for Plan Benefits		<u>\$ 40,088,268</u>	<u>\$ 25,602,999</u>

See accompanying notes to financial statements.

HARRISON RETIREMENT AND SAVINGS PROGRAM

Statement of Changes in Net Assets Available for Plan Benefits For the Year Ended December 31, 2009

Additions to Net Assets Attributable to:

Contributions:

Employee	\$ 5,934,817
Employer	2,501,783
Employee rollovers	<u>597,031</u>

Total contributions 9,033,631

Investment income:

Net appreciation in fair value of investments	6,127,480
Dividends	734,721
Guaranteed interest account income	157,619
Interest on participant loans	29,101
Interest	<u>157</u>

Net investment income 7,049,078

Total Additions to Net Assets 16,082,709

Deductions from Net Assets Attributable to:

Benefit payments	1,509,790
Administrative and other expenses	<u>87,650</u>

Total Deductions from Net Assets 1,597,440

Increase in Net Assets Available for Plan Benefits 14,485,269

Net Assets Available for Plan Benefits:

Beginning of period 25,602,999

End of Period \$ 40,088,268

See accompanying notes to financial statements.

HARRISON RETIREMENT AND SAVINGS PROGRAM

Notes to Financial Statements

Note 1 - Description of the Plan

The following description of Harrison Retirement and Savings Program (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General - The Plan is a defined contribution plan, established by Harrison Memorial Hospital (the Employer or Sponsor) under the provisions of Section 403(b) of the Internal Revenue Code (IRC), which includes a deferral arrangement as described in Section 403(b) of the IRC, for the benefit of eligible employees of the Employer. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Plan Administration - Lincoln Financial Group is the trustee and recordkeeper of the Plan. Wilmington Trust Company is the custodian of the Plan.

Eligibility - All employees may participate in the Plan the first pay period following their date of hire. Employees, other than per diem employees and employees that are active participants receiving employer contributions in the Retirement Plan for Employees of Harrison Memorial Hospital (defined benefit plan), are eligible for the employer match contribution and the employer discretionary contribution. There is no service requirement to participate in the Plan or to receive the employer match contribution. Employees are eligible to receive an employer discretionary contribution after completing 1,000 hours of service in a 12 consecutive month period. Eligible employees must complete 1,000 hours of service during the Plan year and be employed on the last day of the Plan year to receive the employer discretionary contribution.

Contributions - Participants may elect to contribute pretax eligible compensation, as defined by the Plan, subject to an annual minimum contribution requirement of \$200 and certain limitations under the IRC. Eligible participants who have attained age 50 may elect an additional catch-up contribution, subject to certain limitations under the IRC. Participants are also allowed to rollover contributions from other qualified employer sponsored retirement plan. The Employer matches 50% of participant contributions not to exceed 4% of eligible compensation. On an annual basis, the Employer may make additional discretionary contributions based on each employee's years of eligible service between 3% and 5% of an employee's eligible compensation.

Participant Accounts - Participants are allowed to direct the investment of all contributions into various investment options that offer a diversity of investment risk and return. Each participant's account is credited with any contributions made to the account as well as increases or decreases in the market value of investments. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Plan Transfers - At the direction of the Employer, for a class of employees who are participants or beneficiaries in another plan under Code Section 403(b), the Plan Administrator may permit a transfer of assets to the Plan.

Distributions - Upon termination of service, death, disability, or retirement, a participant may elect to receive a distribution of their vested account balance. The distribution may be in the form of a lump-sum payment. The Plan also provides for hardship withdrawals in accordance with provisions specified in the Plan document.

HARRISON RETIREMENT AND SAVINGS PROGRAM

Notes to Financial Statements

Note 1 - Continued

Vesting - Participants are immediately vested in their contributions and employer matching contributions plus earnings. Employer discretionary contributions vest ratably over five years.

Forfeitures - Forfeitures of the nonvested portion of terminated participants' accounts may be used to reduce employer contributions (2009 - \$0). Unapplied forfeitures of terminated participants' nonvested accounts were \$118,584 and \$75,962 at December 31, 2009 and 2008, respectively.

