# Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

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

OMB Nos. 1210-0110
1210-0089

**2013**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

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

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

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

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

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
PATHOLOGY ASSOCIATES OF SAN ANTONIO 401(K) PLAN

**1b** Three-digit plan number (PN) ▶ 002

**1c** Effective date of plan 01/01/1989

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

PATHOLOGY ASSOCIATES OF SAN ANTONIO

9600 DATAPOINT
SAN ANTONIO, TX 78229

**2b** Employer Identification Number (EIN)
74-2593607

**2c** Sponsor's telephone number
210-892-3701

**2d** Business code (see instructions)
621510

**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. | 10/15/2014 | MAURO GUERRA |
| | **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

PATHOLOGY ASSOCIATES OF SAN ANTONIO

9600 DATAPOINT
SAN ANTONIO, TX 78229

**3b** Administrator's EIN: 74-2593607

**3c** Administrator's telephone number: 210-892-3701

**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** | 162 |
| **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** | 145 |
| **b** | Retired or separated participants receiving benefits | **6b** | 0 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 32 |
| **d** | Subtotal. Add lines **6a**, **6b**, and **6c** | **6d** | 177 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits | **6e** | 0 |
| **f** | Total. Add lines **6d** and **6e** | **6f** | 177 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 177 |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 0 |
| **7** | Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
2E 2J 2K 2F 2G 3D 3B

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

**9b** Plan benefit arrangement (check all that apply)

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

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

**a Pension Schedules**

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

**b General Schedules**

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

# SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Insurance Information

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

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

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

**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
PATHOLOGY ASSOCIATES OF SAN ANTONIO 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
PATHOLOGY ASSOCIATES OF SAN ANTONIO

**D** Employer Identification Number (EIN)
74-2593607

## Part I Information Concerning Insurance Contract Coverage, Fees, and Commissions

Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

**1** Coverage Information:

**(a)** Name of insurance carrier

ING LIFE INSURANCE AND ANNUITY COMPANY

| (b) EIN | (c) NAIC code | (d) Contract or identification number | (e) Approximate number of persons covered at end of policy or contract year | Policy or contract year | |
|---|---|---|---|---|---|
| | | | | (f) From | (g) To |
| 71-0294708 | 85509 | 876421 | 154 | 01/01/2013 | 12/31/2013 |

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

| (a) Total amount of commissions paid | (b) Total amount of fees paid |
|---|---|
| 31911 | 0 |

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

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

SBHU LIFE AGENCY INC.
SUITE 300
700 RED BROOK BLVD
OWINGS MILLS, MD 21117

| (b) Amount of sales and base commissions paid | Fees and other commissions paid | | (e) Organization code |
|---|---|---|---|
| | (c) Amount | (d) Purpose | |
| 31911 | 0 | N/A | 3 |

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

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

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

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

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

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

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

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

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

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

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

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

## Part II Investment and Annuity Contract Information

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

| | | | |
|---|---|---|---|
| 4 | Current value of plan's interest under this contract in the general account at year end | 4 | 1122866 |
| 5 | Current value of plan's interest under this contract in separate accounts at year end | 5 | 11979129 |

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

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

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity

(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee

(3) ☐ guaranteed investment (4) ☐ other ▶

| | | | | | |
|---|---|---|---|---|---|
| b | Balance at the end of the previous year | | | 7b | 639403 |
| c | Additions: (1) Contributions deposited during the year | 7c(1) | 321810 | | |
| | (2) Dividends and credits | 7c(2) | 0 | | |
| | (3) Interest credited during the year | 7c(3) | 11609 | | |
| | (4) Transferred from separate account | 7c(4) | 875637 | | |
| | (5) Other (specify below) | 7c(5) | 18659 | | |
| | ▶ LOAN REPAYMENTS | | | | |
| | (6)Total additions | | | 7c(6) | 1227715 |
| d | Total of balance and additions (add lines **7b** and **7c(6)**). | | | 7d | 1867118 |
| e | Deductions: | | | | |
| | (1) Disbursed from fund to pay benefits or purchase annuities during year | 7e(1) | 708993 | | |
| | (2) Administration charge made by carrier | 7e(2) | 1206 | | |
| | (3) Transferred to separate account | 7e(3) | | | |
| | (4) Other (specify below) | 7e(4) | 34053 | | |
| | ▶ LOAN DISBUREMENTS | | | | |
| | (5) Total deductions | | | 7e(5) | 744252 |
| f | Balance at the end of the current year (subtract line **7e(5)** from line **7d**) | | | 7f | 1122866 |

## Part III Welfare Benefit Contract Information

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

**8** Benefit and contract type (check all applicable boxes)

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

| | | | | |
|---|---|---|---|---|
| **9** Experience-rated contracts: | | | | |
| **a** Premiums: (1) Amount received | **9a(1)** | | | |
| (2) Increase (decrease) in amount due but unpaid | **9a(2)** | | | |
| (3) Increase (decrease) in unearned premium reserve | **9a(3)** | | | |
| (4) Earned (**(1)** + **(2)** - **(3)**) | | | **9a(4)** | 0 |
| **b** Benefit charges (1) Claims paid | **9b(1)** | | | |
| (2) Increase (decrease) in claim reserves | **9b(2)** | | | |
| (3) Incurred claims (add **(1)** and **(2)**) | | | **9b(3)** | 0 |
| (4) Claims charged | | | **9b(4)** | |
| **c** Remainder of premium: (1) Retention charges (on an accrual basis) -- | | | | |
| (A) Commissions | **9c(1)(A)** | | | |
| (B) Administrative service or other fees | **9c(1)(B)** | | | |
| (C) Other specific acquisition costs | **9c(1)(C)** | | | |
| (D) Other expenses | **9c(1)(D)** | | | |
| (E) Taxes | **9c(1)(E)** | | | |
| (F) Charges for risks or other contingencies | **9c(1)(F)** | | | |
| (G) Other retention charges | **9c(1)(G)** | | | |
| (H) Total retention | | | **9c(1)(H)** | 0 |
| (2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.) | | | **9c(2)** | |
| **d** Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement | | | **9d(1)** | |
| (2) Claim reserves | | | **9d(2)** | |
| (3) Other reserves | | | **9d(3)** | |
| **e** Dividends or retroactive rate refunds due. (Do not include amount entered in line **9c(2)**.) | | | **9e** | |
| **10** Nonexperience-rated contracts: | | | | |
| **a** Total premiums or subscription charges paid to carrier | | | **10a** | |
| **b** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount | | | **10b** | |

