

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2014</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2014 or fiscal plan year beginning <u>07/01/2014</u> and ending <u>12/31/2014</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); 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 EMPLOYEES OF THE ALTOONA REGIONAL HEALTH SYSTEM</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>07/01/1963</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>07/01/1963</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>UPMC ALTOONA</u> <u>620 HOWARD AVE.</u> <u>ALTOONA, PA 16601-4899</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>23-1352155</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>814-889-3629</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>622000</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>23-1352155</u>	2c Plan Sponsor's telephone number <u>814-889-3629</u>	2d Business code (see instructions) <u>622000</u>	
2b Employer Identification Number (EIN) <u>23-1352155</u>					
2c Plan Sponsor's telephone number <u>814-889-3629</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.	10/15/2015	MARIO WILFONG
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2015	MARIO WILFONG
	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		3b Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:		4b EIN	
a Sponsor's name		4c PN	
5 Total number of participants at the beginning of the plan year		5	3527
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).			
a(1) Total number of active participants at the beginning of the plan year		6a(1)	1816
a(2) Total number of active participants at the end of the plan year		6a(2)	0
b Retired or separated participants receiving benefits		6b	0
c Other retired or separated participants entitled to future benefits.....		6c	0
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	0
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	0
f Total. Add lines 6d and 6e		6f	0
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	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 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)		9b Plan benefit arrangement (check all that apply)	
(1) ☐ Insurance		(1) ☐ Insurance	
(2) ☐ Code section 412(e)(3) insurance contracts		(2) ☐ Code section 412(e)(3) insurance contracts	
(3) ☒ Trust		(3) ☒ Trust	
(4) ☐ General assets of the sponsor		(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		b General Schedules	
(1) ☒ R (Retirement Plan Information)		(1) ☒ H (Financial Information)	
(2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary		(2) ☐ I (Financial Information – Small Plan)	
(3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		(3) ☐ A (Insurance Information)	
		(4) ☒ C (Service Provider Information)	
		(5) ☒ D (DFE/Participating Plan Information)	
		(6) ☐ G (Financial Transaction Schedules)	

Part III**Form M-1 Compliance Information (to be completed by welfare benefit plans)**

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2014 Form M-1 annual report. If the plan was not required to file the 2014 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>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).</div> <div>File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2014</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2014 or fiscal plan year beginning 07/01/2014 and ending 12/31/2014

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 EMPLOYEES OF THE ALTOONA REGIONAL HEALTH SYSTEM	B Three-digit plan number (PN) 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF UPMC ALTOONA	D Employer Identification Number (EIN) 23-1352155

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 07 Day 01 Year 2014			
2 Assets:			
a Market value	2a	309709737	
b Actuarial value	2b	294692834	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	921	93939484	93939484
b For terminated vested participants	920	32865836	32865836
c For active participants	1656	109106141	110258872
d Total	3497	235911461	237064192
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	230897650	
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	261730361	
5 Effective interest rate	5	6.60%	
6 Target normal cost	6	5029143	

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		09/29/2015
Signature of actuary		Date
ALVIN K. WINTERS		14-06620
Type or print name of actuary		Most recent enrollment number
CBIZ		301-777-1500
Firm name		Telephone number (including area code)
44 BALTIMORE STREET CUMBERLAND, MD 21502		
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 ☐

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	70998900
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	70998900
10 Interest on line 9 using prior year's actual return of <u>19.69</u> %	0	13979683
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		40198841
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.76</u> %		2717442
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		42916283
d Portion of (c) to be added to prefunding balance		42916283
12 Other reductions in balances due to elections or deemed elections	0	75295367
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	52599499

Part III Funding Percentages		
14 Funding target attainment percentage	14	104.84 %
15 Adjusted funding target attainment percentage	15	%
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	72.44 %
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
Totals ▶			18(b)	0	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	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	
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
0	0	0
(4) 4th		
0		

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

21 Discount rate:				
a Segment rates:	1st segment: 4.99 %	2nd segment: 6.32 %	3rd segment: 6.99 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 67
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	
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	5029143										
b Excess assets, if applicable, but not greater than line 31a	31b	5029143										
32 Amortization installments:	<table border="1"> <thead> <tr> <th></th> <th>Outstanding Balance</th> <th>Installment</th> </tr> </thead> <tbody> <tr> <td>a Net shortfall amortization installment.....</td> <td>0</td> <td>0</td> </tr> <tr> <td>b Waiver amortization installment</td> <td>0</td> <td>0</td> </tr> </tbody> </table>				Outstanding Balance	Installment	a Net shortfall amortization installment.....	0	0	b Waiver amortization installment	0	0
	Outstanding Balance	Installment										
a Net shortfall amortization installment.....	0	0										
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											
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..	34	0										
		Carryover balance	Prefunding balance									
35 Balances elected for use to offset funding requirement.....	0	0	0									
36 Additional cash requirement (line 34 minus line 35).....	36	0										
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37											
38 Present value of excess contributions for current year (see instructions)												
a Total (excess, if any, of line 37 over line 36)	38a	0										
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	0	
43 Excess installment acceleration amount to be carried over to future plan years	43	0	

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2014
		This Form is Open to Public Inspection.

For calendar plan year 2014 or fiscal plan year beginning 07/01/2014 and ending 12/31/2014

A Name of plan <u>RETIREMENT PLAN FOR EMPLOYEES OF THE ALTOONA REGIONAL HEALTH SYSTEM</u>	B Three-digit plan number (PN) ► <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>UPMC ALTOONA</u>	D Employer Identification Number (EIN) <u>23-1352155</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

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

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

M&T BANK

16-0538020

(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?
12 15 62	PAYING AGENT	13973	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

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

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

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

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

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

SCHEDULE H (Form 5500) <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> 2014 This Form is Open to Public Inspection
--	--	--

For calendar plan year 2014 or fiscal plan year beginning <u>07/01/2014</u> and ending <u>12/31/2014</u>		
A Name of plan <u>RETIREMENT PLAN FOR EMPLOYEES OF THE ALTOONA REGIONAL HEALTH SYSTEM</u>	B Three-digit plan number (PN) ▶	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>UPMC ALTOONA</u>	D Employer Identification Number (EIN) <u>23-1352155</u>	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
	Assets	(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	66624000	
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)	1	
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	750659	
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(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)	245311245	
(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)		
(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	312685905	0

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	312685905	0
---	-----------	-----------	---

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)		
(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)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	10	
(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)	1442906	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		1442916
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		-11172066
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		2852
d Total income. Add all income amounts in column (b) and enter total.....	2d		-9726298

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	4719799	
(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)		4719799
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)	13973	
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(4) Other.....	2i(4)	396282	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		410255
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		5130054

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		-14856352
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		297829553

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			
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			
e Was this plan covered by a fidelity bond?	X		5000000
4e			
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			
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			
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			
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			
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			
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			
l Has the plan failed to provide any benefit when due under the plan?		X	
4l			
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)
UPMC BASIC RETIREMENT PLAN	25-1423657	333

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) <div>Department of the Treasury Internal Revenue Service</div><div>Department of Labor Employee Benefits Security Administration</div><div>Pension Benefit Guaranty Corporation</div></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>2014</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2014 or fiscal plan year beginning 07/01/2014 and ending 12/31/2014					
A Name of plan RETIREMENT PLAN FOR EMPLOYEES OF THE ALTOONA REGIONAL HEALTH SYSTEM				B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 UPMC ALTOONA				D Employer Identification Number (EIN) 23-1352155	
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): 16-0538020					
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	1
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) 2014 v. 140124					

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: 38% Investment-Grade Debt: 10% High-Yield Debt: 1% Real Estate: 2% Other: 49%

- 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 the Altoona Regional Health System

