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).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

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 01/01/2012 and ending 12/31/2012

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

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
PORTAGE HEALTH 401(K) RETIREMENT PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/2007

2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)

PORTAGE HEALTH, INC.

500 CAMPUS DR.
HANCOCK, MI 49930-1569

2b Employer Identification Number (EIN)
38-1381288

2c Sponsor's telephone number
906-483-1000

2d Business code (see instructions)
622000

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2013	BRIAN K DONAHUE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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 [X] 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**	680
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**	781
b	Retired or separated participants receiving benefits	**6b**	2
c	Other retired or separated participants entitled to future benefits	**6c**	71
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	854
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	854
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	648
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:
2E 2F 2G 2J 2K 2T

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

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

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**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
PORTAGE HEALTH 401(K) RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
PORTAGE HEALTH, INC.

D Employer Identification Number (EIN)
38-1381288

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

ALERUS FINANCIAL, N.A.

45-6062081

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

PENSIONTREND, INC.

38-2508697

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

PENSIONTREND INVESTMENT ADVISORS

27-0039500

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

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

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

PENSIONTREND, INC.

38-2508697

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13	NONE	14399	Yes [ ] No [X]	Yes [ ] No [ ]	0	Yes [ ] No [ ]

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

PENSIONTREND INVESTMENT ADVISORS

27-0039500

(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?
28	NONE	13711	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [ ]

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

ALERUS FINANCIAL, N.A.

45-6062081

(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 25 60 63 64	NONE	44034	Yes [X] No [ ]	Yes [X] No [ ]	0	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)

ALERUS INVESTMENT ADVISORS

42-1378382

(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?
28	INVESTMENT ADVISOR	45673	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [ ]

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

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

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

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

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

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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 D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan 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
PORTAGE HEALTH 401(K) RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
PORTAGE HEALTH, INC.

D Employer Identification Number (EIN)
38-1381288

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: PENSIONTREND CONSERVATIVE INCOME

b Name of sponsor of entity listed in (a): WILMINGTON TRUST RETIREMENT & INSTITUTIONAL SERVICES COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
20-5320411-065	C	0

a Name of MTIA, CCT, PSA, or 103-12 IE: PENSIONTREND MODERATE INCOME

b Name of sponsor of entity listed in (a): WILMINGTON TRUST RETIREMENT & INSTITUTIONAL SERVICES

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
20-5320445-066	C	0

a Name of MTIA, CCT, PSA, or 103-12 IE: PENSIONTREND CONSERVATIVE GROWTH

b Name of sponsor of entity listed in (a): WILMINGTON TRUST RETIREMENT & INSTITUTIONAL SERVICES

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
20-5320488-067	C	0

a Name of MTIA, CCT, PSA, or 103-12 IE: PENSIONTREND MODERATE GROWTH

b Name of sponsor of entity listed in (a): WILMINGTON TRUST RETIREMENT & INSTITUTIONAL SERVICES

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
20-5320517-068	C	0

a Name of MTIA, CCT, PSA, or 103-12 IE: PENSIONTREND AGGRESSIVE GROWTH

b Name of sponsor of entity listed in (a): WILMINGTON TRUST RETIREMENT & INSTITUTIONAL SERVICES

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
20-5320546-069	C	0

a Name of MTIA, CCT, PSA, or 103-12 IE: ALERUS AGGRESSIVE GROWTH FUND

b Name of sponsor of entity listed in (a): ALERUS FINANCIAL, N.A.

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
45-0417057-009	C	4382519

a Name of MTIA, CCT, PSA, or 103-12 IE: ALERUS CONSERVATIVE GROWTH FUND

b Name of sponsor of entity listed in (a): ALERUS FINANCIAL, N.A.