Specify nature of costs ▶

## Part IV Provision of Information

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

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

# SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

## DFE/Participating Plan Information

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

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

OMB No. 1210-0110

**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
PATHOLOGY ASSOCIATES OF SAN ANTONIO 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan or DFE sponsor's name as shown on line 2a of Form 5500
PATHOLOGY ASSOCIATES OF SAN ANTONIO

**D** Employer Identification Number (EIN)
74-2593607

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

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

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

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 71-0294708-000 | P | 11979129 |

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

# 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**

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

**A** Name of plan
PATHOLOGY ASSOCIATES OF SAN ANTONIO 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
PATHOLOGY ASSOCIATES OF SAN ANTONIO

**D** Employer Identification Number (EIN)
74-2593607

## Part I Asset and Liability Statement

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

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | | |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | | |
| **(2)** Participant contributions | 1b(2) | | |
| **(3)** Other | 1b(3) | | |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 90205 | 1240190 |
| **(2)** U.S. Government securities | 1c(2) | | |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | | |
| **(B)** All other | 1c(3)(B) | | |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | | |
| **(B)** Common | 1c(4)(B) | 935101 | 1601283 |
| **(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) | 260305 | 353081 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | | |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | 10433319 | 11979129 |
| **(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) | 908909 | 706907 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | 639403 | 1122867 |
| **(15)** Other | 1c(15) | | |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | | |
| | **(2)** Employer real property | 1d(2) | | |
| **e** | Buildings and other property used in plan operation | 1e | | |
| **f** | Total assets (add all amounts in lines 1a through 1e) | 1f | 13267242 | 17003457 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | | |
| **h** | Operating payables | 1h | | |
| **i** | Acquisition indebtedness | 1i | | |
| **j** | Other liabilities | 1j | | |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 0 | 0 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 13267242 | 17003457 |

## Part II Income and Expense Statement

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

| | Income | | (a) Amount | (b) Total |
|---|---|---|---|---|
| **a** | **Contributions:** | | | |
| | **(1)** Received or receivable in cash from: **(A)** Employers | 2a(1)(A) | 1305812 | |
| | **(B)** Participants | 2a(1)(B) | 430875 | |
| | **(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) | | 1736687 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 11609 | |
| | **(B)** U.S. Government securities | 2b(1)(B) | | |
| | **(C)** Corporate debt instruments | 2b(1)(C) | | |
| | **(D)** Loans (other than to participants) | 2b(1)(D) | | |
| | **(E)** Participant loans | 2b(1)(E) | 11994 | |
| | **(F)** Other | 2b(1)(F) | | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 23603 |
| | **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| | **(B)** Common stock | 2b(2)(B) | | |
| | **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 0 |
| | **(3)** Rents | 2b(3) | | |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |
| | **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | | |
| | **(B)** Other | 2b(5)(B) | | |
| | **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 0 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | 3038914 |
| (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) | | |
| c Other income | 2c | | |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 4799204 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 1058144 | |
| (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) | | 1058144 |
| f Corrective distributions (see instructions) | 2f | | |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | |
| h Interest expense | 2h | | |
| i Administrative expenses: (1) Professional fees | 2i(1) | | |
| (2) Contract administrator fees | 2i(2) | 4845 | |
| (3) Investment advisory and management fees | 2i(3) | | |
| (4) Other | 2i(4) | | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 4845 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 1062989 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | 3736215 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

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

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

**(1)** [ ] Unqualified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

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

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

**(1)** Name: BROWN, GRAHAM & COMPANY, P.C. **(2)** EIN: 75-1386677

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

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

## Part IV Compliance Questions

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

During the plan year:

| | | Yes | No | Amount |
|---|---|---|---|---|
| **a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) | 4a | X | | 289805 |
| **b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) | 4b | | X | |

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

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

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

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

**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 |
|---|---|
| | |

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Retirement Plan Information

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

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

OMB No. 1210-0110

**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
PATHOLOGY ASSOCIATES OF SAN ANTONIO 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
PATHOLOGY ASSOCIATES OF SAN ANTONIO

**D** Employer Identification Number (EIN)
74-2593607

## Part I Distributions

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

**1** Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... **1** 0

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

EIN(s): 71-0294708

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

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

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

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

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

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

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

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

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

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

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

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

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

## Part III Amendments

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

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

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

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

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

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

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

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

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

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

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

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

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

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

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

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

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

**a** Enter the percentage of plan assets held as:
Stock: 00% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

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

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

# PATHOLOGY ASSOCIATES OF SAN ANTONIO 401(k) PLAN

# FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT WITH SUPPLEMENTAL INFORMATION

## YEAR ENDED DECEMBER 31, 2013

**PATHOLOGY ASSOCIATES OF SAN ANTONIO 401(K) PLAN**

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BROWN, GRAHAM & COMPANY
PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 872 • Georgetown, Texas 78627-0872 • 512/930-4090

# INDEPENDENT AUDITOR'S REPORT

To the Retirement Plan Committee of
Pathology Associates of San Antonio 401(k) Plan
San Antonio, Texas

We were engaged to audit the accompanying financial statements of Pathology Associates of San Antonio 401(k) Plan (the Plan), which comprise the statements of net assets available for benefits as December 31, 2013 and 2012, and the related statement of changes in net assets available for benefits for the year ended December 31, 2013, and the related notes to the financial statements.

