

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2012 This Form is Open to Public Inspection
---	---	---

Part I	Annual Report Identification Information
For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>LAUREL HEALTH SYSTEM PENSION PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>06/01/1967</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>06/01/1967</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>06/01/1967</u>					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>LAUREL HEALTH SYSTEM</u> <u>32-36 CENTRAL AVE.</u> <u>WELLSBORO, PA 16901</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>24-0795488</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>570-724-1631</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>622000</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>24-0795488</u>	2c Sponsor's telephone number <u>570-724-1631</u>	2d Business code (see instructions) <u>622000</u>	
2b Employer Identification Number (EIN) <u>24-0795488</u>					
2c Sponsor's telephone number <u>570-724-1631</u>					
2d Business code (see instructions) <u>622000</u>					

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. Signature of plan administrator	<u>10/11/2013</u> Date	<u>ELIZABETH W. BRUBAKER</u> Enter name of individual signing as plan administrator
SIGN HERE	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address		3b Administrator's EIN
		3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		4b EIN 4c PN
5 Total number of participants at the beginning of the plan year		5 1162
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 412	
b Retired or separated participants receiving benefits.....	6b 271	
c Other retired or separated participants entitled to future benefits.....	6c 417	
d Subtotal. Add lines 6a , 6b , and 6c	6d 1100	
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e 25	
f Total. Add lines 6d and 6e	6f 1125	
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
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 Characteristics Codes in the instructions: 1A 1G 1I 1C		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

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 2012 This Form is Open to Public Inspection
--	--	---

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

▶ **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 LAUREL HEALTH SYSTEM PENSION PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF LAUREL HEALTH SYSTEM	D Employer Identification Number (EIN) 24-0795488
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1	Enter the valuation date: Month 01 Day 01 Year 2012
2	Assets:
a	Market value 2a 14851025
b	Actuarial value 2b 15410210
3	Funding target/participant count breakdown:
a	For retired participants and beneficiaries receiving payment 3a 264 6305398
b	For terminated vested participants 3b 441 4527332
c	For active participants:
(1)	Non-vested benefits 3c(1) 2810
(2)	Vested benefits 3c(2) 6900479
(3)	Total active 3c(3) 457 6903289
d	Total 3d 1162 17736019
4	If the plan is in at-risk status, check the box and complete lines (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 in at-risk status for fewer than five consecutive years and disregarding loading factor 4b
5	Effective interest rate 5 7.03 %
6	Target normal cost 6 106535

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		10/11/2013
	Signature of actuary	Date
LISA A. PFAUTZ		11-07159
	Type or print name of actuary	Most recent enrollment number
MARKLEY ACTUARIAL SERVICES, INC.		717-295-3178
	Firm name	Telephone number (including area code)
26-28 WEST KING STREET, SUITE 202 LANCASTER, PA 17603		
	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 ☐

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

Schedule SB (Form 5500) 2012
v. 120126

Part II Beginning of Year Carryover Prefunding Balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of <u>-1.62%</u>	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		66
b Interest on (a) using prior year's effective interest rate of <u>6.29%</u> except as otherwise provided (see instructions)		4
c Total available at beginning of current plan year to add to prefunding balance		70
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages		
14 Funding target attainment percentage	14	86.88 %
15 Adjusted funding target attainment percentage	15	86.88 %
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	76.42 %
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
03/14/2012	137035	0			
07/05/2012	137035	0			
10/10/2012	5602	0			
12/27/2012	93224	0			
07/11/2013	60966	0			
			Totals ►	18(b)	433862
				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 contributions 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	414998
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No	
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No	
c If line 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: 5.54%	2nd segment: 6.85%	3rd segment: 7.52 %	☐ 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 subject to 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 contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	106535	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:			
a Net shortfall amortization installment	Outstanding Balance	Installment	
b Waiver amortization installment	2325809	307792	
	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 (lines 31a - 31b + 32a + 32b - 33)...	34	414327	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....			
36 Additional cash requirement (line 34 minus line 35)	36	414327	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	414998	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	671	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☒ 2 plus 7 years	☐ 15 years	
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☒ 2010 ☒ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2012
		This Form is Open to Public Inspection.

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan <u>LAUREL HEALTH SYSTEM PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>LAUREL HEALTH SYSTEM</u>	D Employer Identification Number (EIN) <u>24-0795488</u>

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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)

CITIZENS & NORTHERN BANK

24-0756925

(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?
15 21 27 50	NONE	44762	Yes ☒ No ☐	Yes ☒ No ☐	352	Yes ☒ No ☐

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

MARKLEY ACTUARIAL SERVICES, INC.

23-2439467

(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 50	NONE	37912	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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 <div style="font-size: 1.5em; font-weight: bold;">2012</div> This Form is Open to Public Inspection
--	--	--

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012		
A Name of plan LAUREL HEALTH SYSTEM PENSION PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 LAUREL HEALTH SYSTEM	D Employer Identification Number (EIN) 24-0795488	

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)	251663	154190
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	1625	7134
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	572219	928267
(2) U.S. Government securities.....	1c(2)	1511651	1032122
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	11911970	13820293
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	618823	190526

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	14867951	16132532

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	13790	14181
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	13790	14181

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	14854161	16118351
---	-----------	----------	----------

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)	433862	
(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)		433862
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	211	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		211
(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)	327318	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		327318
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	934651	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	953480	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		-18829
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	45653	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		45653

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		1442074
c Other income.....	2c		809
d Total income. Add all income amounts in column (b) and enter total.....	2d		2231098

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	786539	
(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)		786539
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)	37912	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	44763	
(4) Other	2i(4)	97694	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		180369
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		966908

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		1264190
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

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

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

(1) Name: PARENTEBEARD LLC

(2) EIN: 23-2932984

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

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

Part IV Compliance Questions

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

During the plan year:

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.).....

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.).....