EIN 23-1352155 PN 001

Independent Auditor's Report and Financial Statements

December 31, 2014 and June 30, 2014

Retirement Plan for Employees of the Altoona Regional Health System

December 31, 2014 and June 30, 2014

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Independent Auditors' Report

Plan Administrator
Retirement Plan for Employees of the Altoona Regional Health System
Altoona, Pennsylvania

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Retirement Plan for Employees of the Altoona Regional Health System, which comprise the statements of net assets available for benefits as of December 31, 2014 and June 30, 2014, and the related statements of changes in net assets available for benefits for the six-month period ended December 31, 2014, and the year ended June 30, 2014, 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 4*, which was certified by Manufacturers and Traders Trust Company and BNY Mellon, the trustee and the custodian of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that Manufacturers and Traders Trust Company held certain plan investment assets and executed investment transactions as of and for the six-month period ended December 31, 2014 and the year ended June 30, 2014, and that BNY Mellon held certain plan investment assets and executed investment transactions as of December 31, 2014, and for the period of March 6, 2014, through December 31, 2014. The plan administrator has obtained certifications from the trustee and the custodian as of and for the six-month period ended December 31, 2014 and the year ended June 30, 2014, that the information provided to the plan administrator by the trustee and the custodian 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 and the custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the *Employee Retirement Income Security Act of 1974*.

BKD, LLP

Springfield, Missouri
October 15, 2015

Federal Employer Identification Number: 44-0160260

Retirement Plan for Employees of the Altoona Regional Health System

Statements of Net Assets Available for Benefits December 31, 2014 and June 30, 2014

Assets

	December 31, 2014	June 30, 2014
Investments, At Fair Value		
Plan interest in Master Trust	\$ -	\$ 245,311,245
Mutual funds	60,295	750,659
	<u>60,295</u>	<u>246,061,904</u>
Receivables		
Employer's contribution	66,624,000	66,624,000
Accrued income receivable	3	1
	<u>66,624,003</u>	<u>66,624,001</u>
Total assets	<u>66,684,298</u>	<u>312,685,905</u>
Liabilities		
Accrued expenses	<u>168,574</u>	<u>-</u>
Total liabilities	<u>168,574</u>	<u>-</u>
Net Assets Available for Benefits, At Fair Value	<u><u>\$ 66,515,724</u></u>	<u><u>\$ 312,685,905</u></u>

Retirement Plan for Employees of the Altoona Regional Health System

Statements of Changes in Net Assets Available for Benefits Six-Month Period Ended December 31, 2014 and Year Ended June 30, 2014

	December 31, 2014	June 30, 2014
Investment Income		
Net appreciation in fair value of investments	\$ 2,852	\$ 14,444,168
Net appreciation (depreciation) in fair value of plan interest in the Master Trust	(11,172,066)	15,868,870
Interest and dividend income	<u>1,442,916</u>	<u>1,927,972</u>
Net investment income (loss)	(9,726,298)	32,241,010
Employer Contributions	<u>-</u>	<u>66,624,000</u>
Total additions	<u>(9,726,298)</u>	<u>98,865,010</u>
Deductions		
Benefits paid directly to participants	4,719,799	8,160,241
Administrative expenses	<u>578,829</u>	<u>1,043,469</u>
Total deductions	<u>5,298,628</u>	<u>9,203,710</u>
Net Increase (Decrease)	(15,024,926)	89,661,300
Transfer of Assets to (from) the Plan	<u>(231,145,255)</u>	<u>44,350,836</u>
Net Increase (Decrease) and Transfer of Assets to (from) the Plan	(246,170,181)	134,012,136
Net Assets Available for Benefits, Beginning of Period	<u>312,685,905</u>	<u>178,673,769</u>
Net Assets Available for Benefits, End of Period	<u><u>\$ 66,515,724</u></u>	<u><u>\$ 312,685,905</u></u>

Retirement Plan for Employees of the Altoona Regional Health System

Notes to Financial Statements December 31, 2014 and June 30, 2014

Note 1: Description of the Plan

The following description of the Retirement Plan for Employees of the Altoona Regional Health System, formerly known as the Retirement Plan for Non-Bargaining Unit Employees of the Altoona Regional Health System, (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 defined benefit plan that covers substantially all employees of Altoona Regional Health System, which effective July 1, 2013, became UPMC Altoona (the "Hospital") and provides for retirement, death and disability benefits. Employee eligibility is limited to participants with 12 months of service and 1,000 hours worked. The Plan is subject to provisions of the *Employee Retirement Income Security Act of 1974* (ERISA).

On February 21, 2008, the Board of Directors unanimously approved a recommendation to migrate from this defined benefit retirement plan to a defined benefit contribution retirement plan, effective June 30, 2008. Retirement eligibility under the Plan was frozen and there are no new entrants after June 30, 2008 (soft freeze). No current employees will lose any benefits. Participants were able to make an irrevocable election to have their benefit frozen as of June 30, 2009, and receive an enhanced employer contribution by participating in the Altoona Regional Health System 403(b) Plan.

On March 6, 2014, the Hospital and the University of Pittsburgh Medical Center (UPMC) completed an affiliation between the organizations. Substantially all of the Plan's investments were liquidated and subsequently invested in the UPMC Master Trust (the "Master Trust"), which resulted in the Plan changing their custodian to BNY Mellon.

Effective July 1, 2014, the plan year changed from a June 30 year end to December 31 year-end.

Effective after December 31, 2014, participants shall not accrue any additional benefits under the Plan.

Plan Merger

Effective December 31, 2014, the Plan was merged into the UPMC Basic Retirement Plan and the assets and liabilities of the Plan were transferred to the UPMC Basic Retirement Plan. Upon the transfer of such assets, the obligation to provide benefits accrued under this Plan as of December 31, 2014, shall cease to be an obligation of the Plan and will instead become an obligation of the UPMC Basic Retirement Plan. For reporting on the Form 5500, the Hospital has elected to show this transfer as a payable to the successor plan as of December 31, 2014 (see *Note 12*).

Retirement Plan for Employees of the Altoona Regional Health System

Notes to Financial Statements December 31, 2014 and June 30, 2014

The transfer to the UPMC Basic Retirement Plan from the Retirement Plan for Employees of the Altoona Regional Health System included the following:

	Transfers
Cash and investments transferred to UPMC Basic Plan	\$ 231,145,255
Cash transferred to pay benefits on January 1, 2015	60,298
Employer's contribution receivable transferred on January 1, 2015	66,624,000
	<hr/> \$ 297,829,553 <hr/>

Contributions

Prior to December 31, 2014, the Hospital agreed to voluntarily contribute such additional amounts that were necessary to provide assets sufficient to meet the benefits to be paid to plan members. The Hospital made contributions in amounts sufficient to annually fund the Plan's current service cost and the initial past-service costs plus interest on them over a period of 30 years and to maintain the Plan at the appropriate level to avoid paying Pension Benefit Guaranty Corporation variable rate premiums. The Plan met the minimum funding requirements established by the federal government.

Pension Benefits

Benefits under the Plan are based on 1.5% of the employees' average monthly compensation (average monthly compensation is calculated by taking the average compensation earned in the 60 consecutive months that produce the highest average) multiplied by the employee's total number of years of service. Normal retirement age for plan benefits is 65. Participants may elect to receive reduced benefits upon early retirement at age 55. Monthly pension benefit payments are determined for each participant according to the retirement option selected. When a married participant retires, the normal benefit under the Plan is a qualified joint and 50% survivor annuity with the participant's spouse. For an unmarried participant, the normal retirement benefit is a single-life annuity and is guaranteed for 60 months. A participant may elect to receive benefits in a form other than noted above, with a spouse's written permission, as applicable.

