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

2010

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2010 or fiscal plan year beginning 07/01/2010 and ending 06/30/2011

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
RETIREMENT PLAN FOR THE EMPLOYEES OF SOMERSET COM

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 07/01/1963

2a Plan sponsor's name and address (employer, if for a single-employer plan)
(Address should include room or suite no.)
SOMERSET COMMUNITY HOSPITAL

225 SOUTH CENTER AVENUE
SOMERSET, PA 15501-2088

2b Employer Identification Number (EIN)
25-0965570

2c Sponsor's telephone number
814-443-5000

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.	03/21/2012	RONALD PARK
	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")
SOMERSET COMMUNITY HOSPITAL

225 SOUTH CENTER AVENUE
SOMERSET, PA 15501-2088

3b Administrator's EIN
25-0965570

3c Administrator's telephone number
814-443-5000

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**	895
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**	331
b	Retired or separated participants receiving benefits	**6b**	181
c	Other retired or separated participants entitled to future benefits	**6c**	358
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	870
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	9
f	Total. Add lines **6d** and **6e**	**6f**	879
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	0
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
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:
1A 1G 1I 3H

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)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

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

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 07/01/2010 and ending 06/30/2011

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
RETIREMENT PLAN FOR THE EMPLOYEES OF SOMERSET COM

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
SOMERSET COMMUNITY HOSPITAL

D Employer Identification Number (EIN)
25-0965570

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 07 Day 01 Year 2010

2 Assets:

a	Market value	**2a**	19121430
b	Actuarial value	**2b**	19750469

3 Funding target/participant count breakdown

			(1) Number of participants	**(2)** Funding Target
a	For retired participants and beneficiaries receiving payment	**3a**	183	6420622
b	For terminated vested participants	**3b**	351	5299523
c	For active participants:			
	(1) Non-vested benefits	**3c(1)**		85425
	(2) Vested benefits	**3c(2)**		11505414
	(3) Total active	**3c(3)**	361	11590839
d	Total	**3d**	895	23310984

4 If the plan is at-risk, check the box and complete items (a) and (b) [ ]

a	Funding target disregarding prescribed at-risk assumptions	**4a**	
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	**4b**	

5	Effective interest rate	**5**	6.61 %
6	Target normal cost	**6**	155000

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

Signature of actuary	01/10/2012 Date
KELLY R. SWART Type or print name of actuary	11-05429 Most recent enrollment number
BUCK CONSULTANTS, LLC Firm name	412-394-3312 Telephone number (including area code)
500 GRANT ST, SUITE 2900 PITTSBURGH, PA 15219-2513 Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	234082	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9	Amount remaining (Item 7 minus item 8)	234082	0
10	Interest on item 9 using prior year's actual return of 10.96 %	25655	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		896206
b	Interest on (a) using prior year's effective rate of 7.62 %		68291
c	Total available at beginning of current plan year to add to prefunding balance		964497
d	Portion of (c) to be added to prefunding balance		964497
12	Reduction in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12)	259737	964497

Part III Funding percentages

14	Funding target attainment percentage	14	79.47 %
15	Adjusted funding target attainment percentage	15	79.47 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	92.93 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
07/26/2010	100000				
08/16/2010	100000				
09/20/2010	100000				
10/18/2010	100000				
11/15/2010	100000				
			Totals ► 18(b)	500000	18(c)

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a	Contributions allocated toward unpaid minimum required contribution from prior years.	19a	0
b	Contributions made to avoid restrictions adjusted to valuation date	19b	0
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	493083

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
4.44 %	6.62 %	6.74 %	☐ N/A, full yield curve used

b Applicable month (enter code) — **21b**: 4

22 Weighted average retirement age — **22**: 63

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment ☒ Yes ☐ No

27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	**28**	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	**29**	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	**30**	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	**31**		155000
32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment		4784749	546464
b Waiver amortization installment		0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**		
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33)	**34**		701464

	Carryover balance	Prefunding balance	Total balance
35 Balances used to offset funding requirement	208381	0	208381

36 Additional cash requirement (item 34 minus item 35)	**36**	493083
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	**37**	493083
38 Interest-adjusted excess contributions for current year (see instructions)	**38**	0
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	**39**	0
40 Unpaid minimum required contribution for all years	**40**	0

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2010** **This Form is Open to Public Inspection.**

For calendar plan year 2010 or fiscal plan year beginning 07/01/2010 and ending 06/30/2011

A Name of plan
RETIREMENT PLAN FOR THE EMPLOYEES OF SOMERSET COM

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
SOMERSET COMMUNITY HOSPITAL

D Employer Identification Number (EIN)
25-0965570

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

FEDERATED INVESTORS, INC.
1011 LIBERTY AVENUE
PITTSBURGH, PA 15222-3779

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

ALLIANZ GLOBAL INVESTORS FUND MANAG
1345 AVENUE OF THE AMERICAS
NEW YORK, NY 10105

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

FIDELITY ADVISOR SERIES
1182 DEVONSHIRE STREET
BOSTON, MA 02109

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

DIMENSIONAL FUND ADVISORS LP
1299 OCEAN AVENUE
SANTA MONICA, CA 90401

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

RS INVESTMENT TRUST

388 MARKET STREET
SUITE 1700
SAN FRANCISCO, CA 94111

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

WILLIAM BLAIR FUNDS

222 W. ADAMS STREET
CHICAGO, IL 60606

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

VANGUARD FUNDS

PO BOX 2600V26
VALLEY FORGE, PA 19482

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

HARBOR FUNDS

111 SOUTH WACKER DRIVE
34TH FLOOR
CHICAGO, IL 60606-4302

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

LAZARD ASSET MANAGEMENT LLC

30 ROCKEFELLER PLAZA
NEW YORK, NY 10112-6300

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

ISHARES

525 WASHINGTON BOULEVARD
SUITE 1405
JERSEY CITY, NJ 07310

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

ATTALUS CAPITAL, LP

23-2981828

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

PIMCO FUNDS

2187 ATLANTIC STREET
STAMFORD, CT 06902

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

A.P. MANAGEMENT CO. LLC

360 MADISON AVENUE
20TH FLOOR
NEW YORK, NY 10017

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

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

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

BUCK CONSULTANTS, LLC

13-3954297

(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?
11	NONE	93886	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

SOMERSET TRUST

25-0807970

(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?
21	NONE	32588	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

BKD, LLP

13-4008324

(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?
10	NONE	10300	Yes [ ] No [X]	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.	