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		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?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

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

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

Part V Trust Information (optional)

6a Name of trust

6b Trust's EIN

<div>SCHEDULE R (Form 5500) <div>Department of the Treasury Internal Revenue Service</div><div>Department of Labor Employee Benefits Security Administration</div><div>Pension Benefit Guaranty Corporation</div></div>		<div>Retirement Plan Information</div> <div>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).</div> <div>► File as an attachment to Form 5500.</div>		<div>OMB No. 1210-0110</div> <div>2012</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012					
A Name of plan LAUREL HEALTH SYSTEM PENSION PLAN				B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 LAUREL HEALTH SYSTEM				D Employer Identification Number (EIN) 24-0795488	
Part I Distributions					
All references to distributions relate only to payments of benefits during the plan year.					
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....				1	0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 24-0756925					
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	28
Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)					
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?..... ☐ Yes ☒ No ☐ N/A					
If the plan is a defined benefit plan, go to line 8.					
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____					
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.					
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)				6a	
b Enter the amount contributed by the employer to the plan for this plan year				6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....				6c	
If you completed line 6c, skip lines 8 and 9.					
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A					
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?..... ☐ Yes ☐ No ☒ N/A					
Part III Amendments					
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☒ No					
Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.					
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No					
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No					
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... ☐ Yes ☐ No					
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No					
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.					
Schedule R (Form 5500) 2012 v. 120126					

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: 73.0% Investment-Grade Debt: 23.0% High-Yield Debt: 0.0% Real Estate: 0.0% Other: 4.0%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☒ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate line 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☒ Other (specify): NA-ALL ZERO COUPON BONDS

Laurel Health System Pension Plan

Financial Statements and
Supplementary Information

December 31, 2012 and 2011



Laurel Health System Pension Plan

Table of Contents

December 31, 2012 and 2011

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statement of Net Assets Available for Benefits	3
Statement of Changes in Net Assets Available for Benefits	4
Notes to Financial Statements	5
Supplementary Information	
Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)	14
Schedule H, Line 4(j) - Schedule of Reportable Transactions	15

Independent Auditors' Report

Participants and Plan Administrator
Laurel Health System Pension Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Laurel Health System Pension Plan, which comprise the statement of net assets available for benefits as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform and we did not perform, any auditing procedures with respect to the information summarized in Note 10, which was certified by Citizens and Northern Bank, the trustee of the plan, except for comparing such information with the related information included in the financial statements. 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 a certification from the trustee as of December 31, 2012 and 2011 and for the years then ended, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedules of Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year) and Schedule H, Line 4(j) – Schedule of Reportable Transactions as of or for the year ended December 31, 2012 are required by the DOL Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental 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 DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

A handwritten signature in cursive script that reads "ParenteBeard LLC".

Williamsport, Pennsylvania
October 10, 2013

Laurel Health System Pension Plan

Statement of Net Assets Available for Benefits

December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Assets		
Investments, at fair value:		
Mutual funds	\$ 13,820,293	\$ 11,911,970
U.S. government agency securities	1,032,122	1,511,651
Money market fund	818,267	572,219
Municipal obligations	190,526	618,823
Certificate of deposit	<u>110,000</u>	<u>-</u>
Total investments	15,971,208	14,614,663
Employer contribution receivable	154,190	251,663
Accrued interest receivable	<u>7,134</u>	<u>1,625</u>
Total assets	16,132,532	14,867,951
Liabilities		
Accrued administrative expenses	<u>14,181</u>	<u>13,790</u>
Net assets available for benefits	<u><u>\$ 16,118,351</u></u>	<u><u>\$ 14,854,161</u></u>

See notes to financial statements

Laurel Health System Pension Plan

Statement of Changes in Net Assets Available for Benefits

Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Additions to Net Assets Attributed to		
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments	\$ 1,468,898	\$ (487,196)
Interest and dividends	<u>327,529</u>	<u>277,968</u>
Total investment income (loss)	1,796,427	(209,228)
Less investment expenses	<u>44,763</u>	<u>42,620</u>
Net investment income (loss)	1,751,664	(251,848)
Employer contributions	433,862	575,798
Other income	<u>809</u>	<u>165</u>
Total additions	<u>2,186,335</u>	<u>324,115</u>
Deductions from Net Assets Attributed to		
Benefits paid to participants	786,539	713,633
Administrative expenses	<u>135,606</u>	<u>106,535</u>
Total deductions	<u>922,145</u>	<u>820,168</u>
Net increase (decrease) in net assets available for benefits	1,264,190	(496,053)
Net Assets Available for Benefits		
Beginning of year	<u>14,854,161</u>	<u>15,350,214</u>
End of year	<u>\$ 16,118,351</u>	<u>\$ 14,854,161</u>

See notes to financial statements

Laurel Health System Pension Plan

Notes to Financial Statements
December 31, 2012 and 2011

1. Description of the Plan

The following description of the Laurel Health System Pension Plan (the "Plan") is provided for general information purposes only. Participants should refer to the plan document for a more complete description of the Plan's provisions.

General

The Plan is a noncontributory defined benefit pension plan covering substantially all employees of Laurel Health System and those affiliated corporations which adopt the Plan (collectively, the "Plan Sponsor") who have completed one year of service and attained age twenty-one. Soldiers and Sailors Memorial Hospital, North Penn Comprehensive Health Services, The Green Home, Laurel Management Services, Inc. and Tioga Health Care Providers are the members of the affiliated group of corporations with employees who have adopted the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Effective July 1, 2005, the structure of the Plan was changed so that employees enrolled in the Plan must elect to either (1) continue to earn additional benefits in the Plan or (2) freeze future benefit accruals in the Plan effective June 30, 2005 and receive an annual contribution to a defined contribution plan starting as of July 1, 2005. All new employees hired on or after July 1, 2005 are not eligible to participate in the Plan.

