

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 2013 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2013 or fiscal plan year beginning <u>07/01/2013</u> and ending <u>06/30/2014</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>RETIREMENT PLAN FOR THE EMPLOYEES OF SOMERSET COMMUNITY HOSPITAL</u>	1b Three-digit plan number (PN) ▶ <u>001</u> 1c Effective date of plan <u>07/01/1963</u>
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>SOMERSET COMMUNITY HOSPITAL</u> <u>225 SOUTH CENTER AVENUE</u> <u>SOMERSET, PA 15501-2088</u>	2b Employer Identification Number (EIN) <u>25-0965570</u> 2c Sponsor's telephone number <u>814-443-5070</u> 2d Business code (see instructions) <u>622000</u>

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	04/14/2015	MATTHEW KOCIOLA
	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		3b Administrator's EIN	
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		3c Administrator's telephone number 4b EIN 4c PN	
5 Total number of participants at the beginning of the plan year		5	774
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	239
b Retired or separated participants receiving benefits		6b	238
c Other retired or separated participants entitled to future benefits		6c	260
d Subtotal. Add lines 6a , 6b , and 6c		6d	737
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits		6e	18
f Total. Add lines 6d and 6e		6f	755
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	2
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 1I 3H			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ <u>0</u> 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 07/01/2013 and ending 06/30/2014

▶ **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 THE EMPLOYEES OF SOMERSET COMMUNITY HOSPITAL</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>SOMERSET COMMUNITY HOSPITAL</u>	D Employer Identification Number (EIN) <u>25-0965570</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>07</u> Day <u>01</u> Year <u>2013</u>	
2 Assets:	
a Market value	2a <u>22584061</u>
b Actuarial value	2b <u>22334385</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment.....	3a <u>225</u> (1) Number of participants <u>8560162</u> (2) Funding Target
b For terminated vested participants.....	3b <u>269</u> <u>6234667</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>39845</u>
(2) Vested benefits	3c(2) <u>9559424</u>
(3) Total active.....	3c(3) <u>280</u> <u>9599269</u>
d Total.....	3d <u>774</u> <u>24394098</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>6.73</u> %
6 Target normal cost	6 <u>175000</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>03/26/2015</u>
	Signature of actuary	Date
<u>KELLY R. SWART</u>	Type or print name of actuary	<u>14-05429</u>
		Most recent enrollment number
<u>BUCK CONSULTANTS, LLC</u>	Firm name	<u>412-394-3312</u>
		Telephone number (including area code)
<u>11 STANWIX STREET</u> <u>SUITE 700</u> <u>PITTSBURGH, PA 15222-1312</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)	0	122727
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	0	122727
10 Interest on line 9 using prior year's actual return of <u>12.74</u> %	0	15635
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b Interest on (a) using prior year's effective interest rate of <u>7.09</u> % except as otherwise provided (see instructions)		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	138362

Part III Funding Percentages		
14 Funding target attainment percentage	14	90.98 %
15 Adjusted funding target attainment percentage	15	90.98 %
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	92.64 %
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
10/15/2013	163187	0			
01/10/2014	20111	0			
04/14/2014	163187	0			
07/09/2014	163187	0			
03/06/2015	221700	0			
			Totals ►	18(b)	731372
				18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	686006
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 64
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....		31a	175000
b Excess assets, if applicable, but not greater than line 31a		31b	0
32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment.....		2198075	649048
b Waiver amortization installment		0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount		33	0
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...		34	824048
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	138362	138362
36 Additional cash requirement (line 34 minus line 35).....		36	685686
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....		37	686006
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	320
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances		38b	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)		39	0
40 Unpaid minimum required contributions for all years		40	0

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

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

SCHEDULE C (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2013 This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning 07/01/2013 and ending 06/30/2014

A Name of plan <u>RETIREMENT PLAN FOR THE EMPLOYEES OF SOMERSET COMMUNITY HOSPITAL</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SOMERSET COMMUNITY HOSPITAL</u>	D Employer Identification Number (EIN) <u>25-0965570</u>	

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	
<u>ABERDEEN FUNDS</u>	<u>1735 MARKET STREET</u> <u>32ND FLOOR</u> <u>PHILADELPHIA, PA 19103</u>

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation	
<u>DIMENSIONAL FUND ADVISORS LP</u>	<u>1299 OCEAN AVENUE</u> <u>SANTA MONICA, CA 90401</u>

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
<u>AMERICAN BEACON ADVISORS</u>	<u>4151 AMON CARTER BOULEVARD</u> <u>FORT WORTH, TX 76155</u>

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
<u>DIAMOND HILL FUNDS</u>	<u>325 JOHN H. MCCONNELL BOULEVARD</u> <u>SUITE 200</u> <u>COLUMBUS, OH 43215</u>

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

VANGUARD FUNDS

P.O. BOX 2600V26
VALLEY FORGE, PA 19482

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

HARBOR FUNDS

111 SOUTH WACKER DRIVE
34TH FLOOR
CHICAGO, IL 60606-4302

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

LAZARD ASSET MANAGEMENT LLC

30 ROCKEFELLER PLAZA
NEW YORK, NY 10112-6300

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

WASATCH FUNDS

P.O. BOX 2172
MILWAUKEE, WI 53201-2172

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

FIDELITY ADVISOR SERIES

1182 DEVONSHIRE STREET
BOSTON, MA 02109

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

ISHARES

525 WASHINGTON BOULEVARD
SUITE 1405
JERSEY CITY, NJ 07310

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

PIMCO FUNDS

2187 ATLANTIC STREET
STAMFORD, CT 06902

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

EAGLE SERIES TRUST

800 CARILLON PARKWAY
ST PETERSBURG, FL 33716

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

JOHN HANCOCK FUNDS

601 CONGRESS STREET
BOSTON, MA 02210

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

MAINSTAY MARKETFIELD 1

169 LACKAWANNA AVENUE
PARSIPPANY, NJ 07054

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

SCHOONER INVESTMENT GROUP, LLC

676 E. SWEDES FORD ROAD
SUITE 130
WAYNE, PA 19087

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

RBB FUND

909 THIRD AVENUE
SUITE 130
NEW YORK, NY 10022

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

FEDERATED INVESTORS

1011 LIBERTY AVENUE
PITTSBURGH, PA 15222-3779

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

ARCHSTONE PARTNERSHIPS

360 MADISON AVENUE, 20TH FLOOR
NEW YORK, NY 10017

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

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

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

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

SOMERSET TRUST COMPANY

25-0807970

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21 19	NONE	36831	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