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500)

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

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 07/01/2010 and ending 06/30/2011

A Name of plan
RETIREMENT PLAN FOR THE EMPLOYEES OF SOMERSET COM

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
SOMERSET COMMUNITY HOSPITAL

D Employer Identification Number (EIN)
25-0965570

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	18948	4
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	188474	16781
(2) U.S. Government securities	1c(2)	208040	
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)	1521927	
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)	3077812	1971108
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	14106229	19372643
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(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	19121430	21360536
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	19121430	21360536

Part II Income and Expense Statement

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

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	500000	
	(B) Participants	2a(1)(B)		
	(C) Others (including rollovers)	2a(1)(C)		
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		500000
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	4355	
	(B) U.S. Government securities	2b(1)(B)	5867	
	(C) Corporate debt instruments	2b(1)(C)	53792	
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)		
	(F) Other	2b(1)(F)	10060	
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		74074
	(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)	367922	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		367922
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	11770023	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	11465910	
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		304113

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	1039132	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		1039132
(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)		5889
c Other income	2c		848110
d Total income. Add all **income** amounts in column (b) and enter total	2d		3139240
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	692273	
(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)		692273
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)	104186	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	32588	
(4) Other	2i(4)	2817	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		139591
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		831864
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		2307376
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		68270

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: BKD, LLP (2) EIN: 44-0160260

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.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		1000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j	X		
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

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

2010

This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 07/01/2010 and ending 06/30/2011

A Name of plan
RETIREMENT PLAN FOR THE EMPLOYEES OF SOMERSET COM

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
SOMERSET COMMUNITY HOSPITAL

D Employer Identification Number (EIN)
25-0965570

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**

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): 25-0807970

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** 0

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 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

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**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete 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):

---

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):

BKD LLP
CPAs & Advisors

910 E. St. Louis Street, Suite 200
P.O. Box 1190
Springfield, MO 65801-1190
417.865.8701 Fax 417.865.0682 www.bkd.com

Independent Accountants' Report

Board of Directors
Retirement Plan for Employees of Somerset Community Hospital
Somerset, Pennsylvania

We were engaged to audit the accompanying statements of net assets available for benefits of the Retirement Plan for Employees of Somerset Community Hospital as of June 30, 2011 and 2010, and the related statements of changes in net assets available for benefits for the years then ended and the accompanying supplemental schedules. These financial statements and schedules 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, auditing procedures with respect to the information summarized in *Note 3*, which was certified by Somerset Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee as of and for the years ended June 30, 2011 and 2010, that the information provided to the plan administrator by the trustee 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 schedules taken as a whole. The form and content of the information included in the financial statements and schedules, other than that derived from the information certified by the trustee, 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.

BKD, LLP

Springfield, Missouri
February 15, 2012

Federal Employer Identification Number: 44-0160260

experienceBKD

Praxity MEMBER
GLOBAL ALLIANCE OF INDEPENDENT FIRMS

Attachment to 2010 Form 5500
Schedule SB, Line 26 – Schedule of Active Participant Data
Retirement Plan for the Employees of Somerset Community Hospital
EIN: 25-0965570 Plan: 001

Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up
Under 25	0	0	0	0	0	0	0	0	0	0
25-29	0	1	7	0	0	0	0	0	0	0
30-34	0	0	20	5	0	0	0	0	0	0
35-39	0	1	18	13	8	1	0	0	0	0
40-44	0	1	17	3	17	9	0	0	0	0
45-49	0	2	9	9	6	15	16	0	0	0
50-54	0	0	9	8	15	11	13	13	0	0
55-59	0	2	10	7	10	11	7	9	10	0
60-64	0	0	4	2	5	10	2	10	2	2
65-69	0	0	1	1	3	1	0	0	0	1
70+	0	2	1	0	0	1	0	0	0	0
TOTAL	0	9	96	48	64	59	38	32	12	3

Attachment to 2010 Form 5500
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
Retirement Plan for the Employees of Somerset Community Hospital
EIN: 25-0965570 Plan: 001

Prescribed Funding Assumptions and Methods

Funding interest rates

Current Year:	Segment Rates with four month lookback:	
	First Segment Rate	4.44%
	Second Segment Rate	6.62%
	Third Segment Rate	6.74%
	Effective Interest Rate	6.61%
Prior Year:	IRS Yield Curve with three month lookback:	
	Effective Interest Rate	7.62%

Mortality

Mortality tables mandated by PPA as specified in IRS Regulation 1.430(h)(3)-1, applied on a static basis, projected 7 years from the valuation date for annuitants and 15 years for non-annuitants.

Actuarial cost method

Unit Credit Method. The Funding Target is the present value of accrued benefits and based on compensation and service to date. The Target Normal Cost is the present value of benefits expected to be accrued during the current plan year, reflecting the effect of expected compensation increases during the year and including expected plan related expenses to be paid from plan assets during the year.

Non-Prescribed Funding Assumptions and Methods

Salary increase assumption

Not applicable.

Expenses

Expected plan related expenses of $155,000 were added to the Target Normal Cost. For the 2009 plan year, expenses of $150,000 were added to the Target Normal Cost.