Participant Loans - In accordance with the Plan document, participant may borrow up to the lesser of \$50,000 or 50% of their vested account balance, subject to certain restrictions. Loans are available from participant pre-tax deferrals, 90-24 transfers and the participant's rollover balance, if any. The minimum loan amount is \$1,000. Loan terms range from one to five years, unless the loan is used to acquire a principal residence, in which case the limitation is 15 years. The participant's vested account balance will be used as collateral for the loan.

Investment and Administrative Expenses - Investments, loans and distributions are subject to service fees paid by Plan participants (2009 - \$87,650). All other administrative expenses related to the Plan are paid by the Sponsor.

Plan Termination - Although the Employer has not expressed any intent to do so, may at any time terminate the Plan subject to the provisions of ERISA. Upon termination, the Plan's assets will be distributed to the participants on the basis of their asset account balances existing at the date of termination, provided that the Employer on the date of termination does not make contributions to an alternative Section 403(b) contract that is not part of the Plan during the period beginning on the date of Plan termination and ending 12 months after the distribution of all assets from the Plan, except as permitted by the Income Tax Regulations.

Subsequent Events - The Plan's management has evaluated subsequent events through October 8, 2010, the date on which the Plan's financial statements were available to be issued.

Note 2 - Significant Accounting Policies

Basis of Accounting - The financial statements of the Plan have been prepared on the accrual basis of accounting.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan's guaranteed interest account is recorded at contract value. Reporting the interest accumulation account at fair value would not have a material effect on the Plan's financial statements as interest rates are periodically adjusted to market. Accordingly, contract value, which represents net contributions plus interest at the contract rate, approximates fair value.

Use of Estimates - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan's management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

HARRISON RETIREMENT AND SAVINGS PROGRAM

Notes to Financial Statements

Note 2 - Continued

Investment Valuation and Income Recognition - The Plan's 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. See Note 3 for discussion of fair value measurements.

Purchases and sales are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

Net Appreciation in Fair Value of Investments - The net appreciation in the fair value of investments represents the change in fair value from one period to the next and includes realized gains and losses on investments.

Risks and Uncertainties - The Plan provides for various investment options which in turn invest in a combination of stocks, bonds, and other investment securities. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the statements of net assets available for benefits.

Benefit Payments - Benefit payments are recognized when paid. At December 31, 2009, one distribution totaling \$80,240 was requested and not paid until 2010 (2008 - \$0).

Note 3 - Fair Value Measurements

Generally accepted accounting principles provide a consistent framework for determining fair value measures for financial assets and liabilities. That framework 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: Unadjusted quoted prices available in active markets for identical assets or liabilities;

Level 2: Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or

Level 3: Unobservable inputs that are significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based upon 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, 2009 and 2008.

HARRISON RETIREMENT AND SAVINGS PROGRAM

Notes to Financial Statements

Note 3 - Continued

Mutual Funds - Valued at quoted market prices in active markets, which represent the net asset value (NAV) of shares held by the Plan at year-end.

Money Market Fund - Valued at cost plus accrued interest, which approximates fair value.

Cash - Valued at book value, which approximates fair value.

Guaranteed Interest Account - Valued at contract value, which represents contributions received plus interest earned to date less applicable charges and amounts withdrawn, which approximates fair value.

Participant Loans - Valued at their outstanding balance, which approximates fair value.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2009:

	<i>Fair Value Measurements</i>			
	<i>(Level 1)</i>	<i>(Level 2)</i>	<i>(Level 3)</i>	<i>Total</i>
Mutual funds:				
Targeted retirement	\$ 16,822,127	\$ -	\$ -	\$ 16,822,127
Equity blend	4,090,263			4,090,263
Fixed income	3,459,833			3,459,833
Equity growth	2,950,085			2,950,085
Equity small/mid-cap	1,931,893			1,931,893
International equity	1,656,924			1,656,924
Equity value	<u>1,605,505</u>			<u>1,605,505</u>
Total mutual funds	32,516,630			32,516,630
Cash	402			402
Money market fund	113,023			113,023
Guaranteed interest account			5,191,865	5,191,865
Participant loans			<u>512,421</u>	<u>512,421</u>
	<u>\$ 32,630,055</u>	<u>\$ -</u>	<u>\$ 5,704,286</u>	<u>\$ 38,334,341</u>

