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|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br>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).<br><br><p style="text-align: center;">▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p> | OMB Nos. 1210-0110<br>1210-0089<br><br><div style="text-align: center; font-size: 1.5em; font-weight: bold;">2017</div><br><br><b>This Form is Open to Public Inspection</b> |
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|                                                                                                          |                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                                                                                                                                                                                                                                                                                           |
| For calendar plan year 2017 or fiscal plan year beginning <u>07/01/2017</u> and ending <u>06/30/2018</u> |                                                                                                                                                                                                                                                                                                                                           |
| <b>A</b> This return/report is for:                                                                      | <input type="checkbox"/> a multiemployer plan <input type="checkbox"/> a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)<br><input checked="" type="checkbox"/> a single-employer plan <input type="checkbox"/> a DFE (specify) ____ |
| <b>B</b> This return/report is:                                                                          | <input type="checkbox"/> the first return/report <input type="checkbox"/> the final return/report<br><input type="checkbox"/> an amended return/report <input type="checkbox"/> a short plan year return/report (less than 12 months)                                                                                                     |
| <b>C</b> If the plan is a collectively-bargained plan, check here. . . . .                               | <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                  |
| <b>D</b> Check box if filing under:                                                                      | <input checked="" type="checkbox"/> Form 5558 <input type="checkbox"/> automatic extension <input type="checkbox"/> the DFVC program<br><input type="checkbox"/> special extension (enter description)                                                                                                                                    |

|                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                             |                                                                     |                                                                  |                                                             |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|------------------------------------------------------------------|-------------------------------------------------------------|--|
| <b>Part II</b>                                                                                                                                                                                                                                                                                                                                                              | <b>Basic Plan Information—enter all requested information</b>                                                                                                                                                                                                                                                                               |                                                                     |                                                                  |                                                             |  |
| <b>1a</b> Name of plan<br><u>RETIREMENT PLAN FOR THE EMPLOYEES OF SOMERSET COMMUNITY HOSPITAL</u>                                                                                                                                                                                                                                                                           | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"><b>1b</b> Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2"><b>1c</b> Effective date of plan<br/><u>07/01/1965</u></td> </tr> </table>                             | <b>1b</b> Three-digit plan number (PN) ▶                            | <u>001</u>                                                       | <b>1c</b> Effective date of plan<br><u>07/01/1965</u>       |  |
| <b>1b</b> Three-digit plan number (PN) ▶                                                                                                                                                                                                                                                                                                                                    | <u>001</u>                                                                                                                                                                                                                                                                                                                                  |                                                                     |                                                                  |                                                             |  |
| <b>1c</b> Effective date of plan<br><u>07/01/1965</u>                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                             |                                                                     |                                                                  |                                                             |  |
| <b>2a</b> Plan sponsor's name (employer, if for a single-employer plan)<br>Mailing address (include room, apt., suite no. and street, or P.O. Box)<br>City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)<br><u>SOMERSET COMMUNITY HOSPITAL</u><br><br><u>225 SOUTH CENTER AVENUE</u><br><u>SOMERSET, PA 15501-2088</u> | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td><b>2b</b> Employer Identification Number (EIN)<br/><u>25-0965570</u></td> </tr> <tr> <td><b>2c</b> Plan Sponsor's telephone number<br/><u>814-443-5070</u></td> </tr> <tr> <td><b>2d</b> Business code (see instructions)<br/><u>622000</u></td> </tr> </table> | <b>2b</b> Employer Identification Number (EIN)<br><u>25-0965570</u> | <b>2c</b> Plan Sponsor's telephone number<br><u>814-443-5070</u> | <b>2d</b> Business code (see instructions)<br><u>622000</u> |  |
| <b>2b</b> Employer Identification Number (EIN)<br><u>25-0965570</u>                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                             |                                                                     |                                                                  |                                                             |  |
| <b>2c</b> Plan Sponsor's telephone number<br><u>814-443-5070</u>                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                             |                                                                     |                                                                  |                                                             |  |
| <b>2d</b> Business code (see instructions)<br><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.

|                  |                                                   |            |                                                              |
|------------------|---------------------------------------------------|------------|--------------------------------------------------------------|
| <b>SIGN HERE</b> | Filed with authorized/valid electronic signature. | 04/12/2019 | CRAIG A. SPROCK                                              |
|                  | Signature of plan administrator                   | Date       | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b> |                                                   |            |                                                              |
|                  | Signature of employer/plan sponsor                | Date       | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b> |                                                   |            |                                                              |
|                  | Signature of DFE                                  | Date       | Enter name of individual signing as DFE                      |

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

Form 5500 (2017)  
v. 170203

|                                                                                                                                                                                                                                                                                        |                                                                                                                                                                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor                                                                                                                                                                               | <b>3b</b> Administrator's EIN<br><br><b>3c</b> Administrator's telephone number<br><br><div style="background-color: #cccccc; height: 40px; width: 100%;"></div> |
| <b>4</b> 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:<br><b>a</b> Sponsor's name<br><b>c</b> Plan Name | <b>4b</b> EIN<br><br><b>4d</b> PN                                                                                                                                |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                                                                                                | <b>5</b> 531                                                                                                                                                     |
| <b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).                                                                                       |                                                                                                                                                                  |
| <b>a(1)</b> Total number of active participants at the beginning of the plan year .....                                                                                                                                                                                                | <b>6a(1)</b> 186                                                                                                                                                 |
| <b>a(2)</b> Total number of active participants at the end of the plan year .....                                                                                                                                                                                                      | <b>6a(2)</b> 172                                                                                                                                                 |
| <b>b</b> Retired or separated participants receiving benefits .....                                                                                                                                                                                                                    | <b>6b</b> 270                                                                                                                                                    |
| <b>c</b> Other retired or separated participants entitled to future benefits .....                                                                                                                                                                                                     | <b>6c</b> 58                                                                                                                                                     |
| <b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> .....                                                                                                                                                                                                            | <b>6d</b> 500                                                                                                                                                    |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. ....                                                                                                                                                                             | <b>6e</b> 24                                                                                                                                                     |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> . ....                                                                                                                                                                                                                               | <b>6f</b> 524                                                                                                                                                    |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) .....                                                                                                                                        | <b>6g</b>                                                                                                                                                        |
| <b>h</b> Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested .....                                                                                                                                             | <b>6h</b> 0                                                                                                                                                      |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....                                                                                                                                                    | <b>7</b>                                                                                                                                                         |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

1A 1I 3H

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

|                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>9a</b> Plan funding arrangement (check all that apply)<br><b>(1)</b> <input type="checkbox"/> Insurance<br><b>(2)</b> <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br><b>(3)</b> <input checked="" type="checkbox"/> Trust<br><b>(4)</b> <input type="checkbox"/> General assets of the sponsor | <b>9b</b> Plan benefit arrangement (check all that apply)<br><b>(1)</b> <input type="checkbox"/> Insurance<br><b>(2)</b> <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br><b>(3)</b> <input checked="" type="checkbox"/> Trust<br><b>(4)</b> <input type="checkbox"/> 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 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 \_\_\_\_\_

|                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                              |                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE SB<br/>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Single-Employer Defined Benefit Plan<br/>Actuarial Information</b><br><br>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).<br><br>▶ <b>File as an attachment to Form 5500 or 5500-SF.</b> | OMB No. 1210-0110<br><br><b>2017</b><br><br><b>This Form is Open to Public Inspection</b> |
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For calendar plan year 2017 or fiscal plan year beginning 07/01/2017 and ending 06/30/2018

▶ **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.

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

|                                                                                                                                           |                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B | <b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500 |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|

**Part I Basic Information**

|                                                                                                                                                                                                                 |                            |                           |                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------|--------------------------|
| <b>1</b> Enter the valuation date: Month <u>07</u> Day <u>01</u> Year <u>2017</u>                                                                                                                               |                            |                           |                          |
| <b>2</b> Assets:                                                                                                                                                                                                |                            |                           |                          |
| <b>a</b> Market value .....                                                                                                                                                                                     | <b>2a</b>                  | <u>19172615</u>           |                          |
| <b>b</b> Actuarial value .....                                                                                                                                                                                  | <b>2b</b>                  | <u>18887446</u>           |                          |
| <b>3</b> Funding target/participant count breakdown                                                                                                                                                             | (1) Number of participants | (2) Vested Funding Target | (3) Total Funding Target |
| <b>a</b> For retired participants and beneficiaries receiving payment .....                                                                                                                                     | <u>283</u>                 | <u>13460553</u>           | <u>13460553</u>          |
| <b>b</b> For terminated vested participants .....                                                                                                                                                               | <u>62</u>                  | <u>2565835</u>            | <u>2565835</u>           |
| <b>c</b> For active participants .....                                                                                                                                                                          | <u>186</u>                 | <u>6968118</u>            | <u>6986706</u>           |
| <b>d</b> Total .....                                                                                                                                                                                            | <u>531</u>                 | <u>22994506</u>           | <u>23013094</u>          |
| <b>4</b> If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>                                                                                           |                            |                           |                          |
| <b>a</b> Funding target disregarding prescribed at-risk assumptions .....                                                                                                                                       | <b>4a</b>                  |                           |                          |
| <b>b</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 ..... | <b>4b</b>                  |                           |                          |
| <b>5</b> Effective interest rate .....                                                                                                                                                                          | <b>5</b>                   | <u>5.89 %</u>             |                          |
| <b>6</b> Target normal cost .....                                                                                                                                                                               | <b>6</b>                   | <u>374000</u>             |                          |

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

|                                                                      |                               |                                        |
|----------------------------------------------------------------------|-------------------------------|----------------------------------------|
| <b>SIGN HERE</b>                                                     |                               | <u>04/10/2019</u>                      |
|                                                                      | Signature of actuary          | Date                                   |
| <u>KELLY R. SWART</u>                                                |                               | <u>17-05429</u>                        |
|                                                                      | Type or print name of actuary | Most recent enrollment number          |
| <u>BUCK GLOBAL, LLC</u>                                              |                               | <u>412-394-3312</u>                    |
|                                                                      | Firm name                     | Telephone number (including area code) |
| <u>11 STANWIX STREET<br/>SUITE 700<br/>PITTSBURGH, PA 15222-1312</u> |                               |                                        |
|                                                                      | Address of the firm           |                                        |