Effective December 31, 2006, the Plan was amended to freeze future benefit accruals. After this effective date, no compensation earned or changes in compensation rates will be taken into account when computing the accrued benefit, and former employees will not be reinstated.

The Plan evaluated subsequent events for recognition or disclosure through October 10, 2013, the date the financial statements were available to be issued.

Pension Benefits

Employees are entitled to plan benefits at the normal retirement age of 65, although earlier retirement with lesser benefits is permitted. Effective January 1, 2008, the Plan was amended to apply a three-year vesting schedule in order to comply with the minimum vesting standards requirement applicable to cash balance and other hybrid defined benefit plans as set forth by the Pension Protection Act of 2006 (PPA). Employees terminated after December 31, 2006 who have completed three years of service but are not eligible for normal or early retirement shall be entitled to a deferred vested benefit commencing at age 65 equal to their accrued benefit as of the date of termination. Employees who terminated prior to December 31, 2006 are fully vested after five years of service.

Laurel Health System Pension Plan

Notes to Financial Statements

December 31, 2012 and 2011

Prior to January 1, 1993, benefits under the Plan were based on the greater of (1) one percent of the participant's first \$1,000 of "Average Monthly Compensation", plus one and one-half percent of the "Average Monthly Earnings" in excess of \$1,000 for each year of credited service; or (2) \$7.50 per month for each year of credited service, subject to a maximum of ten such years. At December 31, 1992, accumulated plan benefits computed in this manner were frozen. Effective January 1, 1993, the Plan adopted a Cash Balance formula to calculate the Plan's accrued liability. Subsequent to that date but prior to December 31, 2006, each participant who accumulated 1,000 or more hours of service received an allocation to their Cash Balance Account based on a percentage of each participant's annual compensation as described in the plan document.

Benefit payments are paid in the form of a life annuity for single participants and a joint-and-survivor annuity for married participants, unless the participant elects a different form of payment. For married participants, spousal consent is required to change payment methods.

Death and Disability Benefits

If an active participant dies, the Plan provides for a death benefit equal to the value of the participant's accumulated pension benefits to be paid to the participant's beneficiary. Active participants who become totally disabled shall receive a monthly benefit commencing at the normal retirement date. A disabled participant may elect to receive a reduced benefit commencing at the early retirement date.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan 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 assets and liabilities and changes therein, disclosures 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.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the gains and losses on investments bought and sold as well as held during the year.

Laurel Health System Pension Plan

Notes to Financial Statements
December 31, 2012 and 2011

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions 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) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on employees' compensation and years of credited service. Benefits payable under all circumstances such as retirement, death, disability, and termination of employment are included to the extent they are attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits presented below is determined by the Plan's actuary as of January 1, 2012 and 2011. The actuarial present value of accumulated plan benefits is that 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 actuarial present value of accumulated plan benefits as of January 1, 2012 is as follows:

Vested benefits:	
Participants and beneficiaries currently receiving payments	\$ 7,161,251
Other participants	<u>14,024,822</u>
Total vested benefits	21,186,073
Nonvested benefits	<u>-</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 21,186,073</u>

The changes in the actuarial present value of the accumulated plan benefits for the year ended December 31, 2011 are summarized as follows:

Actuarial present value of accumulated plan benefits, at beginning of year	\$ 18,627,651
Increase (decrease) during the year attributable to:	
Increase for interest due to decrease in discount period	704,125
Benefits paid	(713,633)
Change in actuarial assumptions	1,864,277
Actuarial gain	<u>703,653</u>
Actuarial present value of accumulated plan benefits, at end of year	<u>\$ 21,186,073</u>

Laurel Health System Pension Plan

Notes to Financial Statements
December 31, 2012 and 2011

Significant assumptions underlying the actuarial computations are as follows:

Investment return	5.58%
Mortality	2012 Static Separate Annuitant and Non-Annuitant Mortality Table
Retirement age	Age 65 or age on valuation date if greater

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.

During the year ended December 31, 2011, the mortality table was changed from the 2011 Static Separate Annuitant and Non-Annuitant Mortality Table to the 2012 Static Separate Annuitant and Non-Annuitant Mortality Table. Also, the rate of return was changed from 6.29% to 5.58%. These changes increased the accumulated plan benefits by \$1,864,277.

3. Fair Value Measurements

The Plan measures its investments at fair value on a recurring basis in accordance with accounting principles generally accepted in the United States of America. Fair value is defined 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. The framework that the authoritative guidance establishes for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The levels of the fair value hierarchy are as follows:

Level 1 - Fair value is based on unadjusted quoted prices in active markets that are accessible to the Plan for identical assets. These generally provide the most reliable evidence and are used to measure fair value whenever available.

Level 2 - Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the full term of the asset through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets or liabilities, quoted market prices in inactive markets for identical or similar assets, and other observable inputs.

Level 3 - Fair value would be based on significant unobservable inputs. Examples of valuation methodologies that would result in Level 3 classification include option pricing models, discounted cash flows, and similar techniques.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2012 and 2011.

Mutual funds and the money market fund are valued at the quoted net asset value of shares held by the Plan at year end.

Laurel Health System Pension Plan

Notes to Financial Statements
December 31, 2012 and 2011

U.S. government securities and municipal obligations are valued using quoted market prices of similar securities.

The certificate of deposit is valued at face value which approximates fair value.