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
45-0417057-007	C	5314796

a Name of MTIA, CCT, PSA, or 103-12 IE: ALERUS CONSERVATIVE INCOME FUND

b Name of sponsor of entity listed in (a): ALERUS FINANCIAL, N.A.

c EIN-PN 45-0417057-005	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 505366

a Name of MTIA, CCT, PSA, or 103-12 IE: ALERUS MODERATE GROWTH FUND

b Name of sponsor of entity listed in (a): ALERUS FINANCIAL, N.A.

c EIN-PN 45-0417057-008	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 6721391

a Name of MTIA, CCT, PSA, or 103-12 IE: ALERUS MODERATE INCOME FUND

b Name of sponsor of entity listed in (a): ALERUS FINANCIAL, N.A.

c EIN-PN 45-0417057-006	**d** Entity code C	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1147199

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

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
PORTAGE HEALTH 401(K) RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
PORTAGE HEALTH, INC.

D Employer Identification Number (EIN)
38-1381288

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	1567	
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	63790	86320
(2) Participant contributions	1b(2)	727	1512
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	613416	695491
(9) Value of interest in common/collective trusts	1c(9)	14778999	19588588
(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)	7959173	7600552
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	23417672	27972463
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	1569	
k Total liabilities (add all amounts in lines 1g through1j)	1k	1569	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	23416103	27972463

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)	1725167	
(B) Participants	2a(1)(B)	1832349	
(C) Others (including rollovers)	2a(1)(C)	99796	
(2) Noncash contributions	2a(2)	811	
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		3658123
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(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)	28192	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		28192
(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)	252970	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		252970
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		1993683
(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)		629510
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		6562478
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1870517	
(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)		1870517
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: **(1)** Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	59384	
(4) Other	2i(4)	76217	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		135601
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		2006118
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		4556360
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)** [X] Disclaimer **(4)** [ ] Adverse

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

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

(1) Name: RUKKILA, NEGRO & ASSOC., CPA'S PC **(2)** EIN: 38-3435918

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

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

Part IV Compliance Questions

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

During the plan year:

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

			Yes	No	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		500000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

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

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

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

OMB No. 1210-0110

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
PORTAGE HEALTH 401(K) RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
PORTAGE HEALTH, INC.

D Employer Identification Number (EIN)
38-1381288

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1**

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 45-6062081 27-1228437

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

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

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

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

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

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

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

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

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

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

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

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

PORTAGE HEALTH, INC.
401(k) RETIREMENT PLAN

AUDITED FINANCIAL STATEMENTS
December 31, 2012 and 2011

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RUKKILA | NEGRO
AND ASSOCIATES
Certified Public Accountants, PC
310 Shelden Avenue, Houghton, Michigan 49931
906.482.6601 906.482.9046 fax www.rukkilanegro.com

INDEPENDENT AUDITOR'S REPORT

The Plan Administrators
Portage Health, Inc.
401(k) Retirement Plan
Hancock, Michigan 49930

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Portage Health 401(k) Retirement Plan, which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on 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 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 J, which was certified by Alerus Financial, N.A., the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the year ended December 31, 2012 and 2011 that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

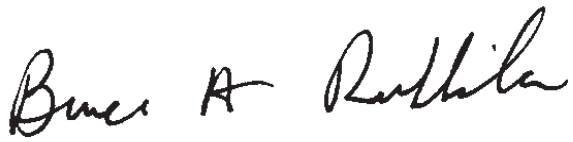
Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

We were engaged for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule H, which is the responsibility of plan management, is presented for the purpose of additional analysis and are not a required part of the financial statements but are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, it is inappropriate to and we do not express an opinion on the supplemental schedules referred to above.

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 schedule, 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 Unites States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.