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

**Part II Beginning of Year Carryover and Prefunding Balances**

|                                                                                                                                                                      | (a) Carryover balance | (b) Prefunding balance |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
| <b>7</b> Balance at beginning of prior year after applicable adjustments (line 13 from prior year) .....                                                             | 0                     | 0                      |
| <b>8</b> Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....                                                          | 0                     | 0                      |
| <b>9</b> Amount remaining (line 7 minus line 8) .....                                                                                                                | 0                     | 0                      |
| <b>10</b> Interest on line 9 using prior year's actual return of <u>15.34</u> % .....                                                                                | 0                     | 0                      |
| <b>11</b> Prior year's excess contributions to be added to prefunding balance:                                                                                       |                       |                        |
| <b>a</b> Present value of excess contributions (line 38a from prior year) .....                                                                                      |                       | 1163                   |
| <b>b(1)</b> Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.09</u> % ..... |                       | 71                     |
| <b>b(2)</b> Interest on line 38b from prior year Schedule SB, using prior year's actual return .....                                                                 |                       | 0                      |
| <b>c</b> Total available at beginning of current plan year to add to prefunding balance .....                                                                        |                       | 1234                   |
| <b>d</b> Portion of (c) to be added to prefunding balance .....                                                                                                      |                       | 0                      |
| <b>12</b> Other reductions in balances due to elections or deemed elections .....                                                                                    | 0                     | 0                      |
| <b>13</b> Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) .....                                                                         | 0                     | 0                      |

**Part III Funding Percentages**

|                                                                                                                                                                            |           |        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------|
| <b>14</b> Funding target attainment percentage .....                                                                                                                       | <b>14</b> | 82.07% |
| <b>15</b> Adjusted funding target attainment percentage .....                                                                                                              | <b>15</b> | 82.07% |
| <b>16</b> Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement ..... | <b>16</b> | 84.34% |
| <b>17</b> If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage. ....                                        | <b>17</b> | %      |

**Part IV Contributions and Liquidity Shortfalls****18** Contributions made to the plan for the plan year by employer(s) and employees:

| (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
|--------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
| 10/06/2017               | 287213                            | 0                               |                          |                                   |                                 |
| 01/05/2018               | 287213                            | 0                               |                          |                                   |                                 |
| 04/13/2018               | 287213                            | 0                               |                          |                                   |                                 |
| 07/11/2018               | 287213                            | 0                               |                          |                                   |                                 |
| 03/15/2019               | 9711386                           | 0                               |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
| <b>Totals ▶</b>          |                                   |                                 | <b>18(b)</b>             | 10860238                          | <b>18(c)</b> 0                  |

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

|                                                                                                                         |            |         |
|-------------------------------------------------------------------------------------------------------------------------|------------|---------|
| <b>a</b> Contributions allocated toward unpaid minimum required contributions from prior years. ....                    | <b>19a</b> | 0       |
| <b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....                                      | <b>19b</b> | 0       |
| <b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date ..... | <b>19c</b> | 9916159 |

**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**

|                                                 |                                                |                                                           |                                     |                                                     |
|-------------------------------------------------|------------------------------------------------|-----------------------------------------------------------|-------------------------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                        |                                                |                                                           |                                     |                                                     |
| <b>a</b> Segment rates:                         | 1st segment:<br>4.16 %                         | 2nd segment:<br>5.72 %                                    | 3rd segment:<br>6.48 %              | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code) .....    |                                                |                                                           |                                     | <b>21b</b> 4                                        |
| <b>22</b> Weighted average retirement age.....  |                                                |                                                           |                                     | <b>22</b> 64                                        |
| <b>23</b> Mortality table(s) (see instructions) | <input type="checkbox"/> Prescribed - combined | <input checked="" type="checkbox"/> Prescribed - separate | <input type="checkbox"/> Substitute |                                                     |

**Part VI Miscellaneous Items**

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

**Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years**

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

**Part VIII Minimum Required Contribution For Current Year**

|                                                                                                                                                                                      |                     |                    |               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|---------------|
| <b>31</b> Target normal cost and excess assets (see instructions):                                                                                                                   |                     |                    |               |
| <b>a</b> Target normal cost (line 6) .....                                                                                                                                           | <b>31a</b>          | 374000             |               |
| <b>b</b> Excess assets, if applicable, but not greater than line 31a .....                                                                                                           | <b>31b</b>          | 0                  |               |
| <b>32</b> Amortization installments:                                                                                                                                                 | Outstanding Balance |                    | Installment   |
| <b>a</b> Net shortfall amortization installment.....                                                                                                                                 | 4125648             |                    | 970790        |
| <b>b</b> Waiver amortization installment .....                                                                                                                                       | 0                   |                    | 0             |
| <b>33</b> 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 ..... | <b>33</b>           |                    |               |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....                                                          | <b>34</b>           | 1344790            |               |
|                                                                                                                                                                                      | Carryover balance   | Prefunding balance | Total balance |
| <b>35</b> Balances elected for use to offset funding requirement.....                                                                                                                | 0                   | 0                  | 0             |
| <b>36</b> Additional cash requirement (line 34 minus line 35) .....                                                                                                                  | <b>36</b>           | 1344790            |               |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) .....                                                  | <b>37</b>           | 9916159            |               |
| <b>38</b> Present value of excess contributions for current year (see instructions)                                                                                                  |                     |                    |               |
| <b>a</b> Total (excess, if any, of line 37 over line 36) .....                                                                                                                       | <b>38a</b>          | 8571369            |               |
| <b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....                                                                | <b>38b</b>          | 0                  |               |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....                                                                      | <b>39</b>           | 0                  |               |
| <b>40</b> Unpaid minimum required contributions for all years.....                                                                                                                   | <b>40</b>           | 0                  |               |

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

|                                                                                                |                                                    |                                   |                                                                        |
|------------------------------------------------------------------------------------------------|----------------------------------------------------|-----------------------------------|------------------------------------------------------------------------|
| <b>41</b> If an election was made to use PRA 2010 funding relief for this plan:                |                                                    |                                   |                                                                        |
| <b>a</b> Schedule elected .....                                                                | <input checked="" type="checkbox"/> 2 plus 7 years | <input type="checkbox"/> 15 years |                                                                        |
| <b>b</b> Eligible plan year(s) for which the election in line 41a was made .....               | <input type="checkbox"/> 2008                      | <input type="checkbox"/> 2009     | <input checked="" type="checkbox"/> 2010 <input type="checkbox"/> 2011 |
| <b>42</b> Amount of acceleration adjustment .....                                              | <b>42</b>                                          |                                   |                                                                        |
| <b>43</b> Excess installment acceleration amount to be carried over to future plan years ..... | <b>43</b>                                          |                                   |                                                                        |

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        |                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| <b>SCHEDULE C</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Service Provider Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110                              |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        | <b>2017</b>                                    |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        | <b>This Form is Open to Public Inspection.</b> |

|                                                                                              |                                                             |     |
|----------------------------------------------------------------------------------------------|-------------------------------------------------------------|-----|
| For calendar plan year 2017 or fiscal plan year beginning 07/01/2017 and ending 06/30/2018   |                                                             |     |
| <b>A</b> Name of plan<br>RETIREMENT PLAN FOR THE EMPLOYEES OF SOMERSET COMMUNITY HOSPITAL    | <b>B</b> Three-digit plan number (PN) ▶                     | 001 |
|                                                                                              |                                                             |     |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br>SOMERSET COMMUNITY HOSPITAL | <b>D</b> Employer Identification Number (EIN)<br>25-0965570 |     |

|               |                                                        |
|---------------|--------------------------------------------------------|
| <b>Part I</b> | <b>Service Provider Information (see instructions)</b> |
|---------------|--------------------------------------------------------|

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

**1 Information on Persons Receiving Only Eligible Indirect Compensation**

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ Yes ☒ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

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

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

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

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

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

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

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

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

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

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

SOMERSET TRUST COMPANY

25-0807970

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 21 19 50                      | NONE                                                                                                     | 33107                                                                         | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                         | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                              |                                                                                                                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                            |

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

MORGAN STANLEY SMITH BARNEY LLC

20-8764829

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 27 50 72                      | NONE                                                                                                     | 26566                                                                         | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                         | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                              |                                                                                                                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                            |

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

BUCK GLOBAL, LLC

13-3954297

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 11 17 50                      | NONE                                                                                                     | 16200                                                                         | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                         | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                              |                                                                                                                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                            |

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

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

BKD, LLP

13-4008324

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 10 50                         | NONE                                                                                                     | 13728                                                                         | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                         | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                              |                                                                                                                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                            |

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

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

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

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

**Part I Service Provider Information (continued)**

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

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

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

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

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

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                              |                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Financial Information</b><br><br>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).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2017</b><br><br><b>This Form is Open to Public Inspection</b> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|

|                                                                                                          |                                                                    |            |
|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------|
| For calendar plan year 2017 or fiscal plan year beginning <u>07/01/2017</u> and ending <u>06/30/2018</u> |                                                                    |            |
| <b>A</b> Name of plan<br><u>RETIREMENT PLAN FOR THE EMPLOYEES OF SOMERSET COMMUNITY HOSPITAL</u>         | <b>B</b> Three-digit plan number (PN) ►                            | <u>001</u> |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>SOMERSET COMMUNITY HOSPITAL</u>      | <b>D</b> Employer Identification Number (EIN)<br><u>25-0965570</u> |            |

|               |                                      |
|---------------|--------------------------------------|
| <b>Part I</b> | <b>Asset and Liability Statement</b> |
|---------------|--------------------------------------|