Frequency of optional payment forms for future retirements and terminations from active status

Payment Form	Probability
5-Year Certain & Life	50%
100% Joint & Survivor	25%
Single Life Annuity	25%

Marital percentage

100% of participants are assumed to be married at death. Husbands are assumed to be 4 years older than their wives.

Retirement rates

Based on experience. Rates as follows:

Age	Assumption
55	2.5%
56	2.5%
57	2.5%
58	2.5%
59	2.5%
60	10.0%
61	10.0%
62	10.0%
63	10.0%
64	10.0%
65 +	100.0%

Non-Prescribed Funding Assumptions and Methods (continued)

Disability rates

None assumed.

Withdrawal rates[1]

Based on experience. Terminated vested participants are assumed to begin receiving benefits at age 65. Sample rates as follows:

Age	Assumption
20	15.025%
25	14.625%
30	14.113%
35	13.413%
40	12.150%
45	10.000%
50	6.825%
55	3.163%
60	1.613%
64 +	2.150%

Asset valuation method

The Actuarial Value of Assets is determined using a method that spreads asset gains/(losses) over two years. The gain/(loss) for each period is determined as the actual return during the period less the expected return based on an assumed earnings rate chosen by the actuary but required by PPA to be not greater than the applicable third segment rate. The resulting value is constrained to be within a corridor of 90% to 110% of market value. The discounted value of accrued contributions, if any, is included in the Actuarial Value of Assets.

The expected return on plan assets is 7.00% per annum, limited by PPA to the applicable Third Segment Rate as follows:

2009 measurement period: 6.84%
2008 measurement period: 6.54%

[1] For active participants not eligible for retirement.

Attachment to 2010 Form 5500
Schedule SB, Line 25 – Change in Method
Retirement Plan for the Employees of Somerset Community Hospital
EIN: 25-0965570 Plan: 001

- The interest rate basis for computing funding liabilities changed from the applicable yield curve with a three-month lookback to segment rates with a four-month lookback.

Attachment to 2010 Form 5500
Schedule SB, Line 24 – Change in Actuarial Assumptions
Retirement Plan for the Employees of Somerset Community Hospital
EIN: 25-0965570 Plan: 001

- The expected plan related expenses added to Target Normal Cost was increased from $150,000 to $155,000.

This age is derived by applying, for an employee with the characteristics of an average new entrant to the plan, the following formula.

$$\frac{\sum_{t=0}^{FRA-ERA} ({}_tp_{ERA}) * (q^r_{ERA+t}) * (ERA + t)}{\sum_{t=0}^{FRA-ERA} ({}_tp_{ERA}) * (q^r_{ERA+t})}$$

where

FRA	=	age by which everyone is assumed to retire
ERA	=	earliest retirement age
${}_tp_{ERA}$	=	probability of surviving to age ERA + t
q^r_{ERA+t}	=	probability of retiring at age ERA + t

Age	Probability of Retirement
55	.025
56	.025
57	.025
58	.025
59	.025
60	.100
61	.100
62	.100
63	.100
64	.100
65	1.000

Attachment to 2010 Form 5500
Schedule SB, Line 32 – Schedule of Amortization Bases
Retirement Plan for the Employees of Somerset Community Hospital
EIN: 25-0965570 Plan: 001

Type of Base	Present Value of Any Remaining Installments	Valuation Date	Years Remaining	Amortization Installment
Shortfall	$ 1,905,874	July 1, 2008	5	$ 414,991
Shortfall	(482,417)	July 1, 2009	6	(90,708)
Shortfall	3,361,292	July 1, 2010	9[1]	222,181

[1] An election has been made under PRA 2010 to use the alternative 2 plus 7-year amortization period for the base established in 2010. Under 2 plus 7-year amortization, the required installments for the first 2 years of the amortization period equal interest on the base at the plan's effective interest rate for the plan year of the election. The balance is then amortized over the following 7 years in level installments determined using the discount rates for the plan year of the election. For this base, the 7-year level installment amount will be $554,359 starting in 2012.

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 07/01/2010 and ending 06/30/2011

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan

Retirement Plan for the Employees of Somerset Community Hospital

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF

Somerset Community Hospital

D Employer Identification Number (EIN)

25-0965570

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 7 Day 1 Year 2010

2	Assets:			
a	Market value	2a		19,121,430
b	Actuarial value	2b		19,750,469
3	Funding target/participant count breakdown		(1) Number of participants	(2) Funding Target
a	For retired participants and beneficiaries receiving payment	3a	183	6,420,622
b	For terminated vested participants	3b	351	5,299,523
c	For active participants:			
	(1) Non-vested benefits	3c(1)		85,425
	(2) Vested benefits	3c(2)		11,505,414
	(3) Total active	3c(3)	361	11,590,839
d	Total	3d	895	23,310,984
4	If the plan is at-risk, check the box and complete items (a) and (b) [ ]			
a	Funding target disregarding prescribed at-risk assumptions	4a		
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b		
5	Effective interest rate	5		6.61 %
6	Target normal cost	6		155,000

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

Kelly R. Swart
Signature of actuary

1/10/2012
Date

Kelly R. Swart
Type or print name of actuary

11-05429
Most recent enrollment number

Buck Consultants, LLC
Firm name

(412)394-3312
Telephone number (including area code)

500 Grant St, Suite 2900

Pittsburgh PA 15219-2513
Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	234,082	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9	Amount remaining (Item 7 minus item 8)	234,082	0
10	Interest on item 9 using prior year's actual return of 10.96 %	25,655	
11	Prior year's excess contributions to be added to prefunding balance:		
	a Excess contributions (Item 38 from prior year)		896,206
	b Interest on (a) using prior year's effective rate of 7.62 %		68,291
	c Total available at beginning of current plan year to add to prefunding balance		964,497
	d Portion of (c) to be added to prefunding balance		964,497
12	Reduction in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	259,737	964,497

