

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2014</div> 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>VIRGINIA MASON MEDICAL CENTER DEFINED BENEFIT RETIREMENT PLAN</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>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>02/01/1958</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>02/01/1958</u>			
1b Three-digit plan number (PN) ▶	<u>001</u>						
1c Effective date of plan <u>02/01/1958</u>							
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>VIRGINIA MASON MEDICAL CENTER</u> <u>P.O. BOX 900</u> <u>SEATTLE, WA 98111</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">2b Employer Identification Number (EIN) <u>91-0565539</u></td> </tr> <tr> <td colspan="2">2c Plan Sponsor's telephone number <u>206-341-0154</u></td> </tr> <tr> <td colspan="2">2d Business code (see instructions) <u>622000</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>91-0565539</u>		2c Plan Sponsor's telephone number <u>206-341-0154</u>		2d Business code (see instructions) <u>622000</u>	
2b Employer Identification Number (EIN) <u>91-0565539</u>							
2c Plan Sponsor's telephone number <u>206-341-0154</u>							
2d Business code (see instructions) <u>622000</u>							
<u>1100 NINTH AVENUE</u> <u>SEATTLE, WA 98111</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.	10/14/2015	CRAIG GOODRICH
	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:		4b EIN	
a Sponsor's name		4c PN	
5 Total number of participants at the beginning of the plan year		5	824
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)	91
a(2) Total number of active participants at the end of the plan year		6a(2)	77
b Retired or separated participants receiving benefits		6b	453
c Other retired or separated participants entitled to future benefits.....		6c	242
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	772
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	36
f Total. Add lines 6d and 6e		6f	808
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	
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: 1A 1F 3F 3H			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply)		9b Plan benefit arrangement (check all that apply)	
(1)	☐	Insurance	
(2)	☐	Code section 412(e)(3) insurance contracts	
(3)	☒	Trust	
(4)	☐	General assets of the sponsor	
(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		b General Schedules	
(1)	☒	(1)	☒
R (Retirement Plan Information)		H (Financial Information)	
(2)	☐	(2)	☐
MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary		I (Financial Information – Small Plan)	
(3)	☒	(3)	☐
SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		A (Insurance Information)	
		(4)	☒
		(5)	☒
		(6)	☐
			C (Service Provider Information)
			D (DFE/Participating Plan Information)
			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 _____

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).</div> <div>▶ File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2014</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

▶ Round off amounts to nearest dollar.

▶ Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan VIRGINIA MASON MEDICAL CENTER DEFINED BENEFIT RETIREMENT PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF VIRGINIA MASON MEDICAL CENTER	D Employer Identification Number (EIN) 91-0565539
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month 01 Day 01 Year 2014	
2 Assets:	
a Market value	2a 86937346
b Actuarial value	2b 81233385
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment	(1) Number of participants 470 (2) Vested Funding Target 43517619 (3) Total Funding Target 43517619
b For terminated vested participants	263 14245507 14245507
c For active participants	91 20818364 20850700
d Total	824 78581490 78613826
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 6.37%
6 Target normal cost	6 977576

Statement by Enrolled Actuary

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

SIGN HERE		10/14/2015
	Signature of actuary	Date
TIMOTHY J. DAVENPORT	Type or print name of actuary	14-03505
		Most recent enrollment number
MILLIMAN, INC.	Firm name	206-624-7940
		Telephone number (including area code)
1301 FIFTH AVENUE, SUITE 3800 SEATTLE, WA 98101-2605	Address of the firm	

Part II Beginning of Year Carryover and Prefunding Balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	6327680
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	2456844
9 Amount remaining (line 7 minus line 8)	0	3870836
10 Interest on line 9 using prior year's actual return of <u>15.39</u> %	0	595722
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		1146609
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.22</u> %		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		176463
c Total available at beginning of current plan year to add to prefunding balance		1323072
d Portion of (c) to be added to prefunding balance		1323072
12 Other reductions in balances due to elections or deemed elections	0	4147647
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	1641983

Part III Funding Percentages		
14 Funding target attainment percentage	14	101.24 %
15 Adjusted funding target attainment percentage	15	103.33 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	90.00 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
12/23/2014	6663				
03/18/2015	66771				
07/20/2015	2000000				
07/27/2015	1000000				
			Totals ▶	18(b)	3073434
				18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	2793676
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No		
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No		
c If line 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of quarter of this plan year		
(1) 1st	(2) 2nd	(3) 3rd
0	0	0
		(4) 4th
		0

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

21 Discount rate:				
a Segment rates:	1st segment: 4.99 %	2nd segment: 6.32 %	3rd segment: 6.99 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	977576	
b Excess assets, if applicable, but not greater than line 31a	31b	977576	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	2793676	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	2793676	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

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

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

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>VIRGINIA MASON MEDICAL CENTER DEFINED BENEFIT RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>VIRGINIA MASON MEDICAL CENTER</u>	D Employer Identification Number (EIN) <u>91-0565539</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
CAPITAL RESEARCH AND MANAGEMENT CO

95-1411037

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
CAUSEWAY CAPITAL MANAGEMENT LLC

95-4861680

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
DIMENSIONAL FUND ADVISORS LP

30-0447847

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
FRANKLIN ADVISERS, INC.

94-2990534

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

FRED ALGER MANAGEMENT, INC.

13-2510833

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

THE VANGUARD GROUP, INC.

23-1945930

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

T. ROWE PRICE ASSOCIATES, INC.

52-0556948

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

CREDIT SUISSE ASSET MANAGEMENT, LLC

13-2774791

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

PACIFIC INV MANAGEMENT COMPANY LLC

33-0629048

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

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

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

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)

MILLIMAN, INC

91-0675641

(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?
11 50	NONE	124481	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

THE BANK OF NY MELLON TRUST COMPANY

95-3571558

(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?
21 50 59 62 99	NONE	53674	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

DODGE & COX

94-1441976

(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?
28 51 68	NONE	29341	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)

KKR MEZZANINE I ADVISORS LLC

27-2815243

(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?
28 51 99	NONE	21658	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

JP MORGAN INVESTMENT MANAGEMENT INC

13-3200244

(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?
27 28 50 51	NONE	27468	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

WELLINGTON MANAGMENT COMPANY LLP

04-2755549

(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?
28 51 68	NONE	2741	Yes ☒ No ☐	Yes ☒ No ☐	0	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:

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 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>VIRGINIA MASON MEDICAL CENTER DEFINED BENEFIT RETIREMENT PLAN</u>		B Three-digit plan number (PN) ► <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>VIRGINIA MASON MEDICAL CENTER</u>		D Employer Identification Number (EIN) <u>91-0565539</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)	1444156	3066771
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	140373	126459
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)	7371172	6938461
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)	6463672	6671739
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	81750	79740
(B) Common.....	1c(4)(B)	5	2
(5) Partnership/joint venture interests	1c(5)	3710879	11416676
(6) Real estate (other than employer real property).....	1c(6)	5040200	0
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)	1836203	1667693
(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)	61223873	58140144
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(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	87312283	88107685

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i	329108	
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	329108	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	86983175	88107685
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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)	3073434	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		3073434
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	1	
(B) U.S. Government securities	2b(1)(B)	281316	
(C) Corporate debt instruments	2b(1)(C)	324782	
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		606099
(2) Dividends: (A) Preferred stock	2b(2)(A)	5906	
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	1357819	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		1363725
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	12238042	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	12089287	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		148755
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	541422	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		541422

		(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)		289289
c Other income.....	2c		105606
d Total income. Add all income amounts in column (b) and enter total.....	2d		6128330

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	4623059	
(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)		4623059
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)	124481	
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)	134882	
(4) Other.....	2i(4)	121398	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		380761
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		5003820

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		1124510
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: **KPMG LLP**

(2) EIN: **13-5565207**

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		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		1000000
4e			
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f			
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
4g			
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
4h			
i Did the plan 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

<div>SCHEDULE R (Form 5500) <div>Department of the Treasury Internal Revenue Service</div><div>Department of Labor Employee Benefits Security Administration</div><div>Pension Benefit Guaranty Corporation</div></div>		<div>Retirement Plan Information</div> <div>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).</div> <div>▶ File as an attachment to Form 5500.</div>		<div>OMB No. 1210-0110</div> <div>2014</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014					
A Name of plan VIRGINIA MASON MEDICAL CENTER DEFINED BENEFIT RETIREMENT PLAN				B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 VIRGINIA MASON MEDICAL CENTER				D Employer Identification Number (EIN) 91-0565539	
Part I Distributions					
All references to distributions relate only to payments of benefits during the plan year.					
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....				1	0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 95-3571558					
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	1
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					
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					
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.				Schedule R (Form 5500) 2014 v. 140124	

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): _____



**VIRGINIA MASON MEDICAL CENTER
DEFINED BENEFIT RETIREMENT PLAN**

Financial Statements and Supplemental Schedules

December 31, 2014 and 2013

(With Independent Auditors' Report Thereon)

**VIRGINIA MASON MEDICAL CENTER
DEFINED BENEFIT RETIREMENT PLAN**

Table of Contents

	Page
Independent Auditors' Report	1
Financial Statements:	
Statements of Net Assets Available for Benefits as of December 31, 2014 and 2013	3
Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2014 and 2013	4
Statements of Accumulated Plan Benefits as of December 31, 2014 and 2013	5
Statements of Changes in Accumulated Plan Benefits for the years ended December 31, 2014 and 2013	6
Notes to Financial Statements	7
Supplemental Schedules	
I Schedule H, Line 4i – Schedule of Assets (held at end of year) as of December 31, 2014	19
II Schedule H, Line 4j – Schedule of Reportable Transactions for the year ended December 31, 2014	23



KPMG LLP
Suite 2900
1918 Eighth Avenue
Seattle, WA 98101

Independent Auditors' Report

The Plan Administrator
Virginia Mason Medical Center
Defined Benefit Retirement Plan:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Virginia Mason Medical Center Defined Benefit Retirement Plan (the Plan), which comprise the statements of net assets available for benefits and of accumulated plan benefits as of December 31, 2014 and 2013, and the related statements of changes in net assets available for benefits and of changes in accumulated plan 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 U.S. generally accepted accounting principles; 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 (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in note 7 to the financial statements, which was certified by Bank of New York Mellon Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee as of and for the years ended December 31, 2014 and 2013, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

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



Other Matters

The supplemental schedule H, line 4i – schedule of assets (held at end of year) and schedule H, line 4j – schedule of reportable transactions as of or for the year ended December 31, 2014 are required by the DOL Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this 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 schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

KPMG LLP

October 12, 2015

**VIRGINIA MASON MEDICAL CENTER
DEFINED BENEFIT RETIREMENT PLAN**

Statements of Net Assets Available for Benefits

December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets:		
Investments, at fair value:		
Cash equivalents	\$ 1,667,689	1,836,192
U.S. government securities	6,217,687	6,565,263
State and local government obligations	720,774	805,909
Corporate debt instruments	6,671,744	6,463,681
Preferred and common stocks	79,742	81,755
Registered investment company funds	58,140,143	61,223,875
Collective investment trust fund	2,560,909	2,692,820
Private equity	8,855,767	1,018,059
Real estate investment trust	—	5,040,200
Total investments	<u>84,914,455</u>	<u>85,727,754</u>
Receivables:		
Employer contributions	3,066,771	1,444,156
Interest and dividend income	124,498	139,342
Pending sales	1,961	1,031
Total receivables	<u>3,193,230</u>	<u>1,584,529</u>
Liabilities:		
Administrative expenses payable	(52,355)	(35,321)
Pending purchases	—	(329,108)
Net assets available for benefits	<u>\$ 88,055,330</u>	<u>86,947,854</u>

See accompanying notes to financial statements.

**VIRGINIA MASON MEDICAL CENTER
DEFINED BENEFIT RETIREMENT PLAN**

Statements of Changes in Net Assets Available for Benefits

Years ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Employer contributions	\$ 3,073,434	1,755,419
Investment income:		
Interest income	606,525	585,155
Dividend income	1,468,906	1,774,945
Net appreciation (depreciation) in fair value of investments:		
U.S. government securities	(15,647)	(180,908)
State and local government obligations	71,724	(53,239)
Corporate debt instruments	202,005	(221,276)
Preferred and common stocks	(2,012)	(1,948)
Registered investment company funds	282,932	8,917,401
Collective investment trust fund	68,089	167,669
Private equity	220,776	74,599
Real estate investment trust	136,602	374,225
Other	2	2,660
Net appreciation in fair value of investments	<u>964,471</u>	<u>9,079,183</u>
Net investment income	3,039,902	11,439,283
Benefit payments	(4,623,059)	(4,329,069)
Administrative expenses	<u>(382,801)</u>	<u>(380,183)</u>
Net increase	1,107,476	8,485,450
Net assets available for benefits:		
Beginning of year	<u>86,947,854</u>	<u>78,462,404</u>
End of year	<u>\$ 88,055,330</u>	<u>86,947,854</u>

See accompanying notes to financial statements.

**VIRGINIA MASON MEDICAL CENTER
DEFINED BENEFIT RETIREMENT PLAN**

Statements of Accumulated Plan Benefits

December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Actuarial present value of accumulated plan benefits:		
Vested benefits:		
Retired participants and beneficiaries currently receiving benefits	\$ 48,863,517	39,891,465
Terminated participants and beneficiaries	15,178,150	12,687,910
Active participants	<u>18,865,993</u>	<u>18,756,961</u>
Total vested benefits	82,907,660	71,336,336
Nonvested benefits	<u>42,656</u>	<u>28,034</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 82,950,316</u>	<u>71,364,370</u>

See accompanying notes to financial statements.

**VIRGINIA MASON MEDICAL CENTER
DEFINED BENEFIT RETIREMENT PLAN**

Statements of Changes in Accumulated Plan Benefits

Years ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Actuarial present value of accumulated plan benefits, beginning of year	\$ 71,364,370	70,332,281
Increase during the year attributable to:		
Accrual of benefits	636,705	713,279
Benefits paid	(4,623,059)	(4,329,069)
Decrease in discount period	5,182,097	5,115,516
Actuarial gain	(407,495)	(568,444)
Change in actuarial assumptions	<u>10,797,698</u>	<u>100,807</u>
Net increase	<u>11,585,946</u>	<u>1,032,089</u>
Actuarial present value of accumulated plan benefits, end of year	<u>\$ 82,950,316</u>	<u>71,364,370</u>

See accompanying notes to financial statements.

