

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 <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2013</div> <div style="text-align: center; font-weight: bold;">This Form is Open to Public Inspection</div>
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Part I	Annual Report Identification Information
For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</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	RETIREMENT PLAN FOR EMPLOYEES OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS	1b Three-digit plan number (PN) ▶	001
		1c Effective date of plan	05/01/1956
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)	MEMORIAL HEALTH SYSTEM OF EAST TX	2b Employer Identification Number (EIN)	75-0755367
		2c Sponsor's telephone number	936-634-8111
		2d Business code (see instructions)	622000

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2014	KEN MILLER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☐ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address RETIREMENT COMMITTEE PO BOX 1447 LUFKIN, TX 75902-1447		3b Administrator's EIN 75-1516079
		3c Administrator's telephone number 936-634-8111
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 1170
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 323
b Retired or separated participants receiving benefits		6b 283
c Other retired or separated participants entitled to future benefits.....		6c 514
d Subtotal. Add lines 6a , 6b , and 6c		6d 1120
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits		6e 31
f Total. Add lines 6d and 6e		6f 1151
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested		6h
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

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

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

A Name of plan <u>RETIREMENT PLAN FOR EMPLOYEES OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>MEMORIAL HEALTH SYSTEM OF EAST TX</u>	D Employer Identification Number (EIN) <u>75-0755367</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2013</u>	
2 Assets:	
a Market value	2a <u>32369375</u>
b Actuarial value	2b <u>32369375</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment.....	3a <u>323</u> (1) Number of participants <u>15904470</u> (2) Funding Target
b For terminated vested participants.....	3b <u>497</u> <u>9018341</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>3188333</u>
(2) Vested benefits	3c(2) <u>5851882</u>
(3) Total active.....	3c(3) <u>350</u> <u>9040215</u>
d Total.....	3d <u>1170</u> <u>33963026</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b
5 Effective interest rate	5 <u>6.71</u> %
6 Target normal cost	6 <u>248000</u>

Statement by Enrolled Actuary

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

SIGN HERE		<u>10/14/2014</u>
Signature of actuary		Date
<u>STEVEN C. ERICKSON</u>		<u>14-04118</u>
Type or print name of actuary		Most recent enrollment number
<u>TOWERS WATSON DELAWARE INC</u>		<u>214-530-4200</u>
Firm name		Telephone number (including area code)
<u>500 N AKARD ST SUITE 4100</u> <u>DALLAS, TX 75201</u>		
Address of the firm		

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

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

Schedule SB (Form 5500) 2013
v. 130118

Part II Beginning of Year Carryover and Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)		230230
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9	Amount remaining (line 7 minus line 8)		230230
10	Interest on line 9 using prior year's actual return of <u>12.14</u> %		27950
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		296688
b	Interest on (a) using prior year's effective interest rate of <u>7.05</u> % except as otherwise provided (see instructions)		20917
c	Total available at beginning of current plan year to add to prefunding balance		317605
d	Portion of (c) to be added to prefunding balance		317605
12	Other reductions in balances due to elections or deemed elections		
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)		575785

Part III Funding Percentages			
14	Funding target attainment percentage	14	93.61 %
15	Adjusted funding target attainment percentage	15	93.61 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	87.96 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
01/28/2013	120000		08/07/2013	120000	
02/20/2013	120000		09/09/2013	120000	
03/19/2013	120000		09/10/2013	120000	
04/12/2013	120000		10/04/2013	120000	
05/21/2013	120000		11/12/2013	120000	
07/18/2013	120000		12/04/2013	120000	
			Totals ►	18(b) 1440000	18(c)

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a	Contributions allocated toward unpaid minimum required contributions from prior years.	19a
b	Contributions made to avoid restrictions adjusted to valuation date	19b
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 1392907
20 Quarterly contributions and liquidity shortfalls:		
a	Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b	If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☐ Yes ☒ No
c If line 20a is "Yes," see instructions and complete the following table as applicable:		

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 5.23%	2nd segment: 6.51%	3rd segment: 7.16 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 65
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):												
a Target normal cost (line 6).....	31a	248000										
b Excess assets, if applicable, but not greater than line 31a	31b	0										
32 Amortization installments:	<table border="1"> <thead> <tr> <th></th> <th>Outstanding Balance</th> <th>Installment</th> </tr> </thead> <tbody> <tr> <td>a Net shortfall amortization installment.....</td> <td>2169436</td> <td>1136711</td> </tr> <tr> <td>b Waiver amortization installment</td> <td></td> <td></td> </tr> </tbody> </table>				Outstanding Balance	Installment	a Net shortfall amortization installment.....	2169436	1136711	b Waiver amortization installment		
	Outstanding Balance	Installment										
a Net shortfall amortization installment.....	2169436	1136711										
b Waiver amortization installment												
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33											
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	1384711										
		Carryover balance	Prefunding balance									
35 Balances elected for use to offset funding requirement.....			230000									
36 Additional cash requirement (line 34 minus line 35).....	36	1154711										
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	1392907										
38 Present value of excess contributions for current year (see instructions)												
a Total (excess, if any, of line 37 over line 36)	38a	238196										
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	230000										
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39											
40 Unpaid minimum required contributions for all years	40											

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

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

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2013
		This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013	
A Name of plan RETIREMENT PLAN FOR EMPLOYEES OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 MEMORIAL HEALTH SYSTEM OF EAST TX	D Employer Identification Number (EIN) 75-0755367

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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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)

TOWERS WATSON

500 N AKARD ST SUITE 4100
DALLAS, TX 75201

53-0181291

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	NONE	171777	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 ☐

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013		
A Name of plan RETIREMENT PLAN FOR EMPLOYEES OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 MEMORIAL HEALTH SYSTEM OF EAST TX	D Employer Identification Number (EIN) 75-0755367	

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		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)		
	(2) Participant contributions	1b(2)		
	(3) Other	1b(3)	13956	8877
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	2505352	2900927
	(2) U.S. Government securities	1c(2)	2553911	2231954
	(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)	4424636	5297171
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)		
	(9) Value of interest in common/collective trusts	1c(9)		0
	(10) Value of interest in pooled separate accounts	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	22885476	28068306
	(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	32383331	38507235

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	17812	71782
k Total liabilities (add all amounts in lines 1g through 1j)	1k	17812	71782

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	32365519	38435453
---	-----------	----------	----------

Part II Income and Expense Statement

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

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	1440000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1440000

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	30587	
(B) U.S. Government securities	2b(1)(B)	28644	
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		59231

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	119984	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		119984

(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	17553036	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	17544248	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		8788

(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	812481	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		812481

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		5650738
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		8091222

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1670058	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1670058
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	171777	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	82352	
(4) Other	2i(4)	97101	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		351230
j Total expenses. Add all expense amounts in column (b) and enter total	2j		2021288

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		6069934
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☐ Yes ☒ No

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

(1) Name: AXLEY & RODE, LLP

(2) EIN: 75-0767305

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

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

Part IV Compliance Questions

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

During the plan year:

- a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)
- b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
e Was this plan covered by a fidelity bond?	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

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

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

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☒ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>		<div>Retirement Plan Information</div> <div>This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>▶ File as an attachment to Form 5500.</div>		<div>OMB No. 1210-0110</div> <div>2013</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013					
A Name of plan RETIREMENT PLAN FOR EMPLOYEES OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS				B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 MEMORIAL HEALTH SYSTEM OF EAST TX				D Employer Identification Number (EIN) 75-0755367	
Part I Distributions					
All references to distributions relate only to payments of benefits during the plan year.					
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....				1	
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): _____					
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.					
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....				3	0
Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)					
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?..... ☐ Yes ☒ No ☐ N/A					
If the plan is a defined benefit plan, go to line 8.					
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____					
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.					
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....				6a	
b Enter the amount contributed by the employer to the plan for this plan year.....				6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)				6c	
If you completed line 6c, skip lines 8 and 9.					
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?..... ☐ Yes ☐ No ☐ N/A					
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?..... ☐ Yes ☐ No ☒ N/A					
Part III Amendments					
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☒ No					
Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.					
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ☐ Yes ☐ No					
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No					
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... ☐ Yes ☐ No					
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... ☐ Yes ☐ No					
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.				Schedule R (Form 5500) 2013 v. 130118	

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: 86.6% Investment-Grade Debt: 13.3% High-Yield Debt: _____% Real Estate: _____% Other: 0.1%

- 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): _____

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITORS' REPORT

RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas

December 31, 2013 and 2012

C O N T E N T S

Independent Auditors' Report.....	3
Statements of Net Assets Available for Benefits.....	5
Statements of Changes in Net Assets Available for Benefits	6
Statement of Accumulated Plan Benefits	7
Statement of Changes in Accumulated Benefits.....	8
Notes to Financial Statements.....	9
Supplemental Schedules:	
Summary Schedule of Assets Held For Investment (End of Plan Year)	17
Schedule of Reportable Transactions	25

INDEPENDENT AUDITORS' REPORT

Finance Committee
Retirement Plan for Employees of
Memorial Health System of East Texas
Lufkin, Texas

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Retirement Plan for Employees of Memorial Health System of East Texas (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2013 and 2012, the related statements of changes in net assets available for benefits for the years then ended, the statement of accumulated plan benefits as of January 1, 2013, and the related statement of changes in the accumulated plan benefits for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note H, which was certified by First Bank & Trust East Texas, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2013 and 2012, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

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

Other Matter

The supplemental schedules of assets held for investment (at December 31, 2013) and reportable transactions as of or for the year ended December 31, 2013 are required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

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

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.