BUCK CONSULTANTS, LLC

13-3954297

(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 17	NONE	31270	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

BILKEY KATZ INVESTMENT CONSULTANTS

411 SEVENTH AVENUE, SUITE 1425
PITTSBURGH, PA 15219-1905

(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?
26	NONE	27500	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)

BKD, LLP

13-4008324

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	NONE	11674	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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning <u>07/01/2013</u> and ending <u>06/30/2014</u>		
A Name of plan <u>RETIREMENT PLAN FOR THE EMPLOYEES OF SOMERSET COMMUNITY HOSPITAL</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SOMERSET COMMUNITY HOSPITAL</u>	D Employer Identification Number (EIN) <u>25-0965570</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	248518	384887
	(2) Participant contributions	1b(2)		
	(3) Other	1b(3)	59107	7609
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	229785	188045
	(2) U.S. Government securities	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)	1018075	1122842
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)		
	(9) Value of interest in common/collective trusts	1c(9)		
	(10) Value of interest in pooled separate accounts	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	21033410	24355027
	(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	22588895	26058410

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 through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	22588895	26058410
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	731372	
(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)		731372
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	61	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)	2364	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		2425
(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)	354043	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		354043
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(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)	92925	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		92925

		(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)		3472377
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		4653142

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	959574	
(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)		959574
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)	79775	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	27500	
(4) Other	2i(4)	116778	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		224053
j Total expenses. Add all expense amounts in column (b) and enter total	2j		1183627

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		3469515
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: BKD, LLP

(2) EIN: 44-0160260

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	
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.)		X	
4d		X	
e Was this plan covered by a fidelity bond?	X		1000000
4e	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	
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?		X	
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?		X	
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.)	X		
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.)	X		
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?		X	
4k		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m			
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

<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 07/01/2013 and ending 06/30/2014					
A Name of plan RETIREMENT PLAN FOR THE EMPLOYEES OF SOMERSET COMMUNITY HOSPITAL				B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 SOMERSET COMMUNITY HOSPITAL				D Employer Identification Number (EIN) 25-0965570	
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): 25-0807970					
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	3
Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)					
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?..... ☐ Yes ☒ No ☐ N/A					
If the plan is a defined benefit plan, go to line 8.					
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.					
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....				6a	
b Enter the amount contributed by the employer to the plan for this plan year.....				6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)				6c	
If you completed line 6c, skip lines 8 and 9.					
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?..... ☐ Yes ☐ No ☐ N/A					
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?..... ☐ Yes ☐ No ☒ N/A					
Part III Amendments					
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☒ No					
Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.					
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ☐ Yes ☐ No					
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No					
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... ☐ Yes ☐ No					
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... ☐ Yes ☐ No					
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: _____% 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): _____

Retirement Plan for Employees of Somerset Community Hospital EIN 25-0965570 PN 001

Independent Auditor's Report and Financial Statements

June 30, 2014 and 2013

**Retirement Plan for Employees of
Somerset Community Hospital
June 30, 2014 and 2013**

Contents

Independent Auditor's Report.....	1
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Financial Statements

Statements of Net Assets Available for Benefits.....	3
Statements of Changes in Net Assets Available for Benefits.....	4
Notes to Financial Statements	5

Supplemental Schedules

Schedule H, Line 4j – Schedule of Reportable Transactions	17
Schedule H, Line 4i – Schedule of Assets (Held at End of Year)	18

Independent Auditor's Report

Board of Directors
Retirement Plan for Employees of Somerset Community Hospital
Somerset, Pennsylvania

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Retirement Plan for Employees of Somerset Community Hospital which comprise the statements of net assets available for benefits as of June 30, 2014 and 2013, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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 our audits 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 3*, which was certified by Somerset Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee as of and for the years ended June 30, 2014 and 2013, that the information provided to the plan administrator by the trustee is complete and accurate to the best of their knowledge.

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.

Supplementary Information

The supplemental schedules listed in the table of contents are required by the Department of Labor's 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*.

BKD, LLP

Springfield, Missouri
April 13, 2015

Federal Employer Identification Number: 44-0160260

**Retirement Plan for Employees of
Somerset Community Hospital**
Statements of Net Assets Available for Benefits
June 30, 2014 and 2013

Assets

	2014	2013
Investments, At Fair Value		
Mutual funds	\$ 23,618,717	\$ 19,740,491
Exchange traded funds	736,310	1,292,919
Hedge fund	1,122,842	1,018,075
Cash equivalents	188,045	229,785
	<u>25,665,914</u>	<u>22,281,270</u>
Receivables		
Employer's contribution	384,887	248,518
Due from broker for securities sold	-	49,554
Accrued interest and dividends	7,609	9,553
	<u>392,496</u>	<u>307,625</u>
Total assets	<u>26,058,410</u>	<u>22,588,895</u>

Liabilities

Accrued expenses	<u>9,862</u>	<u>8,707</u>
Total liabilities	<u>9,862</u>	<u>8,707</u>
Net Assets Available for Benefits	<u><u>\$ 26,048,548</u></u>	<u><u>\$ 22,580,188</u></u>

**Retirement Plan for Employees of
Somerset Community Hospital**
Statements of Changes in Net Assets Available for Benefits
Years Ended June 30, 2014 and 2013

	2014	2013
Investment Income		
Net appreciation in fair value of investments	\$ 3,565,302	\$ 2,156,610
Interest and dividends	356,468	400,975
	<hr/>	<hr/>
Net investment income	3,921,770	2,557,585
Employer Contributions	<hr/>	<hr/>
	731,372	689,122
	<hr/>	<hr/>
Total additions	4,653,142	3,246,707
	<hr/>	<hr/>
Deductions		
Benefits paid directly to participants	959,574	843,501
Administrative expenses	225,208	166,784
	<hr/>	<hr/>
Total deductions	1,184,782	1,010,285
	<hr/>	<hr/>
Net Increase	3,468,360	2,236,422
Net Assets Available for Benefits, Beginning of Year	<hr/>	<hr/>
	22,580,188	20,343,766
	<hr/>	<hr/>
Net Assets Available for Benefits, End of Year	\$ 26,048,548	\$ 22,580,188
	<hr/>	<hr/>

Retirement Plan for Employees of Somerset Community Hospital

Notes to Financial Statements

June 30, 2014 and 2013

Note 1: Description of the Plan

The following description of the Retirement Plan for Employees of Somerset Community Hospital (Plan) provides only general information. Additional information about the vesting and benefit provisions and the Pension Benefit Guarantee Corporation's (PBGC) benefit guarantee is contained in the Plan Document and *Summary Plan Description*, which are available from the plan administrator.

