

Form 5500-SF Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Short Form Annual Return/Report of Small Employee Benefit Plan This form is required to be filed 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-SF.	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>12/31/2017</u>		
A This return/report is for:	☒ a single-employer plan	☐ a multiple-employer plan (not multiemployer) (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
	☐ a one-participant plan	☐ a foreign plan
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 Check box if filing under:	☒ Form 5558	☐ automatic extension
	☐ special extension (enter description)	☐ DFVC program

Part II Basic Plan Information —enter all requested information		
1a Name of plan <u>LIMA MEMORIAL HOSPITAL SUPPLEMENTAL RETIREMENT PLAN & TRUST</u>	1b Three-digit plan number (PN) ▶	<u>003</u>
	1c Effective date of plan	<u>01/01/1999</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>LIMA MEMORIAL HEALTH SYSTEM</u> <u>1001 BELLEFONTAINE AVENUE</u> <u>LIMA, OH 45804</u>	2b Employer Identification Number (EIN) <u>34-4434676</u>	
	2c Sponsor's telephone number <u>419-226-5089</u>	
	2d Business code (see instructions) <u>622000</u>	
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	
5a Total number of participants at the beginning of the plan year	5a	<u>57</u>
b Total number of participants at the end of the plan year	5b	<u>56</u>
c Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	5c	
d(1) Total number of active participants at the beginning of the plan year	5d(1)	<u>5</u>
d(2) Total number of active participants at the end of the plan year	5d(2)	<u>5</u>
e Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	5e	<u>0</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, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, 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.	09/19/2018	ROBERT ARMSTRONG
	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

- 6a** Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) ☒ Yes ☐ No
- b** Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.) ☒ Yes ☐ No
- If you answered "No" to either line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.**
- c** 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 4059398. (See instructions.)

Part III Financial Information

7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets	7a	553893	617858
b Total plan liabilities	7b		
c Net plan assets (subtract line 7b from line 7a)	7c	553893	617858
8 Income, Expenses, and Transfers for this Plan Year		(a) Amount	(b) Total
a Contributions received or receivable from:			
(1) Employers	8a(1)	88662	
(2) Participants	8a(2)		
(3) Others (including rollovers)	8a(3)		
b Other income (loss)	8b	87757	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		176419
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d	95412	
e Certain deemed and/or corrective distributions (see instructions)	8e		
f Administrative service providers (salaries, fees, commissions)	8f	17042	
g Other expenses	8g		
h Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		112454
i Net income (loss) (subtract line 8h from line 8c)	8i		63965
j Transfers to (from) the plan (see instructions)	8j		

Part IV Plan Characteristics

- 9a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1A 1D
- b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

Part V Compliance Questions

10 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? (See instructions and DOL's Voluntary Fiduciary Correction Program)	10a		☒	
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b		☒	
c Was the plan covered by a fidelity bond?	10c	☒		1500000
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d		☒	
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service, or other organization that provides some or all of the benefits under the plan? (See instructions.)	10e		☒	
f Has the plan failed to provide any benefit when due under the plan?	10f		☒	
g Did the plan have any participant loans? (If "Yes," enter amount as of year-end.)	10g		☒	
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h		☒	
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	10i			

Part VI Pension Funding Compliance

11	Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500) and line 11a below)	☒ Yes ☐ No
11a	Enter the unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40	11a 0
12	Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA?	☐ Yes ☒ No
(If "Yes," complete line 12a or lines 12b, 12c, 12d, and 12e below, as applicable.)		
a	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 letter ruling granting the waiver. Month _____ Day _____ Year _____	
If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.		
b	Enter the minimum required contribution for this plan year	12b
c	Enter the amount contributed by the employer to the plan for this plan year	12c
d	Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount)	12d
e	Will the minimum funding amount reported on line 12d be met by the funding deadline?	☐ Yes ☐ No ☐ N/A

Part VII Plan Terminations and Transfers of Assets

13a	Has a resolution to terminate the plan been adopted in any plan year?	☐ Yes ☒ No
	If "Yes," enter the amount of any plan assets that reverted to the employer this year	13a
b	Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	☐ Yes ☒ No
c	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.)	
13c(1) Name of plan(s):		13c(2) EIN(s)
		13c(3) PN(s)

<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>2017</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