**VIRGINIA MASON MEDICAL CENTER
DEFINED BENEFIT RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2014 and 2013

(1) Description of Plan

The following description of the Virginia Mason Medical Center Defined Benefit Retirement Plan (the Plan) is provided for general information purposes only. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

(a) General

The Plan is a noncontributory, defined-benefit pension plan covering all employees of Virginia Mason Medical Center (the Medical Center) who have met the eligibility requirements as outlined in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Through December 31, 1993, plan benefits were coordinated with benefits available under the Virginia Mason Hospital Employees' Defined-Contribution Plan for those participants with hours of service credited after December 31, 1985.

Effective January 1, 1994, the Virginia Mason Hospital Employees' Defined Contribution Plan was partially terminated and all assets were transferred either to the Plan or the Virginia Mason Medical Center Retirement Plan, depending upon participant election. The Plan was amended, renamed, and restated to allow no new participants and to cover only those prior participants who elected to continue to participate in the Plan solely on and after January 1, 1994. In 1994 and subsequent years, benefits are not coordinated with benefits under the Virginia Mason Hospital Employees' Defined Contribution Plan.

(b) Pension Benefits

Pension benefits are calculated based on service as described in note 2(d). Participants may retire with normal benefits beginning on the first day of the month coinciding with or following the participant's attainment of age 65. A participant who has completed five years of service for vesting purposes and who has attained the age of 55 may elect to retire on the first day of any month following completion of such requirements.

A participant may remain in the service of the Medical Center after reaching the normal retirement date. Such a participant shall retire as of the first day of the month following termination of employment (deferred retirement date). Employees will receive the value of their accumulated plan benefits payable monthly from the date of retirement. Benefit payments may be in the form of a single life annuity, joint and survivor annuity, 10-year certain life annuity, social security adjustment annuity, or lump-sum payment (for individual participants whose benefit has a present value of \$1,000 or less or monthly payment of less than \$50 as described in the Plan's provisions).

**VIRGINIA MASON MEDICAL CENTER
DEFINED BENEFIT RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2014 and 2013

(c) Death Benefits

If death occurs before or after termination of employment but before retirement and the participant has at least five years of service and is legally married, a benefit for life will be paid to the spouse equal to 50% of the participant's normal retirement benefit credited before death. Such benefit shall be reduced actuarially for the years and months that the spouse is in excess of being 60 months younger than the participant.

If death occurs after retirement but before the participant and his or her beneficiary have received benefit payments exceeding the value of the participant's contributions to the Plan, accumulated at the Plan's interest rates, the difference between the value of his or her contributions and the aggregate of benefit payments on the participant's behalf shall be paid in a lump-sum to the participant's beneficiary or the representative of a deceased beneficiary.

(d) Disability Benefits

If a participant is determined to be unable to continue employment due to a disability, the participant may elect to have his or her vested benefits paid out in the form of an annuity or a lump-sum payout.

(e) Termination Benefits

If a terminating participant has completed five years of service or attained age 65, in addition to the aggregate of the participant's own contributions to the Plan (participant contributions were required prior to January 1, 1972), accumulated with interest, the participant is vested in a portion of the participant's benefit attributable to the employer contributions.

(f) Administrative Expenses

Certain administrative expenses including trustee, investment management and actuarial fees, and Pension Benefit Guaranty Corporation (PBGC) premium payments are paid by the Plan. The Medical Center paid administrative expenses that are not paid by the Plan.

(g) Plan Administration

The Plan is administered by the Compensation and Benefits Committee of the Medical Center. Bank of New York Mellon Trust Company (Bank of New York Mellon) is the trustee of the Plan.

(2) Summary of Accounting Policies

(a) Basis of Accounting

The accompanying financial statements have been prepared using the accrual method of accounting.

**VIRGINIA MASON MEDICAL CENTER
DEFINED BENEFIT RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2014 and 2013

(b) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

(c) Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Shares of registered investment company funds, preferred and common stocks, U.S. government securities, state and local government obligations, and corporate debt instruments are valued based on quoted market prices. Cash equivalents are valued at cost. Investments in collective investment trust fund, private equity fund, and real estate investment trust are valued using net asset value per share/unit (NAV) as a practical expedient. There are no unfunded commitments from the Plan.

Accounting Standards Codification (ASC) Subtopic 820-10, *Fair Value Measurement – Overall*, allows for the use of a practical expedient for the estimation of the fair value of investments for which the investments do not have a readily determinable fair value. The practical expedient used by the Plan is the NAV per share, or its equivalent. In some instances, the NAV may not equal the fair value that would be calculated under fair value accounting standards. Valuations provided by investment managers consider variables such as the financial performance of underlying investments, recent sales prices of underlying investments, and other pertinent information. In addition, actual market exchanges at year-end provide additional observable market inputs of the exit price. The Medical Center reviews valuations and assumptions provided by investment managers for reasonableness and believes that the carrying amounts of these financial instruments are reasonable estimates of fair value.

The net change in the unrealized appreciation (depreciation) from one period to the next, and realized gains and losses on the sale of securities are recognized as net appreciation (depreciation) in fair value of investments in the accompanying statements of changes in net assets available for benefits. Investment transactions are recorded on the trade date. Interest is recorded on an accrual basis. Dividends are recorded on the ex-dividend date.

(d) Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, which are attributable under the Plan's provisions to the employees' service as rendered to the benefit information date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries.

The monthly normal retirement benefit is the actuarial equivalent of a partial cash refund annuity, which is the sum of the past service benefit and the future service benefit, as follows:

Past Service Benefit – A participant's accrued benefit as of December 31, 1985, multiplied by 1.25.

**VIRGINIA MASON MEDICAL CENTER
DEFINED BENEFIT RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2014 and 2013

Future Service Benefit – One-twelfth of 2% of the first \$15,300 of annual compensation plus one-twelfth of 2½% of such compensation in excess of \$15,300, up to \$170,000, during each year of participation subsequent to December 31, 1985.

The monthly early retirement benefit is computed, as for normal retirement, based on salary and service up to actual retirement and reduced by a conversion factor based upon age at the early retirement date.

Benefits payable under all circumstances (retirement, death, disability, or termination of employment) are included to the extent they are deemed attributable to employee service rendered to the valuation date.

As of December 31, 2014 and 2013, the actuarial present value of accumulated plan benefits results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The significant actuarial assumptions used in the valuations as of December 31, 2014 and 2013 were as follows:

- (a) Life expectancy of participants using the RP-2014 and RP-2000, respectively, employee and healthy annuitant mortality tables with static projections of mortality improvements similar to those prescribed by Section 430(h)(3)(A) for Internal Revenue Service (IRS) funding based on scale MP-2014 and scale AA, respectively.
- (b) An investment return of 6.5% for 2014 and 7.5% for 2013.
- (c) Rates of retirement by age with 100% retirement at age 65 and weighted average retirement age at 62.
- (d) Administrative expenses have been specifically included in the actuarial valuation.

The change in actuarial assumptions for 2014 and 2013 represents the changes in mortality tables and investment return as described above.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits. The actuarial assumptions were prepared as of January 1, 2015 and 2014. Had the valuation been prepared as of December 31, 2014 and 2013, there would be no material differences.

(e) *Payment of Benefits*

Benefit payments to participants are recorded upon distribution.

**VIRGINIA MASON MEDICAL CENTER
DEFINED BENEFIT RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2014 and 2013

(3) Funding Policy

The Medical Center's funding policy is to make contributions in amounts actuarially determined to be needed to provide the benefits as set forth in the Plan and at a minimum, in such amounts as required by ERISA. The unit credit actuarial cost method is used to calculate the funding requirements of the Plan. The Medical Center made contributions to the Plan in the amount of \$3,073,434 and \$1,755,419 for 2014 and 2013, respectively. The Plan was in compliance with the applicable minimum funding requirements under ERISA for the plan years ended December 31, 2014 and 2013.

Although it is intended that the Plan be continued indefinitely, the Medical Center has the right to change, amend, or terminate the Plan subject to the provisions set forth by ERISA. No change or amendment shall reduce any participant's vested interest in the benefits or divert any portion of the plan assets without satisfaction of all fixed and contingent obligations.

(4) Plan Termination

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

1. All benefits attributable to employee contributions.
2. Amounts necessary to ensure the continuation of benefit payments to each participant or beneficiary who had been receiving such payments for the three-year period immediately preceding complete or partial termination of the Plan. Included in these amounts are benefits to participants who could have retired during the same three-year period but did not. The amount of each payment shall be based on the provisions of the Plan in effect during the five-year period prior to termination of the Plan.
3. Any basic benefits that would be guaranteed by the PBGC, a U.S. governmental agency, without regard to whether the participant is entitled to benefits under any other plan, and without regard to whether any participants are substantial owners.
4. All other nonforfeitable benefits under the Plan (other than benefits becoming nonforfeitable solely on account of the termination of the Plan).
5. Funds remaining after all distributions will be returned to the Medical Center.

Certain benefits under the Plan are insured by the PBGC up to the applicable limitations. If the Plan's funds and PBGC's guarantee should prove inadequate to complete a distribution, the net assets of the Plan shall be allocated pro rata among the individuals in categories (1) through (3) above on the basis of the value of each participant's benefits when compared to the value of all the participants' benefits. All other nonforfeitable benefits described in (4) above shall be allocated as described under the Plan in effect at the beginning of the five-year period ending on the date of plan termination.

**VIRGINIA MASON MEDICAL CENTER
DEFINED BENEFIT RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2014 and 2013

(5) Risks and Uncertainties

The plan assets are invested in a variety of investments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

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

The Plan invests in securities with real estate investments, which may include investments backed by mortgage loans. The value, liquidity, and related income of those securities are sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be affected by shifts in the market's perception of the issuers and changes in interest rates.

(6) Investments

As of December 31, 2014 and 2013, the following investments exceed 5% of net assets available for benefits:

	2014	2013
Causeway Capital Management Trust	\$ 4,890,540	5,367,382
EuroPacific Growth Fund	5,100,133	5,276,127
Pimco All Asset Fund	4,380,806	4,660,698
T Rowe Price Institutional Large Cap Growth Fund	4,746,036	4,532,916
Vanguard Total International Stock Index Fund	10,565,908	11,235,523
Vanguard Total Stock Market Index Fund	12,173,711	11,442,953
JP Morgan Strategic Property Fund	5,489,576	—
RREEF America REIT II, Inc	—	5,040,200

(7) Information Certified by the Trustee

The following information included in the accompanying financial statements and supplemental schedules was provided and certified by Bank of New York Mellon, the Plan's trustee, as complete and accurate:

- Investments, at fair value
- Interest and dividend income receivable
- Pending sales receivable
- Pending purchase liability
- Interest income

**VIRGINIA MASON MEDICAL CENTER
DEFINED BENEFIT RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2014 and 2013

- Dividend income
- Net appreciation (depreciation) in fair value of investments
- Information on investments exceeding 5% of net assets available for benefits and on fair value measurements in notes 6 and 11, excluding level designations
- Schedule of assets (held at end of year)
- Schedule of reportable transactions

(8) Tax Status

The IRS has determined and informed the Medical Center by a letter dated October 21, 2010 that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

U.S. generally accepted accounting principles require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2011.

(9) Reconciliation to Form 5500

As of December 31, 2014 and 2013, the Plan had \$52,355 and \$35,321, respectively, of administrative expenses payable that are not recorded in the Plan's Form 5500 until they are paid.

The following is a reconciliation of differences between information contained in the financial statements and the net assets available for benefits and net income required to be reported in the December 31, 2014 Form 5500:

	Net assets available for benefits		Net increase
	2014	2013	2014
Per financial statements	\$ 88,055,330	86,947,854	1,107,476
Administrative expenses payable	52,355	35,321	17,034
Per Form 5500	<u>\$ 88,107,685</u>	<u>86,983,175</u>	<u>1,124,510</u>

Form 5500 is prepared on a modified cash basis while the financial statements are prepared on the accrual basis of accounting.

**VIRGINIA MASON MEDICAL CENTER
DEFINED BENEFIT RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2014 and 2013

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

Certain plan investments are cash equivalents managed by Bank of New York Mellon. Bank of New York Mellon is the trustee as defined by the Plan, and therefore, these transactions qualify as party-in-interest transactions.

(11) Fair Value of Financial Instruments

In accordance with ASC Topic 820, *Fair Value Measurement*, fair value is defined as the price that would be received to sell an asset or paid to transfer between market participants at a measurement date. ASC Topic 820 establishes 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 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 – Valuation is based upon quoted prices for identical assets in active markets that the Plan has the ability to access at the measurement date. Generally, cash and cash equivalents, common stocks, and registered investment company funds are included in this category.
- Level 2 – Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and independent pricing models or other model-based valuation techniques such as the present value of future cash flows adjusted for the security's credit rating, prepayment assumptions, and other factors such as credit loss assumptions for which all significant assumptions are observable in the market. Certain fixed-income investments, and U.S. Treasury obligations are generally included in this category.
- Level 3 – Certain types of securities are classified as Level 3 within the fair value hierarchy because these assets trade infrequently and, therefore, have little or no price transparency. Real estate investment trust, private equity fund, and collective investment trust fund are included in this category.

ASC Subtopic 820-10 allows for the use of a practical expedient for the estimation of the fair value of investments in funds for which the investments do not have a readily determinable fair value. The practical expedient used by the Plan is the NAV per share, or its equivalent. Valuations provided by fund managers consider variables such as the financial performance of underlying investments, recent sales prices of underlying investments, and other pertinent information. In addition, actual market exchanges at year-end provide additional observable market inputs of the exit price. The Plan reviews valuations and assumptions provided by fund managers for reasonableness and believes that the NAV of these financial instruments approximate fair value.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement in its entirety.