Part III Funding percentages

14	Funding target attainment percentage	14	79.47 %
15	Adjusted funding target attainment percentage	15	79.47 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	92.93 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
07/26/2010	100,000				
08/16/2010	100,000				
09/20/2010	100,000				
10/18/2010	100,000				
11/15/2010	100,000				
			Totals ► 18(b)	500,000	18(c) 0

19	Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contribution from prior years.	19a	0
	b Contributions made to avoid restrictions adjusted to valuation date	19b	0
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	493,083

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
4.44 %	6.62 %	6.74 %	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	4
22 Weighted average retirement age	**22**	63

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes	☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes	☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes	☐ No

27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	**28**	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	**29**	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	**30**	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)		**31**	155,000
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment	4,784,749		546,464
b Waiver amortization installment	0		0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount		**33**	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)		**34**	701,464
	Carryover balance	Prefunding balance	Total balance
35 Balances used to offset funding requirement	208,381	0	208,381
36 Additional cash requirement (item 34 minus item 35)		**36**	493,083
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)		**37**	493,083
38 Interest-adjusted excess contributions for current year (see instructions)		**38**	0
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)		**39**	0
40 Unpaid minimum required contribution for all years		**40**	0

Attachment to 2010 Form 5500
Schedule SB, Part V – Summary of Plan Provisions
Retirement Plan for the Employees of Somerset Community Hospital
EIN: 25-0965570 Plan: 001

Effective date	July 1, 1965.
Participation	All regular employees who are not excluded by reason of a collective bargaining agreement or covered under another plan maintained by the employer, on the January 1 or July 1 after they reach age 21 and complete a year in which they are credited with at least 1,000 hours of service. Only employees hired prior to January 1, 2004 are eligible to participate in the plan.
Compensation	Total compensation, including overtime, bonuses and salary reduction deferrals. Final benefits based on the average of the 60 highest consecutive months out of the last 120 consecutive months preceding the date of determination.
Covered compensation	A participant's covered compensation for a plan year is the average of the taxable wage bases in effect for each calendar year during the 35-year period ending with the calendar year in which the participant attains (or will attain) his Social Security retirement age.
Credited service	A year of service is credited for each calendar year in which an employee completes 1,000 or more hours of service. Service with an affiliate of the employer counts towards vesting service only.
Vesting requirements	The Plan provides for no vesting until the completion of five years of service at which time the Participant becomes 100% vested. Also, full vesting is provided upon the attainment of age 65.

Retirement eligibility

Normal retirement	Attainment of age 65.
Early retirement	Attainment of age 55 with 5 years of service.
Deferred vested	5 years of service.

Benefit payments

Normal retirement benefit

The normal retirement benefit is equal to the greater of (a) and (b). Formula (a) is available only to Non-Highly Compensated Employees.

(a) 2% of average monthly compensation times years of service (to a maximum of 25 years) less 2% of the employee's Social Security benefit times years of service (to a maximum of 25 years); times Years of service at date of determination divided by years of service at Normal Retirement Date.

(b) 1% of average monthly Compensation times years of service (to a maximum of 30 years) plus 0.5% of average monthly Compensation in excess of Covered Compensation times years of service (to a maximum of 30 years).

The benefits described above are frozen as of December 31, 2003, and June 30, 2005 for members of the UFCW Dietary Union, for those participants electing additional accruals in the Somerset Hospital defined contribution plan.

In addition, the benefits described above were frozen as of June 30, 2007 for all non-union participants and were frozen as of August 31, 2007 for all participants in the PSEA Nurses Union. As of June 30, 2008 all participants' benefits in the UFCW Dietary Union were frozen.

Early retirement benefit

Monthly benefit is equal to the accrued normal retirement benefit under (a) above, multiplied by the applicable factor from the table below.

Years Prior to Normal Retirement Age	Early Retirement Factor
0	100.0%
1	93.3%
2	86.7%
3	80.0%
4	73.3%
5	66.7%
6	63.3%
7	60.0%
8	56.7%
9	53.3%
10	50.0%

Deferred vested pension	Monthly benefit is accrued benefit, payable at age 65. Alternatively, a participant who has completed at least 5 years of service may elect to receive a reduced benefit as early as age 55.
Normal form of payments	Life annuity with sixty monthly payments guaranteed or actuarially equivalent joint and 50% spouse survivorship annuity.
Optional forms of payment	A participant who has rejected the normal form of payment may elect a 50%, 75%, or 100% joint and survivor annuity, a life annuity, or a life annuity with sixty or one hundred twenty payments guaranteed.
Preretirement death benefit	Applies to spouse of vested participant or former participant who dies before beginning to receive pension benefits from the plan. Monthly benefit payable to spouse is 50% of participant's accrued benefit calculated at earlier of death or termination of employment, reduced for early payment (if benefits begin before participant would have reached age 65) and for the 50% joint and survivor form of payment.
Postretirement death benefit	Unless a married participant elects otherwise, his retirement benefit is paid in the form of a 50% joint and survivor annuity, reduced on an actuarially equivalent basis.
Other benefit	Benefits are payable to or on behalf of vested participants who die prior to retirement, who become disabled and qualify for total disability benefits under the plan and who retire early upon meeting the plans requirements for early retirement. Participants who continue with the Hospital after reaching their normal retirement age will generally accrue additional benefits

Retirement Plan for Employees of Somerset Community Hospital

EIN 25-0965570 PN 001

Accountants' Report and Financial Statements

June 30, 2011 and 2010

Retirement Plan for Employees of Somerset Community Hospital

June 30, 2011 and 2010

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Independent Accountants' Report

Board of Directors
Retirement Plan for Employees of Somerset Community Hospital
Somerset, Pennsylvania

We were engaged to audit the accompanying statements of net assets available for benefits of the Retirement Plan for Employees of Somerset Community Hospital as of June 30, 2011 and 2010, and the related statements of changes in net assets available for benefits for the years then ended and the accompanying supplemental schedules. These financial statements and schedules 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, auditing procedures with respect to the information summarized in *Note 3*, which was certified by Somerset Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee as of and for the years ended June 30, 2011 and 2010, that the information provided to the plan administrator by the trustee 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 schedules taken as a whole. The form and content of the information included in the financial statements and schedules, other than that derived from the information certified by the trustee, 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.