CERTIFIED PUBLIC ACCOUNTANTS

Lufkin, Texas
October 6, 2014

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas

	DECEMBER 31,	
	2013	2012
ASSETS		
Investments at Fair Value:		
Short-term money market funds	\$ 646 815	\$ 494 477
Certificates of deposit	2 254 016	2 010 779
U. S. Government bonds and agency securities	2 231 954	2 553 911
Corporate stocks	5 297 171	4 424 636
Mutual funds	28 068 306	22 885 476
TOTAL INVESTMENTS	<u>38 498 262</u>	<u>32 369 279</u>
Receivables:		
Contribution receivable	-	-
Accrued interest receivable	8 877	13 956
TOTAL RECEIVABLES	<u>8 877</u>	<u>13 956</u>
Cash (noninterest-bearing)	<u>96</u>	<u>96</u>
TOTAL ASSETS	<u>38 507 235</u>	<u>32 383 331</u>
LIABILITIES		
Accrued expenses	<u>71 782</u>	<u>17 812</u>
TOTAL LIABILITIES	<u>71 782</u>	<u>17 812</u>
NET ASSETS AVAILABLE FOR PLAN BENEFITS	<u>\$ 38 435 453</u>	<u>\$ 32 365 519</u>

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
For the Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Investment Income:		
Net appreciation in fair value of investments	\$ 5 504 099	\$ 2 671 200
Interest	59 231	104 882
Dividends	<u>1 087 892</u>	<u>727 224</u>
	6 651 222	3 503 306
Less investment expenses	<u>76 102</u>	<u>67 507</u>
	6 575 120	3 435 799
Contributions (employer)	<u>1 440 000</u>	<u>1 915 000</u>
TOTAL ADDITIONS	<u>8 015 120</u>	<u>5 350 799</u>
Payments paid directly to participants/beneficiaries	1 670 058	1 635 685
Administrative expense	<u>275 128</u>	<u>171 574</u>
TOTAL DEDUCTIONS	<u>1 945 186</u>	<u>1 807 259</u>
NET INCREASE	6 069 934	3 543 540
Net Assets Available for Plan Benefits:		
Beginning of year	32 365 519	28 821 979
END OF YEAR	<u>\$ 38 435 453</u>	<u>\$ 32 365 519</u>

The accompanying notes are an integral part of these financial statements.

STATEMENT OF ACCUMULATED PLAN BENEFITS
RETIREMENT PLAN FOR EMPLOYEES
OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas

	JANUARY 1, 2013
Actuarial Present Value of Accumulated Plan Benefits:	
Vested Benefits:	
Participating employees	\$ 8 241 846
Participants with deferred benefits	7 568 823
Participants currently receiving payments	<u>14 689 187</u>
	30 499 856
Nonvested and death and disability benefits	<u>-</u>
TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS	\$ <u>30 499 856</u>

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

STATEMENT OF CHANGES IN ACCUMULATED BENEFITS
RETIREMENT PLAN FOR EMPLOYEES
OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas

	FOR THE YEAR ENDED JANUARY 1, 2013
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AT JANUARY 1, 2012	\$ <u>30 745 660</u>
Increase (Decrease) During the Year Ended Attributable To:	
(Decrease) due to payments to participants/beneficiaries	(1 627 563)
Increase due to change in the discount period	2 244 891
(Decrease) due to actuarial gains	<u>(863 132)</u>
NET DECREASE	<u>(245 804)</u>
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AT JANUARY 1, 2013	\$ <u>30 499 856</u>

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

NOTES TO FINANCIAL STATEMENTS
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas

NOTE A - DESCRIPTION OF THE PLAN

The following description of The Retirement Plan for Employees of Memorial Health System of East Texas ("Plan") provides only general information. For a more complete description of the Plan's provisions, refer to the Summary Plan Description or the Plan Agreement. The plan sponsor is Memorial Health System of East Texas.

1. Employees Included in the Plan: Includes all employees who were participants in the superseded plan as of April 30, 1976 and generally all other employees who have completed 1,000 hours of service in one year subsequent to that date prior to the cessation of benefit accruals ("freezing of plan") at December 31, 2003.
2. Vesting Service: Vesting Service is equal to the total period of elapsed time, computed in years and days, from first date of employment until normal retirement date or termination of employment, if earlier, less that portion of any absence that is in excess of 12 months. A participant's initial Vesting Date at 100% is the earlier of (a) the date the participant has completed five years of Vesting Service or (b) the date the participant attains age 65. Normal retirement date is the first day of the month coincident with or next following age 65. See Note J for the effect of the amendment to cease benefit accruals for the Plan effective December 31, 2003.
3. Pension Benefits: On termination of service, a participant under the normal form of benefits will receive monthly income for life, qualified joint and contingent benefit for married employees, or lump sum distribution if benefit is less than \$5,000. Employees are eligible for early retirement if the participant has attained age 55 and completed 15 years of credited service.
4. Death and Disability Benefits: Upon the death of a participant, his beneficiary will receive a monthly retirement income, payable for life thereafter beginning on the first day of the month coincident with or next following the date of death. Upon total and permanent disability of a participant he will be entitled to a monthly income, payable for life.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting: The Plan has prepared its financial statements on the accrual basis in all material respects.
2. Investments Valuation and Income Recognition: Investments are recorded at fair value. Investments with quoted market values are valued at the last reported sales price on the last business day of the plan year. Mutual funds are recorded at their net asset value on the last day of the plan year. The change in the difference between current value and cost of investments is reflected in the statement of changes in net assets available for plan benefits as net appreciation/(depreciation) in the fair value of investments. Purchases and sales of securities are recorded on a trade-date basis. Investment values and related income are certified to by the trustee as noted in Note H. Dividends are recorded on the ex-dividend date and interest is recorded on the accrual basis in all material respects.
3. Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits. Actual results could differ from those estimates.
4. Benefit Payments: Benefits paid to participants are recorded upon distribution.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5. **Actuarial Present Value of Accumulated Plan Benefits:** Accumulated plan benefits are those future periodic payments, including lump sum distributions, that are attributable under the Plan's provisions to services rendered by the employees prior to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries (b) beneficiaries of employees who have died and (c) present employees or their beneficiaries. The accumulated plan benefits are based on the employees average monthly rate of basic compensation for the five successive calendar years out of the fifteen calendar years next preceding normal retirement that gave the highest monthly average rate. Benefits payable under all circumstances - retirement, death, disability, and termination of employment - are included to the extent they are deemed attributable to employee service rendered prior to the valuation date. (See Note J relating to the frozen status of the plan).

The actuarial present value of accumulated plan benefits is determined by an actuary from Towers Watson and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuation as of December 31, 2012 and 2011 were (a) life expectancy of participants (the RP-2000 Mortality Tables were used), (b) retirement age assumptions are decrements from age 55 to 70 and (c) investment return. The assumed average returns as of January 1, 2013 and 2012 are 7.50%. The foregoing actuarial assumptions are based on the presumption that the frozen status of the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.
6. The actuarial information used in the statement of accumulated plan benefits and the statement of changes in accumulated benefits is beginning of the year information.
7. The Plan was amended in 2003 to freeze Plan participation and benefit accruals. See Note J for additional details on the benefit accrual.
8. **Risks and Uncertainties:** The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.
9. Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.
10. **Fair Value Measurement:** Financial Accounting Standards Board ("FASB") Accounting Standards Codification No. 820 ("ASC No. 820") defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosure about fair value measurements. (See Note F)
11. **Administrative Expenses:** The Plan's expenses are paid either by the Plan or the plan sponsor. Expenses that are paid directly by the sponsor are excluded from these financial statements. Expenses incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as deductions in the accompanying statement of changes in net assets available for benefits.

NOTES TO FINANCIAL STATEMENTS
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

12. Subsequent Events: The Plan management has evaluated subsequent events through October 6, 2014, the date the financial statements were available to be issued.

NOTE C - FUNDING POLICY

Memorial Health System of East Texas funding policy is to make annual contributions in amounts at least equal to the amounts, if any, required to meet the minimum funding requirements of Section 412 of the Internal Revenue Code, as now or hereafter amended, as specified in the actuary's valuation reports for the applicable periods of time. For Plan years beginning January 1, 2013 and January 1, 2012 a contribution of \$1,623,753 and \$1,565,490 respectfully, was required to keep the Plan funded in accordance with the minimum funding standards of the Employee Retirement Income Security Act ("ERISA"). The Plan received contributions of \$1,440,000 and \$1,915,000 during the 2013 and 2012 plan years, respectively. In addition to contributions received, Plan management elected to offset a portion of the minimum funding requirement by utilizing \$230,000 of a total \$575,785 available funding balance allowed by Internal Revenue Code Section 430 and ERISA Section 303.

NOTE D - PLAN TERMINATION

Upon plan termination, the Retirement Committee shall determine the asset value available for distribution. Allocation shall then be made in accordance with Section 4044 of the Employee Retirement Income Security Act of 1974, as amended. The distribution shall be (subject to the provisions of Section 417(e)(1) of the Internal Revenue Code) by purchase of insured annuities from a company selected by the Committee. Any remaining residual assets will be distributed to the employer. Order of priorities for distribution shall be subject to distribution rules and limitations provided in the Plan as well as any changes ordered by the Pension Benefit Guarantee Corporation ("PBGC") or Internal Revenue Service.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination, subject to a statutory ceiling on the amount of an individual's monthly benefit. For Plan terminations occurring during 2014 for participants retiring at an age no greater than 70, that ceiling is \$8,206 per month based on selection of life annuity.

Whether all participants receive their benefits, should the Plan be terminated at some future time, will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits, the priority of those benefits to be paid and the level and type of benefits guaranteed by the PBGC at that time. Some benefits may be fully or partially provided for by the then existing assets and the PBGC guaranty while other benefits may not be provided for at all.

NOTE E - INVESTMENTS

The Plan's investments are held by a bank-administered trust fund. Investments or groups of similar investments that represent 5% or more of the Plan's net assets are separately identified.

	DECEMBER 31,	
	2013	2012
Investments at Fair Value as Determined by Quoted Market Price:		
Federal National Mortgage Association Bonds	\$ -	\$ 1 826 200
Fidelity Mt Vernon Growth Fund	2 337 693	1 820 935
Fidelity Puritan Low Price Stock Fund	2 182 711	1 743 168
Vanguard 500 Index Fund	8 074 537	7 068 986
Vanguard Extended Market Index Fund	2 557 400	2 026 335
Vanguard Small Cap Growth Index Fund	2 500 822	2 056 405
Other investments	20 845 099	15 827 346
TOTAL INVESTMENTS	\$ 38 498 262	\$ 32 369 375

NOTES TO FINANCIAL STATEMENTS - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas

NOTE E - INVESTMENTS - CONTINUED

During 2013 and 2012, the Plan's investments (including investments bought, sold, and held during the year) appreciated in value by \$5,504,099 and \$2,671,200 as follows:

	YEARS ENDED DECEMBER 31,	
	2013	2012
Certificates of deposit	\$ (5 874)	\$ 39 490
U. S. Government bonds and agency securities	(45 391)	(352 271)
Corporate stocks	872 534	446 170
Mutual funds	4 682 830	2 537 811
	<u>\$ 5 504 099</u>	<u>\$ 2 671 200</u>

At December 31, 2013 and 2012, respectively, this appreciation/(depreciation) in value is reflective of net realized gains/(losses) on investments sold of \$464,955 and \$(305,927) and unrealized appreciation in value of \$5,039,144 and \$2,977,127.