**VIRGINIA MASON MEDICAL CENTER
DEFINED BENEFIT RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2014 and 2013

The following table presents investments that are measured at fair value on a recurring basis at December 31, 2014:

	Fair value measurements at reporting date using			
	December 31, 2014	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments:				
Cash equivalents	\$ 1,667,689	1,667,689	—	—
U.S. government securities:				
Treasury notes	1,414,010	—	1,414,010	—
Government assets and mortgage backed	4,803,677	—	4,803,677	—
Total U.S. government securities	6,217,687	—	6,217,687	—
Corporate debt instruments	6,671,744	—	6,671,744	—
State and local government obligations	720,774	—	720,774	—
Preferred and common stock	79,742	—	79,742	—
Registered investment company funds:				
Domestic equity – large capitalization	23,471,912	23,471,912	—	—
Domestic equity – small capitalization	3,730,042	3,730,042	—	—
International equity	20,556,581	20,556,581	—	—
Balanced	4,380,806	4,380,806	—	—
Debt securities	6,000,802	6,000,802	—	—
Total registered investment company funds	58,140,143	58,140,143	—	—
Collective investment trust fund	2,560,909	—	—	2,560,909
Private equity	8,855,767	—	—	8,855,767
	<u>\$ 84,914,455</u>	<u>59,807,832</u>	<u>13,689,947</u>	<u>11,416,676</u>

**VIRGINIA MASON MEDICAL CENTER
DEFINED BENEFIT RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2014 and 2013

The following table presents investments that are measured at fair value on a recurring basis at December 31, 2013:

	Fair value measurements at reporting date using			
	December 31, 2013	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments:				
Cash equivalents	\$ 1,836,192	1,836,192	—	—
U.S. government securities:				
Treasury notes	1,243,983	—	1,243,983	—
Government assets and mortgage backed	5,321,280	—	5,321,280	—
Total U.S. government securities	6,565,263	—	6,565,263	—
Corporate debt instruments	6,463,681	—	6,463,681	—
State and local government obligations	805,909	—	805,909	—
Preferred and common stock	81,755	81,755	—	—
Registered investment company funds:				
Domestic equity – large capitalization	22,272,031	22,272,031	—	—
Domestic equity – small capitalization	3,735,551	3,735,551	—	—
International equity	21,879,033	21,879,033	—	—
Balanced	4,660,698	4,660,698	—	—
Commodities	2,660,805	2,660,805	—	—
Debt securities	6,015,757	6,015,757	—	—
Total registered investment company funds	61,223,875	61,223,875	—	—
Collective investment trust fund	2,692,820	—	—	2,692,820
Private equity	1,018,059	—	—	1,018,059
Real estate investment trust	5,040,200	—	—	5,040,200
	<u>\$ 85,727,754</u>	<u>63,141,822</u>	<u>13,834,853</u>	<u>8,751,079</u>

**VIRGINIA MASON MEDICAL CENTER
DEFINED BENEFIT RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2014 and 2013

The following table presents the Plan's activity for investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2014 and 2013:

	<u>Total</u>	<u>Real estate investment trust</u>	<u>Private equity</u>	<u>Collective investment trust fund</u>
Ending balance at December 31, 2012	\$ 7,638,011	4,665,975	746,885	2,225,151
Actual return on plan assets:				
Relating to assets held at year-end	621,784	374,225	79,890	167,669
Relating to assets sold during the year	(5,291)	—	(5,291)	—
Purchases	611,263	—	311,263	300,000
Sales	(114,688)	—	(114,688)	—
Ending balance at December 31, 2013	8,751,079	5,040,200	1,018,059	2,692,820
Actual return on plan assets:				
Relating to assets held at year-end	230,261	—	205,202	25,059
Relating to assets sold during the year	180,057	137,027	—	43,030
Purchases	8,150,819	—	7,750,819	400,000
Sales	(5,895,540)	(5,177,227)	(118,313)	(600,000)
Ending balance at December 31, 2014	<u>\$ 11,416,676</u>	<u>—</u>	<u>8,855,767</u>	<u>2,560,909</u>

The following table presents information about significant unobservable inputs related to the Plan's Investment in assets categorized as Level 3 in the ASC 820 fair value hierarchy and investments measured based on net asset value (NAVs) per share as of December 31, 2014:

<u>Type</u>	<u>Fair value</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Unfunded commitments</u>	<u>Redemption frequency and notice period</u>
Private equity	\$ 8,855,767	NAV as a practical expedient	Appraisals	None	None
Collective Investment fund	\$ 2,560,909	NAV as a practical expedient	Discount rates	None	Daily and one day

The financial statements as of and for the years ended December 31, 2014 and 2013 do not include any nonrecurring fair value measurements relating to assets or liabilities.

**VIRGINIA MASON MEDICAL CENTER
DEFINED BENEFIT RETIREMENT PLAN**

Notes to Financial Statements

December 31, 2014 and 2013

(12) Subsequent Events

Subsequent events have been evaluated through October 12, 2015, the date that the financial statements were available to be issued.

**VIRGINIA MASON MEDICAL CENTER
DEFINED BENEFIT RETIREMENT PLAN**

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

December 31, 2014

Description	Interest rate	Maturity date	Cost	Current value
Cash equivalents:				
* Bank of New York Collective Short-Term Investment Fund			\$ 1,667,680	1,667,689
U.S. government securities:				
Federal Home Loan Mortgage Corp Multiclass CTF T-41 2A	7.000%	7/25/2032	10,328	10,845
Federal Home Loan Mortgage Corp Multiclass CTF 4283 EW	Variable rate	12/15/2043	276,935	288,219
Federal Home Loan Mortgage Corp Pool # 1B-3297	Variable rate	3/1/2037	10,236	10,275
Federal Home Loan Mortgage Corp Pool # 1Q-0022	Variable rate	1/1/2036	64,307	64,553
Federal Home Loan Mortgage Corp Pool # C9-0979	6.500	6/1/2026	92,414	94,488
Federal Home Loan Mortgage Corp Pool # C9-1295	4.500	4/1/2030	273,251	276,583
Federal Home Loan Mortgage Corp Pool # G0-1767	6.500	12/1/2032	54,927	57,109
Federal Home Loan Mortgage Corp Pool # G0-3771	6.500	1/1/2038	29,713	30,380
Federal Home Loan Mortgage Corp Pool # G0-7074	5.500	1/1/2040	132,756	135,239
Federal Home Loan Mortgage Corp Pool # G0-7492	4.500	3/1/2042	94,274	96,454
Federal Home Loan Mortgage Corp Pool # G0-7857	4.500	11/1/2044	152,624	152,779
Federal Home Loan Mortgage Corp Pool # G1-1581	7.000	2/1/2018	2,515	2,492
Federal Home Loan Mortgage Corp Pool # G1-4550	4.500	9/1/2026	115,991	116,808
Federal Home Loan Mortgage Corp Pool # G1-4555	4.000	6/1/2026	156,404	156,783
Federal Home Loan Mortgage Corp Pool # G3-0670	4.500	12/01/2013	286,439	290,750
Federal Home Loan Mortgage Corp Pool # G8-0134	7.380	12/17/2024	13,058	13,386
Federal Home Loan Mortgage Corp Pool # H0-9117	6.500	11/1/2037	10,729	11,209
Federal Home Loan Mortgage Corp Pool # H0-9158	6.500	10/1/2037	37,681	38,703
Federal National Mortgage Assn GTD Remic P/T 02-46 C	7.000	8/25/2017	10,742	10,540
Federal National Mortgage Assn GTD Remic P/T 02-W3 A4	6.500	11/25/2041	55,353	54,787
Federal National Mortgage Assn GTD Remic P/T 03-W2 1A1	6.500	7/25/2042	19,616	20,021
Federal National Mortgage Assn GTD Remic P/T 03-W4-3A	Variable rate	10/25/2042	15,151	15,147
Federal National Mortgage Assn GTD Remic P/T 09-66 ET	6.000	5/25/2039	103,910	106,623
Federal National Mortgage Assn GTD Remic P/T 13-106 MA	4.000	2/25/2042	136,139	135,743
Federal National Mortgage Assn GTD Remic P/T 93-87 Z	6.500	6/25/2023	32,372	31,917
Federal National Mortgage Assn GTD Remic P/T 2001-T3 A1	7.500	11/25/2040	23,222	23,220
Federal National Mortgage Assn GTD Remic P/T 2001-T7 A1	7.500	2/25/2041	26,422	25,814
Federal National Mortgage Assn GTD Remic P/T 2001-50 BA	7.000	10/25/2041	15,273	15,212
Federal National Mortgage Assn Pool # 0AB1763	4.000	11/1/2030	116,324	119,857
Federal National Mortgage Assn Pool # 0AB8086	6.000	10/1/2037	46,358	47,532
Federal National Mortgage Assn Pool # 0AD0163	6.000	11/1/2034	51,039	51,930
Federal National Mortgage Assn Pool # 0AD0217	6.000	8/1/2037	140,012	142,510
Federal National Mortgage Assn Pool # 0AD0276	5.500	1/1/2024	29,250	29,365
Federal National Mortgage Assn Pool # 0AE0381	5.500	12/1/2024	37,271	37,356
Federal National Mortgage Assn Pool # 0AE0467	5.500	3/1/2024	38,239	38,333
Federal National Mortgage Assn Pool # 0AE0602	6.000	1/1/2039	27,350	27,856
Federal National Mortgage Assn Pool # 0AL0778	6.500	1/1/2049	40,582	41,811
Federal National Mortgage Assn Pool # 0AL3598	6.000	7/1/2039	227,500	231,451
Federal National Mortgage Assn Pool # 0AL4147	4.500	1/1/2025	225,990	229,345
Federal National Mortgage Assn Pool # 0AL4148	4.500	1/1/2027	124,535	126,333
Federal National Mortgage Assn Pool # 0AL5407	Variable rate	5/1/2044	337,657	338,163
Federal National Mortgage Assn Pool # 0AL5440	4.500	6/1/2044	36,753	36,922
Federal National Mortgage Assn Pool # 0AL5957	4.000	11/1/2029	64,987	64,692
Federal National Mortgage Assn Pool # 0AL6127	2.934	12/1/2044	124,510	124,139
Federal National Mortgage Assn Pool # 0AW0354	4.500	3/1/2044	58,345	58,764
Federal National Mortgage Assn Pool # 0AW7437	0.459	9/1/2044	175,827	175,849
Federal National Mortgage Assn Pool # 0MA1960	4.000	6/1/2034	61,301	61,728
Federal National Mortgage Assn Pool # 0256860	6.500	8/1/1937	9,520	9,818
Federal National Mortgage Assn Pool # 0462084	5.275	11/1/2015	18,633	18,080
Federal National Mortgage Assn Pool # 0535685	6.500	1/1/2016	878	868
Federal National Mortgage Assn Pool # 0725680	6.500	7/1/2017	7,265	7,165
Federal National Mortgage Assn Pool # 0725731	Variable rate	8/1/2034	106,468	107,473
Federal National Mortgage Assn Pool # 0735417	6.500	3/1/2035	39,171	40,861
Federal National Mortgage Assn Pool # 0735663	6.500	12/1/2024	36,446	37,330
Federal National Mortgage Assn Pool # 0773521	Variable rate	9/1/2034	8,658	8,724
Federal National Mortgage Assn Pool # 0825395	Variable rate	7/1/2035	88,631	89,236
Federal National Mortgage Assn Pool # 0879052	Variable rate	3/1/2036	7,065	7,136
Federal National Mortgage Assn Pool # 0888015	5.538	11/1/2016	49,329	47,549
Federal National Mortgage Assn Pool # 0888368	7.000	3/1/2037	14,537	14,382
Federal National Mortgage Assn Pool # 0889151	6.500	1/1/2038	7,087	7,432
Federal National Mortgage Assn Pool # 0889886	7.000	12/1/2037	21,060	21,283
Federal National Mortgage Assn Pool # 0952423	6.500	9/1/2037	36,194	37,122
Federal National Mortgage Assn Pool # 0995288	Variable rate	9/1/2038	36,818	37,046
Small Business Administration GTD Partn CTFS 1997-20F 1	7.200	6/1/2017	3,640	3,563