General

The Plan is a noncontributory, trustee, defined benefit retirement plan covering certain employees of Somerset Hospital (the "Plan Sponsor") who have attained the age of 21 and have one year of service with at least 1,000 hours of service.

The Plan Sponsor previously determined that no employee who is hired after December 31, 2003, shall be eligible to participate in the Plan. As of June 30, 2008, all benefit accruals have been frozen. Refer to the *Summary Plan Description* for more detail regarding the transition from the freeze on plan entry to the final freeze on benefit accruals.

The Plan is subject to provisions of the *Employee Retirement Income Security Act of 1974* (ERISA).

Contributions

The Plan Sponsor has agreed to voluntarily contribute such additional amounts that are necessary to provide assets sufficient to meet the benefits to be paid to plan members. The Plan Sponsor's present intention is to make contributions in amounts sufficient to fund the Plan's normal costs on a current basis and to fund prior service costs over periods permitted by ERISA. The Plan has met the minimum funding requirements established by the federal government.

Pension Benefits

Benefits under the Plan are based on employees' five highest compensation years during their last ten years of credited service. Normal retirement occurs at age 65, but early retirement with a reduced benefit may be elected at age 55 with at least five years of service. An employee becomes fully vested in the Plan on completion of five years of service. Benefits upon retirement are paid in the form of an annuity. Effective June 1, 2012, the Plan was amended to add a lump sum distribution form of payment. Participants with a present value of benefits of \$1,000 or less automatically receive a full distribution of the value of their benefit in a lump sum payment from the Plan. Participants with a present value of benefits exceeding \$1,000 and not greater than \$5,000 will receive an automatic rollover absent of an affirmative election to an IRA or elective lump sum full distribution of the value of their benefit from the Plan. Benefits for retired or terminated employees, or their beneficiaries, are calculated based on the length of service and the level of compensation earned by the retiring or terminated employee. Effective April 23, 2012, the Plan was amended to extend the pre-retirement death benefit provided to married participants to unmarried participants.

Retirement Plan for Employees of Somerset Community Hospital

Notes to Financial Statements June 30, 2014 and 2013

Plan Termination

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- a. Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under plan provisions in effect at any time during the five years preceding plan termination.
- b. Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC) up to the applicable limitations discussed below.
- c. Vested benefits not insured by the PBGC.
- d. All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Plan Sponsor and the level of benefits guaranteed by the PBGC.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

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

Retirement Plan for Employees of Somerset Community Hospital

Notes to Financial Statements

June 30, 2014 and 2013

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 and changes in net assets available for benefits, disclosure of contingent assets and liabilities and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

Valuation of Investments and Income Recognition

Investments are carried at fair value in the accompanying financial statements. Investments in securities (exchange traded funds) traded on a national securities exchange are valued at the last reported sales price on the last business day of the year. Mutual funds are valued at the net asset value (NAV) of shares held by the Plan at year end. Investments in hedge funds are reported at fair value and are based upon the net asset value (NAV) per share of the underlying investments as reported by the partnership fund managers.

Cash equivalents include U.S. Treasury obligations with original maturities of three months or less. The carrying value reported in the statement of net assets available for benefits approximates fair value.

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

Benefit Payments

Benefit payments to participants are recorded upon distribution.

Administrative Expenses

Administrative expenses may be paid by the Plan Sponsor or the Plan, at the Plan Sponsor's discretion.

Accumulated Plan Benefits

Accumulated plan benefits (see *Note 4*) are those estimated future periodic payments that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to:

- a. Retired or terminated employees or their beneficiaries
- b. Present employees or their beneficiaries

Retirement Plan for Employees of Somerset Community Hospital

Notes to Financial Statements

June 30, 2014 and 2013

Benefits under the Plan are based on employees' five highest compensation years during their last ten years of credited service. The accumulated plan benefits for active employees are based on their average compensation during the five years preceding the valuation date. Benefits payable under all circumstances – retirement, death and termination of employment – are included, to the extent they are deemed attributable to employee service rendered to the valuation date. Benefits to be provided via annuity contracts excluded from plan assets are excluded from accumulated plan benefits.

Plan Tax Status

The Plan obtained its latest determination letter on July 31, 2011, in which the Internal Revenue Service stated that the Plan and related trust, as then designed, were in compliance with the applicable requirements of the Internal Revenue Code and therefore not subject to tax. The Plan has been amended since receiving the determination letter. However, the plan administrator believes that the Plan (and related trust) are currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. With a few exceptions, the Plan is no longer subject to federal, state and local income tax examinations by tax authorities for years before 2011.

Transfers Between Fair Value Hierarchy Levels

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on period ending date.

Note 3: Investments

The Plan's investments are held by Somerset Trust Company as of June 30, 2014 and 2013. The Plan's investments (including investments bought, sold and held during the year) appreciated (depreciated) in fair value as follows:

	2014	
	Net Appreciation in Fair Value During Year	Fair Value at End of Year
Mutual funds	\$ 3,465,889	\$ 23,618,717
Exchange traded funds	6,488	736,310
Hedge fund	92,925	1,122,842
Cash equivalents	-	188,045
	\$ 3,565,302	\$ 25,665,914

Retirement Plan for Employees of Somerset Community Hospital

Notes to Financial Statements

June 30, 2014 and 2013

	2013	
	Net Appreciation (Depreciation) in Fair Value During Year	Fair Value at End of Year
Mutual funds	\$ 2,074,428	\$ 19,740,491
Exchange traded funds	(41,383)	1,292,919
Hedge fund	123,565	1,018,075
Cash equivalents	-	229,785
	\$ 2,156,610	\$ 22,281,270

The fair value of individual investments that represented 5% or more of the Plan's net assets available for benefits were as follows:

	2014	2013
Harbor Capital Appreciation	\$ 1,493,421	\$ 1,255,789
JHancock Disciplined Value Mid Cap I	1,353,886	1,081,297 *
Vanguard 500 Index Investor	4,559,897	4,516,307
Vanguard Mid-Cap Index Fund	1,360,857	1,079,680 *
Vanguard Dividend Growth Investor	1,293,403 *	1,217,105
Vanguard Windsor II	1,564,934	1,464,212
iShares Barclays Intermediate Govt/Credit Bond	736,310 *	1,292,919

* Investment was less than 5% at the respective year end.