**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 |
|---------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>a</b> Total noninterest-bearing cash .....                                                     | <b>1a</b>       |                       |                 |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                      |                 |                       |                 |
| <b>(1)</b> Employer contributions .....                                                           | <b>1b(1)</b>    | 731828                | 9998599         |
| <b>(2)</b> Participant contributions .....                                                        | <b>1b(2)</b>    |                       |                 |
| <b>(3)</b> Other.....                                                                             | <b>1b(3)</b>    | 1274                  | 319             |
| <b>c</b> General investments:                                                                     |                 |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....  | <b>1c(1)</b>    | 81323                 | 247467          |
| <b>(2)</b> U.S. Government securities.....                                                        | <b>1c(2)</b>    |                       |                 |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                           |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                        | <b>1c(3)(A)</b> |                       |                 |
| <b>(B)</b> All other.....                                                                         | <b>1c(3)(B)</b> |                       |                 |
| <b>(4)</b> Corporate stocks (other than employer securities):                                     |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                        | <b>1c(4)(A)</b> |                       |                 |
| <b>(B)</b> Common .....                                                                           | <b>1c(4)(B)</b> |                       |                 |
| <b>(5)</b> Partnership/joint venture interests .....                                              | <b>1c(5)</b>    |                       |                 |
| <b>(6)</b> Real estate (other than employer real property) .....                                  | <b>1c(6)</b>    |                       |                 |
| <b>(7)</b> Loans (other than to participants) .....                                               | <b>1c(7)</b>    |                       |                 |
| <b>(8)</b> Participant loans .....                                                                | <b>1c(8)</b>    |                       |                 |
| <b>(9)</b> Value of interest in common/collective trusts.....                                     | <b>1c(9)</b>    |                       |                 |
| <b>(10)</b> Value of interest in pooled separate accounts.....                                    | <b>1c(10)</b>   |                       |                 |
| <b>(11)</b> Value of interest in master trust investment accounts .....                           | <b>1c(11)</b>   |                       |                 |
| <b>(12)</b> Value of interest in 103-12 investment entities .....                                 | <b>1c(12)</b>   |                       |                 |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....        | <b>1c(13)</b>   | 18380108              | 19216889        |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts)..... | <b>1c(14)</b>   |                       |                 |
| <b>(15)</b> Other .....                                                                           | <b>1c(15)</b>   |                       |                 |

|                    |                                                                  | (a) Beginning of Year | (b) End of Year   |
|--------------------|------------------------------------------------------------------|-----------------------|-------------------|
| <b>1d</b>          | Employer-related investments:                                    |                       |                   |
| (1)                | Employer securities .....                                        | <b>1d(1)</b>          |                   |
| (2)                | Employer real property .....                                     | <b>1d(2)</b>          |                   |
| <b>e</b>           | Buildings and other property used in plan operation .....        | <b>1e</b>             |                   |
| <b>f</b>           | Total assets (add all amounts in lines 1a through 1e) .....      | <b>1f</b>             | 19194533 29463274 |
| <b>Liabilities</b> |                                                                  |                       |                   |
| <b>g</b>           | Benefit claims payable .....                                     | <b>1g</b>             |                   |
| <b>h</b>           | Operating payables .....                                         | <b>1h</b>             |                   |
| <b>i</b>           | Acquisition indebtedness .....                                   | <b>1i</b>             |                   |
| <b>j</b>           | Other liabilities .....                                          | <b>1j</b>             |                   |
| <b>k</b>           | Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b>             | 0 0               |
| <b>Net Assets</b>  |                                                                  |                       |                   |
| <b>l</b>           | Net assets (subtract line 1k from line 1f) .....                 | <b>1l</b>             | 19194533 29463274 |

**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 |
|----------|--------------------------------------------------------------------------------------------------------|-----------------|-----------|
| <b>a</b> | <b>Contributions:</b>                                                                                  |                 |           |
| (1)      | Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 10860238  |
|          | <b>(B)</b> Participants .....                                                                          | <b>2a(1)(B)</b> |           |
|          | <b>(C)</b> Others (including rollovers) .....                                                          | <b>2a(1)(C)</b> |           |
| (2)      | Noncash contributions .....                                                                            | <b>2a(2)</b>    |           |
| (3)      | Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    | 10860238  |
| <b>b</b> | <b>Earnings on investments:</b>                                                                        |                 |           |
| (1)      | Interest:                                                                                              |                 |           |
|          | <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....   | <b>2b(1)(A)</b> |           |
|          | <b>(B)</b> U.S. Government securities .....                                                            | <b>2b(1)(B)</b> |           |
|          | <b>(C)</b> Corporate debt instruments .....                                                            | <b>2b(1)(C)</b> |           |
|          | <b>(D)</b> Loans (other than to participants) .....                                                    | <b>2b(1)(D)</b> |           |
|          | <b>(E)</b> Participant loans .....                                                                     | <b>2b(1)(E)</b> |           |
|          | <b>(F)</b> Other .....                                                                                 | <b>2b(1)(F)</b> |           |
|          | <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                          | <b>2b(1)(G)</b> | 0         |
| (2)      | Dividends: <b>(A)</b> Preferred stock .....                                                            | <b>2b(2)(A)</b> |           |
|          | <b>(B)</b> Common stock .....                                                                          | <b>2b(2)(B)</b> |           |
|          | <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                              | <b>2b(2)(C)</b> | 370851    |
|          | <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....              | <b>2b(2)(D)</b> | 370851    |
| (3)      | Rents .....                                                                                            | <b>2b(3)</b>    |           |
| (4)      | Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                                 | <b>2b(4)(A)</b> |           |
|          | <b>(B)</b> Aggregate carrying amount (see instructions) .....                                          | <b>2b(4)(B)</b> |           |
|          | <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....              | <b>2b(4)(C)</b> | 0         |
| (5)      | Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate .....                         | <b>2b(5)(A)</b> |           |
|          | <b>(B)</b> Other .....                                                                                 | <b>2b(5)(B)</b> |           |
|          | <b>(C)</b> Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....     | <b>2b(5)(C)</b> | 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) |            | 796357    |
| c Other income .....                                                                           | 2c     |            |           |
| d Total income. Add all <b>income</b> amounts in column (b) and enter total.....               | 2d     |            | 12027446  |

**Expenses**

|                                                                                     |       |         |         |
|-------------------------------------------------------------------------------------|-------|---------|---------|
| e Benefit payment and payments to provide benefits:                                 |       |         |         |
| (1) Directly to participants or beneficiaries, including direct rollovers.....      | 2e(1) | 1357938 |         |
| (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) |         | 1357938 |
| f Corrective distributions (see instructions) .....                                 | 2f    |         |         |
| g Certain deemed distributions of participant loans (see instructions).....         | 2g    |         |         |
| h Interest expense.....                                                             | 2h    |         |         |
| i Administrative expenses: (1) Professional fees .....                              | 2i(1) | 63035   |         |
| (2) Contract administrator fees .....                                               | 2i(2) |         |         |
| (3) Investment advisory and management fees .....                                   | 2i(3) | 26566   |         |
| (4) Other .....                                                                     | 2i(4) | 311166  |         |
| (5) Total administrative expenses. Add lines 2i(1) through (4).....                 | 2i(5) |         | 400767  |
| j Total expenses. Add all <b>expense</b> amounts in column (b) and enter total..... | 2j    |         | 1758705 |

**Net Income and Reconciliation**

|                                                          |       |  |          |
|----------------------------------------------------------|-------|--|----------|
| k Net income (loss). Subtract line 2j from line 2d ..... | 2k    |  | 10268741 |
| l Transfers of assets:                                   |       |  |          |
| (1) To this plan.....                                    | 2l(1) |  |          |
| (2) From this plan .....                                 | 2l(2) |  |          |

**Part III Accountant's Opinion**

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

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

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

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

☒ Yes ☐ No

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

(1) Name: **BKD, LLP**

(2) EIN: **44-0160260**

**d** The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

**Part IV Compliance Questions**

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

**a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

**b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) .....

|    | Yes | No | Amount |
|----|-----|----|--------|
| 4a |     | X  |        |
| 4b |     | X  |        |

|                                                                                                                                                                                                                               | Yes | No | Amount  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|---------|
| <b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....                                          |     | X  |         |
| <b>4c</b>                                                                                                                                                                                                                     |     | X  |         |
| <b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) .....                               |     | X  |         |
| <b>4d</b>                                                                                                                                                                                                                     |     | X  |         |
| <b>e</b> Was this plan covered by a fidelity bond? .....                                                                                                                                                                      | X   |    | 1000000 |
| <b>4e</b>                                                                                                                                                                                                                     | X   |    | 1000000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                       |     | X  |         |
| <b>4f</b>                                                                                                                                                                                                                     |     | X  |         |
| <b>g</b> 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  |         |
| <b>4g</b>                                                                                                                                                                                                                     |     | X  |         |
| <b>h</b> 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  |         |
| <b>4h</b>                                                                                                                                                                                                                     |     | X  |         |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) .....                                                                | X   |    |         |
| <b>4i</b>                                                                                                                                                                                                                     | X   |    |         |
| <b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) ..... | X   |    |         |
| <b>4j</b>                                                                                                                                                                                                                     | X   |    |         |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? .....                                                           |     | X  |         |
| <b>4k</b>                                                                                                                                                                                                                     |     | X  |         |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                            |     | X  |         |
| <b>4l</b>                                                                                                                                                                                                                     |     | X  |         |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) .....                                                                                                  |     |    |         |
| <b>4m</b>                                                                                                                                                                                                                     |     |    |         |
| <b>n</b> 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. ....                                      |     |    |         |
| <b>4n</b>                                                                                                                                                                                                                     |     |    |         |

**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) |
|-----------------------|--------------|-------------|
|                       |              |             |
|                       |              |             |
|                       |              |             |
|                       |              |             |
|                       |              |             |