NOTE F - FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefits. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities, Level 1 measurements, and the lowest priority to measurements involving significant unobservable inputs, Level 3 measurements. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value; Level 3 inputs were only used when Level 1 or Level 2 inputs were not available. The three levels of the fair value hierarchy are as follows:

- **Level 1** inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Plan has the ability to access at the measurement date. Investments whose values are based on quoted market prices in active markets, and whose values are therefore classified as Level 1 prices, include active listed equities and debt securities. Investments in underlying mutual funds are valued at their Net Asset Value (NAV) daily and are classified as Level 1 prices.
- **Level 2** inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)
- **Level 3** inputs are unobservable inputs (including First Bank & Trust's own assumption in determining the fair value of investments) for the asset or liability. Investments whose values are classified as Level 3 prices have significant unobservable inputs, as they may trade infrequently or not at all. When observable prices are not available for these securities, the Trustee uses one or more valuation techniques for which sufficient and reliable data is available.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas

NOTE F - FAIR VALUE MEASUREMENTS - CONTINUED

		FAIR VALUE MEASUREMENTS AT REPORTING DATE USING		
		QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS/ LIABILITIES (LEVEL 1)	SIGNIFICANT OTHER OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
	FAIR VALUE			
December 31, 2013:				
U.S. Government Bonds and Agency Securities:				
Federal Home Loan Bank Bonds	\$ -	\$ -	\$ -	\$ -
Federal National Mortgage Association Bonds	651 771	651 771	-	-
Federal Home Loan Mortgage Corporation Bonds	643 452	643 452	-	-
Federal Farm Credit	936 731	936 731	-	-
TOTAL U.S. GOVERNMENT BONDS AND AGENCY SECURITIES	2 231 954	2 231 954	-	-
Corporate Stocks	5 297 171	5 297 171	-	-
Mutual Funds:				
Bond Funds	6 179 855	6 179 855	-	-
Equity Funds	21 888 451	21 888 451	-	-
TOTAL MUTUAL FUNDS	28 068 306	28 068 306	-	-
Short-Term Money Market Funds	646 815	646 815	-	-
Certificates of Deposit	2 254 016	2 254 016	-	-
	\$ 38 498 262	\$ 38 498 262	\$ -	\$ -
December 31, 2012:				
U.S. Government Bonds and Agency Securities:				
Federal Home Loan Bank Bonds	\$ 321 857	\$ 321 857	\$ -	\$ -
Federal National Mortgage Association Bonds	1 826 200	1 826 200	-	-
Federal Home Loan Mortgage Corporation Bonds	203 210	203 210	-	-
Federal Farm Credit	202 644	202 644	-	-
TOTAL U.S. GOVERNMENT BONDS AND AGENCY SECURITIES	2 553 911	2 553 911	-	-
Corporate Stocks	4 424 636	4 424 636	-	-
Mutual Funds:				
Bond Funds	4 377 838	4 377 838	-	-
Equity Funds	18 507 638	18 507 638	-	-
TOTAL MUTUAL FUNDS	22 885 476	22 885 476	-	-
Short-Term Money Market Funds	494 477	494 477	-	-
Certificates of Deposit	2 010 779	2 010 779	-	-
	\$ 32 369 279	\$ 32 369 279	\$ -	\$ -

NOTES TO FINANCIAL STATEMENTS - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas

NOTE G - TAX STATUS

The Internal Revenue Service has ruled that the Plan qualifies under Section 401(a) of the Internal Revenue Code and is, therefore, not subject to tax under present income tax laws. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan obtained its latest determination letter on December 2, 2013. The Plan has been amended since receiving the determination letter. However the Retirement Committee believes that the plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

NOTE H - INFORMATION PREPARED AND CERTIFIED BY TRUSTEE

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

	DECEMBER 31,	
	2013	2012
Investments at Fair Value:		
Short-term money market funds and cash	\$ 646 911	\$ 494 573
Certificates of deposit	\$ 2 254 016	\$ 2 010 779
U. S. Government bonds and agency securities	\$ 2 231 954	\$ 2 553 911
Corporate stocks	\$ 5 297 171	\$ 4 424 636
Mutual funds	\$ 28 068 306	\$ 22 885 476

	YEARS ENDED DECEMBER 31,	
	2013	2012
Interest income	\$ 64 309	\$ 120 854
Dividend income	\$ 1 087 892	\$ 727 224

All information in supplemental Schedule H, line 4i.

Information necessary to complete supplementary Schedule H, line 4j.

Information necessary to complete net appreciation in fair value of investments (Note E) \$5,504,099 and \$2,671,200.

The following is a reconciliation of data certified by the trustee with that presented in the accompanying financial statements regarding interest income:

	2013	2012
Interest income per trustee statements	\$ 64 309	\$ 120 854
Adjustment for interest accruals	(5 078)	(15 972)
FINANCIAL STATEMENT BALANCE	\$ 59 231	\$ 104 882

NOTE I - PLAN ADMINISTRATION

Certain administrative functions are performed by officers or employees of the plan sponsor. No such officer or employee receives compensation from the Plan.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas

NOTE J - CESSATION OF BENEFIT ACCRUAL

Future benefit accruals, service credits, and compensation increases under the Retirement Plan for Employees of Memorial Health System of East Texas (the "Plan") ceased effective December 31, 2003, by amendment to the Plan, and no Participant will earn any further accruals after such date.

Prior to this Plan amendment, a Participant was entitled to a normal retirement benefit at age 65 in an amount equal to the sum of 1.3% of his Final Average Monthly Compensation multiplied by his years of Credited Service not in excess of 40 years, plus .65% of his Final Average Monthly Compensation in excess of the Monthly Covered Compensation that applies to him multiplied by his years of Credited Service that are not in excess of 35 years.

By modifying the provisions of the Plan, (a) all future benefit accruals for employees of Memorial Health System of East Texas will cease as of December 31, 2003, and credited service, compensation, and final average monthly compensation will not increase after December 31, 2003, and (b) participation in the Plan will be limited to those persons who are Participants in the Plan as of December 31, 2003. No other employee of Memorial Health System of East Texas will be allowed to become a Participant in the Plan after December 31, 2003.

NOTE K - SUBSEQUENT EVENTS

The plan was amended effective March 3, 2014 that allows eligible participants to elect lump sum benefit distributions in excess of the \$5,000 limit beginning March 10, 2014 and ending on April 18, 2014.

Effective June 1, 2014, ownership of the plan sponsor transferred from Memorial Health System of East Texas to Catholic Health Initiatives.

SUPPLEMENTAL SCHEDULES

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT (END OF PLAN YEAR)
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
December 31, 2013

EIN #75-0755367
PN #001

(a)	(b) IDENTITY OF ISSUE BORROWER, LESSOR OR SIMILAR PARTY	(c) DESCRIPTION OF INVESTMENT INCLUDING MATURITY DATE RATE OF INTEREST, COLLATERAL PAR OR MATURITY VALUE	(d) COST	(e) CURRENT VALUE
	Cash	Cash on hand	\$ 96	\$ 96
	Short-Term Money Market Funds	Various, see attached	646 815	646 815
	Certificates of Deposit	Various, see attached	2 226 886	2 254 016
	U. S. Government Bonds and Agency Securities	Various, see attached	2 262 163	2 231 954
	Corporate Stocks	Various, see attached	2 995 973	5 297 171
	Mutual Funds	Various, see attached	21 112 451	28 068 306
	TOTAL		\$ 29 244 384	\$ 38 498 358

See independent auditors' report.

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS

Lufkin, Texas

December 31, 2013

EIN #75-0755367
PN #001

CASH EQUIVALENTS

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
CASH		96.00		96.00	.00			
FEDERATED GOVERNMENT OBLIGATIONS # 5 PRIN	646,814.780	646,814.78	1.000	646,814.78	1.68	.00	64.68	.01
TOTAL CASH EQUIVALENTS		646,910.78		646,910.78		.00	64.68	.01
BANK CD'S								
ALLY BANK CD 1.35% DUE 9/30/2014	25,000	25,000.00	100.632	25,158.00	.07	158.00	337.50	1.34
ALLY BK MIDVALE UT 1.40% DUE 11/03/2014	250,000	250,000.00	100.684	251,710.00	.65	1,710.00	3,500.00	1.39
BARCLAYS BANK 2.005 DUE 12/21/2016	200,000	200,000.00	101.900	203,800.00	.53	3,800.00	4,000.00	1.96
BMW BANK UTAH CD 2.10% DUE 12/01/2016	200,000	200,000.00	102.339	204,678.00	.53	4,678.00	4,200.00	2.05
CIT BANK CD 2.15% DUE 9/28/2016	200,000	200,000.00	102.473	204,946.00	.53	4,946.00	4,300.00	2.10
CITI BANK CD 1.80% DUE 05/23/16	53,000	53,000.00	101.974	54,046.22	.14	1,046.22	954.00	1.77
DISCOVER BANK CD 1.45% DUE 9/29/2014	145,000	145,000.00	100.629	145,912.05	.38	912.05	2,102.50	1.44
DISCOVER BANK CD 1.50% DUE 8/31/2015	105,000	105,000.00	101.860	106,953.00	.28	1,953.00	1,575.00	1.47
GOLDMAN SACHS BK NEW YORK 1.75% DUE 2/01/2017	50,000	50,000.00	101.243	50,621.50	.13	621.50	875.00	1.73