Death Benefits

The spouse of a participant will receive a 50% survivor annuity, as defined in the Plan, upon the death of the participant. The surviving spouse annuity is equal to 50% of the participant's monthly benefit. This benefit is immediately payable to the spouse if the participant was already receiving benefits. If the participant was not already receiving benefits, payments to the spouse may commence as of the earliest date the participant would have received benefits.

Retirement Plan for Employees of the Altoona Regional Health System

Notes to Financial Statements December 31, 2014 and June 30, 2014

Vesting

The pension benefits for the Plan are fully vested after five years. However, a participant is always fully vested upon reaching the normal retirement age.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, disclosure of contingent assets and liabilities and the actuarial present value of accumulated plan benefits at the date of the financial statements and changes therein. Actual results could differ from those estimates.

Valuation of Investments and Income Recognition

The Plan's investments are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). See *Note 7* for further discussion of fair value measurements.

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

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

New Accounting Pronouncements

In May 2015, the FASB issued Accounting Standards Update 2015-07, *Disclosures for Investments in Certain Entities that Calculate Net Asset Value Per Share (or its Equivalent)*, (ASU 2015-07). ASU 2015-07 removes the requirement to categorize within the fair value hierarchy investments for which fair values are estimated using the net asset value practical expedient provided by Accounting Standards Codification 820, *Fair Value Measurement*. Disclosures about investments in certain entities that calculate net asset value per share are limited under ASU 2015-07 to those investments for which the entity has elected to estimate the fair value using the net asset value

Retirement Plan for Employees of the Altoona Regional Health System

Notes to Financial Statements December 31, 2014 and June 30, 2014

practical expedient. ASU 2015-07 is effective for entities (other than public business entities) for fiscal years beginning after December 15, 2016, with retrospective application to all periods presented. Early application is permitted.

In July 2015, the FASB issued ASU 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient*. Part I of the ASU eliminates the requirements to measure the fair value of fully benefit-responsive investment contracts and provide certain disclosures. Contract value is the only required measure for fully benefit-responsive investment contracts. Part II of the ASU eliminates the requirements to disclose individual investments that represent five percent or more of net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type. It also simplifies the level of disaggregation of investments that are measured using fair value. Plans will continue to disaggregate investments that are measured using fair value by general type; however, plans are no longer required to also disaggregate investments by nature, characteristics and risks. Further, the disclosure of information about fair value measurements shall be provided by general type of plan asset. Part III of the ASU allows a plan with a fiscal year end that doesn't coincide with the end of a calendar month to measure its investments and investment-related accounts using the month end closest to its fiscal year end. The ASU is effective for fiscal years beginning after December 15, 2015. Parts I and II are to be applied retrospectively. Part III is to be applied prospectively. Plans can early adopt any of the ASU's three parts without early adopting the other parts.

Administrative Expenses

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

Accumulated Plan Benefits

Accumulated plan benefits (see *Note 5*) are those estimated future periodic payments, including lump sum distributions, 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

Benefits under the Plan are based on employees' compensation during their last five 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, disability 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.

Retirement Plan for Employees of the Altoona Regional Health System

Notes to Financial Statements December 31, 2014 and June 30, 2014

Note 3: 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 4: Certification of Plan Trustee and Custodian

The Hospital has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Manufacturers and Traders Trust Company and BNY Mellon, the trustee and the custodian of the Plan, has certified the following information included in the accompanying financial statements and supplemental schedules is complete and accurate:

- Investments as shown in the statements of net assets available for benefits and related disclosures as of the six-month period ending December 31, 2014 and the year ended June 30, 2013.

Retirement Plan for Employees of the Altoona Regional Health System

Notes to Financial Statements December 31, 2014 and June 30, 2014

- Investment income as shown in the statements of changes in net assets available for benefits for the six-month period ended December 31, 2014 and the year ended June 30, 2014.

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

Note 5: Accumulated Plan Benefits

An actuary from CBIZ Benefits & Insurance Services, Inc. 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 for each plan year prepared as of July 1, 2014 and 2013.

	December 31, 2014	June 30, 2014
Actuarial present value of accumulated plan benefits		
Vested benefits		
Participants currently receiving payments	\$ -	\$ 66,476,499
Other participants	-	118,826,004
		185,302,503
Nonvested benefits	-	187,638
Total actuarial present value of accumulated plan benefits	\$ -	\$ 185,490,141

Retirement Plan for Employees of the Altoona Regional Health System

Notes to Financial Statements December 31, 2014 and June 30, 2014

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

	December 31, 2014	June 30, 2014
Actuarial present value of accumulated plan benefits, beginning of year	\$ 185,490,141	\$ 149,925,862
Increase (decrease) during the year attributable to		
Interest due to the decrease in the discount period	13,734,768	10,938,431
Benefits accumulated	-	2,468,720
Assumption changes	-	30,317,369
Other changes - merger of plan	(194,505,110)	-
Benefits paid	(4,719,799)	(8,160,241)
Net increase (decrease)	(185,490,141)	35,564,279
Actuarial present value of accumulated plan benefits, end of year	\$ -	\$ 185,490,141

Significant assumptions underlying the actuarial computations are:

	December 31, 2014	June 30, 2014
Assumed rate of return on investments	N/A	7.50%
Mortality basis	N/A	2014 Static Mortality
Retirement	N/A	67 years old

The foregoing actuarial assumptions were 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. Due to the merger of the Plan and transfer of assets to the merged Plan (see *Note 1*), the foregoing actuarial assumptions were not applicable for December 31, 2014.

Retirement Plan for Employees of the Altoona Regional Health System

Notes to Financial Statements December 31, 2014 and June 30, 2014

Note 6: Investments

The Plan's investments are held in a Master Trust as of June 30, 2014, and by a bank-administered trust fund as of December 31, 2014 and June 30, 2014. The Plan's investments (including investments bought, sold and held during the year) appreciated (depreciated) in fair value as follows:

	December 31, 2014	
	Net Appreciation (Depreciation) in Fair Value During Year	Fair Value at End of Year
Plan interest in Master Trust	\$ (11,172,066)	\$ -
Mutual funds	2,852	60,295
	\$ (11,169,214)	\$ 60,295
	June 30, 2014	
	Net Appreciation (Depreciation) in Fair Value During Year	Fair Value at End of Year
Plan interest in Master Trust	\$ 15,868,870	\$ 245,311,245
U.S. Treasury obligations	(11,077)	
U.S. government agencies	(38,003)	-
Corporate and foreign bonds	74,066	-
Closed-end, fixed-income securities	187,718	-
Common and preferred equity securities	5,662,679	-
Mutual funds	8,568,785	750,659
	\$ 30,313,038	\$ 246,061,904

Retirement Plan for Employees of the Altoona Regional Health System

Notes to Financial Statements December 31, 2014 and June 30, 2014

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

	December 31, 2014	June 30, 2014
Plan interest in UPMC Master Trust	\$ - *	\$ 245,311,245
BlackRock Liquidity T-Fund Institutional	60,295	750,659 *

*Investment represents less than 5% of net assets at respective year end

Interest and dividends realized on the Plan's investments for the six-month period ended December 31, 2014 and the year ended June 30, 2014, were \$1,442,916 and \$1,927,972, respectively.

Note 7: Interest in Master Trust

In connection with the affiliation between the Hospital and UPMC described in *Note 1*, on March 6, 2014, substantially all of the Plan's investments were liquidated and subsequently invested in the Master Trust, which was established for the investment of assets of the Plan and other UPMC-sponsored retirement plans. Each participating retirement plan has an undivided interest in the Master Trust. The Master Trust assets are allocated among the participating plans by assigning to each plan those transactions (primary contributions, benefit payments and plan-specific administrative expenses) that can be specifically identified and by allocating among all plans, in proportion to each plan's beneficial interest in the Master Trust, income and expenses resulting from the collective investment of the assets in the Master Trust. At December 31, 2014 and June 30, 2014, the Plan's interest in the net assets of the Master Trust was approximately 0% and 15.3%, respectively.