HARRISON RETIREMENT AND SAVINGS PROGRAM

Notes to Financial Statements

Note 3 - Continued

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2008:

	<i>Fair Value Measurements</i>			
	<i>(Level 1)</i>	<i>(Level 2)</i>	<i>(Level 3)</i>	<i>Total</i>
Mutual funds:				
Targeted retirement	\$ 9,434,587	\$ -	\$ -	\$ 9,434,587
Equity blend	2,872,833			2,872,833
Fixed income	2,225,260			2,225,260
Equity growth	1,855,663			1,855,663
Equity small/mid-cap	1,233,122			1,233,122
International equity	1,057,840			1,057,840
Equity value	<u>916,372</u>			<u>916,372</u>
Total mutual funds	19,595,677			19,595,677
Cash	259			259
Money market fund	30,968			30,968
Guaranteed interest account			4,124,580	4,124,580
Participant loans			<u>390,007</u>	<u>390,007</u>
	<u>\$ 19,626,904</u>	<u>\$ -</u>	<u>\$ 4,514,587</u>	<u>\$ 24,141,491</u>

A reconciliation of the beginning and ending balances for fair value measurements made using significant unobservable inputs (Level 3) is as follows for the year ended December 31, 2009:

	<i>Level 3 Investments</i>	
	<i>Guaranteed Interest Account</i>	<i>Participant Loans</i>
Balance as of January 1, 2009	\$ 4,124,580	\$ 390,007
Interest income	157,619	
Purchases and sales, net	909,666	
Borrowings and repayments, net		<u>122,414</u>
Balance as of December 31, 2009	<u>\$ 5,191,865</u>	<u>\$ 512,421</u>

HARRISON RETIREMENT AND SAVINGS PROGRAM

Notes to Financial Statements

Note 4 - Investments

The following table presents the fair values of investments at December 31 that represent 5% or more of total Plan assets:

	<u>2009</u>	<u>2008</u>
T. Rowe Price Retirement 2020 Fund	\$ 6,894,039	\$ 4,085,269
Lincoln Financial Group Guaranteed Interest Account	5,191,865	4,124,580
T. Rowe Price Retirement 2030 Fund	4,632,540	2,410,180
T. Rowe Price Retirement 2040 Fund	2,962,154	1,284,755
T. Rowe Price Retirement 2010 Fund	2,117,697	1,518,810
Vanguard Index Trust 500 Portfolio Fund	2,094,693	*
T. Rowe Price Balanced Fund	*	1,598,460

** Did not comprise 5% or more of net assets at December 31.*

Participants may choose to invest in the Lincoln Financial Group Guaranteed Interest Account, which is a guaranteed interest account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. For the year ended December 31, 2009, fair value has been determined to approximate contract value. Participants may ordinarily direct the withdrawal or transfer at all or a portion of their investment at contract value. Therefore, the investment contract is considered to be fully benefit-responsive.

The average yield for the guaranteed interest account was approximately 3.4% and 3.6% for 2009 and 2008, respectively. The crediting interest rate for the stable value fund was approximately 4% and 3.8% for 2009 and 2008, respectively.

Note 5 - Federal Income Taxes

Final regulations under Section 403(b) were published by the Internal Revenue Service (IRS) on July 26, 2007. Under the regulations, a 403(b) plan sponsor by December 31, 2009 must have adopted a written plan intended to satisfy the requirements of Section 403(b) and the regulations effective as of January 1, 2009. The IRS is in the process of establishing pre-approved and individually designed plan programs under which a plan sponsor can obtain assurance that the written form of its plan satisfies Section 403(b). Transition relief will be provided to 403(b) plan sponsors who have made appropriate efforts to comply with the written plan requirement in the final regulations. The Plan sponsor adopted a written plan in 2009 which it believes satisfies the written plan requirement. The Plan sponsor also believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC.

HARRISON RETIREMENT AND SAVINGS PROGRAM

Notes to Financial Statements

Note 6 - Information Certified by Trustee

The Sponsor elected the method of compliance permitted by Section 2520.103-8 for the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Under this provision of ERISA, certain information certified by the trustee, need not be subjected to independent audit.

