

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 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2016 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information For calendar plan year 2016 or fiscal plan year beginning <u>01/01/2016</u> and ending <u>12/27/2016</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.) ☒ 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>CHEVIOT FINANCIAL CORP. EMPLOYEE STOCK OWNERSHIP PLAN</u>	1b Three-digit plan number (PN) ► <u>003</u> 1c Effective date of plan <u>01/05/2004</u>
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>MAINSOURCE FINANCIAL GROUP, INC.</u> <u>2015 N. STATE ROAD 3 BYPASS</u> <u>GREENSBURG, IN 47240-2000</u>	2b Employer Identification Number (EIN) <u>35-1562245</u> 2c Plan Sponsor's telephone number <u>812-662-3295</u> 2d Business code (see instructions) <u>522120</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	<u>Filed with authorized/valid electronic signature.</u>	<u>10/12/2017</u>	<u>JOHN STEWART</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

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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: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 128
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) 84
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 0
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:
 2I 2P 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

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

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☐ 0 **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 2016 Form M-1 annual report. If the plan was not required to file the 2016 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 _____

SCHEDULE H (Form 5500) <small>Internal Revenue Service</small> <hr/> <small>Department of Labor</small> <small>Employee Benefits Security Administration</small> <hr/> <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> 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning <u>01/01/2016</u> and ending <u>12/27/2016</u>		
A Name of plan <u>CHEVIOT FINANCIAL CORP. EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ►	<u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MAINSOURCE FINANCIAL GROUP, INC.</u>	D Employer Identification Number (EIN) <u>35-1562245</u>	

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	780329	0
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(1)	Employer securities	7215954	0
(2)	Employer real property		
e	Buildings and other property used in plan operation		
f	Total assets (add all amounts in lines 1a through 1e)	7996283	0
Liabilities			
g	Benefit claims payable		
h	Operating payables		
i	Acquisition indebtedness		
j	Other liabilities	1266169	0
k	Total liabilities (add all amounts in lines 1g through 1j)	1266169	0
Net Assets			
l	Net assets (subtract line 1k from line 1f)	6730114	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.

		(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)	6222
	(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)	
	(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)	6222
(2)	Dividends: (A) Preferred stock	2b(2)(A)	
	(B) Common stock	2b(2)(B)	70563
	(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)	70563
(3)	Rents	2b(3)	
(4)	Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	7042386
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	7217025
	(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)	-174639
(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)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		-97854

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	6614967	
(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)		6614967
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		15896
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)	1397	
(3) Investment advisory and management fees.....	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		1397
j Total expenses. Add all expense amounts in column (b) and enter total	2j		6632260

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-6730114
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

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

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

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

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

☒ Yes ☐ No

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

(1) Name: CLARK, SCHAEFER, HACKETT & CO.

(2) EIN: 31-0800053

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.)	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e Was this plan covered by a fidelity bond?	4e	X		2000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k	X		
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			
o Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	4o			

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: 0

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

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

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year . (See instructions.)

Part V Trust Information

6a Name of trust	6b Trust's EIN
6c Name of trustee or custodian	6d Trustee's or custodian's telephone number

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2016 This Form is Open to Public Inspection.
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/27/2016

A Name of plan <u>CHEVIOT FINANCIAL CORP. EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MAINSOURCE FINANCIAL GROUP, INC.</u>	D Employer Identification Number (EIN) <u>35-1562245</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>20-1171923</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

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

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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
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18	If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment	☐
19	If the total number of participants is 1,000 or more, complete lines (a) through (c)	
	a Enter the percentage of plan assets held as: Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%	
	b Provide the average duration of the combined investment-grade and high-yield debt: ☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more	
	c What duration measure was used to calculate line 19(b)? ☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____	

Part VII	IRS Compliance Questions
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20a Is the plan a 401(k) plan? If "No," skip b	☐ Yes ☐ No
20b How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply:	☐ Design-based safe harbor ☐ "Prior year" ADP test ☐ "Current year" ADP test ☐ N/A
21a What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply:	☐ Ratio percentage test ☐ Average benefit test ☐ N/A
21b Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules?	☐ Yes ☐ No
22a If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter / / and the serial number .	
22b If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter / / .	