The Master Trust includes investments in limited partnerships, representing investments in hedge funds approximating \$243.3 and \$237.6 million and private equity funds approximating \$401.3 and \$408.7 million, at December 31, 2014 and June 30, 2014, respectively. UPMC has outstanding commitments to invest up to \$155.0 million in limited partnerships included in the Master Trust as of December 31, 2014.

Retirement Plan for Employees of the Altoona Regional Health System

Notes to Financial Statements December 31, 2014 and June 30, 2014

The following table presents the fair value of the net assets of the Master Trust at December 31, 2014 and June 30, 2014:

	December 31, 2014	June 30, 2014
Master Trust Investments, at fair value		
Cash	\$ 11,298,551	\$ 19,987,618
U.S. government securities	11,608,452	664,163
Asset and mortgage-backed securities	10,284,507	9,672,957
Corporate debt instruments	15,338,563	14,056,360
Corporate stocks	133,767,345	131,772,894
Interest in common/collective trust funds	74,018,262	86,319,567
Interest in registered investment companies	578,493,443	604,552,689
Exchange-traded funds (ETFs)	35,061,162	32,079,168
Managed accounts		
Asset and mortgage-backed securities	35,411,193	36,059,914
Common/collective trust fund	50,498,723	19,649,158
Money market	26	3,870,020
	955,780,227	958,684,508
Limited partnerships	645,206,631	646,210,063
	1,600,986,858	1,604,894,571
Net receivables	1,564,231	1,177,871
	<u>\$ 1,602,551,089</u>	<u>\$ 1,606,072,442</u>

Retirement Plan for Employees of the Altoona Regional Health System

Notes to Financial Statements December 31, 2014 and June 30, 2014

Following is a summary of appreciation (depreciation) and interest and dividend income of the Master Trust's investments (including investments bought, sold and held during the period) for the six-month period ended December 31, 2014 and the year ended June 30, 2014:

	December 31, 2014	June 30, 2014
Net appreciation (depreciation) in fair value of investments		
Cash	\$ (3,478)	\$ 33,089
U.S. government securities	24,051	(209,561)
Asset and mortgage-backed securities	76,034	60,601
Corporate debt instruments	208,024	476,863
Common stocks	2,300,249	22,076,701
Interest in common/collective trusts	(588,007)	3,426,837
Interest in registered investment companies	5,025,335	67,562,431
Exchange-traded funds (ETFs)	38,600	(240,003)
Managed accounts	(2,253,417)	(776,094)
Limited partnerships	49,641,952	95,415,261
Net appreciation (depreciation) in fair value of		
Master Trust investments	54,469,343	187,826,125
Master Trust interest and dividend income	28,735,211	22,578,332
Total net appreciation (depreciation) in fair value and interest and dividend income	\$ 83,204,554	\$ 210,404,457

Retirement Plan for Employees of the Altoona Regional Health System

Notes to Financial Statements December 31, 2014 and June 30, 2014

Note 8: Fair Value Measurements of the Master Trust

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 supported by little or no market activity and are significant to the fair value of the assets or liabilities.

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level input that is significant to the fair value measure in its entirety.

Following is a description of the valuation techniques and inputs used for each major class of assets in the Master Trust at fair value:

Cash is valued at amortized cost which approximates fair value.

Corporate stocks and ETFs are valued at the closing price reported on the active market on which the individual securities are traded.

Registered investment companies are valued based on quoted market prices, which represent the net asset value (NAV) of shares held by the Plan at year end. The NAV is a quoted price in an active market.

U.S. government securities are valued at fair value using quoted market prices. The quoted market price is available in an active market.

Asset and mortgage-backed securities, money market and corporate debt instruments are valued at fair value, which is estimated using quoted prices of securities with similar characteristics. The quoted market prices for the specific securities are not available in an active market.

Common/collective trust funds (funds) are valued at estimated fair values, which have been determined based on the unit values of the funds. Unit values are determined by the issuer sponsoring such funds by dividing the fund's net assets at fair value by its units outstanding at the valuation dates.

Retirement Plan for Employees of the Altoona Regional Health System

Notes to Financial Statements December 31, 2014 and June 30, 2014

Limited partnerships are valued using NAV, which approximates fair value. NAV is based on the unit values of the interests. Unit values are determined by the issuer sponsoring such interests by dividing the fund's net assets at fair value by its units outstanding at the valuation dates. The Plan Sponsor has an appointed Investment Committee that is responsible for determining the Plan's asset allocation and oversight of the investments held by the Plan. The Investment Committee meets quarterly and monitors all investment activity by reviewing fund performance of existing funds. All new limited partnership investments are authorized by the Investment Committee. The plan sponsor is responsible for determining the Plan's valuation policies and analyzing information that is used to determine the fair value of the limited partnerships held by the Plan. The plan sponsor monitors all limited partnership activity by reviewing fund performance of existing funds and performing due diligence for potential future investments. The plan sponsor also collects and reviews the audited financial statements of the limited partnerships and reconciles the audited values to internal accounting records annually.

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

The following tables set forth by level, within the fair value hierarchy, the Master Trust's assets at fair value as of December 31, 2014 and June 30, 2014:

Retirement Plan for Employees of the Altoona Regional Health System

Notes to Financial Statements December 31, 2014 and June 30, 2014

Assets at Fair Value as of December 31, 2014

	Quoted Prices In Active Markets for Identical Assets Level 1	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
Assets				
Cash	\$ 223,511	\$ -	\$ -	\$ 223,511
Corporate Stocks				
U.S. Large Cap	22,506,995	-	-	22,506,995
U.S. Mid Cap	18,913,184	-	-	18,913,184
U.S. Small Cap	14,378,717	-	-	14,378,717
International Developed	42,787,996	-	-	42,787,996
International Emerging Market	12,985,800	-	-	12,985,800
U.S. REITS	22,194,653	-	-	22,194,653
Total corporate stocks	133,767,345	-	-	133,767,345
Fixed Income Securities				
U.S. Government Securities	11,608,452	-	-	11,608,452
Asset and Mortgage Backed Securities	-	10,284,507	-	10,284,507
Corporate debt instruments	-	15,338,563	-	15,338,563
Total fixed income securities	11,608,452	25,623,070	-	37,231,522
Registered Investment Companies				
Domestic Index Funds	160,180,713	-	-	160,180,713
Domestic Fixed Income Funds	136,055,532	-	-	136,055,532
International Equity Index Fund	18,797,347	-	-	18,797,347
International Developed Equity Fund	51,986,947	-	-	51,986,947
International Emerging Market Funds	211,472,904	-	-	211,472,904
Total registered investment companies	578,493,443	-	-	578,493,443
Common Collective Trusts (a)	-	74,018,262	-	74,018,262
Private Equity and Hedge Investments				
Limited Partnerships				
Private Real Estate (b)	-	-	58,100,080	58,100,080
Private Natural Resources (c)	-	-	41,238,509	41,238,509
Absolute Return (Hedge Funds) (d)	-	-	107,281,246	107,281,246
Long/Short Equity (Hedge Funds) (e)	-	-	136,024,781	136,024,781
Private Equity (f)	-	-	302,562,015	302,562,015
Total Limited partnerships	-	-	645,206,631	645,206,631
Absolute Return (Managed Accounts)				
Asset and Mortgage Backed Securities	-	35,411,193	-	35,411,193
Common Collective Trust	-	1,842,374	-	1,842,374
Long/Short Equity (Managed Accounts)				
Money Market Fund	-	26	-	26
Common Collective Trust	-	48,656,349	-	48,656,349
Long/Short Equity (Cash)	11,075,040	-	-	11,075,040
Long/Short Equity (ETF's)	35,061,162	-	-	35,061,162
Total private equity and hedge investments	46,136,202	85,909,942	645,206,631	777,252,775
Total assets at fair value	\$ 770,228,953	\$ 185,551,274	\$ 645,206,631	\$ 1,600,986,858