The Sponsor has obtained a certification from the custodian that the following information provided by the custodian and information included in the Plan's financial statements and supplemental schedule is complete and accurate:

- Fair value and, if applicable, contract value of investments as of December 31, 2009 and 2008;
- Investment and other income earned for the year ended December 31, 2009; and
- Investment transactions for the year ended December 31, 2009.

Note 7 - Party-In-Interest

The Plan invests in a money market fund sponsored by the Plan's custodian, Wilmington Trust Company. Plan investments also include guaranteed interest accounts offered by Lincoln National Life Insurance Company, a subsidiary of Lincoln National Corporation, the administrator of the Plan. Accordingly, these transactions are considered party-in-interest transactions.

Note 8 - Reconciliation of Financial Statements to Form 5500

Following is a reconciliation of net assets available for plan benefits per the financial statements at December 31 to the Form 5500:

	<u>2009</u>	<u>2008</u>
Net assets available for plan benefits per the financial statements	\$ 40,088,268	\$ 25,602,999
Less: Participant contributions receivable	(358)	
Less: Employer contributions receivable	<u>(1,753,568)</u>	<u>(1,449,081)</u>
Net Assets Available for Plan Benefits per Form 5500	<u>\$ 38,334,342</u>	<u>\$ 24,153,918</u>

Following is a reconciliation of the change in net assets available for plan benefits per the financial statements for the year ended December 31, 2009, to the Form 5500:

Increase in net assets available for plan benefits per the financial statements	\$ 14,485,269
Less: 2009 participant contributions receivable	(358)
Less: 2009 employer contributions receivable	(1,753,568)
Plus: 2008 employer contributions receivable	<u>1,449,081</u>
Increase in Net Assets Available for Plan Benefits per Form 5500	<u>\$ 14,180,424</u>

SUPPLEMENTAL SCHEDULE

HARRISON RETIREMENT AND SAVINGS PROGRAM

Attachment to Form 5500, Schedule H, Line 4(i) Schedule of Assets Held as of December 31, 2009

EMPLOYER: Harrison Memorial Hospital

EIN: 91-0565546

Plan #: 003

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
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	T. Rowe Price	Retirement 2040 Fund	**	2,962,154
	T. Rowe Price	Retirement 2010 Fund	**	2,117,697
	Vanguard	Index Trust 500 Portfolio	**	2,094,693
	T. Rowe Price	Balanced Fund Income Common	**	1,995,570
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	PIMCO	Total Return Fund	**	1,869,525
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	Hotchkis & Wiley	Large Cap Value Fund	**	1,605,505
	PIMCO	Real Return Fund	**	1,590,308
	American Funds	Growth Fund	**	1,528,139
	Capital World	Growth and Income Fund	**	1,421,946
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*	Wilmington Trust	Prime Money Market Fund	**	113,023
	Cash	Cash	**	402
*	Participant Loans	Interest rates from 4.25% to 9.25%, maturing through October 2022	- 0 -	512,421
Total				\$ 38,334,341

* Party-in-interest as defined by section 3(14) of ERISA.

** Historical cost information omitted with respect to assets held for investment purposes on participant-directed individual account balances.

See independent auditors' report.

HARRISON RETIREMENT AND SAVINGS PROGRAM

Financial Statements and Supplemental Schedule
with Independent Auditors' Report

December 31, 2009 and 2008

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Independent Auditors' Report***To the Plan Administrator
Harrison Retirement and Savings Program
Bremerton, Washington***

We were engaged to audit the accompanying statements of net assets available for plan benefits of Harrison Retirement and Savings Program (the Plan) as of December 31, 2009 and 2008, and the related statement of changes in net assets available for plan benefits and supplemental schedule as of and for the year ended December 31, 2009. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6, which was certified by Wilmington Trust Company, the custodian of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. The plan administrator has informed us that the custodian holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the custodian as of December 31, 2009 and 2008, and for the year ended December 31, 2009, that the information provided to the plan administrator by the custodian is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Certified Public Accountants
October 8, 2010