▶ 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 LIMA MEMORIAL HOSPITAL SUPPLEMENTAL RETIREMENT PLAN & TRUST	B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF LIMA MEMORIAL HEALTH SYSTEM	D Employer Identification Number (EIN) 34-4434676

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☒ 100 or fewer ☐ 101-500 ☐ More than 500
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Part I	Basic Information
1 Enter the valuation date: Month 01 Day 01 Year 2017	
2 Assets:	
a Market value	2a 553530
b Actuarial value	2b 556268
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment	(1) Number of participants 52 (2) Vested Funding Target 696566 (3) Total Funding Target 696566
b For terminated vested participants	0 0 0
c For active participants	5 13583 13583
d Total	57 710149 710149
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 5.54 %
6 Target normal cost	6 37428

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	09/11/2018
GAIL R. STEWARD	Date
Type or print name of actuary	17-06835
FINDLEY, INC.	Most recent enrollment number
1660 WEST SECOND STREET, SUITE 900 CLEVELAND, OH 44113-1461	216-875-1900
Firm name	Telephone number (including area code)
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	141
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	141
10 Interest on line 9 using prior year's actual return of <u>5.09</u> %	0	7
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		135
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>5.76</u> %		8
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		143
d Portion of (c) to be added to prefunding balance		143
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	291

Part III Funding Percentages

14 Funding target attainment percentage	14	78.29%
15 Adjusted funding target attainment percentage	15	78.29%
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	77.51%
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
04/05/2017	21619	0			
07/06/2017	21619	0			
10/03/2017	19211	0			
01/05/2018	19211	0			
09/07/2018	7002	0			
Totals ▶			18(b)	88662	18(c) 0

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

a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	85387

20 Quarterly contributions and liquidity shortfalls:

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

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

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

21 Discount rate:				
a Segment rates:	1st segment: 4.16 %	2nd segment: 5.72 %	3rd segment: 6.48 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age.....				22 65
23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	37428	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment.....	154172		47952
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	85380	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....			0
36 Additional cash requirement (line 34 minus line 35)	36	85380	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	85387	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	7	
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 SB, Line 26 - Schedule of Active Participant Data

January 1, 2017 Valuation
Lima Memorial Hospital Supplemental Retirement Plan & Trust
(EIN: 34-4434676; PN: 003)

Attained Age	Years of Credited 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
Under 25	-	-	-	-	-	-	-	-	-	-
25 to 29	-	-	-	-	-	-	-	-	-	-
30 to 34	-	-	-	-	-	-	-	-	-	-
35 to 39	-	-	-	-	-	-	-	-	-	-
40 to 44	-	-	-	-	-	-	-	-	-	-
45 to 49	-	-	-	-	-	-	-	-	-	-
50 to 54	-	-	-	-	-	-	-	-	-	-
55 to 59	-	-	-	-	-	-	-	-	-	-
60 to 64	-	-	-	-	-	-	-	-	-	-
65 to 69	-	-	-	-	-	-	3 (*)	-	-	-
70 & up	-	-	-	-	-	-	1 (*)	-	-	1 (*)

* Average compensation is not shown since there are fewer than 1,000 active participants in this plan

APPENDIX B

STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS

Interest Rates

Funding: 24-month segment rates averaged through the end of August 2016 and published in September 2016:

	Before <u>BBA</u>	Reflecting <u>BBA</u>
a. First Rate, Years 1-5	1.52%	4.16%
b. Second Rate, Years 5-20	3.80%	5.72%
c. Third Rate, Years 20+	4.79%	6.48%
d. Effective Interest Rate using the above rates	3.60%	5.54%
e. Interest rate for developing expected value of assets (limited by statute)		4.00%

Salary Scale

For accrued benefits actual individual pay histories have been used. All participants are past Normal Retirement and so no additional 401(k) contributions are used.

Mortality

Funding: RP-2000 static, non-generational Mortality Table as described in Regulation 1.430(h)(3) projected by Scale AA, to between 7 and 15 years beyond the year of the obligation, male and female, with combined rates for annuitants and nonannuitants.

Rates of Retirement

100% at age 65.

Weighted Average Retirement Age is 65. This is the average retirement age for someone eligible to retire at all ages using the assumed retirement rates and no other decrements.

Rates of Disability

None.

Rates of Turnover

None.

