

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
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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 LAUREL HEALTH SYSTEM TAX DEFERRED ANNUITY 403(B) P	<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;">002</td> </tr> <tr> <td colspan="2">1c Effective date of plan 07/01/1993</td> </tr> </table>	1b Three-digit plan number (PN) ▶	002	1c Effective date of plan 07/01/1993	
1b Three-digit plan number (PN) ▶	002				
1c Effective date of plan 07/01/1993					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) LAUREL HEALTH SYSTEM 32-36 CENTRAL AVE WELLSBORO, PA 16901	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) 24-0795488</td> </tr> <tr> <td>2c Sponsor's telephone number 570-723-0106</td> </tr> <tr> <td>2d Business code (see instructions) 622000</td> </tr> </table>	2b Employer Identification Number (EIN) 24-0795488	2c Sponsor's telephone number 570-723-0106	2d Business code (see instructions) 622000	
2b Employer Identification Number (EIN) 24-0795488					
2c Sponsor's telephone number 570-723-0106					
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. Signature of plan administrator	10/14/2013 Date	ELIZABETH BRUBAKER Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature. Signature of employer/plan sponsor	10/14/2013 Date	ELIZABETH BRUBAKER 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 1461
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	1097
b Retired or separated participants receiving benefits.....	6b	13
c Other retired or separated participants entitled to future benefits.....	6c	203
d Subtotal. Add lines 6a , 6b , and 6c	6d	1313
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	1313
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	1107
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	76
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: 2M 2L 2A 2F 2G 3F 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) ☒ 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) ☒ <u>1</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

SCHEDULE A (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	Insurance 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. ► Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 <hr/> 2012 <hr/> This Form is Open to Public Inspection
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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 TAX DEFERRED ANNUITY 403(B) P</u>	B Three-digit plan number (PN) ►	<u>002</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	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
<u>04-1590850</u>	<u>65935</u>	<u>MR 60861</u>	<u>1313</u>	<u>01/01/2012</u>	<u>12/31/2012</u>

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

(a) Total amount of commissions paid	(b) Total amount of fees paid
<u>0</u>	<u>0</u>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Part II Investment and Annuity Contract Information

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

4 Current value of plan's interest under this contract in the general account at year end	4	
5 Current value of plan's interest under this contract in separate accounts at year end	5	0

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ **GROUP ANNUITY CONTRACT**

b Balance at the end of the previous year	7b	0
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c Additions: (1) Contributions deposited during the year	7c(1)	68186	
(2) Dividends and credits	7c(2)	0	
(3) Interest credited during the year	7c(3)	14938	
(4) Transferred from separate account	7c(4)	2516441	
(5) Other (specify below)	7c(5)	90418	

▶ **HOLDING ACCOUNT INTEREST, ROLLOVER,**

(6) Total additions	7c(6)	2689983
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d Total of balance and additions (add lines 7b and 7c(6))	7d	2689983
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	218557	
(2) Administration charge made by carrier	7e(2)	0	
(3) Transferred to separate account	7e(3)	0	
(4) Other (specify below)	7e(4)	0	

(5) Total deductions	7e(5)	218557
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f Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	2471426
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Part III Welfare Benefit Contract Information

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

8 Benefit and contract type (check all applicable boxes)

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

9 Experience-rated contracts:

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

10 Nonexperience-rated contracts:

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

Specify nature of costs ▶

Part IV Provision of Information

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

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

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		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 TAX DEFERRED ANNUITY 403(B) P</u>	B Three-digit plan number (PN) ▶ <u>002</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
MASSACHUSETTS MUTUAL LIFE INS. CO.

04-1590850

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

24-0756925

(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)

LAUREL HEALTH SYSTEM

24-0795488

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 29	PLAN SPONSOR	0	Yes ☒ No ☐	Yes ☐ No ☒	22500	Yes ☐ No ☒

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

MASSACHUSETTS MUTUAL LIFE INS. CO.

04-1590850

(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?
52 60 63 68 72	CONTRACT ADMINISTRATOR	200	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(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?
21 25 18 15	RECORD KEEPER	30107	Yes ☒ No ☐	Yes ☒ No ☐	42107	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
LAUREL HEALTH SYSTEM	10 29	22500

(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.
MASSACHUSETTS MUTUAL LIFE INS. CO. 04-1590850	PLAN RELATED EXPENSES

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MASSACHUSETTS MUTUAL LIFE INS. CO.	72	0

(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.
PREMIER SHRT-DRTN BND FD BABSON 04-3212057	BASIS POINTS * PLAN ASSETS

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MASSACHUSETTS MUTUAL LIFE INS. CO.	72	0

(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.
PREMIER MONEY MARKET FD BABSON 04-3212059	BASIS POINTS * PLAN ASSETS

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
MASSACHUSETTS MUTUAL LIFE INS. CO.	72	0

(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.
MM S&P 500 INDEX FDNORTHERN TRUST 04-3410047	BASIS POINTS * PLAN ASSETS

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MASSACHUSETTS MUTUAL LIFE INS. CO.	72	0

(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.
SELECT FOCUSED VALUE FUND HARRIS 04-3512590	BASIS POINTS * PLAN ASSETS

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MASSACHUSETTS MUTUAL LIFE INS. CO.	72	0

(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.
SEL BLUE CHIP GR FD T. ROWE PRICE 04-3556992	BASIS POINTS * PLAN ASSETS

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
MASSACHUSETTS MUTUAL LIFE INS. CO.	72	0
(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.	
SEL OVERSEAS FD MFS/HARRIS/JPMRGN 04-3557000	BASIS POINTS * PLAN ASSETS	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MASSACHUSETTS MUTUAL LIFE INS. CO.	60	0
(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.	
FIDELITY CONTRAFUND 04-6056833	BASIS POINTS * PLAN ASSETS	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MASSACHUSETTS MUTUAL LIFE INS. CO.	60	0
(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.	
ALLIANCEBERNSTEIN SMALL CAP GR FD 13-2625045	BASIS POINTS * PLAN ASSETS	

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
MASSACHUSETTS MUTUAL LIFE INS. CO.	60	0
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>PRUDENTIAL JENNISON MID CAP GR FD</p> <p>13-2631108</p> </div> <div style="width: 40%;"> <p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>BASIS POINTS * PLAN ASSETS</p> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(a) Enter service provider name as it appears on line 2</p> <p>MASSACHUSETTS MUTUAL LIFE INS. CO.</p> </div> <div style="width: 20%;"> <p>(b) Service Codes (see instructions)</p> <p style="text-align: center;">60</p> </div> <div style="width: 20%;"> <p>(c) Enter amount of indirect compensation</p> <p style="text-align: center;">0</p> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>JP MORGAN MID CAP VALUE FUND</p> <p>13-3963293</p> </div> <div style="width: 40%;"> <p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>BASIS POINTS * PLAN ASSETS</p> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(a) Enter service provider name as it appears on line 2</p> <p>MASSACHUSETTS MUTUAL LIFE INS. CO.</p> </div> <div style="width: 20%;"> <p>(b) Service Codes (see instructions)</p> <p style="text-align: center;">60</p> </div> <div style="width: 20%;"> <p>(c) Enter amount of indirect compensation</p> <p style="text-align: center;">0</p> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>T. ROWE PRICE RETIREMENT 2010 FUND</p> <p>20-0001631</p> </div> <div style="width: 40%;"> <p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>BASIS POINTS * PLAN ASSETS</p> </div> </div>		