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS

Lufkin, Texas

December 31, 2013

EIN #75-0755367
PN #001

BANK CD'S

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
GOLDMAN SACHS CD 2.00% DUE 9/28/2016	200,000	200,000.00	102.143	204,286.00	.53	4,286.00	4,000.00	1.96
NEBRASKALAND NATIONAL BK CD 1.75% DUE 10/16/2018	250,000	249,111.08	99.696	249,240.00	.65	128.92	4,375.00	1.76
SAFRA NATL BK NEW YORK NY CD 1.00% DUE 11/17/2014	150,000	149,775.00	100.710	151,065.00	.39	1,290.00	1,500.00	.99
SCOTIABANK CD .70% DUE 8/31/2015	200,000	200,000.00	100.565	201,130.00	.52	1,130.00	1,400.00	.70
VALLEY NATIONAL BANK CD .600% DUE 7/28/2014	200,000	200,000.00	100.235	200,470.00	.52	470.00	1,200.00	.60
TOTAL BANK CD'S		2,226,886.08		2,254,015.77		27,129.69	34,319.00	1.52

BONDS & NOTES

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
U.S. GOVT AGENCIES								
MATURITY (0-5 YRS)								
FHLMC 1.00% DUE 12/11/17	350,000	350,000.00	97.749	342,121.50	.89	-7,878.50	3,500.00	1.02
FED FARM CREDIT BANK 1.87% DUE 12/26/2018	295,000	295,000.00	99.344	293,064.80	.76	-1,935.20	5,516.50	1.88
TOTAL MATURITY (0-5 YRS)		645,000.00		635,186.30		-9,813.70	9,016.50	1.42
MATURITY (5-10 YRS)								

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
December 31, 2013

EIN #75-0755367
PN #001

BONDS & NOTES

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
FANNIE MAE 1.00% DUE 9/26/2019	400,000	392,925.52	98.379	393,516.00	1.02	590.48	4,000.00	1.02
FNMA STEP RATE BOND 1.00% DUE 11/21/2019	270,000	270,000.00	95.550	258,255.00	.67	-11,745.00	2,700.00	1.05
PEREDAL FARM CREDIT BANK 2.70% DUE 04/07/2020	250,000	250,000.00	98.889	247,222.50	.64	-2,777.50	6,750.00	2.73
FED LOAN MORTG CORP 1.00% DUE 12/18/2020	305,000	304,237.50	98.797	301,330.85	.78	-2,906.65	3,050.00	1.01
FED FARM CREDIT BANK 2.98% DUE 12/30/2020	400,000	400,000.00	99.111	396,444.00	1.03	-3,556.00	11,920.00	3.01
TOTAL MATURITY (5-10 YRS)		1,617,163.02		1,596,768.35		-20,394.67	28,420.00	1.78
TOTAL U.S. GOVT AGENCIES		2,262,163.02		2,231,954.65		-30,208.37	37,436.50	1.68
TOTAL BONDS & NOTES		2,262,163.02		2,231,954.65		-30,208.37	37,436.50	1.68

MUTUAL FUND-BONDS

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
DODGE & COX INCOME FD COM (DODIX_E)	96,495.644	1,315,500.00	13.530	1,305,586.06	3.39	-9,913.94	40,045.69	3.07
DWS STRATEGIC GOVERNMENT SEC FUND - A (KUSAX)	382.274	3,864.79	8.090	3,092.60	.01	-772.19	123.47	3.99
FEDERATED GNMA TR INSTL SHRS (FGMAX_E)	100,797.784	1,150,850.93	10.890	1,097,687.87	2.85	-53,163.06	25,098.65	2.29
HANCOCK JOHN BD TR INV GRADE BD A (TAUSX_E)	14,434.302	177,634.48	10.310	148,817.65	.39	-28,816.83	5,210.78	3.50

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
December 31, 2013

EIN #75-0755367
PN #001

MUTUAL FUND BONDS

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
USAA SHORT TERM BOND FUND (USSBX_E)	93,046.205	857,500.00	9.190	855,094.62	2.22	-2,405.38	17,120.50	2.00
VANGUARD BD INDEX FD INC COM FD #84 (VBMFX_E)	92,642.695	1,011,000.00	10.560	978,306.86	2.54	-32,693.14	23,531.24	2.41
VANGUARD FIXED INCOME INTM TERM CORP FD 71 (VFICX_E)	104,705.419	1,063,500.00	9.570	1,012,501.40	2.63	-50,998.60	33,296.32	3.29
VANGUARD FIXED INCOME S/T CORP (VFSTX_E)	39,868.115	430,000.00	10.700	426,588.83	1.11	-3,411.17	7,694.55	1.80
VANGUARD SHORT TERM FEDERAL FUND #49 (VSGBX_E)	32,913.972	360,000.00	10.700	352,179.50	.91	-7,820.50	1,834.62	.52
TOTAL MUTUAL FUND BONDS		6,369,850.20		6,179,855.39		-189,994.81	153,955.82	2.49

STOCK

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
ADOBE SYS INC COM (ADBE)	6,000	85,445.06	59.879	359,274.00	.93	273,828.94	.00	.00
AUTOMATIC DATA PROCESSING IN COM (ADP)	5,500	236,282.54	80.799	444,394.50	1.15	208,111.96	10,560.00	2.38
BAXTER INTL INC COM (BAX)	6,000	262,413.80	69.550	417,300.00	1.08	154,886.20	11,760.00	2.82
E M C CORP MASS COM (EMC)	5,000	61,591.55	25.150	125,750.00	.33	64,158.45	2,000.00	1.59
EMBRAER S A SP ADR REP 4 COM (ERJ)	5,000	216,605.58	32.180	160,900.00	.42	-55,705.58	404.90	.25
FREEMONT-MCMORAN COPPER & GO COM (FCX)	7,400	158,173.13	37.740	279,276.00	.73	121,102.87	9,250.00	3.31

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
December 31, 2013

EIN #75-0755367
PN #001

STOCK									
Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)	
FRONTIER COMMUNICATIONS CORP COM (FTR)	960	8,003.21	4.650	4,464.00	.01	-3,539.21	384.00	8.60	
INTEL CORP COM (INTC)	4,000	69,792.87	25.955	103,820.00	.27	34,027.13	3,600.00	3.47	
INTERNATIONAL BUSINESS MACHS COM (IBM)	1,000	94,053.85	187.570	187,570.00	.49	93,516.15	3,800.00	2.03	
JOHNSON & JOHNSON COM (JNJ)	3,000	46,484.56	91.590	274,770.00	.71	228,285.44	7,920.00	2.88	
ORACLE CORP COM (ORCL)	10,000	154,869.57	38.260	382,600.00	.99	227,730.33	4,800.00	1.25	
PFIZER INC COM (PFE)	3,940	65,580.40	30.630	120,682.20	.31	55,101.80	4,097.60	3.40	
PRAXAIR INC COM (PX)	5,000	153,289.40	130.030	650,150.00	1.69	496,860.60	12,000.00	1.85	
PROCTER & GAMBLE CO COM (PG)	4,000	230,220.47	81.410	325,640.00	.85	95,419.53	9,624.00	2.96	
TEVA PHARMACEUTICAL INDS LTD ADR (TEVA)	6,000	188,028.00	40.080	240,480.00	.62	52,452.00	6,516.00	2.71	
US BANCORP DEL COM NEW (USB)	10,000	321,420.73	40.400	404,000.00	1.05	82,579.27	9,200.00	2.28	
VERIZON COMMUNICATIONS INC COM (VZ)	4,000	130,799.64	49.140	196,560.00	.51	65,760.36	8,480.00	4.31	
WEINGARTEN RLTY INVS SH BEN INT (WRI)	9,000	199,463.71	27.420	246,780.00	.64	47,316.29	10,980.00	4.45	
ZIMMER HLDGS INC COM (ZMH)	4,000	313,454.47	93.190	372,760.00	.97	59,305.53	3,200.00	.86	

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
December 31, 2013

EIN #75-0755367
PN #001

STOCK						
Description	Shares	Total Cost	Current Share Price	Current Mkt Value Portfolio	Unrealized Gain/Loss	Est. Ann Income Yield(%)
TOTAL STOCK		2,995,972.64		5,297,170.70	2,301,198.06	118,576.50 2.24
MUTUAL FUND EQUITIES						
Description	Shares	Total Cost	Current Share Price	Current Mkt Value Portfolio	Unrealized Gain/Loss	Est. Ann Income Yield(%)
COLUMBIA EMERGING MARKETS FUND Z (UMEMX_E)	15,229.739	96,500.00	10.200	155,343.34	58,843.34	583.30 .38
COLUMBIA PACIFIC / ASIA FUND Z (USPAX_E)	10,201.645	72,500.00	9.090	92,732.95	20,232.95	2,274.97 2.45
DODGE & COX FUNDS INTERNATIONAL STOCK (DODFX_E)	1,561.979	48,500.00	43.040	67,227.58	18,727.58	1,085.58 1.61
FED STRATEG VALUE (SVAIX_E)	38,986.355	200,000.00	5.840	227,680.31	27,680.31	7,719.30 3.39
FIDELITY CONTRAFUND INC COM (FCNTX_E)	13,200.946	836,830.04	96.140	1,269,138.95	432,308.91	1,716.12 .14
FIDELITY MT VERNON STR TR GROWTH CO FD (FDGRX_E)	19,500.272	1,558,052.98	119.880	2,337,692.61	779,639.63	4,036.56 .17
FIDELITY PURITAN TR LOW PRICE STK (FLPSX_E)	44,130.841	1,606,018.33	49.460	2,182,711.40	576,693.07	17,122.77 .78
MERIDIAN FD INC GROWTH FD (MERDX_E)	9,154.442	283,639.77	37.240	340,911.42	57,271.65	1,409.78 .41
ROWE T PRICE MID-CAP GROWTH COM (RPMGX_E)	4,999.208	188,639.77	72.780	363,842.36	177,202.59	.00 .00
VANG EMERGING MKT SIGNAL (VERSX_E)	24,804.052	871,830.04	32.650	809,852.30	-61,977.74	22,398.06 2.77
VANG SMALL CAP GR ADMIRAL (VSGAX_E)	58,185.710	1,284,756.30	42.980	2,500,821.82	1,216,065.52	16,292.00 .65

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS

Lufkin, Texas

December 31, 2013

EIN #75-0755367
PN #001

MUTUAL FUND EQUITIES

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
VANG WORLD FD INTL GRTH ADM (VWILX_E)	12,241.433	649,246.52	74.220	908,559.16	2.36	259,312.64	14,322.48	1.58
VANGUARD EXTENDED MARKET INDEX FD SIGNAL SHRS (VEMSX_E)	47,429.519	1,450,333.96	53.920	2,557,399.66	6.64	1,107,065.70	28,647.43	1.12
VANGUARD 500 INDEX FUND SIGNAL SHARES #1340 (VFSX_E)	57,380.163	5,597,753.60	140.720	8,074,536.54	21.00	2,476,782.94	148,442.48	1.84
TOTAL MUTUAL FUND EQUITIES		14,742,601.31		21,888,450.40		7,145,849.09	266,050.83	1.22
TOTAL ASSETS		29,244,384.03		38,498,357.69		9,253,973.66	610,403.33	1.59

SCHEDULE H, LINE 4j
SCHEDULE OF REPORTABLE TRANSACTIONS
RETIREMENT PLAN FOR EMPLOYEES OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
For the Year Ended December 31, 2013

EIN #75-0755367
PN #001

(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)
Federated Government Obligations Trust	Short-Term Money Market Fund	\$ 7 582 036	N/A	N/A	N/A	\$ 7 582 036	\$ 7 582 036	N/A
Federated Government Obligations Trust	Short-Term Money Market Fund	N/A	\$ 7 429 698	N/A	N/A	\$ 7 429 698	\$ 7 429 698	N/A

See independent auditors' report.