APPENDIX B (Continued)

***Assumptions Made In
Valuing Spouse's
Benefit***

Eighty percent of the male and fifty percent of the female employees included in the valuation are assumed to be married. These percentages are used as the probabilities that survivor benefits will be payable due to preretirement deaths. The wife is assumed to be three years younger than the husband.

***Optional Form
Election***

All employees are assumed to elect the life annuity benefit.

***Annual Increases to
Maximum Benefits and
Plan Compensation
Limits***

Funding: 0.00%

Provision for Expenses

The expected administrative (i.e. non-investment) expenses that will be paid from plan assets, which were assumed to equal actual administrative expenses during the prior year plus PBGC premiums for the current year, were included in the Target Normal Cost for minimum contribution purposes.

Standing Elections

Lima Memorial Health System had signed an election that provided for the automatic use of the Carryover and/or Prefunding Balance if necessary at the end of the plan year to meet the minimum funding requirement. This election also provided for excess contributions to be added to the Prefunding Balance. However, that election is no longer valid as the named actuary retired. No new election has been signed.

Asset Method

Funding: Market Value of Assets plus interest adjusted accrued but unpaid contributions as of the valuation date plus an adjustment to defer full recognition of investment losses and gains over a two-year period. The investment (gain)/loss for every year equals the market value at the beginning of the year projected to the end of the year using the interest rate above, but no greater than the third segment rate for the plan year, minus the end of the year actual market value. The actuarial value of assets will be no less than 90% and no more than 110% of the market value (including interest-adjusted accrued but unpaid contributions). Note that due to the regulatory constraint on the interest rate, a characteristic of this asset valuation method is that, over time, it may be more likely to produce an actuarial value of assets that is less than the market value of assets.

APPENDIX B (Continued)

<i>Employees Valued</i>	Only participants as of the valuation date were valued.
<i>Selection of Assumptions</i>	<p>The segment rates and mortality table used to determine minimum funding and funded ratios were based on methodology mandated by Internal Revenue Code and rates published by the Internal Revenue Service to affect it.</p> <p>A complete review of non-economic assumptions, to satisfy ASOP 35, is not necessary since all of the participants are retired or past age 65.</p>
<i>Changes in Assumptions and Methods since the Last Actuarial Valuation</i>	<p>The segmented interest rates used for determining the funding target were 4.43%, 5.91% and 6.65%. These rates were updated to the rates required for the current plan year and also reflect BBA.</p> <p>The mortality table for the funding target was changed as required under PPA '06.</p>
<i>Justification for Changes in Actuarial Assumptions</i>	The only assumption changes were to prescribed actuarial assumptions or as a result of At-Risk status. Therefore, the plan did not need IRS approval to change assumptions and there is no need to disclose any "Change in Actuarial Assumptions."

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration</small> <hr/> <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.	<small>OMB No. 1210-0110</small> 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 12/31/2017

► **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 LIMA MEMORIAL HOSPITAL SUPPLEMENTAL RETIREMENT PLAN & TRUST	B Three-digit plan number (PN) ►	003
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Lima Memorial Health System	D Employer Identification Number (EIN) 34-4434676	
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>01</u> Day <u>01</u> Year <u>2017</u>		
2	Assets:		
	a Market value.....	2a	553,530
	b Actuarial value	2b	556,268
3	Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target
	a For retired participants and beneficiaries receiving payment	52	696,566
	b For terminated vested participants	0	0
	c For active participants	5	13,583
	d Total	57	710,149
4	If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐		
	a Funding target disregarding prescribed at-risk assumptions.....	4a	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b	
5	Effective interest rate	5	5.54%
6	Target normal cost	6	37,428

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>09-11-2018</u> Date 1706835
	GAIL R. STEWARD Type or print name of actuary	Most recent enrollment number 216-875-1900
	FINDLEY, INC. Firm name	Telephone number (including area code)
	1660 West Second Street, Suite 900 CLEVELAND OH 44113-1461 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, see the Instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2017

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	141
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	141
10 Interest on line 9 using prior year's actual return of <u>5.09%</u>	0	7
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		135
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>5.76%</u>		8
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.....		143
d Portion of (c) to be added to prefunding balance.....		143
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	291