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
MASSACHUSETTS MUTUAL LIFE INS. CO.	60	0

(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.
T. ROWE PRICE RETIREMENT 2020 FUND 20-0001634	BASIS POINTS * PLAN ASSETS

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MASSACHUSETTS MUTUAL LIFE INS. CO.	60	0

(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.
T. ROWE PRICE RETIREMENT 2030 FUND 20-0001636	BASIS POINTS * PLAN ASSETS

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MASSACHUSETTS MUTUAL LIFE INS. CO.	60	0

(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.
T. ROWE PRICE RETIREMENT 2040 FUND 20-0001638	BASIS POINTS * PLAN ASSETS

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
MASSACHUSETTS MUTUAL LIFE INS. CO.	60	0

(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.
PRUDENTIAL TOTAL RETURN BOND FUND 22-3703799	BASIS POINTS * PLAN ASSETS

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MASSACHUSETTS MUTUAL LIFE INS. CO.	60	0

(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.
JP MORGAN SMALL CAP VALUE FUND 26-3613641	BASIS POINTS * PLAN ASSETS

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MASSACHUSETTS MUTUAL LIFE INS. CO.	60	0

(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.
PIMCO HIGH YIELD FUND 33-0484500	BASIS POINTS * PLAN ASSETS

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
MASSACHUSETTS MUTUAL LIFE INS. CO.	60	0

(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.
T. ROWE PRICE RETIREMENT 2050 FUND 51-0612044	BASIS POINTS * PLAN ASSETS

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MASSACHUSETTS MUTUAL LIFE INS. CO.	60	0

(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.
AMER FUNDS WASH MUTUAL INVS FUND 52-0793788	BASIS POINTS * PLAN ASSETS

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MASSACHUSETTS MUTUAL LIFE INS. CO.	60	0

(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.
T. ROWE PRICE RETIREMENT 2005 FUND 52-1151266	BASIS POINTS * PLAN ASSETS

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
MASSACHUSETTS MUTUAL LIFE INS. CO.	60	0
(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.	
T. ROWE PRICE RETIREMENT 2015 FUND 52-1151266	BASIS POINTS * PLAN ASSETS	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MASSACHUSETTS MUTUAL LIFE INS. CO.	60	0
(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.	
T. ROWE PRICE RETIREMENT 2025 FUND 52-1151266	BASIS POINTS * PLAN ASSETS	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MASSACHUSETTS MUTUAL LIFE INS. CO.	60	0
(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.	
T. ROWE PRICE RETIREMENT 2035 FUND 52-1151266	BASIS POINTS * PLAN ASSETS	

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
MASSACHUSETTS MUTUAL LIFE INS. CO.	60	0
(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.	
T. ROWE PRICE RETIREMENT 2055 FUND 52-1151266	BASIS POINTS * PLAN ASSETS	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MASSACHUSETTS MUTUAL LIFE INS. CO.	60	0
(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.	
T. ROWE PRICE RETIREMENT 2045 FUND 52-2264646	BASIS POINTS * PLAN ASSETS	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MASSACHUSETTS MUTUAL LIFE INS. CO.	60	0
(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.	
COLUMBIA MID CAP INDEX FUND 56-0906609	BASIS POINTS * PLAN ASSETS	

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
MASSACHUSETTS MUTUAL LIFE INS. CO.	60	0
(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.	
COLUMBIA SMALL CAP INDEX FUND 56-0906609	BASIS POINTS * PLAN ASSETS	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MASSACHUSETTS MUTUAL LIFE INS. CO.	60	0
(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.	
T. ROWE PRICE RETIREMENT INCM FUND 56-2294396	BASIS POINTS * PLAN ASSETS	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MASSACHUSETTS MUTUAL LIFE INS. CO.	60	0
(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.	
OPPENHEIMER DEVELOPING MARKETS FUND 93-6305075	BASIS POINTS * PLAN ASSETS	

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
MASSACHUSETTS MUTUAL LIFE INS. CO.	60	0
(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.	
AMER FUNDS BALANCED FUND 94-6050854	BASIS POINTS * PLAN ASSETS	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MASSACHUSETTS MUTUAL LIFE INS. CO.	60	0
(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.	
PIMCO ALL ASSET FUND 95-2632339	BASIS POINTS * PLAN ASSETS	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
MASSACHUSETTS MUTUAL LIFE INS. CO.	60	0
(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.	
PIMCO GNMA FUND 95-2632339	BASIS POINTS * PLAN ASSETS	

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

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="border: 1px solid black; padding: 5px; font-size: 1.2em; font-weight: bold;">2012</div> This Form is Open to Public Inspection
For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>		
A Name of plan <u>LAUREL HEALTH SYSTEM TAX DEFERRED ANNUITY 403(B) P</u>		B Three-digit plan number (PN) ► <u>002</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	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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	Total noninterest-bearing cash	1a	75226	0
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	268540	271454
	(2) Participant contributions	1b(2)		61326
	(3) Other.....	1b(3)	315	0
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	1703934	0
	(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)	0	0
	(9) Value of interest in common/collective trusts.....	1c(9)	0	0
	(10) Value of interest in pooled separate accounts.....	1c(10)	0	0
	(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)	26731271	30622023
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	0	2471426
	(15) Other	1c(15)	0	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(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	28779286	33426229

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	9018	0
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	9018	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	28770268	33426229
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	1295370	
(B) Participants	2a(1)(B)	1629847	
(C) Others (including rollovers)	2a(1)(C)	1089182	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		4014399
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)	0	
(F) Other	2b(1)(F)	14938	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		14938
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	817291	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		817291
(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)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(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)		3242575
c Other income.....	2c		0
d Total income. Add all income amounts in column (b) and enter total.....	2d		8089203

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3411953	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		3411953
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		0
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	21089	
(2) Contract administrator fees	2i(2)	200	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		21289
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		3433242

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		4655961
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(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.	X		

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 <u>LAUREL HEALTH SYSTEM TAX DEFERRED ANNUITY 403(B) P</u>	B Three-digit plan number (PN) ▶ <u>002</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	Distributions
---------------	----------------------

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-1590850</u> <u>24-0756925</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (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): _____

Susquehanna Health

October 14, 2013

ParenteBeard LLC
400 Market Street
Williamsport, PA 17701

This representation letter is provided in connection with your audits of the financial statements of Laurel Health System Tax Deferred Annuity 403(b) Plan (the "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 year ended December 31, 2012, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements present fairly, in all material respects, the net assets available for benefits and changes in net assets available for benefits in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of October 14, 2013, the following representations made to you during your audits:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 18, 2013, for the preparation and fair presentation of the financial statements in U.S. GAAP.
- We acknowledge our responsibility for 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. The methods and significant assumptions used to estimate fair values of financial instruments are as follows: Mutual funds and the money market fund are valued at the net asset value of shares held by the Plan at year end. The value of the investment contract with insurance company is calculated by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer. The methods and significant assumptions used result in a measure of fair value appropriate for financial measurement and disclosure purposes.
- We are responsible for the estimation methods and assumptions used in measuring assets and liabilities reported or disclosed at fair value, including information obtained from brokers, pricing services, or other third parties. Our valuation methodologies have

Administrative Offices

22 Walnut Street Wellsboro, PA 16901 p (570) 723-0500 SusquehannaHealth.org

been consistently applied from period to period. The fair value measurements reported or disclosed represents our best estimate of fair value as of the measurement date in accordance with the requirements of Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurement*. In addition, our disclosure related to fair value measurements are consistent with the objectives outlined in FASB ASC 820.

- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- Transactions with parties in interest, as defined in Section 3(14) of ERISA and regulations thereunder, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from, or payable to, related parties have been appropriately disclosed.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- We have no intentions to terminate the Plan.
- Guarantees, whether written or oral, under which the Plan is contingently liable to a bank or another lending institution, have been properly recorded or disclosed in the financial statements.
- We have properly reported and disclosed amendments to the plan instrument, if any.
- We acknowledge our responsibility for the presentation of the supplementary information in accordance with the applicable criteria and we believe the supplementary information, including its form and content, is fairly presented in accordance with the applicable criteria. The methods of measurement or presentation have not changed from those used in the prior period.

Information Provided

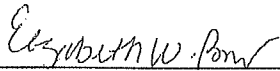
- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters;
 - Additional information that you have requested from us for the purpose of the audit;
 - Unrestricted access to persons within the plan from whom you determined it necessary to obtain audit evidence; and
 - Amendments made to the plan instrument, trust agreement, or insurance contracts during the year, including amendments to comply with applicable laws.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- Financial instruments with off-balance sheet risk and financial instruments with concentrations of credit risk have been properly recorded or disclosed in the financial statements.
- The Plan has satisfactory title to all owned assets which are recorded at fair value, and all liens, encumbrances, or security interest requiring disclosure in the financial statements have been properly disclosed.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the plan and involves:

- Management;
- Employees who have significant roles in internal control; or
- Others when the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the plan's financial statements communicated by employees, former employees, participants, regulators, beneficiaries, service providers, third-party administrators, or others.
- There are no known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
- We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.
- There are no other matters (for example, breach of fiduciary responsibilities, nonexempt transactions, loans or loans in default, events reportable to the Pension Benefit Guaranty Corporation, or events that may jeopardize the tax status) that legal counsel has advised us must be disclosed.
- We have disclosed to you the identity of the Plan's related parties and parties in interest and all the related party and party in interest relationships and transactions of which we are aware.
- We have apprised you of all communications, whether written or oral, with regulatory agencies concerning the operation of the Plan.
- The Plan has complied with all aspects of debt and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- All required filings with the appropriate agencies have been made.
- The Plan (and the trust established under the Plan) is qualified under the appropriate section of the Internal Revenue Code and intends to continue as a qualified plan (and trust). The plan sponsor has operated the plan and trust or insurance contract in a manner that did not jeopardize this tax status. Required nondiscrimination testing related to Code Section 403(b)(12) arrangements has been completed for the plan, and any excess deferrals or contributions have been disposed of in accordance with regulations.
- The Plan has complied with the Department of Labor's regulations concerning the timely remittance of participants' contributions to trusts containing assets for the Plan.
- The Plan has complied with the fidelity bonding requirements of ERISA.
- There are no:
 - *Non-exempt party-in-interest transactions* (as defined in ERISA Section 3(1) and regulations under that section) that were not disclosed in the supplemental schedules or financial statements;
 - Investments in default or considered to be uncollectible that were not disclosed in the supplemental schedules; or
 - *Reportable transactions* (as defined in ERISA section 103(b)(3)(H) and regulations under that section) that were not disclosed in the supplemental schedules.
- Employer matching contributions were 50% of up to 3% of a participant's compensation for 2012 and amounted \$340,197. The employer age-weighted contributions for 2012 were based on the participant's age that ranged from .65% to 4.00% of a participant's eligible compensation and amounted to \$955,173.
- We have evaluated the plan's covered service providers to ensure compliance with ERISA 408(b)(2), Services Provider Rules, and ERISA 404(a)(5) Participant Disclosures Rules. Each covered service provider has provided the Plan a written contract which

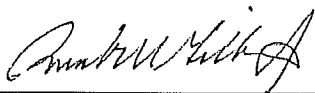
complies with the criteria set forth in the 408(b)(2) regulation: disclosure of services to be provided, description of compensation, manner of receipt of such compensation and all conflicts of interest. Communications to participants in accordance with the 404(a)(5) regulation were provided to the participants of the Plan on or before August 30, 2012 and all expenses of the Plan were presented to the participants of the Plan in a manner which complies with the 404(a)(5) regulation. Plan management has evaluated all fees paid by the Plan for the year ended December 31, 2012 for reasonableness.

- The Plan has not maintained sufficient accounting records and supporting documents relating to certain annuity and custodial accounts issued to current and former employees prior to January 1, 2009. The following four criteria have been met to exclude annuity contracts and custodial accounts as part of the employer's Title I plan or as plan assets for purposes of ERISA's annual reporting requirements:
 - The contract or account was issued to a current or former employee before January 1, 2009
 - The employer ceased to have any obligation to make contributions (including employee salary reduction contributions), and in fact ceased making contributions to the contract or account before January 1, 2009
 - All of the rights and benefits under the contract or account are legally enforceable against the insurer or custodian by the individual owner of the contract or account without any involvement by the employer; and
 - The individual owner of the contract is fully vested in the contract or account

As a result of the above criteria being met, the annuity and custodial accounts issued to current and former employees prior to January 1, 2009 have met the criteria for exclusion under the Department of Labor's Field Assistance Bulletin 2009-02, Annual Reporting for 403(b) Plans.



Elizabeth Brubaker, Director of Compensation and Benefits



Ron Gilbert, Chief Financial Officer

**Laurel Health System Tax
Deferred Annuity 403(b) Plan**

Financial Statements and
Supplementary Information

December 31, 2012 and 2011



Laurel Health System Tax Deferred Annuity 403(b) Plan

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December 31, 2012 and 2011

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Independent Auditors' Report

Participants and Plan Administrator
Laurel Health System Tax Deferred Annuity 403(b) Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Laurel Health System Tax Deferred Annuity 403(b) Plan, ("the 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 year ended December 31, 2012, 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

The Plan has not maintained sufficient accounting records and supporting documents relating to certain annuity and custodial accounts issued to current and former employees prior to January 1, 2009. Accordingly, we were unable to apply auditing procedures sufficiently to determine the extent to which the financial statements may have been affected by these conditions. Also, as described in Note 10, the Plan has excluded from investments in the accompanying statements of net assets available for benefits certain annuity and custodial accounts issued to current and former employees prior to January 1, 2009, as permitted by the Department of Labor's (DOL) Field Assistance Bulletin No. 2009-02, *Annual Reporting Requirements for 403(b) Plans*. The investment income and distributions related to such accounts have also been excluded in the accompanying statement of changes in net assets available for benefits. The amount of these excluded annuity and custodial accounts and the related income and distributions are not determinable. Accounting principles generally accepted in the United States of America require that these accounts and the related income and distributions be included in the accompanying financial statements.

