

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2014 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or ☒ a single-employer plan; ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information—enter all requested information										
1a Name of plan <u>WATSONVILLE COMMUNITY HOSPITAL 401(K) PLAN</u> 2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>WATSONVILLE HOSPITAL COMMUNITY</u> <u>75 NIELSON STREET</u> <u>WATSONVILLE, CA 95076</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>005</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>10/01/1998</u></td> </tr> <tr> <td colspan="2">2b Employer Identification Number (EIN) <u>91-1894113</u></td> </tr> <tr> <td colspan="2">2c Plan Sponsor's telephone number <u>831-724-4741</u></td> </tr> <tr> <td colspan="2">2d Business code (see instructions) <u>622000</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>005</u>	1c Effective date of plan <u>10/01/1998</u>		2b Employer Identification Number (EIN) <u>91-1894113</u>		2c Plan Sponsor's telephone number <u>831-724-4741</u>		2d Business code (see instructions) <u>622000</u>	
1b Three-digit plan number (PN) ▶	<u>005</u>										
1c Effective date of plan <u>10/01/1998</u>											
2b Employer Identification Number (EIN) <u>91-1894113</u>											
2c Plan Sponsor's telephone number <u>831-724-4741</u>											
2d Business code (see instructions) <u>622000</u>											

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2015	JIM DOUCETTE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number) (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 761
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year	6a(1) 591
a(2) Total number of active participants at the end of the plan year	6a(2) 541
b Retired or separated participants receiving benefits	6b 0
c Other retired or separated participants entitled to future benefits.....	6c 198
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 739
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 0
f Total. Add lines 6d and 6e	6f 739
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g 555
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 3D 3H	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☐ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☐ Trust (4) ☐ General assets of the sponsor
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) ☒ <u>2</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

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

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

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

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

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

Receipt Confirmation Code _____

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2014 This Form is Open to Public Inspection
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014		
A Name of plan WATSONVILLE COMMUNITY HOSPITAL 401(K) PLAN	B Three-digit plan number (PN) ▶	005
C Plan sponsor's name as shown on line 2a of Form 5500 WATSONVILLE HOSPITAL COMMUNITY	D Employer Identification Number (EIN) 91-1894113	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions	Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
VARIABLE ANNUITY LIFE INSURANCE CO

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
74-1625348	70238	08314	78	01/01/2014	12/31/2014

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
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(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
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(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

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(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	269935
5 Current value of plan's interest under this contract in separate accounts at year end	5	598773

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐**7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☐ other ▶

b Balance at the end of the previous year	7b	203361
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c Additions: (1) Contributions deposited during the year	7c(1)		
(2) Dividends and credits	7c(2)		
(3) Interest credited during the year	7c(3)	6071	
(4) Transferred from separate account	7c(4)	98691	
(5) Other (specify below)	7c(5)	21	
▶ DISBURSEMENT			

(6) Total additions	7c(6)	104783
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d Total of balance and additions (add lines 7b and 7c(6))	7d	308144
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e Deductions:			
(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	23536	
(2) Administration charge made by carrier	7e(2)		
(3) Transferred to separate account	7e(3)	14673	
(4) Other (specify below)	7e(4)		
▶			

(5) Total deductions	7e(5)	38209
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f Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	269935
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Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2))		9b(3)	
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount.....	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2014 This Form is Open to Public Inspection
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014		
A Name of plan WATSONVILLE COMMUNITY HOSPITAL 401(K) PLAN	B Three-digit plan number (PN) ▶	005
C Plan sponsor's name as shown on line 2a of Form 5500 WATSONVILLE HOSPITAL COMMUNITY		
		D Employer Identification Number (EIN) 91-1894113

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
VALIC ANNUITY LIFE INSURANCE CO

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
74-1625348	70238	08314	558	01/01/2014	12/31/2014

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

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(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end **4** 9859640**5** Current value of plan's interest under this contract in separate accounts at year end **5****6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier **6b****c** Premiums due but unpaid at the end of the year **6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. **6d**

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee(3) ☐ guaranteed investment (4) ☐ other ▶**b** Balance at the end of the previous year **7b** 9843336**c** Additions: (1) Contributions deposited during the year **7c(1)** 738043(2) Dividends and credits **7c(2)**(3) Interest credited during the year **7c(3)** 214804(4) Transferred from separate account **7c(4)** 87304(5) Other (specify below) **7c(5)**(6) Total additions **7c(6)** 1040151**d** Total of balance and additions (add lines **7b** and **7c(6)**). **7d** 10883487**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)** 636478(2) Administration charge made by carrier **7e(2)**(3) Transferred to separate account **7e(3)** 364895(4) Other (specify below) **7e(4)** 22474▶ **CONTRACT SURRENDER CHARGES**(5) Total deductions **7e(5)** 1023847**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**) **7f** 9859640