## *Management's Responsibility for the Financial Statements*

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

## *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 (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6, which was certified by ING Life Insurance and Annuity Company, the custodian of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the custodian as of December 31, 2013 and 2012 and for the year ended December 31, 2013, that the information provided to the plan administrator by the custodian is complete and accurate.

*Disclaimer of Opinion*

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

*Other Matter*

The supplemental schedules, Schedule H, line 4a - Schedule of Delinquent Participant Contributions, Schedule H, line 4i - Schedule of Assets (Held at End of Year) and Schedule H, line 4j - Schedule of Reportable Transactions, are required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA 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 custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Brown, Graham + Company, P.C.

Georgetown, Texas
October 15, 2014

**PATHOLOGY ASSOCIATES OF SAN ANTONIO 401(K) PLAN**
**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**
**DECEMBER 31, 2013 AND 2012**

**ASSETS**

| | 2013 | 2012 |
|---|---|---|
| Investments at fair value (Notes 7 and 8): | | |
| Cash and cash equivalents | $ 533,628 | $ 21,470 |
| Common stock | 1,601,283 | 935,101 |
| Exchange traded funds | 242,981 | - |
| Money market | 706,562 | 68,735 |
| Mutual funds | 463,926 | 908,909 |
| Pooled separate accounts (Note 6) | 11,979,129 | 10,433,319 |
| General account (Notes 6 and 9) | 1,109,425 | 652,388 |
| Total investments | 16,636,934 | 13,019,922 |
| Receivables: | | |
| Employer (Note 11) | 212,152 | 211,465 |
| Notes receivable from participants | 353,081 | 260,305 |
| Total receivables | 565,233 | 471,770 |
| Net assets reflecting all investments at fair value | 17,202,167 | 13,491,692 |

**NET ASSETS**

| | | |
|---|---|---|
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | 13,442 | (12,985) |
| Net assets available for benefit | $ 17,215,609 | $ 13,478,707 |

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

**PATHOLOGY ASSOCIATES OF SAN ANTONIO 401(K) PLAN**
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**
**YEAR ENDED DECEMBER 31, 2013**

| | |
|---|---|
| Additions: | |
| Investment income: | |
| Net appreciation in fair value of investments | $ 2,994,988 |
| Interest income | 13,351 |
| Dividends | 42,156 |
| Total investment income | 3,050,495 |
| Contributions: | |
| Employers | 1,306,500 |
| Participants | 430,875 |
| Total contributions | 1,737,375 |
| Interest income on notes receivable from participants | 11,993 |
| Total additions | 4,799,863 |
| Deductions: | |
| Benefits paid to participants | 1,058,144 |
| Administrative expenses | 4,817 |
| Total deductions | 1,062,961 |
| Net increase in net assets available for benefits | $ 3,736,902 |
| Net assets available for benefits: | |
| Beginning of year, as previously stated | $ 13,350,315 |
| Prior period adjustment (Note 11) | 128,392 |
| Beginning of year, as restated | 13,478,707 |
| Net increase in net assets available for benefits | 3,736,902 |
| End of year | $ 17,215,609 |

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

**PATHOLOGY ASSOCIATES OF SAN ANTONIO 401(K) PLAN**
**NOTES TO THE FINANCIAL STATEMENTS**
**YEAR ENDED DECEMBER 31, 2013**

## NOTE 1 - DESCRIPTION OF THE PLAN

The following description of the Pathology Associates of San Antonio 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan document for a complete description of all Plan provisions.

**General:**
The Plan is a defined contribution savings plan covering substantially all employees of Pathology Associates of San Antonio and Pathology Reference Laboratory (collectively, the Sponsor) who are 18 years of age or older and have one year of service with the Sponsor. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Finance Committee of the Board of Directors is responsible for oversight of the Plan. The Finance Committee determines the appropriateness of the Plan's investment offerings, monitor investment performance and reports to the Sponsor's Board of Directors.

**Contributions:**
Each year, participants may contribute up to 100% of their pre-tax annual compensation, as defined in the Plan document. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified plans (rollover). Participants direct the investments of their contributions into various investment options offered by the Plan.

The Sponsor's matching contribution is paid on a discretionary basis as determined by the employer and shall be limited to the specified percentage of each participant's deferred compensation. Employer matching contributions of $219,552 were made for the year ended December 31, 2013.

The Sponsor, at its discretion, may also make discretionary profit sharing contributions to the Plan. Employer profit sharing contributions of $543,475 were made for the year ended December 31, 2013.

The Sponsor will make safe harbor contributions to the Plan in an amount not less than 3% of each participant's compensation for participants who are employed on the last day of the plan year and have 1,000 hours of service during the year. Safe harbor contributions of $543,473 were made for the year ended December 31, 2013.

**Participant accounts:**
Each participant's account is credited with the participant's contribution, sponsor matching contributions, as well as allocations of the Sponsor's profit sharing contributions, safe harbor nonelective contributions, and Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

## NOTE 1 - DESCRIPTION OF THE PLAN - CONTINUED

**Vesting:**
Participants are immediately vested in both employee and employer contributions and all subsequent earnings.