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT (END OF PLAN YEAR)
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
December 31, 2013

EIN #75-0755367
PN #001

(a)	(b) IDENTITY OF ISSUE BORROWER, LESSOR OR SIMILAR PARTY	(c) DESCRIPTION OF INVESTMENT INCLUDING MATURITY DATE RATE OF INTEREST, COLLATERAL PAR OR MATURITY VALUE	(d) COST	(e) CURRENT VALUE
	Cash	Cash on hand	\$ 96	\$ 96
	Short-Term Money Market Funds	Various, see attached	646 815	646 815
	Certificates of Deposit	Various, see attached	2 226 886	2 254 016
	U. S. Government Bonds and Agency Securities	Various, see attached	2 262 163	2 231 954
	Corporate Stocks	Various, see attached	2 995 973	5 297 171
	Mutual Funds	Various, see attached	21 112 451	28 068 306
	TOTAL		\$ 29 244 384	\$ 38 498 358

See independent auditors' report.

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS

Lufkin, Texas

December 31, 2013

EIN #75-0755367
PN #001

CASH EQUIVALENTS

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
CASH		96.00		96.00	.00			
FEDERATED GOVERNMENT OBLIGATIONS # 5 PRN	646,814.780	646,814.78	1.000	646,814.78	1.68	.00	64.68	.01
TOTAL CASH EQUIVALENTS		646,910.78		646,910.78		.00	64.68	.01
BANK CD'S								
Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
ALLY BANK CD 1.35% DUE 9/30/2014	25,000	25,000.00	100.632	25,158.00	.07	158.00	337.50	1.34
ALLY BK MIDVALE UT 1.40% DUE 11/03/2014	250,000	250,000.00	100.684	251,710.00	.65	1,710.00	3,500.00	1.39
BARCLAYS BANK 2.005 DUE 12/21/2016	200,000	200,000.00	101.900	203,800.00	.53	3,800.00	4,000.00	1.96
BMW BANK UTAH CD 2.10% DUE 12/01/2016	200,000	200,000.00	102.339	204,678.00	.53	4,678.00	4,200.00	2.05
CIT BANK CD 2.15% DUE 9/28/2016	200,000	200,000.00	102.473	204,946.00	.53	4,946.00	4,300.00	2.10
CITI BANK CD 1.80% DUE 05/23/16	53,000	53,000.00	101.974	54,046.22	.14	1,046.22	954.00	1.77
DISCOVER BANK CD 1.45% DUE 9/29/2014	145,000	145,000.00	100.629	145,912.05	.38	912.05	2,102.50	1.44
DISCOVER BANK CD 1.50% DUE 8/31/2015	105,000	105,000.00	101.860	106,953.00	.28	1,953.00	1,575.00	1.47
GOLDMAN SACHS BK NEW YORK 1.75% DUE 2/01/2017	50,000	50,000.00	101.243	50,621.50	.13	621.50	875.00	1.73

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS

Lufkin, Texas

December 31, 2013

EIN #75-0755367
PN #001

BANK CD'S

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
GOLDMAN SACHS CD 2.00% DUE 9/28/2016	200,000	200,000.00	102.143	204,286.00	.53	4,286.00	4,000.00	1.96
NEBRASKALAND NATIONAL BK CD 1.75% DUE 10/16/2018	250,000	249,111.08	99.696	249,240.00	.65	128.92	4,375.00	1.76
SAFRA NATL BK NEW YORK NY CD 1.00% DUE 11/17/2014	150,000	149,775.00	100.710	151,065.00	.39	1,290.00	1,500.00	.99
SCOTIABANK CD .70% DUE 8/31/2015	200,000	200,000.00	100.565	201,130.00	.52	1,130.00	1,400.00	.70
VALLEY NATIONAL BANK CD .600% DUE 7/28/2014	200,000	200,000.00	100.235	200,470.00	.52	470.00	1,200.00	.60
TOTAL BANK CD'S		2,226,886.08		2,254,015.77		27,129.59	34,319.00	1.52

BONDS & NOTES

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
U.S. GOVT AGENCIES								
MATURITY (0-5 YRS)								
FHLMC 1.00% DUE 12/11/17	350,000	350,000.00	97.749	342,121.50	.89	-7,878.50	3,500.00	1.02
FED FARM CREDIT BANK 1.87% DUE 12/26/2018	295,000	295,000.00	99.344	293,064.80	.76	-1,935.20	5,516.50	1.88
TOTAL MATURITY (0-5 YRS)		645,000.00		635,186.30		-9,813.70	9,016.50	1.42
MATURITY (5-10 YRS)								

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
December 31, 2013

EIN #75-0755367
PN #001

BONDS & NOTES

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
FANNIE MAE 1.00% DUE 9/26/2019	400,000	392,925.52	98.379	393,516.00	1.02	590.48	4,000.00	1.02
FNMA STEP RATE BOND 1.00% DUE 11/21/2019	270,000	270,000.00	95.650	258,255.00	.67	-11,745.00	2,700.00	1.05
FEDERAL FARM CREDIT BANK 2.70% DUE 04/07/2020	250,000	250,000.00	98.889	247,222.50	.64	-2,777.50	6,750.00	2.73
FED LOAN LOAN MORTG CORP 1.00% DUE 12/18/2020	305,000	304,237.50	98.797	301,330.85	.78	-2,906.65	3,050.00	1.01
FED FARM CREDIT BANK 2.98% DUE 12/30/2020	400,000	400,000.00	99.111	396,444.00	1.03	-3,556.00	11,920.00	3.01
TOTAL MATURITY (5-10 YRS)		1,617,163.02		1,596,768.35		-20,394.67	28,420.00	1.78
TOTAL U.S. GOVT AGENCIES		2,262,163.02		2,231,954.65		-30,208.37	37,436.50	1.68
TOTAL BONDS & NOTES		2,262,163.02		2,231,954.65		-30,208.37	37,436.50	1.68

MUTUAL FUND-BONDS

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
DODGE & COX INCOME FD COM (DODIX_E)	96,495.644	1,315,500.00	13.530	1,305,586.06	3.39	-9,913.94	40,045.69	3.07
DWS STRATEGIC GOVERNMENT SEC FUND - A (KUSAX)	382.274	3,864.79	8.090	3,092.60	.01	-772.19	123.47	3.99
FEDERATED GNMA TR INSTL SHRS (FGMAX_E)	100,797.784	1,150,850.93	10.890	1,097,687.87	2.85	-53,163.06	25,098.65	2.29
HANCOCK JOHN BD TR INV GRADE BD A (TAUSX_E)	14,434.302	177,634.48	10.310	148,817.65	.39	-28,816.83	5,210.78	3.50

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
December 31, 2013

EIN #75-0755367
PN #001

MUTUAL FUND BONDS

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
USAA SHORT TERM BOND FUND (USSBX_E)	93,046.205	857,500.00	9.190	855,094.62	2.22	-2,405.38	17,120.50	2.00
VANGUARD BD INDEX FD INC COM FD #94 (VBMFX_E)	92,642.695	1,011,000.00	10.560	978,306.86	2.54	-32,693.14	23,531.24	2.41
VANGUARD FIXED INCOME INTM TERM CORP FD 71 (VFICX_E)	104,705.419	1,063,500.00	9.670	1,012,501.40	2.63	-50,998.60	33,296.32	3.29
VANGUARD FIXED INCOME S/T CORP (VFSTX_E)	39,868.115	430,000.00	10.700	426,588.83	1.11	-3,411.17	7,694.55	1.80
VANGUARD SHORT TERM FEDERAL FUND #49 (VSGBX_E)	32,913.972	360,000.00	10.700	352,179.50	.91	-7,820.50	1,834.62	.52
TOTAL MUTUAL FUND BONDS		6,369,850.20		6,179,855.39		-189,994.81	153,955.82	2.49

STOCK

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
ADOBE SYS INC COM (ADBE)	6,000	85,445.06	59.879	359,274.00	.93	273,828.94	.00	.00
AUTOMATIC DATA PROCESSING IN COM (ADP)	5,500	236,282.54	80.799	444,394.50	1.15	208,111.96	10,560.00	2.38
BAXTER INTL INC COM (BAX)	6,000	262,413.80	69.550	417,300.00	1.08	154,886.20	11,760.00	2.82
E M C CORP MASS COM (EMC)	5,000	61,591.55	25.150	125,750.00	.33	64,158.45	2,000.00	1.59
EMBRAER S A SP ADR REP 4 COM (ERJ)	5,000	216,605.58	32.180	160,900.00	.42	-55,705.58	404.90	.25
FREEPORT-MCMORAN COPPER & GO COM (FCX)	7,400	158,173.13	37.740	279,276.00	.73	121,102.87	9,250.00	3.31