**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 4120340. (See instructions.)

|                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| <div>SCHEDULE R<br/>(Form 5500)<br/><br/>Department of the Treasury<br/>Internal Revenue Service<br/><br/>Department of Labor<br/>Employee Benefits Security Administration<br/><br/>Pension Benefit Guaranty Corporation</div>                                                                                                                                 | <div>Retirement Plan Information</div> <div>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).</div> <div>▶ File as an attachment to Form 5500.</div> | <div>OMB No. 1210-0110</div> <div>2017</div> <div>This Form is Open to Public Inspection.</div> |
| For calendar plan year 2017 or fiscal plan year beginning 07/01/2017 and ending 06/30/2018                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| A Name of plan<br>RETIREMENT PLAN FOR THE EMPLOYEES OF SOMERSET COMMUNITY HOSPITAL                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                  | B Three-digit plan number (PN) ▶ 001                                                            |
| C Plan sponsor's name as shown on line 2a of Form 5500<br>SOMERSET COMMUNITY HOSPITAL                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                  | D Employer Identification Number (EIN)<br>25-0965570                                            |
| Part I                                                                                                                                                                                                                                                                                                                                                          | Distributions                                                                                                                                                                                                                                                                                    |                                                                                                 |
| All references to distributions relate only to payments of benefits during the plan year.                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                  | 1 0                                                                                             |
| 2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):<br><br>EIN(s): 25-0807970                                                                                                            |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                  | 3 2                                                                                             |
| Part II                                                                                                                                                                                                                                                                                                                                                         | Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)                                                                                                                           |                                                                                                 |
| 4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A<br>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<br>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? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| Part III                                                                                                                                                                                                                                                                                                                                                        | Amendments                                                                                                                                                                                                                                                                                       |                                                                                                 |
| 9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. <input type="checkbox"/> Increase <input type="checkbox"/> Decrease <input type="checkbox"/> Both <input checked="" type="checkbox"/> No        |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| Part IV                                                                                                                                                                                                                                                                                                                                                         | ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.                                                                                                                                                       |                                                                                                 |
| 10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 11 a Does the ESOP hold any preferred stock? <input type="checkbox"/> Yes <input type="checkbox"/> 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.) <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                        |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| 12 Does the ESOP hold any stock that is not readily tradable on an established securities market? <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| For Paperwork Reduction Act Notice, see the Instructions for Form 5500.                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                  |                                                                                                 |
| Schedule R (Form 5500) 2017 v. 170203                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                  |                                                                                                 |

**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:

|                                                                          |            |  |
|--------------------------------------------------------------------------|------------|--|
| <b>a</b> The current year .....                                          | <b>14a</b> |  |
| <b>b</b> The plan year immediately preceding the current plan year ..... | <b>14b</b> |  |
| <b>c</b> The second preceding plan year .....                            | <b>14c</b> |  |

- 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:

|                                                                                                       |            |  |
|-------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> The corresponding number for the plan year immediately preceding the current plan year ..... | <b>15a</b> |  |
| <b>b</b> The corresponding number for the second preceding plan year .....                            | <b>15b</b> |  |

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

|                                                                                                                                                                        |            |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Enter the number of employers who withdrew during the preceding plan year .....                                                                               | <b>16a</b> |  |
| <b>b</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 ..... | <b>16b</b> |  |

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. .... ☐

**Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans**

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ..... ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

- a** Enter the percentage of plan assets held as:  
 Stock: \_\_\_\_\_% Investment-Grade Debt: \_\_\_\_\_% High-Yield Debt: \_\_\_\_\_% Real Estate: \_\_\_\_\_% Other: \_\_\_\_\_%
- b** Provide the average duration of the combined investment-grade and high-yield debt:  
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more
- c** What duration measure was used to calculate line 19(b)?  
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): \_\_\_\_\_

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

**Independent Auditor's Report and Financial Statements**

**June 30, 2018 and 2017**

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**Retirement Plan for Employees of  
Somerset Community Hospital**  
June 30, 2018 and 2017

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## Independent Auditor's Report

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

### Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Retirement Plan for Employees of Somerset Community Hospital which comprise the statements of net assets available for benefits as of June 30, 2018 and 2017, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on conducting our audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### ***Basis for Disclaimer of Opinion***

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the *Employee Retirement Income Security Act of 1974*, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in *Note 4*, which was certified by Somerset Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee as of and for the years ended June 30, 2018 and 2017, that the information provided to the plan administrator by the trustee is complete and accurate to the best of their knowledge.

### ***Disclaimer of Opinion***

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

### ***Supplementary Information***

The supplemental schedules listed in the table of contents are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the *Employee Retirement Income Security Act of 1974* and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on these supplemental schedules.

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

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

**BKD, LLP**

Springfield, Missouri  
April 12, 2019

Federal Employer Identification Number: 44-0160260

**Retirement Plan for Employees of  
Somerset Community Hospital**  
**Statements of Net Assets Available for Benefits**  
**June 30, 2018 and 2017**

**Assets**

|                                   | <b>2018</b>           | <b>2017</b>           |
|-----------------------------------|-----------------------|-----------------------|
| <b>Investments, At Fair Value</b> |                       |                       |
| Mutual funds                      | \$ 19,216,889         | \$ 18,380,108         |
| Cash equivalents                  | 247,467               | 81,323                |
|                                   | <u>19,464,356</u>     | <u>18,461,431</u>     |
| <b>Receivables</b>                |                       |                       |
| Employer's contribution           | 9,998,599             | 731,828               |
| Accrued interest and dividends    | 319                   | 1,274                 |
|                                   | <u>9,998,918</u>      | <u>733,102</u>        |
| <br>Total assets                  | <br><u>29,463,274</u> | <br><u>19,194,533</u> |

**Liabilities**

|                                              |                                 |                                 |
|----------------------------------------------|---------------------------------|---------------------------------|
| <b>Accrued Expenses</b>                      | <u>8,619</u>                    | <u>8,841</u>                    |
| <br>Total liabilities                        | <br><u>8,619</u>                | <br><u>8,841</u>                |
| <br><b>Net Assets Available for Benefits</b> | <br><u><u>\$ 29,454,655</u></u> | <br><u><u>\$ 19,185,692</u></u> |

**Retirement Plan for Employees of  
Somerset Community Hospital**  
**Statements of Changes in Net Assets Available for Benefits**  
**Years Ended June 30, 2018 and 2017**

|                                                             | <b>2018</b>   | <b>2017</b>   |
|-------------------------------------------------------------|---------------|---------------|
| <b>Investment Income</b>                                    |               |               |
| Net appreciation in fair value of investments               | \$ 796,357    | \$ 2,269,670  |
| Interest and dividends                                      | 370,851       | 257,186       |
| Net investment income                                       | 1,167,208     | 2,526,856     |
| <b>Employer Contributions</b>                               | 10,860,238    | 1,227,731     |
| Total additions                                             | 12,027,446    | 3,754,587     |
| <b>Deductions</b>                                           |               |               |
| Benefits paid directly to participants                      | 1,357,938     | 1,237,621     |
| Administrative expenses                                     | 400,545       | 373,253       |
| Total deductions                                            | 1,758,483     | 1,610,874     |
| <b>Net Increase</b>                                         | 10,268,963    | 2,143,713     |
| <b>Net Assets Available for Benefits, Beginning of Year</b> | 19,185,692    | 17,041,979    |
| <b>Net Assets Available for Benefits, End of Year</b>       | \$ 29,454,655 | \$ 19,185,692 |

# **Retirement Plan for Employees of Somerset Community Hospital**

## **Notes to Financial Statements**

**June 30, 2018 and 2017**

### **Note 1: Description of the Plan**

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

#### **General**

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

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

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

#### **Contributions**

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

Although it has not expressed any intention to do so, the Plan Sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA.

#### **Pension Benefits**

Benefits under the Plan are based on employees' five highest compensation years during their last ten years of credited service. Normal retirement occurs at age 65, but early retirement with a reduced benefit may be elected at age 55 with at least five years of service. Benefits upon retirement are paid in the form of an annuity or a lump sum distribution. Participants with a present value of benefits of less than \$1,000 automatically receive a full distribution of the value of their benefit in a lump sum payment from the Plan. Participants with a present value of benefits equal to or greater than \$1,000 and not greater than \$5,000 will receive an automatic rollover absent of an affirmative election to an IRA or elective lump sum full distribution of the value of their benefit from the Plan.

# **Retirement Plan for Employees of Somerset Community Hospital**

## **Notes to Financial Statements**

**June 30, 2018 and 2017**

### ***Death Benefits***

The Plan provides a death benefit for beneficiaries of vested plan participants who die prior to the commencement of benefits. The death benefit can be in the form of a monthly benefit or a lump sum.

When a retired participant who is receiving benefits dies, the participant's beneficiary is entitled to any benefits due under the form of benefit elected by the participant upon retirement.

### ***Vesting***

Eligible employees are fully vested upon completion of five years of vesting service.

## **Note 2: Summary of Significant Accounting Policies**

### ***Basis of Accounting***

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

### ***Use of Estimates***

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

### ***Valuation of Investments and Income Recognition***

Investments are carried at fair value in the accompanying financial statements. Mutual funds are valued at the net asset value (NAV) of shares held by the Plan at year end. Cash equivalents consist of money market funds for which the carrying value reported in the statement of net assets available for benefits approximates fair value.

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

# **Retirement Plan for Employees of Somerset Community Hospital**

## **Notes to Financial Statements**

**June 30, 2018 and 2017**

### ***Benefit Payments***

Benefit payments to participants are recorded upon distribution.

### ***Administrative Expenses***

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

### ***Accumulated Plan Benefits***

Accumulated plan benefits (see *Note 5*) are those estimated future periodic payments that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to:

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

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

### **Note 3: Plan Termination**

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

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

# **Retirement Plan for Employees of Somerset Community Hospital**

## **Notes to Financial Statements**

**June 30, 2018 and 2017**

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

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

### **Note 4: Certification of Plan Trustee**

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Somerset Trust Company, the trustee of the Plan, has certified the following information included in the accompanying financial statements and supplemental schedules is complete and accurate to the best of their knowledge.

- Investments as shown in the statements of net assets available for benefits as of June 30, 2018 and 2017.
- Investment income as shown in the statements of changes in net assets available for benefits for the years ended June 30, 2018 and 2017.
- Investment information included in the accompanying schedule of assets (held at year end) as of June 30, 2018, and schedule of reportable transactions for the year ended June 30, 2018.