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

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2012 and 2011:

Assets at Fair Value as of December 31, 2012				
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Index	\$ 8,128,777	\$ -	\$ -	\$ 8,128,777
Growth	3,571,212	-	-	3,571,212
Fixed income	1,457,952	-	-	1,457,952
Other	526,351	-	-	526,351
Real estate	136,001	-	-	136,001
Total mutual funds	13,820,293	-	-	13,820,293
U.S. government agency securities	-	1,032,122	-	1,032,122
Municipal obligations	-	190,526	-	190,526
Certificate of deposit	-	110,000	-	110,000
Money market fund	818,267	-	-	818,267
Total	\$ 14,638,560	\$ 1,332,648	\$ -	\$ 15,971,208

Laurel Health System Pension Plan

Notes to Financial Statements
December 31, 2012 and 2011

Assets at Fair Value as of December 31, 2011				
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Index	\$ 7,964,748	\$ -	\$ -	\$ 7,964,748
Growth	2,771,618	-	-	2,771,618
Fixed income	668,766	-	-	668,766
Other	370,998	-	-	370,998
Real estate	135,840	-	-	135,840
Total mutual funds	11,911,970	-	-	11,911,970
U.S. government agency securities	-	1,511,651	-	1,511,651
Municipal obligations	-	618,823	-	618,823
Money market fund	572,219	-	-	572,219
Total	\$ 12,484,189	\$ 2,130,474	\$ -	\$ 14,614,663

4. Funding Policy

The Plan Sponsor's funding policy is to make annual contributions to the Plan as determined by the Plan's independent actuary in amounts necessary to provide the Plan with assets sufficient to fund participants' benefits by the time they retire. No participant contributions are permitted. The minimum funding requirements of ERISA were met for 2012 and 2011.

Although it has not expressed any intention to do so, the Plan Sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA.

5. 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:

- 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") (a U.S. government agency) up to the applicable limitations (discussed subsequently).
- All other vested benefits (that is, vested benefits not insured by PBGC).

Laurel Health System Pension Plan

Notes to Financial Statements
December 31, 2012 and 2011

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, a statutory ceiling exists, 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.

6. Investments

The following table presents investments that represent 5% or more of the Plan's net assets available for benefits at December 31, 2012 and 2011:

	2012	2011
Vanguard TR Growth Index Fund	\$ 3,118,713	\$ 2,598,352
Vanguard TR Value Index Fund	2,877,823	3,057,909
Fidelity Spartan International Index Advantage Fund	2,502,684	2,363,898
Federated Total Return Bond Institutional Shares	1,457,952	*
Vanguard Mid-Cap Index Fund	1,017,001	870,846
Vanguard Small-Cap Index Fund	906,217	969,499
Vanguard Emerging Markets ETF	825,052	*
Federated Government Obligation Tax Managed Fund	818,267	*

* Investment did not represent 5% or more of the Plan's net assets.

In 2012 and 2011, the Plan's investments (including gains and losses on investments bought, sold, as well as held during the year) appreciated (depreciated) in value as follows:

	2012	2011
Mutual funds	\$ 1,442,073	\$ (580,867)
U.S. government agency securities	15,122	59,737
Municipal obligations	11,703	33,934
Net appreciation (depreciation) in fair value of investments	\$ 1,468,898	\$ (487,196)

Laurel Health System Pension Plan

Notes to Financial Statements
December 31, 2012 and 2011

7. Related Party Transactions

The Plan's investments are administered under a contract with Citizens and Northern Bank, the trustee of the Plan. Contributions are held and managed by Citizens and Northern Bank, who invests cash received, interest, and dividend income and makes distributions to participants. These transactions qualify as party-in-interest transactions which are exempt from the prohibited transactions rules of ERISA.

Administrative expenses of Citizens and Northern Bank are paid by the Plan. Additionally, certain administrative functions of the Plan are performed by officers or employees of the Plan Sponsor. No such officer or employee receives compensation from the Plan.

8. Tax Status

The Internal Revenue Service ("IRS") has determined and informed the Company by a letter dated February 25, 2011, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). The plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2012, there are no uncertain positions taken, or expected to be taken, that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2009.

9. Risks and Uncertainties

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 estimations and assumptions 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.

In addition, the Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Statement of Net Assets Available for Benefits.

Laurel Health System Pension Plan

Notes to Financial Statements
December 31, 2012 and 2011

10. Information Certified by Trustee

The plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA for 2012 and 2011. Accordingly, Citizens and Northern Bank, the trustee of the Plan has certified to the completeness and accuracy of all investments reported in the accompanying Statement of Net Assets Available for Benefits as of December 31, 2012 and 2011 and the supplemental Schedule of Assets (Held at End of Year) as of December 31, 2012, the related investment activity reported in the Statement of Changes in Net Assets Available for Benefits for the years ended December 31, 2012 and 2011, and the information reported in the supplemental Schedule of Reportable Transactions for the year ended December 31, 2012.

11. Affiliation with Susquehanna Health

Effective September 1, 2012, Laurel Health System (LHS) affiliated with Susquehanna Health System (SHS). SHS is a Pennsylvania nonprofit, nonmember corporation that has been recognized by the IRS as an organization described in Section 501(c)(3) of the code. SHS's mission is to promote health by acting as the parent of a fully integrated health care delivery system located in Lycoming County, and now Tioga County, in North Central Pennsylvania. As a result of the affiliation, SHS became the sole member of Laurel Health System and related entities with the exception of North Penn Comprehensive Health Services, (NPCHS). As the sole member, SHS has control of the Laurel Health entities, excluding NPCHS. There was no effect on the Plan as a result of the affiliation.