**VIRGINIA MASON MEDICAL CENTER
DEFINED BENEFIT RETIREMENT PLAN**

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

December 31, 2014

Description	Interest rate	Maturity date	Cost	Current value
Small Business Administration GTD Partn CTFS 1997-20H 1	6.800	8/1/2017	\$ 1,721	1,695
Small Business Administration GTD Partn CTFS 1998-20F 1	6.300	6/1/2018	2,284	2,236
Small Business Administration GTD Partn CTFS 1999-20G 1	7.000	7/1/2019	1,908	1,836
Small Business Administration GTD Partn CTFS 2006-20F 1	5.820	6/1/2026	26,779	26,325
United States Treasury Notes	1.625	2/28/2014	100,164	100,445
United States Treasury Notes	0.375	4/15/2015	566,542	565,441
United States Treasury Notes	1.500	5/31/2019	741,650	748,125
Vendee Mortgage Trust	7.792	2/15/2025	6,545	6,501
Total U.S. government securities			6,155,605	6,217,687
State and local government obligations:				
Los Angeles California Unified School District	6.758	7/1/2034	55,311	62,701
New Jersey State Turnpike Authority	7.414	1/1/2040	32,916	37,569
New Jersey State Turnpike Authority	7.102	1/1/2041	31,836	36,258
State of California	7.300	10/1/2039	119,425	139,397
State of California	7.500	4/1/2034	159,484	185,823
State of Illinois	4.961	3/1/2016	26,612	26,043
State of Illinois	5.365	3/1/2017	108,525	107,055
State of Illinois	5.665	3/1/2018	125,233	125,928
Total state and local government obligations			659,342	720,774
Corporate debt instruments:				
Anthem Inc	4.350	8/15/2020	53,932	54,170
AT&T Corp	Variable rate	11/15/2031	14,687	14,735
AT&T Inc	6.550	2/15/2039	85,148	92,444
American Express Credit AC 4 A	1.430	6/15/2020	100,125	99,805
Bac Capital Trust XI	6.625	5/23/2036	85,955	97,482
Bank of America Corp	4.200	8/26/2024	70,351	71,310
Bank of America Corp	4.250	10/22/2026	9,952	9,978
Bank of America Corp	5.625	7/1/2020	23,097	22,772
Bank of America Corp	7.625	6/1/2019	93,025	90,646
Bank One Cap III	8.750	9/1/2030	64,073	72,219
Becton Dickinson and Co	3.734	12/15/2024	30,119	30,887
Boston Properties LP	5.625	11/15/2020	112,504	114,095
Boston Properties LP	4.125	5/15/2021	25,540	26,611
Boston Scientific Corp	6.400	6/15/2016	83,645	80,249
Boston Scientific Corp	6.000	1/15/2020	57,402	56,349
Burlington Northern Santa Fe Railway	7.570	1/2/2021	118,920	114,673
Burlington Northern Santa Fe Railway	3.050	9/1/2022	70,319	75,476
Capital One Financial Corp	4.750	7/15/2021	127,602	132,257
Chase Issuance Trust A8	0.540	10/16/2017	314,766	314,846
Chase Issuance Trust A7 A	1.450	11/15/2019	99,988	99,603
Chase Issuance Trust A5 A5	0.590	8/15/2017	100,078	100,032
Cigna Corp	Step rate	1/15/2033	96,507	106,580
Cigna Corp	7.875	5/15/2027	31,092	34,158
Citigroup Inc	6.125	11/21/2017	80,369	78,056
Citigroup Inc	3.500	5/15/2023	55,646	58,409
Comcast Corp	6.300	11/15/2017	69,878	67,954
Cox Communications Inc	5.500	10/1/2015	128,806	124,062
Cox Communications Inc	6.800	8/1/2028	105,640	122,432
CSX Transportation Inc	6.251	1/15/2023	40,868	42,249
Dominion Resources Inc/VA	Variable rate	10/1/2054	75,000	78,257
Dow Chemical Co	7.375	11/1/2029	98,208	99,842
Dow Chemical Co	8.550	5/15/2019	94,257	90,757
Dow Chemical Co	9.400	5/15/2039	37,348	40,563
ERP Operating LP	4.750	7/15/2020	53,908	54,932
ERP Operating LP	3.000	4/15/2023	22,829	24,382
Federal Express Corp	7.650	7/15/2024	175,947	172,878
Ford Motor Credit Co LLC	8.125	1/15/2020	187,568	185,799
General Electric Capital Corporation	5.500	1/8/2020	108,790	108,735
General Electric Capital Corporation	4.625	1/7/2021	54,523	55,730
General Electric Capital Corporation	4.650	10/17/2021	27,236	28,178
GlaxoSmithKline Capital PLC	2.850	5/8/2022	141,473	150,008
HSBC Holdings PLC	6.500	9/15/2037	144,940	147,762
HSBC Holdings PLC	5.100	4/5/2021	38,901	39,564
Hewlett-Packard Co	3.300	12/9/2016	68,031	67,127
Kinder Morgan Energy Partners	3.450	2/15/2023	81,482	81,367
Kinder Morgan Inc/De	4.300	6/1/2025	24,900	25,012

**VIRGINIA MASON MEDICAL CENTER
DEFINED BENEFIT RETIREMENT PLAN**

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

December 31, 2014

Description	Interest rate	Maturity date	Cost	Current value
Koninklijke Philips Electronic	5.750	3/11/2018	\$ 114,404	110,996
LaFarge SA	6.500	7/15/2016	138,125	133,125
Macy's Retail Holdings Inc	6.900	4/1/2029	85,109	95,466
Macy's Retail Holdings Inc	6.700	9/15/2028	27,580	30,621
Macy's Retail Holdings Inc	6.700	7/15/2034	45,514	51,136
Macy's Retail Holdings Inc	6.375	3/15/2037	27,899	31,635
21st Century Fox America Inc	6.200	12/15/2034	27,674	31,922
21st Century Fox America Inc	6.150	3/1/2037	16,486	18,800
21st Century Fox America Inc	6.650	11/15/2037	29,182	33,382
Nordstrom Inc	6.650	3/15/2028	60,361	65,888
Petroleos Mexicanos	6.625	6/15/2035	67,863	69,300
Petrobras Global Finance BV	5.375	1/27/2021	89,315	83,391
Petrobras Global Finance Bv	4.375	5/20/2023	53,453	51,605
Petrobras Global Finance Bv	6.250	3/17/2024	24,943	23,789
Petroleos Mexicanos	4.875	1/18/2024	78,975	77,925
Pitney Bowes Inc	6.250	3/15/2019	83,868	85,229
Royal Bank of Scotland PLC	5.625	8/24/2020	16,793	17,081
Royal Bank of Scotland PLC	6.125	1/11/2021	158,929	164,973
Navient Corp	6.250	1/25/2016	27,000	26,000
Navient Corp	6.000	1/25/2017	86,600	83,800
Navient Corp	3.875	9/10/2015	25,844	25,188
Sprint Communications Inc	6.000	12/1/2016	43,650	41,841
Telecom Italia Capital SA	7.175	6/18/2019	129,088	131,675
Telecom Italia Capital SA	7.200	7/18/2036	24,063	26,875
Telecom Italia Capital SA	6.999	6/4/2018	27,688	27,750
Time Warner Cable Inc	8.250	4/1/2019	58,575	61,207
Time Warner Cable Inc	8.750	2/14/2019	89,463	92,839
Time Warner Cable Inc	4.000	9/1/2021	46,438	53,215
Time Warner Inc	7.700	5/1/2032	211,855	233,119
Union Pacific Railroad Co	4.163	7/15/2022	102,878	109,857
Union Pacific Railroad Co 2005	5.082	1/2/2029	59,923	61,019
Union Pacific Railroad Co 1998	6.330	1/2/2020	5,387	5,326
Union Pacific Railroad Co SER-98-B	6.850	1/2/2019	38,076	38,203
Unum Group	6.750	12/15/2028	33,122	36,955
Verizon Communications Inc	5.150	9/15/2023	183,601	188,823
Verizon Communications Inc	6.550	9/15/2043	116,996	128,115
Verizon Communications Inc	4.150	3/15/2024	19,968	20,705
Whirlpool Corp	6.500	6/15/2016	55,780	53,863
Xerox Corp	6.750	2/1/2017	85,181	82,667
Xerox Corp	4.500	5/15/2021	25,732	26,716
Xerox Corp	5.625	12/15/2019	82,704	84,290
Total corporate debt instruments			6,511,460	6,671,744
Corporate stock:				
CitiGroup Capital XIII	7.875		81,750	79,740
Nortel Networks Corporation			5	2
Total common stock			81,755	79,742
Registered investment company funds:				
Alger Small Cap Retirement Portfolio			1,703,243	1,929,673
Causeway Capital Management Trust			4,751,697	4,890,540
Credit Suisse Commodity-Return Strategy Fund				
DFA Dimensions U S Targeted Value Portfolio			1,277,292	1,800,369
Dodge & Cox Stock Fund			2,530,314	3,818,854
EuroPacific Growth Fund			4,181,114	5,100,133
Gateway Fund			2,501,069	2,733,310
Pimco All Asset Fund			4,526,194	4,380,806
T Rowe Price Institutional Large Cap Growth Fund			2,524,539	4,746,036
Templeton Global Total Return Fund Advisor			2,584,736	2,538,811
Vanguard Inflation-Protected Securities Fund			3,431,374	3,461,992
Vanguard Total International Stock Index Fund			9,821,656	10,565,908
Vanguard Total Stock Market Index Fund			7,230,129	12,173,711
Total registered investment company funds			47,063,357	58,140,143

**VIRGINIA MASON MEDICAL CENTER
DEFINED BENEFIT RETIREMENT PLAN**

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

December 31, 2014

<u>Description</u>	<u>Interest rate</u>	<u>Maturity date</u>	<u>Cost</u>	<u>Current value</u>
Collective investment trust fund:				
JP Morgan High Yield Fund			\$ 2,536,658	2,560,909
Private equity:				
KKR Mezzanine Partners I LP			1,254,153	1,395,766
JP Morgan Strategic Property Fund			4,980,530	5,489,576
Wellington Commodities Fund			<u>2,400,700</u>	<u>1,970,425</u>
Total private equity			<u>8,635,383</u>	<u>8,855,767</u>
Total assets held at end of year			<u>\$ 73,311,240</u>	<u>84,914,455</u>

* Indicates a party in interest.

See accompanying independent auditors' report.

**VIRGINIA MASON MEDICAL CENTER
DEFINED BENEFIT RETIREMENT PLAN**

Schedule II

Schedule H, Line 4j – Schedule of Reportable Transactions
Years ended December 31, 2014

Category (i) – Single transactions in excess of 5% of plan assets at January 1, 2014:

Identity of party involved	Description of assets	Number of purchase transactions	Purchase price
Bank of New York Mellon	BNY Collective Short-Term Investment Fund	1	\$ 4,998,656
Bank of New York Mellon	BNY Collective Short-Term Investment Fund	1	5,177,227
Bank of New York Mellon	JP Morgan Strategic Property Fund	1	5,000,000

Identity of party involved	Description of assets	Number of sales transactions	Selling price	Cost of asset	Net gain (loss)
Bank of New York Mellon	BNY Collective Short-Term Investment Fund	1	\$ 5,000,000	5,000,000	—
Bank of New York Mellon	RREEF American REIT II	1	5,176,802	6,281,169	(1,104,367)

Category (iii) – Series of transactions in excess of 5% of plan assets at January 1, 2014:

Identity of party involved	Description of assets	Number of purchase transactions	Purchase price
Bank of New York Mellon	BNY Mellon Cash Reserve	26	\$ 2,292,829
Bank of New York Mellon	BNY Collective Short-Term Investment Fund	223	24,905,089
Bank of New York Mellon	JP Morgan Strategic Property Fund	3	5,000,000

Identity of party involved	Description of assets	Number of sales transactions	Selling price	Cost of asset	Net gain (loss)
Bank of New York Mellon	BNY Mellon Cash Reserve	26	\$ 2,292,829	2,292,829	—
Bank of New York Mellon	BNY Collective Short-Term Investment Fund	223	25,073,092	25,073,092	—
Bank of New York Mellon	RREEF America REIT II	1	5,176,802	6,281,169	(1,104,367)
Bank of New York Mellon	JP Morgan Strategic Property Fund	3	15,257	19,470	(4,213)

There were no category (ii), or (iv) transactions.

See accompanying independent auditors' report.

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	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

► **Round off amounts to nearest dollar.**

► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>VMMC Defined Benefit Retirement Plan</u>	B Three-digit plan number (PN) ► <div style="border: 1px solid black; width: 100px; text-align: center; margin: 0 auto;">001</div>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>Virginia Mason Medical Center</u>	D Employer Identification Number (EIN) <u>91-0565539</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B ☐ Other	
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500	

Part I Basic Information			
1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2014</u>			
2 Assets:			
a Market value	2a	86,937,346	
b Actuarial value	2b	81,233,385	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	470	43,517,619	43,517,619
b For terminated vested participants.....	263	14,245,507	14,245,507
c For active participants.....	91	20,818,364	20,850,700
d Total.....	824	78,581,490	78,613,826
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	6.37 %	
6 Target normal cost	6	977,576	

Statement by Enrolled Actuary

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

SIGN HERE	 Signature of actuary	<u>10-14-2015</u> Date
	<u>Timothy J. Davenport</u> Type or print name of actuary	<u>14-03505</u> Most recent enrollment number
	<u>Milliman, Inc.</u> Firm name	<u>(206) 624-7940</u> Telephone number (including area code)
	<u>1301 Fifth Avenue, Suite 3800</u> Address of the firm	
	<u>Seattle WA 98101-2605</u> Address of the firm	

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

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2014
v. 140124

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	6,327,680
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	2,456,844
9 Amount remaining (line 7 minus line 8)	0	3,870,836
10 Interest on line 9 using prior year's actual return of <u>15.39%</u>	0	595722
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		1146609
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.22%</u>		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		176,463
c Total available at beginning of current plan year to add to prefunding balance		1323072
d Portion of (c) to be added to prefunding balance		1323072
12 Other reductions in balances due to elections or deemed elections	0	4147647
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	1641983

Part III Funding Percentages

14 Funding target attainment percentage	14	101.24 %
15 Adjusted funding target attainment percentage	15	103.33 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	90.00 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

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

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
12/23/2014	6,663				
03/18/2015	66,771				
07/20/2015	2,000,000				
07/27/2015	1,000,000				
Totals ▶			18(b)	3,073,434	18(c) 0

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

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	2,793,676

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

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

Part V Assumptions Used to Determine Funding Target and Target Normal Cost**21** Discount rate:**a** Segment rates:1st segment:
4.99 %2nd segment:
6.32 %3rd segment:
6.99 %☐ N/A, full yield curve used**b** Applicable month (enter code)..... **21b** 4**22** Weighted average retirement age **22** 62**23** Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute**Part VI Miscellaneous Items****24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment..... ☒ Yes ☐ No**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment..... ☐ Yes ☒ No**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment..... ☒ Yes ☐ No**27** If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment..... **27****Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years****28** Unpaid minimum required contributions for all prior years **28** 0**29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)..... **29** 0**30** Remaining amount of unpaid minimum required contributions (line 28 minus line 29) **30** 0**Part VIII Minimum Required Contribution For Current Year****31** Target normal cost and excess assets (see instructions):**a** Target normal cost (line 6)..... **31a** 977,576**b** Excess assets, if applicable, but not greater than line 31a **31b** 977,576

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment.....	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount **33****34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ... **34** 0

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0

36 Additional cash requirement (line 34 minus line 35) **36** 0**37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)..... **37** 2,793,676

38 Present value of excess contributions for current year (see instructions)	
a Total (excess, if any, of line 37 over line 36)	38a 2,793,676
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b 0

39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) **39** 0**40** Unpaid minimum required contributions for all years **40** 0**Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)****41** If an election was made to use PRA 2010 funding relief for this plan:**a** Schedule elected ☐ 2 plus 7 years ☐ 15 years**b** Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011**42** Amount of acceleration adjustment **42****43** Excess installment acceleration amount to be carried over to future plan years **43**

EIN 91-0565539, PN 001, Virginia Mason Medical Center Defined Benefit Retirement Plan
Schedule SB, Line 19 – Discounted Employer Contributions

Exhibit 9

Employer Contributions for Prior Plan Year

The employer contributions for the prior plan year ending December 31, 2014 were paid or are payable on the dates and in the amounts shown below. The prior plan year's Effective Interest Rate of 6.37% per year is used to discount contributions back to January 1, 2014. Contributions (or portions of contributions) made after the due date for a quarterly required contribution are penalized an additional 5% per year during the late period. Contributions made solely to avoid the application of benefit restrictions cannot be considered in determining excess contributions.