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

### **Note 5: Accumulated Plan Benefits**

An independent actuary determines the actuarial present value of accumulated plan benefits, which is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

# Retirement Plan for Employees of Somerset Community Hospital

## Notes to Financial Statements

**June 30, 2018 and 2017**

The accumulated plan benefit information as of the end of each plan year (calculated by the Plan's actuary as of July 1, 2018 and 2017) was as follows:

|                                                            | <b>2018</b>                 | <b>2017</b>                 |
|------------------------------------------------------------|-----------------------------|-----------------------------|
| Actuarial present value of accumulated plan benefits       |                             |                             |
| Vested benefits                                            |                             |                             |
| Participants currently receiving payments                  | \$ 13,617,648               | \$ 12,639,982               |
| Other participants                                         | 7,918,125                   | 8,671,420                   |
|                                                            | <u>21,535,773</u>           | <u>21,311,402</u>           |
| Nonvested benefits                                         | <u>12,496</u>               | <u>15,116</u>               |
| Total actuarial present value of accumulated plan benefits | <u><u>\$ 21,548,269</u></u> | <u><u>\$ 21,326,518</u></u> |

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

|                                                                         | <b>2018</b>                 | <b>2017</b>                 |
|-------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Actuarial present value of accumulated plan benefits, beginning of year | <u>\$ 21,326,518</u>        | <u>\$ 21,219,849</u>        |
| Increase (decrease) during the year attributable to                     |                             |                             |
| Benefits accumulated and other                                          | 252,589                     | 150,268                     |
| Changes in actuarial assumptions                                        | (119,032)                   | (248,783)                   |
| Increase for interest due to the decrease in the discount period        | 1,446,132                   | 1,442,805                   |
| Benefits paid                                                           | <u>(1,357,938)</u>          | <u>(1,237,621)</u>          |
| Net increase (decrease)                                                 | <u>221,751</u>              | <u>106,669</u>              |
| Actuarial present value of accumulated plan benefits, end of year       | <u><u>\$ 21,548,269</u></u> | <u><u>\$ 21,326,518</u></u> |

# Retirement Plan for Employees of Somerset Community Hospital

## Notes to Financial Statements June 30, 2018 and 2017

Significant assumptions underlying the actuarial computations are:

|                                       | <b>2018</b>                                                                                                              |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| Assumed rate of return on investments | 7.00%                                                                                                                    |
| Mortality basis                       | RP-2014 Mortality Table<br>projected generationally<br>using Scale MP-2017                                               |
| Retirement                            | Ages 55-59 – 5.0%<br>Ages 60-61 – 10.0%<br>Ages 62-64 – 15.0%<br>Age 65 – 50.0%<br>Ages 66-69 – 20.0%<br>Ages 70+ – 100% |
|                                       | <b>2017</b>                                                                                                              |
| Assumed rate of return on investments | 7.00%                                                                                                                    |
| Mortality basis                       | RP-2014 Mortality Table<br>projected generationally<br>using Scale MP-2016                                               |
| Retirement                            | Ages 55-59 – 5.0%<br>Ages 60-61 – 10.0%<br>Ages 62-64 – 15.0%<br>Age 65 – 50.0%<br>Ages 66-69 – 20.0%<br>Ages 70+ – 100% |

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

# **Retirement Plan for Employees of Somerset Community Hospital**

## **Notes to Financial Statements**

**June 30, 2018 and 2017**

### **Note 6: Party-in-Interest Transactions**

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

The Plan's investments are held by Somerset Trust Company. Somerset Trust Company is the trustee as defined by the Plan, and therefore, these transactions qualify as party-in-interest transactions. The Plan incurred fees of \$33,524 and \$31,347 for trust department services in 2018 and 2017, respectively.

Morgan Stanley Graystone Consulting served as investment consultant for the Plan beginning in July 2017. The Plan paid direct fees of \$26,566 and \$0 for investment consulting services in 2018 and 2017, respectively.

BilkeyKatz Investment Consultants, Inc. served as investment consultant for the Plan through November 2016. The Plan paid direct fees of \$0 and \$7,250 for investment consulting services in 2018 and 2017, respectively.

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

### **Note 7: Fair Value Measurements**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

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

# Retirement Plan for Employees of Somerset Community Hospital

## Notes to Financial Statements

June 30, 2018 and 2017

### ***Recurring Measurements***

The following tables present the fair value measurements of assets recognized in the accompanying statements of net assets available for benefits measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2018 and 2017:

|                           | <b>Fair Value</b>    | <b>2018</b>                          |                |                |
|---------------------------|----------------------|--------------------------------------|----------------|----------------|
|                           |                      | <b>Fair Value Measurements Using</b> |                |                |
|                           |                      | <b>Level 1</b>                       | <b>Level 2</b> | <b>Level 3</b> |
| Mutual funds              | \$ 19,216,889        | \$ 19,216,889                        | \$ -           | \$ -           |
| Cash equivalents          | 247,467              | 247,467                              | -              | -              |
| Investments at fair value | <u>\$ 19,464,356</u> | <u>\$ 19,464,356</u>                 | <u>\$ -</u>    | <u>\$ -</u>    |

  

|                           | <b>Fair Value</b>    | <b>2017</b>                          |                |                |
|---------------------------|----------------------|--------------------------------------|----------------|----------------|
|                           |                      | <b>Fair Value Measurements Using</b> |                |                |
|                           |                      | <b>Level 1</b>                       | <b>Level 2</b> | <b>Level 3</b> |
| Mutual funds              | \$ 18,380,108        | \$ 18,380,108                        | \$ -           | \$ -           |
| Cash equivalents          | 81,323               | 81,323                               | -              | -              |
| Investments at fair value | <u>\$ 18,461,431</u> | <u>\$ 18,461,431</u>                 | <u>\$ -</u>    | <u>\$ -</u>    |

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of net assets available for benefits, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended June 30, 2018. The Plan had no liabilities measured at fair value on a recurring basis. In addition, the Plan had no assets or liabilities measured at fair value on a nonrecurring basis.

# Retirement Plan for Employees of Somerset Community Hospital

## Notes to Financial Statements

June 30, 2018 and 2017

### **Investments**

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

### **Note 8: Differences Between Financial Statements and Form 5500 Information**

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

|                                                                | <b>2018</b>          | <b>2017</b>          |
|----------------------------------------------------------------|----------------------|----------------------|
| Net assets available for benefits per the financial statements | \$ 29,454,655        | \$ 19,185,692        |
| Add: Accrued administrative expenses                           | 8,619                | 8,841                |
| Net assets available for benefits per Form 5500                | <u>\$ 29,463,274</u> | <u>\$ 19,194,533</u> |

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

|                                                                          | <b>2018</b>          | <b>2017</b>         |
|--------------------------------------------------------------------------|----------------------|---------------------|
| Change in net assets available for benefits per the financial statements | \$ 10,268,963        | \$ 2,143,713        |
| Add: Current year accrued expenses                                       | 8,619                | 8,841               |
| Less: Prior year accrued expenses                                        | 8,841                | 8,747               |
| Change in net assets available for benefits per Form 5500                | <u>\$ 10,268,741</u> | <u>\$ 2,143,807</u> |

# **Retirement Plan for Employees of Somerset Community Hospital**

## **Notes to Financial Statements**

**June 30, 2018 and 2017**

### **Note 9: Risks and Uncertainties**

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

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

### **Note 10: Tax Status**

The Plan obtained its latest determination letter on September 12, 2016, in which the Internal Revenue Service (IRS) stated that the Plan and related trust, as then designed, were in compliance with the applicable requirements of the Internal Revenue Code and therefore not subject to tax. The Plan has been amended since receiving the determination letter. However, the plan administrator believes that the Plan and related trust are currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

### **Note 11: Subsequent Events**

Subsequent events have been evaluated through April 12, 2019, which is the date the financial statements were available to be issued.

#### ***Plan Sponsor Merger***

Effective February 1, 2019, the Plan Sponsor merged into the University of Pittsburgh Medical Center (UPMC) network of hospitals and became UPMC Somerset.

## **Supplemental Schedules**



# Retirement Plan for the Employees of Somerset Community Hospital

EIN/PN: 25-0965570 / 001

## Schedule SB, Part V – Actuarial Assumptions and Methods

### Prescribed Funding Assumptions and Methods

The following assumptions and methods are prescribed by ERISA.

#### Funding interest rates

For 2017 Plan Year: Segment Rates with four-month lookback constrained in accordance with relevant legislation as follows:

|                     | Unconstrained Rates* | Rates Reflecting Corridor** |
|---------------------|----------------------|-----------------------------|
| First Segment Rate  | 1.62%                | 4.16%                       |
| Second Segment Rate | 3.80%                | 5.72%                       |
| Third Segment Rate  | 4.75%                | 6.48%                       |
| Effective Rate      | 4.08%                | 5.89%                       |

For 2016 Plan Year: Segment Rates with four-month lookback constrained in accordance with relevant legislation as follows:

|                     | Unconstrained Rates* | Rates Reflecting Corridor** |
|---------------------|----------------------|-----------------------------|
| First Segment Rate  | 1.46%                | 4.43%                       |
| Second Segment Rate | 3.93%                | 5.91%                       |
| Third Segment Rate  | 4.94%                | 6.65%                       |
| Effective Rate      | 4.24%                | 6.09%                       |

\* Used for maximum tax deduction purposes

\*\* Used for minimum funding and benefit restriction purposes

#### Mortality

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

#### Actuarial cost method

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

# Retirement Plan for the Employees of Somerset Community Hospital

EIN/PN: 25-0965570 / 001

## Schedule SB, Part V – Actuarial Assumptions and Methods (continued)

### Non-Prescribed Funding Assumptions and Methods

The following assumptions were selected by the plan's enrolled actuary. The asset valuation method was selected by the plan sponsor with the actuary's advice and is an acceptable method under PPA.

#### Salary increases

Not applicable.

#### Expenses

The expected plan-related expenses are equal to last year's non-investment expenses plus this year's PBGC premium, rounded up to the nearest \$1,000. This amount is equal to \$374,000 for 2017 and \$383,000 for 2016.