BKD, LLP

Springfield, Missouri
February 15, 2012

Federal Employer Identification Number: 44-0160260

experienceBKD

Praxity MEMBER
GLOBAL ALLIANCE OF INDEPENDENT FIRMS

Retirement Plan for Employees of Somerset Community Hospital

Statements of Net Assets Available for Benefits

June 30, 2011 and 2010

Assets

	2011	2010
Investments, At Fair Value		
Mutual funds	$ 15,066,306	$ 14,106,229
Exchange traded funds	4,306,337	-
Corporate bonds and notes	-	1,521,927
U.S. government agency bonds	-	208,040
Partnerships	1,971,108	3,077,812
Cash equivalents	16,781	188,474
	21,360,532	19,102,482
Receivables		
Accrued interest and dividends	4	18,948
	21,360,536	19,121,430

Liabilities

Accrued expenses	8,109	7,899
Total liabilities	8,109	7,899
Net Assets Available for Benefits	$ 21,352,427	$ 19,113,531

See Notes to Financial Statements

Retirement Plan for Employees of Somerset Community Hospital

Statements of Changes in Net Assets Available for Benefits

Years Ended June 30, 2011 and 2010

	2011	2010
Investment Income		
Net appreciation in fair value of investments	$ 2,209,188	$ 1,475,931
Interest and dividends	430,052	411,455
Net investment income	2,639,240	1,887,386
Employer Contributions	500,000	1,400,000
Net additions	3,139,240	3,287,386
Deductions		
Benefits paid directly to participants	692,273	642,401
Administrative expenses	208,071	156,116
Total deductions	900,344	798,517
Net Increase	2,238,896	2,488,869
Net Assets Available for Benefits, Beginning of Year	19,113,531	16,624,662
Net Assets Available for Benefits, End of Year	$ 21,352,427	$ 19,113,531

See Notes to Financial Statements

Retirement Plan for Employees of Somerset Community Hospital

Notes to Financial Statements

June 30, 2011 and 2010

Note 1: Description of the Plan

The following description of the Retirement Plan for Employees of Somerset Community Hospital (Plan) provides only general information. Additional information about the vesting and benefit provisions and the Pension Benefit Guarantee Corporation's (PBGC) benefit guarantee is contained in the Plan Document and *Summary Plan Description*, which are available from the plan administrator.

General

The Plan is a noncontributory, trusteed, defined benefit retirement plan covering certain employees of Somerset Hospital (the "Plan Sponsor") who have attained the age of 21 and have one year of service with at least 1,000 hours of service. On July 28, 2003, the Hospital's Board of Directors approved an amendment to the Plan effective December 31, 2003. The amendment provided for the following:

- To provide each employee who is employed by the Hospital during the fourth calendar quarter of 2003 with a choice of freezing his participation in the Plan as of December 31, 2003, and participating in the revised 403(b) plan as of January 1, 2004, or continuing to accrue benefits under the Plan with participation in the legacy 403(b) plan as of January 1, 2004.
- To provide that no employee who is hired after December 31, 2003, shall be eligible to participate in the Plan.

The Plan is subject to provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

The Plan Sponsor has agreed to voluntarily contribute such additional amounts that are necessary to provide assets sufficient to meet the benefits to be paid to plan members. The Plan Sponsor's present intention is to make contributions in amounts sufficient to fund the Plan's normal costs on a current basis and to fund prior service costs over periods permitted by ERISA. The Plan has met the minimum funding requirements established by the federal government.

Pension Benefits

Benefits under the Plan are based on employees' five highest compensation years during their last ten years of credited service. Normal retirement occurs at age 65, but early retirement with a reduced benefit may be elected at age 55 with at least five years of service. An employee becomes fully vested in the Plan on completion of five years of service. Benefits upon retirement are paid in the form of an annuity. Benefits for retired or terminated employees, or their beneficiaries, are calculated based on the length of service and the level of compensation earned by the retiring or terminated employee.

On May 8, 2007, the Hospital's Board of Directors approved three amendments to the Plan effective June 30, 2007, August 31, 2007, and June 30, 2008, respectively. The amendments provided for the following:

- To freeze the Plan's formula for benefit accruals for each participant of the Plan who is not classified as a member of a Union as of June 30, 2007.
- To freeze the Plan's formula for benefit accruals for each participant of the Plan who is classified as a member of the Nurses Union as of August 31, 2007.
- To freeze the Plan's formula for benefit accruals for each participant of the Plan who is classified as a member of the Dietary Union as of June 30, 2008.

Plan Termination

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- Benefits attributable to employee contributions, taking into account those paid out before termination.
- Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under plan provisions in effect at any time during the five years preceding plan termination.
- Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC) up to the applicable limitations discussed below.
- Vested benefits not insured by the PBGC.
- All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Plan Sponsor and the level of benefits guaranteed by the PBGC.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets and changes in net assets available for benefits, disclosure of contingent assets and liabilities and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

Valuation of Investments and Income Recognition

Investments are carried at fair value in the accompanying financial statements. Investments in securities (Exchange traded funds, U.S. government and corporate bonds and notes) traded on a national securities exchange are valued at the last reported sales price on the last business day of the year. Mutual funds are valued at the net asset value (NAV) of shares held by the Plan at year end. Investments in partnerships are reported at fair value and are based upon the net asset value (NAV) per share of the underlying investments as reported by the partnership fund managers.

Cash equivalents include U.S. Treasury obligations with original maturities of three months or less. The carrying value reported in the statement of net assets available for benefits approximates fair value.