Interest and dividends realized on the Plan's investments for the years ended June 30, 2014 and 2013, were \$356,468 and \$400,975, respectively. Accrued interest and dividends receivable at June 30, 2014 and 2013, were \$7,609 and \$9,553, respectively.

Alternative Investments

The fair value of alternative investments has been estimated using the net asset value (NAV) per share of the investments. Alternative investments held at June 30 consist of the following:

Retirement Plan for Employees of Somerset Community Hospital

Notes to Financial Statements

June 30, 2014 and 2013

Archstone Offshore Fund, Ltd.

The Plan had an investment in this fund of \$1,122,842 and \$1,018,075 at June 30, 2014 and 2013, respectively. The fund was formed primarily with the purpose of achieving long-term growth of capital with reduced volatility by allocating its capital among various money managers that, as a group, employ a variety of investment techniques and strategies. The fund is a multi-manager, multi-strategy fund of funds formed to invest predominantly in limited partnerships and similar pooled investment vehicles. After an initial one year lock-up period that ended February 1, 2009, the fund is subject to quarterly redemption with a 90-day redemption notice period. As of June 30, 2014 and 2013, there were no unfunded commitments associated with this investment.

Note 4: Accumulated Plan Benefits

An actuary from Buck Consultants, LLC determines the actuarial present value of accumulated plan benefits, which is the 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 accumulated plan benefit information as of the end of each plan year (calculated by the Plan's actuary as of July 1, 2014 and 2013) was as follows:

	2014	2013
Actuarial present value of accumulated plan benefits:		
Vested benefits		
Participants currently receiving payments	\$ 10,806,763	\$ 8,276,620
Other participants	15,148,205	15,282,068
	<u>25,954,968</u>	<u>23,558,688</u>
Nonvested benefits	<u>11,564</u>	<u>40,564</u>
Total actuarial present value of accumulated plan benefits	<u><u>\$ 25,966,532</u></u>	<u><u>\$ 23,599,252</u></u>

Retirement Plan for Employees of Somerset Community Hospital

Notes to Financial Statements June 30, 2014 and 2013

Changes in the actuarial present value of accumulated plan benefits were as follows:

	<u>2014</u>	<u>2013</u>
Actuarial present value of accumulated plan benefits, beginning of year	\$ 23,599,252	\$ 22,712,932
Increase (decrease) during the year attributable to		
Benefits accumulated and other	86,565	135,447
Changes in actuarial assumptions	1,621,358	33,492
Increase for interest due to the decrease in the discount period	1,618,931	1,560,882
Benefits paid	<u>(959,574)</u>	<u>(843,501)</u>
Net increase	<u>2,367,280</u>	<u>886,320</u>
Actuarial present value of accumulated plan benefits, end of year	<u>\$ 25,966,532</u>	<u>\$ 23,599,252</u>

Significant assumptions underlying the actuarial computations are:

	<u>2014</u>
Assumed rate of return on investments	7.00%
Mortality basis	RP-2014 Mortality Table projected generationally using Scale MP-2014
Retirement	Ages 55-59 – 5.0% Ages 60-61 – 10.0% Ages 62-64 – 15.0% Ages 65 – 50.0% Ages 66-69 – 20.0% Ages 70+ – 100%

Retirement Plan for Employees of Somerset Community Hospital

Notes to Financial Statements

June 30, 2014 and 2013

	2013
Assumed rate of return on investments	7.00%
Mortality basis	RP-2000 Combined Mortality Table projected 10 years past the valuation date using Scale AA
Retirement	Ages 55-59 – 5.0% Ages 60-61 – 10.0% Ages 62-64 – 15.0% Ages 65 – 50.0% Ages 66-69 – 20.0% Ages 70+ – 100%

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

Note 5: Party-in-Interest Transactions

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees are covered by the Plan, an employee organization whose members are covered by the Plan, a person who owns 50 percent or more of such an employer or employee association or relatives of such persons.

The Plan's investments are held by Somerset Trust Company. Somerset Trust Company is the trustee as defined by the Plan, and therefore, these transactions qualify as party-in-interest transactions. The Plan incurred fees of \$37,986 and \$33,809 for trust department services in 2014 and 2013, respectively.

BilkeyKatz Investment Consultants, Inc. serves as investment consultant for the Plan. The Plan paid direct fees of \$27,500 and \$0 for investment consulting services in 2014 and 2013, respectively.

The Plan Sponsor provides certain administrative services at no cost to the Plan.

Retirement Plan for Employees of Somerset Community Hospital

Notes to Financial Statements

June 30, 2014 and 2013

Note 6: Fair Value Measurements

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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities.
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Recurring Measurements

The following tables present the fair value measurements of assets recognized in the accompanying statements of net assets available for benefits measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2014 and 2013:

	Fair Value	2014 Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Mutual funds				
Bond	\$ 2,225,785	\$ 2,225,785	\$ -	\$ -
Value	4,407,283	4,407,283	-	-
Growth	3,545,329	3,545,329	-	-
Blend	9,617,486	9,617,486	-	-
International	1,738,711	1,738,711	-	-
Emerging markets	1,623,318	1,623,318	-	-
Other	460,805	460,805	-	-
Exchange traded funds	736,310	736,310	-	-
Hedge fund	1,122,842	-	1,122,842	-
Cash equivalents	188,045	188,045	-	-
	<u>\$ 25,665,914</u>	<u>\$ 24,543,072</u>	<u>\$ 1,122,842</u>	<u>\$ -</u>