Date	Contribution Amount	Discounted Value as of 1/1/2014 Without Penalty	Penalty Amount	Discounted Value as of 1/1/2014 With Penalty
December 23, 2014	\$6,663	\$6,274	\$0	\$6,274
March 18, 2015	66,771	61,970	0	61,970
July 20, 2015	2,000,000	1,817,672	0	1,817,672
July 27, 2015	1,000,000	907,760	0	907,760
Total	\$3,073,434	\$2,793,676	\$0	\$2,793,676

EIN 91-0565539, PN 001, Virginia Mason Medical Center Defined Benefit Retirement Plan
 Schedule SB, Line 22 – Description of Weighted Average Retirement Age

Weighted Average Retirement Age

The weighted average retirement age for participants is 62. This equals the sum, over all retirement ages, of the retirement age multiplied by the probability of retiring at that age, as shown below.

(a) Possible Retirement Age "r"	(b) Assumed Rate of Retirement at Age "r"	(c) Probability of Person Age 55 Still Working at "r"	(d) (b) x (c) = Probability of Person Age 55 Retiring at "r"	(e) (a) x (d) = Component of Weighted Average Retirement Age
55	0.0500	1.0000	0.0500	2.7500
56	0.0500	0.9500	0.0475	2.6600
57	0.0500	0.9025	0.0451	2.5721
58	0.0500	0.8574	0.0429	2.4864
59	0.0500	0.8145	0.0407	2.4028
60	0.0500	0.7738	0.0387	2.3213
61	0.1500	0.7351	0.1103	6.7261
62	0.1500	0.6248	0.0937	5.8109
63	0.1500	0.5311	0.0737	5.0189
64	0.3000	0.4514	0.1354	8.6676
65	1.0000	0.3160	0.3160	20.5404
Weighted Average Retirement Age:				61.9565
Rounded to Nearest Age:				62

EIN 91-0565539, PN 001, Virginia Mason Medical Center Defined Benefit Retirement Plan
Schedule SB, Part V – Statement of Actuarial Assumptions / Methods

The ultimate cost of a pension plan is the excess of actual benefits and administrative expenses paid over actual net investment return on plan assets during the Plan's existence until the last payment has been made to the last participant. The Plan's "actuarial cost method" determines the expected incidence of actuarial costs by allocating portions of the ultimate cost to each plan year. The cost method is thus a budgeting tool to help ensure that the Plan will be adequately and systematically funded and accounted for. Annual contributions and accounting expense are also affected by the "asset valuation method" (as well as the plan provisions, actuarial assumptions, and actual plan demographic and investment experience each year).

Actuarial Cost Method

The actuarial cost method used for determining the Plan's ERISA funding requirements and the FASB ASC Topic 960 values is the unit credit method. Under this method, an accrued benefit is determined at each active participant's assumed retirement age based on compensation and service at both the beginning and the end of the current year. The Plan's normal cost is the sum of the present value of the excess of each active participant's accrued benefit at the end of the current year over that at the beginning of the current year. The Plan's accrued liability is the sum of (a) the present value of each active participant's accrued benefit at the beginning of the current year plus (b) the present value of each inactive participant's accrued benefits.

The actuarial cost method used for determining the Plan Sponsor's FASB ASC Topic 715 accounting requirements is the projected unit credit method. Under this method, a projected benefit is determined at each active participant's assumed retirement age assuming future compensation increases. The Plan's normal cost is the sum of the present value of the portion of each active participant's projected benefit attributable to the current year of service. The Plan's accrued liability is the sum of (a) the present value of the portion of each active participant's projected benefit attributable to all prior years of service plus (b) the present value of each inactive participant's accrued benefits.

Asset Valuation Method

The Actuarial Value of Assets used for determining the Plan's ERISA funding requirements is based on the permitted three-year asset smoothing as defined under IRS Notice 2009-22. Under this method, the Actuarial Value of Assets equals the Adjusted Market Value of Assets minus one-third and two-thirds, respectively of the investment gain or loss for each of the two immediately preceding plan years, but it must be within 90% to 110% of the Adjusted Market Value of Assets. The expected investment return for a plan year is based on the lesser of the expected rate of return on plan assets (currently 7.50% per year) or the applicable statutory interest rate for the year.

The Market-Related Value of Assets used for determining the Plan Sponsor's FASB ASC Topic 715 accounting requirements is equal to the Fair Value of Assets (without inclusion of any contributions receivable).

Changes in Actuarial Methods Since Prior Valuation

None.

EIN 91-0565539, PN 001, Virginia Mason Medical Center Defined Benefit Retirement Plan
Schedule SB, Part V – Statement of Actuarial Assumptions / Methods

Interest Rates

The current funding and PBGC interest rates are:

	Minimum Funding	Maximum Deductible	PBGC Premiums
Segment 1 (0-5 years)	4.99%	1.37%	1.25%
Segment 2 (5-20 years)	6.32%	4.05%	4.57%
Segment 3 (20+ years)	6.99%	5.06%	5.60%
Effective Interest Rate	6.37%	4.17%	4.62%

- **Minimum Funding:** 24-month average segment rates, using a four-month lookback period, adjusted to reflect the applicable HATFA segment rate stabilization corridor (adopted January 1, 2010 and updated annually).
- **Maximum Deductible:** 24-month average segment rates, using a four-month lookback period, but not adjusted to reflect the applicable HATFA segment rate stabilization corridor (adopted January 1, 2010 and updated annually).
- **PBGC Premiums:** Spot segment rates for the month preceding the valuation date, but not adjusted to reflect the applicable HATFA segment rate stabilization corridor. The standard method is used for the PBGC variable rate premium calculation (adopted January 1, 2014 and updated annually).
- **FASB ASC Topic 715:** 5.00% per year (adopted January 1, 2014).
- **FASB ASC Topic 960:** 7.50% per year (adopted January 1, 2004).

Asset Returns

- **Funding:** 7.50% per year (adopted January 1, 2004).
- **FASB ASC Topic 715:** 7.50% per year (adopted January 1, 2014).

Compensation Increases

- **Funding:** 4.00% per year (adopted January 1, 1994).
- **FASB ASC Topic 715:** 3.00% per year (adopted January 1, 1994).

Postretirement Benefit Increases

None. (The Plan does not provide for automatic postretirement benefit increases.)

Inflation

No explicit assumption.

EIN 91-0565539, PN 001, Virginia Mason Medical Center Defined Benefit Retirement Plan
Schedule SB, Part V – Statement of Actuarial Assumptions / Methods

Expenses

An allowance of \$311,183 for administrative expenses has been included in the target normal cost, reflecting the actual administrative expenses paid from the Plan's trust during the previous year (adopted January 1, 2008 and updated annually).

Form of Payment

Life annuity.

Benefits Not Valued

All benefits are valued.

Special Data Adjustments

None.

Mortality

▪ Funding:

Healthy Lives: RP-2000 Non-Annuitant and Annuitant Mortality Tables projected 15 years and 7 years from the valuation date, respectively, sex-distinct, as prescribed by IRC Section 430(h)(3)(A) (adopted January 1, 2008 and updated annually).

Disabled Lives: Same as used for healthy lives.

▪ FASB ASC Topic 715 and 960: Same as used for funding purposes (see above).

Turnover

Annual rates are shown below (adopted January 1, 2002).

Years of Service	Rate
1	12.5%
2	11.5
3	10.5
4	9.5
5	8.5
6	8.0
7	7.5
8	7.0
9	6.5
10	6.0
11	5.5
12 or more	5.0

EIN 91-0565539, PN 001, Virginia Mason Medical Center Defined Benefit Retirement Plan
Schedule SB, Part V – Statement of Actuarial Assumptions / Methods

Retirement

Annual rates are shown below for active and terminated vested participants who are eligible to retire (adopted January 1, 2002).

Age	Rate
55 - 60	5.0%
61 - 63	15.0
64	30.0
65	100.0

Disability

Sample annual rates are shown below (adopted January 1, 1995).

Age	Rate
25	0.08%
30	0.08
35	0.10
40	0.12
45	0.16
50	0.24
55	0.40
60	0.84
65	--

Marital Characteristics

- **For participants not in pay status:** 100% of active and terminated vested participants are assumed to be married. Wives are assumed to be 3 years younger than husbands.
- **For participants in pay status:** Actual birth dates of spouses are included in the census data, where relevant.

EIN 91-0565539, PN 001, Virginia Mason Medical Center Defined Benefit Retirement Plan
Schedule SB, Part V – Summary of Plan Provisions

This summary of plan provisions is intended to only describe the essential features of the Plan. All eligibility requirements and benefit amounts shall be determined in strict accordance with the plan document itself.

Definitions

Accrued Benefit: The sum of the Past Service Benefit plus the Future Service Benefit, but not less than the Defined Contribution Account Benefit:

- Past Service Benefit - For service prior to January 1, 1986, the participant's accrued benefit as of December 31, 1985. For participants with an hour of service after December 31, 1985, this amount is multiplied by 125%.
- Future Service Benefit - $\frac{1}{12}$ of 2% of the participant's first \$15,300 of annual Compensation plus $\frac{1}{12}$ of 2.5% of such Compensation in excess of \$15,300 during each year of benefit accrual service after December 31, 1985.
- Defined Contribution Account Benefit - The participant's account balance as of the most recent valuation date, credited with interest at 8.5% until the beginning of the plan year in which the participant reaches his Normal Retirement Date, and divided by 100.

Actuarially Equivalent: Equality in value such that the present value of the amount under any form of payment is essentially the same as the present value of the amount under the normal form of annuity payment for single participants. For purposes other than determining lump-sum amounts, actuarially equivalent factors are based on the 1971 GAM Female Mortality Table and a 5% interest rate. For purposes of determining lump-sum amounts, actuarially equivalent factors are based on the applicable mortality table specified in IRS Notice 2008-85 for the plan year of distribution and the statutory three-tier segment interest rates in effect for the second month prior to the plan year of distribution.

Benefit Accrual Service:

Prior to January 1, 1994, a calendar year during which a participant has at least 1,000 hours of service.

Effective January 1, 1994, a calendar year during which a participant has at least 1 hour of service.

Compensation: Generally, an employee's total salary or wages, bonuses, and overtime from the employer during a plan year, before reduction for tax-sheltered annuities or flexible benefits. Compensation is limited to \$150,000 annually for 1994 through 1996, \$160,000 annually for 1997 through 1999, and \$170,000 annually for 2000 and later years. (The Plan's annual Compensation limit was *not* increased to \$260,000 for 2014.)

Plan Effective Date: February 1, 1958, as amended through January 1, 2014.

Plan Year: The 12-month period beginning January 1 and ending December 31.

Vesting Service: A calendar year during which an employee has at least 1,000 hours of service.

EIN 91-0565539, PN 001, Virginia Mason Medical Center Defined Benefit Retirement Plan
Schedule SB, Part V – Summary of Plan Provisions

Eligibility for Participation

All employees of Virginia Mason Hospital were eligible to participate following the attainment of age 21 and the completion of one year of employment during which the employee worked at least 1,000 hours. As of December 31, 1993, all active participants were given a one-time opportunity to remain in the Plan or transfer to a defined contribution plan, and the Plan was closed to future participants. Effective January 1, 1996, the Plan was opened to certain transferred employees during 1996 and 1997.

Normal Retirement

Normal Retirement Date: The first day of the month coincident with or next following the attainment of age 65.

Normal Retirement Benefit: The Accrued Benefit.

Late Retirement

Late Retirement Date: The first day of the month following the date of termination of service if it occurs after the Normal Retirement Date.

Late Retirement Benefit: The greater of (i) the Accrued Benefit determined as of the Late Retirement Date or (ii) the Accrued Benefit determined as of the Normal Retirement Date (or the first day of any plan year following the Normal Retirement Date) and actuarially increased to the Late Retirement Date.

Early Retirement

Early Retirement Date: The first day of the month coincident with or next following the attainment of age 55 and completion of 5 years of Vesting Service.

Early Retirement Benefit: The Accrued Benefit, reduced by 1/180 for each of the first 60 months and by 1/360 for each of the next 60 months by which the Early Retirement Date precedes the Normal Retirement Date.

Vested Termination

Vested Termination Date: The date of termination of service other than for reasons of retirement or death, following completion of five years of Vesting Service.

Vested Termination Benefit: The Accrued Benefit, multiplied by the vested percentage below, payable at the Normal Retirement Date, or payable as of the first day of any month coincident with or next following attainment of age 55 if at least 5 years of Vesting Service have been completed (reduced by 1/180 for each of the first 60 months and by 1/360 for each of the next 60 months by which the benefit commencement date precedes the Normal Retirement Date).

Years of Vesting Service	Vested Percentage
Less than 5	0%
5 or more	100%

EIN 91-0565539, PN 001, Virginia Mason Medical Center Defined Benefit Retirement Plan
Schedule SB, Part V – Summary of Plan Provisions

Survivor's Benefit

If a married participant dies prior to retirement, his surviving spouse is entitled to a Survivor's Benefit equal to the actuarial equivalent of the greater of 50% of his Normal Retirement Benefit or the benefit the spouse would have received if the participant had retired on the day before his death under the joint and survivor option, but in no event less than the Defined Contribution Account Benefit. Such benefit shall be reduced actuarially for the years and months in excess of 60 months that the spouse is younger than the participant. In the event of death before age 55, benefit payment is deferred until the participant would have attained age 55.

The spouse may elect to receive a lump-sum distribution of the portion of the Survivor's Benefit that is attributable to the participant's defined contribution account balance.

Death Benefit

If a non-married participant dies prior to retirement, his designated beneficiary is entitled to receive a lump-sum distribution of the participant's defined contribution account balance.