Purchases and sale of securities are recorded on a trade-date basis. Interest income is recorded as earned on an accrual basis. Dividend income is recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Benefit Payments

Benefit payments to participants are recorded upon distribution.

Administrative Expenses

Administrative expenses may be paid by the Plan Sponsor or the Plan, at the Plan Sponsor's discretion.

Accumulated Plan Benefits

Accumulated plan benefits (see *Note 4*) are those estimated future periodic payments that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to:

a. Retired or terminated employees or their beneficiaries

b. Present employees or their beneficiaries

Benefits under the Plan are based on employees' five highest compensation years during their last ten years of credited service. The accumulated plan benefits for active employees are based on their average compensation during the five years preceding the valuation date. Benefits payable under all circumstances – retirement, death, disability and termination of employment – are included, to the extent they are deemed attributable to employee service rendered to the valuation date. Benefits to be provided via annuity contracts excluded from plan assets are excluded from accumulated plan benefits.

Plan Tax Status

The Plan obtained its latest determination letter on July 31, 2011, in which the Internal Revenue Service stated that the Plan and related trust, as then designed, were in compliance with the applicable requirements of the Internal Revenue Code and therefore not subject to tax. With a few exceptions, the Plan is no longer subject to federal, state and local income tax examinations by tax authorities for years before 2008.

Retirement Plan for Employees of Somerset Community Hospital

Notes to Financial Statements

June 30, 2011 and 2010

Note 3: Investments

The Plan's investments are held by Somerset Trust Company as of June 30, 2011 and 2010. The Plan's investments (including investments bought, sold and held during the year) appreciated (depreciated) in fair value as follows:

	2011	
	Net Appreciation (Depreciation) in Fair Value During Year	Fair Value at End of Year
Mutual funds	$ 1,945,471	$ 15,066,306
Exchange traded funds	48,952	4,306,337
Corporate bonds and notes	(1,465)	-
U.S. government and agency bonds	(4,218)	-
Partnerships	220,448	1,971,108
Cash equivalents	-	16,781
	$ 2,209,188	$ 21,360,532

	2010	
	Net Appreciation (Depreciation) in Fair Value During Year	Fair Value at End of Year
Mutual funds	$ 812,070	$ 14,106,229
Corporate bonds and notes	67,891	1,521,927
U.S. government and agency bonds	(5,762)	208,040
Partnerships	601,732	3,077,812
Cash and cash equivalents	-	188,474
	$ 1,475,931	$ 19,102,482

The fair value of individual investments that represented 5% or more of the Plan's net assets available for benefits were as follows:

	2011		2010	
Vanguard Windsor II	$ 1,875,106		$ 1,576,823	
Vanguard Intermediate-Term Bond Index Fund	-		4,307,199	
Vanguard Short-Term Bond Index Fund	1,054,498	*	4,001,079	
Vanguard Index Trust 500 Index Fund	2,174,082		-	
Vanguard Mid-Cap Index Fund	1,168,505		-	
Harbor Capital Appreciation	1,069,044		779,447	*
Attalus Multi-Strategy Fund LTD Partnership	1,036,753	*	988,319	

* Indicates investment did not meet the 5% threshold for the applicable year.

Interest and dividends realized on the Plan's investments for the years ended June 30, 2011 and 2010, were $430,052 and $411,455, respectively. Accrued interest and dividends receivable at June 30, 2011 and 2010, were $4 and $18,948, respectively.

Note 4: Accumulated Plan Benefits

An actuary from Buck Consultants, LLC determines the actuarial present value of accumulated plan benefits, which is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

The accumulated plan benefit information as July 1 of each plan year was as follows:

	2011	2010
Actuarial present value of accumulated plan benefits:		
Vested benefits		
Participants currently receiving payments	$ 6,888,312	$ 6,094,218
Other participants	15,324,647	15,279,742
	22,212,959	21,373,960
Nonvested benefits	20,468	107,024
Total actuarial present value of accumulated plan benefits	$ 22,233,427	$ 21,480,984

Retirement Plan for Employees of Somerset Community Hospital

Notes to Financial Statements

June 30, 2011 and 2010

Changes in the actuarial present value of accumulated plan benefits were as follows:

	2011	2010
Actuarial present value of accumulated plan benefits, beginning of year	$ 21,480,984	$ 20,691,265
Increase (decrease) during the year attributable to		
Benefits accumulated	(189,366)	5,835
Changes in actuarial assumptions	154,233	-
Increase for interest due to the decrease in the discount period	1,479,849	1,426,285
Benefits paid	(692,273)	(642,401)
Net increase	752,443	789,719
Actuarial present value of accumulated plan benefits, end of year	$ 22,233,427	$ 21,480,984

Significant assumptions underlying the actuarial computations are:

	2011
Assumed rate of return on investments	7.00%
Target liability rate	
First segment rate (Years 0 to 4)	2.67%
Second segment rate (Years 5 to 19)	5.69%
Third segment rate (Years 20 and later)	6.44%
Effective interest rate	5.98%
Mortality basis	IRS Regulation 1.43(h)(3)-1 Tables, applied on a static basis
Retirement	Ages 55-59 – 5.0% Ages 60-61 – 10.0% Ages 62-64 – 15.0% Ages 65 – 50.0% Ages 66-69 – 20.0% Ages 70+ – 100%

	2010
Assumed rate of return on investments	7.00%
Target liability rate	
First segment rate (Years 0 to 4)	4.44%
Second segment rate (Years 5 to 19)	6.62%
Third segment rate (Years 20 and later)	6.74%
Effective interest rate	6.61%
Mortality basis	RP 2000 Combined Mortality Table
Retirement	Ages 55-59 – 2.5%
	Ages 60-64 – 10.0%
	Ages 65+ – 100%

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

Note 5: Party-in-Interest Transactions

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees are covered by the Plan, an employee organization whose members are covered by the Plan, a person who owns 50 percent or more of such an employer or employee association or relatives of such persons.