**Notes receivable from participants:**
Participants may borrow from their fund accounts up to a maximum of $50,000 or 50% of their vested account balances, whichever is less. The term of the loan shall not exceed five years, except for loans associated with the purchase of a primary residence. These loans are secured by the balance in the participant's account and must bear a reasonable rate of interest. A participant may have a maximum of two outstanding loans at any given time. Loan repayments are made through payroll deductions, and each payment, which includes interest, is credited to the participant's loan account.

**Payment of benefits:**
On termination of service due to death, disability, or retirement, a participant may elect to receive a lump sum amount, equal to the value of the participant's vested interest in his or her account or annual installments over a period of not more than the participant's beneficiary's assumed life expectancy in the event of death of the participant. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump sum distribution. In addition, Plan provisions permit a participant to withdraw funds from the Plan for reasons of financial hardship.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of accounting:**
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Cash and cash equivalents:**
The Plan considers all highly liquid debt instruments and short-term investments purchased with an original maturity of three months or less to be cash equivalents.

**Use of estimates:**
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from these estimates.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

**Investment valuation and income recognition:**
Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 8 for discussion of fair value measurements.

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

**Notes receivable from participants:**
Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2013 or 2012. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

**Administrative expenses:**
Certain expenses of maintaining the Plan are paid directly by the Sponsor and are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation of fair value of investments.

**Payment of benefits:**
Benefits are recorded when paid.

**Subsequent events:**
The Plan has evaluated subsequent events through October 15, 2014, the date the financials were available to be issued.

## NOTE 3 - PLAN TERMINATION

Although it has not expressed any intent to do so, the Sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event that the Plan is terminated, participants would become 100% vested in their accounts.

## NOTE 4 - TAX STATUS

The Internal Revenue Service (IRS) has determined and informed the Sponsor by a letter dated March 31, 2008, that the Plan and related trust are designed in accordance with the applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter; however, the Sponsor and the plan administrator believe that the Plan is designed and is currently being operated in compliance with the applicable requirements for the IRC and the Plan and related trust continue to be tax exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for tax years prior to 2012 (See note 11).

## NOTE 5 - RISKS AND UNCERTAINTIES

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

## NOTE 6 - INVESTMENT INFORMATION PREPARED AND CERTIFIED BY THE CUSTODIAN

The fair value of the general account and the pooled separate accounts, as disclosed in the accompanying financial statements and supplemental schedules, as well as the related net appreciation in fair value of those investments, interest and dividends for the year ended December 31, 2013, was certified as complete and accurate by ING Life Insurance and Annuity Company, the custodian.

## NOTE 7 - INVESTMENTS

Investments representing 5% or more of the Plan's net assets at December 31, 2013 and the comparable balances at the end of the prior year are as follows:

| | 2013 | 2012 |
|---|---|---|
| Investments: | | |
| ING Fixed Account | $ 1,109,425 | $ 652,388 |
| American Funds Fdmnt | 909,746 | 665,546 |
| American Funds Growth | 1,798,773 | 1,440,602 |
| Black Rock Equity Dividend Fund R | 871,266 | 609,045 |
| ING Small Company Po | 1,666,221 | 1,132,236 |
| ING TRowePrice Cap Apprec. Pt Srv | 922,217 | 718,141 |
| Investments that individually represent less than 5% of net assets available for benefits | 9,359,286 | 7,801,964 |
| Total investments | $ 16,636,934 | $ 13,019,922 |

During the year ended December 31, 2013, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by $2,994,988 as follows:

| | |
|---|---|
| Common Stock | $ 303,895 |
| Exchange Traded Funds | 2,097 |
| Mutual Funds | 10,806 |
| Pooled Separate Accounts | 2,678,190 |
| Total | $ 2,994,988 |

## NOTE 8 - FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

## NOTE 8 - FAIR VALUE MEASUREMENTS - CONTINUED

Level 2 Inputs to the valuation methodology include:

-quoted prices for similar assets or liabilities in active markets;

-quoted prices for identical or similar assets or liabilities in inactive markets;

-inputs other than quoted prices that are observable for the asset or liability; and

-inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2013 and 2012.

*Cash and cash equivalents:* Due to the nature of the interest-bearing cash account, there are no specific underlying assets assigned. Fair value of the interest-bearing cash account represents the amount that would be received if amounts were withdrawn at the reporting date.

*Money market and mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

*Pooled separate accounts:* The pooled separate accounts with underlying mutual fund investments, which are expressed in units, are recorded at fair value and determined by the net asset value per unit of the respective fund. Investment return is reflected in the change in value of those units. The value of the pooled separate account units is the net asset value of the underlying assets on the last day of the year.

## NOTE 8 - FAIR VALUE MEASUREMENTS - CONTINUED

*Common stock:* Valued at the quoted net asset value of shares in active markets held by the Plan at year end.

*General account:* The fair value of the general account is determined by calculating the approximate amount that would have been paid if the contract had terminated as of Plan year end and potential surrender charges and market value adjustments were applied as of that date.