Laurel Health System Pension Plan

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

EIN: 25-1471089 Plan Number: 001

December 31, 2012

(a)	Identity of Issue (b)	Description of Investment (c)	Cost (d)	Current Value (e)
Mutual Funds		Vanguard TR Growth Index Fund	\$ 2,737,755	\$ 3,118,713
		Vanguard TR Value Index Fund	2,856,630	2,877,823
		Fidelity Spartan International Index Advantage Fund	3,125,836	2,502,684
		Federated Total Return Bond Institutional Shares	1,476,708	1,457,952
		Vanguard Mid-Cap Index Fund	936,501	1,017,001
		Vanguard Small-Cap Index Fund	812,500	906,217
		Vanguard Emerging Markets ETF	780,146	825,052
		Delaware Inflation Protected Bond Fund	337,270	326,997
		Blackrock Global Allocation Fund	199,333	199,354
		Templeton Global Bond Fund	194,761	198,573
		ING Real Estate Fund	116,878	136,001
		Federated High Yield Bond Fund Institutional	125,600	127,575
		Van Eck Global Hard Assets Fund	156,666	126,351
U.S. Government Agency Securities		Federal National Mortgage Association, zero coupon, due 5/15/13	260,503	264,465
		Financing Corp Coupon FICO Strip, zero coupon, due 2/3/13	198,618	199,886
		Federal National Mortgage Association, zero coupon, due 7/15/13	195,541	199,344
		International Bank for Reconstruction and Development, zero coupon, due 8/15/14	146,556	155,631
		International Bank for Reconstruction and Development, zero coupon, due 2/15/14	130,015	134,168
		Tennessee Valley Authority Strip, zero coupon, due 6/15/15	44,044	48,813
		International Bank for Reconstruction and Development, zero coupon, due 2/15/14	28,394	29,815
Municipal Obligation		Cook County Illinois School District , zero coupon, due 12/1/14	183,436	190,526
Money Market Fund		Federated Government Obligation Tax Managed Fund	818,267	818,267
Certificate of Deposit		BMW Bk North Amer Salt Lake City Utah, due 10/27/14	110,000	110,000
			<u>\$ 15,971,958</u>	<u>\$ 15,971,208</u>

Laurel Health System Pension Plan

Schedule H, Line 4(j) - Schedule of Reportable Transactions

EIN: 25-1471089 Plan Number: 001

Year Ended December 31, 2012

<u>Identity of Party (a)</u>	<u>Description of Asset (b)</u>	<u>Purchase Price (c)</u>	<u>Selling Price (d)</u>	<u>Lease Rental (e)</u>	<u>Expenses (f)</u>	<u>Cost (g)</u>	<u>Current Value (h)</u>	<u>Net Gain (Loss) (i)</u>
Series Transactions								
Purchases	Federated Government Obligation Tax Managed Fund	\$ 2,094,213	\$ -	\$ -	\$ -	\$ -	\$ 2,094,213	\$ -
	Vanguard Short Term Bond Index Signal	440,000	-	-	-	-	440,000	-
	Vanguard TR Value Index Fund	158,823	-	-	-	-	158,823	-
	Vanguard Small-Cap Index Fund	320,000	-	-	-	-	320,000	-
	Federated Total Return Bond Fund	1,476,708	-	-	-	-	1,476,708	-
Sales	Federated Government Obligation Tax Managed Fund	-	1,848,164	-	-	1,848,164	1,848,164	-
	Vanguard Short Term Bond Index Signal	-	722,055	-	-	717,283	722,055	4,772
	Vanguard TR Value Index Fund	-	661,992	-	-	453,268	661,992	208,724
	Vanguard Small-Cap Index Fund	-	548,145	-	-	473,678	548,145	74,467
Single Transactions								
Purchases	Federated Government Obligation Tax Managed Fund	1,119,300	-	-	-	-	1,119,300	-
	Federated Total Return Bond Fund	1,119,300	-	-	-	-	1,119,300	-

Name of Plan: Laurel Health System Pension Plan
Plan Sponsor’s EIN: 24-0795488
Plan Number: 001

Valn Date 01/01/2012

Schedule SB, Line 26 - Schedule of Active Participant Data

Attained	YEARS OF CREDITED SERVICE									
	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 and up
Age	Avg. No. Comp.	Avg. No. Comp.	Avg. No. Comp.	Avg. No. Comp.	Avg. No. Comp.	Avg. No. Comp.	Avg. No. Comp.	Avg. No. Comp.	Avg. No. Comp.	Avg. No. Comp.
Under 25	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	5	1	0	0	0	0	0	0
30 to 34	0	0	6	17	1	0	0	0	0	0
35 to 39	0	0	5	18	8	0	0	0	0	0
40 to 44	0	0	12	14	11	11	0	0	0	0
45 to 49	0	0	13	21	12	12	12	3	0	0
50 to 54	0	0	13	15	16	14	17	12	2	0
55 to 59	0	0	9	27	13	17	15	13	10	0
60 to 64	0	0	10	10	10	11	7	8	6	2
65 to 69	0	0	3	5	3	0	1	1	0	1
70 & up	0	0	1	0	1	0	1	1	0	0

Name of Plan: Laurel Health System Pension Plan
 Plan Sponsor’s EIN: 24-0795488
 Plan Number: 001

Schedule SB, Part V – Statement of Actuarial Assumptions/Method

Actuarial Methods

Actuarial Cost Method	Method as prescribed by the Pension Protection Act of 2006 The valuation was prepared using the adjusted interest rates under the “Moving Ahead for Progress in the 21st Century Act” (MAP-21), which was enacted July 6, 2012, for the minimum required contribution and the funding percentages.
Valuation Date	First day of the Plan Year (January 1, 2012)
Asset Valuation Method	Average of the Market Value of Assets from the current and last two prior plan years smoothed using the methods prescribed by WRERA; annual rates of 6.82% (2010) and 6.57% (2011) were used for expected investment returns, subject to maximum interest rate of 6.25%
Amortization of Funding Shortfall- Prior Years	The valuation results included in this report from the 2010 and 2011 Plan Years reflect the plan sponsor’s election of the “2 plus 7-year” alternative amortization schedule under the Pension Funding Relief Act of 2010.