CHEVIOT FINANCIAL CORP. EMPLOYEE STOCK OWNERSHIP PLAN

Financial Statements

December 27, 2016 and December 31, 2015

(with Independent Auditors' Report)

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INDEPENDENT AUDITORS' REPORT

To the Trustees & Participants of the
Cheviot Financial Corp. Employee Stock Ownership Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Cheviot Financial Corp. Employee Stock Ownership Plan, which comprise the statements of net assets available for benefits as of December 27, 2016 and December 31, 2015 and the related statement of changes in net assets available for benefits for the period from January 1, 2016 to December 27, 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the 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 7, which was certified by First Bankers Trust Services, Inc., the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 27, 2016 and December 31, 2015, and for the period from January 1, 2016 to December 27, 2016, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

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

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

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

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
October 10, 2017

Cheviot Financial Corp. Employee Stock Ownership Plan
Statements of Net Assets Available for Benefits
December 27, 2016 and December 31, 2015

	December 27, 2016			December 31, 2015		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Assets						
Investments at fair value:						
Money market	\$ -	-	-	780,329	-	780,329
Bank stock	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,922,586</u>	<u>2,293,368</u>	<u>7,215,954</u>
Total assets	-	-	-	5,702,915	2,293,368	7,996,283
Liabilities						
Loan payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,266,169</u>	<u>1,266,169</u>
Net Assets Available for Benefits	\$ <u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u>5,702,915</u>	<u>1,027,199</u>	<u>6,730,114</u>

See notes to the financial statements.

Cheviot Financial Corp. Employee Stock Ownership Plan
Statement of Changes in Net Assets Available for Benefits
Period From January 1, 2016 to December 27, 2016

	Allocated	Unallocated	Total
Additions to net assets attributable to:			
Interest and dividends	\$ 61,558	15,227	76,785
Allocation of 64,129 shares of common stock of the Bank at fair value	<u>961,935</u>	<u>-</u>	<u>961,935</u>
Total additions	<u>1,023,493</u>	<u>15,227</u>	<u>1,038,720</u>
Deductions from net assets attributable to:			
Benefits paid directly to participants or beneficiaries	6,614,967	-	6,614,967
Net depreciation on investments	110,044	64,595	174,639
Interest expense	-	15,896	15,896
Administrative fees	1,397	-	1,397
Allocation of 64,129 shares of common stock of the Bank at fair value	<u>-</u>	<u>961,935</u>	<u>961,935</u>
Total deductions	<u>6,726,408</u>	<u>1,042,426</u>	<u>7,768,834</u>
Net decrease	5,702,915	1,027,199	6,730,114
Net Assets Available for Benefits			
Beginning of year	<u>5,702,915</u>	<u>1,027,199</u>	<u>6,730,114</u>
End of year	\$ <u>-</u>	<u>-</u>	<u>-</u>

1. PLAN DESCRIPTION:

The following description of the Cheviot Financial Corp. Employee Stock Ownership Plan (the "Plan") provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General

Cheviot Financial Corp. (the "Employer" or "Bank") established the plan effective as of January 5, 2004. The Plan operated as a leveraged employee stock ownership plan and was designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code (the "Code") of 1986, as amended. The Plan was subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan was administered by the Employer with the assistance of a third party administrator. An independent third-party trust company was the Plan's trustee (the "Trustee").

In 2012, the Plan purchased additional shares of the Bank common stock (see Note 6). The borrowings were to be repaid over a period of 20 years by fully deductible contributions or the Bank's distributions to the trust fund. As the Plan repaid the notes, a percentage of stock was allocated to eligible employees' accounts in accordance with applicable regulations under the Code.