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

The following table sets forth by level, within the fair value hierarchy, the Plan's fair value measurements at December 31, 2013 and 2012:

Fair Value Measurement at December 31, 2013

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Cash and cash equivalents | $ 533,628 | $ - | $ - | $ 533,628 |
| Money market | 706,562 | - | - | 706,562 |
| General account | - | - | 1,109,425 | 1,109,425 |
| Pooled separate accounts: | | | | |
| Balanced | - | 922,217 | - | 922,217 |
| Large cap value | - | 2,422,498 | - | 2,422,498 |
| Large cap growth | - | 2,038,389 | - | 2,038,389 |
| Small/Mid/Specialty | - | 3,332,433 | - | 3,332,433 |
| Global / International | - | 2,637,663 | - | 2,637,663 |
| Bond funds | - | 625,929 | - | 625,929 |
| Total pooled separate accounts | - | 11,979,129 | - | 11,979,129 |
| Common Stock: | | | | |
| Aerospace & Defense | 11,461 | - | - | 11,461 |
| Agricultural Inputs | 10,538 | - | - | 10,538 |
| Airlines | 28,785 | - | - | 28,785 |
| Apparel Stores | 64,216 | - | - | 64,216 |
| Auto Manufacturers | 37,401 | - | - | 37,401 |
| Banks | 51,686 | - | - | 51,686 |
| Beverages | 56,894 | - | - | 56,894 |
| Chemicals | 9,746 | - | - | 9,746 |
| Consumer Electronics | 74,291 | - | - | 74,291 |
| Copper | 41,740 | - | - | 41,740 |
| Credit Services | 54,385 | - | - | 54,385 |
| Department Stores | 31,690 | - | - | 31,690 |

## NOTE 8 - FAIR VALUE MEASUREMENTS - CONTINUED

Fair Value Measurement at December 31, 2013 - continued

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Diagnostics & Research | $ 31,261 | $ - | $ - | $ 31,261 |
| Discount Stores | 9,836 | - | - | 9,836 |
| Diversified Industrials | 91,079 | - | - | 91,079 |
| Drug Manufacturers | 181,896 | - | - | 181,896 |
| Farm & Construction Equipment | 12,259 | - | - | 12,259 |
| Food | 32,590 | - | - | 32,590 |
| Footwear & Accessories | 21,836 | - | - | 21,836 |
| Home Improvement Stores | 10,704 | - | - | 10,704 |
| Household & Personal Products | 6,957 | - | - | 6,957 |
| Information Technology Services | 14,068 | - | - | 14,068 |
| Insurance - Diversified | 43,487 | - | - | 43,487 |
| Integrated Shipping & Logistics | 23,447 | - | - | 23,447 |
| Luxury Goods | 31,175 | - | - | 31,175 |
| Medical Devices | 11,499 | - | - | 11,499 |
| Medical Instruments & Supplies | 19,869 | - | - | 19,869 |
| Oil & Gas | 171,685 | - | - | 171,685 |
| Packaged Foods | 30,098 | - | - | 30,098 |
| Paper & Paper Products | 32,264 | - | - | 32,264 |
| Pharmaceutical Retailers | 9,662 | - | - | 9,662 |
| Railroads | 26,208 | - | - | 26,208 |
| REIT | 60,276 | - | - | 60,276 |
| Restaurants | 28,540 | - | - | 28,540 |
| Semiconductors | 71,419 | - | - | 71,419 |
| Software - Infrastructure | 49,007 | - | - | 49,007 |
| Solar | 17,649 | - | - | 17,649 |
| Staffing & Outsourcing Services | 7,285 | - | - | 7,285 |
| Telecom Services | 82,394 | - | - | 82,394 |
| Total common stock | 1,601,283 | - | - | 1,601,283 |
| Mutual funds: | | | | |
| Bank Loan | 463,926 | - | - | 463,926 |
| Total mutual funds | 463,926 | - | - | 463,926 |
| Exchange traded funds: | | | | |
| Small Blend | 164,459 | - | - | 164,459 |
| Utilities | 78,522 | - | - | 78,522 |
| Total exchange traded funds | 242,981 | - | - | 242,981 |
| Total assets at fair value | $ 3,548,380 | $ 11,979,129 | $ 1,109,425 | $ 16,636,934 |

## NOTE 8 - FAIR VALUE MEASUREMENTS - CONTINUED

Fair Value Measurement at December 31, 2012

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Cash and cash equivalents | $ 21,470 | $ - | $ - | $ 21,470 |
| Money market | 68,735 | - | - | 68,735 |
| General account | - | - | 652,388 | 652,388 |
| Pooled separate accounts: | | | | |
| Balanced | - | 718,141 | - | 718,141 |
| Large cap value | - | 1,676,218 | - | 1,676,218 |
| Large cap growth | - | 1,582,893 | - | 1,582,893 |
| Small/Mid/Specialty | - | 2,296,015 | - | 2,296,015 |
| Global / International | - | 3,618,564 | - | 3,618,564 |
| Bond funds | - | 541,488 | - | 541,488 |
| Total pooled separate accounts | - | 10,433,319 | - | 10,433,319 |
| Common Stock: | | | | |
| Aerospace & Defense | 6,758 | - | - | 6,758 |
| Agricultural Inputs | 115,185 | - | - | 115,185 |
| Asset Management | 4,701 | - | - | 4,701 |
| Banking | 105,724 | - | - | 105,724 |
| Beverages - Soft Drinks | 5,132 | - | - | 5,132 |
| Building Materials | 73,980 | - | - | 73,980 |
| Capital Markets | 3,346 | - | - | 3,346 |
| Chemicals | 6,747 | - | - | 6,747 |
| Consumer Electronics | 29,163 | - | - | 29,163 |
| Copper | 13,493 | - | - | 13,493 |
| Discount Stores | 8,529 | - | - | 8,529 |
| Diversified Industrials | 31,887 | - | - | 31,887 |
| Drug Manufacturers - Major | 40,076 | - | - | 40,076 |
| Farm & Construction Equipment | 6,721 | - | - | 6,721 |
| Food | 10,094 | - | - | 10,094 |
| Food Distribution | 3,166 | - | - | 3,166 |
| Home Improvement Stores | 6,494 | - | - | 6,494 |
| Household & Personal Products | 11,815 | - | - | 11,815 |
| Industrial Metals & Minerals | 8,077 | - | - | 8,077 |
| Information Technology Services | 14,366 | - | - | 14,366 |
| Integrated Shipping & Logistics | 13,335 | - | - | 13,335 |
| Lumber & Wood Production | 18,902 | - | - | 18,902 |
| Medical Devices | 9,825 | - | - | 9,825 |
| Oil & Gas | 174,985 | - | - | 174,985 |