Retirement Plan for Employees of the Altoona Regional Health System

Notes to Financial Statements December 31, 2014 and June 30, 2014

Assets at Fair Value as of June 30, 2014

	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
Assets				
Cash	\$ 121,986	\$ -	\$ -	\$ 121,986
Corporate Stocks				
U.S. Large Cap	8,256,024	-	-	8,256,024
U.S. Mid Cap	5,953,191	-	-	5,953,191
U.S. Small Cap	47,753,854	-	-	47,753,854
International Developed	43,320,842	-	-	43,320,842
International Emerging Market	5,941,737	-	-	5,941,737
U.S. REITS	20,547,246	-	-	20,547,246
Total corporate stocks	131,772,894	-	-	131,772,894
Fixed Income Securities				
U.S. Government Securities	664,163	-	-	664,163
Asset and Mortgage Backed Securities	-	9,672,957	-	9,672,957
Corporate debt instruments	-	14,056,360	-	14,056,360
Total fixed income securities	664,163	23,729,317	-	24,393,480
Registered Investment Companies				
Domestic Index Funds	173,977,762	-	-	173,977,762
Domestic Fixed Income Funds	119,221,593	-	-	119,221,593
International Equity Index Fund	50,544,260	-	-	50,544,260
International Developed Equity Fund	52,254,808	-	-	52,254,808
International Emerging Market Funds	208,554,266	-	-	208,554,266
Total registered investment companies	604,552,689	-	-	604,552,689
Common Collective Trusts (a)	-	86,319,567	-	86,319,567
Private Equity and Hedge Investments				
Limited Partnerships				
Private Real Estate (b)	-	-	60,477,387	60,477,387
Private Natural Resources (c)	-	-	46,690,564	46,690,564
Absolute Return (Hedge Funds) (d)	-	-	103,388,613	103,388,613
Long/Short Equity (Hedge Funds) (e)	-	-	134,163,013	134,163,013
Private Equity (f)	-	-	302,562,015	302,562,015
Total Limited partnerships	-	-	647,281,592	647,281,592
Absolute Return (Managed Accounts)				
Asset and Mortgage Backed Securities	-	36,059,914	-	36,059,914
Long/Short Equity (Managed Accounts)				
Money Market Fund	-	3,870,020	-	3,870,020
Common Collective Trust	-	19,649,158	-	19,649,158
Long/Short Equity (Cash)	19,865,632	-	-	19,865,632
Long/Short Equity (ETF's)	32,079,168	-	-	32,079,168
Total private equity and hedge investments	51,944,800	59,579,092	647,281,592	758,805,484
Total assets at fair value	\$ 789,056,532	\$ 169,627,976	\$ 647,281,592	\$ 1,605,966,100

Retirement Plan for Employees of the Altoona Regional Health System

Notes to Financial Statements December 31, 2014 and June 30, 2014

- ^(a)The investment objective for these funds is to achieve long-term capital growth. One fund also seeks to achieve total return in excess of the Morgan Stanley Capital International Inc. Emerging Markets Index through investing in emerging stock markets. Liquidity provisions vary per fund, with redemptions being permitted on the valuation date with written notification at least one month prior to redemption. The valuation date varies per fund, and ranges mainly from weekly to monthly.
- ^(b)The investment objective of these partnerships is to invest in commercial real estate properties and real estate related assets. On an individual basis, these partnerships have a finite life. At December 31, 2014 and June 30, 2014, it is estimated that the underlying assets of these partnerships will be liquidated over an average of seven and eight years, respectively, and there is no ability for the plan sponsor to redeem prior to the conclusion of the partnerships. Some of these partnerships may elect to extend their term at their discretion. As of December 31, 2014 and June 30, 2014, the outstanding commitment to invest in these funds is up to \$23.7 million and \$15.0 million, respectively.
- ^(c)The investment objective of these limited partnerships is to acquire energy assets such as oil and natural gas production, oilfield services, power generation and other natural resources-related industries that have the potential for meaningful capital appreciation. On an individual basis, these partnerships have a finite life. At December 31, 2014 and June 30, 2014, it is estimated that the underlying assets of these partnerships will be liquidated over an average of nine and ten years, respectively, and there is no ability for the plan sponsor to redeem prior to the conclusion of the partnerships. Some of these partnerships may elect to extend their term at their discretion. As of December 31, 2014 and June 30, 2014, the outstanding commitment to invest in these funds is up to \$25.2 million and \$23.4 million, respectively.
- ^(d)The investment objective for these limited partnerships is to invest with the goal of generating a positive real return without correlation to general markets. While specific liquidity provisions vary by fund, redemptions are generally permitted on a monthly or quarterly basis. While fund managers reserve the right to suspend redemptions under certain market conditions, no such conditions exist as of December 31, 2014 or June 30, 2014, and through the date these financial statements were available to be issued.
- ^(e)The investment objective for these limited partnerships is to invest with the goal of generating a return similar to equity markets with less volatility. While specific liquidity provisions vary by fund, redemptions are generally permitted on a monthly, quarterly or annual basis. While fund managers reserve the right to suspend redemptions under certain market conditions, no such conditions exist as of December 31, 2014 or June 30, 2014, and through the date these financial statements were available to be issued.
- ^(f)The investment objective of these limited partnerships is to achieve long-term capital appreciation through a diversified portfolio of leveraged buyout, growth equity, venture capital, structured equity and distressed debt investment opportunities throughout the globe. On an individual basis, these partnerships have a finite life. At December 31, 2014, it is estimated that the underlying assets of these partnerships will be liquidated over an average of seven years and there is no ability for the

Retirement Plan for Employees of the Altoona Regional Health System

Notes to Financial Statements December 31, 2014 and June 30, 2014

plan sponsor to redeem prior to the conclusion of the partnerships. Some of these partnerships may elect to extend their term at their discretion. The outstanding commitment to invest in these funds is up to \$106.1 million. At June 30, 2014, it is estimated that the underlying assets of the funds will be liquidated over an average of eight years and there is no ability for the plan sponsor to redeem prior to the conclusion of the partnerships. Some of these partnerships may elect to extend their term at their discretion. The outstanding commitment to invest in these funds is up to \$107.1 million.

Level 3 Reconciliation

The following table sets forth a summary of changes in the fair value of the Master Trust's Level 3 assets for the six-month period ended December 31, 2014 and the year ended June 30, 2014:

Balance, July 1, 2013	\$ 542,443,590
Realized gains (losses)	28,664,900
Unrealized gains (losses) relating to instruments still held at the reporting date	66,750,361
Purchases	104,464,691
Settlements	<u>(96,113,479)</u>
Balance, June 30, 2014	646,210,063
Realized gains (losses)	22,018,180
Unrealized gains (losses) relating to instruments still held at the reporting date	(10,962,861)
Purchases	43,276,861
Settlements	<u>(55,335,612)</u>
Balance, December 31, 2014	<u><u>\$ 645,206,631</u></u>

Note 9: Other 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.

Retirement Plan for Employees of the Altoona Regional Health System

Notes to Financial Statements December 31, 2014 and June 30, 2014

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 supported by little or no market activity and are significant to the fair value of the assets or liabilities.