Part III Funding Percentages

14 Funding target attainment percentage	14	78.29%
15 Adjusted funding target attainment percentage.....	15	78.29%
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	77.51%
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
04/05/2017	21,619	0			
07/06/2017	21,619	0			
10/03/2017	19,211	0			
01/05/2018	19,211	0			
09/07/2018	7,002	0			
Totals ▶			18(b)	88,662	18(c) 0

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

a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	85,387

20 Quarterly contributions and liquidity shortfalls:

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

Liquidity shortfall as of end of quarter of this plan year

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

Part V Assumptions Used to Determine Funding Target and Target Normal Cost**21** Discount rate:**a** Segment rates:1st segment:
4.16 %2nd segment:
5.72 %3rd segment:
6.48 %☐ N/A, full yield curve used**b** Applicable month (enter code).....**21b**

4

22 Weighted average retirement age**22**

65

23 Mortality table(s) (see instructions)

Prescribed - combined



Prescribed - separate



Substitute

Part VI Miscellaneous Items**24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No**27** If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment**27****Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years****28** Unpaid minimum required contributions for all prior years **28** 0**29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a) **29** 0**30** Remaining amount of unpaid minimum required contributions (line 28 minus line 29) **30** 0**Part VIII Minimum Required Contribution For Current Year****31** Target normal cost and excess assets (see instructions):**a** Target normal cost (line 6) **31a** 37,428**b** Excess assets, if applicable, but not greater than line 31a **31b** 0**32** Amortization installments:

Outstanding Balance

Installment

a Net shortfall amortization installment 154,172 47,952**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** 85,380

Carryover balance

Prefunding balance

Total balance

35 Balances elected for use to offset funding requirement 0**36** Additional cash requirement (line 34 minus line 35) **36** 85,380**37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) **37** 85,387**38** Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36) **38a** 7**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 SB, Line 22 – Description of Weighted Average Retirement Age
Lima Memorial Hospital Supplemental Retirement Plan and Trust
January 1, 2017 Valuation
EIN/PN: 34-4434676 / 003

Rates of Retirement

100% at age 65.

Weighted Average Retirement Age is 65. This is the average retirement age for someone eligible to retire at all ages using the assumed retirement rates and no other decrements.

APPENDIX A

SUMMARY OF PRINCIPAL PLAN PROVISIONS

<i>Plan Sponsor</i>	Lima Memorial Hospital
<i>EIN/PN</i>	34-4434676/003
<i>Effective Date</i>	January 1, 1999; amended and restated effective January 1, 2017.
<i>Plan Year</i>	The 12-month period beginning each January 1.
<i>Participation</i>	Any non-highly compensated permanent employee on January 1, 1998 who was at least age 21 and who was still employed participated in the qualified plan starting on January 1, 1999.
<i>Compensation</i>	Total wages, salary, commissions and overtime pay including amounts deferred under sections 125, 402(a)(8), 402(h), or 403(b), and other incentive pay, as limited by IRC Section 401(a)(17).
<i>Average Monthly Compensation</i>	1/60th of Compensation for the highest 5 years of the last ten years of employment ending on December 31, 1997. Compensation for the year ended December 31, 1997 will be the greater of Compensation for the year ended December 31, 1996 or Compensation for the year ended December 31, 1997.
<i>Integration Level</i>	The average as of December 31, 1997 of the Social Security Maximum Taxable Wage Bases for the 35-year period ending with the year in which Social Security Retirement Age is attained. Social Security Retirement Age is 65 for employees born before 1938, 67 for those born after 1954, and 66 for those born in between.
<i>Short Service Percentage</i>	The number of whole months a participant will have been an employee of the employer if he remains an employee until the later of his Normal Retirement Age or the earlier of the date he ceased to be an employee or such date of determination divided by 300.
<i>Vesting and Accrual Service</i>	Total of an employee's period of service expressed as whole years and fractional parts of a year (to two decimal places) on the basis that 365 days equal one year.

APPENDIX A (Continued)

Accrued Benefit

A monthly life annuity starting at age 65 equal to the participant's Normal Retirement Benefit with the benefit prior to the offsets reduced by multiplying the amount obtained after application of the Short Service Percentage on compensation in excess of the integration level by a fraction (not exceeding 1), the numerator of which is the actual Accrual Service of such participant and the denominator of which is the Accrual Service if the participant did not terminate until Normal Retirement. Only participants who were at least 50 years old on January 1, 1998 accrue benefits under this plan.