Rukkila, Negro, and Associates,
Certified Public Accountants, PC

October 7, 2013

PORTAGE HEALTH, INC.
401(k) RETIREMENT PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR PLAN BENEFITS
December 31, 2012 and 2011

	2012	2011
ASSETS:		
Cash	$ -	$ 1,567
Investments at fair value (Note I)	27,189,140	22,738,172
Receivables:		
Employer contributions	86,320	63,790
Participant contributions	1,512	727
Notes receivable (Note A)	695,491	613,416
Total receivables	783,323	677,933
Total assets	27,972,463	23,417,672
LIABILITIES:		
Other liabilities	-	1,569
Total liabilities	-	1,569
Net assets available for benefits	$ 27,972,463	$ 23,416,103

The accompanying notes to financial statements are an integral part of this statement.

PORTAGE HEALTH, INC.
401(k) RETIREMENT PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Years Ended December 31, 2012 and 2011

	2012	2011
Additions:		
Additions to net assets attributed to:		
Investment income:		
Net appreciation/(depreciation) in fair value of investments (Note C)	$ 2,623,193	$ (666,060)
Interest	28,192	24,975
Dividends	252,970	288,748
Total investment income	2,904,355	(352,337)
Contributions:		
Participant	1,725,167	1,669,618
Employer	1,832,349	1,674,541
Noncash contributions (Note D)	811	4,542
Rollover	99,796	135,131
Total contributions	3,658,123	3,483,832
Total additions	6,562,478	3,131,495
Deductions:		
Deductions from net assets attributed to:		
Benefits paid to participants	1,870,517	2,342,906
Administrative expenses (Note H)	135,601	128,171
Total deductions	2,006,118	2,471,077
Net increase (decrease)	4,556,360	660,418
Net assets available for benefits:		
Beginning of year	23,416,103	22,755,685
End of year	$ 27,972,463	$ 23,416,103

The accompanying notes to financial statements are an integral part of this statement.

NOTE A - DESCRIPTION OF THE PLAN

The following description of Portage Health 401(k) Retirement Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering all eligible employees of Portage Health, Inc. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Eligibility

All employees who are not considered temporary, field staff employees, or are not a part of a collective bargaining agreement between the Employer or the Michigan Nurses Association become eligible participants in the Plan upon completion of one year of service during which they completed 1,000 hours of service and where the participant has attained the age of 21.

Contributions

Eligible employees may contribute to the 401(k) plan an amount equal to 1% up to 100% of their compensation, not to exceed $17,000 ($22,500 for employees age 50 or older), the maximum amount allowed by the IRS. The Company will make a matching contribution equal to $.50 for every $1 that participants contribute up to a maximum of 2% of annual compensation. The Company may also make additional discretionary contributions at the option of the Company's board of directors for all eligible participants. For the plan years ended December 31, 2012 and 2011, the Company made discretionary contributions of 5% of compensation.

All employer contributions will stop in the event of retirement, death, disability, termination, or attainment of age 70.

Forfeitures

Forfeited nonvested account balances are used to offset Plan expenses and the to reduce the Plan Sponsor’s contributions to the Plan.

Vesting

Participants are immediately vested 100% in the contributions which Portage Health, Inc. has made for each year.

Participant Accounts

Each participant's account is credited with the participant’s contributions and allocations of the Company’s contribution and Plan earnings, and charged an allocation of administrative expenses. Allocations are based on the participant's earnings or account balances. The benefit to which a participant is entitled is the benefit that can be provided from the participants vested account.

NOTE A - DESCRIPTION OF THE PLAN (Continued)

Payment of Benefits

Upon retirement or termination, married participants will automatically receive a qualified joint and survivor annuity and an unmarried participant will be paid in the form of a single life annuity, unless a qualified election has been filed with the plan administrator. With a qualified election benefits can be paid in the form of a lump sum, direct transfer, direct rollover to a qualified plan, installment payments, or one of various annuity options.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

All loans must be adequately secured and participant may borrow up to 50% of a participant's vested interest in the Plan. The participants vested interest serves as security for the loan. The Plan allows for no more than two loans outstanding at one time. Only one new loan during any twelve month period is allowed and the loan amount cannot exceed the lesser of $50,000 or one-half of the vested balance. For the years 2012 and 2011 new loans of $358,396 and $24,975, respectively, were paid to participants and $276,321 and $7,852, respectively, of loans were repaid by participants to the Plan. Total loans, as of December 31, 2012 and 2011, are $695,491 and $613,416 respectively.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

Plan transaction are recorded on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation

Net assets available for plan benefits are stated at the amount as certified by the trust company. The trust company holds the Plan's investment assets and executes transactions therein.