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2))		9b(3)	
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount.....	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☐ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

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

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

A Name of plan <u>WATSONVILLE COMMUNITY HOSPITAL 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>005</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>WATSONVILLE HOSPITAL COMMUNITY</u>	D Employer Identification Number (EIN) <u>91-1894113</u>

Part I Service Provider Information (see instructions)

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
VARIABLE ANNUITY LIFE INSURANCE CO

74-1625348

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
VALIC RETIREMENT SERVICES COMPANY

51-0396365

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
CHARLES SCHWAB & CO, INC

94-1737782

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
CHARLES SCHWAB INVESTMENT MGMT CO

94-3106735

(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

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)

VARIABLE ANNUITY LIFE INSURANCE CO.

74-1625348

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
66 28 52 19 29 33 49 59 64 72 99 60 63	NO RELATIONSHIP	175	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

VALIC RETIREMENT SERVICES COMPANY

51-0396365

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
19 28 29 33 49 52 59 60 61 63 64 72 99	NO RELATIONSHIP	57082	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

CHARLES SCHWAB & CO, INC

94-1737782

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
59 62	NO RELATIONSHIP	175	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2014 This Form is Open to Public Inspection
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>		
A Name of plan <u>WATSONVILLE COMMUNITY HOSPITAL 401(K) PLAN</u>		B Three-digit plan number (PN) ▶ <u>005</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>WATSONVILLE HOSPITAL COMMUNITY</u>		D Employer Identification Number (EIN) <u>91-1894113</u>

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)	955631	1083640
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	24886809	26668110
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	10046697	10129575
(15) Other.....	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	35889137	37881325

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	35889137	37881325
---	-----------	----------	----------

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	4226	
(B) Participants	2a(1)(B)	2506843	
(C) Others (including rollovers)	2a(1)(C)	9553	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		2520622
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	37768	
(F) Other	2b(1)(F)	220875	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		258643
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	1833018	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		1833018
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(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)		-325205
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		4287078

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	2225430	
(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)		2225430
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		12179
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)	57281	
(3) Investment advisory and management fees.....	2i(3)		
(4) Other.....	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		57281
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		2294890

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		1992188
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: HUTCHINSON AND BLOODGOOD LLP

(2) EIN: 95-0858589

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		191951
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
4c			
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
4d			
e Was this plan covered by a fidelity bond?	X		50000000
4e			
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f			
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
4g			
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
4h			
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i			
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X	
4j			
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
4k			
l Has the plan failed to provide any benefit when due under the plan?		X	
4l			
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
4m			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

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

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

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

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☐ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2014 This Form is Open to Public Inspection.
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan <u>WATSONVILLE COMMUNITY HOSPITAL 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>005</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>WATSONVILLE HOSPITAL COMMUNITY</u>	D Employer Identification Number (EIN) <u>91-1894113</u>

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
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>76-0519990</u>	
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....	6a		
b Enter the amount contributed by the employer to the plan for this plan year.....	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?.....	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
--	-----------------------------------	-----------------------------------	-------------------------------	--

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

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

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

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

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

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

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

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

**WATSONVILLE COMMUNITY HOSPITAL
401(K) PLAN**

Financial Report

Years ended December 31, 2014 and 2013

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HUTCHINSON and
BLOODGOOD LLP
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

579 Auto Center Drive
Watsonville, CA 95076
t 831.724.2441 f 831.761.2136
www.hblp.com

INDEPENDENT AUDITORS' REPORT

To the Administrator
Watsonville Community Hospital
401(k) Plan
Watsonville, California

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Watsonville Community Hospital 401(k) Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2014 and 2013, 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.

Auditors' Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6, which was certified or provided by Variable Annuity Life Insurance Co. (VALIC), the custodian of the Plan, except for comparing this information with the related information included in the financial statements. We have been informed by the Plan Administrator that the custodian holds the Plan's assets and executes transactions. The Plan Administrator has obtained certifications from the custodian for the years ended December 31, 2014 and 2013, that the information provided to the Plan Administrator by the custodian is complete and accurate.