Prescribed Actuarial Assumptions

Interest Rates – Minimum Required Contribution and Funding Percentages	Each 24-month average segment rate is adjusted so that it is no less than 90% and no more than 110% of the corresponding segment rates for the 25-year period ending September 30, 2011 from IRS Notice 2012-55; the applicable segment rates, taking into account the 90-110% corridor, are as follows: <table> <tr> <th><u>Benefit Payments occurring in Plan Years Beginning</u></th><th><u>Segment Rate</u></th></tr> <tr> <td>2012 – 2016 (5 years)</td><td>5.54%</td></tr> <tr> <td>2017 – 2031 (15 years)</td><td>6.85%</td></tr> <tr> <td>2032 and beyond (more than 20 Years)</td><td>7.52%</td></tr> </table>	<u>Benefit Payments occurring in Plan Years Beginning</u>	<u>Segment Rate</u>	2012 – 2016 (5 years)	5.54%	2017 – 2031 (15 years)	6.85%	2032 and beyond (more than 20 Years)	7.52%
<u>Benefit Payments occurring in Plan Years Beginning</u>	<u>Segment Rate</u>								
2012 – 2016 (5 years)	5.54%								
2017 – 2031 (15 years)	6.85%								
2032 and beyond (more than 20 Years)	7.52%								
Effective Interest Rate	7.03% based on above rates and expected benefit payments accrued to date; 6.29% was the effective rate for the prior year								
Interest Rates – Maximum Contribution, PBGC and Accounting	24-month average corporate bond segment rates as of September 2011 (4 month lookback under the election of IRS Regulation 1.430(h)(2)-1(e)(2)); the applicable segment rates are as follows: <table> <tr> <th><u>Benefit Payments occurring in Plan Years Beginning</u></th><th><u>Segment Rate</u></th></tr> <tr> <td>2012 – 2016 (5 years)</td><td>2.06%</td></tr> <tr> <td>2017 – 2031 (15 years)</td><td>5.25%</td></tr> <tr> <td>2032 and beyond (more than 20 Years)</td><td>6.32%</td></tr> </table>	<u>Benefit Payments occurring in Plan Years Beginning</u>	<u>Segment Rate</u>	2012 – 2016 (5 years)	2.06%	2017 – 2031 (15 years)	5.25%	2032 and beyond (more than 20 Years)	6.32%
<u>Benefit Payments occurring in Plan Years Beginning</u>	<u>Segment Rate</u>								
2012 – 2016 (5 years)	2.06%								
2017 – 2031 (15 years)	5.25%								
2032 and beyond (more than 20 Years)	6.32%								
Pre- and Post-Retirement Mortality – Funding and Accounting	2012 static annuitant and non-annuitant mortality tables (male and female) as published by the IRS in Notice 2008-85								
Interest Rates – Lump Sums	Funding rates as required by IRS in Regulation 1.430(d)-1(f)(4)(iii)(B)								
Pre- and Post-Retirement Mortality – Lump Sums	2012 Applicable Mortality Table (blended 50% male/50% female) as published by the IRS in Notice 2008-85								
Mortality Improvement	Improvement of 7 years for annuitant and 15 years for non-annuitant is included in the above mortality tables								

Name of Plan: Laurel Health System Pension Plan
 Plan Sponsor’s EIN: 24-0795488
 Plan Number: 001

Schedule SB, Part V – Statement of Actuarial Assumptions/Method (Continued)

Non-Prescribed Actuarial Assumptions

Assumed Retirement Age Retirement rates among active participants which vary by age are assumed:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
55-59	1.5%	63-64	15.0%
60-61	6.0%	65+	100.0%
62	20.0%		

Turnover before Retirement Annual Rates are shown below for representative years of service and sex:

<u>Service</u>	<u>Males</u>	<u>Females</u>	<u>Service</u>	<u>Males</u>	<u>Females</u>
0	28.0%	22.0%	9	7.0%	6.0%
1	28.0%	22.0%	10	7.0%	5.0%
2	25.0%	19.0%	11+	5.0%	3.5%
3	23.0%	15.0%			
4	17.0%	12.0%			
5	16.0%	11.0%			
6	13.0%	10.0%			
7	10.0%	8.0%			
8	8.0%	7.0%			

Disability Rates The Disability Retirement benefit is not explicitly valued because it is assumed to have insignificant cost

Rate of Compensation Increase Not Applicable

Beneficiary Assumption For participants not in pay status: 85% of participants are assumed to be married, with males 4 years older than females.

For participants in pay status: Actual birth dates of spouses are included in the census data, where applicable.

Lump Sum Election 100% election on lump sums less than or equal to \$5,000; the normal form is assumed to be elected for all others

Laurel Health System Pension Plan

Schedule H, Line 4(j) - Schedule of Reportable Transactions

EIN: 25-1471089 Plan Number: 001

Year Ended December 31, 2012

Identity of Party (a)	Description of Asset (b)	Purchase Price (c)	Selling Price (d)	Lease Rental (e)	Expenses (f)	Cost (g)	Current Value (h)	Net Gain (Loss) (i)
Series Transactions								
Purchases	Federated Government Obligation Tax Managed Fund	\$ 2,094,213	\$ -	\$ -	\$ -	\$ -	\$ 2,094,213	\$ -
	Vanguard Short Term Bond Index Signal	440,000	-	-	-	-	440,000	-
	Vanguard TR Value Index Fund	158,823	-	-	-	-	158,823	-
	Vanguard Small-Cap Index Fund	320,000	-	-	-	-	320,000	-
	Federated Total Return Bond Fund	1,476,708	-	-	-	-	1,476,708	-
Sales	Federated Government Obligation Tax Managed Fund	-	1,848,164	-	-	1,848,164	1,848,164	-
	Vanguard Short Term Bond Index Signal	-	722,055	-	-	717,283	722,055	4,772
	Vanguard TR Value Index Fund	-	661,992	-	-	453,268	661,992	208,724
	Vanguard Small-Cap Index Fund	-	548,145	-	-	473,678	548,145	74,467
Single Transactions								
Purchases	Federated Government Obligation Tax Managed Fund	1,119,300	-	-	-	-	1,119,300	-
	Federated Total Return Bond Fund	1,119,300	-	-	-	-	1,119,300	-

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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 2012 This Form is Open to Public Inspection
---	--	---