The Plan's investments are held by Somerset Trust Company. Somerset Trust Company is the trustee as defined by the Plan, and therefore, these transactions qualify as party-in-interest transactions. The Plan paid fees of $32,798 and $31,751 for trust department services in 2011 and 2010, respectively.

The Plan Sponsor provides certain administrative services at no cost to the Plan.

Note 6: Fair Value of Plan Assets

ASC Topic 820, *Fair Value Measurements*, defines fair value as 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. Topic 820 also specifies a fair value hierarchy which requires a plan to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities.

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

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of net assets available for benefits, as well as the general classification of such assets pursuant to the valuation hierarchy.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include mutual funds, exchange traded funds, cash and cash equivalents. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. Level 2 securities include U.S. government and corporate bonds and notes. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy and include partnerships. See *Note 2* for definitions of inputs utilized to determine fair value.

The following table presents the fair value measurements of assets recognized in the accompanying statements of net assets available for benefits measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2011 and 2010:

Retirement Plan for Employees of Somerset Community Hospital

Notes to Financial Statements

June 30, 2011 and 2010

	2011 Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds				
Bond	$ 1,799,056	$ 1,799,056	$ -	$ -
Value	1,875,106	1,875,106	-	-
Growth	3,018,260	3,018,260	-	-
Blend	3,989,113	3,989,113	-	-
International	3,403,737	3,403,737	-	-
Emerging markets	562,175	562,175	-	-
Other	418,859	418,859		
Exchange traded funds	4,306,337	4,306,337		
Partnerships	1,971,108	-	-	1,971,108
Cash and cash equivalents	16,781	16,781	-	-
	$ 21,360,532	$ 19,389,424	$ -	$ 1,971,108

	2010 Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds				
Bond	$ 8,308,278	$ 8,308,278	$ -	$ -
Value	1,576,823	1,576,823	-	-
Growth	2,236,619	2,236,619	-	-
Blend	429,306	429,306	-	-
International	1,251,895	1,251,895	-	-
Emerging markets	303,308	303,308	-	-
Corporate bonds and notes	1,521,927	-	1,521,927	-
U.S. government agency bonds	208,040	-	208,040	-
Partnerships	3,077,812	-	-	3,077,812
Cash and cash equivalents	188,474	188,474	-	-
	$ 19,102,482	$ 14,294,703	$ 1,729,967	$ 3,077,812

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying statements of net assets available for benefits using significant unobservable (Level 3) inputs:

	Partnerships
Balance, July 1, 2009	$ 2,781,020
Net realized and unrealized gains included in net increase in net assets available for benefits	601,732
Contributions and transfers in	200,000
Distributions and transfers out	(504,940)
Balance, June 30, 2010	3,077,812
Net realized and unrealized gains included in net increase in net assets available for benefits	220,448
Sale of investments	(1,327,152)
Balance, June 30, 2011	$ 1,971,108

For the years ended June 30, 2011 and 2010, realized and unrealized gains and losses included in net increase in net assets available for benefits for the period from July 1, 2009, through June 30, 2011, are reported in net appreciation (depreciation) in fair value of investments in the statements of changes in net assets available for benefits.

Note 7: Differences Between Financial Statements and Form 5500 Information

The following is a reconciliation of net assets available for plan benefits per the financial statements to the Form 5500:

	2011	2010
Net assets available for benefits per the financial statements	$ 21,352,427	$ 19,113,531
Add: Accrued administrative expenses	8,109	7,899
Net assets available for benefits per Form 5500	$ 21,360,536	$ 19,121,430

The following is a reconciliation of the change in net assets available for benefits per the financial statements to the Form 5500:

	2011	2010
Change in net assets available for benefits per the financial statements	$ 2,238,896	$ 2,488,869
Add: Current year accrued expenses	8,109	7,899
Less: Prior year accrued expenses	7,899	7,254
Change in net assets available for benefits per Form 5500	$ 2,239,106	$ 2,489,514

Note 8: Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. The Plan's exposure to these risks has been heightened because of the current economic environment. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits. The financial statements have been prepared using values and information currently available to the Plan.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Note 9: Subsequent Events

Subsequent events have been evaluated through February 15, 2012, which is the date the financial statements were available to be issued.

Supplemental Schedules

Retirement Plan for Employees of Somerset Community Hospital

EIN 25-0965570 PN 001

Schedule H, Line 4j – Schedule of Reportable Transactions

Year Ended June 30, 2011

Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain or (Loss)
	Category (i) – Individual Transactions in Excess of 5% of Plan Assets					
iShares	iShares Barclays Intermediate Govt/Credit Bond	$ 5,214,428	$ -	$ 5,214,428	$ 5,214,428	$ -
iShares	iShares Barclays Intermediate Govt/Credit Bond	$ -	$ 970,526	$ 961,045	$ 970,526	$ 9,481
Vanguard	Vanguard Index Trust 500 Index	$ 1,050,000	$ -	$ 1,050,000	$ 1,050,000	$ -
Vanguard	Vanguard Intermediate-Term Bond Index	$ -	$ 4,014,193	$ 3,733,923	$ 3,733,923	$ 280,270
Vanguard	Vanguard Short-Term Bond Index	$ -	$ 2,931,000	$ 2,831,439	$ 2,831,439	$ 99,561
	Category (iii) – Series of Transactions in Excess of 5% of Plan Assets					
iShares	iShares Barclays Intermediate Govt/Credit Bond	$ 5,227,911	$ -	$ 5,227,911	$ 5,227,911	$ -
Vanguard	Vanguard Short-Term Investment-Grade Adm	$ 1,051,000	$ -	$ 1,051,000	$ 1,051,000	$ -
Vanguard	Vanguard Index Trust 500 Index	$ 2,016,000	$ -	$ 2,016,000	$ 2,016,000	$ -
Vanguard	Vanguard Mid-Cap Index Fund	$ 1,042,464	$ -	$ 1,042,464	$ 1,042,464	$ -
Vanguard	Vanguard Intermediate-Term Bond Index	$ -	$ 4,439,489	$ 4,126,230	$ 4,126,230	$ 313,259
Vanguard	Vanguard Short-Term Bond Index	$ -	$ 4,068,486	$ 3,943,831	$ 3,943,831	$ 124,655

There were no category (ii) or (iv) reportable transactions during the year.