Disclaimer of Opinion

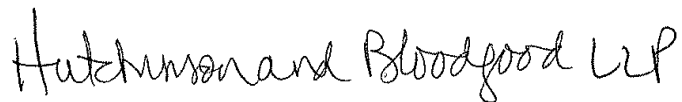
Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedule of assets (held at end of year) for the year ended December 31, 2014, is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purposes of additional analysis and is not a required part of the financial statements. This supplemental schedule is the responsibility of the Plan's management. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule.

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

A handwritten signature in black ink that reads "Hutchins and Bloodgood LLP". The signature is written in a cursive, flowing style.

October 8, 2015
Watsonville, California

WATSONVILLE COMMUNITY HOSPITAL 401(k) PLAN

Statements of Net Assets Available for Benefits

December 31, 2014 and 2013

	2014	2013
ASSETS		
Investments, at fair value		
Cash	\$ 64,484	\$ 43,945
Mutual funds	26,343,444	24,572,941
Charles Schwab Company mutual funds	260,183	269,922
VALIC investment contract (Note 5)	10,055,141	9,362,735
	<u>36,723,252</u>	<u>34,249,543</u>
Total investments		
	<u>36,723,252</u>	<u>34,249,543</u>
RECEIVABLES		
Employee contributions	4,900	--
Notes receivable from participants	1,492,851	1,336,029
	<u>1,497,751</u>	<u>1,336,029</u>
Total receivables		
	<u>1,497,751</u>	<u>1,336,029</u>
Total assets	38,221,003	35,585,572
LIABILITIES		
PAYABLES		
Excess contributions payable	--	13,500
	<u>--</u>	<u>13,500</u>
NET ASSETS AVAILABLE FOR BENEFITS, AT FAIR VALUE	38,221,003	35,572,072
Adjustments from fair value to contract value for fully benefit-responsive investment contracts	74,434	683,962
	<u>74,434</u>	<u>683,962</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 38,295,437</u>	<u>\$ 36,256,034</u>

The accompanying notes are an integral part of these financial statements.

WATSONVILLE COMMUNITY HOSPITAL 401(k) PLAN

Statement of Changes in Net Assets Available for Benefits Years Ended December 31, 2014 and 2013

	2014	2013
ADDITIONS		
Additions to net assets attributed to:		
Investment income:		
Net appreciation (depreciation) in fair value of investments	\$ (311,635)	\$ 3,761,948
Interest, guaranteed investment contract	220,876	212,530
Dividend income	1,833,018	1,105,586
Total investment income	1,742,259	5,080,064
Contributions:		
Transfers in	9,553	37,970
Employee	2,507,217	2,633,962
Other employer contributions	4,226	--
Total contributions	2,520,996	2,671,932
Other income:		
Interest, notes receivable from participants	57,465	51,062
Total additions	4,320,720	7,803,058
DEDUCTIONS		
Deductions from net assets attributed to:		
Benefits paid to participants	2,228,495	1,312,236
Plan expenses	52,822	51,062
Total deductions	2,281,317	1,363,298
Net increase in net assets	2,039,403	6,439,760
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	36,256,034	29,816,274
End of year	\$ 38,295,437	\$ 36,256,034

The accompanying notes are an integral part of these financial statements.

WATSONVILLE COMMUNITY HOSPITAL 401(k) PLAN

Notes to Financial Statements

For the Years Ended December 31, 2014 and 2013

NOTE 1. DESCRIPTION OF PLAN

The following description of the Watsonville Community Hospital 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General: The Plan is a defined contribution plan, covering all hospital employees – except key hospital managers – who are twenty-one years or older and have completed three months of service. Watsonville Community Hospital is the Plan sponsor. Variable Annuity Life Insurance Co. (VALIC) is the Plan Administrator and also holds the assets of the Plan in trust. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions: Participants can contribute up to a maximum of \$17,500 (\$23,000 if over 50 years of age) in 2014 and 2013. Rollovers from another plan are allowed. Participants may select an investment account in which contributions will be invested from various funds offered through VALIC. Participants may change their investment options at any time. There are no employer matching contributions. During the year ended December 31, 2014, a \$4,226 corrective contribution was made by the employer to account for lost earnings on late contributions.

Participant Accounts: Each participant's account is credited with the participant's contributions and an allocation of Plan earnings. Allocations are based on participant earnings or account balances, as appropriate. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Vesting: Participants are immediately vested in their contributions plus actual earnings thereon.

