

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 2017 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2017 or fiscal plan year beginning <u>01/01/2017</u> and ending <u>12/11/2017</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>ST JOHN MEDICAL CENTER RETIREMENT SAVINGS PLAN 403B</u>	1b Three-digit plan number (PN) ▶	<u>002</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>ST JOHN MEDICAL CENTER</u> <u>6935 TREELINE DRIVE</u> <u>BRECKSVILLE, OH 44141-3393</u>		1c Effective date of plan <u>06/12/1999</u>	
		2b Employer Identification Number (EIN) <u>34-1260978</u>	
		2c Plan Sponsor's telephone number <u>440-827-5507</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.	09/18/2018	THOMAS SNOWBERGER
	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

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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 or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 30
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 a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 13 6a(2) 0 6b 0 6c 0 6d 0 6e 0 6f 0 6g 0 6h
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2T 3H 2S b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

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

b General Schedules

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

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 2017 Form M-1 annual report. If the plan was not required to file the 2017 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 I (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information—Small Plan This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2017
		This Form is Open to Public Inspection

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/11/2017	
A Name of plan ST JOHN MEDICAL CENTER RETIREMENT SAVINGS PLAN 403B	B Three-digit plan number (PN) ► 002
C Plan sponsor's name as shown on line 2a of Form 5500 ST JOHN MEDICAL CENTER	D Employer Identification Number (EIN) 34-1260978

Complete Schedule I if the plan covered fewer than 100 participants as of the beginning of the plan year. You may also complete Schedule I if you are filing as a small plan under the 80-120 participant rule (see instructions). Complete Schedule H if reporting as a large plan or DFE.

Part I	Small Plan Financial Information
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Report below the current value of assets and liabilities, income, expenses, transfers and changes in net assets during the plan year. Combine the value of plan assets held in more than one trust. Do not enter the value of the portion of an insurance contract that guarantees during this plan year to pay a specific dollar benefit at a future date. 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.**

1 Plan Assets and Liabilities:		(a) Beginning of Year	(b) End of Year
a Total plan assets	1a	2403965	0
b Total plan liabilities	1b	0	0
c Net plan assets (subtract line 1b from line 1a)	1c	2403965	0
2 Income, Expenses, and Transfers for this Plan Year:		(a) Amount	(b) Total
a Contributions received or receivable:			
(1) Employers	2a(1)	0	
(2) Participants	2a(2)	0	
(3) Others (including rollovers)	2a(3)	0	
b Noncash contributions	2b	0	
c Other income	2c	408548	
d Total income (add lines 2a(1), 2a(2), 2a(3), 2b, and 2c)	2d		408548
e Benefits paid (including direct rollovers)	2e	148809	
f Corrective distributions (see instructions)	2f	0	
g Certain deemed distributions of participant loans (see instructions)	2g	0	
h Administrative service providers (salaries, fees, and commissions)	2h	38	
i Other expenses	2i	0	
j Total expenses (add lines 2e, 2f, 2g, 2h, and 2i)	2j		148847
k Net income (loss) (subtract line 2j from line 2d)	2k		259701
l Transfers to (from) the plan (see instructions)	2l		-2663666

3 Specific Assets: If the plan held assets at any time during the plan year in any of the following categories, check "Yes" and enter the current value of any assets remaining in the plan as of the end of the plan year. Allocate the value of the plan's interest in a commingled trust containing the assets of more than one plan on a line-by-line basis unless the trust meets one of the specific exceptions described in the instructions.		Yes	No	Amount
a Partnership/joint venture interests	3a		X	
b Employer real property	3b		X	
c Real estate (other than employer real property)	3c		X	
d Employer securities	3d		X	
e Participant loans	3e		X	
f Loans (other than to participants)	3f		X	
g Tangible personal property	3g		X	

Part II Compliance Questions

4 During the plan year:		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		X	
4a				
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of plan year or classified during the year as uncollectible? Disregard participant loans secured by the participant's account balance.		X	
4b				
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible?		X	
4c				
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a.)		X	
4d				
e	Was the plan covered by a fidelity bond?	X		1000000
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 at any time hold 20% or more of its assets in any single security, debt, mortgage, parcel of real estate, or partnership/joint venture interest?.....		X	
4i				
j	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	X		
4j				
k	Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? If "No," attach an IQPA's report or 2520.104-50 statement. (See instructions on waiver eligibility and conditions.)	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.)		X	
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		X	
4n				

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

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)
UNIVERSITY HOSPITALS HEALTH SYSTEM 403(B) MATCHED RETIREMENT SAVINGS PLAN	34-0714775	003

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.)