Retirement Plan for Employees of Somerset Community Hospital

Notes to Financial Statements

June 30, 2014 and 2013

	Fair Value	2013 Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Mutual funds				
Bond	\$ 2,052,320	\$ 2,052,320	\$ -	\$ -
Value	3,581,788	3,581,788	-	-
Growth	2,970,442	2,970,442	-	-
Blend	8,533,496	8,533,496	-	-
International	963,042	963,042	-	-
Emerging markets	1,199,191	1,199,191	-	-
Other	440,212	440,212	-	-
Exchange traded funds	1,292,919	1,292,919	-	-
Hedge fund	1,018,075	-	1,018,075	-
Cash equivalents	229,785	229,785	-	-
	<u>\$ 22,281,270</u>	<u>\$ 21,263,195</u>	<u>\$ 1,018,075</u>	<u>\$ -</u>

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of net assets available for benefits, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended June 30, 2014. The Plan had no liabilities measured at fair value on a recurring basis. In addition, the Plan had no assets or liabilities measured at fair value on a nonrecurring basis. For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include mutual funds, exchange traded funds and cash equivalents. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. Such securities are classified in Level 2 of the valuation hierarchy. Level 2 securities include a hedge fund. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. See *Note 2* for inputs and valuation techniques used to determine fair value.

The value of certain investments, classified as hedge funds, is determined using net asset value (or its equivalent) as a practical expedient. Investments for which the Plan expects to have the ability to redeem its investments with the investee within 12 months after the reporting date are categorized as Level 2. Investments for which the Plan does not expect to be able to redeem its investments with the investee within 12 months after the reporting date are categorized as Level 3.

Retirement Plan for Employees of Somerset Community Hospital

Notes to Financial Statements

June 30, 2014 and 2013

The following is a reconciliation of the change in net assets available for benefits per the financial statements to the Form 5500:

	<u>2014</u>	<u>2013</u>
Change in net assets available for benefits per the financial statements	\$ 3,468,360	\$ 2,236,422
Add: Current year accrued expenses	9,862	8,707
Less: Prior year accrued expenses	<u>8,707</u>	<u>7,963</u>
Change in net assets available for benefits per Form 5500	<u>\$ 3,469,515</u>	<u>\$ 2,237,166</u>

Note 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 change could materially affect the amounts reported in the statements of net assets available for benefits.

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 estimation and assumption 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.

Note 9: Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

Lump Sum Window

Effective August 1, 2014, the Board of Directors adopted a resolution to offer a lump sum window from August 1, 2014, through September 30, 2014, that is intended to provide eligible, vested plan participants who terminated employment before August 1, 2014, the opportunity to elect a lump sum distribution, subject to certain conditions. These lump sum elections would be calculated and distributed on or around November 1, 2014.

Supplemental Schedules

Retirement Plan for the Employees of Somerset Community Hospital

EIN / PN: 25-0965570 / 001

Schedule SB, Line 26 – Schedule of Active Participant Data

Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up
15-19	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0
30-34	0	10	2	0	0	0	0	0	0	0
35-39	0	12	13	0	1	0	0	0	0	0
40-44	0	9	11	14	3	1	0	0	0	0
45-49	0	9	6	3	19	5	1	0	0	0
50-54	0	2	11	8	8	11	11	1	0	0
55-59	0	1	11	8	9	8	12	6	0	0
60-64	0	3	7	5	7	7	5	10	2	0
65-69	0	0	1	1	0	1	1	0	1	0
70+	0	0	0	1	0	1	0	0	0	1
TOTAL	0	46	62	40	47	34	30	17	3	1

Retirement Plan for the Employees of Somerset Community Hospital

EIN / PN: 25-0965570 / 001

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

On August 8, 2014, the Highway and Transportation Funding Act of 2014 (HATFA) was signed into law. This law delays the widening of the interest rate corridor established under the Moving Ahead for Progress in the 21st Century Act (MAP-21) as shown in the table below. Under MAP-21, for 2012 and later plan years, the otherwise applicable Segment Rates for determining the Funding Target and Target Normal Cost for minimum contribution and benefit restriction purposes are constrained to a corridor around an average of Segment Rates for a 25-year period. The 25-year period ends with the September 30 of the calendar year preceding the calendar year in which the plan year begins:

Plan year beginning in	2012	2013	2014	2015	2016 and later
MAP-21 Corridor	90% - 110%	85% - 115%	80% - 120%	75% - 125%	70% - 130%
Plan year beginning in	2012 - 2017	2018	2019	2020	2021 and later
HATFA Corridor	90% - 110%	85% - 115%	80% - 120%	75% - 125%	70% - 130%

HATFA is effective beginning with the 2013 plan year for both minimum funding and benefit restriction purposes; however, for the 2013 plan year the plan sponsor can elect to: 1) not reflect HATFA, or 2) reflect HATFA for minimum funding only. For this plan no such election was made.

As a result, for the 2013 plan year the corridor is 90%-110% for minimum funding and for benefit restrictions.

Funding interest rates

Current Year:

Segment Rates with four-month lookback, constrained in accordance with MAP-21 and HATFA as follows:

	Unconstrained Rates	Rates Reflecting MAP-21 Corridor	Rates Reflecting HATFA Corridor*
First Segment Rate	1.75%	4.94%	5.23%
Second Segment Rate	4.62%	6.15%	6.51%
Third Segment Rate	5.72%	6.76%	7.16%

Effective Interest Rate
Based on HATFA rates

6.73%

Retirement Plan for the Employees of Somerset Community Hospital

EIN / PN: 25-0965570 / 001

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

Prior Year: Segment Rates with four-month lookback, constrained in accordance with MAP-21 as follows:

	Unconstrained Rates	Rates Reflecting MAP-21 Corridor*
First Segment Rate	2.06%	5.54%
Second Segment Rate	5.25%	6.85%
Third Segment Rate	6.32%	7.52%

Effective Interest Rate
Based on MAP-21 rates 7.09%

*Used for minimum funding and benefit restriction purposes

Mortality

Mortality tables mandated by PPA as specified in IRS Regulation 1.430(h)(3)-1, applied on a static basis, projected 7 years from the valuation date for annuitants and 15 years for non-annuitants.

Actuarial cost method

The Funding Target is the present value of accrued benefits based on compensation and service to date. The Target Normal Cost is the present value of benefits expected to be accrued during the current plan year, reflecting the effect of expected compensation increases during the year and including expected plan related expenses to be paid from plan assets during the year.