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS

Lufkin, Texas
December 31, 2013

EIN #75-0755367
PN #001

STOCK									
Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)	
FRONTIER COMMUNICATIONS CORP COM (FTR)	960	8,003.21	4.650	4,464.00	.01	-3,539.21	384.00	8.60	
INTEL CORP COM (INTC)	4,000	69,792.87	25.955	103,820.00	.27	34,027.13	3,600.00	3.47	
INTERNATIONAL BUSINESS MACHS COM (IBM)	1,000	94,053.85	187.570	187,570.00	.49	93,516.15	3,800.00	2.03	
JOHNSON & JOHNSON COM (JNJ)	3,000	46,484.56	91.590	274,770.00	.71	228,285.44	7,920.00	2.88	
ORACLE CORP COM (ORCL)	10,000	154,869.67	38.260	382,600.00	.99	227,730.33	4,800.00	1.25	
PFIZER INC COM (PFE)	3,940	65,580.40	30.630	120,682.20	.31	55,101.80	4,097.60	3.40	
PRAXAIR INC COM (PX)	5,000	153,289.40	130.030	650,150.00	1.69	496,860.60	12,000.00	1.85	
PROCTER & GAMBLE CO COM (PG)	4,000	230,220.47	81.410	325,640.00	.85	95,419.53	9,624.00	2.98	
TEVA PHARMACEUTICAL INDS LTD ADR (TEVA)	6,000	188,028.00	40.080	240,480.00	.62	52,452.00	6,516.00	2.71	
US BANCORP DEL COM NEW (USB)	10,000	321,420.73	40.400	404,000.00	1.05	82,579.27	9,200.00	2.28	
VERIZON COMMUNICATIONS INC COM (VZ)	4,000	130,799.64	49.140	196,560.00	.51	65,760.36	8,480.00	4.31	
WEINGARTEN RLTY INVS SH BEN INT (WRI)	9,000	199,463.71	27.420	246,780.00	.64	47,316.29	10,980.00	4.45	
ZIMMER HLDGS INC COM (ZMH)	4,000	313,454.47	93.180	372,760.00	.97	59,305.53	3,200.00	.86	

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
December 31, 2013

EIN #75-0755367
PN #001

STOCK

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
TOTAL STOCK		2,995,972.64		5,297,170.70		2,301,198.06	118,576.50	2.24

MUTUAL FUND EQUITIES

Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)
COLUMBIA EMERGING MARKETS FUND Z (UMEMX_E)	15,229.739	96,500.00	10.200	155,343.34	.40	58,843.34	583.30	.38
COLUMBIA PACIFIC / ASIA FUND Z (USPAX_E)	10,201.645	72,500.00	9.090	92,732.95	.24	20,232.95	2,274.97	2.45
DODGE & COX FUNDS INTERNATIONAL STOCK (DODFX_E)	1,561.979	48,500.00	43.040	67,227.58	.17	18,727.58	1,085.58	1.61
FED STRATEG VALUE (SVAIX_E)	38,986.355	200,000.00	5.840	227,680.31	.59	27,680.31	7,719.30	3.39
FIDELITY CONTRAFUND INC COM (FCNTX_E)	13,200.946	836,830.04	96.140	1,269,138.95	3.30	432,308.91	1,716.12	.14
FIDELITY MT VERNON STR TR GROWTH CO FD (FDGRX_E)	19,500.272	1,558,052.98	119.880	2,337,692.61	6.07	779,639.63	4,036.56	.17
FIDELITY PURITAN TR LOW PRICE STK (FLPSX_E)	44,130.841	1,606,018.33	49.460	2,182,711.40	5.67	576,693.07	17,122.77	.78
MERIDIAN FD INC GROWTH FD (MERDX_E)	9,154.442	283,639.77	37.240	340,911.42	.89	57,271.65	1,409.78	.41
ROWE T PRICE MID-CAP GROWTH COM (RPMGX_E)	4,999.208	186,639.77	72.780	363,842.36	.95	177,202.59	.00	.00
VANG EMERGING MKT SIGNAL (VERSX_E)	24,804.052	871,830.04	32.650	809,852.30	2.10	-61,977.74	22,398.06	2.77
VANG SMALL CAP GR ADMIRAL (VSGAX_E)	58,185.710	1,284,756.30	42.980	2,500,821.82	6.50	1,216,065.52	16,292.00	.65

SCHEDULE H, LINE 4i
SUMMARY SCHEDULE OF ASSETS HELD FOR INVESTMENT (END OF PLAN YEAR) - CONTINUED
RETIREMENT PLAN FOR EMPLOYEES OF
MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
December 31, 2013

EIN #75-0755367
PN #001

MUTUAL FUND EQUITIES									
Description	Shares	Total Cost	Current Share Price	Current Mkt Value	% of Portfolio	Unrealized Gain/Loss	Est. Ann Income	Est. Ann Yield(%)	
VANG WORLD FD INTL GRTH ADM (WILX_E)	12,241.433	649,246.52	74.220	908,559.16	2.36	259,312.64	14,322.48	1.58	
VANGUARD EXTENDED MARKET INDEX FD SIGNAL SHRS (VEMSX_E)	47,429.519	1,450,333.96	53.920	2,557,399.66	6.64	1,107,065.70	28,647.43	1.12	
VANGUARD 500 INDEX FUND SIGNAL SHARES #1340 (VFSX_E)	57,380.163	5,597,753.60	140.720	8,074,536.54	21.00	2,476,782.94	148,442.48	1.84	
TOTAL MUTUAL FUND EQUITIES		14,742,601.31		21,888,450.40		7,145,849.09	266,050.83	1.22	
TOTAL ASSETS		29,244,384.03		38,498,357.69		9,253,973.66	610,403.33	1.59	

SCHEDULE H, LINE 4j
SCHEDULE OF REPORTABLE TRANSACTIONS
RETIREMENT PLAN FOR EMPLOYEES OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS
Lufkin, Texas
For the Year Ended December 31, 2013

EIN #75-0755367
PN #001

(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]
Federated Government Obligations Trust	Short-Term Money Market Fund	\$ 7 582 036	N/A	N/A	N/A	\$ 7 582 036	\$ 7 582 036	N/A
Federated Government Obligations Trust	Short-Term Money Market Fund	N/A	\$ 7 429 698	N/A	N/A	\$ 7 429 698	\$ 7 429 698	N/A

See independent auditors' report.

Schedule SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 <div style="font-size: 2em; font-weight: bold;">2013</div> This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning _____ and ending _____

- **Round off amounts to nearest dollar.**
 ► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan RETIREMENT PLAN FOR EMPLOYEES OF MEMORIAL HEALTH SYSTEM OF EAST TEXAS	B Three-digit plan number (PN) ► 001 C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF MEMORIAL HEALTH SYSTEM OF EAST TX D Employer Identification Number (EIN) 75-0755367 E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B ☐ Multiple-C ☐ Multiple-D ☐ Multiple-E ☐ Multiple-F F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500
---	--

Part I Basic Information			
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2013</u>			
2 Assets:			
a Market value	2a		32369375
b Actuarial value	2b		32369375
3 Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.	3a	323	15904470
b For terminated vested participants.	3b	497	9018341
c For active participants:			
(1) Non-vested benefits	3c(1)		3188333
(2) Vested benefits	3c(2)		5851882
(3) Total active	3c(3)	350	9040215
d Total	3d	1170	33963026
4 If the plan is in at-risk status, check the box and complete lines (a) and (b). ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5		6.71 %
6 Target normal cost	6		248000

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

SIGN HERE	<u>Steven C. Erickson</u> Signature of actuary	<u>10/14/2014</u> Date
	<u>STEVEN C. ERICKSON</u> Type or print name of actuary	<u>14-04118</u> Most recent enrollment number
	<u>TOWERS WATSON DELAWARE INC</u> Firm name	<u>214 530-4200</u> Telephone number (including area code)
<u>500 N Akard St, Suite 4100</u> <u>Dallas, TX 75201</u> Address of the firm		

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

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF. Schedule SB (Form 5500) 2013 v.130118

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)		230230
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		
9 Amount remaining (line 7 minus line 8)		230230
10 Interest on line 9 using prior year's actual return of 12.14 %		27950
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		296688
b Interest on line (a) using prior year's effective rate of 7.05 % except as otherwise provided (see instructions)		20917
c Total available at beginning of current plan year to add to prefunding balance		317605
d Portion of line (c) to be added to prefunding balance		317605
12 Other reductions in balances due to elections or deemed elections		
13 Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)		575785

Part III Funding Percentages

14 Funding target attainment percentage	14	93.61 %
15 Adjusted funding target attainment percentage	15	93.61 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	87.96 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls

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

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
01-28-2013	120,000		09-10-2013	120,000	
02-20-2013	120,000		10-04-2013	120,000	
03-19-2013	120,000		11-12-2013	120,000	
04-12-2013	120,000		12-04-2013	120,000	
05-21-2013	120,000				
07-18-2013	120,000				
08-07-2013	120,000				
09-09-2013	120,000				
Totals ▶ 18(b)				1440000	18(c)

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contributions for current year adjusted to valuation date	19c	1392907

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a 'funding shortfall' for the prior year?	☒ Yes	☐ No
b If line 20a is 'Yes,' were required quarterly installments for the current year made in a timely manner?	☐ Yes	☒ No
c If line 20a is 'Yes,' see instructions and complete the following table as applicable:		

Liquidity shortfall as of end of quarter of this plan year

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

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:			
a Segment rates:	1st segment: 5.23 %	2nd segment: 6.51 %	3rd segment: 7.16 %
			☐ N/A, full yield curve used
b Applicable month (enter code)	21b		4
22 Weighted average retirement age	22		65
23 Mortality table(s) (see instructions)	☐ Prescribed – combined ☒ Prescribed – separate ☐ Substitute		

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If 'Yes,' see instructions regarding required attachment.	☐ Yes	☒ No
25 Has a method change been made for the current plan year? If 'Yes,' see instructions regarding required attachment.	☐ Yes	☒ No
26 Is the plan required to provide a Schedule of Active Participants? If 'Yes,' see instructions regarding required attachment.	☒ Yes	☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.	27	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	248000	
b Excess assets, if applicable, but not greater than line 31a.	31b		
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment	2169436		1136711
b Waiver amortization installment			
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month Day Year) and the waived amount.	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	1384711	
		Carryover balance	Prefunding balance
35 Balances elected for use to offset funding requirement.		230000	230000
36 Additional cash requirement (line 34 minus line 35)	36	1154711	
37 Contributions allocated toward minimum required contribution for current year, adjusted to valuation date (line 19c)	37	1392907	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	238196	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	230000	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contribution for all years	40		

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

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

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

Plan Name: Retirement Plan for Employees of Memorial Health System of East Texas

EIN/PN: 75-0755367/001

Plan Sponsor: Memorial Health System of East Texas

Interest rate basis:

Applicable month	September
Interest rate basis	3-Segment Rates

Interest rates:

	Reflecting Corridors	Not Reflecting Corridors
First segment rate	5.23%	1.75%
Second segment rate	6.51%	4.62%
Third segment rate	7.16%	5.72%
Effective interest rate	6.71%	4.99%

Compensation/Salary Increases

Not applicable as plan was frozen effective December 31, 2003.

