



Washington Township Health Care District

Board of Directors

Jacob Eapen, MD
William F. Nicholson, MD
Bernard Stewart, DDS
Michael J. Wallace
Jeannie Yee

BOARD OF DIRECTORS' MEETING

Wednesday, December 10, 2025 – 6:00 P.M.

Board Room of Washington Hospital, 2000 Mowry Avenue, Fremont and via Zoom

<https://whhs.zoom.us/j/99981412172?pwd=gaD3BTJbgMbnmcfZg21JHxyhJ3Xmaz.1>

Passcode: 619182

Board Agenda and Packet can be found at:

[December 2025 | Washington Health](#)

AGENDA

PRESENTED BY:

I. **CALL TO ORDER &
PLEDGE OF ALLEGIANCE**

Michael Wallace
President

II. **ROLL CALL**

Cheryl Renaud
District Clerk

III. **ELECTION OF OFFICERS**

Motion Required

IV. **COMMUNICATIONS**

A. Oral

This opportunity is provided for persons in the audience to make a brief statement, not to exceed three (3) minutes on issues or concerns not on the agenda and within the subject matter of jurisdiction of the Board. "Request to Speak" cards should be filled out in advance and presented to the District Clerk. For the record, please state your name.

B. Written

V. **CONSENT CALENDAR**

President

Items listed under the Consent Calendar include reviewed reports and recommendations and are acted upon by one motion of the Board. Any Board Member or member of the public may remove an item for discussion before a motion is made.

Motion Required

A. Consideration of Minutes of the Regular Meetings of the District Board: November 12, 17 & 24, 2025

B. Consideration of the Reappointment to the Washington Township Hospital Development Corporation of Board of Directors for 2026

VI. **PRESENTATIONS**

- A. Result of Annual Audit FY 2025

PRESENTED BY:

Will Cobb, Partner
PricewaterhouseCoopers

VII. **REPORTS**

- A. Medical Staff Report

Aaron Barry, MD
Chief of Staff

- B. Service League Report

Sheela Vijay
Service League President

- C. Finance Report

Ajay Sial
Senior Vice President & Chief
Financial Officer

- D. Hospital Operations Report

Kimberly Hartz
Chief Executive Officer

- E. Health System Calendar Report

Kimberly Hartz
Chief Executive Officer

VIII. **ACTION**

- A. Consideration of Annual Audit Report FY 2025

Motion Required

- B. Consideration of Resolution No. 1277: Declaring
the Results of the Vote Cast on Measure B at the
November 4, 2025, Special Statewide Election

Motion Required

IX. **ANNOUNCEMENTS**

X. **ADJOURNMENT**

President

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the District Clerk at (510) 818-6500. Notification two working days prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.

A meeting of the Board of Directors of the Washington Township Health Care District was held on Wednesday, November 12, 2025 in the Board Room at 2000 Mowry Avenue, Fremont and Zoom access was provided. Director Wallace called the meeting to order at 6:00 p.m. and led those in attendance of the meeting in the Pledge of Allegiance.

CALL TO ORDER

*PLEDGE OF
ALLEGIANCE*

Roll call was taken: Directors present: Michael Wallace; William Nicholson, MD; Jeannie Yee; Bernard Stewart, DDS; Jacob Eapen, MD

ROLL CALL

Also present: Kimberly Hartz, Chief Executive Officer; Ajay Sial, Senior Vice President & Chief Financial Officer; Larry LaBossiere, Senior Vice President & Chief Operations Officer; Terri Hunter, Vice President & Chief Nursing Officer; Jerri Randrup; Gisela Hernandez; Kel Kanady; Kristin Ferguson; Sarah Gemski; Jill Ziman; Laura Anning; Tina Nunez; John Zubiena; Mary Bowron; Brian Smith, MD; Walter Choto; Aaron Barry, MD; John Lee; Melissa Garcia; Marcus Watkins; Felipe Villanueva; Farhan Fadoo, MD; Paul Kozachenko, Legal Counsel; Sri Boddu; Cheryl Renaud, Assistant to the Chief Executive Officer & District Clerk; Shirley Ehrlich, Executive Assistant II

Director Wallace welcomed any members of the general public to the meeting.

OPENING REMARKS

Director Wallace noted that Public Notice for this meeting, including Zoom information, was posted appropriately on our website. This meeting was recorded for viewing at a later date.

There were no Oral Communications.

*COMMUNICATIONS:
ORAL*

There were no Written Communications.