Recurring Measurements

The following table presents the fair value measurements of the Plan's 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 December 31, 2014 and June 30, 2014:

December 31, 2014				
Fair Value	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	
Mutual funds	\$ 60,295	\$ -	\$ -	
	<u>\$ 60,295</u>	<u>\$ -</u>	<u>\$ -</u>	
June 30, 2014				
Fair Value	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	
Plan interest in UPMC Master Trust	\$ 245,311,245	\$ -	\$ 245,311,245	\$ -
Mutual funds	750,659	-	-	-
	<u>750,659</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 246,061,904</u>	<u>\$ 750,659</u>	<u>\$ 245,311,245</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 six-month period ended December 31, 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.

Retirement Plan for Employees of the Altoona Regional Health System

Notes to Financial Statements December 31, 2014 and June 30, 2014

Investments

Registered investment companies, mutual funds and closed-end fixed income securities are valued based on quoted market prices, which represent the net asset value (NAV) of shares held by the Plan at year end. The NAV is a quoted price in an active market.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. 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. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

See *Notes 7 and 8* for description of the Plan's investment in the UPMC Master Trust.

Note 10: 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 invests in certain funds of a company affiliated with the plan trustee. Direct fees for custody-related services paid by the Plan to this trustee were \$31,105 and \$101,554 for the six-month period ended December 31, 2014 and the year ended June 30, 2014, respectively.

The Hospital provides certain administrative services at no cost to the Plan, including audit and legal fees.

Note 11: Tax Status

The Plan obtained its latest determination letter on January 25, 2012, 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.

Retirement Plan for Employees of the Altoona Regional Health System

Notes to Financial Statements December 31, 2014 and June 30, 2014

Note 12: Differences Between Financial Statements and Form 5500 Information

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

	December 31, 2014	June 30, 2014
Net assets available for benefits per the financial statements	\$ 66,515,724	\$312,685,905
Accrued administrative expense	168,574	
Transfer of plan assets due to the merger	(66,684,298)	-
Net assets available for benefits per the Form 5500	<u>\$ -</u>	<u>\$312,685,905</u>

For the Annual Return/Report of Employee Benefit Plan (Form 5500) filed with the Internal Revenue Service for the six-month period ended December 31, 2014, the Hospital elected to show the asset transfer as of December 31, 2014, which is when the Plan officially merged with the UPMC Basic Retirement Plan.

The following is a reconciliation of deductions per the financial statements to the Form 5500:

	December 31, 2014	June 30, 2014
Total deductions per the financial statements	\$ 5,298,628	\$ 9,203,710
Accrued administrative expense	(168,574)	-
Total deductions per Form 5500	<u>\$ 5,130,054</u>	<u>\$ 9,203,710</u>

Note 13: Risks and Uncertainties

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

Retirement Plan for Employees of the Altoona Regional Health System

Notes to Financial Statements December 31, 2014 and June 30, 2014

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 14: 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.

Supplemental Schedules

Retirement Plan for Employees of the Altoona Regional Health System

EIN 23-1352155 PN 001

**Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
December 31, 2014**

Identity of Issuer (a)(b)	Description of Investment (c)	Cost (d)	Current Value (e)
----------------------------------	--	-----------------	------------------------------

None

Per Form 5500, assets are reflected as transferred to the UPMC Basic Plan.

Retirement Plan for Employees of the Altoona Regional Health System

EIN 23-1352155 PN 001

**Schedule H, Line 4j – Schedule of Reportable Transactions
Six-Month Period Ended December 31, 2014**

Identity	Description	Total Number of Purchases	Total Number of Sales	Purchase Price	Selling Price	Net Gain or (Loss)
-----------------	--------------------	--	--------------------------------------	---------------------------	--------------------------	-------------------------------

There were no (i), (ii), (iii) or (iv) reportable transactions during the year.

SB Actuary Signature

SCHEDULE SB (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>	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 2014 This Form is Open to Public Inspection
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For calendar plan year 2014 or fiscal plan year beginning 07/01/2014 and ending 12/31/2014

► **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 Employees of the Altoona Regional Health System</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>UPMC Altoona</u>	D Employer Identification Number (EIN) <u>23-1352155</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>7</u> Day <u>1</u> Year <u>2014</u>			
2 Assets:			
a Market value	2a	309,709,737	
b Actuarial value	2b	294,692,834	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	921	93,939,484	93,939,484
b For terminated vested participants.....	920	32,865,836	32,865,836
c For active participants.....	1,656	109,106,141	110,258,872
d Total.....	3,497	235,911,461	237,064,192
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	230,897,650	
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	261,730,361	
5 Effective interest rate	5	6.60%	
6 Target normal cost	6	5,029,143	

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>09/29/2015</u> Date <u>14-06620</u> Most recent enrollment number <u>(301) 777-1500</u> Telephone number (including area code)
<u>Alvin K. Winters</u> Type or print name of actuary		
<u>CBIZ</u> Firm name <u>44 Baltimore Street</u> <u>Cumberland</u> <u>MD 21502</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) 2014
v. 140124

SB Actuary Signature

Schedule SB (Form 5500) 2014

Page 2 -

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	70,998,900
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	70,998,900
10	Interest on line 9 using prior year's actual return of <u>19.69%</u>	0	13979683
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		40198841
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.7%</u>		2717442
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
	c Total available at beginning of current plan year to add to prefunding balance		42916283
	d Portion of (c) to be added to prefunding balance		42916283
12	Other reductions in balances due to elections or deemed elections	0	75295367
13	Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)	0	52599499

Part III Funding Percentages		14	15	16	17
14	Funding target attainment percentage		104.84 %		
15	Adjusted funding target attainment percentage		%		
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement		72.44 %		
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage		%		

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
Totals ▶			18(b)	0	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	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	

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

SB Actuary Signature

Schedule SB (Form 5500) 2014

Page 3

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

21 Discount rate:			
a Segment rates:	1st segment: 4.99 %	2nd segment: 6.32 %	3rd segment: 6.99 % ☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 4
22 Weighted average retirement age			22 67
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	
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	5,029,143	
b Excess assets, if applicable, but not greater than line 31a	31b	5,029,143	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
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		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35)	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37		
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
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	0	
43 Excess installment acceleration amount to be carried over to future plan years.....	43	0	

SB Actuary Signature

Schedule SB, line 4 - Additional Information for Plans in At-Risk Status:

EIN: 23-1352155

PN: 001

Plan Name: Retirement Plan for Employees of the Altoona Regional Health System

Each optional form of payment is compared at each decrement age and the one that produces the highest present value is used.

SB Actuary Signature

Schedule SB, line 15 - Reconciliation of differences between valuation results and amounts used to calculate AFTAP:

EIN: 23-1352155

PN: 001

Plan Name: Retirement Plan for Employees of the Altoona Regional Health System

Effective December 31, 2014, the Plan was merged into the UPMC Basic Retirement Plan, so no AFTAP was certified for the plan year.

SB Actuary Signature

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

EIN: 23-1352155

PN: 001

Plan Name: Retirement Plan for Employees of the Altoona Regional Health System

<u>Age</u>	<u>Retirement Rate</u>	<u>Retirement Probability</u>	<u>Weighted Age</u>
62	5.00%	0.05	3.10
63	5.00%	0.05	2.99
64	5.00%	0.05	2.89
65	25.00%	0.21	13.93
66	10.00%	0.06	4.24
67	10.00%	0.06	3.88
68	10.00%	0.05	3.54
69	10.00%	0.05	3.23
70	100.00%	0.42	29.53
Total		1.0000	67.34

SB Actuary Signature

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

EIN/PN: 23-1352155 / 001

**Retirement Plan for Employees of
the Altoona Regional Health System
Actuarial Report for the Plan Year Beginning July 1, 2014**

Summary of Principal Actuarial Assumptions

Funding Method: Traditional Unit Credit

Actuarial Assumptions:

Pre-retirement for Retirement and Spousal Benefits:

Investment Return - Segment rates (4 month lookback) with HATFA stabilization

	<u>For IRC 404</u>	<u>For IRC 430 and 436</u>
First Segment	1.20%	4.99%
Second Segment	4.06%	6.32%
Third Segment	5.10%	6.99%

Mortality: 2014 Static Mortality for non-annuitants

Turnover: Non-Bargaining unit employees - T8 table
Bargaining unit employees - T4 table

Salary Scale: 3.00% per year

Retirement Rates:	<u>Age</u>	<u>Rate</u>
	62 - 64	5%
	65	25%
	66 - 69	10%
	70 and older	100%

Post-retirement for Retirement Benefits:

Investment Return - Segment rates (4 month lookback) with HATFA stabilization

	<u>For IRC 404</u>	<u>For IRC 430 and 436</u>
First Segment	1.20%	4.99%
Second Segment	4.06%	6.32%
Third Segment	5.10%	6.99%

Mortality: 2014 Static Mortality for annuitants

Actuarial Value of Assets: 24 month average limited by 90%/110% corridor

Assumed Form of Payment: Five-year certain and life annuity

Marriage Rates: 85% of participants are assumed married. Males are assumed to be four years older than females.