Notes Receivable from Participants: Participants may borrow from their fund accounts a minimum of \$1,000, up to a maximum of \$50,000, or 50% of their vested account balance, whichever is less. Interest on loans is charged at a commercially reasonable rate of interest, as determined by the Administrator, for similar types of loans by other lenders. The balance in the participant's account secures the loans. All balances are due and payable in their entirety upon a participant's termination, retirement or death.

Payment of Benefits: On termination of service, a participant with a vested account balance of greater than \$5,000 may elect to receive either a lump-sum amount equal to the value of his or her account, or annual installments over the life expectancy of the participant. Participants with a vested account balance of \$5,000 or less are paid in a lump sum.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The financial statements of the Plan are prepared on the accrual basis of accounting.

WATSONVILLE COMMUNITY HOSPITAL 401(k) PLAN

Notes to Financial Statements

For the Years Ended December 31, 2014 and 2013

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (continued): Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared using the contract value basis for fully benefit-responsive investment contracts.

Use of Estimates: The preparation of financial statements in accordance 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 and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition: Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's Investment Committee determines the Plan's valuation policies utilizing information provided by the investment advisers, custodians, and insurance company. See note 4 for discussion of fair value measurements.

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

Notes Receivable from Participants: Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2014, or 2013. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

Payment of Benefits: Benefits are recorded when paid.

Plan Expenses: Certain expenses of maintaining the Plan are paid directly by Watsonville Community Hospital and are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment management fees and other fees related to investments of the Plan are paid from the earnings of the Plan's investments.

Reclassification: Certain reclassifications have been made to the 2013 financial statements to conform to the 2014 presentation.

WATSONVILLE COMMUNITY HOSPITAL 401(k) PLAN

Notes to Financial Statements

For the Years Ended December 31, 2014 and 2013

NOTE 3. INVESTMENTS

The following presents investments that represent 5 percent or more of the Plan's net assets.

	December 31,	
	2014	2013
VALIC:		
Guaranteed investment contracts:		
VALIC Fixed-Interest	\$ 9,786,417	\$ 9,159,659
Mutual Funds:		
American Funds Europac R4	2,653,672	2,500,561
American Beacon Sm Cap Val Inv	1,989,245	1,898,697
Blackrock Equity Dividend A	3,080,856	3,098,300
Columbia Mid Cap Index A	1,943,353	2,086,067
Dreyfus S&P 500 Index	2,934,749	2,991,525
Prudential Total Return Bond Z	2,434,363	2,133,743
	<u>\$ 24,822,655</u>	<u>\$ 23,868,552</u>

NOTE 4. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted market prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

WATSONVILLE COMMUNITY HOSPITAL 401(k) PLAN

Notes to Financial Statements

For the Years Ended December 31, 2014 and 2013

NOTE 4. FAIR VALUE MEASUREMENTS (Continued)

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2014 and 2013.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Guaranteed investment contract: Guaranteed investment contracts are valued at fair value by the insurance company by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the creditworthiness of the issuer. Since the participants transact at contract value, fair value is determined annually for financial statement reporting purposes only. In determining the reasonableness of the methodology, the Plan Sponsor evaluates a variety of factors including review of existing contracts, economic conditions, industry and market developments, and overall credit ratings. Certain unobservable inputs are assessed through review of contract terms while others are substantiated utilizing available market data.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31:

<i>Assets at Fair Value as of December 31, 2014</i>				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 26,668,111	\$ --	\$ --	\$ 26,668,111
Guaranteed investment contract	--	--	10,055,141	10,055,141
Total assets at fair value	<u>\$ 26,668,111</u>	<u>\$ --</u>	<u>\$ 10,055,141</u>	<u>\$ 36,723,252</u>
<i>Assets at Fair Value as of December 31, 2013</i>				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 24,886,808	\$ --	\$ --	\$ 24,886,808
Guaranteed investment contract	--	--	9,362,735	9,362,735
Total assets at fair value	<u>\$ 24,886,808</u>	<u>\$ --</u>	<u>\$ 9,362,735</u>	<u>\$ 34,249,543</u>

WATSONVILLE COMMUNITY HOSPITAL 401(k) PLAN

Notes to Financial Statements

For the Years Ended December 31, 2014 and 2013

NOTE 4. FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2014.

	Level 3 Year Ended December 31, 2014 <i>Guaranteed Investment</i> <i>Contract</i>
Balance, beginning of year	\$ 9,362,735
Realized gains/(losses)	198,422
Unrealized gains/(losses) relating to instruments still held at the reporting date	609,528
Purchases	738,043
Sales	(660,014)
Transfers in and/or out of level 3	(193,573)
Balance, end of year	<u>\$ 10,055,141</u>
The amount of total gains/(losses) for the period attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	<u>\$ (74,434)</u>

Unrealized gains/(losses) from the guaranteed investment contract are not included in the statement of changes in net assets available for benefits as the contract is recorded at contract value for purposes of the net assets available for benefits.