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 2017 This Form is Open to Public Inspection.
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For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/11/2017

A Name of plan <u>ST JOHN MEDICAL CENTER RETIREMENT SAVINGS PLAN 403B</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ST JOHN MEDICAL CENTER</u>	D Employer Identification Number (EIN) <u>34-1260978</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	
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>04-6568107</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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2017
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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

- 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): _____



ST. JOHN MEDICAL CENTER RETIREMENT SAVINGS 403(b) PLAN

Financial Statements

December 11, 2017 and December 31, 2016

(With Independent Auditors' Report Thereon)

ST. JOHN MEDICAL CENTER RETIREMENT SAVINGS 403(b) PLAN

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All schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because there is no information to report.



KPMG LLP
One Cleveland Center
Suite 2600
1375 East Ninth Street
Cleveland, OH 44114-1796

Independent Auditors' Report

The Board of Directors
St. John Medical Center Retirement Savings 403(b) Plan:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the St. John Medical Center Retirement Savings 403(b) Plan (the Plan), which comprise the statements of net assets available for benefits as of December 11, 2017 and December 31, 2016, the related statements of changes in net assets available for benefits for the period from January 1, 2017 to December 11, 2017 and for the year ended December 31, 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 audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in notes 3, and 4, which was certified by Fidelity Management Trust Company, the Trustee, 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 11, 2017 and December 31, 2016, and for the period from January 1, 2017 to December 11, 2017 and the year ended December 31, 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 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 Department of Labor's 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 ERISA.

KPMG LLP

Cleveland, Ohio
September 11, 2018

ST. JOHN MEDICAL CENTER RETIREMENT SAVINGS 403(b) PLAN

Statements of Net Assets Available for Benefits

December 11, 2017 and December 31, 2016

	<u>2017</u>	<u>2016</u>
Assets:		
Investments:		
Mutual funds	\$ —	2,303,212
Money market funds	—	96,430
Total investments	<u>—</u>	<u>2,399,642</u>
Receivables:		
Participant contributions	—	4,323
Total receivables	<u>—</u>	<u>4,323</u>
Net assets available for benefits	<u>\$ —</u>	<u>2,403,965</u>

See accompanying notes to financial statements.

ST. JOHN MEDICAL CENTER RETIREMENT SAVINGS 403(b) PLAN

Statements of Changes in Net Assets Available for Benefits

Period ended December 11, 2017 and year ended December 31, 2016

	2017	2016
Investment income:		
Interest and dividends	\$ 63,261	87,619
Net appreciation in fair value of investments	345,287	57,040
Total investment income	408,548	144,659
Contributions:		
Participants	—	176,814
Total contributions	—	176,814
Total additions	408,548	321,473
Deductions from net assets attributed to:		
Benefits paid to participants	148,809	336,093
Administrative expenses	38	75
Total deductions	148,847	336,168
Net increase (decrease) in net assets available for benefits	259,701	(14,695)
Transfer to the University Hospitals 403(b) Plan	(2,663,666)	—
Net assets available for benefits at beginning of period	2,403,965	2,418,660
Net assets available for benefits at end of period	\$ —	2,403,965

See accompanying notes to financial statements.

ST. JOHN MEDICAL CENTER RETIREMENT SAVINGS 403(b) PLAN

Notes to Financial Statements

December 11, 2017 and December 31, 2016

(1) Description of the Plan

The following description of the St. John Medical Center Retirement Savings 403(b) Plan (the Plan) provides only general information. Participants should refer to the Plan Document for a more complete description of the Plan's provisions.

(a) General

The Plan is a defined contribution plan sponsored by University Hospitals Health System, Inc. (the Plan Administrator) covering highly compensated employees of St. John Medical Center and related entities (the Company). Leased employees are not eligible to participate in the Plan. Limited participation for salary deferral purposes is permitted on the first day of any month following the date of eligibility for all participants. The Plan is subject to the provisions of the ERISA.

Effective December 24, 2016, the Plan was frozen for further participation and contributions.

The Compensation Committee under the Board of Directors of University Hospitals, as permitted by the plan document, adopted and approved an amendment of merger to transfer the assets of the Plan into the comparable University Hospitals benefit plan. The Plan's assets were transferred into the comparable University Hospitals benefit plan, University Hospitals Health System, Inc. 403(b) Retirement Savings Plan, on December 11, 2017.

(b) Contributions

Prior to December 24, 2016, participants eligible to make 403(b) salary deferral contributions contributed between 1% and 90% of their pretax compensation, as defined by the Plan. Participants could contribute amounts representing eligible rollover distributions from other qualified defined benefit or defined contribution plans.

