

Audited Financial Statements  
and Supplemental Information

West Contra Costa Healthcare District  
Successor Retirement Plan

June 30, 2017 and 2016

JWT & Associates, LLP  
Advisory Assurance Tax

West Contra Costa Healthcare District  
Successor Retirement Plan

Audited Financial Statements

June 30, 2017 and 2016

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# **JWT & Associates, LLP**

## **Advisory Assurance Tax**

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Report of Independent Auditors

Board of Directors of  
West Contra Costa Healthcare District  
San Pablo, California

### ***Report on the Financial Statements***

We were engaged to audit the accompanying financial statements of the West Contra Costa Healthcare District Successor Retirement Plan (the Plan), which comprise the net assets available for benefits as of June 30, 2017 and 2016, the related statement of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

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

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform audits of the Plan's internal controls over financial reporting. Our audits included consideration of internal controls over financial reporting as a basis of designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal controls over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of the Plan as of June 30, 2017 and 2016, and the changes in net assets available for plan benefits for the year then ended, in conformity with generally accepted accounting principles.

### *Other Matters*

The accompanying financial statements have been prepared assuming the Plan will continue as a going concern. As discussed in Notes 1, 3 and 6 to the financial statements, the Plan's funded status has declined to 16.8% of the actuarial present value of future benefits at June 30, 2017, no contributions to the Plan have been made by the Plan's sponsor during the past nine years. There is a provision included in the proposed bankruptcy plan of the Plan sponsor to make contributions that will fully fund the Plan in the future and \$4,000,000 will be contributed upon sale of the Plan's sponsor's property. The Plan's sponsor, West Contra Costa Healthcare District, ceased operating its hospital in April 2015 and filed for bankruptcy protection in October 2016. The sponsor's plans regarding these matters are also described in Note 6. These conditions raise substantial doubt about the Plan's ability to continue as a going concern. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The required supplemental information as of or for the years ended June 30, 2017 and 2016, are presented for purposes of complying with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are not a required part of the basic financial statements. This required supplemental information has been subjected to the auditing procedures applied in our audit of the June 30, 2017 and 2016 financial statements and, in our opinion, is fairly stated in all material respects in relation to the June 30, 2017 and 2016 financial statements taken as a whole.

*JWT & Associates, LLP*

December 4, 2017

West Contra Costa Healthcare District  
Successor Retirement Plan

Statements of Net Assets Available for Plan Benefits

June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Investments at fair value	\$ <u>2,584,783</u>	\$ <u>3,172,839</u>
Total assets	2,584,783	3,172,839
<b>Liabilities</b>		
Other liabilities	<u>68,794</u>	<u>74,765</u>
Total liabilities	<u>68,794</u>	<u>74,765</u>
Net assets available for plan benefits	<u>\$ 2,515,989</u>	<u>\$ 3,098,074</u>

*See accompanying notes to the financial statements*

West Contra Costa Healthcare District  
Successor Retirement Plan

Statements of Changes in Net Assets Available for Plan Benefits

Year ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>Additions</b>		
Net realized and unrealized gains on investments	\$ 311,674	\$ -0-
Interest, dividend and other income from investments	135	88
Employer contributions	<u>-0-</u>	<u>-0-</u>
Total additions	311,809	88
<b>Deductions</b>		
Net realized and unrealized loss on investments	-0-	122,117
Benefits distributed to participants	865,246	917,836
Administrative and investment expenses	<u>28,648</u>	<u>36,394</u>
Total deductions	<u>893,894</u>	<u>1,076,347</u>
Decrease in net assets available for plan benefits	(582,085)	(1,076,259)
Net assets, beginning of year	<u>3,098,074</u>	<u>4,174,333</u>
Net assets, end of year	<u>\$ 2,515,989</u>	<u>\$ 3,098,074</u>

*See accompanying notes to the financial statements*

# West Contra Costa Healthcare District Successor Retirement Plan

## Notes to Financial Statements

June 30, 2017 and 2016

### NOTE 1 - DESCRIPTION OF THE PLAN

The following brief description of the West Contra Costa Healthcare District Successor Retirement Plan (the Plan) is provided for general information only. Participants should refer to the Plan agreement for more complete information.