Disclaimer of Opinion

Because of the significance of the matters 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 schedule of Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year) as of December 31, 2012, is required by the DOL's Rules and Regulations for Reporting and Disclosures under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is 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 this supplemental schedule.

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 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 14, 2013

Laurel Health System
Tax Deferred Annuity 403(b) Plan

Statement of Net Assets Available for Benefits
December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Assets		
Investments, at fair value	\$ 33,093,449	\$ 28,435,205
Receivables:		
Employer contribution	271,454	268,540
Employee contribution	61,326	-
Accrued interest and dividends	-	315
Total receivables	<u>332,780</u>	<u>268,855</u>
Cash	<u>-</u>	<u>75,226</u>
Total assets	33,426,229	28,779,286
Liabilities		
Administrative expenses payable	<u>-</u>	<u>9,018</u>
Net assets available for benefits	<u><u>\$ 33,426,229</u></u>	<u><u>\$ 28,770,268</u></u>

See notes to financial statements

Laurel Health System
Tax Deferred Annuity 403(b) Plan

Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2012

Additions to Net Assets Attributed to

Investment income:	
Net appreciation in fair value of investments	\$ 3,242,575
Interest and dividends	<u>832,229</u>
Total investment income	<u>4,074,804</u>
Contributions:	
Participant	1,629,847
Employer	1,295,370
Rollovers	<u>1,089,182</u>
Total contributions	<u>4,014,399</u>
Total additions	<u>8,089,203</u>

Deductions From Net Assets Attributed to

Benefits paid to participants	3,411,953
Administrative expenses	<u>21,289</u>
Total deductions	<u>3,433,242</u>
Net increase in net assets available for benefits	4,655,961

Net Assets Available for Benenefits

Beginning of year	<u>28,770,268</u>
End of year	<u><u>\$ 33,426,229</u></u>

See notes to financial statements

Laurel Health System Tax Deferred Annuity 403(b) Plan

Notes to Financial Statements
December 31, 2012 and 2011

1. Description of the Plan

The following description of the Laurel Health System Tax Deferred Annuity 403(b) Plan (the "Plan") provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering substantially all employees of Laurel Health System and those affiliated corporations which adopt the Plan (collectively, the "Plan Sponsor"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

The Plan has evaluated subsequent events for recognition or disclosure through October 14, 2013, the date the financial statements were available to be issued.

Contributions

Each year, participants may contribute up to the maximum limits of the Internal Revenue Code ("IRC"). Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions. Participants who have completed 15 years of service may make additional contributions in accordance with the plan document. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participant contributions to the Plan are recorded in the period that payroll deductions are made from participants. The Plan Sponsor, at its discretion, contributes to the Plan a basic contribution based on the participant's age and a percentage of compensation ranging from .65% to 4.00%, as defined in the plan document. The Plan Sponsor, at its discretion, may also make matching contributions to the Plan. For 2012, matching contributions were equal to 50% of up to 3% of a participant's compensation. Matching contributions amounted to \$340,197 for 2012. Participants direct the investment of all contributions into various investment options offered by the Plan. Contributions are subject to certain limitations.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Plan Sponsor's contribution and (b) plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Plan Sponsor's contribution is based on years of continuous service. Participants are fully vested after three years of credited service. A participant becomes fully vested upon death or disability.

Laurel Health System Tax Deferred Annuity 403(b) Plan

Notes to Financial Statements
December 31, 2012 and 2011

Payment of Benefits

On termination of service due to death, disability, retirement, or other reasons, a participant will receive, in the form of a rollover, or a lump-sum amount or installments, equal to the value of the participant's vested interest in their account. The participant may also elect that the participant's vested account be used to purchase an annuity. In addition, the Plan allows for hardship distributions if certain criteria are met.

Forfeited Accounts

Forfeited non-vested accounts totaled \$38,789 at December 31, 2012 and \$11,734 at December 31, 2011. These accounts will be used to pay plan administrative expenses and then to reduce future employer contributions. Forfeitures of \$30,107 were used to pay plan administrative expenses during 2012.

2. Summary of Significant Accounting Policies

Basis of Accounting

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

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive contracts from fair value to contract value. At December 31, 2012, no adjustment was recorded as contract value approximates fair value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

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, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

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.

Laurel Health System Tax Deferred Annuity 403(b) Plan

Notes to Financial Statements
December 31, 2012 and 2011

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 includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Administration of Plan Assets

The Plan's assets were administered under contracts with Citizens & Northern Bank (the "Former Trustee"), in which it served as trustee of the Plan from January 1, 2012 through July 31, 2012. Effective August 1, 2012, the Plan's assets were administered under a contract with Massachusetts Mutual Life Insurance Company ("Mass Mutual") and was selected to be the Custodian. The Custodian and Former Trustee invest funds received from contributions, investment sales, interest, dividend income, and make distribution payments to participants. Certain administrative expenses of maintaining the Plan are paid by the Plan Sponsor.

Payment of Benefits

Benefits are recorded when paid.

New Accounting Pronouncement

The Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*. ASU No. 2011-04 includes new and clarified guidance on fair value measurement. The adoption of the amended guidance required certain additional disclosures in the notes to the Plan's financial statements on a prospective basis.

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.

Laurel Health System Tax Deferred Annuity 403(b) Plan

Notes to Financial Statements

December 31, 2012 and 2011

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

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.

The value of the investment contract with insurance company is calculated by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer (Note 5). Because the participants transact at contract value, fair value is determined annually for financial statement reporting purposes only. Certain unobservable inputs are assessed through review of contract terms while others are substantiated utilizing available market data.