HARRISON RETIREMENT AND SAVINGS PROGRAM

Statements of Net Assets Available for Plan Benefits

	<i>December 31,</i>	<u>2009</u>	<u>2008</u>
Assets:			
Investments, at fair value:			
Mutual funds		\$ 32,516,630	\$ 19,595,677
Guaranteed interest account		5,191,865	4,124,580
Money market fund		113,023	30,968
Cash		402	259
Participant loans		<u>512,421</u>	<u>390,007</u>
Total investments		38,334,341	24,141,491
Receivables:			
Employee		358	
Employer		1,753,568	1,449,081
Accrued interest and dividends		<u>42,997</u>	<u>20,720</u>
Total receivables		<u>1,796,923</u>	<u>1,469,801</u>
Total Assets		40,131,264	25,611,292
Liabilities:			
Pending purchases		<u>42,996</u>	<u>8,293</u>
Total Liabilities		42,996	8,293
Net Assets Available for Plan Benefits		<u>\$ 40,088,268</u>	<u>\$ 25,602,999</u>

See accompanying notes to financial statements.

HARRISON RETIREMENT AND SAVINGS PROGRAM

Statement of Changes in Net Assets Available for Plan Benefits For the Year Ended December 31, 2009

Additions to Net Assets Attributable to:

Contributions:

Employee	\$ 5,934,817
Employer	2,501,783
Employee rollovers	<u>597,031</u>

Total contributions 9,033,631

Investment income:

Net appreciation in fair value of investments	6,127,480
Dividends	734,721
Guaranteed interest account income	157,619
Interest on participant loans	29,101
Interest	<u>157</u>

Net investment income 7,049,078

Total Additions to Net Assets 16,082,709

Deductions from Net Assets Attributable to:

Benefit payments	1,509,790
Administrative and other expenses	<u>87,650</u>

Total Deductions from Net Assets 1,597,440

Increase in Net Assets Available for Plan Benefits 14,485,269

Net Assets Available for Plan Benefits:

Beginning of period 25,602,999

End of Period \$ 40,088,268

See accompanying notes to financial statements.

HARRISON RETIREMENT AND SAVINGS PROGRAM

Notes to Financial Statements

Note 1 - Description of the Plan

The following description of Harrison Retirement and Savings Program (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General - The Plan is a defined contribution plan, established by Harrison Memorial Hospital (the Employer or Sponsor) under the provisions of Section 403(b) of the Internal Revenue Code (IRC), which includes a deferral arrangement as described in Section 403(b) of the IRC, for the benefit of eligible employees of the Employer. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Plan Administration - Lincoln Financial Group is the trustee and recordkeeper of the Plan. Wilmington Trust Company is the custodian of the Plan.

Eligibility - All employees may participate in the Plan the first pay period following their date of hire. Employees, other than per diem employees and employees that are active participants receiving employer contributions in the Retirement Plan for Employees of Harrison Memorial Hospital (defined benefit plan), are eligible for the employer match contribution and the employer discretionary contribution. There is no service requirement to participate in the Plan or to receive the employer match contribution. Employees are eligible to receive an employer discretionary contribution after completing 1,000 hours of service in a 12 consecutive month period. Eligible employees must complete 1,000 hours of service during the Plan year and be employed on the last day of the Plan year to receive the employer discretionary contribution.

Contributions - Participants may elect to contribute pretax eligible compensation, as defined by the Plan, subject to an annual minimum contribution requirement of \$200 and certain limitations under the IRC. Eligible participants who have attained age 50 may elect an additional catch-up contribution, subject to certain limitations under the IRC. Participants are also allowed to rollover contributions from other qualified employer sponsored retirement plan. The Employer matches 50% of participant contributions not to exceed 4% of eligible compensation. On an annual basis, the Employer may make additional discretionary contributions based on each employee's years of eligible service between 3% and 5% of an employee's eligible compensation.

Participant Accounts - Participants are allowed to direct the investment of all contributions into various investment options that offer a diversity of investment risk and return. Each participant's account is credited with any contributions made to the account as well as increases or decreases in the market value of investments. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Plan Transfers - At the direction of the Employer, for a class of employees who are participants or beneficiaries in another plan under Code Section 403(b), the Plan Administrator may permit a transfer of assets to the Plan.

Distributions - Upon termination of service, death, disability, or retirement, a participant may elect to receive a distribution of their vested account balance. The distribution may be in the form of a lump-sum payment. The Plan also provides for hardship withdrawals in accordance with provisions specified in the Plan document.