Salary increases

Not applicable.

Expenses

Expected plan-related expenses of \$175,000 were added to the Target Normal Cost. For the 2012 plan year, expenses of \$165,000 were added to the Target Normal Cost.

Frequency of optional payment forms

For future retirements and terminations from active status.

Payment Form	Probability
5-year Certain & Life	50%
100% Joint & Survivor	25%
Single Life Annuity	25%

Retirement Plan for the Employees of Somerset Community Hospital

EIN / PN: 25-0965570 / 001

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

Marital percentage

100% of participants are assumed to be married at death. Husbands are assumed to be 4 years older than their wives.

Retirement rates

Half of all retirements are assumed to commence benefits immediately, and half are assumed to defer commencement until age 65.

Age	Assumption
55	5%
56	5%
57	5%
58	5%
59	5%
60	10%
61	10%
62	15%
63	15%
64	15%
65	50%
66	20%
67	20%
68	20%
69	20%
70	100%

Terminated vested participants are assumed to commence receiving benefits at age 65.

Disability rates

None assumed.

Retirement Plan for the Employees of Somerset Community Hospital

EIN / PN: 25-0965570 / 001

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

Withdrawal rates for active participants not eligible for retirement

Based on experience. Sample rates as follows:

Age	Assumption
25	9.936%
30	9.221%
35	8.431%
40	7.416%
45	6.046%
50	4.266%
55+	0.000%

Asset valuation method

The Actuarial Value of Assets is market value as of the valuation date, including discounted receivable contributions, reduced by 2/3 and 1/3 of the gain/(loss) in each of the prior 2 years, respectively. The gain/(loss) for each period is determined as the actual return on market value during the period less the expected return on market value based on an assumed earnings rate chosen by the actuary but required by PPA to be not greater than the applicable third Segment Rate. The resulting value is constrained to be within a corridor of 90% to 110% of market value, including discounted receivable contributions.

	EA's Expected Return	Third Segment Rate	Reflecting PPA Limit
2012 Expected Return	7.00%	7.52%	7.00%
2011 Expected Return	7.00%	6.44%	6.44%

Retirement Plan for Employees of Somerset Community Hospital

EIN 25-0965570 PN 001

Schedule H, Line 4j – Schedule of Reportable Transactions

Year Ended June 30, 2014

Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain or (Loss)
Category (i) – Individual Transactions in Excess of 5% of Plan Assets - NONE						
Category (iii) – Series of Transactions in Excess of 5% of Plan Assets						
*Somerset Trust Company	Prime Obligations Fund Principal #10	\$ -	\$ 3,205,948	\$ 3,205,948	\$ 3,205,948	\$ -
*Somerset Trust Company	Prime Obligations Fund Principal #10	3,171,377	-	3,171,377	3,171,377	-

There were no category (ii) or (iv) reportable transactions during the year.

*Party-in-interest as defined by ERISA

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment 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**For calendar plan year 2013 or fiscal plan year beginning 07/01/2013 and ending 06/30/2014

▶ 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.

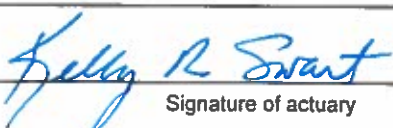
A Name of plan RETIREMENT PLAN FOR THE EMPLOYEES OF SOMERSET COMMUNITY HOSPITAL		B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF SOMERSET COMMUNITY HOSPITAL		D Employer Identification Number (EIN) 25-0965570
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B ☐ Other		
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		

Part I Basic Information

1 Enter the valuation date: Month <u>07</u> Day <u>01</u> Year <u>2013</u>			
2 Assets:			
a Market value		2a	22584061
b Actuarial value		2b	22334385
3 Funding target/participant count breakdown:			
		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment		3a	225
b For terminated vested participants		3b	269
c For active participants:			
(1) Non-vested benefits		3c(1)	39845
(2) Vested benefits		3c(2)	9559424
(3) Total active		3c(3)	280
d Total		3d	774
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	6.73%
6 Target normal cost		6	175000

Statement by Enrolled Actuary

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

SIGN HERE	 Signature of actuary	<u>3/26/2015</u> Date
Kelly R. Swart Type or print name of actuary		1405429 Most recent enrollment number
Buck Consultants, LLC Firm name		412-394-3312 Telephone number (including area code)
11 Stanwix Street Suite 700 Pittsburgh PA 15222-1312 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

Part II Beginning of Year Carryover Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	122727
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	0	122727
10 Interest on line 9 using prior year's actual return of <u>12.74%</u>	0	15635
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b Interest on (a) using prior year's effective interest rate of <u>7.09%</u> except as otherwise provided (see instructions)		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)	0	138362

Part III Funding Percentages

14 Funding target attainment percentage	14	90.98 %
15 Adjusted funding target attainment percentage	15	90.98 %
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	92.64 %
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
10/15/2013	163187	0			
01/10/2014	20111	0			
04/14/2014	163187	0			
07/09/2014	163187	0			
03/06/2015	221700	0			
Totals ▶			18(b)	731372	18(c) 0

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

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	686006

20 Quarterly contributions and liquidity shortfalls:

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

Liquidity shortfall as of end of quarter of this plan year

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

Part V Assumptions Used to Determine Funding Target and Target Normal Cost**21** Discount rate:**a** Segment rates:1st segment:
5.23%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**

64

23 Mortality table(s) (see instructions) ☐ Prescribed - combined☒ Prescribed - separate☐ Substitute**Part VI Miscellaneous Items****24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.....☒ Yes ☐ No**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.....☐ Yes ☒ No**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....☒ Yes ☐ No**27** If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....**27****Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years****28** Unpaid minimum required contributions for all prior years**28**

0

29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....**29**

0

30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)**30**

0

Part VIII Minimum Required Contribution For Current Year**31** Target normal cost and excess assets (see instructions):**a** Target normal cost (line 6).....**31a**

175000

b Excess assets, if applicable, but not greater than line 31a**31b**

0

32 Amortization installments:

Outstanding Balance

Installment

a Net shortfall amortization installment.....

2198075

649048

b Waiver amortization installment.....