## NOTE 8 - FAIR VALUE MEASUREMENTS - CONTINUED

Fair Value Measurement at December 31, 2012 - continued

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Pharmaceutical Retailers | $ 4,835 | $ - | $ - | $ 4,835 |
| Railroads | 19,374 | - | - | 19,374 |
| REIT | 63,318 | - | - | 63,318 |
| Restaurants | 4,411 | - | - | 4,411 |
| Semiconductors | 6,232 | - | - | 6,232 |
| Software - Infrastructure | 3,072 | - | - | 3,072 |
| Staffing & Outsourcing Services | 2,644 | - | - | 2,644 |
| Telecom Services | 31,005 | - | - | 31,005 |
| Utilities | 52,269 | - | - | 52,269 |
| Waste Management | 25,440 | - | - | 25,440 |
| Total common stock | 935,101 | - | - | 935,101 |
| Mutual funds: | | | | |
| Short-term bond | 40,193 | - | - | 40,193 |
| Bank Loan | 442,524 | - | - | 442,524 |
| Commodities Broad Basket | 31,168 | - | - | 31,168 |
| Diversified Emerging Mkts | 54,364 | - | - | 54,364 |
| Emerging Markets Bond | 35,527 | - | - | 35,527 |
| Equity Energy | 122,814 | - | - | 122,814 |
| Managed Futures | 29,444 | - | - | 29,444 |
| Multisector Bond | 34,368 | - | - | 34,368 |
| Nontraditional Bond | 32,198 | - | - | 32,198 |
| World Allocation | 86,309 | - | - | 86,309 |
| Total mutual funds | 908,909 | - | - | 908,909 |
| Total assets at fair value | $ 1,934,215 | $ 10,433,319 | $ 652,388 | $ 13,019,922 |

## NOTE 8 - FAIR VALUE MEASUREMENTS - CONTINUED

The table below sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2013:

| | | |
|---|---|---|
| General account: | | |
| Balance as of January 1, 2013 | $ | 652,388 |
| Contributions | | 321,810 |
| Loan repayments | | 18,660 |
| Dividends/earnings | | 11,609 |
| Market value adjustment | | (26,427) |
| Loan issue | | (34,054) |
| Distributions | | (708,993) |
| Transfer, net | | 875,638 |
| Fees | | (1,206) |
| Balance as of December 31, 2013 | $ | 1,109,425 |

## NOTE 9 - GENERAL ACCOUNT

As an investment option, participants may invest any portion of their account balance in the ING Fixed Account. The ING Fixed Account is an investment contract entered into with ING Life Insurance and Annuity Company (ING). ING maintains the contributions to the contract in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The contract is included in the financial statements at fair value as reported to the Plan by ING with an adjustment to contract value. Contract value represents contributions made under the contract, plus any earnings, less participant withdrawals and administrative expenses. Participants may direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against the contract value for credit risk of the contract issuer or otherwise. The fair value of the investment contract at December 31, 2013 and 2012 is $1,109,425 and $652,388, respectively. The average yield and crediting interest rate was 1.15% for the years ended December 31, 2013 and 2012. The crediting interest rate is based on a formula agreed upon with ING, but may not be less than 1.05% for the year ended December 31, 2013. Such interest rates are reviewed and reset on a monthly basis by ING, with the floor rate guaranteed for one year.

## NOTE 10 - RECONCILIATION OF THE FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 for the year ended December 31, 2013 and 2012:

| | 2013 | 2012 |
|---|---|---|
| Net assets for benefits per the financial statements | $ 17,215,609 | $ 13,478,707 |
| Employer contributions receivables | (212,152) | (211,465) |
| Net assets available for benefits per Form 5500 | $ 17,003,457 | $ 13,267,242 |

The following is a reconciliation of statement of changes in net assets available for benefits for the year ended December 31, 2013 to the Form 5500:

| | |
|---|---|
| Employer contributions per the financial statements | $ 1,306,500 |
| 2012 employer contributions receivable on the financial statements | 211,465 |
| 2013 employer contributions receivable on the financial statements | (212,152) |
| Employer contributions per Form 5500 | $ 1,305,813 |

## NOTE 11 - SUBSEQUENT EVENTS

Subsequent to the end of December 31, 2013, the Plan was audited by the IRS for the plan years ending December 31, 2012 and 2011. The IRS audit determined that the Plan did not appropriately allocate profit sharing and safe-harbor contributions to certain participants. As of June 4, 2014, the Sponsor remitted all corrections to the Plan as determined by the IRS. As a result of the finding the net assets available for benefit as of January 1, 2012 have been increased by $128,392. The error had no effect on net increase in net assets in 2013.