#### **General**

The Plan is a governmental plan as defined in section 414(d) of the Internal Revenue Code (IRC). The Plan was established on March 9, 2000 by the Plan Sponsor, West Contra Costa Healthcare District (the District), as a successor plan to the West Contra Costa Healthcare District Employees' Retirement Plan, which was terminated on that date. The Plan is intended to qualify as a defined benefit plan under section 401(a) of the IRC and is to be interpreted in a manner consistent with those requirements. The participants of the predecessor plan were given the option to receive immediate lump sum distributions of the present value of their benefits, to roll the benefits into an Individual Retirement Plan (IRA) or other plan, or to participate in a successor plan. During the year ended June 30, 2001, when the requested distributions were completed by the predecessor plan, the successor trust, which holds the assets of the successor plan, was funded. Periodic payments for that year were made by the predecessor plan. The amount of the funding was approximately 110% of the present value of the predecessor plan's liabilities. As of July 1, 2001, the successor plan assumed the predecessor plan's liabilities for the pension benefits of those participants who chose to take part in the successor plan and who made periodic payments.

#### **Pension Benefits and Vesting**

The Plan is to provide benefits on the same terms and in the same amounts as the predecessor plan.

The predecessor plan was frozen effective January 1, 1994. No participants accrued benefits on or after that date and each participant's benefit became fully vested and non-forfeitable on that date.

Employees with 5 or more years of service, or any employees of Brookside Hospital as of January 1, 1994, are entitled to annual pension benefits beginning at normal retirement, age 65, or as early as age 60, with full pension benefit. Plan members are entitled to a reduced benefit, if elected, at any time after age 50. Benefits are based on years of credited service and average earnings in the last three years of employment through the date that the predecessor plan was frozen and are offset by a portion of the vested employee's social security benefit.

Effective April 1, 1998, upon attaining his or her normal retirement date (age 65); whether or not he or she actually retires on that date, a participant shall be entitled to receive a monthly Single-Life Annuity.

# West Contra Costa Healthcare District Successor Retirement Plan

## Notes to Financial Statements

June 30, 2017 and 2016

### NOTE 1 - DESCRIPTION OF THE PLAN (continued)

#### **Contributions**

The predecessor plan was frozen effective January 1, 1994 and, therefore, there would be no future employer contributions to the Plan, unless required to fund benefits that have already been accrued. The amount of employer contributions would be determined based on actuarial valuations and recommendations as to the amounts required to fund benefits. During the years ended June 30, 2017 and 2016, the plan sponsor made no contributions to the plan.

In the actuarial report dated May 10, 2001, it was recommended by the actuarial consultants that if, as of any future valuation date, Plan assets drop below the then actuarial present value of future benefits, that such difference be funded, with assumed interest, in level additional contributions to the Plan by the District over a period not longer than five years, depending in part on the Plan's projected liquidity needs. It was also recommended that actuarial valuations be performed approximately every twelve months.

As of the valuation dates of June 30, 2017 and 2016, Plan assets are less than the actuarial present value of future benefits by the amount of \$12,420,979 and \$12,801,138, respectively. This amount is amortized over five years using the 2017 assumptions. Based upon this method, the actuarial consultants recommend that a contribution of at least \$2,484,196 be made to the Plan for the 2017 plan year. No actual contributions were made for the prior plan year under this policy. There is a provision included in the proposed bankruptcy plan of the Plan sponsor to make contributions that will fully fund the Plan in the future and \$4,000,000 will be contributed upon sale of the Plan's sponsor's property.

The funded status of the plan declined during the plan year ended June 30, 2017 from 19.5% funded to 16.8% funded and during the plan year ended June 30, 2016 from 28.5% funded to 19.5% funded. The long-term stability of the plan remains in question without future cash contributions. Annual benefit payments are projected to continue to exceed annual expected investment returns. This will continue to put pressure on the viability of the plan to close the underfunding purely through investments.

#### **Death Benefits**

The Plan provides a death benefit to all participants. For participants who are fully vested and married at the time of death, their spouse will receive an annuity of 50% of the benefit the participant had accrued through the date of death, commencing when the participant would have reached age 50. If a participant is not married or does not have five years of vesting credit, the participant's named beneficiary shall receive a lump-sum death benefit of \$500 plus one month's salary for each year of service up to six months.