Quantitative Information About Significant Unobservable Inputs Used in Level 3 Fair Value Measurements

The following table represents the Plan's level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments, and the significant unobservable inputs and the ranges of values for those inputs.

Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs	Range of Significant Input Values	Weighted Average
Guaranteed investment contracts	\$10,055,141	Discounted cash flows	Yield rates	2.15 - 2.25	2.17%

WATSONVILLE COMMUNITY HOSPITAL 401(k) PLAN

Notes to Financial Statements

For the Years Ended December 31, 2014 and 2013

NOTE 5. GUARANTEED INVESTMENT CONTRACT WITH VARIABLE ANNUITY LIFE INSURANCE COMPANY

The Plan has entered into a benefit-responsive guaranteed investment contract with Variable Annuity Life Insurance Co. (VALIC). VALIC maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

Because the guaranteed investment contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. The guaranteed investment contract is presented on the face of the statement of net assets available for benefits at fair value with an adjustment to contract value in arriving at net assets available for benefits. Contract value, as reported to the Plan by VALIC, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair value of the investment contract at December 31, 2014 and 2013 was \$10,055,141 and \$9,362,735, respectively. The crediting interest rate is based on a formula agreed upon with the issuer, but it may not be less than 2 percent for accounts setup after December 1, 2003. Such interest rates are reviewed on a monthly basis for resetting.

Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include (1) amendments to the Plan documents (including complete or partial Plan termination or merger with another Plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the Plan sponsor or other Plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan, or (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The Plan administrator believes that any events that would limit the Plan's ability to transact at contract value with participants are not probable of occurring.

The guaranteed investment contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

The average yields earned by the guaranteed investment contract are as follows:

Average yields:		
Based on interest rate credited to participants	2014	2013
Guaranteed	1.51%	1.50%
Short-Term Fixed	1.00%	1.00%
Mult-Year Enhanced	0.00%	0.00%
Fixed Interest Option	2.17%	2.69%

WATSONVILLE COMMUNITY HOSPITAL 401(k) PLAN

Notes to Financial Statements

For the Years Ended December 31, 2014 and 2013

NOTE 6. CERTIFIED INFORMATION

Other than the fair value of the guaranteed investment contract and the related adjustment from fair value to contract value for fully benefit-responsive investment contracts, certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and supplemental schedule, including investments and notes receivable from participants held at December 31, 2014 and 2013, and net appreciation in fair value of investments, interest and dividends for the year ended December 31, 2014, was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by Variable Annuity Life Insurance Company, a subsidiary of American International Group, Inc. (AIG), the trustee of the Plan. The contract value of the guaranteed investment contract was certified by the trustee.

NOTE 7. PLAN TERMINATION

Although it has not expressed any intent to do so, the Hospital has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

NOTE 8. TAX STATUS

The Plan obtained its latest determination letter on March 31, 2008, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, they believe that the Plan was qualified and the related trust was tax-exempt as of the financial statement date.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions.

The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2011.

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 changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

WATSONVILLE COMMUNITY HOSPITAL 401(k) PLAN

Notes to Financial Statements

For the Years Ended December 31, 2014 and 2013

NOTE 10. PARTY-IN-INTEREST

VALIC is the custodian and administrator of the Plan and, as such, is a party-in-interest. The purchase by the Plan of certain proprietary funds sponsored by VALIC constitutes party-in-interest transactions, which are allowable transactions under the ERISA regulations.

Certain officers and employees of the Company (who may also be participants in the Plan) perform administrative services related to the operation and financial reporting of the Plan. The Company pays these individuals' salaries and also pays other administrative expense on behalf of the Plan. Certain fees, to the extent not paid by the Company, are paid by the Plan.

These transactions are not deemed prohibited party-in-interest transactions, because they are covered by statutory and administrative exemptions from the Code and ERISA's rules on prohibited transactions.