Expenses: Expense of \$607,000 has been loaded in Target Normal Cost

Effective Rate of Interest: 6.60%

Schedule SB, Part V - Summary of Plan Provisions

EIN/PN: 23-1352155 / 001

**Retirement Plan for Employees of
the Altoona Regional Health System
Actuarial Report for the Plan Year Beginning July 1, 2014**

Summary of Principal Plan Provisions

Effective Date:	July 1, 1963
Plan Year:	July 1 through December 31
Eligibility:	
Minimum Age:	None
Service:	Twelve months with the completion of 1,000 hours of service.
Entry Date:	The earlier of the first day of the plan year or the first day of the seventh month of such plan year coinciding with or next following the date eligibility requirements were met.
Excluded:	Any employee covered under another retirement plan sponsored by UPMC, as well as any person employed for the first time by UPMC after June 30, 2008 or any person rehired by UPMC after June 30, 2008.
Normal Retirement Date:	A participant shall be eligible for normal retirement benefits on the first day of the month coinciding with or next following his 65th birthday.
Early Retirement Date:	A participant shall be eligible for early retirement benefits on the first day of the month coinciding with or next following his 55th birthday.
Accrued Benefit:	<p>A benefit commencing at normal retirement date equal to the greatest of A, B or C:</p> <p>A. 1.50% of average monthly compensation times years of credited service at retirement; or</p> <p>B. \$4.00 per month for each year of credited service as of June 30, 1997; or</p> <p>C. the participant's accrued benefit under the prior plan as of June 30, 1987.</p> <p>plus</p> <p>D. Any net increase in the accrued benefit under the Bon Secours Holy Family Regional Health System Retirement Plan as of October 31, 2004, adjusted for post-merger pay increases.</p>

**Retirement Plan for Employees of
the Altoona Regional Health System
Actuarial Report for the Plan Year Beginning July 1, 2014**

Summary of Principal Plan Provisions

Special Minimum Benefit:	With respect to an employee who was a participant in the prior plan on June 30, 1986, and who had attained age 55, or older, and completed ten or more years of credited service as of such date; such participant's benefit shall not be less than that calculated under the plan as in effect on June 30, 1986, based on compensation and credited service as of the date of determination or June 30, 1989; whichever is earlier.
Credited Service:	<p>A year of benefit service is credited for each plan year in which the employee completed 1,560 or more hours of service. Partial credit of 1/2 year is given for each plan year in which the employee completed between 1,000 and 1,559 hours of service.</p> <p>A year of vesting service is credited for each plan year in which the employee completed 1,000 or more hours of service. Service prior to January 1, 1966 is excluded for vesting purposes. Employees excluded for benefit purposes retain vesting credit for the excluded period if their status changes.</p> <p>Partial service credit is given for accrual purposes for any plan year in which the employee completes less than 1,000 hours of service.</p> <p>Hours worked are determined by dividing the number of days worked (to a maximum of 30 per month) by 360 and multiplying the result by 2,080.</p>
Normal Form of Benefit:	Five-year certain and life annuity or actuarially equivalent joint and 50% spouse survivor annuity.
Compensation:	Total compensation, including overtime, flex benefit elections, bonuses and commissions. Final benefits based on the average of the 60 highest consecutive months within the last 120 months preceding the date of determination.

Schedule SB, Part V - Summary of Plan Provisions

EIN/PN: 23-1352155 / 001

**Retirement Plan for Employees of
the Altoona Regional Health System
Actuarial Report for the Plan Year Beginning July 1, 2014**

Summary of Principal Plan Provisions

Vesting:

A participant whose employment terminated prior to eligibility for a retirement benefit shall be vested in a portion of his accrued benefit in accordance with the greater of the following:

Schedule A:

Years of Vesting Service

Vested %

Less than five

0%

Five years of service

100%

Schedule B:

Age & Service

Vested %

Less than 45

0%

45 but less than 47

50%

47 but less than 49

60%

49 but less than 51

70%

51 but less than 53

80%

53 but less than 55

90%

55 or more

100%

Other Benefits:

Benefits are payable to or on behalf of vested participants who die prior to retirement, who become disabled and qualify for total disability benefits under the plan and who retire early upon meeting the plan's requirements for early retirement. Participants who continue with the Health System after reaching their normal retirement age will generally accrue additional benefits.

Schedule SB, line 26 - Schedule of Active Participant Data
 EIN/PN: 23-1352155 / 001

Retirement Plan for Employees of the Altoona Regional Health System Actuarial Report for the Plan Year Beginning July 1, 2014

Schedule of Active Participant Data

Years of Service

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	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	3	0	14	0	50	54,451	2	0	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	3	0	14	0	73	54,560	58	51,256	0	0	0	0	0	0	0	0	0	0	0	0
35 to 39	4	0	14	0	47	58,096	75	59,892	30	47,696	0	0	0	0	0	0	0	0	0	0
40 to 44	5	0	10	0	34	54,840	71	56,221	37	66,166	25	53,260	0	0	0	0	0	0	0	0
45 to 49	2	0	8	0	45	62,419	63	62,869	34	63,939	41	61,256	38	57,347	0	0	0	0	0	0
50 to 54	8	0	7	0	25	54,444	86	61,734	33	65,658	27	53,843	34	67,105	43	56,058	11	0	0	0
55 to 59	4	0	2	0	30	50,027	103	55,535	21	64,966	41	63,567	21	53,146	42	65,138	68	53,673	6	0
60 to 64	3	0	4	0	13	0	66	52,959	19	0	19	0	11	0	11	0	39	64,092	34	58,174
65 to 69	4	0	1	0	1	0	4	0	0	0	5	0	3	0	0	0	2	0	1	0
70 & up	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0

SB Actuary Signature

Schedule SB, line 4 - Additional Information for Plans in At-Risk Status:

EIN: 23-1352155

PN: 001

Plan Name: Retirement Plan for Employees of the Altoona Regional Health System

Each optional form of payment is compared at each decrement age and the one that produces the highest present value is used.