**SUPPLEMENTAL INFORMATION**

**PATHOLOGY ASSOCIATES OF SAN ANTONIO 401(K) PLAN**
**EIN 74-2593607 PN 002**
**SCHEDULE H, LINE 4a – SCHEDULE DELINQUENT PARTICIPANT CONTRIBUTIONS**
**YEAR ENDED DECEMBER 31, 2013**

| Late Participant Loan Repayments are Included | Participant Contributions Transferred Late to Plan | Total that Constitute Non-exempt Prohibited Transactions | | | Total Fully Corrected Under VFCP and PTE 2002-51 |
|---|---|---|---|---|---|
| | | Contributions Not Corrected | Contributions Corrected Outside VFCP | Contributions Pending Correction in VFCP | |
| X | $ 3,451 | $ 3,451 | $ - | $ - | $ - |
| X | 41 | 41 | - | - | - |
| | 8,187 | 8,187 | - | - | - |
| X | 19,756 | 19,756 | - | - | - |
| X | 19,528 | 19,528 | - | - | - |
| X | 11,902 | 11,902 | - | - | - |
| X | 18,975 | 18,975 | - | - | - |
| X | 1,006 | 1,006 | - | - | - |
| X | 19,285 | 19,285 | - | - | - |
| | 13,803 | 13,803 | - | - | - |
| X | 4,818 | 4,818 | - | - | - |
| | 5,314 | 5,314 | - | - | - |
| | 8,595 | 8,595 | - | - | - |
| X | 3,796 | 3,796 | - | - | - |
| | 7,748 | 7,748 | - | - | - |
| X | 9,147 | 9,147 | - | - | - |
| | 8,380 | 8,380 | - | - | - |
| X | 17,521 | 17,521 | - | - | - |
| X | 19,896 | 19,896 | - | - | - |
| | 10,177 | 10,177 | - | - | - |
| X | 15,902 | 15,902 | - | - | - |
| | 9,652 | 9,652 | - | - | - |
| | 9,097 | 9,097 | - | - | - |
| | 9,689 | 9,689 | - | - | - |
| | 7,025 | 7,025 | - | - | - |
| | 20,943 | 20,943 | - | - | - |
| X | 6,171 | 6,171 | - | - | - |
| Total | $ 289,805 | $ 289,805 | $ - | $ - | $ - |

See independent auditor's report.

**PATHOLOGY ASSOCIATES OF SAN ANTONIO 401(K) PLAN**
**EIN 74-2593607 PN 002**
**SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS**
**(HELD AT END OF YEAR)**
**DECEMBER 31, 2013**

| (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 |
|---|---|---|---|---|
| | Participant notes receivable | 4.25% - 5.25% Various maturity dates | $ - | $ 353,081 |
| | Cash and cash equivalents | Cash | N/A | 533,628 |
| | MS Liquid Asset Fund | Money market | N/A | 706,562 |
| * | ING Fixed Account | General account | N/A | 1,109,425 |
| * | Allianz NFJ Dividend Value Fund R | Pooled separate account | N/A | 225,697 |
| * | American Funds Cap W | Pooled separate account | N/A | 848,823 |
| * | American Funds EuroP | Pooled separate account | N/A | 777,785 |
| * | American Funds Fdmnt | Pooled separate account | N/A | 909,746 |
| * | American Funds Growth | Pooled separate account | N/A | 1,798,773 |
| * | Black Rock Equity Dividend Fund R | Pooled separate account | N/A | 871,266 |
| * | Black Rock Global All | Pooled separate account | N/A | 389,615 |
| * | ING FMR Diversified Md Cp Port Srv | Pooled separate account | N/A | 626,578 |
| * | ING GNMA Income Fund | Pooled separate account | N/A | 84,816 |
| * | ING Large Cap Growth Portflio Srv | Pooled separate account | N/A | 239,616 |
| * | ING PIMCO High Yield Portfolio Srv | Pooled separate account | N/A | 196,510 |
| * | ING Small Company Po | Pooled separate account | N/A | 1,666,222 |
| * | ING TRowePrice Cap Apprec. Pt Srv | Pooled separate account | N/A | 922,217 |
| * | ING U.S. Stock Index Portfolio Srv 2 | Pooled separate account | N/A | 415,790 |
| * | Oppenhiemer Developing Markets Fnd A | Pooled separate account | N/A | 621,439 |
| * | Perkins Mid Cap Valu | Pooled separate account | N/A | 618,505 |
| * | PIMCO Real Return Fund | Pooled separate account | N/A | 301,606 |
| * | The Hartford Floating Rate Fund R3 | Pooled separate account | N/A | 42,996 |
| * | Wanger USA | Pooled separate account | N/A | 421,129 |
| | Abbott Laboratories | Common stock | N/A | 11,499 |
| | American Airls Group Inc | Common stock | N/A | 28,785 |
| | American Eagle Outfitters New | Common stock | N/A | 26,856 |
| | Anadarko Pete | Common stock | N/A | 2,776 |
| | Apache Corp | Common stock | N/A | 33,860 |
| | Apple Inc | Common stock | N/A | 43,199 |
| | Arm Holdings Plc Ads | Common stock | N/A | 22,987 |
| | AT&T Inc. | Common stock | N/A | 41,313 |

See independent auditor's report.