*COMMUNICATIONS:
WRITTEN*

Director Wallace presented the Consent Calendar for consideration:

CONSENT CALENDAR

- A. Consideration of the Minutes of the Regular Meetings of the District Board:
October 8, 20, 22 & 27, 2025
- B. Consideration of Amendment to Trauma Manual "Rib Fracture Management Guideline"
- C. Consideration of Purchase of Intuitive ION Robot

Director Stewart moved that the Board of Directors approve the Consent Calendar, Items A-C. Director Eapen seconded the motion.

Roll call was taken:

Michael Wallace – aye
William Nicholson, MD – aye
Jeannie Yee - aye
Bernard Stewart, DDS – aye
Jacob Eapen, MD - aye

Motion Approved.

Kimberly Hartz, Chief Executive Officer, spoke on the celebration of Veterans Day and the commemorative Veterans Recognition Wall located at Washington West. Washington Health is proud to carry on this tradition that began in 2016, by dedicating a special space to recognize those who have served in the armed forces or are currently serving in the reserves within our Washington Health family.

*PRESENTATION:
VETERANS' DAY WALL
PLAQUE*

Displayed on the Veterans Recognition Wall are the names, branches, ranks, and lengths of service of these individuals. Currently there are 116 names on the wall including three new names added this year: Alyson Alvarado, Ramiro Martinez, and Wei Zuo. Our leave policy allows members of the Armed Forces or National Guard to be granted military leave from work for the period required when called to duty. We hold deep respect and gratitude for the selflessness of our veterans. We honor not only their service, but also the sacrifices they and their families have made to protect and uphold the values we cherish, both here at home and across distant shores.

Kimberly Hartz, Chief Executive Officer, introduced Gisela Hernandez, Chief Inclusion Officer, who presented an update the Healthcare System's Health, Equity, Diversity and Inclusion Council. The council is made up of four committees that consist of the following: Community Engagement, People, Culture & Mission, Equity of Care, and Data, Metrics & Compliance.

*PRESENTATION:
HEDIC / DEI*

The People, Culture & Mission Workforce Resource Group led by Laura Anning, Chief Patient Experience Officer, and John Zubiena, Assistant Vice President & Chief Human Resources Officer. This committee established the organization's first two resource groups: The Women's Resource Group and the Multicultural Resource Group. The Women's Group prioritizes wellness and building community, while supporting women's health organizations locally. The Multicultural Resource Group is prioritizing building community and raising cultural awareness. In partnership with Food & Nutrition Services, they are raising awareness of cultural observances by creating educational displays and culturally-inspired meals in our café.

Dr. Brian Smith, Chief Medical Information Officer and Kristin Ferguson, Vice President & Chief Compliance and Risk Officer, led data improvement work with a focus on the collection of enhanced demographic information and standardizing reporting. Collecting such information like age, race, preferred language assists us in understanding our community. It is an excellent tool to assist in better understanding our patient population and to serve everyone better.

The Community Engagement Committee is led by Angus Cochran, Chief Community Support Services. This committee is working with the local Federally Qualified Health Centers (FQHC's) such as Tiburcio Vasquez Health Center and Bay Area Community Health, to improve processes that better serve our most vulnerable patients.

The Health Equity Committee is led by Mary Bowron, Assistant Vice President and Chief Quality Officer and Alisa Curry, Director of Rehabilitation Services. Washington Health is required to submit an Equity Report to the State that includes eleven structural measures (which consists of more than 2,000 data fields) and nine stratified core quality measures and an Equity Plan that identifies and addresses the top ten disparities, as well as our performance across six priority areas. All of the top disparities are linked to Readmissions. These disparities reveal where certain groups have different outcomes.

The Reporting Requirements are as follows: Person Centered Care, Patient Safety, Addressing Social Determinants of Health, Effective Treatment, Care Coordination and Access to Care. This information is also currently available on the Washington Health Website.

*MEDICAL STAFF
REPORT*

Dr. Aaron Barry, Chief of Medical Staff, reported that there are 669 Medical Staff members, including 375 active members. Dr. Barry stated Medical Staff Services is looking forward to the opening of the UCSF-Washington Health Cancer Center. Dr. Barry also thanked the community for attending and participating in the Top Hat Gala that raised funds in support of the Robotic Program and expanding services in orthopedic, thoracic, gynecological and general surgery.