NOTE 11. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2014 and 2013 to Form 5500:

	2014	2013
Net assets available for benefits per the financial statements	\$ 38,295,437	\$ 36,256,034
Excess contributions payable	--	13,500
Employee contributions receivable	(4,900)	--
Deemed distributions of participant loans	(409,212)	(380,397)
Net assets available for benefits per Form 5500	<u>\$ 37,881,325</u>	<u>\$ 35,889,137</u>

The following is a reconciliation of net increase in net assets per the financial statements to Form 5500:

	2014	2013
Total increase per the financial statements	\$ 2,039,403	\$ 6,439,760
Excess contributions payable	(13,500)	13,500
Employee contributions receivable	(4,900)	--
Deemed distributions of participant loans	(28,815)	(35,504)
Total increase per Form 5500	<u>\$ 1,992,188</u>	<u>\$ 6,417,756</u>

NOTE 12. SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through October 8, 2015, the date the financial statements were available to be issued.

WATSONVILLE COMMUNITY HOSPITAL 401(k) PLAN

Schedule H Item 4 (i)

Schedule of Assets (Held at End of Year)

December 31, 2014

FEIN 91-1894113, PN 005

(a)	(b)	(c)	(d)	(e)
	<u>Identity of Issue, Borrower, Lessor, or Similar Party</u>	<u>Description</u>	<u>Cost</u>	<u>Current Value</u>
* VALIC				
	AllianzGI NFJ Intl Value Admin	Mutual Fund	**	\$ 228,156
	American Beacon Small Cap Value	Mutual Fund	**	1,989,245
	American Funds Europac R4	Mutual Fund	**	2,653,672
	Blackrock Equity Dividend A	Mutual Fund	**	3,080,856
	Blackrock Global Fund	Mutual Fund	**	616,048
	Columbia Mid Cap Index A	Mutual Fund	**	1,943,353
	Columbia Small Cap Index A	Mutual Fund	**	474,719
	Dreyfus Inflation Adjusted Sec Int	Mutual Fund	**	370,425
	Dreyfus S&P 500 Index	Mutual Fund	**	2,934,749
	Foreign Value	Mutual Fund	**	1,349
	International Opportunities	Mutual Fund	**	1,479
	Lord Abbett Develop Growth A	Mutual Fund	**	1,291,579
	Lord Abbett Fundamental Equity A	Mutual Fund	**	1,575,974
	Mainstay Fund	Mutual Fund	**	1,671,095
	Mid Cap Index Fund	Mutual Fund	**	2,387
	Oppenheimer Developing Mkts Y	Mutual Fund	**	280,609
	Oppenheimer Intl Growth Y	Mutual Fund	**	643,500
	Principal Life Time 2010 A	Mutual Fund	**	29,016
	Principal Life Time 2020 A	Mutual Fund	**	1,510,595
	Principal Life Time 2030 A	Mutual Fund	**	137,751
	Principal Life Time 2040 A	Mutual Fund	**	656,004
	Principal Life Time 2050 A	Mutual Fund	**	6,081
	Prudential Global Real Est Z	Mutual Fund	**	265,786
	Prudential Jen Mid Cap Grwth Z	Mutual Fund	**	519,697
	Prudential Total Return Bond Z	Mutual Fund	**	2,434,363
	Ridgeworth Mid Cap Value EQ I	Mutual Fund	**	836,776
	Small Cap Special Value Fund	Mutual Fund	**	1,610
	Small Mid Growth Fund	Mutual Fund	**	2,439
	Stock Index Fund	Mutual Fund	**	2,354
	Templeton Global Bond A	Mutual Fund	**	178,669
	Vanguard Long-Term Treasury	Mutual Fund	**	787
	Vanguard Windsor II	Mutual Fund	**	2,321
				<u>\$ 26,343,444</u>

WATSONVILLE COMMUNITY HOSPITAL 401(k) PLAN

Schedule H Item 4 (i)

Schedule of Assets (Held at End of Year)