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

► **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 LAUREL HEALTH SYSTEM PENSION PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF LAUREL HEALTH SYSTEM	D Employer Identification Number (EIN) 24-0795488	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		

Part I Basic Information			
1	Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2012</u>		
2	Assets:		
	a Market value	2a	14851025
	b Actuarial value	2b	15410210
3	Funding target/participant count breakdown:	(1) Number of participants	(2) Funding Target
	a For retired participants and beneficiaries receiving payment	3a	264 6305398
	b For terminated vested participants	3b	441 4527332
	c For active participants:		
	(1) Non-vested benefits	3c(1)	2810
	(2) Vested benefits	3c(2)	6900479
	(3) Total active	3c(3)	457 6903289
	d Total	3d	1162 17736019
4	If the plan is in at-risk status, check the box and complete lines (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 in at-risk status for fewer than five consecutive years and disregarding loading factor	4b	
5	Effective interest rate	5	7.03%
6	Target normal cost	6	106535

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	<u>10/11/2013</u> Date 1107159
LISA A. PFAUTZ Type or print name of actuary MARKLEY ACTUARIAL SERVICES, INC. Firm name 26-28 WEST KING STREET, SUITE 202 LANCASTER PA 17603 Address of the firm		Most recent enrollment number 717-295-3178 Telephone number (including area code)

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 Prefunding Balances

Part II Beginning of Year Carryover Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of <u>-1.62%</u>	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		66
b	Interest on (a) using prior year's effective interest rate of <u>6.29%</u> except as otherwise provided (see instructions).....		4
c	Total available at beginning of current plan year to add to prefunding balance		70
d	Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III	Funding Percentages
----------	---------------------

14	Funding target attainment percentage.....	14	86.88 %
15	Adjusted funding target attainment percentage	15	86.88 %
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	76.42 %
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
03/14/2012	137035	0			
07/05/2012	137035	0			
10/10/2012	5602	0			
12/27/2012	93224	0			
07/11/2013	60966	0			
Totals ►			18(b)	433862	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 contributions 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	414,998

20 Quarterly contributions and liquidity shortfalls:

- a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No
- b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ 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: 5.54%	2nd segment: 6.85%	3rd segment: 7.52%
			☐ 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 subject to 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 contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)		31a	106535
b Excess assets, if applicable, but not greater than line 31a		31b	0
32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment.....		2325809	307792
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 (lines 31a - 31b + 32a + 32b - 33) ..		34	414327
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....			
36 Additional cash requirement (line 34 minus line 35).....	36		414327
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37		414998
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	671
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances		38b	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)		39	0
40 Unpaid minimum required contributions for all years		40	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:	
a Schedule elected	☒ 2 plus 7 years ☐ 15 years
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☒ 2010 ☒ 2011
42 Amount of acceleration adjustment	42
43 Excess installment acceleration amount to be carried over to future plan years	43

Name of Plan: Laurel Health System Pension Plan

Plan Sponsor's EIN: 24-0795488

Plan Number: 001

Schedule SB, Line 22 – Description of Weighted Average Retirement Age

<u>Age</u>	<u>$q_x^{(r)}$</u>	<u>$p_x^{(r)}$</u>	<u>$l_x^{(r)}$</u>	<u>Weighted Average</u>
55	1.5%	98.5%	100.0%	0.83
56	1.5%	98.5%	98.5%	0.83
57	1.5%	98.5%	97.0%	0.83
58	1.5%	98.5%	95.6%	0.83
59	1.5%	98.5%	94.1%	0.83
60	6.0%	94.0%	92.7%	3.34
61	6.0%	94.0%	87.2%	3.19
62	20.0%	80.0%	81.9%	10.16
63	15.0%	85.0%	65.5%	6.19
64	15.0%	85.0%	55.7%	5.35
65	100.0%	0.0%	47.4%	30.78
66	100.0%	0.0%	0.0%	-
Weighted Average Age				63.16
Rounded				63.00

The above only applies to active participants

Terminated Vested participants are assumed to retire at age 65.

Name of Plan: Laurel Health System Pension Plan

Plan Sponsor's EIN: 24-0795488

Plan Number: 001

Schedule SB, Part V –Summary of Principal Plan Provisions

Effective Date	June 1, 1967; the plan was last amended effective January 1, 2009
Plan Year	January 1 – December 31
Eligibility for Participation	The January 1 or July 1 coincident with or next following attainment of age 21 and completion of one year of service in which 1,000 or more hours of service are credited. The last possible entry date under the plan was July 1, 2006. Employees hired July 1, 2005 or later and leased employees are not eligible to participate.
Employer Contribution	Entire cost of the Plan
Normal Retirement Date	The first day of the month coincident with or next following the attainment of age 65 or the fifth anniversary of the date of hire
Formula for Normal Annual Retirement Benefit	<p>Accrued Benefit: The frozen accrued benefit earned as of December 31, 1992, if any, plus the Cash Balance Account earned as of the date of determination converted to a monthly single life annuity. The Cash Balance Account is converted by first accumulating the account with interest of 5% per year until the later of Actual Retirement Date or Normal Retirement Date, and then determining the Actuarially Equivalent monthly single life annuity of the accumulated Cash Balance Account payable at the later of Actual Retirement Date or Normal Retirement Date.</p> <p>Cash Balance Account: For every year of Credited Service after January 1, 1993 and before December 31, 2006, an allocation was made to each participant's notional Cash Balance Account. The percent of compensation increases with age. In addition to the allocation, the amount is credited with interest of 5% per year. Interest for a full year is also credited on the current year's allocation.</p>
Compensation	The base salary or wages paid to the participant, exclusive of bonuses, overtime payments, shift differential, or similar non-basic payments, but to which has been added any amounts by which the participant's basic cash remuneration was reduced during such a period by agreement or election of participant for purpose of funding benefits under plan meeting the requirements of Sections 125, 403(b), 401(k), 902(h), 408(k), 457 or 132(f)(4) of the Code.
Credited Service	Beginning January 1, 1993, a full year is credited for each plan year in which 1,000 or more hours of service are credited. Effective July 1, 2005, participants who elected to receive future contributions to a defined contribution plan in lieu of future accruals in this plan are not eligible to earn additional credited service. Credited Service is frozen as of December 31, 2006.
Normal Form of Benefit Payments	Life Annuity if single; Actuarially Equivalent joint and 100% survivor annuity if married
Optional Forms of Benefit Payments	Optional Forms include Single Life Annuity, Joint and 50% Survivor Annuity, Joint and 75% Survivor Annuity, Joint and 100% Survivor Annuity, 10 Year Certain and Life, and lump sums up to \$5,000
Optional Forms Conversion Factors	8.00% interest rate and the Unisex Pension 1984 mortality table with no setbacks
Early Retirement Date	The first day of the month coincident with or next following the attainment of age 55 and the completion of 5 Years of Vesting Service
Early Retirement Benefit	1/180 for each of the first 60 months and 1/360 for each of the next 60 months by which the Early Retirement Date precedes the Normal Retirement Date