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:				
Growth funds	\$ 13,000,942	\$ -	\$ -	\$ 13,000,942
Fixed income fund	7,218,202	-	-	7,218,202
Index funds	6,836,049	-	-	6,836,049
Balanced funds	2,376,701	-	-	2,376,701
Other funds	1,190,133	-	-	1,190,133
Investment contract with insurance company	-	-	2,471,422	2,471,422
	<u>\$ 30,622,027</u>	<u>\$ -</u>	<u>\$ 2,471,422</u>	<u>\$ 33,093,449</u>
Assets at Fair Value as of December 31, 2011				
Mutual funds:				
Growth funds	\$ 11,831,179	\$ -	\$ -	\$ 11,831,179
Fixed income funds	7,069,257	-	-	7,069,257
Index funds	6,350,432	-	-	6,350,432
Balanced funds	1,016,981	-	-	1,016,981
Other funds	463,422	-	-	463,422
Money market fund	1,703,934	-	-	1,703,934
	<u>\$ 28,435,205</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,435,205</u>

Laurel Health System Tax Deferred Annuity 403(b) Plan

Notes to Financial Statements

December 31, 2012 and 2011

The following table presents the change in fair value for the investment contract with insurance company for the year ended December 31, 2012:

Balance, beginning of year	\$ -
Contributions	106,064
Distributions	(218,557)
Interest	14,230
Transfers	2,569,685
Total	<u>\$ 2,471,422</u>

Quantitative information about significant unobservable inputs used in measuring the fair value of the investment contract with insurance company is as follows:

Investments	Fair Value	Principal Valuation Techniques	Unobservable Inputs	Significant Input Values
Investment Contract with Insurance Company	\$ 2,471,422	Market Value Formula	Assumed Interest Rate Experience Rate	1.70% 1.62%

4. Investments

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

	2012	2011
Mutual funds:		
Prudential Total Return Bond Fund	\$ 7,218,202	\$ -
American Funds Washington Mutual Investor Fund	3,766,524	-
Columbia Small Cap Index Fund	3,332,171	-
Mass Mutual Select Blue Chip Growth Fund	3,331,428	-
Mass Mutual Select Overseas Fund	2,369,257	-
Columbia Mid Cap Index Fund	2,188,666	-
PIMCO Total Return Bond Fund	-	7,069,257
Dreyfus Small Cap Stock Index Fund	-	2,959,507
Growth Fund of America	-	2,648,104
Vanguard Mid-Cap Index Investor Fund	-	1,812,191
American Beacon Large Cap Value Fund	-	1,810,925
Fidelity Diversified International Equity Fund	-	1,797,857
Columbia Large Cap Value Fund	-	1,706,146
Fidelity Money Market Fund	-	1,703,934
Investment contract with insurance company, Capital Preservation Fund	2,471,422	-

During 2012 and 2011, the Plan's investment in mutual funds, (including gains and losses on investments bought, sold, as well as held during the year) appreciated in value by \$3,242,575.

Laurel Health System Tax Deferred Annuity 403(b) Plan

Notes to Financial Statements
December 31, 2012 and 2011

5. Investment Contract with Insurance Company

Effective August 1, 2012, the Plan invested in a fully benefit-responsive investment contract with Mass Mutual. Mass Mutual maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. As described in Note 2, because the guaranteed investment contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. Contract value, as reported to the Plan by Mass Mutual, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rate is based on a formula agreed upon with the issuer, but it may not be less than zero. The crediting interest rate was 1.62% for the period from January 1, 2012 to December 31, 2012. Such interest rates are reviewed on a semi-annual basis for resetting.

Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include the following: (1) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan, or (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The plan administrator does not believe that the occurrence of any such value event, which would limit the Plan's ability to transact at contract value with plan participants, is probable.

The guaranteed investment contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

The average yields of the guaranteed investment contract are as follows for the plan year ended December 31, 2012:

Based on actual earnings	1.62 %
Based on interest rate credited to participants	1.62 %

6. Related Party Transactions

Certain of the Plan's investments are managed by the Custodian. In addition, certain fees paid to the Former Trustee and Custodian are paid by the Plan. These transactions qualify as party-in-interest transactions.

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.

Laurel Health System Tax Deferred Annuity 403(b) Plan

Notes to Financial Statements
December 31, 2012 and 2011

7. Plan Termination

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

8. Tax Status

The Plan has been designed to qualify under Section 403(b) of the IRC and therefore, it is not currently eligible to receive a determination letter from the Internal Revenue Service ("IRS"). The Plan is required to operate in conformity with the IRC to maintain its qualification under Section 403(b). Effective April 2013, the IRS implemented a program for Section 403(b) plans; the Plan will comply accordingly. The plan administrator believes the Plan is operating in accordance with the applicable requirements of Section 403(b) of the IRC and therefore believes the plan is qualified and the related custodial accounts are tax-exempt.

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

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

10. Custodial Accounts Excluded From Financial Statements

As permitted by the FAB 2009-02, the plan administrator has elected to exclude certain custodial accounts from the Plan's financial statements. These custodial accounts were limited to employee contributions held under a voluntary 403(b) plan arrangement prior to January 1, 2009. The amount of the excluded custodial accounts at December 31, 2012 and 2011 could not be determined. The plan administrator has concluded that the custodial accounts have met the criteria required under FAB 2009-02 and as such, have been excluded from the Plan's financial statements.

Laurel Health System Tax Deferred Annuity 403(b) Plan

Notes to Financial Statements

December 31, 2012 and 2011

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
Tax Deferred Annuity 403(b) Plan

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

EIN: 24-0795488 Plan No. 002

December 31, 2012

(a)	Identity of Issue (b)	Description of Investment (c)	Cost (d)	Current Value (e)
*	Contract with insurance company	Capital Preservation Fund	N/R	\$ 2,471,422
	Mutual funds	Prudential Total Return Bond Fund	N/R	7,218,202
		American Funds Washington Mutual Investor Fund	N/R	3,766,524
		Columbia Small Cap Index Fund	N/R	3,332,171
*		Mass Mutual Select Blue Chip Growth Fund	N/R	3,331,428
*		Mass Mutual Select Overseas Fund	N/R	2,369,257
		Columbia Mid Cap Index Fund	N/R	2,188,666
		Fidelity Contrafund	N/R	1,461,797
		MM S&P 500 Index Fund	N/R	1,315,212
*		Mass Mutual Select Focused Value Fund	N/R	758,781
		T. Rowe Price Retirement 2010	N/R	666,543
		Oppenheimer Developing Markets Fund	N/R	540,174
		American Funds Balanced Fund	N/R	514,613
		PIMCO Real Return Bond Fund	N/R	474,907
		PIMCO All Asset Fund	N/R	368,484
		T. Rowe Price Retirement 2020	N/R	366,071
		T. Rowe Price Retirement 2015	N/R	364,229
		T. Rowe Price Retirement 2030	N/R	326,657
		PIMCO GNMA Fund	N/R	253,597
		Prudential Jennison Mid Cap Growth Fund	N/R	228,190
		T. Rowe Price Retirement 2025	N/R	224,350
		T. Rowe Price Retirement 2035	N/R	143,301
		T. Rowe Price Retirement 2040	N/R	127,235
		PIMCO High Yield Fund	N/R	93,145
		T. Rowe Price Retirement 2045	N/R	78,458
		T. Rowe Price Retirement 2050	N/R	28,707
		T. Rowe Price Retirement Income Fund	N/R	25,451
		T. Rowe Price Retirement 2055	N/R	25,224
		JP Morgan Mid Cap Value Fund	N/R	14,079
		JP Morgan Small Cap Value Fund	N/R	8,197
		Alliancebernstein Small Cap Growth	N/R	7,902
		T. Rowe Price Retirement 2005	N/R	475
		Total investments		<u>\$ 33,093,449</u>