Future Increases in Social Security

Not applicable as plan was frozen effective December 31, 2003.

Assumed Cost of Living Adjustments

None.

Future Increases in Maximum Benefits and Plan Compensation/Salary Limitations

Not applicable as plan was frozen effective December 31, 2003.

Inclusion Date

The valuation date coincident with or next following the date on which the employee becomes a participant.

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (cont.)**Plan Name:** Retirement Plan for Employees of Memorial Health System of East Texas**EIN/PN:** 75-0755367/001**Plan Sponsor:** Memorial Health System of East Texas

Plan-Related Expenses

The amount included this year for plan-related expenses is \$248,000

Mortality

The prescribed mortality assumption under Section 430(h)(3)(A) of the Internal Revenue Code using static tables with separate mortality rates for annuitants and non-annuitants.

Retirement

The rates at which participants are assumed to retire by age and gender are shown below:

Age	Retirement Rates
55	2.0%
56	2.0%
57	2.0%
58	2.0%
59	2.0%
60	2.0%
61	2.0%
62	15.0%
63	5.0%
64	5.0%
65	50.0%
66	10.0%
67	10.0%
68	10.0%
69	10.0%
70	100.0%

Disability Rates

Wyatt 1985 Disability Study Class I unisex rates.

Disabled Mortality

The prescribed mortality assumption under Section 430(h)(3)(D) of the Internal Revenue Code.

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (cont.)**Plan Name:** Retirement Plan for Employees of Memorial Health System of East Texas**EIN/PN:** 75-0755367/001**Plan Sponsor:** Memorial Health System of East Texas

Representative Termination Rates (not due to disability retirement or mortality)

The rates at which participants are assumed to leave the Hospital by age and gender are shown below:

Age	Males	Females
20	22.4%	29.9%
25	14.9%	19.9%
30	10.4%	13.9%
35	7.4%	9.9%
40	4.3%	5.8%
45	2.7%	3.7%
50	0.9%	1.4%
55	0.0%	0.0%
60 and over	0.0%	0.0%

Form of Payment

For valuation purposes, participants are assumed to elect the normal form.

Marriage

For purposes of valuing the pre-retirement surviving spouse's benefit, 100% of eligible male participants are assumed to be married. Male participants are assumed to be 3 years older than their spouses and female participants are assumed to be 3 years younger than their spouses.

Employees

It was assumed that there will be no new or rehired employees.

Plan Compensation/Salary

Not applicable since plan was frozen effective December 31, 2003.

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (cont.)

Plan Name: Retirement Plan for Employees of Memorial Health System of East Texas

EIN/PN: 75-0755367/001

Plan Sponsor: Memorial Health System of East Texas

Cost Method

The Projected Unit Credit Cost Method is used to determine the present value of the projected benefit obligation and the related current service cost. Under this method, a "projected accrued benefit" is calculated based upon service as of the date of valuation, but when the benefit formula is based on future compensation and social security levels, using assumptions about the growth of those amounts projected to the age at which the employee is assumed to leave active service. In normal circumstances the "projected accrued benefit" is based upon the Plan's accrual formula. However, if service in later years leads to a materially higher level of benefit than in earlier years, the "projected accrued benefit" is calculated by attributing benefits on a straight-line basis over the relevant period.

Asset Method

Valuation assets are equal to the market value of assets as of the valuation date plus the discounted present value of contributions expected to be made after the valuation date at the prior plan year effective PPA interest rate.

Participant Data

Employee data was supplied by the employer as of the census date. Data on other participants was also supplied by the employer.

Administrative Expenses

The plan sponsor pays \$247,108 in administrative expenses.

Benefits Not Included in Valuation

We believe that we have reflected all significant Plan provisions in this valuation.

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (cont.)

Plan Name: Retirement Plan for Employees of Memorial Health System of East Texas

EIN/PN: 75-0755367/001

Plan Sponsor: Memorial Health System of East Texas

Nature of Actuarial Calculations

The results documented in this report are estimates based on data that may be imperfect and on assumptions about future events. Certain plan provisions may be approximated or deemed insignificant and therefore are not valued. Assumptions may be made about participant data or other factors. Reasonable efforts were made in this valuation to ensure that items that are significant in the context of the actuarial liabilities or costs are treated appropriately, and not excluded or included inappropriately. We believe that the use of approximations in our calculations, if any, has not resulted in a significant difference relative to the results we would have obtained by using more detailed calculations.

A range of results, different from those presented in this report could be considered reasonable. The numbers are not rounded, but this is for convenience only and should not imply precision, which is not inherent in actuarial calculations.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as:

- plan experience differing from that anticipated by the economic or demographic assumptions
- changes in economic or demographic assumptions
- increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost based on the funded status)
- changes in plan provisions or applicable law
- significant events since last actuarial valuation

Significant Events since Last Actuarial Valuation Report

None.

Changes in Assumptions and Methods since Last Actuarial Valuation Report

The segment interest rates used to determine the minimum funding requirement and benefit restrictions were updated to reflect the interest rate corridors of MAP-21.

The required mortality table used to calculate the funding target and the target normal cost was updated as prescribed by the regulations.

The assumed plan-related expenses added to the target normal cost were updated from \$321,000 to \$248,000.

Schedule SB, Part V – Summary of Plan Provisions

Plan Name: Retirement Plan for Employees of Memorial Health System of East Texas

EIN/PN: 75-0755367/001

Plan Sponsor: Memorial Health System of East Texas

Plan Sponsor

Memorial Health System of East Texas

Plan

Retirement Plan for Employees of Memorial Health System of East Texas

Effective Date and Most Recent Amendment

The plan was originally effective May 1, 1976. The plan was amended and restated effective January 1, 2012.

Plan Year

The twelve-month period ending December 31.

Coverage and Participation

Participation is limited to participants in the plan as of December 31, 2003. All employees prior to December 31, 2003, were eligible to participate under the plan after one year of service. "Employee" means any person on the payroll whose wages are subject to withholding for the purposes of federal income tax.

Note: If an employee meets the age requirement, but fails to complete 1,000 hours during the first year, participation will begin on the January 1 following the plan year in which 1,000 hours are completed.

Benefit Accrual Preservation Date

December 31, 2003. The plan was frozen to participation and benefit accruals after December 31, 2003.

Credited Service

The number of years and completed months of service from date of hire to the earlier of date of termination or Benefit Accrual Preservation Date, adjusted for certain periods of unpaid absence.

Schedule SB, Part V – Summary of Plan Provisions (cont.)

Plan Name: Retirement Plan for Employees of Memorial Health System of East Texas

EIN/PN: 75-0755367/001

Plan Sponsor: Memorial Health System of East Texas

Vesting Service

Total service from date of hire to date of termination, less any absence in excess of 12 months.

Final Average Monthly Compensation

The monthly average of the 5 consecutive years' compensation out of the last 15 years at the earlier of the date of termination or the Benefit Accrual Preservation Date that gives the highest average.

Compensation includes W-2 compensation plus any compensation deferred under a Section 125 or Section 401(k) plan. Compensation is limited to the pay limit as described in IRC Section 401(a)(17).

The limit at Benefit Accrual Preservation Date is \$200,000.

Covered Compensation

A 35-year average of the Maximum Taxable Wages (MTW) under social security. The MTW is the annual limit on wages subject to the FICA tax for social security. The 35-year period ends with the year the employee reaches eligibility for an unreduced social security benefit (age 65, 66, or 67 depending on the year the employee was born). For years after the Benefit Accrual Preservation Date (2003) and prior to the end of the 35-year period, the MTW from the Benefit Accrual Preservation Date (2003) is used.

Normal Retirement Benefit

1. Normal Retirement Date: Age 65.
2. Monthly Benefit: The sum of A and B:
 - A. 1.30% of Final Average Monthly Compensation times Credited Service up to 40 years
and
 - B. 0.65% of Final Average Monthly Compensation in excess of monthly Covered Compensation times Credited Service up to 35 years.
3. Normal Form of Retirement Income: Life only.

Schedule SB, Part V – Summary of Plan Provisions (cont.)

Plan Name: Retirement Plan for Employees of Memorial Health System of East Texas

EIN/PN: 75-0755367/001

Plan Sponsor: Memorial Health System of East Texas

Late Retirement

For employees who accrue less than 40 hours of service in any calendar month and whose retirement occurs after the Normal Retirement Date, the late retirement income will be based on the greater of 1 and 2:

1. The Normal Retirement Benefit calculated using Credited Service and Final Average Monthly Compensation as of the Benefit Accrual Preservation Date, if earlier than the Late Retirement Date.
2. The income provided on an actuarially equivalent basis by the single-sum value of the retirement income payable as of Normal Retirement Date if earlier than the Benefit Accrued Preservation Date and if employment had then terminated, accumulated with interest to the later of the Benefit Accrual Preservation Date or the Annuity Starting Date.

All other employees who retire after the Normal Retirement Date will receive a Late Retirement Income equal to the Normal Retirement Benefit calculated using Credited Service and Final Average Monthly Compensation as of the Benefit Accrual Preservation Date if earlier than the Late Retirement Date.

Accrued Benefits

The participant's Accrued Benefit at any given date is the Normal Retirement Benefit, based on the formulas above, the product of (a) the Final Average Monthly Compensation and monthly Covered Compensation determined as of the earlier of date of termination or the Benefit Accrual Preservation Date times (b) the ratio of Credited Service at the earlier of date of termination or Benefit Accrual Preservation Date to Credited Service at Normal Retirement Date.