**PATHOLOGY ASSOCIATES OF SAN ANTONIO 401(K) PLAN**
**EIN 74-2593607 PN 002**
**SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS**
**(HELD AT END OF YEAR) - CONTINUED**
**DECEMBER 31, 2013**

| (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 |
|---|---|---|---|---|
| | Auxilium Pharmaceuticals Inc | Common stock | N/A | $ 21,082 |
| | Bristol Myers Squibb Co | Common stock | N/A | 40,607 |
| | Capital One Financial Corp | Common stock | N/A | 33,019 |
| | Caterpillar Inc | Common stock | N/A | 12,259 |
| | Chevron Corp | Common stock | N/A | 52,962 |
| | Clorox Co De | Common stock | N/A | 6,957 |
| | Coca Cola Co | Common stock | N/A | 4,751 |
| | Conocophillips | Common stock | N/A | 51,998 |
| | Covance Inc | Common stock | N/A | 31,261 |
| | CSX Corp | Common stock | N/A | 3,596 |
| | CVS Caremark Corp | Common stock | N/A | 9,662 |
| | Devon Energy Corp New | Common stock | N/A | 3,094 |
| | Diageo Plc Spon Adr New | Common stock | N/A | 41,050 |
| | Dillards Inc Cl A | Common stock | N/A | 31,690 |
| | Domtar Corporation New | Common stock | N/A | 32,264 |
| | Dr Pepper Snapple Group Inc | Common stock | N/A | 4,872 |
| | Du Pont Ei De Nemours & Co | Common stock | N/A | 9,746 |
| | Dunkin Brands Group Inc | Common stock | N/A | 20,292 |
| | Exxon Mobil Corp | Common stock | N/A | 10,120 |
| | Fedex Corp | Common stock | N/A | 12,939 |
| | First Solar, Inc. | Common stock | N/A | 17,649 |
| | Ford Motor Co New | Common stock | N/A | 18,069 |
| | Freeport McMoran CP&GLD | Common stock | N/A | 41,740 |
| | GAP Inc | Common stock | N/A | 37,360 |
| | General Electric Co | Common stock | N/A | 65,394 |
| | General Motors Co | Common stock | N/A | 19,332 |
| | Hain Celestial Group Inc | Common stock | N/A | 32,590 |
| | Hologic Inc | Common stock | N/A | 19,869 |
| | Home Depot Inc | Common stock | N/A | 10,704 |
| | Honeywell International Inc | Common stock | N/A | 9,137 |

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**EIN 74-2593607 PN 002**
**SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS**
**(HELD AT END OF YEAR) - CONTINUED**
**DECEMBER 31, 2013**

| (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 |
|---|---|---|---|---|
| | Ill Tool Works Inc | Common stock | N/A | $ 6,306 |
| | ING Groep Nv Adr | Common stock | N/A | 43,487 |
| | Intel Corp | Common stock | N/A | 48,432 |
| | Intl Business Machines Corp | Common stock | N/A | 14,068 |
| | Johnson & Johnson | Common stock | N/A | 10,075 |
| | Julius Baer Group Ltd Un Adr | Common stock | N/A | 20,767 |
| | Kilroy Realty Corporation | Common stock | N/A | 19,721 |
| | Koninklijke Phil El Sp Adr New | Common stock | N/A | 31,092 |
| | Mc Donalds Corp | Common stock | N/A | 8,248 |
| | Merck & Co Inc New Com | Common stock | N/A | 41,191 |
| | Microsoft Corp | Common stock | N/A | 49,007 |
| | Monsanto Co/New | Common stock | N/A | 6,993 |
| | Nestle Spon Adr Rep Reg Shr | Common stock | N/A | 30,098 |
| | Norfolk Southern Corp | Common stock | N/A | 12,532 |
| | Northrop Grumman Cp Hldg Co | Common stock | N/A | 11,461 |
| | Paychex Inc | Common stock | N/A | 7,285 |
| | Pepsico Inc Nc | Common stock | N/A | 6,221 |
| | Pfizer Inc | Common stock | N/A | 38,318 |
| | Sanofi Adr | Common stock | N/A | 30,623 |
| | Schlumberger Ltd | Common stock | N/A | 9,462 |
| | Sl Green Realty Cp | Common stock | N/A | 40,555 |
| | Swatch Group Ag Adr The Unspon | Common stock | N/A | 31,175 |
| | The Mosaic Co Hldg Co) New | Common stock | N/A | 3,545 |
| | Total System Svcs | Common stock | N/A | 21,366 |
| | Transocean Ltd | Common stock | N/A | 7,413 |
| | Union Pacific Corp | Common stock | N/A | 10,080 |
| | United Parcel Service Inc Cl-B | Common stock | N/A | 10,508 |
| | United Technologies Corp | Common stock | N/A | 10,242 |
| | Verizon Communications | Common stock | N/A | 41,081 |

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**PATHOLOGY ASSOCIATES OF SAN ANTONIO 401(K) PLAN**
**EIN 74-2593607 PN 002**
**SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS**
**(HELD AT END OF YEAR) - CONTINUED**
**DECEMBER 31, 2013**

| (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 |
|---|---|---|---|---|
| | Wal Mart Stores Inc | Common stock | N/A | $ 9,836 |
| | Wolverine World Wide | Common stock | N/A | 21,836 |
| | Zions Bancorp | Common stock | N/A | 30,919 |
| | iShares SP Small Cap 600 Index | Exchange traded fund | N/A | 164,459 |
| | Utilities Sel Sect Spdr Fund | Exchange traded fund | N/A | 78,522 |
| | Hartford Floating Rate R3 | Mutual fund | N/A | 463,926 |
| | | | | $ 16,990,015 |

* Represents a party-in-interest

See independent auditor's report.

**PATHOLOGY ASSOCIATES OF SAN ANTONIO 401(K) PLAN**
**EIN 74-2593607 PN 002**
**SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS**
**YEAR ENDED DECEMBER 31, 2013**

| (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) |
|---|---|---|---|---|---|---|---|---|
| None | | | | | | | | |

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**PATHOLOGY ASSOCIATES OF SAN ANTONIO 401(K) PLAN**
**EIN 74-2593607 PN 002**
**SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS**
**(HELD AT END OF YEAR) - CONTINUED**
**DECEMBER 31, 2013**

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**(HELD AT END OF YEAR) - CONTINUED**
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