* A party-in-interest as defined by ERISA

N/R - Participant directed investment; cost not required to be reported

A Name of Plan Laurel Health System Tax Deferred Annuity 403(b) Plan	B Three-digit plan Number 002
C Plan sponsor's name as shown on line 2a of Form 5500 Laurel Health System	D Employer Identification Number 240795488

Schedule H, line 4i - Schedule of Assets (Held At End of Year)

(a)	(b) Identity of issue, borrower, lessor, or similar part	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current Value
*	MassMutual	Guaranteed Interest Account	2,471,426	2,471,426
*	MassMutual Premier	Holding Account - MF-AG	0	0
*	AllianceBernstein	MF-1223	7,959	7,902
*	Prudential	MF-1435	7,159,402	7,218,202
*	Allianz Global Investors	MF-589	484,548	474,907
*	Allianz Global Investors	MF-741	259,141	253,597
*	Allianz Global Investors	MF-812	361,126	368,484
*	T. Rowe Price	MF-A0	481	475
*	MassMutual Select	MF-A1	3,250,181	3,331,428
*	MassMutual Select	MF-AH	2,126,954	2,369,257
*	MassMutual Select	MF-AV	767,627	758,781
*	MassMutual Select	MF-AX	1,308,494	1,315,212
*	T. Rowe Price	MF-B0	365,419	364,229
*	Columbia	MF-B2	3,244,134	3,332,171
*	Columbia	MF-B8	2,132,980	2,188,666
*	T. Rowe Price	MF-C0	220,230	224,350
*	Oppenheimer	MF-C9	499,098	540,174
*	T. Rowe Price	MF-D0	139,488	143,301
*	T. Rowe Price	MF-E0	76,127	78,458
*	T. Rowe Price	MF-F0	24,513	25,224
*	Allianz Global Investors	MF-PH	91,305	93,145
*	JP Morgan	MF-QJ	13,952	14,079
*	JennisonDryden	MF-T	229,121	228,190
*	T. Rowe Price	MF-T2	25,165	25,451
*	T. Rowe Price	MF-T3	671,354	666,543
*	T. Rowe Price	MF-T4	358,988	366,071
*	T. Rowe Price	MF-T6	318,529	326,657
*	T. Rowe Price	MF-T7	124,548	127,235
*	T. Rowe Price	MF-T9	27,830	28,707
*	American Funds	MF-VC	3,736,106	3,766,524
*	American Funds	MF-VE	501,393	514,613
*	Fidelity Investments	MF-WB	1,441,557	1,461,797
*	JP Morgan	MF-XJ	7,728	8,197

A Name of Plan Laurel Health System Tax Deferred Annuity 403(b) Plan		B Three-digit Plan Number 002
C Plan sponsor's name as shown on line 2a of Form 5500 Laurel Health System		D Employer Identification Number

Schedule of Reportable Transactions

(a) Identity of party involved	(b) Description of asset (include interest rate and maturity in case of a loan)	(c) Purchase price	(d) Selling price	(e) Lease Rental	(f) Expense incurred with transaction	(g) Cost of asset	(h) Current Value of asset on transaction date	(i) Net gain or (loss)
MassMutual	Guaranteed Interest	2,001,724	0		0	0	0	0
Columbia	MF-B2	3,094,423	0		0	0	0	0
	MF-B8	2,061,256	0		0	0	0	0
Prudential	MF-1435	7,328,190	5,054		0	5,054	5,054	0
American F	MF-VC	3,707,123	0		0	0	0	0
MassMutual	MF-A1	3,266,286	0		0	0	0	0
	MF-AH	2,099,552	0		0	0	0	0
Fidelity Inv	MF-WB	1,511,205	0		0	0	0	0

A Name of Plan Laurel Health System Tax Deferred Annuity 403(b) Plan	B Three-digit plan Number	002
C Plan sponsor's name as shown on line 2a of Form 5500 Laurel Health System	D Employer Identification Number 240795488	

Schedule C Formula Description and/or EIC Statement Description

Service Provider Name	Service Provider EIN	Service Provider Address	Formula / EIC Statement
AllianceBernstein	132625045		MassMutual provided the Plan with the required written disclosure for Management Fees received by AllianceBernstein with respect to AllianceBernstein Small Cap Gr Fd - Class A (MF-1223).
American Funds	520793788		MassMutual provided the Plan with the required written disclosure for Management Fees received by American Funds with respect to Amer Funds Wash Mutual Invs Fund - Class 3 (MF-VC).
American Funds	946050854		MassMutual provided the Plan with the required written disclosure for Management Fees received by American Funds with respect to Amer Funds Balanced Fund - Class 3 (MF-VE).
Columbia	560906609		MassMutual provided the Plan with the required written disclosure for Management Fees received by Columbia with respect to Columbia Mid Cap Index Fund - Class A (MF-B8).
Columbia	560906609		MassMutual provided the Plan with the required written disclosure for Management Fees received by Columbia with respect to Columbia Small Cap Index Fund - Class A (MF-B2).
Fidelity Investments	046056833		MassMutual provided the Plan with the required written disclosure for Management Fees received by Fidelity Investments with respect to Fidelity Contrafund (MF-WB).
JP Morgan	133963293		MassMutual provided the Plan with the required written disclosure for Management Fees received by JP Morgan with respect to JP Morgan Mid Cap Value Fund - Class A (MF-QJ).
JP Morgan	263613641		MassMutual provided the Plan with the required written disclosure for Management Fees received by JP Morgan with respect to JP Morgan Small Cap Value Fund - Class A (MF-XJ).
Massachusetts Mutual Life Insurance Company	041590850		MassMutual provided the plan with the required written disclosure for 12b-1 Fees received by MassMutual with respect to AllianceBernstein Small Cap Gr Fd - Class A (MF-1223).
Massachusetts Mutual Life Insurance Company	041590850		MassMutual provided the plan with the required written disclosure for 12b-1 Fees received by MassMutual with respect to Amer Funds Balanced Fund - Class 3 (MF-VE).
Massachusetts Mutual Life Insurance Company	041590850		MassMutual provided the plan with the required written disclosure for 12b-1 Fees received by MassMutual with respect to Amer Funds Wash Mutual Invs Fund - Class 3 (MF-VC).
Massachusetts Mutual Life Insurance Company	041590850		MassMutual provided the plan with the required written disclosure for 12b-1 Fees received by MassMutual with respect to Columbia Mid Cap Index Fund - Class A (MF-B8).
Massachusetts Mutual Life Insurance Company	041590850		MassMutual provided the plan with the required written disclosure for 12b-1 Fees received by MassMutual with respect to Columbia Small Cap Index Fund - Class A (MF-B2).
Massachusetts Mutual Life Insurance Company	041590850		MassMutual provided the plan with the required written disclosure for 12b-1 Fees received by MassMutual with respect to JP Morgan Mid Cap Value Fund - Class A (MF-QJ).
Massachusetts Mutual Life Insurance Company	041590850		MassMutual provided the plan with the required written disclosure for 12b-1 Fees received by MassMutual with respect to JP Morgan Small Cap Value Fund - Class A (MF-XJ).
Massachusetts Mutual Life Insurance Company	041590850		MassMutual provided the plan with the required written disclosure for 12b-1 Fees received by MassMutual with respect to MM S&P 500 Index Fd(Northern Trust) - Class A (MF-AX).
Massachusetts Mutual Life Insurance Company	041590850		MassMutual provided the plan with the required written disclosure for 12b-1 Fees received by MassMutual with respect to Oppenheimer Developing Markets Fund - Class A (MF-C9).
Massachusetts Mutual Life Insurance Company	041590850		MassMutual provided the plan with the required written disclosure for 12b-1 Fees received by MassMutual with respect to PIMCO All Asset Fund - Class A (MF-812).
Massachusetts Mutual Life Insurance Company	041590850		MassMutual provided the plan with the required written disclosure for 12b-1 Fees received by MassMutual with respect to PIMCO GNMA Fund - Class A (MF-741).
Massachusetts Mutual Life Insurance Company	041590850		MassMutual provided the plan with the required written disclosure for 12b-1 Fees received by MassMutual with respect to PIMCO High Yield Fund - Class A (MF-PH).