Name of Plan: Laurel Health System Pension Plan

Plan Sponsor's EIN: 24-0795488

Plan Number: 001

Schedule SB, Part V –Summary of Principal Plan Provisions

Late Retirement Benefit	Annual Retirement Benefit at actual retirement date		
Disability Retirement Date	Upon termination of employment due to Total Disability prior to Early Retirement Date or Normal Retirement Date		
Disability Benefit	The accrued benefit determined as of the date of disability, payable at Normal Retirement Date		
Pre-Retirement Death Benefit	100% of the benefit which would have been payable had the deceased participant instead terminated service on the date of death, survived to his earliest possible benefit commencement date, elected a joint and 100% survivor annuity, and died on that same date, are payable to surviving spouses of participants with a vested Accrued Benefit who die before commencement of payments. Active participants who die while employed are 100% vested, regardless of their years of service.		
Vesting	Each participant who terminates prior to Normal Retirement Date will be vested as follows:		
	<u>Years of Vesting Service</u>	<u>Pre-1/1/2008 Termination</u>	<u>1/1/2008 or Later Termination</u>
	Less than 3	0%	0%
	3 or 4	0%	100%
	5 or more	100%	100%
	However, if a participant attains age 65, dies or becomes Totally Disabled while in active employment, the Vested Percentage is 100% regardless of the years of vesting service.		
Year of Service for Vesting	1,000 or more hours of service per Plan Year		

Laurel Health System Pension Plan

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

EIN: 25-1471089 Plan Number: 001

December 31, 2012

(a)	Identity of Issue (b)	Description of Investment (c)	Cost (d)	Current Value (e)		
	Mutual Funds	Vanguard TR Growth Index Fund	\$ 2,737,755	\$ 3,118,713		
		Vanguard TR Value Index Fund	2,856,630	2,877,823		
		Fidelity Spartan International Index Advantage Fund	3,125,836	2,502,684		
		Federated Total Return Bond Institutional Shares	1,476,708	1,457,952		
		Vanguard Mid-Cap Index Fund	936,501	1,017,001		
		Vanguard Small-Cap Index Fund	812,500	906,217		
		Vanguard Emerging Markets ETF	780,146	825,052		
		Delaware Inflation Protected Bond Fund	337,270	326,997		
		Blackrock Global Allocation Fund	199,333	199,354		
		Templeton Global Bond Fund	194,761	198,573		
		ING Real Estate Fund	116,878	136,001		
		Federated High Yield Bond Fund Institutional	125,600	127,575		
		Van Eck Global Hard Assets Fund	156,666	126,351		
			U.S. Government Agency Securities	Federal National Mortgage Association, zero coupon, due 5/15/13	260,503	264,465
				Financing Corp Coupon FICO Strip, zero coupon, due 2/3/13	198,618	199,886
Federal National Mortgage Association, zero coupon, due 7/15/13	195,541			199,344		
International Bank for Reconstruction and Development, zero coupon, due 8/15/14	146,556			155,631		
International Bank for Reconstruction and Development, zero coupon, due 2/15/14	130,015			134,168		
Tennessee Valley Authority Strip, zero coupon, due 6/15/15	44,044			48,813		
International Bank for Reconstruction and Development, zero coupon, due 2/15/14	28,394			29,815		
	Municipal Obligation			Cook County Illinois School District , zero coupon, due 12/1/14	183,436	190,526
			Money Market Fund	Federated Government Obligation Tax Managed Fund	818,267	818,267
	Certificate of Deposit			BMW Bk North Amer Salt Lake City Utah, due 10/27/14	110,000	110,000
				\$ 15,971,958	\$ 15,971,208	

Name of Plan: Laurel Health System Pension Plan

Plan Sponsor's EIN: 24-0795488

Plan Number: 001

Schedule SB, Line 32 – Schedule of Amortization Bases

	Initial Amount	Remaining and Original Period	Outstanding Balance 1/1/2012	Annual Installment
1. Shortfall Amortization Base – 2008	\$1,329,330	3/7 yrs.	\$ 631,390	\$ 221,908
2. Shortfall Amortization Base – 2009	(63,334)	4/7 yrs.	(41,539)	(11,239)
3. Shortfall Amortization Base – 2010*	1,603,288	7/9 yrs.	1,574,017	267,149
4. Shortfall Amortization Base – 2011*	1,966,021	8/9 yrs.	1,892,325	123,663
5. Shortfall Amortization Base – 2012*	(1,730,384)	7/7 yrs.	(1,730,384)	(293,689)
6. Shortfall Amortization Base – 2013				
7. Shortfall Amortization Base – 2014				
8. Shortfall Amortization Charge = Sum of (1) through (7)			\$ 2,325,809	\$ 307,792

*Pension Funding Relief elected for 2010, 2011 and 2012.