Subsequent Events

The Company evaluates events occurring subsequent to the date of the financial statements in determining the accounting for disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through the date of the accompanying independent auditor's report, which is the date the financial statements were available to be issued.

NOTE C - INVESTMENTS

The following table presents participant directed investments at December 31, 2012 and 2011 that represent five percent (5%) or more of the Plan's net assets.

Participant Directed	2012	2011
Alerus:		
Conservative Growth Fund	$ 5,314,796	$ 3,854,327
Moderate Growth Fund	$ 6,721,391	$ 5,801,589
Aggressive Growth Fund	$ 4,382,519	$ 3,601,784
Morley Stable Value	$ 1,517,318	$ 1,854,229

During 2012 and 2011 the plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated/(depreciated) in value by ($2,623,193) and ($666,060) respectively as follows:

	2012	2011
Common Collective Trusts	$ 1,993,683	$ (259,345)
Mutual Funds	629,510	(406,715)
Total	$ 2,623,193	$ (666,060)

NOTE D - NONCASH CONTRIBUTIONS

Non cash contributions in the amount of $809 for the year ending December 31, 2012, is the difference in accruals booked to be allocated to participant accounts for the prior year and the amount that was actually allocated to participant accounts.

Noncash contributions in the amount $4,542 for the year ending December 31, 2011 are 2010 contribution overages applied in 2011.

NOTE E - FAIR VALUE MEASUREMENTS

FASB Statement NO. 157, *Fair Value Measurements,* establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB Statement No. 157 are described as follows:

NOTE E - FAIR VALUE MEASUREMENTS (Continued)

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan can access at the measurement date.

Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 Unobservable inputs for the assets or liabilities.

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

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

Common stocks, corporate bonds, and U.S. government securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the net asset value (NAV) of shares held by the Plan at year-end.

Guaranteed investment contract: or Common trust funds: Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the creditworthiness of the issuer.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although 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.

NOTE E - FAIR VALUE MEASUREMENTS (Continued)

Investments at Fair Value as of December 31, 2012

	Level 1	Level 2	Level 3	Total
Mutual funds				
Value funds	$ 3,065,452	$ -	$ -	$ 3,065,452
Blended funds	1,516,170	-	-	1,516,170
Growth funds	2,470,399	-	-	2,470,399
Bond funds	1,811,173	-	-	1,811,173
Other funds	254,675	-	-	254,675
Common collective trusts	-	18,071,271	-	18,071,271
Total assets at fair value	$ 9,117,869	$ 18,071,271	$ -	$ 27,189,140

Investments at Fair Value as of December 31, 2011

	Level 1	Level 2	Level 3	Total
Mutual funds				
Value funds	$ 3,190,436	$ -	$ -	$ 3,190,436
Blended funds	1,224,734	-	-	1,224,734
Growth funds	2,100,300	-	-	2,100,300
Bond funds	1,306,387	-	-	1,306,387
Other funds	137,316	-	-	137,316
Common collective trusts	-	14,778,999	-	14,778,999
Total assets at fair value	$ 7,959,173	$ 14,778,999	$ -	$ 22,738,172

There were no transfers into or out of Level 1, 2 or 3 measurements for the year ended December 31, 2012.

NOTE F - PLAN TAX STATUS

The Internal Revenue Service has determined and informed Portage Health, Inc. by a letter dated June 1, 2011, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code.