Massachusetts Mutual Life Insurance Company	041590850	MassMutual provided the plan with the required written disclosure for 12b-1 Fees received by MassMutual with respect to PIMCO Real Return Fund - Class A (MF-589).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual provided the plan with the required written disclosure for 12b-1 Fees received by MassMutual with respect to Premier Money Market Fd (Babson) - Class A (MF-AG).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual provided the plan with the required written disclosure for 12b-1 Fees received by MassMutual with respect to Premier Shrt-Drtn Bnd Fd (Babson) - Class A (MF-AF).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual provided the plan with the required written disclosure for 12b-1 Fees received by MassMutual with respect to Prudential Jennison Mid Cap Gr Fd - Class A (MF-T).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual provided the plan with the required written disclosure for 12b-1 Fees received by MassMutual with respect to Prudential Total Return Bond Fund - Class A (MF-1435).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual provided the plan with the required written disclosure for 12b-1 Fees received by MassMutual with respect to Sel Blue Chip Gr Fd (T.Rowe Price) - Class A (MF-A1).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual provided the plan with the required written disclosure for 12b-1 Fees received by MassMutual with respect to Sel Overseas Fd (MFS/Harris/JPMrgn) - Class A (MF-AH).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual provided the plan with the required written disclosure for 12b-1 Fees received by MassMutual with respect to Select Focused Value Fund (Harris) - Class A (MF-AV).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual provided the Plan with the required written disclosure for float revenue received by MassMutual.
Massachusetts Mutual Life Insurance Company	041590850	MassMutual provided the Plan with the required written disclosure for Management Fees received by MassMutual with respect to MM S&P 500 Index Fd(Northern Trust) - Class A (MF-AX).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual provided the Plan with the required written disclosure for Management Fees received by MassMutual with respect to Premier Money Market Fd (Babson) - Class A (MF-AG).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual provided the Plan with the required written disclosure for Management Fees received by MassMutual with respect to Premier Shrt-Drtn Bnd Fd (Babson) - Class A (MF-AF).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual provided the Plan with the required written disclosure for Management Fees received by MassMutual with respect to Sel Blue Chip Gr Fd (T.Rowe Price) - Class A (MF-A1).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual provided the Plan with the required written disclosure for Management Fees received by MassMutual with respect to Sel Overseas Fd (MFS/Harris/JPMrgn) - Class A (MF-AH).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual provided the Plan with the required written disclosure for Management Fees received by MassMutual with respect to Select Focused Value Fund (Harris) - Class A (MF-AV).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual provided the plan with the required written disclosure for soft dollar compensation received by the subadviser with respect to Sel Blue Chip Gr Fd (T.Rowe Price) - Class A (MF-A1).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual provided the plan with the required written disclosure for soft dollar compensation received by the subadviser with respect to Sel Overseas Fd (MFS/Harris/JPMrgn) - Class A (MF-AH).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual provided the plan with the required written disclosure for soft dollar compensation received by the subadviser with respect to Select Focused Value Fund (Harris) - Class A (MF-AV).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual received estimated Administrative Fees of (11 basis points * plan assets) with respect to Premier Money Market Fd (Babson) - Class A (MF-AG).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual received estimated Administrative Fees of (33 basis points * plan assets) with respect to MM S&P 500 Index Fd(Northern Trust) - Class A (MF-AX).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual received estimated Administrative Fees of (39 basis points * plan assets) with respect to Premier Shrt-Drtn Bnd Fd (Babson) - Class A (MF-AF).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual received estimated Administrative Fees of (41 basis points * plan assets) with respect to Sel Blue Chip Gr Fd (T.Rowe Price) - Class A (MF-A1).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual received estimated Administrative Fees of (43 basis points * plan assets) with respect to Select Focused Value Fund (Harris) - Class A (MF-AV).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual received estimated Administrative Fees of (45 basis points * plan assets) with respect to Sel Overseas Fd (MFS/Harris/JPMrgn) - Class A (MF-AH).