Dependent upon the legal entity the employee works for, the Company contributes 25% or 50% up to the first 4% of eligible compensation that a participant contributes to the Plan. For eligible employees, the Company also contributes an additional nonelective contribution, which is equal to a designated percentage of individual participant compensation based on years of service. All Company contributions are deposited and included within the St. John Medical Center Retirement Savings Plan.

Upon enrollment in the Plan, a participant may direct employee contributions to any of the Plan's fund options. Participants may change their investment options and transfer funds between investment options daily.

(c) Participant Accounts

Each participant's account is credited with the participant's contributions, the Company's matching contribution, and an allocation of Plan earnings or losses. Allocations are based on participant earnings or account balances, or participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

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Notes to Financial Statements

December 11, 2017 and December 31, 2016

(d) Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Participants become fully vested in employer contributions at the earlier of completing three years of service, upon reaching age 65, becoming disabled, or death. In March 2017, the Plan was amended so all participants would be vested in their employer contributions effective as of the date of the amendment.

(e) Payment of Benefits

Upon termination of service, a participant may receive a lump-sum amount equal to the vested value of his or her account or elect to receive the vested value of his or her account in installments over a period of 5, 10, 15, or 20 years, distribution in the form of a life annuity, joint and 50%, 75% or 100% survivor annuity for the participant and spouse, or a life annuity with guaranteed payments. Benefits are recorded when paid.

(f) Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Loan terms range from one to five years or up to 10 years for the purchase of a primary residence. The loans are collateralized by the balances in the participant's account and bear interest at market rates. Participant loans are recorded at their unpaid principal balances plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. Participant loans are written off when deemed uncollectible.

(g) Administrative Expenses

Various administrative costs are paid by the Plan. Other costs, such as audit fees, are paid by the Plan Administrator.

(h) Plan Termination

The Plan Administrator has the right under the Plan to terminate the Plan, subject to the provisions of ERISA. Upon termination, participants would become 100% vested in their employer contributions.

(2) Summary of Accounting Policies

(a) Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

(b) Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires plan administrator to make estimates and assumptions that affect reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Accordingly, actual results could differ from those estimates.

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(c) Investment Valuation and Income Recognition

Investments of the Plan are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See note 4 for a discussion of fair value measurements.

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

(3) Information Prepared and Certified by the Trustee

The Plan Administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Fidelity Management Trust Company, the Trustee of the Plan, has certified that the following data included in the accompanying financial statements are complete and accurate with respect to investments:

- Investments, at fair value
- Net appreciation in fair value of investments
- Interest and dividends

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

(4) Fair Value Measurements

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

- | | |
|---------|--|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access. |
| Level 2 | Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement. |

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Notes to Financial Statements

December 11, 2017 and December 31, 2016

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2016.

Level 1 instruments consist of money market funds and mutual funds. A mutual fund's fair value is normally calculated as of the close of business of the New York Stock Exchange. There are no Level 2 or 3 instruments within the Plan.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2016 as there were no investments as of December 11, 2017:

December 31, 2016				
	Level 1	Level 2	Level 3	Total
Assets:				
Mutual funds	\$ 2,303,212	—	—	2,303,212
Money market funds	96,430	—	—	96,430
Total assets	\$ 2,399,642	—	—	2,399,642

For the period ended December 11, 2017 and the year ended December 31, 2016, there were no transfers in or out of Level 1, 2 or 3.

(5) Related Party and Party-in-Interest Transactions

Certain Plan investments are managed by the Trustee of the Plan, Fidelity Management Trust Company, or its affiliates. Therefore, these transactions qualify as party-in-interest transactions.

The Plan has also engaged a third party to provide investment advisory services to participants. Fees paid by participants to the third party totaling \$38 and \$75 are included in administrative expenses for the period from January 1, 2017 to December 11, 2017 and the year ended December 31, 2016, respectively. The Plan Administrator pays directly any other fees related to the Plan's operations.

(6) Income Tax Status

The Plan has been designed to qualify under Section 403(b) of the IRC. The terms of the Plan have been prepared to conform with the sample language provided by the IRS in Revenue Procedure 2007-71. The Plan is required to operate in conformity with the IRC to maintain the tax-exempt status for plan participants under Section 403(b). The Plan Administrator and the Plan's tax counsel believes the Plan is currently being operated in compliance with the applicable provisions of the IRC and, therefore, no provision for income taxes has been included in the Plan's financial statements.

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Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 11, 2017 and December 31, 2016, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2014.

(7) Risks and Uncertainties

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

(8) Subsequent Events

All activity of the Plan has been evaluated through September 11, 2018, which is the date the financial statements were available to be issued. There were no reportable events.