# West Contra Costa Healthcare District Successor Retirement Plan

## Notes to Financial Statements

June 30, 2017 and 2016

### NOTE 1 - DESCRIPTION OF THE PLAN (continued)

#### **Description of Vesting**

Effective January 1, 1994, the Plan was frozen and forfeitures were applied to reduce employer contributions up to that date. Each participant's benefit became fully vested and non-forfeitable upon the plan freeze.

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Accounting**

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

#### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the Plan Administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

#### **Investment Valuation and Income Recognition**

The Plan's investments are stated at fair value. All of the Portfolio Investments of the Collective Investment Trust are valued based on quoted market prices on the last business day of the Plan year. Net appreciation or depreciation in fair value of investments includes net unrealized and realized appreciation or depreciation for the year.

Security transactions are accounted for on the trade date, and the dividend income is recorded on the ex-dividend date. Interest income is recorded on an accrual basis. Costs used in determining gains (losses) on investment transactions are on the average cost basis.

# West Contra Costa Healthcare District Successor Retirement Plan

## Notes to Financial Statements

June 30, 2017 and 2016

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued)

#### **Actuarial Present Value of Accumulated Plan Benefits**

Accumulated plan benefits are those future periodic payments which are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on employees' highest annual compensation during the employees last three years of credited service. Benefits payable under all circumstances are included, to the extent they are deemed attributable to employee service rendered, through the valuation date. The actuarial valuations are done using the beginning-of-the-year method. There have been no significant changes in the Plan's provisions or coverage between January 1, 2017 and June 30, 2017, as described in Note 3. In the event of the termination of the Plan, the benefit obligation would be revalued as of the date of the termination and under different assumptions than those used to determine the actuarial present value of accumulated Plan benefits.

### NOTE 3 – ACCUMULATED PLAN BENEFITS

The actuarial present value of accumulated plan benefits is determined by the Plan's consulting actuary, Willis Towers Watson. This amount results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. For the periods ended June 30, 2017 and 2016, the actuarial methods and assumptions used were consistent with the prior year.

The more significant assumptions underlying the actuarial computations for the Plan year are as follows:

- Rate of investment return - 3.17
- Retirement Age - Normal retirement is age 65, full pension benefits are available at age 60, early retirement is available at reduced benefits (ages 50 to 59)
- Life expectancy of participants - The RP-2016 with generational projection using Scale MP-2016 from the 2016 IRS table

These actuarial assumptions are based on the presumption that the Plan will continue. If the Plan terminates, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits. The assumptions used consider the effect of the Plan's frozen status (as discussed in Note 1).

**West Contra Costa Healthcare District  
Successor Retirement Plan**

Notes to Financial Statements

June 30, 2017 and 2016

**NOTE 3 – ACCUMULATED PLAN BENEFITS (continued)**

The actuarial present value of accumulated plan benefits as of June 30, 2017 and 2016, is as follows:

	<u>2017</u>	<u>2016</u>
Vested benefits:		
Participants currently receiving payments	\$ 5,227,939	\$ 4,928,756
Other participants	<u>9,709,029</u>	<u>10,970,456</u>
Total vested benefits	14,936,968	15,899,212
Non-vested benefits	<u>-0-</u>	<u>-0-</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 14,936,968</u>	<u>\$ 15,899,212</u>

Changes in the actuarial present value of accumulated plan benefits for the years ended June 30, 2017 and 2016 were as follows:

	<u>2017</u>	<u>2016</u>
Actuarial present value of accumulated plan benefits at beginning of plan year	\$ 15,899,212	\$ 14,649,496
Changes during the year attributable to:		
Benefits accumulated and actuarial experience during the year	-0-	-0-
Decrease in discount period	464,698	568,699
Benefits paid	(818,541)	(864,050)
Change in assumptions	<u>(608,401)</u>	<u>1,545,067</u>
Net increase (decrease)	<u>(962,244)</u>	<u>1,249,716</u>
Actuarial present value of accumulated plan benefits at end of plan year	<u>\$ 14,936,968</u>	<u>\$ 15,899,212</u>

**NOTE 4 - INVESTMENTS**

Matrix Trust Company (Matrix), corporate trustee of the Plan, holds the Plan's assets and executes transactions therein. Security transactions are made by the investment manager based on parameters established by the Board of Directors of the District.