0

0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount**33**

0

34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..**34**

824048

Carryover balance

Prefunding balance

Total balance

35 Balances elected for use to offset funding requirement.....

0

138362

138362

36 Additional cash requirement (line 34 minus line 35).....**36**

685686

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....**37**

686006

38 Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36)**38a**

320

b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances**38b**

0

39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)**39**

0

40 Unpaid minimum required contributions for all years**40**

0

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

Retirement Plan for the Employees of Somerset Community Hospital

EIN / PN: 25-0965570 / 001

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

This table calculates the weighted average retirement age for all active persons in the plan

(1) Age	(2) Expected Active Headcount	(3) Retirement Rate	(4) Expected Retirements (2)*(3)	(5) Weighted Age (1)*(4)
55	121.5897	0.0261	3.1779	174.7854
56	130.1713	0.0500	6.5086	364.4796
57	133.3663	0.0500	6.6683	380.0940
58	139.3568	0.0500	6.9678	404.1349
59	142.9973	0.0500	7.1499	421.8421
60	144.4076	0.1000	14.4408	866.4459
61	145.4805	0.1000	14.5481	887.4313
62	136.3949	0.1500	20.4592	1,268.4726
63	121.3872	0.1500	18.2081	1,147.1089
64	110.6479	0.1500	16.5972	1,062.2196
65	94.5284	0.5000	47.2642	3,072.1719
66	47.7854	0.2000	9.5571	630.7669
67	39.9691	0.2000	7.9938	535.5853
68	31.7451	0.2000	6.3490	431.7329
69	27.2041	0.2000	5.4408	375.4161
70	21.5905	1.0000	21.5905	1,511.3384
71	0.0000	1.0000	0.0000	0.0000
72	1.0000	1.0000	1.0000	72.0000
73	2.0000	1.0000	<u>2.0000</u>	<u>146.0000</u>
Total			215.9213	13,752.0257
Weighted Average Retirement Age = 13,752.0257 / 215.9213				63.69
Rounded Weighted Average Retirement Age				64

Note to Column 2: The Expected Active Headcount for each age includes persons who are eligible to retire and persons who are not eligible to retire at each age.

Note to Column 3: At each age, these retirement rates are a weighted average of the rates shown in Attachment to Part V for active participants eligible to retire at the age and zero for all other active participants.

General note: The table presents values rounded to fewer significant digits than used in the calculation.

Retirement Plan for the Employees of Somerset Community Hospital

EIN / PN: 25-0965570 / 001

Schedule SB, Part V – Summary of Plan Provisions

Effective date

July 1, 1965.

Participation

All regular employees who are not excluded by reason of a collective bargaining agreement or covered under another plan maintained by the employer, on the January 1 or July 1 after they reach age 21 and complete a year in which they are credited with at least 1,000 hours of service. Only employees hired prior to January 1, 2004 are eligible to participate in the plan.

Compensation

Total compensation, including overtime, bonuses and salary reduction deferrals. Final benefits based on the average of the 60 highest consecutive months out of the last 120 consecutive months preceding the date of determination.

Covered compensation

A participant's covered compensation for a plan year is the average of the taxable wage bases in effect for each calendar year during the 35-year period ending with the calendar year in which the participant attains (or will attain) his Social Security retirement age.

Credited service

A year of service is credited for each calendar year in which an employee completes 1,000 or more hours of service. Service with an affiliate of the employer counts towards vesting service only.

Vesting requirements

The Plan provides for no vesting until the completion of five years of service at which time the Participant becomes 100% vested. Also, full vesting is provided upon the attainment of age 65.

Retirement eligibility

Normal retirement

Attainment of age 65; if participation commenced on or after age 60, the fifth anniversary of participation, if later.

Early retirement

Attainment of age 55 with 5 years of service.

Deferred vested

5 years of service.

Retirement Plan for the Employees of Somerset Community Hospital

EIN / PN: 25-0965570 / 001

Schedule SB, Part V – Summary of Plan Provisions

Benefit payments

Normal retirement benefit

The normal retirement benefit is equal to the greater of (a) and (b). Formula (a) is available only to Non-Highly Compensated Employees.

- (a) 2% of average monthly compensation times years of service (to a maximum of 25 years) less 2% of the employee's Social Security benefit times years of service (to a maximum of 25 years); times Years of service at date of determination divided by years of service at Normal Retirement Date.
- (b) 1% of average monthly Compensation times years of service (to a maximum of 30 years) plus 0.5% of average monthly Compensation in excess of Covered Compensation times years of service (to a maximum of 30 years).

The benefits described above are frozen as of December 31, 2003, and June 30, 2005 for members of the UFCW Dietary Union, for those participants electing additional accruals in the Somerset Hospital defined contribution plan.

In addition, the benefits described above were frozen as of June 30, 2007 for all non-union participants and were frozen as of August 31, 2007 for all participants in the PSEA Nurses Union. As of June 30, 2008 all participants' benefits in the UFCW Dietary Union were frozen.

Early retirement benefit

Monthly benefit is equal to the accrued normal retirement benefit under (a) above, multiplied by the applicable factor from the table below.

Years Prior to Normal Retirement Age	Early Retirement Factor
0	100.0%
1	93.3%
2	86.7%
3	80.0%
4	73.3%
5	66.7%
6	63.3%
7	60.0%
8	56.7%
9	53.3%
10	50.0%

Deferred vested pension

Monthly benefit is accrued benefit, payable at age 65. Alternatively, a participant who has completed at least 5 years of service may elect to receive a reduced benefit as early as age 55.

Retirement Plan for the Employees of Somerset Community Hospital

EIN / PN: 25-0965570 / 001

Schedule SB, Part V – Summary of Plan Provisions

Normal form of payments

Life annuity with sixty monthly payments guaranteed or actuarially equivalent joint and 50% spouse survivorship annuity.

Optional forms of payment

A participant who has rejected the normal form of payment may elect a 50%, 75%, or 100% joint and survivor annuity, a life annuity, a life annuity with sixty or one hundred twenty payments guaranteed, or a mandatory small lump sum payout if the present value of benefits on a statutory basis is less than \$5,000.