The Accrued Benefit was frozen for all participants as of December 31, 2003.

Schedule SB, Part V – Summary of Plan Provisions (cont.)

Plan Name: Retirement Plan for Employees of Memorial Health System of East Texas

EIN/PN: 75-0755367/001

Plan Sponsor: Memorial Health System of East Texas

Early Retirement Benefit

1. Eligibility: Age 55 and 15 years of vesting service.

2. Monthly Benefit: The sum of A and B:

A: 1.30% of Final Average Monthly Compensation determined at the Benefit Accrual Preservation Date times Credited Service at the Benefit Accrual Preservation Date up to 40 years multiplied by the appropriate Factor A reduction as shown below.

plus

B: 0.65% of Final Average Monthly Compensation determined at the Benefit Accrual Preservation Date in excess of monthly Covered Compensation times Credited Service at the Benefit Accrual Preservation Date up to 35 years multiplied by the appropriate Factor B reduction as shown below.

Age	Factor A*	Factor B
65	100.0%	100.0%
64	98.0%	93.3%
63	96.0%	86.7%
62	94.0%	80.0%
61	92.0%	73.3%
60	90.0%	66.7%
59	84.0%	63.3%
58	78.0%	60.0%
57	72.0%	56.7%
56	66.0%	53.3%
55	60.0%	50.0%

* 100% if the participant has both attained age 60 and completed 30 years of Credited Service at the Benefit Accrued Preservation Date.

Schedule SB, Part V – Summary of Plan Provisions (cont.)

Plan Name: Retirement Plan for Employees of Memorial Health System of East Texas

EIN/PN: 75-0755367/001

Plan Sponsor: Memorial Health System of East Texas

Disability Benefit

1. **Eligibility:** Total and permanent disability of participant prior to Normal Retirement Date and 2 years of Vesting Service.
2. **Monthly Benefit:** The monthly income that can be provided by the greater of A and B, but not less than C if eligible for Early Retirement Benefit as of the date of termination of service due to disability:
 - A. The present value of the Accrued Benefit as of the Benefit Accrual Preservation Date.
 - B. A multiple of the Final Average Monthly Compensation as of the Benefit Accrual Preservation Date. If the employee is at least age 45 and has completed 15 years of service, the multiple is 30; otherwise, the multiple is 12.
 - C. The monthly Early Retirement Benefit payable at the Disability Retirement Date.

This income is payable for life only.

The monthly benefit may not be greater than the retirement income the participant would receive if he remained in active employment at his rate of pay at the Benefit Accrual Preservation Date and retired.

3. **Waiting Period:** Benefits will not commence until the employee has been disabled for six months and has filed a request for disability benefits with the employer.

Vested Benefits Upon Termination of Service

1. **Vesting:** A participant is 100% vested upon completion of 5 years of vesting service. However, all participants become 100% vested upon reaching age 65.
2. **Termination Benefit:** The termination benefit is equal to the vested accrued benefit, payable in the normal form, commencing at Normal Retirement Date. Optionally, the participant may elect to receive an actuarially reduced benefit commencing prior to Normal Retirement Date. The participant may also elect to receive an actuarially reduced benefit in order to provide a death benefit for the period between termination and the date retirement payments commence. Such death benefit is equal to the actuarial present value of the deferred accrued benefit, determined as of the Benefit Accrual Preservation Date.

Schedule SB, Part V – Summary of Plan Provisions (cont.)

Plan Name: Retirement Plan for Employees of Memorial Health System of East Texas

EIN/PN: 75-0755367/001

Plan Sponsor: Memorial Health System of East Texas

Death Benefits for Participants in Active Service

1. Eligibility: Two years of Vesting Service or after initial vesting date.
2. Benefit: The participant's beneficiary will receive an income payable for 10 years certain and life (other optional forms are available) that can be provided by the greater of A or B below:
 - A. The present value of the accrued benefit as of the Benefit Accrual Preservation Date.
 - B. The smaller of (1) or (2) below:
 - (1) A multiple of the Final Average Monthly Compensation. If the employee is at least age 45 and has completed 15 years of vesting service, the multiple is 30. Otherwise, the multiple is 12.
 - (2) 100 times the monthly retirement income the participant accrued as of the Benefit Accrual Preservation Date.

If death occurs after normal retirement but prior to actual retirement, the participant's beneficiary will receive a benefit equal in value to the Late Retirement Benefit described above that the participant would have received had he retired as of his date of death.

Optional Forms of Retirement Income in Lieu of Normal Form

The plan provides optional payment forms, including the qualified Joint and Contingent benefit for married employees, on an actuarially equivalent basis. Actuarial equivalence for this purpose is based on a 7.0% interest rate and the UP-1984 Mortality Table. Lump-sum distributions are allowed, but only if the lump sum is less than \$5,000.

Special Provisions for Top-Heavy Plans

1. The plan is top heavy in any plan year that the value of accrued benefits for "Key Employees" (as defined in the Internal Revenue Code) is 60% or more of the total value of accrued benefits under the plan.
2. Vesting: For years that the plan is top heavy the minimum vesting percentage is equal to 20% after two years of vesting service, increasing by 20% per year until it is 100% after six years of vesting service.
3. Minimum Accrued Benefit: There is a minimum accrued benefit equal to 2% of five-year-average pay times the number of years of service after January 1, 1984, that the plan is top heavy, up to a maximum of ten years.
4. The plan is not currently top heavy.

Minimum Benefit

1. Eligibility: The employee must have been an active participant in the plan as of December 31, 1992.
2. Minimum Accrued Benefit: The participant's monthly Accrued Benefit shall not be less than that which was accrued as of December 31, 1992, under the terms of the plan in effect on that date.

Schedule SB, Part V – Summary of Plan Provisions (cont.)

Plan Name: Retirement Plan for Employees of Memorial Health System of East Texas

EIN/PN: 75-0755367/001

Plan Sponsor: Memorial Health System of East Texas

Special Provisions for Former Polk County Memorial Hospital Participants

1. Eligibility: The employee must have been hired before July 1, 1994.
2. Participation: The later of A and B:
 - A. July 1, 1994
 - B. Completion of at least 1,000 Hours of Service
3. Vesting Service: Vesting Service shall include Credited Service as defined in the Texas County and District Retirement System (TCDRS) as of July 1, 1994.
4. Credited Service: Credited Service shall include Credited Service as defined in the Texas County and District Retirement System (TCDRS) as of July 1, 1994.

Special Provisions for Former Memorial Health System of East Texas (MHSET)

1. Eligibility: The employee must have terminated on or about December 1, 1996 and performed housekeeping or food service functions for MHSET, and were subsequently employed by Marriott Management Services, Healthcare Services Division.
2. These employees are 100% Vested as of December 1, 1996.

Special Provisions for Former Memorial Center – San Augustine

1. Eligibility: The employee must have been employed with Memorial Medical Center – San Augustine as of July 1, 1996.
2. Participation: If the employee has not previously terminated service with Memorial Medical Center – San Augustine, participation begins with the employee's original hire date at that facility. If the employee has terminated service with San Augustine, participation begins with the employee's hire date at MHSET.
3. Vesting Service: Vesting Service at Memorial Health System of East Texas (MHSET) shall begin with the later of A and B:
 - A. July 1, 1996
 - B. The employee's hire date at San Augustine if the employee has not previously terminated from San Augustine or the employee's hire date at MHSET if the employee has previously terminated from San Augustine.
4. Credited Service: Credited Service at MHSET shall begin with the later of A and B:
 - A. July 1, 1996
 - B. The employee's hire date at San Augustine if the employee has not previously terminated from San Augustine or the employee's hire date at MHSET if the employee has previously terminated from San Augustine.

Schedule SB, Part V – Summary of Plan Provisions (cont.)

Plan Name: Retirement Plan for Employees of Memorial Health System of East Texas

EIN/PN: 75-0755367/001

Plan Sponsor: Memorial Health System of East Texas

Special Provisions for Former Memorial Health System of East Texas (MHSET)

1. Eligibility: The employee must have terminated on or about December 31, 1997 and were employed in the Medical Records Department of the Medical Transcription Department, and were subsequently employed by Transcend Services, Inc.
2. These employees are 100% Vested as of December 31, 1997.

Changes in Plan Provisions since Last Actuarial Valuation

None.

Schedule SB, Line 26 – Schedule of Active Participant Data

Plan Name: Retirement Plan for Employees of Memorial Health System of East Texas

EIN/PN: 75-0755367/001

Plan Sponsor: Memorial Health System of East Texas

Schedule of Active Participant Data for Frozen Plan as of January 1, 2013

Attained Age	Years of Credited Service															
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	0		0		0		0		0		0		0		0	
25 - 29	0		2		0		0		0		0		0		0	
30 - 34	0		14		1		0		0		0		0		0	
35 - 39	0		26		11		0		0		0		0		0	
40 - 44	0		23		22		7		1		0		0		0	
45 - 49	0		14		11		11		4		1		0		0	
50 - 54	0		20		19		8		7		10		1		0	
55 - 59	0		19		22		13		9		13		7		0	
60 - 64	0		7		11		3		6		5		1		2	
65 - 69	0		5		4		3		1				0		0	
70 & Over	0		3		0		1		0		2		0		0	

Schedule SB, Line 32 – Schedule of Amortization Bases

Plan Name: Retirement Plan for Employees of Memorial Health System of East Texas
EIN/PN: 75-0755367/001
Plan Sponsor: Memorial Health System of East Texas

	Type of Base	Date Established	Initial Amount	Remaining Amortization Period (Years)	Outstanding Balance	Amortization Payment
1	Shortfall	01/01/2013	(640,379)	7	(640,379)	(107,779)
2	Shortfall	01/01/2012	(478,739)	6	(430,068)	(81,254)
3	Shortfall	01/01/2011	(414,021)	5	(310,003)	(68,119)
4	Shortfall	01/01/2010	2,243,473	4	1,397,161	374,945
5	Shortfall	01/01/2009	1,032,151	3	527,469	184,366
6	Shortfall	01/01/2008	4,989,626	2	1,629,822	834,552
Total					2,169,436	1,136,711

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