The borrowings were collateralized by the unallocated shares of common stock. The lender had no rights against shares of common stock once they were allocated under the Plan. Accordingly, the financial statements of the Plan as of December 27, 2016 and December 31, 2015 and for the period from January 1, 2016 to December 27, 2016 presented separately the assets and liabilities and changes therein pertaining to the accounts of employees in allocated common stock (allocated) and common stock not yet allocated to employees (unallocated).

At December 31, 2015, there were 149,600 common stock shares unallocated. 85,471 shares were sold at the fair market value on the date the Plan Sponsor was acquired and used to pay down the balance owed on the Notes Payable – Employer plus accrued interest. The remaining 64,129 shares were allocated to the participants based on their respective account balance as a percentage of total net assets. On the date of termination, all participants became fully vested in past Employer Contributions and all allocated stock.

Eligibility

The Plan covered all full-time employees who, as of any entry date, had been credited with at least one year of eligibility service (1,000 hours of service), attained age 21 and was an employee of the Bank.

Participant accounts

The Plan was a defined contribution plan under which a separate individual account was established for each participant. Each participant's account was credited as of the last day of each plan year with an allocation of shares of the Bank's common stock released by the Trustee from the unallocated account and forfeitures of terminated participants' non-vested accounts. Participants who were eligible employees of the Bank as of the last day of the plan year or who separated from service during the plan year as a result of death or disability or after attaining their Normal Retirement Date or completing more than 500 hours of service in the plan year received an allocation. Allocations were based on a participant's eligible compensation, relative to total eligible compensation.

Vesting

Vesting in the Bank's contribution portion of their accounts, plus actual earnings thereon, were based on years of service in which they completed 1,000 or more hours of service. As a result of the Plan termination, participants became fully vested in contributions made by the Bank to their accounts.

Diversification

Participants that attained the age of 55 and completed at least 10 years of participation in the Plan were eligible to diversify up to 25 percent of the value of the participant's account, less any prior diversification distributions for a six-year period. During the last year of the six-year diversification period, participants were eligible to diversify up to 50 percent of the value of the participant's account, less any prior diversification distributions. The Plan permitted the participant to diversify their account and offered different investment options or permitted the participant to take a distribution that was paid out within 90 days of the participant's election to diversify.

Payment of benefits

Distributions were payable upon retirement, death, disability, or termination of employment. In no event were any amounts allocated to a participant's account distributed until the end of the Plan year in which the loans detailed in Note 6 were repaid in full, except to make required minimum distributions as required by Section 401(a)(9) of the Code.

Under the provisions of the Plan, the Bank was required to distribute a participant's benefit in cash in accordance with the plan document. Cash was obtained from the subaccounts of the remaining participants, who received an allocation of the Bank's stock equal to the cash used to make the distribution. The Plan could have used cash obtained from the sale of common stock or from the Bank's contributions to the Plan.

Administration of plan assets

The Plan's assets, which consisted principally of the Bank's common shares, were held by the trustee of the Plan. Bank contributions were held and managed by the trustee, who invested cash received, interest and dividend income and made distributions to participants. The trustee also administered the payment of interest and principal on the loan, which was reimbursed to the trust through contributions as determined by the Bank. Certain administrative functions were performed by officers or employees of the Bank. No such officer or employee received compensation from the Plan. Certain other administrative expenses were paid directly by the Bank.

Forfeitures

If a participant was not fully vested on their termination date, the non-vested amount of the account was forfeited. The Bank allocated forfeitures to participants based on the participant's compensation, as defined. Allocations of forfeitures were considered additional bank contributions and were subject to the vesting provisions of bank contributions.

Voting rights

The Trustee could vote any common stock held in the trust, regardless of whether such stock was allocated or unallocated. Each participant was entitled to exercise voting rights attributable to the shares allocated to their account with respect to any corporate transactions.

Contributions

Distributions from the Bank on allocated shares of stock had to be allocated to each participant's account based on the number of shares of stock allocated to each participant's account as of the record date. Distributions from the Bank on unallocated shares of stock were allocated to each participant's account based on a ratio of each participant's adjusted compensation in relation to the adjusted compensation of all participants as of the record date or they were used to make payments on an acquisition loan or pay plan expenses.