#### Frequency of optional payment forms

Frequency of optional form of payment for future retirements and terminations from active status is based on a review of actual experience.

| Age                           | Assumption |
|-------------------------------|------------|
| 5-year Certain & Life         | 50%        |
| 100% Joint & Survivor Annuity | 25%        |
| Single Life Annuity           | 25%        |

#### Marital percentage

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

#### Retirement rates

Retirement rates are based on experience from the 2005 through 2010 plan years. Half of all retirements are assumed to commence benefits immediately, and half are assumed to defer commencement until age 65.

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

# Retirement Plan for the Employees of Somerset Community Hospital

EIN/PN: 25-0965570 / 001

## Schedule SB, Part V – Actuarial Assumptions and Methods (continued)

### Non-Prescribed Funding Assumptions and Methods (continued)

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

#### Disability rates

None assumed.

#### Withdrawal rates for active participants not eligible for retirement

Withdrawal rates are based on experience from the 2005 through 2010 plan years. Sample rates as follows:

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

#### Asset valuation method

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

|                      | Actuary's Assumption | Third Segment Rate | Reflecting PPA Limit |
|----------------------|----------------------|--------------------|----------------------|
| 2017 Expected Return | 7.00%                | 6.48%              | 6.48%                |
| 2016 Expected Return | 7.00%                | 6.65%              | 6.65%                |
| 2015 Expected Return | 7.00%                | 6.81%              | 6.81%                |

#### Future actuarial measurements

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, changes expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions, applicable law or regulations. An analysis of the potential range of such future differences is beyond the scope of this report.

# **Retirement Plan for the Employees of Somerset Community Hospital**

**EIN/PN: 25-0965570 / 001**

## **Schedule SB, Part V – Actuarial Assumptions and Methods (continued)**

### **Non-Prescribed Funding Assumptions and Methods (continued)**

#### **Summary of Changes from the July 1, 2016 Valuation**

- The interest rate basis was updated to the current rates as specified in IRS Regulation 1.430(h)(2)-1. These rates are constrained in accordance with HATFA. This change increased the Funding Target by approximately \$847,000.
- The mortality assumption was updated according to the projection specified in IRS Regulation 1.430(h)(3)-1, applied on a static basis, projected 7 years from the valuation date for annuitants and 15 years for non-annuitants. This change increased the Funding Target by approximately \$31,000.
- Expected plan-related expenses added to the Target Normal Cost decreased from \$383,000 to \$374,000.

# Retirement Plan for Employees of Somerset Community Hospital

EIN 25-0965570 PN 001

## Schedule H, Line 4j – Schedule of Reportable Transactions Year Ended June 30, 2018

| Identity of Party<br>Involved                                                | Description of Asset                                             | Purchase<br>Price | Selling Price | Cost of Asset | Current<br>Value of<br>Asset on<br>Transaction<br>Date | Net Gain or<br>(Loss) |
|------------------------------------------------------------------------------|------------------------------------------------------------------|-------------------|---------------|---------------|--------------------------------------------------------|-----------------------|
| <b>Category (i) – Individual Transactions in Excess of 5% of Plan Assets</b> |                                                                  |                   |               |               |                                                        |                       |
| Somerset Trust<br>Company                                                    | Treasury Obligations<br>Fund Principal #68                       | \$ 16,423,019     | \$ -          | \$ 16,423,019 | \$ 16,423,019                                          | \$ -                  |
| Somerset Trust<br>Company                                                    | Treasury Obligations<br>Fund Principal #68                       | \$ 1,156,684      | \$ -          | \$ 1,156,684  | \$ 1,156,684                                           | \$ -                  |
| Somerset Trust<br>Company                                                    | Treasury Obligations<br>Fund Principal #68                       | \$ -              | \$ 16,675,000 | \$ 16,675,000 | \$ 16,675,000                                          | \$ -                  |
| BlackRock                                                                    | BlackRock Equity<br>Dividend Fund K                              | \$ 2,050,000      | \$ -          | \$ 2,050,000  | \$ 2,050,000                                           | \$ -                  |
| BlackRock                                                                    | BlackRock Total<br>Return Fund Class K                           | \$ 1,025,000      | \$ -          | \$ 1,025,000  | \$ 1,025,000                                           | \$ -                  |
| BlackRock                                                                    | iShares MSCI EAFE<br>International Index K                       | \$ 1,490,000      | \$ -          | \$ 1,490,000  | \$ 1,490,000                                           | \$ -                  |
| Blackstone                                                                   | Blackstone Alternative<br>Multi-Strategy I                       | \$ 1,000,000      | \$ -          | \$ 1,000,000  | \$ 1,000,000                                           | \$ -                  |
| Brookfield                                                                   | Center Coast Brookfield<br>MLP Focus Fund Y                      | \$ 1,000,000      | \$ -          | \$ 1,000,000  | \$ 1,000,000                                           | \$ -                  |
| Harding Loevner                                                              | Harding Loevner<br>International Equity<br>Portfolio Instl Class | \$ 1,100,000      | \$ -          | \$ 1,100,000  | \$ 1,100,000                                           | \$ -                  |
| John Hancock                                                                 | JHancock Disciplined<br>Value Mid Cap I                          | \$ -              | \$ 1,076,902  | \$ 598,646    | \$ 1,076,902                                           | \$ 478,256            |
| Legg Mason                                                                   | ClearBridge Large Cap<br>Growth Fund Class IS                    | \$ 1,490,000      | \$ -          | \$ 1,490,000  | \$ 1,490,000                                           | \$ -                  |
| Legg Mason                                                                   | Western Asset Core Plus<br>Bond Fund Class IS                    | \$ 1,025,000      | \$ -          | \$ 1,025,000  | \$ 1,025,000                                           | \$ -                  |

# Retirement Plan for Employees of Somerset Community Hospital

EIN 25-0965570 PN 001

## Schedule H, Line 4j – Schedule of Reportable Transactions Year Ended June 30, 2018

| Identity of Party<br>Involved                                                            | Description of Asset                         | Purchase<br>Price | Selling Price | Cost of Asset | Current<br>Value of<br>Asset on<br>Transaction<br>Date | Net Gain or<br>(Loss) |
|------------------------------------------------------------------------------------------|----------------------------------------------|-------------------|---------------|---------------|--------------------------------------------------------|-----------------------|
| <b>Category (i) – Individual Transactions in Excess of 5% of Plan Assets (continued)</b> |                                              |                   |               |               |                                                        |                       |
| Oakmark                                                                                  | Oakmark International<br>Fund Investor Class | \$ 1,100,000      | \$ -          | \$ 1,100,000  | \$ 1,100,000                                           | \$ -                  |
| Vanguard                                                                                 | Vanguard 500 Index<br>Fund Admiral Shares    | \$ 1,490,000      | \$ -          | \$ 1,490,000  | \$ 1,490,000                                           | \$ -                  |
| Vanguard                                                                                 | Vanguard 500 Index Inv                       | \$ -              | \$ 1,241,859  | \$ 626,000    | \$ 1,241,859                                           | \$ 615,859            |
| Vanguard                                                                                 | Vanguard Mid-Cap<br>Index Fund Admiral       | \$ -              | \$ 1,102,791  | \$ 562,037    | \$ 1,102,791                                           | \$ 540,754            |
| <b>Category (iii) – Series of Transactions in Excess of 5% of Plan Assets</b>            |                                              |                   |               |               |                                                        |                       |
| Somerset Trust<br>Company                                                                | Treasury Obligations<br>Fund Principal #68   | \$ 20,893,109     | \$ -          | \$ 20,893,109 | \$ 20,893,109                                          | \$ -                  |
| Somerset Trust<br>Company                                                                | Treasury Obligations<br>Fund Principal #68   | \$ -              | \$ 20,910,409 | \$ 20,910,409 | \$ 20,910,409                                          | \$ -                  |
| BlackRock                                                                                | BlackRock Equity<br>Dividend Fund K          | \$ 2,050,000      | \$ -          | \$ 2,050,000  | \$ 2,050,000                                           | \$ -                  |
| BlackRock                                                                                | BlackRock Equity<br>Dividend Fund K          | \$ -              | \$ 400,000    | \$ 393,758    | \$ 400,000                                             | \$ 6,242              |
| BlackRock                                                                                | BlackRock Total<br>Return Fund Class K       | \$ 1,025,000      | \$ -          | \$ 1,025,000  | \$ 1,025,000                                           | \$ -                  |
| BlackRock                                                                                | iShares MSCI EAFE<br>International Index K   | \$ 1,490,000      | \$ -          | \$ 1,490,000  | \$ 1,490,000                                           | \$ -                  |
| Blackstone                                                                               | Blackstone Alternative<br>Multi-Strategy I   | \$ 1,000,000      | \$ -          | \$ 1,000,000  | \$ 1,000,000                                           | \$ -                  |