All tax positions taken by the Plan have been assessed to have a near 100% likelihood of being sustained upon their ultimate settlement in the event they are examined by taxing authorities and, therefore, there are no unrecognized tax benefits. The tax years that remain subject to examination by the internal Revenue Service are 2009-2012.

NOTE G - PLAN TERMINATION

It is Portage Health, Inc.'s intent to continue the Plan indefinitely. However, if changes in business conditions require it, Portage Health, Inc. has reserved the right to amend, modify or terminate the Plan upon written notice to the Plan administrator. If the Plan is terminated all contributions will be discontinued and participants will become fully vested in their plan accounts.

NOTE H - ADMINISTRATIVE EXPENSES

For the years ending December 31, 2012 and 2011 respectively, Portage Health, Inc. incurred management fees in the amount of $59,384 and $53,711, and administrative fees in the amount of $58,432 and $55,554. The plan was charged an average of .4% and .5% for the years ending December 31, 2012 and 2011 respectively.

For the years ending December 31, 2012 and 2011 respectively, individual participants with distribution or loan transactions were charged fees of $17,709 and $18,475, and short term redemption fees in the amount of $76 and $431.

NOTE I - INFORMATION CERTIFIED BY THE PLAN'S TRUSTEE

The Plan Administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the Trustee has certified that the information listed below is complete and accurate:

	2012	2011
Statement of Net Assets Available for Benefits		
Investments	27,189,140	22,738,172
Notes receivable from participants	695,491	613,416
Statements of Changes in Net Assets Available for Benefits		
Net appreciation in fair value of investments	2,623,193	(666,060)
Dividends	252,970	288,748
Interest on notes receivable from participants	28,192	24,975
All information disclosed in Notes C and E		
All information in the supplemental schedule		

The Plan's independent certified public accountants did not perform auditing procedures with respect to information certified by the Trustee, except for comparing such information to the related information included in the financial statements and supplemental schedules.

NOTE J - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

There were no unreconcilable differences for the year ended December 31, 2012 and December 31, 2011 between the financial statements and form 5500.

NOTE K - AMENDMENTS

There were no amendments for the year ending December 31, 2012 and 2011.

NOTE J - INFORMATION PREPARED AND CERTIFIED BY TRUSTEE

The following information included in the accompanying financial statements and supplemental schedules was obtained from data that has been prepared and certified to as complete and accurate by the trustee:

Investments at fair value:	2012	2011
Conservative Income Fund	$ 480,290	$ 425,593
Moderate Income Fund	$ 1,078,870	$ 1,095,707
Conservative Growth Fund	$ 4,953,888	$ 3,854,327
Moderate Growth Fund	$ 6,208,048	$ 5,801,589
Aggressive Growth Fund	$ 4,030,124	$ 3,601,784
American Beacon Large Cap Value	$ 476,669	$ 345,028
Columbia Acorn	$ 423,554	$ 349,319
Dodge & Cox Income	$ 438,183	$ 360,788
Fidelity Balanced Fund	$ 175,354	$ 93,906
Fidelity Convertible Securities	$ -	$ 51,253
Fidelity Inflation-Protection	$ 179,659	$ 116,046
Fidelity Real Estate Inv	$ 319,524	$ 304,501
Fidelity Strategic Income	$ 462,046	$ 495,916
Fidelity Spartan 500 Index Fund	$ 390,903	$ 263,470
Perkins Mid-Cap Value Fund	$ 187,896	$ 175,292
Perkins Small-Cap Value Fund	$ 290,836	$ 233,019
Lazard Emerging Mkt Open	$ 351,441	$ 304,328
Morley Stable Value Fund	$ 1,501,519	$ 1,854,229
MFS Utilities Fund R4	$ 146,253	$ 185,085
Oppenheimer Intl Bond A	$ 417,365	$ 333,636
Pimco Commodity Real Ret	$ 116,644	$ 137,316
T Rowe Price Intl Discovery	$ 337,580	$ 296,913
T Rowe Price New Horizon	$ 342,961	$ 301,563
T Rowe Price New American	$ 572,656	$ 485,607
American Funds EuroPacific	$ 491,019	$ 405,068
First Eagle Global A	$ 575,507	$ 521,822
American Funds Hi Inc Tr	$ 262,754	$ 167,923
Vanguard Mid Cap Index	$ 232,005	$ 177,144
Self Directed Brokerage Account	$ 142,385	$ -
Loan	$ 695,491	$ 613,416
Employee Contribution Receivable	$ 1,512	$ 727
Employer Contribution Receivable	$ 86,320	$ 63,663