Disability

A participant whose service is terminated by his total and permanent disability may elect to receive the actuarial equivalent of his Normal Retirement Benefit in the form of an annuity or as a lump-sum payment. The \$5,000 limit on lump-sum distributions does not apply in this case. The lump-sum payment equals the participant's defined contribution account balance plus the lump-sum value of the excess, if any, of his Normal Retirement Benefit over his Defined Contribution Account Benefit.

Forms of Payment

Normal Forms: Life annuity if single, actuarially equivalent joint and 50% survivor annuity (with spouse) if married.

Optional Forms: Life annuity; actuarially equivalent life annuity with 10 years certain; actuarially equivalent joint and 50%, 75%, or 100% survivor annuity (with joint annuitant); actuarially equivalent Social Security adjustment option.

Small Lump Sum: Payable if the actuarially equivalent present value of the vested Accrued Benefit is \$5,000 or less.

Changes in Principal Plan Provisions Since Prior Valuation

None.

EIN 91-0565539, PN 001, Virginia Mason Medical Center Defined Benefit Retirement Plan
Schedule SB, Line 24 – Change in Actuarial Assumptions

Changes in Actuarial Assumptions Since Prior Valuation

- **Interest rates for minimum funding contribution:** Effective January 1, 2014, the interest rates used to determine the minimum funding requirements were updated based on the applicable 24-month average segment rates with a four-month lookback from the valuation date, adjusted to reflect the applicable HATFA segment rate stabilization corridor. The interest rates were updated to comply with the requirements of PPA.
- **Interest rates for maximum deductible contribution:** Effective January 1, 2014, the interest rates used for maximum deductible purposes were updated as noted above, but not adjusted to reflect the applicable HATFA segment rate stabilization corridor. The interest rates were updated to comply with the requirements of PPA.
- **Interest rates for PBGC premiums:** Effective January 1, 2014, the interest rates used for PBGC variable rate premium purposes were updated to the spot segment rates in effect for the month preceding the valuation date, but not adjusted to reflect the applicable HATFA segment rate stabilization corridor. The interest rates were updated to comply with the requirements of PBGC.
- **Interest rate for FASB ASC Topic 715:** Effective January 1, 2014, the FASB 715 discount rate was changed from 4.05% to 5.00% per year. The discount rate was changed to reflect interest rates currently available on high-quality fixed income investments.
- **Asset return for FASB ASC Topic 715:** Effective January 1, 2014, the asset return assumption was changed from 8.00% to 7.50% per year. The asset return assumption was changed to better reflect anticipated future asset experience.
- **Mortality:** Effective January 1, 2014, the mortality table for all purposes was updated as prescribed by IRC Section 430(h)(3)(A). The mortality assumption was updated to comply with the requirements of PPA. For FASB purposes, the mortality assumption was updated to reflect an additional year of mortality improvement.
- **Expenses:** Effective January 1, 2014, the administrative expense load was updated to reflect actual administrative expenses paid from the Plan's trust during the previous year.

EIN 91-0565539, PN 001, Virginia Mason Medical Center Defined Benefit Retirement Plan
Schedule SB, Line 26 – Schedule of Active Participant Data

Exhibit 37

Summary of Active Participants by Age and Service

Number of Participants by Age and Service Groups

Age	Years of Credited Service										Total
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40&Up	
0-24	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	2	-	-	-	-	2
45-49	-	-	-	-	1	3	1	-	-	-	5
50-54	-	-	-	2	-	2	8	-	-	-	12
55-59	-	-	-	1	1	7	4	9	-	-	22
60-64	-	-	1	2	2	3	4	9	12	-	33
65-69	-	-	-	-	2	1	-	2	10	-	15
70&Up	-	-	-	-	-	-	-	-	-	2	2
Total	-	-	1	5	6	18	17	20	22	2	91

Average Compensation by Age and Service Groups

Age	Years of Credited Service										Average
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40&Up	
0-24	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	*	-	-	-	-	*
45-49	-	-	-	-	*	*	*	-	-	-	*
50-54	-	-	-	*	-	*	*	-	-	-	*
55-59	-	-	-	*	*	*	*	*	-	-	64,354
60-64	-	-	*	*	*	*	*	*	*	-	61,862
65-69	-	-	-	-	*	*	-	*	*	-	*
70&Up	-	-	-	-	-	-	-	-	-	*	*
Average	-	-	*	*	*	*	*	74,404	75,674	*	62,495

* If there are fewer than 20 participants in a cell, the average compensation is not reported.

EIN 91-0565539, PN 001, Virginia Mason Medical Center Defined Benefit Retirement Plan
Schedule SB, Line 19 – Discounted Employer Contributions

Exhibit 9

Employer Contributions for Prior Plan Year

The employer contributions for the prior plan year ending December 31, 2014 were paid or are payable on the dates and in the amounts shown below. The prior plan year's Effective Interest Rate of 6.37% per year is used to discount contributions back to January 1, 2014. Contributions (or portions of contributions) made after the due date for a quarterly required contribution are penalized an additional 5% per year during the late period. Contributions made solely to avoid the application of benefit restrictions cannot be considered in determining excess contributions.

Date	Contribution Amount	Discounted Value as of 1/1/2014 Without Penalty	Penalty Amount	Discounted Value as of 1/1/2014 With Penalty
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July 20, 2015	2,000,000	1,817,672	0	1,817,672
July 27, 2015	1,000,000	907,760	0	907,760
Total	\$3,073,434	\$2,793,676	\$0	\$2,793,676

EIN 91-0565539, PN 001, Virginia Mason Medical Center Defined Benefit Retirement Plan
 Schedule SB, Line 22 – Description of Weighted Average Retirement Age

Weighted Average Retirement Age

The weighted average retirement age for participants is 62. This equals the sum, over all retirement ages, of the retirement age multiplied by the probability of retiring at that age, as shown below.

(a) Possible Retirement Age "r"	(b) Assumed Rate of Retirement at Age "r"	(c) Probability of Person Age 55 Still Working at "r"	(d) (b) x (c) = Probability of Person Age 55 Retiring at "r"	(e) (a) x (d) = Component of Weighted Average Retirement Age
55	0.0500	1.0000	0.0500	2.7500
56	0.0500	0.9500	0.0475	2.6600
57	0.0500	0.9025	0.0451	2.5721
58	0.0500	0.8574	0.0429	2.4864
59	0.0500	0.8145	0.0407	2.4028
60	0.0500	0.7738	0.0387	2.3213
61	0.1500	0.7351	0.1103	6.7261
62	0.1500	0.6248	0.0937	5.8109
63	0.1500	0.5311	0.0737	5.0189
64	0.3000	0.4514	0.1354	8.6676
65	1.0000	0.3160	0.3160	20.5404
Weighted Average Retirement Age:				61.9565
Rounded to Nearest Age:				62

EIN 91-0565539, PN 001, Virginia Mason Medical Center Defined Benefit Retirement Plan
Schedule SB, Part V – Statement of Actuarial Assumptions / Methods

The ultimate cost of a pension plan is the excess of actual benefits and administrative expenses paid over actual net investment return on plan assets during the Plan's existence until the last payment has been made to the last participant. The Plan's "actuarial cost method" determines the expected incidence of actuarial costs by allocating portions of the ultimate cost to each plan year. The cost method is thus a budgeting tool to help ensure that the Plan will be adequately and systematically funded and accounted for. Annual contributions and accounting expense are also affected by the "asset valuation method" (as well as the plan provisions, actuarial assumptions, and actual plan demographic and investment experience each year).

Actuarial Cost Method

The actuarial cost method used for determining the Plan's ERISA funding requirements and the FASB ASC Topic 960 values is the unit credit method. Under this method, an accrued benefit is determined at each active participant's assumed retirement age based on compensation and service at both the beginning and the end of the current year. The Plan's normal cost is the sum of the present value of the excess of each active participant's accrued benefit at the end of the current year over that at the beginning of the current year. The Plan's accrued liability is the sum of (a) the present value of each active participant's accrued benefit at the beginning of the current year plus (b) the present value of each inactive participant's accrued benefits.

The actuarial cost method used for determining the Plan Sponsor's FASB ASC Topic 715 accounting requirements is the projected unit credit method. Under this method, a projected benefit is determined at each active participant's assumed retirement age assuming future compensation increases. The Plan's normal cost is the sum of the present value of the portion of each active participant's projected benefit attributable to the current year of service. The Plan's accrued liability is the sum of (a) the present value of the portion of each active participant's projected benefit attributable to all prior years of service plus (b) the present value of each inactive participant's accrued benefits.

Asset Valuation Method

The Actuarial Value of Assets used for determining the Plan's ERISA funding requirements is based on the permitted three-year asset smoothing as defined under IRS Notice 2009-22. Under this method, the Actuarial Value of Assets equals the Adjusted Market Value of Assets minus one-third and two-thirds, respectively of the investment gain or loss for each of the two immediately preceding plan years, but it must be within 90% to 110% of the Adjusted Market Value of Assets. The expected investment return for a plan year is based on the lesser of the expected rate of return on plan assets (currently 7.50% per year) or the applicable statutory interest rate for the year.

The Market-Related Value of Assets used for determining the Plan Sponsor's FASB ASC Topic 715 accounting requirements is equal to the Fair Value of Assets (without inclusion of any contributions receivable).

Changes in Actuarial Methods Since Prior Valuation

None.

EIN 91-0565539, PN 001, Virginia Mason Medical Center Defined Benefit Retirement Plan
Schedule SB, Part V – Statement of Actuarial Assumptions / Methods

Interest Rates

The current funding and PBGC interest rates are:

	Minimum Funding	Maximum Deductible	PBGC Premiums
Segment 1 (0-5 years)	4.99%	1.37%	1.25%
Segment 2 (5-20 years)	6.32%	4.05%	4.57%
Segment 3 (20+ years)	6.99%	5.06%	5.60%
Effective Interest Rate	6.37%	4.17%	4.62%

- **Minimum Funding:** 24-month average segment rates, using a four-month lookback period, adjusted to reflect the applicable HATFA segment rate stabilization corridor (adopted January 1, 2010 and updated annually).
- **Maximum Deductible:** 24-month average segment rates, using a four-month lookback period, but not adjusted to reflect the applicable HATFA segment rate stabilization corridor (adopted January 1, 2010 and updated annually).
- **PBGC Premiums:** Spot segment rates for the month preceding the valuation date, but not adjusted to reflect the applicable HATFA segment rate stabilization corridor. The standard method is used for the PBGC variable rate premium calculation (adopted January 1, 2014 and updated annually).
- **FASB ASC Topic 715:** 5.00% per year (adopted January 1, 2014).
- **FASB ASC Topic 960:** 7.50% per year (adopted January 1, 2004).

Asset Returns

- **Funding:** 7.50% per year (adopted January 1, 2004).
- **FASB ASC Topic 715:** 7.50% per year (adopted January 1, 2014).

Compensation Increases

- **Funding:** 4.00% per year (adopted January 1, 1994).
- **FASB ASC Topic 715:** 3.00% per year (adopted January 1, 1994).

Postretirement Benefit Increases

None. (The Plan does not provide for automatic postretirement benefit increases.)

Inflation

No explicit assumption.

EIN 91-0565539, PN 001, Virginia Mason Medical Center Defined Benefit Retirement Plan
Schedule SB, Part V – Statement of Actuarial Assumptions / Methods

Expenses

An allowance of \$311,183 for administrative expenses has been included in the target normal cost, reflecting the actual administrative expenses paid from the Plan's trust during the previous year (adopted January 1, 2008 and updated annually).

Form of Payment

Life annuity.

Benefits Not Valued

All benefits are valued.

Special Data Adjustments

None.

Mortality

▪ Funding:

Healthy Lives: RP-2000 Non-Annuitant and Annuitant Mortality Tables projected 15 years and 7 years from the valuation date, respectively, sex-distinct, as prescribed by IRC Section 430(h)(3)(A) (adopted January 1, 2008 and updated annually).

Disabled Lives: Same as used for healthy lives.

▪ FASB ASC Topic 715 and 960: Same as used for funding purposes (see above).

Turnover

Annual rates are shown below (adopted January 1, 2002).

Years of Service	Rate
1	12.5%
2	11.5
3	10.5
4	9.5
5	8.5
6	8.0
7	7.5
8	7.0
9	6.5
10	6.0
11	5.5
12 or more	5.0

EIN 91-0565539, PN 001, Virginia Mason Medical Center Defined Benefit Retirement Plan
Schedule SB, Part V – Statement of Actuarial Assumptions / Methods

Retirement

Annual rates are shown below for active and terminated vested participants who are eligible to retire (adopted January 1, 2002).

Age	Rate
55 - 60	5.0%
61 - 63	15.0
64	30.0
65	100.0

Disability

Sample annual rates are shown below (adopted January 1, 1995).

Age	Rate
25	0.08%
30	0.08
35	0.10
40	0.12
45	0.16
50	0.24
55	0.40
60	0.84
65	--

Marital Characteristics

- **For participants not in pay status:** 100% of active and terminated vested participants are assumed to be married. Wives are assumed to be 3 years younger than husbands.
- **For participants in pay status:** Actual birth dates of spouses are included in the census data, where relevant.

EIN 91-0565539, PN 001, Virginia Mason Medical Center Defined Benefit Retirement Plan
Schedule SB, Part V – Summary of Plan Provisions

This summary of plan provisions is intended to only describe the essential features of the Plan. All eligibility requirements and benefit amounts shall be determined in strict accordance with the plan document itself.

Definitions

Accrued Benefit: The sum of the Past Service Benefit plus the Future Service Benefit, but not less than the Defined Contribution Account Benefit:

- Past Service Benefit - For service prior to January 1, 1986, the participant's accrued benefit as of December 31, 1985. For participants with an hour of service after December 31, 1985, this amount is multiplied by 125%.
- Future Service Benefit - $1/12$ of 2% of the participant's first \$15,300 of annual Compensation plus $1/12$ of 2.5% of such Compensation in excess of \$15,300 during each year of benefit accrual service after December 31, 1985.
- Defined Contribution Account Benefit - The participant's account balance as of the most recent valuation date, credited with interest at 8.5% until the beginning of the plan year in which the participant reaches his Normal Retirement Date, and divided by 100.