# Retirement Plan for Employees of Somerset Community Hospital

EIN 25-0965570 PN 001

## Schedule H, Line 4j – Schedule of Reportable Transactions Year Ended June 30, 2018

| Identity of Party<br>Involved                                                             | Description of Asset                                             | Purchase<br>Price | Selling Price | Cost of Asset | Current<br>Value of<br>Asset on<br>Transaction<br>Date | Net Gain or<br>(Loss) |
|-------------------------------------------------------------------------------------------|------------------------------------------------------------------|-------------------|---------------|---------------|--------------------------------------------------------|-----------------------|
| <b>Category (iii) – Series of Transactions in Excess of 5% of Plan Assets (continued)</b> |                                                                  |                   |               |               |                                                        |                       |
| Brookfield                                                                                | Center Coast Brookfield<br>MLP Focus Fund Y                      | \$ 1,000,000      | \$ -          | \$ 1,000,000  | \$ 1,000,000                                           | \$ -                  |
| Harding Loevner                                                                           | Harding Loevner<br>International Equity<br>Portfolio Instl Class | \$ 1,560,000      | \$ -          | \$ 1,560,000  | \$ 1,560,000                                           | \$ -                  |
| Harbor                                                                                    | Harbor Capital<br>Appreciation                                   | \$ -              | \$ 1,356,504  | \$ 766,184    | \$ 1,356,504                                           | \$ 590,320            |
| John Hancock                                                                              | JHancock Disciplined<br>Value Mid Cap I                          | \$ -              | \$ 1,076,902  | \$ 598,646    | \$ 1,076,902                                           | \$ 478,256            |
| John Hancock                                                                              | John Hancock Seaport<br>Long/Short Fund I                        | \$ 1,215,000      | \$ -          | \$ 1,215,000  | \$ 1,215,000                                           | \$ -                  |
| Lazard                                                                                    | Lazard Emerging Markets<br>Equity Portfolio Instl                | \$ 885,000        | \$ -          | \$ 885,000    | \$ 885,000                                             | \$ -                  |
| Lazard                                                                                    | Lazard Emerging Markets<br>Equity Portfolio Instl                | \$ -              | \$ 676,804    | \$ 645,015    | \$ 676,804                                             | \$ 31,789             |
| Legg Mason                                                                                | ClearBridge Large Cap<br>Growth Fund Class IS                    | \$ 1,490,000      | \$ -          | \$ 1,490,000  | \$ 1,490,000                                           | \$ -                  |
| Legg Mason                                                                                | Western Asset Core Plus<br>Bond Fund Class IS                    | \$ 1,025,000      | \$ -          | \$ 1,025,000  | \$ 1,025,000                                           | \$ -                  |
| Oakmark                                                                                   | Oakmark International<br>Fund Investor Class                     | \$ 1,360,000      | \$ -          | \$ 1,360,000  | \$ 1,360,000                                           | \$ -                  |
| Vanguard                                                                                  | Vanguard 500 Index<br>Fund Admiral Shares                        | \$ 1,490,000      | \$ -          | \$ 1,490,000  | \$ 1,490,000                                           | \$ -                  |
| Vanguard                                                                                  | Vanguard 500 Index Inv                                           | \$ -              | \$ 3,739,638  | \$ 2,037,406  | \$ 3,739,638                                           | \$ 1,702,232          |

# Retirement Plan for Employees of Somerset Community Hospital

EIN 25-0965570 PN 001

## Schedule H, Line 4j – Schedule of Reportable Transactions Year Ended June 30, 2018

| Identity of Party<br>Involved                                                             | Description of Asset                      | Purchase<br>Price | Selling Price | Cost of Asset | Current<br>Value of<br>Asset on<br>Transaction<br>Date | Net Gain or<br>(Loss) |
|-------------------------------------------------------------------------------------------|-------------------------------------------|-------------------|---------------|---------------|--------------------------------------------------------|-----------------------|
| <b>Category (iii) – Series of Transactions in Excess of 5% of Plan Assets (continued)</b> |                                           |                   |               |               |                                                        |                       |
| Vanguard                                                                                  | Vanguard Dividend<br>Growth Fund Inv      | \$ -              | \$ 1,243,087  | \$ 810,267    | \$ 1,243,087                                           | \$ 432,820            |
| Vanguard                                                                                  | Vanguard International<br>Growth Fund Inv | \$ -              | \$ 1,070,334  | \$ 792,544    | \$ 1,070,334                                           | \$ 277,790            |
| Vanguard                                                                                  | Vanguard Mid-Cap<br>Index Fund Admiral    | \$ -              | \$ 1,172,716  | \$ 618,077    | \$ 1,172,716                                           | \$ 554,639            |
| Vanguard                                                                                  | Vanguard Windsor II                       | \$ -              | \$ 1,260,484  | \$ 944,317    | \$ 1,260,484                                           | \$ 316,167            |

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

|                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                  |                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE SB</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration<br/>Pension Benefit Guaranty Corporation</small> | <b>Single-Employer Defined Benefit Plan</b><br><b>Actuarial Information</b><br><br>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).<br><br><b>File as an attachment to Form 5500 or 5500-SF.</b> | OMB No. 1210-0110<br><br><b>2017</b><br><br><b>This Form is Open to Public Inspection</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|

For calendar plan year 2017 or fiscal plan year beginning 07/01/2017 and ending 06/30/2018

- ▶ **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.

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

|                                                                                                                                                                                                                |                            |                           |                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------|--------------------------|
| <b>Part I Basic Information</b>                                                                                                                                                                                |                            |                           |                          |
| <b>1</b> Enter the valuation date: Month <u>07</u> Day <u>01</u> Year <u>2017</u>                                                                                                                              |                            |                           |                          |
| <b>2</b> Assets:                                                                                                                                                                                               |                            | <b>2a</b>                 | 19,172,615               |
| <b>a</b> Market value.....                                                                                                                                                                                     |                            | <b>2b</b>                 | 18,887,446               |
| <b>b</b> Actuarial value.....                                                                                                                                                                                  |                            |                           |                          |
| <b>3</b> Funding target/participant count breakdown                                                                                                                                                            | (1) Number of participants | (2) Vested Funding Target | (3) Total Funding Target |
| <b>a</b> For retired participants and beneficiaries receiving payment.....                                                                                                                                     | 283                        | 13,460,553                | 13,460,553               |
| <b>b</b> For terminated vested participants.....                                                                                                                                                               | 62                         | 2,565,835                 | 2,565,835                |
| <b>c</b> For active participants.....                                                                                                                                                                          | 186                        | 6,968,118                 | 6,986,706                |
| <b>d</b> Total.....                                                                                                                                                                                            | 531                        | 22,994,506                | 23,013,094               |
|                                                                                                                                                                                                                |                            |                           |                          |
| <b>4</b> If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>                                                                                          |                            | <b>4a</b>                 |                          |
| <b>a</b> Funding target disregarding prescribed at-risk assumptions.....                                                                                                                                       |                            | <b>4b</b>                 |                          |
| <b>b</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..... |                            |                           |                          |
| <b>5</b> Effective interest rate.....                                                                                                                                                                          |                            | <b>5</b>                  | 5.89%                    |
| <b>6</b> Target normal cost.....                                                                                                                                                                               |                            | <b>6</b>                  | 374,000                  |

**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.

|                                                                                   |                                                   |                                               |
|-----------------------------------------------------------------------------------|---------------------------------------------------|-----------------------------------------------|
| <b>SIGN HERE</b>                                                                  | Kelly R. Swart <u>KRS</u><br>Signature of actuary | <u>4/10/2019</u><br>Date<br>1705429           |
| Kelly R. Swart<br>Type or print name of actuary                                   |                                                   | Most recent enrollment number<br>412-394-3312 |
| Buck Global, LLC<br>Firm name                                                     |                                                   | Telephone number (including area code)        |
|                                                                                   |                                                   |                                               |
| 11 Stanwix Street<br>Suite 700<br>Pittsburgh PA 15222-1312<br>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 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
| <b>7</b> Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....                                                             | 0                     | 0                      |
| <b>8</b> Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....                                                         | 0                     | 0                      |
| <b>9</b> Amount remaining (line 7 minus line 8).....                                                                                                                | 0                     | 0                      |
| <b>10</b> Interest on line 9 using prior year's actual return of <u>15.34%</u> .....                                                                                | 0                     | 0                      |
| <b>11</b> Prior year's excess contributions to be added to prefunding balance:                                                                                      |                       |                        |
| <b>a</b> Present value of excess contributions (line 38a from prior year).....                                                                                      |                       | 1,163                  |
| <b>b(1)</b> Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.09%</u> ..... |                       | 71                     |
| <b>b(2)</b> Interest on line 38b from prior year Schedule SB, using prior year's actual return .....                                                                |                       | 0                      |
| <b>c</b> Total available at beginning of current plan year to add to prefunding balance .....                                                                       |                       | 1,234                  |
| <b>d</b> Portion of (c) to be added to prefunding balance.....                                                                                                      |                       | 0                      |
| <b>12</b> Other reductions in balances due to elections or deemed elections .....                                                                                   | 0                     | 0                      |
| <b>13</b> Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....                                                                         | 0                     | 0                      |

**Part III Funding Percentages**

|                                                                                                                                                                            |           |        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------|
| <b>14</b> Funding target attainment percentage .....                                                                                                                       | <b>14</b> | 82.07% |
| <b>15</b> Adjusted funding target attainment percentage.....                                                                                                               | <b>15</b> | 82.07% |
| <b>16</b> Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement ..... | <b>16</b> | 84.34% |
| <b>17</b> If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage. ....                                        | <b>17</b> | %      |

**Part IV Contributions and Liquidity Shortfalls****18** Contributions made to the plan for the plan year by employer(s) and employees:

| (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
|--------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
| 10/06/2017               | 287,213                           | 0                               |                          |                                   |                                 |
| 01/05/2018               | 287,213                           | 0                               |                          |                                   |                                 |
| 04/13/2018               | 287,213                           | 0                               |                          |                                   |                                 |
| 07/11/2018               | 287,213                           | 0                               |                          |                                   |                                 |
| 03/15/2019               | 9,711,386                         | 0                               |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
| <b>Totals ▶</b>          |                                   |                                 | <b>18(b)</b>             | 10,860,238                        | <b>18(c)</b> 0                  |

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

|                                                                                                                        |            |           |
|------------------------------------------------------------------------------------------------------------------------|------------|-----------|
| <b>a</b> Contributions allocated toward unpaid minimum required contributions from prior years.....                    | <b>19a</b> | 0         |
| <b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....                                     | <b>19b</b> | 0         |
| <b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date..... | <b>19c</b> | 9,916,159 |

**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**

64

**23** Mortality table(s) (see instructions)☐

Prescribed - combined

☒

Prescribed - separate

☐

Substitute

**Part VI Miscellaneous Items****24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment .....☐

Yes

☒

No

**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment .....☐

Yes

☒

No

**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment .....☒

Yes

☐

No

**27** If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment .....**27****Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years****28** Unpaid minimum required contributions for all prior years .....**28**