SUPPLEMENTAL SCHEDULE

PORTAGE HEALTH, INC.
401(k) RETIREMENT PLAN #001
EIN 38-1381288
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2012

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
(b)	(c)	(d)	(e)
Participant Directed Investments:			
Alerus	Conservative Income Fund		
	Mutual Fund, No Stated Rate of Return	$ 480,290	$ 505,366
Alerus	Income Fund		
	Mutual Fund, No Stated Rate of Return	1,078,870	1,147,199
Alerus	Conservative Growth Fund		
	Mutual Fund, No Stated Rate of Return	4,953,888	5,314,796
Alerus	Moderate Growth Fund		
	Mutual Fund, No Stated Rate of Return	6,208,048	6,721,391
Alerus	Aggressive Growth Fund		
	Mutual Fund, No Stated Rate of Return	4,030,124	4,382,519
American Beacon	Large Cap Fund		
	Mutual Fund, No Stated Rate of Return	476,669	512,802
Columbia Acorn	Z Fund		
	Mutual Fund, No Stated Rate of Return	423,554	429,561
Dodge & Cox	Income Account		
	Mutual Fund, No Stated Rate of Return	438,183	447,639
Fidelity Investments	Balanced Fund		
	Mutual Fund, No Stated Rate of return	175,354	182,174
Fidelity Investments	Inflation-Protection Account		
	Mutual Fund, No Stated Rate of Return	179,659	184,171
Fidelity Investments	Real Estate Investment		
	Mutual Fund, No Stated Rate of Return	319,524	344,295
Fidelity Investments	Strategic Income Account		
	Mutual Fund, No Stated Rate of Return	462,046	476,157
Spartan Funds	500 Index Fund		
	Mutual Fund, No Stated Rate of Return	360,903	381,214
Perkins	Mid-Cap Value Fund		
	Mutual Fund, No Stated Rate of Return	187,896	187,299
Perkins	Small Cap Value		
	Mutual Fund, No Stated Rate of Return	290,836	286,958
Lazard	Emerging Mkt Open		
	Mutual Fund, No Stated Rate of Return	351,441	365,358
Morley	Stable Value Fund		
	Mutual Fund, No Stated Rate of Return	1,501,519	1,517,318

PORTAGE HEALTH, INC.
401(k) RETIREMENT PLAN #001
EIN 38-1381288
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2012 (Continued)

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
(b)	(c)	(d)	(e)
MFS	Utilities Fund R4		
	Mutual Fund, No Stated Rate of Return	146,253	157,441
Oppenheimer	International Bond A		
	Mutual Fund, No Stated Rate of Return	417,365	432,560
Pimco	Commodity Real Ret		
	Mutual Fund, No Stated Rate of Return	116,644	112,290
T Rowe Price	International Discovery		
	Mutual Fund, No Stated Rate of Return	337,580	381,938
T Rowe Price	New Horizon		
	Mutual Fund, No Stated Rate of Return	342,961	335,342
T Rowe Price	New American		
	Mutual Fund, No Stated Rate of Return	572,656	607,867
American Funds	Europacific		
	Mutual Fund, No Stated Rate of Return	491,019	533,517
First Eagle	Sogen Global A		
	Mutual Fund, No Stated Rate of Return	575,507	590,933
American Funds	High Income Account		
	Mutual Fund, No Stated Rate of Return	262,754	270,646
Vanguard	Mid Cap Index		
	Mutual Fund, No Stated Rate of Return	232,005	238,004
Self Directed	Brokerage Account		
	Mutual Fund, No Stated Rate of Return	142,385	142,385
Loan	Loan Account	-	695,491
Alerus	Salary deferral receivable	-	
	Employee	-	1,512
Alerus	Receivable-Match	-	
	Employer		86,320
	Total Participant Directed Investments	$ 25,555,933	$ 27,972,463