December 31, 2014

FEIN 91-1894113, PN 005

(a)	(b)	(c)	(d)	(e)
	<u>Identity of Issue, Borrower, Lessor, or Similar Party</u>	<u>Description</u>	<u>Cost</u>	<u>Current Value</u>
Charles Schwab Company	Cash	Cash	**	\$ 64,484
	Advisorone Amerigo Fund	Mutual fund	**	36,650
	Advisorone Descartes	Mutual fund	**	10,207
	Advisorone Enhanced Income	Mutual fund	**	6,488
	Advisorone Flexible Income	Mutual fund	**	11,239
	Advisorone Liahona	Mutual fund	**	8,491
	Advisorone Select Allocation	Mutual fund	**	16,764
	Advisorone Select Appreciation	Mutual fund	**	10,475
	American Funds Bond Fund of America	Mutual fund	**	24,048
	American Funds Capital World Bond	Mutual fund	**	13,897
	American Funds Capital World Growth & Income	Mutual fund	**	12,775
	American Funds Growth Fund of America	Mutual fund	**	21,948
	American Funds Washington Mutual Investors	Mutual fund	**	15,353
	Clermont Fund	Mutual fund	**	20,896
	Pioneer Strategic Income Fund	Mutual fund	**	10,604
	Russell Emerging Markets	Mutual fund	**	8,527
	Russell US Small & Midcap	Mutual fund	**	16,432
	Short Duration Income A	Mutual fund	**	15,389
				\$ 260,183
*	Variable Annuity Life Insurance Company			
	Fixed Account Plus	Guar. Invest. Contract	**	\$ 164,240
	Short Term Fixed Account	Guar. Invest. Contract	**	104,484
	VALIC Fixed Interest	Guar. Invest. Contract	**	9,786,417
				\$ 10,055,141
	Participant loans:			
	Interest rates are 3.0 - 4.25% on all loans		--	\$ 1,492,851
*	Party-in-interest			
**	Individual accounts are participant directed; cost information is not required.			

WATSONVILLE COMMUNITY HOSPITAL 401(k) PLAN

Schedule H Line 4 (a)

Schedule of Delinquent Participant Contributions

December 31, 2014

FEIN 91-1894113, PN 005

Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
Check here if Late Participant Loan Repayments are included:	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
\$191,951	\$0	\$191,951	\$0	

Form 5500

Attachment

Schedule H, line 4i--Schedule of Assets (Held at End of Year)