Party-in-interest transactions

Certain plan assets were in investment funds managed by First Bankers Trust Services, Inc., the trustee of the Plan and, therefore, these transactions qualified as party-in-interest transactions as defined under ERISA guidelines.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Investment valuation and income recognition

Investments held by the Plan were 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. See Note 5 for further discussion of fair value measurements.

Purchases and sales of securities were recorded on a trade-date basis. Interest income was recorded as earned. Dividends were recorded on the ex-dividend date.

Basis of accounting

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

Benefit payments

Benefits were recorded when paid.

3. TAX STATUS:

The Plan received a determination letter from the Internal Revenue Service dated September 12, 2013 indicating that the Plan, as designed, was qualified for tax-exempt treatment under the applicable section of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying statements.

4. INVESTMENTS IN COMMON STOCK:

The Plan's investment in Bank stock at December 31, 2015 is as follows:

	2015	
	Allocated	Unallocated
Number of shares	<u>321,108</u>	<u>149,600</u>
Cost	<u>\$ 3,612,141</u>	<u>1,196,800</u>
Fair value	<u>\$ 4,922,586</u>	<u>2,293,368</u>

5. FAIR VALUE MEASUREMENTS:

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Level 1 - Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Plan has the ability to access.

Level 2 - Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, and inputs other than quoted prices that are observable for the asset.

Level 3 - Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Plan's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The following valuation methodologies have been used to value the Plan's investments:

Bank stock

Bank stock was valued at closing quoted prices reported in active markets.

Money market fund

The money market fund was valued at the outstanding balance, which was the best estimate of fair value.

The following table presents information about the Plan's assets measured at fair value on a recurring basis at December 31 2015:

	<u>Investments at Fair Value at December 31, 2015</u>			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Bank Stock	\$ 7,215,954	7,215,954	-	-
Money market fund	<u>780,329</u>	<u>780,329</u>	-	-
Total investments at fair value	<u>\$ 7,996,283</u>	<u>7,996,283</u>	-	-

6. NOTES PAYABLE - EMPLOYER:

In 2012, the Plan obtained a loan from the Bank for the purchase of an additional 187,000 shares of Bank stock. The original note was for \$1,496,000 and the note bore interest at 3.25 percent. Principal and interest payments were due annually in the amount of \$102,757, with the last payment scheduled in 2031. As of December 31, 2015, the note totaled \$1,266,169.

Due to the sale of the Plan's sponsor, the common stock held by the Plan was liquidated and the loan above was paid in full in 2016. Prior to this event, as collateral for the trust's obligations under the loans, the trust granted a security interest in and assigned the Bank as lender all of the trust's right, title, and interest in and to the pledged shares, and any proceeds or other securities derived there from. The pledge of the pledged shares was to continue until all obligations due under the ESOP loan agreements had been paid in full and all terms and conditions under the ESOP notes had been satisfied.

7. INFORMATION CERTIFIED BY THE PLAN'S TRUSTEE:

The plan administrator elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, First Bankers Trust Services, Inc., the trustee of the plan, had certified to the completeness and accuracy of all investments reflected on the accompanying statements of net assets available for benefits as of December 27, 2016 and December 31, 2015 and the related investment activity reflected in the statement of changes in net assets available for benefits for the period from January 1, 2016 to December 27, 2016.



Cheviot Financial Corp. Employee Stock Ownership Plan
5% Transactions
Form 5500, Schedule H, Line 4j
EIN: 35-1562245, Plan No. 003
December 27, 2016

(a)	(b)	(c)	(d)	(g)	(h)	(i)
Identify of Party involved	Description of Asset	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain or Loss
MainSource Bank	Cheviot Financial Corp. Common Stock		\$ 5,414,607	\$ 3,612,668	\$ 5,414,607	\$ 1,801,940
Market Sale	MainSource Bank Common Stock		\$415,068	\$233,512	\$415,068	\$181,555