HARRISON RETIREMENT AND SAVINGS PROGRAM

Notes to Financial Statements

Note 1 - Continued

Vesting - Participants are immediately vested in their contributions and employer matching contributions plus earnings. Employer discretionary contributions vest ratably over five years.

Forfeitures - Forfeitures of the nonvested portion of terminated participants' accounts may be used to reduce employer contributions (2009 - \$0). Unapplied forfeitures of terminated participants' nonvested accounts were \$118,584 and \$75,962 at December 31, 2009 and 2008, respectively.

Participant Loans - In accordance with the Plan document, participant may borrow up to the lesser of \$50,000 or 50% of their vested account balance, subject to certain restrictions. Loans are available from participant pre-tax deferrals, 90-24 transfers and the participant's rollover balance, if any. The minimum loan amount is \$1,000. Loan terms range from one to five years, unless the loan is used to acquire a principal residence, in which case the limitation is 15 years. The participant's vested account balance will be used as collateral for the loan.

Investment and Administrative Expenses - Investments, loans and distributions are subject to service fees paid by Plan participants (2009 - \$87,650). All other administrative expenses related to the Plan are paid by the Sponsor.

Plan Termination - Although the Employer has not expressed any intent to do so, may at any time terminate the Plan subject to the provisions of ERISA. Upon termination, the Plan's assets will be distributed to the participants on the basis of their asset account balances existing at the date of termination, provided that the Employer on the date of termination does not make contributions to an alternative Section 403(b) contract that is not part of the Plan during the period beginning on the date of Plan termination and ending 12 months after the distribution of all assets from the Plan, except as permitted by the Income Tax Regulations.

Subsequent Events - The Plan's management has evaluated subsequent events through October 8, 2010, the date on which the Plan's financial statements were available to be issued.

Note 2 - Significant Accounting Policies

Basis of Accounting - The financial statements of the Plan have been prepared on the accrual basis of accounting.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan's guaranteed interest account is recorded at contract value. Reporting the interest accumulation account at fair value would not have a material effect on the Plan's financial statements as interest rates are periodically adjusted to market. Accordingly, contract value, which represents net contributions plus interest at the contract rate, approximates fair value.

Use of Estimates - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan's management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

HARRISON RETIREMENT AND SAVINGS PROGRAM

Notes to Financial Statements

Note 2 - Continued

Investment Valuation and Income Recognition - The Plan's 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. See Note 3 for discussion of fair value measurements.

Purchases and sales are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

Net Appreciation in Fair Value of Investments - The net appreciation in the fair value of investments represents the change in fair value from one period to the next and includes realized gains and losses on investments.

Risks and Uncertainties - The Plan provides for various investment options which in turn invest in a combination of stocks, bonds, and other investment securities. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the statements of net assets available for benefits.

Benefit Payments - Benefit payments are recognized when paid. At December 31, 2009, one distribution totaling \$80,240 was requested and not paid until 2010 (2008 - \$0).

Note 3 - Fair Value Measurements

Generally accepted accounting principles provide a consistent framework for determining fair value measures for financial assets and liabilities. That framework 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: Unadjusted quoted prices available in active markets for identical assets or liabilities;

Level 2: Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or

Level 3: Unobservable inputs that are significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based upon 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, 2009 and 2008.

HARRISON RETIREMENT AND SAVINGS PROGRAM

Notes to Financial Statements

Note 3 - Continued

Mutual Funds - Valued at quoted market prices in active markets, which represent the net asset value (NAV) of shares held by the Plan at year-end.

Money Market Fund - Valued at cost plus accrued interest, which approximates fair value.

Cash - Valued at book value, which approximates fair value.

Guaranteed Interest Account - Valued at contract value, which represents contributions received plus interest earned to date less applicable charges and amounts withdrawn, which approximates fair value.