0

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

0

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

0

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

374,000

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

0

**32** Amortization installments:

Outstanding Balance

Installment

**a** Net shortfall amortization installment .....

4,125,648

970,790

**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**

1,344,790

Carryover balance

Prefunding balance

Total balance

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

0

0

0

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

1,344,790

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

9,916,159

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

8,571,369

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

0

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

0

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

0

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

# Retirement Plan for the Employees of Somerset Community Hospital

EIN/PN: 25-0965570 / 001

## Schedule SB, Line 22 – Description of Weighted Average Retirement Age

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

| (1)<br>Age                                                     | (2)<br>Expected Active<br>Headcount | (3)<br>Retirement Rate | (4)<br>Expected Retirements<br>(2)*(3) | (5)<br>Weighted Age<br>(1)*(4) |
|----------------------------------------------------------------|-------------------------------------|------------------------|----------------------------------------|--------------------------------|
| 55                                                             | 78.8746                             | 0.0213                 | 1.6825                                 | 92.5377                        |
| 56                                                             | 87.0408                             | 0.0500                 | 4.3520                                 | 243.7143                       |
| 57                                                             | 89.4954                             | 0.0500                 | 4.4748                                 | 255.0618                       |
| 58                                                             | 91.7962                             | 0.0500                 | 4.5898                                 | 266.2090                       |
| 59                                                             | 97.9534                             | 0.0500                 | 4.8977                                 | 288.9626                       |
| 60                                                             | 101.7610                            | 0.1000                 | 10.1761                                | 610.5657                       |
| 61                                                             | 101.2499                            | 0.1000                 | 10.1250                                | 617.6244                       |
| 62                                                             | 97.7599                             | 0.1500                 | 14.6640                                | 909.1672                       |
| 63                                                             | 89.7128                             | 0.1500                 | 13.4569                                | 847.7856                       |
| 64                                                             | 78.8730                             | 0.1500                 | 11.8310                                | 757.1811                       |
| 65                                                             | 72.6792                             | 0.5000                 | 36.3396                                | 2,362.0728                     |
| 66                                                             | 37.9806                             | 0.2000                 | 7.5961                                 | 501.3442                       |
| 67                                                             | 30.1835                             | 0.2000                 | 6.0367                                 | 404.4587                       |
| 68                                                             | 24.9774                             | 0.2000                 | 4.9955                                 | 339.6920                       |
| 69                                                             | 20.8346                             | 0.2000                 | 4.1669                                 | 287.5170                       |
| 70                                                             | 16.5387                             | 1.0000                 | <u>16.5387</u>                         | <u>1,157.7073</u>              |
| <b>Total</b>                                                   |                                     |                        | <b>155.9232</b>                        | <b>9,941.6014</b>              |
| <b>Weighted Average Retirement Age = 9,941.6014 / 155.9232</b> |                                     |                        |                                        | <b>63.76</b>                   |
| <b>Rounded Weighted Average Retirement Age</b>                 |                                     |                        |                                        | <b>64</b>                      |

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

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

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

# **Retirement Plan for the Employees of Somerset Community Hospital**

**EIN/PN: 25-0965570 / 001**

## **Schedule SB, Part V – Summary of Plan Provisions**

### **Effective Date**

July 1, 1965.

### **Participation**

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

### **Compensation**

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

### **Covered Compensation**

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

### **Credited Service**

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

### **Vesting requirements**

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

### **Normal retirement**

Attainment of age 65; if participation commenced on or after age 60, the 5<sup>th</sup> anniversary of participation, if later.

### **Early retirement**

Attainment of age 55 with 5 years of service.

### **Deferred vested**

5 years of service.

### **Normal retirement benefit**

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

- (a) 2% of average monthly compensation times years of service (to a maximum of 25 years) less 2% of the employee's Social Security benefit times years of service (to a maximum of 25 years); times Years of service at date of determination divided by years of service at Normal Retirement Date.

# Retirement Plan for the Employees of Somerset Community Hospital

EIN/PN: 25-0965570 / 001

## Schedule SB, Part V – Summary of Plan Provisions (continued)

- (b) 1% of average monthly Compensation times years of service (to a maximum of 30 years) plus 0.5% of average monthly Compensation in excess of Covered Compensation times years of service (to a maximum of 30 years).

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

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

### Early retirement benefit

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

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

### Deferred vested pension

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

### Normal form of payments

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

### Optional forms of payment

A participant who has rejected the normal form of payment may elect a 50%, 75%, or 100% joint and survivor annuity, a life annuity, a life annuity with sixty or one hundred twenty payments guaranteed.

Effective June 1, 2012, the Plan was amended to add a lump sum distribution form of payment. Participants with a present value of benefits of \$1,000 or less automatically receive a full distribution of the value of his or her benefit in a lump sum payment from the Plan. Participants with a present value of benefits exceeding \$1,000 and not greater than \$5,000 will receive an automatic rollover or elective lump sum full distribution of the value of his or her benefit from the Plan.

# **Retirement Plan for the Employees of Somerset Community Hospital**

**EIN/PN: 25-0965570 / 001**

## **Schedule SB, Part V – Summary of Plan Provisions (continued)**

### **Pre-retirement death benefit**

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

### **Post-retirement death benefit**

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

### **Other benefits**

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

### **Summary of Changes from the July 1, 2016 Valuation**

None.

# Retirement Plan for Employees of Somerset Community Hospital

EIN 25-0965570 PN 001

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

June 30, 2018

| Identity of Issuer         | Description of Investment                       | Shares      | Cost                 | Current Value        |
|----------------------------|-------------------------------------------------|-------------|----------------------|----------------------|
| <b>Mutual Funds</b>        |                                                 |             |                      |                      |
| BlackRock                  | BlackRock Equity Dividend Fund K Shares         | 75,010.944  | \$ 1,656,242         | \$ 1,693,747         |
| BlackRock                  | iShares MSCI EAFE International Index Fund K    | 108,759.124 | 1,490,000            | 1,504,139            |
| Blackstone                 | Blackstone Alternative Multi-Strategy I         | 91,491.308  | 1,000,000            | 968,893              |
| Brookfield                 | Center Coast Brookfield MLP Focus Fund Y        | 127,551.021 | 1,000,000            | 890,306              |
| Carillon                   | Carillon Eagle Small Cap Growth A               | 6,589.515   | 269,511              | 421,202              |
| Causeway                   | Causeway Emerging Markets Fund Class Instl      | 47,330.961  | 665,000              | 611,989              |
| Delaware                   | Delaware Small Cap Value Fund Class R6          | 5,806.654   | 370,000              | 410,124              |
| Harding Loevner            | Harding Loevner International Equity Port Instl | 70,166.318  | 1,560,000            | 1,592,074            |
| Oakmark                    | Oakmark International Fund Investor Class       | 48,190.787  | 1,360,000            | 1,271,273            |
| The Hartford               | The Hartford MidCap Fund Class I                | 12,606.474  | 370,000              | 417,526              |
| John Hancock               | John Hancock Seaport Long/Short Fund Class I    | 103,554.042 | 1,215,000            | 1,176,374            |
| Lazard                     | Lazard Emerging Markets Equity Portfolio Instl  | 33,925.230  | 650,007              | 598,780              |
| Legg Mason                 | ClearBridge Large Cap Growth Fund Class IS      | 34,442.903  | 1,490,000            | 1,661,181            |
| Vanguard                   | Vanguard Mid-Cap Index Fund Admiral Shares      | 3,104.666   | 557,008              | 605,938              |
| Vanguard                   | Vanguard 500 Index Fund Admiral Shares          | 6,492.092   | 1,490,000            | 1,629,385            |
| Wells Fargo                | Wells Fargo Special Mid Cap Value Fund - Instl  | 9,887.761   | 370,000              | 370,396              |
| BlackRock                  | BlackRock Total Return Fund K Shares            | 86,717.428  | 1,025,000            | 981,641              |
| Lord Abbett                | Lord Abbett Short Duration Income Fund Class F  | 130,536.131 | 560,000              | 545,641              |
| PIMCO                      | PIMCO Income Fund Class I-2                     | 74,818.986  | 930,000              | 897,080              |
| Legg Mason                 | Western Asset Core Plus Bond Fund Class IS      | 85,845.896  | 1,025,000            | 969,200              |
|                            |                                                 |             | <u>19,052,768</u>    | <u>19,216,889</u>    |
| <b>Cash Equivalents</b>    |                                                 |             |                      |                      |
| *Somerset Trust<br>Company | Treasury Obligations Fund Income #68            | 194,360.920 | 194,361              | 194,361              |
| *Somerset Trust<br>Company | Treasury Obligations Fund Principal #68         | 53,105.670  | 53,106               | 53,106               |
|                            |                                                 |             | <u>247,467</u>       | <u>247,467</u>       |
|                            |                                                 |             | <u>\$ 19,300,235</u> | <u>\$ 19,464,356</u> |

\*Party-in-interest as defined by ERISA

# Retirement Plan for the Employees of Somerset Community Hospital

EIN/PN: 25-0965570 / 001

## Schedule SB, Line 32 – Schedule of Amortization Bases

| Type of Base | Present Value of<br>Remaining Installments<br>as of January 1, 2017 | Date Established | Remaining<br>Installments | Shortfall<br>Amortization<br>Installment |
|--------------|---------------------------------------------------------------------|------------------|---------------------------|------------------------------------------|
| Shortfall    | \$1,248,008                                                         | 7/1/2017         | 7                         | \$204,938                                |
| Shortfall    | \$2,030,855                                                         | 7/1/2016         | 6                         | \$377,942                                |
| Shortfall    | \$258,478                                                           | 7/1/2015         | 5                         | \$55,993                                 |
| Shortfall    | \$26,939                                                            | 7/1/2014         | 4                         | \$7,152                                  |
| Shortfall    | \$464,837                                                           | 7/1/2013         | 3                         | \$161,302                                |
| Shortfall    | (\$1,223,226)                                                       | 7/1/2012         | 2                         | (\$624,075)                              |
| Shortfall    | \$233,179                                                           | 7/1/2011         | 1                         | \$233,179                                |
| Shortfall    | \$1,086,578                                                         | 7/1/2010         | 2 <sup>1</sup>            | \$554,359                                |

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<sup>1</sup> An election has been made under the Pension Relief Act of 2010 (PRA) to use the alternative 2 plus 7-year amortization period for the base established in 2010. Under 2 plus 7-year amortization, the required installments for the first 2 years of the amortization period equal interest on the base at the plan's Effective Interest Rate for the plan year of the election. The balance is then amortized over the following 7 years in level installments determined using the discount rates for the plan year of the election.