Attachment to 2012 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name Portage Health 401(k) Retirement Plan **EIN:** 38-1381288
Plan Sponsor's Name Portage Health, Inc. **PN:** 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	Alerus	Conservative Income Fnd Mutual Fund No stated ROR		505,366
	Alerus	Conservative Growth Fnd Mutual Fund No stated ROR		5,314,796
	Alerus	Moderate Growth Fund Mutual Fund No stated ROR		6,721,391
	Alerus	Moderate Income Fund Mutual Fund No stated ROR		1,147,199
	Alerus	Aggressive Growth Fund Mutual Fund No stated ROR		4,382,519
	American Beacon	Large Cap Fund Mutual Fund No stated ROR		512,802
	Columbia Acorn	Z Fund Mutual Fund No stated ROR		429,561

Attachment to 2012 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name Portage Health 401(k) Retirement Plan **EIN:** 38-1381288
Plan Sponsor's Name Portage Health, Inc. **PN:** 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	Dodge & Cox	Income Accout Mutual Fund No Stated ROR		447,639
	Fidelity Investments	Balanced Fund Mutual Fund No stated ROR		182,171
	Self Directed	Brokerage Account Mutual Fund No stated ROR		142,385
	Fidelity Investments	Inflation-Protection Mutual Fund No stated ROR		184,170
	Fidelity Investments	Real Estate Investment Mutual fund No stated ROR		344,295
	Fidelity Investments	Strategic Income Fund Mutual Fund No stated ROR		476,157
	Spartan Funds	500 Index Fund Mutual Fund No stated ROR		381,214

Attachment to 2012 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name Portage Health 401(k) Retirement Plan **EIN:** 38-1381288
Plan Sponsor's Name Portage Health, Inc. **PN:** 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	Perkins	Mid-Cap Value Fund Mutual Fund No stated ROR		187,299
	Perkins	Small Cap Value Mutual Fund No stated ROR		286,958
	Loan	Loan Account		695,491
	Lazard	Emerging Market Open Mutual Fund No Stated ROR		365,358
	Morley	Stable Value Fund Mutual Fund No Stated ROR		1,517,318
	MFS	Utilities Fund R4 Mutual Fund No Stated ROR		157,441
	Oppenheimer	International Bond A Fund Mutual Fund No Stated ROR		432,560

Attachment to 2012 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name Portage Health 401(k) Retirement Plan **EIN:** 38-1381288
Plan Sponsor's Name Portage Health, Inc. **PN:** 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	PIMCO	Commodity Real Ret Mutual Fund No Stated ROR		112,290
	T. Rowe Price	International Discovery Mutual Fund No Stated ROR		381,938
	T. Rowe Price	New Horizon Mutual Fund No Stated ROR		335,342
	T. Rowe Price	New American Mutual Funds No stated ROR		607,867
	American Funds	EuroPacific R6 Mutual Fund No stated ROR		533,517
	American Fund	Hi Income Trust Mutual Fund No stated ROR		270,646
	First Eagle	Global A Mutual Fund No stated ROR		590,933

Attachment to 2012 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name Portage Health 401(k) Retirement Plan **EIN:** 38-1381288
Plan Sponsor's Name Portage Health, Inc. **PN:** 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	Vanguard	Mid Cap Value Mutual Fund		238,004