Massachusetts Mutual Life Insurance Company	041590850	MassMutual received estimated Sub-TA Fees of (10 basis points * plan assets) with respect to Amer Funds Balanced Fund - Class 3 (MF-VE).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual received estimated Sub-TA Fees of (10 basis points * plan assets) with respect to Amer Funds Wash Mutual Invs Fund - Class 3 (MF-VC).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual received estimated Sub-TA Fees of (10 basis points * plan assets) with respect to Columbia Mid Cap Index Fund - Class A (MF-B8).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual received estimated Sub-TA Fees of (10 basis points * plan assets) with respect to Columbia Small Cap Index Fund - Class A (MF-B2).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual received estimated Sub-TA Fees of (15 basis points * plan assets) with respect to PIMCO All Asset Fund - Class A (MF-812).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual received estimated Sub-TA Fees of (15 basis points * plan assets) with respect to PIMCO GNMA Fund - Class A (MF-741).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual received estimated Sub-TA Fees of (15 basis points * plan assets) with respect to PIMCO High Yield Fund - Class A (MF-PH).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual received estimated Sub-TA Fees of (15 basis points * plan assets) with respect to T. Rowe Price Retirement 2005 Fund - Class I (MF-A0).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual received estimated Sub-TA Fees of (15 basis points * plan assets) with respect to T. Rowe Price Retirement 2010 Fund - Class I (MF-T3).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual received estimated Sub-TA Fees of (15 basis points * plan assets) with respect to T. Rowe Price Retirement 2015 Fund - Class I (MF-B0).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual received estimated Sub-TA Fees of (15 basis points * plan assets) with respect to T. Rowe Price Retirement 2020 Fund - Class I (MF-T4).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual received estimated Sub-TA Fees of (15 basis points * plan assets) with respect to T. Rowe Price Retirement 2025 Fund - Class I (MF-C0).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual received estimated Sub-TA Fees of (15 basis points * plan assets) with respect to T. Rowe Price Retirement 2030 Fund - Class I (MF-T6).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual received estimated Sub-TA Fees of (15 basis points * plan assets) with respect to T. Rowe Price Retirement 2035 Fund - Class I (MF-D0).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual received estimated Sub-TA Fees of (15 basis points * plan assets) with respect to T. Rowe Price Retirement 2040 Fund - Class I (MF-T7).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual received estimated Sub-TA Fees of (15 basis points * plan assets) with respect to T. Rowe Price Retirement 2045 Fund - Class I (MF-E0).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual received estimated Sub-TA Fees of (15 basis points * plan assets) with respect to T. Rowe Price Retirement 2050 Fund - Class I (MF-T9).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual received estimated Sub-TA Fees of (15 basis points * plan assets) with respect to T. Rowe Price Retirement 2055 Fund - Class I (MF-F0).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual received estimated Sub-TA Fees of (15 basis points * plan assets) with respect to T. Rowe Price Retirement Incm Fund - Class I (MF-T2).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual received estimated Sub-TA Fees of (20 basis points * plan assets) with respect to Prudential Jennison Mid Cap Gr Fd - Class A (MF-T).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual received estimated Sub-TA Fees of (23 basis points * plan assets) with respect to AllianceBernstein Small Cap Gr Fd - Class A (MF-1223).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual received estimated Sub-TA Fees of (25 basis points * plan assets) with respect to Fidelity Contrafund (MF-WB).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual received estimated Sub-TA Fees of (25 basis points * plan assets) with respect to JP Morgan Mid Cap Value Fund - Class A (MF-QJ).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual received estimated Sub-TA Fees of (25 basis points * plan assets) with respect to JP Morgan Small Cap Value Fund - Class A (MF-XJ).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual received estimated Sub-TA Fees of (25 basis points * plan assets) with respect to Prudential Total Return Bond Fund - Class A (MF-1435).
Massachusetts Mutual Life Insurance Company	041590850	MassMutual received estimated Sub-TA Fees of (38 basis points * plan assets) with respect to Oppenheimer Developing Markets Fund - Class A (MF-C9).
Oppenheimer	936305075	MassMutual provided the Plan with the required written disclosure for Management Fees received by Oppenheimer with respect to Oppenheimer Developing Markets Fund - Class A (MF-C9).
PIMCO Funds	330484500	MassMutual provided the Plan with the required written disclosure for Management Fees received by PIMCO Funds with respect to PIMCO High Yield Fund - Class A (MF-PH).

PIMCO Funds	952632339	MassMutual provided the Plan with the required written disclosure for Management Fees received by PIMCO Funds with respect to PIMCO All Asset Fund - Class A (MF-812).
PIMCO Funds	952632339	MassMutual provided the Plan with the required written disclosure for Management Fees received by PIMCO Funds with respect to PIMCO GNMA Fund - Class A (MF-741).
PIMCO Funds	952632339	MassMutual provided the Plan with the required written disclosure for Management Fees received by PIMCO Funds with respect to PIMCO Real Return Fund - Class A (MF-589).
Prudential	132631108	MassMutual provided the Plan with the required written disclosure for Management Fees received by Prudential with respect to Prudential Jennison Mid Cap Gr Fd - Class A (MF-T).
Prudential	223703799	MassMutual provided the Plan with the required written disclosure for Management Fees received by Prudential with respect to Prudential Total Return Bond Fund - Class A (MF-1435).
T. Rowe Price	200001631	MassMutual provided the Plan with the required written disclosure for Management Fees received by T. Rowe Price with respect to T. Rowe Price Retirement 2010 Fund - Class I (MF-T3).
T. Rowe Price	200001634	MassMutual provided the Plan with the required written disclosure for Management Fees received by T. Rowe Price with respect to T. Rowe Price Retirement 2020 Fund - Class I (MF-T4).
T. Rowe Price	200001636	MassMutual provided the Plan with the required written disclosure for Management Fees received by T. Rowe Price with respect to T. Rowe Price Retirement 2030 Fund - Class I (MF-T6).
T. Rowe Price	200001638	MassMutual provided the Plan with the required written disclosure for Management Fees received by T. Rowe Price with respect to T. Rowe Price Retirement 2040 Fund - Class I (MF-T7).
T. Rowe Price	510612044	MassMutual provided the Plan with the required written disclosure for Management Fees received by T. Rowe Price with respect to T. Rowe Price Retirement 2050 Fund - Class I (MF-T9).
T. Rowe Price	521151266	MassMutual provided the Plan with the required written disclosure for Management Fees received by T. Rowe Price with respect to T. Rowe Price Retirement 2005 Fund - Class I (MF-A0).
T. Rowe Price	521151266	MassMutual provided the Plan with the required written disclosure for Management Fees received by T. Rowe Price with respect to T. Rowe Price Retirement 2015 Fund - Class I (MF-B0).
T. Rowe Price	521151266	MassMutual provided the Plan with the required written disclosure for Management Fees received by T. Rowe Price with respect to T. Rowe Price Retirement 2025 Fund - Class I (MF-C0).
T. Rowe Price	521151266	MassMutual provided the Plan with the required written disclosure for Management Fees received by T. Rowe Price with respect to T. Rowe Price Retirement 2035 Fund - Class I (MF-D0).
T. Rowe Price	521151266	MassMutual provided the Plan with the required written disclosure for Management Fees received by T. Rowe Price with respect to T. Rowe Price Retirement 2055 Fund - Class I (MF-F0).
T. Rowe Price	522264646	MassMutual provided the Plan with the required written disclosure for Management Fees received by T. Rowe Price with respect to T. Rowe Price Retirement 2045 Fund - Class I (MF-E0).
T. Rowe Price	562294396	MassMutual provided the Plan with the required written disclosure for Management Fees received by T. Rowe Price with respect to T. Rowe Price Retirement Incm Fund - Class I (MF-T2).

Schedule C Soft Dollar Compensation Eligible Indirect Compensation Statement

Mutual fund investments of the plan (whether direct or indirect through a separate investment account) may have soft dollar arrangements pursuant to which the investment advisor or sub-advisor to the mutual fund (and/or its affiliates) may direct trades to certain brokers in exchange for research and other services, other than just trade execution. For plans investing directly or indirectly in the MassMutual Premier or Select Funds, MassMutual provided the required written disclosure regarding soft dollar compensation on the Schedule C Formula Description and/or EIC Statement Description Attachment. For all other mutual funds, MassMutual provided the required written disclosure in the Statement of Additional Information (“SAI”).

For additional information on soft dollar compensation, refer to the section of the mutual fund’s SAI that discusses brokerage allocation and other practices.