Participant Loans - Valued at their outstanding balance, which approximates fair value.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2009:

	<i>Fair Value Measurements</i>			
	<i>(Level 1)</i>	<i>(Level 2)</i>	<i>(Level 3)</i>	<i>Total</i>
Mutual funds:				
Targeted retirement	\$ 16,822,127	\$ -	\$ -	\$ 16,822,127
Equity blend	4,090,263			4,090,263
Fixed income	3,459,833			3,459,833
Equity growth	2,950,085			2,950,085
Equity small/mid-cap	1,931,893			1,931,893
International equity	1,656,924			1,656,924
Equity value	<u>1,605,505</u>			<u>1,605,505</u>
Total mutual funds	32,516,630			32,516,630
Cash	402			402
Money market fund	113,023			113,023
Guaranteed interest account			5,191,865	5,191,865
Participant loans			<u>512,421</u>	<u>512,421</u>
	<u>\$ 32,630,055</u>	<u>\$ -</u>	<u>\$ 5,704,286</u>	<u>\$ 38,334,341</u>

HARRISON RETIREMENT AND SAVINGS PROGRAM

Notes to Financial Statements

Note 3 - Continued

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2008:

	<i>Fair Value Measurements</i>			
	<i>(Level 1)</i>	<i>(Level 2)</i>	<i>(Level 3)</i>	<i>Total</i>
Mutual funds:				
Targeted retirement	\$ 9,434,587	\$ -	\$ -	\$ 9,434,587
Equity blend	2,872,833			2,872,833
Fixed income	2,225,260			2,225,260
Equity growth	1,855,663			1,855,663
Equity small/mid-cap	1,233,122			1,233,122
International equity	1,057,840			1,057,840
Equity value	<u>916,372</u>			<u>916,372</u>
Total mutual funds	19,595,677			19,595,677
Cash	259			259
Money market fund	30,968			30,968
Guaranteed interest account			4,124,580	4,124,580
Participant loans			<u>390,007</u>	<u>390,007</u>
	<u>\$ 19,626,904</u>	<u>\$ -</u>	<u>\$ 4,514,587</u>	<u>\$ 24,141,491</u>

A reconciliation of the beginning and ending balances for fair value measurements made using significant unobservable inputs (Level 3) is as follows for the year ended December 31, 2009:

	<i>Level 3 Investments</i>	
	<i>Guaranteed Interest Account</i>	<i>Participant Loans</i>
Balance as of January 1, 2009	\$ 4,124,580	\$ 390,007
Interest income	157,619	
Purchases and sales, net	909,666	
Borrowings and repayments, net		<u>122,414</u>
Balance as of December 31, 2009	<u>\$ 5,191,865</u>	<u>\$ 512,421</u>

HARRISON RETIREMENT AND SAVINGS PROGRAM

Notes to Financial Statements

Note 4 - Investments

The following table presents the fair values of investments at December 31 that represent 5% or more of total Plan assets:

	<u>2009</u>	<u>2008</u>
T. Rowe Price Retirement 2020 Fund	\$ 6,894,039	\$ 4,085,269
Lincoln Financial Group Guaranteed Interest Account	5,191,865	4,124,580
T. Rowe Price Retirement 2030 Fund	4,632,540	2,410,180
T. Rowe Price Retirement 2040 Fund	2,962,154	1,284,755
T. Rowe Price Retirement 2010 Fund	2,117,697	1,518,810
Vanguard Index Trust 500 Portfolio Fund	2,094,693	*
T. Rowe Price Balanced Fund	*	1,598,460

** Did not comprise 5% or more of net assets at December 31.*

Participants may choose to invest in the Lincoln Financial Group Guaranteed Interest Account, which is a guaranteed interest account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. For the year ended December 31, 2009, fair value has been determined to approximate contract value. Participants may ordinarily direct the withdrawal or transfer at all or a portion of their investment at contract value. Therefore, the investment contract is considered to be fully benefit-responsive.

The average yield for the guaranteed interest account was approximately 3.4% and 3.6% for 2009 and 2008, respectively. The crediting interest rate for the stable value fund was approximately 4% and 3.8% for 2009 and 2008, respectively.

Note 5 - Federal Income Taxes

Final regulations under Section 403(b) were published by the Internal Revenue Service (IRS) on July 26, 2007. Under the regulations, a 403(b) plan sponsor by December 31, 2009 must have adopted a written plan intended to satisfy the requirements of Section 403(b) and the regulations effective as of January 1, 2009. The IRS is in the process of establishing pre-approved and individually designed plan programs under which a plan sponsor can obtain assurance that the written form of its plan satisfies Section 403(b). Transition relief will be provided to 403(b) plan sponsors who have made appropriate efforts to comply with the written plan requirement in the final regulations. The Plan sponsor adopted a written plan in 2009 which it believes satisfies the written plan requirement. The Plan sponsor also believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC.