Preretirement death benefit

Prior to April 23, 2012 for married participants, and on or after April 23, 2012 for all participants, this provision applies to the spouse or beneficiary of a vested participant or former participant who dies before beginning to receive pension benefits from the plan. Monthly benefit payable to the beneficiary is 50% of participant's accrued benefit calculated at earlier of death or termination of employment, reduced for early payment (if benefits begin before participant would have reached age 65) and for the 50% joint and survivor form of payment. For unmarried participants prior to April 23, 2012, a beneficiary is entitled to 60 monthly payments of the participant's accrued benefit, only if the death of the participant happened while in active service after attaining normal retirement age or subsequent to terminating after attaining normal retirement age.

Postretirement death benefit

Unless a married participant elects otherwise, his retirement benefit is paid in the form of a 50% joint and survivor annuity, reduced on an actuarially equivalent basis.

Other benefits

Benefits are payable to or on behalf of vested participants who die prior to retirement or who retire early upon meeting the plan's requirements for early retirement. Participants who continue with the Hospital after reaching their normal retirement age will generally accrue additional benefits.

Retirement Plan for the Employees of Somerset Community Hospital

EIN / PN: 25-0965570 / 001

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Effective date

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Compensation

Total compensation, including overtime, bonuses and salary reduction deferrals. Final benefits based on the average of the 60 highest consecutive months out of the last 120 consecutive months preceding the date of determination.

Covered compensation

A participant's covered compensation for a plan year is the average of the taxable wage bases in effect for each calendar year during the 35-year period ending with the calendar year in which the participant attains (or will attain) his Social Security retirement age.

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Retirement Plan for the Employees of Somerset Community Hospital

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3	80.0%
4	73.3%
5	66.7%
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7	60.0%
8	56.7%
9	53.3%
10	50.0%

Deferred vested pension

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Retirement Plan for the Employees of Somerset Community Hospital

EIN / PN: 25-0965570 / 001

Schedule SB, Part V – Summary of Plan Provisions

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Retirement Plan for Employees of Somerset Community Hospital

EIN 25-0965570 PN 001

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

June 30, 2014

Identity of Issuer	Description of Investment	Shares	Cost	Current Value
Mutual funds				
American Beacon	American Beacon Flexible Bond Institutional	102,926.939	\$ 1,077,023	\$ 1,064,265
Dimensional Fund Advisors	DFA Emerging Markets Core Equity Fund	38,168.812	765,503	793,911
Dimensional Fund Advisors	DFA International Small Company Fund	34,171.077	605,243	697,773
Diamond Hill Funds	Diamond Hill Long-Short I	21,689.229	427,143	516,854
Eagle Funds	Eagle Small Cap Growth Fund A	9,535.452	390,000	546,095
Fidelity	Fidelity Floating Rate High Income Inv	46,126.670	454,426	460,806
Harbor	Harbor Capital Appreciation	25,218.181	876,990	1,493,421
Harbor	Harbor International Fund Institutional Class	14,036.383	896,920	1,040,938
John Hancock	JHancock Alternative Asset Allocation Fund Class I	30,036.308	437,339	458,354
John Hancock	JHancock Disciplined Value Mid Cap I	69,716.088	884,000	1,353,886
Lazard	Lazard Emerging Markets Institutional Fund	40,697.067	809,741	829,406
MainStay	MainStay Marketfield I	25,999.919	425,692	464,619
PIMCO Funds	PIMCO All Asset Institutional	71,985.519	887,870	917,815
PIMCO Funds	PIMCO Low Duration Fund Institutional	54,834.477	572,910	569,182
Robeco Investment Funds	Boston Partners Long/Short Research Institutional	27,500.940	400,000	409,764
Schooner Funds	Schooner Fund Class A	18,020.796	433,195	469,802
Vanguard	Vanguard Small-Cap Index Inv	10,903.329	374,188	611,132
Vanguard	Vanguard 500 Index Investor	25,216.485	3,021,474	4,559,897
Vanguard	Vanguard International Growth Fund	43,863.424	889,880	1,047,459
Vanguard	Vanguard Mid-Cap Index Fund	42,040.694	864,434	1,360,857
Vanguard	Vanguard Short-Term Investment-Grade Admiral	54,998.978	592,308	592,339
Vanguard	Vanguard Dividend Growth Investor	58,551.494	914,685	1,293,403
Vanguard	Vanguard Windsor II	40,013.663	933,131	1,564,934
Wasatch	Wasatch Long/Short Investor	29,622.519	434,484	501,805
			<u>18,368,579</u>	<u>23,618,717</u>
Exchange Traded Funds				
iShares	iShares Barclays Intermediate Govt/ Credit Bond	6,640.000	734,445	736,310
Hedge Funds				
Archstone Offshore Fund Ltd	Archstone Offshore Fund Ltd	5,376.410	907,000	1,122,842
Cash Equivalents				
*Somerset Trust Company	Prime Obligations Fund Income #10	19,518.840	19,519	19,519
*Somerset Trust Company	Prime Obligations Fund Principal #10	168,525.930	168,526	168,526
			<u>188,045</u>	<u>188,045</u>
			<u>\$ 20,198,069</u>	<u>\$ 25,665,914</u>

*Party-in-interest as defined by ERISA

Retirement Plan for the Employees of Somerset Community Hospital

EIN / PN: 25-0965570 / 001

Schedule SB, Line 32 - Schedule of Amortization Bases

Type of Base	Present Value of Remaining Installments as of January 1, 2013	Date Established	Remaining Installments	Shortfall Amortization Installment
Shortfall	\$958,390	7/1/2013	7	\$161,302
Shortfall	(\$3,280,529)	7/1/2012	6	(\$624,075)
Shortfall	\$1,055,622	7/1/2011	5	\$233,179
Shortfall	\$2,914,058	7/1/2010	6 ¹	\$554,359
Shortfall	(\$258,823)	7/1/2009	3	(\$90,708)
Shortfall	\$809,357	7/1/2008	2	\$414,991

¹ An election has been made under PRA 2010 to use the alternative 2 plus 7-year amortization period for the base established in 2010. Under 2 plus 7-year amortization, the required installments for the first 2 years of the amortization period equal interest on the base at the plan's effective interest rate for the plan year of the election. The balance is then amortized over the following 7 years in level installments determined using the discount rates for the plan year of the election.

Retirement Plan for the Employees of Somerset Community Hospital

EIN / PN: 25-0965570 / 001

Schedule SB, Line 24 – Change in Actuarial Assumptions

- The expected plan related expenses added to Target Normal Cost was increased from \$165,000 to \$175,000.