Normal Retirement Benefit

Eligibility:

Age 65.

Monthly Benefit:

The amount, if any, of the sum of (a) and (b) reduced by the sum of (c) and (d):

- (a) 22% of Average Monthly Compensation, plus
- (b) 16.25% of Average Monthly Compensation in excess of Integration Level times the Short Service Percentage;
- (c) Annuitized value of employer contributions account held in the 401(k) Plan. This account is calculated by accumulating employer contributions at 8% until Normal Retirement and converting to a monthly annuity using the 1983 Group Annuity Table (50% male, 50% female) and 8% interest.
- (d) Monthly accrued benefit from the terminated Pension Plan.

Late Retirement Benefit

Eligibility:

Retire after age 65.

Monthly Benefit:

The Accrued Benefit at late retirement increased for each year and partial year by which Late Retirement follows Normal Retirement as follows:

APPENDIX A (Continued)

Late Retirement Benefit (Continued)

<u>Years Late</u>	<u>Factor</u>
1	1.06
2	1.12
3	1.19
4	1.26
5	1.34
6	1.42
7	1.50
8	1.59
9	1.69
10	1.79

The above factors are prorated for fractional years through the 4/1 following age 70½, then increased with actuarial equivalence to late retirement date.

Disability Retirement Benefit

Eligibility:

10 years of Vesting Service and receiving Social Security disability benefits.

Monthly Benefit:

The Accrued Benefit.

Termination Benefit

Eligibility:

100% vesting upon termination of employment prior to retirement but after completion of at least five years of Vesting Service.

Monthly Benefit:

The vested benefit commences in full at age 65, or in a reduced amount under the early retirement provisions, provided at least 10 years of Vesting Service have been completed. The reduction factors are the same as those shown above for early retirement.

Death Benefit

Eligibility:

100% vested and married for at least one year.

Monthly Benefit:

50% of the benefit calculated assuming the participant survived to the earliest retirement date, retired with the Joint and 50% Survivor Annuity form and died the next day.

APPENDIX A (Continued)

<i>Lump Sums</i>	<p>The plan pays only small benefit amounts (lump sums of \$5,000 or less).</p> <p>The conversion factors used to calculate lump sum are based on the applicable mortality and applicable interest rates per IRC §417(e).</p>
<i>Optional Forms</i>	<p>The plan offers the following optional forms, all of which are actuarially equivalent:</p> <p>Life Annuity – monthly payments for the life of the participant.</p> <p>Joint and 50%, 66 2/3%, 75% or 100% Annuity – monthly payments for the life of the participant with the chosen percentage of such amount continuing to the beneficiary.</p> <p>5-Year, 10-Year or 15-Year Certain and Continuous – monthly payments for the life of the participant with a minimum of 60, 120 or 180 payments made.</p> <p>The conversion factors are based on the 1983 Group Annuity Mortality Table 50% male and 50% female together with 8.5% interest.</p>
<i>Maximum Benefit Limit</i>	<p>The Internal Revenue Code Section 415 Maximum Benefit payable as a life annuity at Social Security Normal Retirement Age</p>
<i>Plan Compensation Limit</i>	<p>The Section 401(a)(17) Maximum Compensation that can be recognized for benefit calculation purposes.</p>
<i>Changes in Plan Provisions</i>	<p>The automatic changes, if any, in the plan compensation limit and maximum benefit limit were recognized.</p>

Schedule SB, Line 32 – Schedule of Amortization Bases
Lima Memorial Hospital Supplemental Retirement Plan and Trust
January 1, 2017 Valuation
EIN/PN: 34-4434676 / 003

EXHIBIT VII

SCHEDULE OF AMORTIZATION BASES

	Plan Year Beginning			1/01/2017
	Date Established	Present Value of Payments	Remaining Years	Amortization Installment
Shortfall Amortization Bases	1/01/2017	\$ 38,772	7	\$ 6,367
	1/01/2016	60,167	6	11,197
	1/01/2015	25,902	5	5,611
	1/01/2014	(313)	4	(83)
	1/01/2013	(16,219)	3	(5,628)
	1/01/2012	31,390	2	16,015
	1/01/2011	<u>14,473</u>	1	<u>14,473</u>
	Total	\$ 154,172		\$ 47,952
Waiver Amortization Bases	1/01/2017	\$ 0		\$ 0