HARRISON RETIREMENT AND SAVINGS PROGRAM

Notes to Financial Statements

Note 6 - Information Certified by Trustee

The Sponsor elected the method of compliance permitted by Section 2520.103-8 for the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Under this provision of ERISA, certain information certified by the trustee, need not be subjected to independent audit.

The Sponsor has obtained a certification from the custodian that the following information provided by the custodian and information included in the Plan's financial statements and supplemental schedule is complete and accurate:

- Fair value and, if applicable, contract value of investments as of December 31, 2009 and 2008;
- Investment and other income earned for the year ended December 31, 2009; and
- Investment transactions for the year ended December 31, 2009.

Note 7 - Party-In-Interest

The Plan invests in a money market fund sponsored by the Plan's custodian, Wilmington Trust Company. Plan investments also include guaranteed interest accounts offered by Lincoln National Life Insurance Company, a subsidiary of Lincoln National Corporation, the administrator of the Plan. Accordingly, these transactions are considered party-in-interest transactions.

Note 8 - Reconciliation of Financial Statements to Form 5500

Following is a reconciliation of net assets available for plan benefits per the financial statements at December 31 to the Form 5500:

	<u>2009</u>	<u>2008</u>
Net assets available for plan benefits per the financial statements	\$ 40,088,268	\$ 25,602,999
Less: Participant contributions receivable	(358)	
Less: Employer contributions receivable	<u>(1,753,568)</u>	<u>(1,449,081)</u>
Net Assets Available for Plan Benefits per Form 5500	<u>\$ 38,334,342</u>	<u>\$ 24,153,918</u>

Following is a reconciliation of the change in net assets available for plan benefits per the financial statements for the year ended December 31, 2009, to the Form 5500:

Increase in net assets available for plan benefits per the financial statements	\$ 14,485,269
Less: 2009 participant contributions receivable	(358)
Less: 2009 employer contributions receivable	(1,753,568)
Plus: 2008 employer contributions receivable	<u>1,449,081</u>
Increase in Net Assets Available for Plan Benefits per Form 5500	<u>\$ 14,180,424</u>

SUPPLEMENTAL SCHEDULE

HARRISON RETIREMENT AND SAVINGS PROGRAM

Attachment to Form 5500, Schedule H, Line 4(i) Schedule of Assets Held as of December 31, 2009

EMPLOYER: Harrison Memorial Hospital

EIN: 91-0565546

Plan #: 003

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
	T. Rowe Price	Retirement 2020 Fund	**	\$ 6,894,039
*	Lincoln Financial Group	Guaranteed Interest Account	**	5,191,865
	T. Rowe Price	Retirement 2030 Fund	**	4,632,540
	T. Rowe Price	Retirement 2040 Fund	**	2,962,154
	T. Rowe Price	Retirement 2010 Fund	**	2,117,697
	Vanguard	Index Trust 500 Portfolio	**	2,094,693
	T. Rowe Price	Balanced Fund Income Common	**	1,995,570
	Rainier	Small/Mid Cap Equity Portfolio	**	1,931,893
	PIMCO	Total Return Fund	**	1,869,525
	Artio	International Equity Fund	**	1,656,924
	Hotchkis & Wiley	Large Cap Value Fund	**	1,605,505
	PIMCO	Real Return Fund	**	1,590,308
	American Funds	Growth Fund	**	1,528,139
	Capital World	Growth and Income Fund	**	1,421,946
	T. Rowe Price	Retirement Income Fund	**	215,697
*	Wilmington Trust	Prime Money Market Fund	**	113,023
	Cash	Cash	**	402
*	Participant Loans	Interest rates from 4.25% to 9.25%, maturing through October 2022	- 0 -	512,421
Total				\$ 38,334,341

* Party-in-interest as defined by section 3(14) of ERISA.

** Historical cost information omitted with respect to assets held for investment purposes on participant-directed individual account balances.

See independent auditors' report.