**West Contra Costa Healthcare District  
Successor Retirement Plan**

Notes to Financial Statements

June 30, 2017 and 2016

NOTE 4 – INVESTMENTS (continued)

The Plan assets are invested in products sold by Matrix. Net realized and unrealized gain (loss) on investment value for the years ended June 30, 2017 and 2016 was \$311,674 and \$(122,117), respectively. Investments at Matrix consist of the following at June 30, 2017 and 2016, stated at fair value:

	<u>2017</u>	<u>2016</u>
Common Collective Trusts	\$ 2,584,783	\$ 3,172,839

Individual investments that represent 5 percent or more of the Plan’s net assets at June 30, 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>
Intermediate Fixed Income Portfolio	\$ 627,591	\$ 799,405
International Value Portfolio	\$ 479,943	\$ 558,621
Large Co Domestic Growth Portfolio	\$ -0-	\$ 533,693
Large Co Value Portfolio	\$ 539,499	\$ 683,669
Mid-Cap Fundamental Value Portfolio	\$ -0-	\$ 155,308
Multi-Manager Large Cap Growth	\$ 451,943	\$ -0-

Due to the nature of the investment management services provided by Matrix, they qualify as a party-in-interest of the Plan. Fees paid by the Plan to Matrix for such services for the years ended June 30, 2017 and 2016 amounted to \$28,648 and \$36,394, respectively.

NOTE 5 – TAX STATUS

The predecessor plan obtained its latest determination letter on February 24, 2000, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code (IRC). Since the Successor Plan has replaced the predecessor plan, a new determination letter has not been obtained. However, since the plans are identical, the Plan sponsor’s board of directors understands that the Plan, as currently designed and operated, is in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan’s financial statements. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2014.

# West Contra Costa Healthcare District Successor Retirement Plan

## Notes to Financial Statements

June 30, 2017 and 2016

### NOTE 6 – RISKS AND UNCERTAINTIES

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

In September 2017, an actuarial valuation was prepared for the purpose of determining contributions for the plan year beginning July 1, 2017. As of that date, plan assets are less than the actuarial present value of future benefits in the amount of \$12,420,979. In accordance with the Plan sponsor's policy the total unfunded liability would be amortized over the next five years. The actuarial recommendation was for the sponsor to contribute \$2,484,196 during the plan year ended June 30, 2017. The Plan sponsor currently has no plans to make the required contribution.

The funded status of the plan declined during the plan year ended June 30, 2017 from 19.5% funded to 16.8% funded and during the plan year ended June 30, 2016 from 28.5% funded to 19.5% funded. The long-term stability of the plan remains in question without future cash contributions. Annual benefit payments are projected to continue to exceed annual expected investment returns. This will continue to put pressure on the viability of the plan to close the underfunding purely through investments.

The District, the Plan's sponsor, has liabilities that exceed assets by approximately \$76,537,000 at December 31, 2016 (unaudited), reported a net operating loss of approximately \$875,000 for the year ended December 31, 2016 (unaudited), and experienced severe cash flow shortages. Based on a financial analysis by the District's management, they anticipated significant difficulties in continuing to meet on-going financial obligations related to their hospital operations and in April 2015 closed the hospital and ceased its operations. The District also filed for bankruptcy in October 2016. The District is now in the process of selling assets, settling liabilities and wrapping up all other administrative issues. In addition, the District has not funded the actuarial determined required minimum contribution of \$2,484,196 for the Plan year ended June 30, 2017. There is a provision included in the proposed bankruptcy plan of the Plan sponsor to make contributions that will fully fund the Plan in the future and \$4,000,000 will be contributed upon sale of the Plan's sponsor's property. The accompanying financial statements do not give effect to possible adjustments as a result of the District's ability to continue as a going concern.

Whether all participants receive their benefits will depend on the sufficiency, at the time, of the Plan's net assets to provide those benefits, the priority of those benefits to be paid, and the level and type of benefits guaranteed by the California Public Employment Retirement System (PERS) at that time. Some benefits may be fully or partially provided for by the then-existing assets and the PERS guaranty, while other benefits may not be provided at all.