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

EIN: 23-1352155

PN: 001

Plan Name: Retirement Plan for Employees of the Altoona Regional Health System

<u>Age</u>	<u>Retirement Rate</u>	<u>Retirement Probability</u>	<u>Weighted Age</u>
62	5.00%	0.05	3.10
63	5.00%	0.05	2.99
64	5.00%	0.05	2.89
65	25.00%	0.21	13.93
66	10.00%	0.06	4.24
67	10.00%	0.06	3.88
68	10.00%	0.05	3.54
69	10.00%	0.05	3.23
70	100.00%	0.42	29.53
Total		1.0000	67.34

Retirement Plan for Employees of the Altoona Regional Health System Actuarial Report for the Plan Year Beginning July 1, 2014

Summary of Principal Actuarial Assumptions

Funding Method: Traditional Unit Credit

Actuarial Assumptions:

Pre-retirement for Retirement and Spousal Benefits:

Investment Return - Segment rates (4 month lookback) with HATFA stabilization

	<u>For IRC 404</u>	<u>For IRC 430 and 436</u>
First Segment	1.20%	4.99%
Second Segment	4.06%	6.32%
Third Segment	5.10%	6.99%

Mortality: 2014 Static Mortality for non-annuitants

Turnover: Non-Bargaining unit employees - T8 table
Bargaining unit employees - T4 table

Salary Scale: 3.00% per year

Retirement Rates:	<u>Age</u>	<u>Rate</u>
	62 - 64	5%
	65	25%
	66 - 69	10%
	70 and older	100%

Post-retirement for Retirement Benefits:

Investment Return - Segment rates (4 month lookback) with HATFA stabilization

	<u>For IRC 404</u>	<u>For IRC 430 and 436</u>
First Segment	1.20%	4.99%
Second Segment	4.06%	6.32%
Third Segment	5.10%	6.99%

Mortality: 2014 Static Mortality for annuitants

Actuarial Value of Assets: 24 month average limited by 90%/110% corridor

Assumed Form of Payment: Five-year certain and life annuity

Marriage Rates: 85% of participants are assumed married. Males are assumed to be four years older than females.

Expenses: Expense of \$607,000 has been loaded in Target Normal Cost

Effective Rate of Interest: 6.60%

Schedule SB, Part V - Summary of Plan Provisions

EIN/PN: 23-1352155 / 001

**Retirement Plan for Employees of
the Altoona Regional Health System
Actuarial Report for the Plan Year Beginning July 1, 2014**

Summary of Principal Plan Provisions

Effective Date: July 1, 1963

Plan Year: July 1 through December 31

Eligibility:

Minimum Age: None

Service: Twelve months with the completion of 1,000 hours of service.

Entry Date: The earlier of the first day of the plan year or the first day of the seventh month of such plan year coinciding with or next following the date eligibility requirements were met.

Excluded: Any employee covered under another retirement plan sponsored by UPMC, as well as any person employed for the first time by UPMC after June 30, 2008 or any person rehired by UPMC after June 30, 2008.

Normal Retirement Date: A participant shall be eligible for normal retirement benefits on the first day of the month coinciding with or next following his 65th birthday.

Early Retirement Date: A participant shall be eligible for early retirement benefits on the first day of the month coinciding with or next following his 55th birthday.

Accrued Benefit: A benefit commencing at normal retirement date equal to the greatest of A, B or C:

- A. 1.50% of average monthly compensation times years of credited service at retirement; or
 - B. \$4.00 per month for each year of credited service as of June 30, 1997; or
 - C. the participant's accrued benefit under the prior plan as of June 30, 1987.
- plus
- D. Any net increase in the accrued benefit under the Bon Secours Holy Family Regional Health System Retirement Plan as of October 31, 2004, adjusted for post-merger pay increases.

Retirement Plan for Employees of the Altoona Regional Health System Actuarial Report for the Plan Year Beginning July 1, 2014

Summary of Principal Plan Provisions

Special Minimum Benefit:	With respect to an employee who was a participant in the prior plan on June 30, 1986, and who had attained age 55, or older, and completed ten or more years of credited service as of such date; such participant's benefit shall not be less than that calculated under the plan as in effect on June 30, 1986, based on compensation and credited service as of the date of determination or June 30, 1989; whichever is earlier.
Credited Service:	<p>A year of benefit service is credited for each plan year in which the employee completed 1,560 or more hours of service. Partial credit of 1/2 year is given for each plan year in which the employee completed between 1,000 and 1,559 hours of service.</p> <p>A year of vesting service is credited for each plan year in which the employee completed 1,000 or more hours of service. Service prior to January 1, 1966 is excluded for vesting purposes. Employees excluded for benefit purposes retain vesting credit for the excluded period if their status changes.</p> <p>Partial service credit is given for accrual purposes for any plan year in which the employee completes less than 1,000 hours of service.</p> <p>Hours worked are determined by dividing the number of days worked (to a maximum of 30 per month) by 360 and multiplying the result by 2,080.</p>
Normal Form of Benefit:	Five-year certain and life annuity or actuarially equivalent joint and 50% spouse survivor annuity.
Compensation:	Total compensation, including overtime, flex benefit elections, bonuses and commissions. Final benefits based on the average of the 60 highest consecutive months within the last 120 months preceding the date of determination.

Schedule SB, Part V - Summary of Plan Provisions

EIN/PN: 23-1352155 / 001

**Retirement Plan for Employees of
the Altoona Regional Health System
Actuarial Report for the Plan Year Beginning July 1, 2014**

Summary of Principal Plan Provisions

Vesting: A participant whose employment terminated prior to eligibility for a retirement benefit shall be vested in a portion of his accrued benefit in accordance with the greater of the following:

Schedule A:

<u>Years of Vesting Service</u>	<u>Vested %</u>
Less than five	0%
Five years of service	100%

Schedule B:

<u>Age & Service</u>	<u>Vested %</u>
Less than 45	0%
45 but less than 47	50%
47 but less than 49	60%
49 but less than 51	70%
51 but less than 53	80%
53 but less than 55	90%
55 or more	100%

Other Benefits: Benefits are payable to or on behalf of vested participants who die prior to retirement, who become disabled and qualify for total disability benefits under the plan and who retire early upon meeting the plan's requirements for early retirement. Participants who continue with the Health System after reaching their normal retirement age will generally accrue additional benefits.

Retirement Plan for Employees of the Altoona Regional Health System Actuarial Report for the Plan Year Beginning July 1, 2014

Schedule of Active Participant Data

Age	Years of Service									
	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
	Avg. No. Comp.	Avg. No. Comp.	Avg. No. Comp.	Avg. No. Comp.	Avg. No. Comp.	Avg. No. Comp.	Avg. No. Comp.	Avg. No. Comp.	Avg. No. Comp.	Avg. No. Comp.
Under 25	0 0	0 0	2 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
25 to 29	3 0	14 0	50 54,451	2 0	0 0	0 0	0 0	0 0	0 0	0 0
30 to 34	3 0	14 0	73 54,560	58 51,256	0 0	0 0	0 0	0 0	0 0	0 0
35 to 39	4 0	14 0	47 58,096	75 59,892	30 47,696	0 0	0 0	0 0	0 0	0 0
40 to 44	5 0	10 0	34 54,840	71 56,221	37 66,166	25 53,260	0 0	0 0	0 0	0 0
45 to 49	2 0	8 0	45 62,419	63 62,869	34 63,939	41 61,256	38 57,347	0 0	0 0	0 0
50 to 54	8 0	7 0	25 54,444	86 61,734	33 65,658	27 53,843	34 67,105	43 56,058	11 0	0 0
55 to 59	4 0	2 0	30 50,027	103 55,535	21 64,966	41 63,567	21 53,146	42 65,138	68 53,673	6 0
60 to 64	3 0	4 0	13 0	66 52,959	19 0	19 0	11 0	11 0	39 64,092	34 58,174
65 to 69	4 0	1 0	1 0	4 0	0 0	5 0	3 0	0 0	2 0	1 0
70 & up	0 0	0 0	1 0	1 0	0 0	0 0	0 0	0 0	0 0	0 0

Schedule SB, line 15 - Reconciliation of differences between valuation results and amounts used to calculate AFTAP:

EIN: 23-1352155

PN: 001

Plan Name: Retirement Plan for Employees of the Altoona Regional Health System

Effective December 31, 2014, the Plan was merged into the UPMC Basic Retirement Plan, so no AFTAP was certified for the plan year.