Actuarially Equivalent: Equality in value such that the present value of the amount under any form of payment is essentially the same as the present value of the amount under the normal form of annuity payment for single participants. For purposes other than determining lump-sum amounts, actuarially equivalent factors are based on the 1971 GAM Female Mortality Table and a 5% interest rate. For purposes of determining lump-sum amounts, actuarially equivalent factors are based on the applicable mortality table specified in IRS Notice 2008-85 for the plan year of distribution and the statutory three-tier segment interest rates in effect for the second month prior to the plan year of distribution.

Benefit Accrual Service:

Prior to January 1, 1994, a calendar year during which a participant has at least 1,000 hours of service.

Effective January 1, 1994, a calendar year during which a participant has at least 1 hour of service.

Compensation: Generally, an employee's total salary or wages, bonuses, and overtime from the employer during a plan year, before reduction for tax-sheltered annuities or flexible benefits. Compensation is limited to \$150,000 annually for 1994 through 1996, \$160,000 annually for 1997 through 1999, and \$170,000 annually for 2000 and later years. (The Plan's annual Compensation limit was *not* increased to \$260,000 for 2014.)

Plan Effective Date: February 1, 1958, as amended through January 1, 2014.

Plan Year: The 12-month period beginning January 1 and ending December 31.

Vesting Service: A calendar year during which an employee has at least 1,000 hours of service.

EIN 91-0565539, PN 001, Virginia Mason Medical Center Defined Benefit Retirement Plan
Schedule SB, Part V – Summary of Plan Provisions

Eligibility for Participation

All employees of Virginia Mason Hospital were eligible to participate following the attainment of age 21 and the completion of one year of employment during which the employee worked at least 1,000 hours. As of December 31, 1993, all active participants were given a one-time opportunity to remain in the Plan or transfer to a defined contribution plan, and the Plan was closed to future participants. Effective January 1, 1996, the Plan was opened to certain transferred employees during 1996 and 1997.

Normal Retirement

Normal Retirement Date: The first day of the month coincident with or next following the attainment of age 65.

Normal Retirement Benefit: The Accrued Benefit.

Late Retirement

Late Retirement Date: The first day of the month following the date of termination of service if it occurs after the Normal Retirement Date.

Late Retirement Benefit: The greater of (i) the Accrued Benefit determined as of the Late Retirement Date or (ii) the Accrued Benefit determined as of the Normal Retirement Date (or the first day of any plan year following the Normal Retirement Date) and actuarially increased to the Late Retirement Date.

Early Retirement

Early Retirement Date: The first day of the month coincident with or next following the attainment of age 55 and completion of 5 years of Vesting Service.

Early Retirement Benefit: The Accrued Benefit, reduced by 1/180 for each of the first 60 months and by 1/360 for each of the next 60 months by which the Early Retirement Date precedes the Normal Retirement Date.

Vested Termination

Vested Termination Date: The date of termination of service other than for reasons of retirement or death, following completion of five years of Vesting Service.

Vested Termination Benefit: The Accrued Benefit, multiplied by the vested percentage below, payable at the Normal Retirement Date, or payable as of the first day of any month coincident with or next following attainment of age 55 if at least 5 years of Vesting Service have been completed (reduced by 1/180 for each of the first 60 months and by 1/360 for each of the next 60 months by which the benefit commencement date precedes the Normal Retirement Date).

Years of Vesting Service	Vested Percentage
Less than 5	0%
5 or more	100%

EIN 91-0565539, PN 001, Virginia Mason Medical Center Defined Benefit Retirement Plan
Schedule SB, Part V – Summary of Plan Provisions

Survivor's Benefit

If a married participant dies prior to retirement, his surviving spouse is entitled to a Survivor's Benefit equal to the actuarial equivalent of the greater of 50% of his Normal Retirement Benefit or the benefit the spouse would have received if the participant had retired on the day before his death under the joint and survivor option, but in no event less than the Defined Contribution Account Benefit. Such benefit shall be reduced actuarially for the years and months in excess of 60 months that the spouse is younger than the participant. In the event of death before age 55, benefit payment is deferred until the participant would have attained age 55.

The spouse may elect to receive a lump-sum distribution of the portion of the Survivor's Benefit that is attributable to the participant's defined contribution account balance.

Death Benefit

If a non-married participant dies prior to retirement, his designated beneficiary is entitled to receive a lump-sum distribution of the participant's defined contribution account balance.

Disability

A participant whose service is terminated by his total and permanent disability may elect to receive the actuarial equivalent of his Normal Retirement Benefit in the form of an annuity or as a lump-sum payment. The \$5,000 limit on lump-sum distributions does not apply in this case. The lump-sum payment equals the participant's defined contribution account balance plus the lump-sum value of the excess, if any, of his Normal Retirement Benefit over his Defined Contribution Account Benefit.

Forms of Payment

Normal Forms: Life annuity if single, actuarially equivalent joint and 50% survivor annuity (with spouse) if married.

Optional Forms: Life annuity; actuarially equivalent life annuity with 10 years certain; actuarially equivalent joint and 50%, 75%, or 100% survivor annuity (with joint annuitant); actuarially equivalent Social Security adjustment option.

Small Lump Sum: Payable if the actuarially equivalent present value of the vested Accrued Benefit is \$5,000 or less.

Changes in Principal Plan Provisions Since Prior Valuation

None.

EIN 91-0565539, PN 001, Virginia Mason Medical Center Defined Benefit Retirement Plan
Schedule SB, Line 24 – Change in Actuarial Assumptions

Changes in Actuarial Assumptions Since Prior Valuation

- **Interest rates for minimum funding contribution:** Effective January 1, 2014, the interest rates used to determine the minimum funding requirements were updated based on the applicable 24-month average segment rates with a four-month lookback from the valuation date, adjusted to reflect the applicable HATFA segment rate stabilization corridor. The interest rates were updated to comply with the requirements of PPA.
- **Interest rates for maximum deductible contribution:** Effective January 1, 2014, the interest rates used for maximum deductible purposes were updated as noted above, but not adjusted to reflect the applicable HATFA segment rate stabilization corridor. The interest rates were updated to comply with the requirements of PPA.
- **Interest rates for PBGC premiums:** Effective January 1, 2014, the interest rates used for PBGC variable rate premium purposes were updated to the spot segment rates in effect for the month preceding the valuation date, but not adjusted to reflect the applicable HATFA segment rate stabilization corridor. The interest rates were updated to comply with the requirements of PBGC.
- **Interest rate for FASB ASC Topic 715:** Effective January 1, 2014, the FASB 715 discount rate was changed from 4.05% to 5.00% per year. The discount rate was changed to reflect interest rates currently available on high-quality fixed income investments.
- **Asset return for FASB ASC Topic 715:** Effective January 1, 2014, the asset return assumption was changed from 8.00% to 7.50% per year. The asset return assumption was changed to better reflect anticipated future asset experience.
- **Mortality:** Effective January 1, 2014, the mortality table for all purposes was updated as prescribed by IRC Section 430(h)(3)(A). The mortality assumption was updated to comply with the requirements of PPA. For FASB purposes, the mortality assumption was updated to reflect an additional year of mortality improvement.
- **Expenses:** Effective January 1, 2014, the administrative expense load was updated to reflect actual administrative expenses paid from the Plan's trust during the previous year.

EIN 91-0565539, PN 001, Virginia Mason Medical Center Defined Benefit Retirement Plan
Schedule SB, Line 26 – Schedule of Active Participant Data

Exhibit 37

Summary of Active Participants by Age and Service

Number of Participants by Age and Service Groups

Age	Years of Credited Service										Total
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40&Up	
0-24	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	2	-	-	-	-	2
45-49	-	-	-	-	1	3	1	-	-	-	5
50-54	-	-	-	2	-	2	8	-	-	-	12
55-59	-	-	-	1	1	7	4	9	-	-	22
60-64	-	-	1	2	2	3	4	9	12	-	33
65-69	-	-	-	-	2	1	-	2	10	-	15
70&Up	-	-	-	-	-	-	-	-	-	2	2
Total	-	-	1	5	6	18	17	20	22	2	91

Average Compensation by Age and Service Groups

Age	Years of Credited Service										Average
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40&Up	
0-24	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	*	-	-	-	-	*
45-49	-	-	-	-	*	*	*	-	-	-	*
50-54	-	-	-	*	-	*	*	-	-	-	*
55-59	-	-	-	*	*	*	*	*	-	-	64,354
60-64	-	-	*	*	*	*	*	*	*	-	61,862
65-69	-	-	-	-	*	*	-	*	*	-	*
70&Up	-	-	-	-	-	-	-	-	-	*	*
Average	-	-	*	*	*	*	*	74,404	75,674	*	62,495

* If there are fewer than 20 participants in a cell, the average compensation is not reported.

**VIRGINIA MASON MEDICAL CENTER
DEFINED BENEFIT RETIREMENT PLAN**

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

December 31, 2014

Description	Interest rate	Maturity date	Cost	Current value
Cash equivalents:				
* Bank of New York Collective Short-Term Investment Fund			\$ 1,667,680	1,667,689
U.S. government securities:				
Federal Home Loan Mortgage Corp Multiclass CTF T-41 2A	7.000%	7/25/2032	10,328	10,845
Federal Home Loan Mortgage Corp Multiclass CTF 4283 EW	Variable rate	12/15/2043	276,935	288,219
Federal Home Loan Mortgage Corp Pool # 1B-3297	Variable rate	3/1/2037	10,236	10,275
Federal Home Loan Mortgage Corp Pool # 1Q-0022	Variable rate	1/1/2036	64,307	64,553
Federal Home Loan Mortgage Corp Pool # C9-0979	6.500	6/1/2026	92,414	94,488
Federal Home Loan Mortgage Corp Pool # C9-1295	4.500	4/1/2030	273,251	276,583
Federal Home Loan Mortgage Corp Pool # G0-1767	6.500	12/1/2032	54,927	57,109
Federal Home Loan Mortgage Corp Pool # G0-3771	6.500	1/1/2038	29,713	30,380
Federal Home Loan Mortgage Corp Pool # G0-7074	5.500	1/1/2040	132,756	135,239
Federal Home Loan Mortgage Corp Pool # G0-7492	4.500	3/1/2042	94,274	96,454
Federal Home Loan Mortgage Corp Pool # G0-7857	4.500	11/1/2044	152,624	152,779
Federal Home Loan Mortgage Corp Pool # G1-1581	7.000	2/1/2018	2,515	2,492
Federal Home Loan Mortgage Corp Pool # G1-4550	4.500	9/1/2026	115,991	116,808
Federal Home Loan Mortgage Corp Pool # G1-4555	4.000	6/1/2026	156,404	156,783
Federal Home Loan Mortgage Corp Pool # G3-0670	4.500	12/01/2013	286,439	290,750
Federal Home Loan Mortgage Corp Pool # G8-0134	7.380	12/17/2024	13,058	13,386
Federal Home Loan Mortgage Corp Pool # H0-9117	6.500	11/1/2037	10,729	11,209
Federal Home Loan Mortgage Corp Pool # H0-9158	6.500	10/1/2037	37,681	38,703
Federal National Mortgage Assn GTD Remic P/T 02-46 C	7.000	8/25/2017	10,742	10,540
Federal National Mortgage Assn GTD Remic P/T 02-W3 A4	6.500	11/25/2041	55,353	54,787
Federal National Mortgage Assn GTD Remic P/T 03-W2 1A1	6.500	7/25/2042	19,616	20,021
Federal National Mortgage Assn GTD Remic P/T 03-W4-3A	Variable rate	10/25/2042	15,151	15,147
Federal National Mortgage Assn GTD Remic P/T 09-66 ET	6.000	5/25/2039	103,910	106,623
Federal National Mortgage Assn GTD Remic P/T 13-106 MA	4.000	2/25/2042	136,139	135,743
Federal National Mortgage Assn GTD Remic P/T 93-87 Z	6.500	6/25/2023	32,372	31,917
Federal National Mortgage Assn GTD Remic P/T 2001-T3 A1	7.500	11/25/2040	23,222	23,220
Federal National Mortgage Assn GTD Remic P/T 2001-T7 A1	7.500	2/25/2041	26,422	25,814
Federal National Mortgage Assn GTD Remic P/T 2001-50 BA	7.000	10/25/2041	15,273	15,212
Federal National Mortgage Assn Pool # 0AB1763	4.000	11/1/2030	116,324	119,857
Federal National Mortgage Assn Pool # 0AB8086	6.000	10/1/2037	46,358	47,532
Federal National Mortgage Assn Pool # 0AD0163	6.000	11/1/2034	51,039	51,930
Federal National Mortgage Assn Pool # 0AD0217	6.000	8/1/2037	140,012	142,510
Federal National Mortgage Assn Pool # 0AD0276	5.500	1/1/2024	29,250	29,365
Federal National Mortgage Assn Pool # 0AE0381	5.500	12/1/2024	37,271	37,356
Federal National Mortgage Assn Pool # 0AE0467	5.500	3/1/2024	38,239	38,333
Federal National Mortgage Assn Pool # 0AE0602	6.000	1/1/2039	27,350	27,856
Federal National Mortgage Assn Pool # 0AL0778	6.500	1/1/2049	40,582	41,811
Federal National Mortgage Assn Pool # 0AL3598	6.000	7/1/2039	227,500	231,451
Federal National Mortgage Assn Pool # 0AL4147	4.500	1/1/2025	225,990	229,345
Federal National Mortgage Assn Pool # 0AL4148	4.500	1/1/2027	124,535	126,333
Federal National Mortgage Assn Pool # 0AL5407	Variable rate	5/1/2044	337,657	338,163
Federal National Mortgage Assn Pool # 0AL5440	4.500	6/1/2044	36,753	36,922
Federal National Mortgage Assn Pool # 0AL5957	4.000	11/1/2029	64,987	64,692
Federal National Mortgage Assn Pool # 0AL6127	2.934	12/1/2044	124,510	124,139
Federal National Mortgage Assn Pool # 0AW0354	4.500	3/1/2044	58,345	58,764
Federal National Mortgage Assn Pool # 0AW7437	0.459	9/1/2044	175,827	175,849
Federal National Mortgage Assn Pool # 0MA1960	4.000	6/1/2034	61,301	61,728
Federal National Mortgage Assn Pool # 0256860	6.500	8/1/1937	9,520	9,818
Federal National Mortgage Assn Pool # 0462084	5.275	11/1/2015	18,633	18,080
Federal National Mortgage Assn Pool # 0535685	6.500	1/1/2016	878	868
Federal National Mortgage Assn Pool # 0725680	6.500	7/1/2017	7,265	7,165
Federal National Mortgage Assn Pool # 0725731	Variable rate	8/1/2034	106,468	107,473
Federal National Mortgage Assn Pool # 0735417	6.500	3/1/2035	39,171	40,861
Federal National Mortgage Assn Pool # 0735663	6.500	12/1/2024	36,446	37,330
Federal National Mortgage Assn Pool # 0773521	Variable rate	9/1/2034	8,658	8,724
Federal National Mortgage Assn Pool # 0825395	Variable rate	7/1/2035	88,631	89,236
Federal National Mortgage Assn Pool # 0879052	Variable rate	3/1/2036	7,065	7,136
Federal National Mortgage Assn Pool # 0888015	5.538	11/1/2016	49,329	47,549
Federal National Mortgage Assn Pool # 0888368	7.000	3/1/2037	14,537	14,382
Federal National Mortgage Assn Pool # 0889151	6.500	1/1/2038	7,087	7,432
Federal National Mortgage Assn Pool # 0889886	7.000	12/1/2037	21,060	21,283
Federal National Mortgage Assn Pool # 0952423	6.500	9/1/2037	36,194	37,122
Federal National Mortgage Assn Pool # 0995288	Variable rate	9/1/2038	36,818	37,046
Small Business Administration GTD Partn CTFS 1997-20F 1	7.200	6/1/2017	3,640	3,563