Retirement Plan for Employees of Somerset Community Hospital

EIN 25-0965570 PN 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

June 30, 2011

Identity of Issuer	Description of Investment	Cost	Current Value
Mutual funds	See attached	$ 13,972,921	$ 15,066,306
Exchange traded funds	See attached	4,266,866	4,306,337
Partnerships	See attached	2,014,000	1,971,108
*Cash and cash equivalents	See attached	16,781	16,781
		$ 20,270,568	$ 21,360,532

*Party in interest as defined by ERISA

Retirement Plan for Employees of Somerset Community Hospital

EIN 25-0965570 PN 001

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

June 30, 2011

Identity of Issuer	Description of Investment	Cost	Current Value
Mutual funds	See attached	$ 13,972,921	$ 15,066,306
Exchange traded funds	See attached	4,266,866	4,306,337
Partnerships	See attached	2,014,000	1,971,108
*Cash and cash equivalents	See attached	16,781	16,781
		$ 20,270,568	$ 21,360,532

*Party in interest as defined by ERISA

Retirement Plan for Employees of Somerset Community Hospital

EIN 25-0965570 PN 001

Schedule H, Line 4j – Schedule of Reportable Transactions

Year Ended June 30, 2011

Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain or (Loss)
	Category (i) – Individual Transactions in Excess of 5% of Plan Assets					
iShares	iShares Barclays Intermediate Govt/Credit Bond	$ 5,214,428	$ -	$ 5,214,428	$ 5,214,428	$ -
iShares	iShares Barclays Intermediate Govt/Credit Bond	$ -	$ 970,526	$ 961,045	$ 970,526	$ 9,481
Vanguard	Vanguard Index Trust 500 Index	$ 1,050,000	$ -	$ 1,050,000	$ 1,050,000	$ -
Vanguard	Vanguard Intermediate-Term Bond Index	$ -	$ 4,014,193	$ 3,733,923	$ 3,733,923	$ 280,270
Vanguard	Vanguard Short-Term Bond Index	$ -	$ 2,931,000	$ 2,831,439	$ 2,831,439	$ 99,561
	Category (iii) – Series of Transactions in Excess of 5% of Plan Assets					
iShares	iShares Barclays Intermediate Govt/Credit Bond	$ 5,227,911	$ -	$ 5,227,911	$ 5,227,911	$ -
Vanguard	Vanguard Short-Term Investment-Grade Adm	$ 1,051,000	$ -	$ 1,051,000	$ 1,051,000	$ -
Vanguard	Vanguard Index Trust 500 Index	$ 2,016,000	$ -	$ 2,016,000	$ 2,016,000	$ -
Vanguard	Vanguard Mid-Cap Index Fund	$ 1,042,464	$ -	$ 1,042,464	$ 1,042,464	$ -
Vanguard	Vanguard Intermediate-Term Bond Index	$ -	$ 4,439,489	$ 4,126,230	$ 4,126,230	$ 313,259
Vanguard	Vanguard Short-Term Bond Index	$ -	$ 4,068,486	$ 3,943,831	$ 3,943,831	$ 124,655

There were no category (ii) or (iv) reportable transactions during the year.

Form **5558**
(Rev. June 2011)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File Certain Employee Plan Returns

▶ **For Privacy Act and Paperwork Reduction Act Notice, see instructions.**

OMB No. 1545-0212

File With IRS Only

Part I Identification

A Name of filer, plan administrator, or plan sponsor (see instructions)
Somerset Community Hospital
Number, street, and room or suite no. (If a P.O. box, see instructions)
225 South Center Avenue
City or town, state, and ZIP code
Somerset PA 15501

B **Filer's identifying number (see instructions)**
Employer identification number (EIN)
25-0965570
Social security number (SSN) (see instructions)

C Plan name	Plan number	Plan year ending — MM	DD	YYYY
1 Retirement Plan for the Employees of Somerset Community Hospital	001	6	30	2011
2				
3				

Part II Extension of Time To File Form 5500 Series, and/or Form 8955-SSA

1 I request an extension of time until 4 / 16 / 2012 to file Form 5500 series (see instructions).
Note. A signature IS NOT required if you are requesting an extension to file Form 5500 series.

2 I request an extension of time until / / to file Form 8955-SSA (see instructions).
Note. A signature IS required if you are requesting an extension to file Form 8955-SSA.

The application **is automatically approved** to the date shown on line 1 and/or line 2 (above) if: **(a)** the Form 5558 is filed on or before the normal due date of Form 5500 series, and/or Form 8955-SSA for which this extension is requested, and **(b)** the date on line 1 and/or line 2 (above) is not later than the 15th day of the third month after the normal due date.

Part III Extension of Time To File Form 5330 *(see instructions)*

3 I request an extension of time until / / to file Form 5330.
You may be approved for up to a 6 month extension to file Form 5330, after the normal due date of Form 5330.

a Enter the Code section(s) imposing the tax . . . . . ▶ **a**

b Enter the payment amount attached . . . . . ▶ **b**

c For excise taxes under section 4980 or 4980F of the Code, enter the reversion/amendment date . . . ▶ **c**

4 **State in detail why you need the extension:**

Under penalties of perjury, I declare that to the best of my knowledge and belief, the statements made on this form are true, correct, and complete, and that I am authorized to prepare this application.

Signature ▶ **Date** ▶