# West Contra Costa Healthcare District Successor Retirement Plan

## Notes to Financial Statements

June 30, 2017 and 2016

### NOTE 7 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

In December 2017, the Board of Directors passed a resolution to change the directed trustee of the Plan from Matrix Trust Company to Benefit Trust Company

### NOTE 8 - FAIR VALUE MEASUREMENTS

FASB ASC Topic 820, *Fair Value Measurements and Disclosures* (ASC 820) provides a framework for measuring fair value under U.S. generally accepted accounting principles. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The following provides a general description of the three levels of inputs that may be used to measure fair value under ASC 820:

Level 1 - Inputs to the valuation methodology are based on quoted prices available in active markets for identical assets or liabilities on the reporting date.

Level 2 - Inputs to the valuation methodology are other than quoted market prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology include significant inputs that are generally unobservable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value including assumptions regarding risk. Level 3 instruments include those that may be more structured or otherwise tailored to the Plan's needs.

As required by ASC 820, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The Plan's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

West Contra Costa Healthcare District  
Successor Retirement Plan

Notes to Financial Statements

June 30, 2017 and 2016

NOTE 8 - FAIR VALUE MEASUREMENTS (continued)

Following is a description of the valuation methodologies used for assets measured at fair value.

Common Collective Trusts are valued at the market value of shares held by the Plan at year-end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation method are appropriate and consistent with other market participants, the use of different methodologies for assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Assets measured at fair value as of June 30, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Collective Trusts				
Large-cap stock	\$ 991,442	\$ -0-	\$ -0-	\$ 991,442
Small, mid-cap stock	191,032	-0-	-0-	191,032
International stock	545,796	-0-	-0-	545,796
Multi asset, other	103,347	-0-	-0-	103,347
Short-term, stable, money market	<u>753,166</u>	<u>-0-</u>	<u>-0-</u>	<u>753,166</u>
Total assets at fair value	<u>\$ 2,584,783</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 2,584,783</u>

Assets measured at fair value as of June 30, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Collective Trusts				
Large-cap stock	\$ 1,217,362	\$ -0-	\$ -0-	\$ 1,217,362
Small, mid-cap stock	235,101	-0-	-0-	235,101
International stock	636,059	-0-	-0-	636,059
Multi asset, other	126,085	-0-	-0-	126,085
Short-term, stable, money market	<u>958,232</u>	<u>-0-</u>	<u>-0-</u>	<u>958,232</u>
Total assets at fair value	<u>\$ 3,172,839</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 3,172,839</u>

## Required Supplemental Information

**West Contra Costa Healthcare District  
Successor Retirement Plan**

**Required Supplemental Information**

June 30, 2017 and 2016

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Underfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
June 30, 2017	\$ 2,515,989	\$ 14,936,968	\$ 12,420,979	17%	N/A	N/A
June 30, 2016	\$ 3,098,074	\$ 15,899,212	\$ 12,801,138	19%	N/A	N/A
June 30, 2015	\$ 4,174,333	\$ 14,649,496	\$ 10,475,163	28%	N/A	N/A
June 30, 2014	\$ 4,990,312	\$ 14,197,339	\$ 9,207,027	35%	N/A	N/A
June 30, 2013	\$ 5,073,430	\$ 11,261,212	\$ 6,187,782	45%	N/A	N/A

**Schedule of Contributions to Plan**

Year ended	Annual Required Contribution (ARC)	Percentage of ARC Contributed
December 31, 2017	\$ 2,262,505	0%
December 31, 2016	\$ 2,016,149	0%
December 31, 2015	\$ 1,422,125	0%
December 31, 2014	\$ 1,235,577	0%
December 31, 2013	\$ 998,739	0%

Effective January 1, 1994, the Plan was frozen. Forfeitures were applied to reduce employer contributions up to January 1, 1994 when each participant's benefit became fully vested and non-forfeitable upon the plan freeze.

**West Contra Costa Healthcare District  
Successor Retirement Plan**

**Required Supplemental Information**

June 30, 2017 and 2016

The information presented in the required supplemental schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	June 30, 2017	June 30, 2016
Actuarial cost method	Projected Unit Credit	Projected Unit Credit
Asset valuation method	Market value of assets	Market value of assets
Actuarial assumptions:		
Investment rate of return	3.17%	3.00%
Compensation increase rate	N/A	N/A
Inflation adjustment	2.00%	2.00%