**VIRGINIA MASON MEDICAL CENTER
DEFINED BENEFIT RETIREMENT PLAN**

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

December 31, 2014

Description	Interest rate	Maturity date	Cost	Current value
Small Business Administration GTD Partn CTFS 1997-20H 1	6.800	8/1/2017	\$ 1,721	1,695
Small Business Administration GTD Partn CTFS 1998-20F 1	6.300	6/1/2018	2,284	2,236
Small Business Administration GTD Partn CTFS 1999-20G 1	7.000	7/1/2019	1,908	1,836
Small Business Administration GTD Partn CTFS 2006-20F 1	5.820	6/1/2026	26,779	26,325
United States Treasury Notes	1.625	2/28/2014	100,164	100,445
United States Treasury Notes	0.375	4/15/2015	566,542	565,441
United States Treasury Notes	1.500	5/31/2019	741,650	748,125
Vendee Mortgage Trust	7.792	2/15/2025	6,545	6,501
Total U.S. government securities			6,155,605	6,217,687
State and local government obligations:				
Los Angeles California Unified School District	6.758	7/1/2034	55,311	62,701
New Jersey State Turnpike Authority	7.414	1/1/2040	32,916	37,569
New Jersey State Turnpike Authority	7.102	1/1/2041	31,836	36,258
State of California	7.300	10/1/2039	119,425	139,397
State of California	7.500	4/1/2034	159,484	185,823
State of Illinois	4.961	3/1/2016	26,612	26,043
State of Illinois	5.365	3/1/2017	108,525	107,055
State of Illinois	5.665	3/1/2018	125,233	125,928
Total state and local government obligations			659,342	720,774
Corporate debt instruments:				
Anthem Inc	4.350	8/15/2020	53,932	54,170
AT&T Corp	Variable rate	11/15/2031	14,687	14,735
AT&T Inc	6.550	2/15/2039	85,148	92,444
American Express Credit AC 4 A	1.430	6/15/2020	100,125	99,805
Bac Capital Trust XI	6.625	5/23/2036	85,955	97,482
Bank of America Corp	4.200	8/26/2024	70,351	71,310
Bank of America Corp	4.250	10/22/2026	9,952	9,978
Bank of America Corp	5.625	7/1/2020	23,097	22,772
Bank of America Corp	7.625	6/1/2019	93,025	90,646
Bank One Cap III	8.750	9/1/2030	64,073	72,219
Becton Dickinson and Co	3.734	12/15/2024	30,119	30,887
Boston Properties LP	5.625	11/15/2020	112,504	114,095
Boston Properties LP	4.125	5/15/2021	25,540	26,611
Boston Scientific Corp	6.400	6/15/2016	83,645	80,249
Boston Scientific Corp	6.000	1/15/2020	57,402	56,349
Burlington Northern Santa Fe Railway	7.570	1/2/2021	118,920	114,673
Burlington Northern Santa Fe Railway	3.050	9/1/2022	70,319	75,476
Capital One Financial Corp	4.750	7/15/2021	127,602	132,257
Chase Issuance Trust A8	0.540	10/16/2017	314,766	314,846
Chase Issuance Trust A7 A	1.450	11/15/2019	99,988	99,603
Chase Issuance Trust A5 A5	0.590	8/15/2017	100,078	100,032
Cigna Corp	Step rate	1/15/2033	96,507	106,580
Cigna Corp	7.875	5/15/2027	31,092	34,158
Citigroup Inc	6.125	11/21/2017	80,369	78,056
Citigroup Inc	3.500	5/15/2023	55,646	58,409
Comcast Corp	6.300	11/15/2017	69,878	67,954
Cox Communications Inc	5.500	10/1/2015	128,806	124,062
Cox Communications Inc	6.800	8/1/2028	105,640	122,432
CSX Transportation Inc	6.251	1/15/2023	40,868	42,249
Dominion Resources Inc/VA	Variable rate	10/1/2054	75,000	78,257
Dow Chemical Co	7.375	11/1/2029	98,208	99,842
Dow Chemical Co	8.550	5/15/2019	94,257	90,757
Dow Chemical Co	9.400	5/15/2039	37,348	40,563
ERP Operating LP	4.750	7/15/2020	53,908	54,932
ERP Operating LP	3.000	4/15/2023	22,829	24,382
Federal Express Corp	7.650	7/15/2024	175,947	172,878
Ford Motor Credit Co LLC	8.125	1/15/2020	187,568	185,799
General Electric Capital Corporation	5.500	1/8/2020	108,790	108,735
General Electric Capital Corporation	4.625	1/7/2021	54,523	55,730
General Electric Capital Corporation	4.650	10/17/2021	27,236	28,178
GlaxoSmithKline Capital PLC	2.850	5/8/2022	141,473	150,008
HSBC Holdings PLC	6.500	9/15/2037	144,940	147,762
HSBC Holdings PLC	5.100	4/5/2021	38,901	39,564
Hewlett-Packard Co	3.300	12/9/2016	68,031	67,127
Kinder Morgan Energy Partners	3.450	2/15/2023	81,482	81,367
Kinder Morgan Inc/De	4.300	6/1/2025	24,900	25,012

**VIRGINIA MASON MEDICAL CENTER
DEFINED BENEFIT RETIREMENT PLAN**

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

December 31, 2014

Description	Interest rate	Maturity date	Cost	Current value
Koninklijke Philips Electronic	5.750	3/11/2018	\$ 114,404	110,996
LaFarge SA	6.500	7/15/2016	138,125	133,125
Macy's Retail Holdings Inc	6.900	4/1/2029	85,109	95,466
Macy's Retail Holdings Inc	6.700	9/15/2028	27,580	30,621
Macy's Retail Holdings Inc	6.700	7/15/2034	45,514	51,136
Macy's Retail Holdings Inc	6.375	3/15/2037	27,899	31,635
21st Century Fox America Inc	6.200	12/15/2034	27,674	31,922
21st Century Fox America Inc	6.150	3/1/2037	16,486	18,800
21st Century Fox America Inc	6.650	11/15/2037	29,182	33,382
Nordstrom Inc	6.650	3/15/2028	60,361	65,888
Petroleos Mexicanos	6.625	6/15/2035	67,863	69,300
Petrobras Global Finance BV	5.375	1/27/2021	89,315	83,391
Petrobras Global Finance Bv	4.375	5/20/2023	53,453	51,605
Petrobras Global Finance Bv	6.250	3/17/2024	24,943	23,789
Petroleos Mexicanos	4.875	1/18/2024	78,975	77,925
Pitney Bowes Inc	6.250	3/15/2019	83,868	85,229
Royal Bank of Scotland PLC	5.625	8/24/2020	16,793	17,081
Royal Bank of Scotland PLC	6.125	1/11/2021	158,929	164,973
Navient Corp	6.250	1/25/2016	27,000	26,000
Navient Corp	6.000	1/25/2017	86,600	83,800
Navient Corp	3.875	9/10/2015	25,844	25,188
Sprint Communications Inc	6.000	12/1/2016	43,650	41,841
Telecom Italia Capital SA	7.175	6/18/2019	129,088	131,675
Telecom Italia Capital SA	7.200	7/18/2036	24,063	26,875
Telecom Italia Capital SA	6.999	6/4/2018	27,688	27,750
Time Warner Cable Inc	8.250	4/1/2019	58,575	61,207
Time Warner Cable Inc	8.750	2/14/2019	89,463	92,839
Time Warner Cable Inc	4.000	9/1/2021	46,438	53,215
Time Warner Inc	7.700	5/1/2032	211,855	233,119
Union Pacific Railroad Co	4.163	7/15/2022	102,878	109,857
Union Pacific Railroad Co 2005	5.082	1/2/2029	59,923	61,019
Union Pacific Railroad Co 1998	6.330	1/2/2020	5,387	5,326
Union Pacific Railroad Co SER-98-B	6.850	1/2/2019	38,076	38,203
Unum Group	6.750	12/15/2028	33,122	36,955
Verizon Communications Inc	5.150	9/15/2023	183,601	188,823
Verizon Communications Inc	6.550	9/15/2043	116,996	128,115
Verizon Communications Inc	4.150	3/15/2024	19,968	20,705
Whirlpool Corp	6.500	6/15/2016	55,780	53,863
Xerox Corp	6.750	2/1/2017	85,181	82,667
Xerox Corp	4.500	5/15/2021	25,732	26,716
Xerox Corp	5.625	12/15/2019	82,704	84,290
Total corporate debt instruments			6,511,460	6,671,744
Corporate stock:				
CitiGroup Capital XIII	7.875		81,750	79,740
Nortel Networks Corporation			5	2
Total common stock			81,755	79,742
Registered investment company funds:				
Alger Small Cap Retirement Portfolio			1,703,243	1,929,673
Causeway Capital Management Trust			4,751,697	4,890,540
Credit Suisse Commodity-Return Strategy Fund				
DFA Dimensions U S Targeted Value Portfolio			1,277,292	1,800,369
Dodge & Cox Stock Fund			2,530,314	3,818,854
EuroPacific Growth Fund			4,181,114	5,100,133
Gateway Fund			2,501,069	2,733,310
Pimco All Asset Fund			4,526,194	4,380,806
T Rowe Price Institutional Large Cap Growth Fund			2,524,539	4,746,036
Templeton Global Total Return Fund Advisor			2,584,736	2,538,811
Vanguard Inflation-Protected Securities Fund			3,431,374	3,461,992
Vanguard Total International Stock Index Fund			9,821,656	10,565,908
Vanguard Total Stock Market Index Fund			7,230,129	12,173,711
Total registered investment company funds			47,063,357	58,140,143

**VIRGINIA MASON MEDICAL CENTER
DEFINED BENEFIT RETIREMENT PLAN**

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

December 31, 2014

<u>Description</u>	<u>Interest rate</u>	<u>Maturity date</u>	<u>Cost</u>	<u>Current value</u>
Collective investment trust fund:				
JP Morgan High Yield Fund			\$ 2,536,658	2,560,909
Private equity:				
KKR Mezzanine Partners I LP			1,254,153	1,395,766
JP Morgan Strategic Property Fund			4,980,530	5,489,576
Wellington Commodities Fund			<u>2,400,700</u>	<u>1,970,425</u>
Total private equity			<u>8,635,383</u>	<u>8,855,767</u>
Total assets held at end of year			<u>\$ 73,311,240</u>	<u>84,914,455</u>

* Indicates a party in interest.

See accompanying independent auditors' report.

**VIRGINIA MASON MEDICAL CENTER
DEFINED BENEFIT RETIREMENT PLAN**

Schedule II

Schedule H, Line 4j – Schedule of Reportable Transactions
Years ended December 31, 2014

Category (i) – Single transactions in excess of 5% of plan assets at January 1, 2014:

Identity of party involved	Description of assets	Number of purchase transactions	Purchase price
Bank of New York Mellon	BNY Collective Short-Term Investment Fund	1	\$ 4,998,656
Bank of New York Mellon	BNY Collective Short-Term Investment Fund	1	5,177,227
Bank of New York Mellon	JP Morgan Strategic Property Fund	1	5,000,000

Identity of party involved	Description of assets	Number of sales transactions	Selling price	Cost of asset	Net gain (loss)
Bank of New York Mellon	BNY Collective Short-Term Investment Fund	1	\$ 5,000,000	5,000,000	—
Bank of New York Mellon	RREEF American REIT II	1	5,176,802	6,281,169	(1,104,367)

Category (iii) – Series of transactions in excess of 5% of plan assets at January 1, 2014:

Identity of party involved	Description of assets	Number of purchase transactions	Purchase price
Bank of New York Mellon	BNY Mellon Cash Reserve	26	\$ 2,292,829
Bank of New York Mellon	BNY Collective Short-Term Investment Fund	223	24,905,089
Bank of New York Mellon	JP Morgan Strategic Property Fund	3	5,000,000

Identity of party involved	Description of assets	Number of sales transactions	Selling price	Cost of asset	Net gain (loss)
Bank of New York Mellon	BNY Mellon Cash Reserve	26	\$ 2,292,829	2,292,829	—
Bank of New York Mellon	BNY Collective Short-Term Investment Fund	223	25,073,092	25,073,092	—
Bank of New York Mellon	RREEF America REIT II	1	5,176,802	6,281,169	(1,104,367)
Bank of New York Mellon	JP Morgan Strategic Property Fund	3	15,257	19,470	(4,213)

There were no category (ii), or (iv) transactions.

See accompanying independent auditors' report.