Name of plan		Three-digit	
WATSONVILLE COMMUNITY HOSPITAL 401(k) PLAN		plan number	005
Name of plan sponsor as shown on line 2a of Form 5500		Employer Identification	
WATSONVILLE HOSPITAL COMMUNITY		Number	91-1894113
Contract Number: 08314 Plan Number: 005			
	(c) Description of investment including maturity date,		
(a)	(b) Identity of Issue, borrower, lessor, or similar rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
	VALIC GENERAL ACCOUNT	FIXED ACCOUNT PLUS	165,451
	VALIC GENERAL ACCOUNT	SHORT TERM FIXED ACCOUNT	104,484
	VALIC SEPARATE ACCOUNT A	FOREIGN VALUE	1,350
	VALIC SEPARATE ACCOUNT A	INTL OPPORTUNITIES	1,479
	VALIC SEPARATE ACCOUNT A	MID CAP INDEX FUND	2,387
	VALIC SEPARATE ACCOUNT A	SMALL CAP SPECIAL VALUE FUND	1,610
	VALIC SEPARATE ACCOUNT A	SMALL MID GROWTH FUND	2,439
	VALIC SEPARATE ACCOUNT A	STOCK INDEX FUND	2,354
	VALIC SEPARATE ACCOUNT A	VANGUARD LONG-TERM TREASURY	787
	VALIC SEPARATE ACCOUNT A	VANGUARD WINDSOR II	2,321
	VALIC SEPARATE ACCOUNT A	ADVISORONE AMERIGO FUNDCL N	36,650
	VALIC SEPARATE ACCOUNT A	ADVISORONE DESCARTES N	10,207
	VALIC SEPARATE ACCOUNT A	ADVISORONE ENHANCEDINCM N	6,488
	VALIC SEPARATE ACCOUNT A	ADVISORONE FLEXIBLEINCM N	11,239
	VALIC SEPARATE ACCOUNT A	ADVISORONE LIAHONA N	8,491
	VALIC SEPARATE ACCOUNT A	ADVISORONE SELECTALLOCATION N	16,764
	VALIC SEPARATE ACCOUNT A	ADVISORONE SELECTAPPRECIATION N	10,475
	VALIC SEPARATE ACCOUNT A	AMERICAN FD BOND FUND OFAMERICA CLASS F1	24,048
	VALIC SEPARATE ACCOUNT A	AMERICAN FD CAPITALWORLD BOND FUND CLASS F1	13,897
	VALIC SEPARATE ACCOUNT A	AMERICAN FD CAPITALWORLD GWTH & INCM CL F	12,775
	VALIC SEPARATE ACCOUNT A	AMERICAN FD GROWTH FUNDOF AMERICA CLASS F	21,948
	VALIC SEPARATE ACCOUNT A	AMERICAN FD WASHINGTONMUTUAL INVESTORS CL F	15,353
	VALIC SEPARATE ACCOUNT A	CASH	64,484
	VALIC SEPARATE ACCOUNT A	CLERMONT FUND CLASS N	20,897
	VALIC SEPARATE ACCOUNT A	PIONEER STRATEGIC INCOME FUND CL A	10,604
	VALIC SEPARATE ACCOUNT A	RUSSELL EMERGING MARKETSFD CL E	8,528
	VALIC SEPARATE ACCOUNT A	RUSSELL U.S. SMALL & MIDCAP S	16,432
	VALIC SEPARATE ACCOUNT A	SHORT DURATION INCOME A	15,389
	ALLIANZGI NFJ INTL VALUE ADMIN	MUTUAL FUND - ALLIANZGI NFJ VALUE ADMN	228,156
	AMER FUNDS EUROPAC R4	MUTUAL FUND - AMER FUNDS EUROPAC R4	2,653,672
	AMERICAN BEACON SM CAP VAL INV	MUTUAL FUND - AMERICAN BEACON SM CAP VAL INV	1,989,245
	BLACKROCK EQUITY DIVIDEND A	MUTUAL FUND - BLACKROCK EQUITY DIVIDEND A	3,080,857
	BLACKROCK GLOBAL ALLOC I	MUTUAL FUND - BLACKROCK GLOBAL ALLOC I	616,048
	COLUMBIA MID CAP INDEX A	MUTUAL FUND - COLUMBIA MID CAP INDEX A	1,943,353
	COLUMBIA SMALL CAP INDEX A	MUTUAL FUND - COLUMBIA SMALL CAP INDEX A	474,719
	DREYFUS INFLATION-ADJ SEC INST	MUTUAL FUND - DREYFUS INFLATION-ADJ SEC INST	370,425
	DREYFUS S&P 500 INDEX	MUTUAL FUND - DREYFUS S&P 500 INDEX	2,934,749
	LORD ABBETT DEVELOP GROWTH A	MUTUAL FUND - LORD ABBETT DEVELOP GROWTH A	9,859,640
	LORD ABBETT FUNDAMNTL EQUITY A	MUTUAL FUND - LORD ABBETT FUNDAMNTL EQUITY A	1,291,579
	MAINSTAY LARGE CAP GROWTH R1	MUTUAL FUND - MAINSTAY LARGE CAP GROWTH R1	1,575,974
	OPPENHEIMER DEVELOPING MKTS Y	MUTUAL FUND - OPPENHEIMER DEVELOPING MKTS Y	1,671,095
	OPPENHEIMER INTL GROWTH Y	MUTUAL FUND - OPPENHEIMER INTL GROWTH Y	280,609
	PRINCIPAL LIFE TIME 2010 A	MUTUAL FUND - PRINCIPAL LIFE TIME 2010 A	643,500
	PRINCIPAL LIFE TIME 2020 A	MUTUAL FUND - PRINCIPAL LIFE TIME 2020 A	29,016
	PRINCIPAL LIFE TIME 2030 A	MUTUAL FUND - PRINCIPAL LIFE TIME 2030 A	1,510,595
	PRINCIPAL LIFE TIME 2040 A	MUTUAL FUND - PRINCIPAL LIFE TIME 2040 A	137,751
	PRINCIPAL LIFE TIME 2050 A	MUTUAL FUND - PRINCIPAL LIFE TIME 2050 A	656,004
	PRUDENTIAL GLOBAL REAL EST Z	MUTUAL FUND - PRUDENTIAL GLOBAL REAL EST Z	6,081
	PRUDENTIAL JEN MID CAP GRWTH Z	MUTUAL FUND - PRUDENTIAL JEN MID CAP GRWTH Z	265,786
	PRUDENTIAL TOTAL RETURN BOND Z	MUTUAL FUND - PRUDENTIAL TOTAL RETURN BOND Z	519,697
	RIDGEWORTH MID CAP VALUE EQ I	MUTUAL FUND - RIDGEWORTH MID CAP VALUE EQ I	2,434,363
	TEMPLETON GLOB BOND A	MUTUAL FUND - TEMPLETON GLOB BOND A	836,776
			178,669
	PARTICIPANT LOANS	(3.00% - 4.50%)	1,083,640

Attachment

Name of plan sponsor as shown on line 2a of Form Watsonville Community Hospital 401(K) Plan	Three-digit plan number 005
Name of plan sponsor as shown on line 2a of Form 5500 Watsonville Hospital Community	Employer Identification Number 91-1894113
Contract Number: 08314 Plan Number: 005	

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