Jill Ziman, First Vice President, Service League President, reported that for the month of October 2025, 269 Service League volunteers contributed exactly 2,500 hours across various departments within the hospital.

*SERVICE LEAGUE
REPORT*

On October 21, the Service League held an Information Session for high school students. This invite-only session gave the students an opportunity to hear about the Service League, explore the variety of volunteer opportunities available, and learn what to expect as they begin their journey with us. We look forward to welcoming them in to our team in the near future.

On Monday, November 10, 2025 the annual Gift Shop Holiday Show was held. Shoppers at the show browsed the new seasonal items and were treated to cookies and coffee in the hospital lobby. Attendees also had the chance to enter a raffle and win some wonderful items. Jill thanked to the Washington Health Employee Association and Food & Nutrition Services for providing refreshments at the event.

The Service League will host the Masquerade Sale in the Anderson Auditoriums from Monday, December 1 through Wednesday, December 3, 2025. This sale will feature a wide selection of items, most priced at just \$5. – an affordable and enjoyable way for staff, patients, and visitors to find something special while supporting the Service League's work.

In addition to these events, our volunteers continue to explore new opportunities to contribute by supporting patient services and developing new special projects. The dedication and flexibility of the volunteers allow the Service League to meet the evolving needs of the hospital and the patients we serve.

Kimberly Hartz, Chief Executive Officer, introduced Mary Bowron, Assistant Vice President & Chief Quality Officer, who presented the Quality Dashboard for quarter ending September 30, 2025, comparing WH statistics to State and National Benchmarks. There were zero Hospital Acquired MSRA in the past quarter, which was lower than the 0.631 predicted number of infections. We had zero Catheter Associated Urinary Tract Infections (CAUTI), which was lower than the 1.31 predicted number of infections and zero Central Line Bloodstream Infections (CLABSI), which was lower than the 1.518 predicted number of infections. There were zero Surgical Site Infections (SSI) following Colon Surgery, which was lower than the 0.276 predicted number of infections. We had zero SSI following Abdominal Surgery, which was lower than the 0.04 predicted number of infections, and one hospital-wide Clostridium Difficile (C.diff) infections, which was lower than the 10.378 predicted number of infections. Hand Hygiene was at 98.5%.

*QUALITY REPORT:
DIALYSIS ANNUAL
REPORT*

The Moderate Fall with Injury rate for the quarter was at 0.12. The national benchmark rate was not available. Hospital acquired Pressure Ulcer rate was 0.69 for the quarter. The national benchmark rate was not available for Quarter Ending September 2025.

The 30-day readmission rate for AMI discharges was lower than the CMS national benchmark (8.3% versus 14.9%). The 30-day Medicare pneumonia readmissions rate was lower compared to the CMS national benchmark (14.3% versus 15.1%). 30-day Medicare Heart Failure readmissions was higher (30.4% versus 19.1%) than the CMS benchmark. 30-day Medicare Chronic Obstructive Pulmonary Disease (COPD) readmission rate was higher than the CMS benchmark (32.3% versus 18.7%). The 30-day Medicare CABG readmission rate was lower (0% versus 9.9%) than the CMS benchmark. 30-day Medicare Total Hip Arthroplasty (THA) and/or

Total Knee Arthroplasty (TKA) was lower than the CMS benchmark (0% versus 5.3%).

Ajay Sial, Senior Vice President & Chief Financial Officer, presented the Finance Report for September 2025. The average daily inpatient census was 171.5 with discharges of 1,075 resulting in 5,145 patient days. Outpatient observation equivalent days were 181. The average length of stay was 5.00 days. The case mix index was 1.592. Deliveries were 133. Surgical cases were 564. The Outpatient visits were 9,264. Cath Lab cases were 182. Emergency visits were 5,383. Joint Replacement cases were 2155. Neurosurgical cases were 23. Cardiac Surgical cases were 46. Total FTEs were 1,486.9. FTEs per adjusted occupied bed was 5.96. Overall, the net income for September was (\$995,000).

FINANCE REPORT

Kimberly Hartz, Chief Executive Officer, presented the Hospital Operations Report for October 2025. Patient gross revenue of \$231.7 million for October was consistent to budget of \$234.0 million (1.0%), and it was favorable compared to October 2024 by \$9.2 million (4.2%).

*HOSPITAL
OPERATIONS REPORT*

Trauma Cases of 165 for October was favorable to the budget of 153 by 12 (7.8%) and unfavorable to October 2024 by 16 (8.8%). Trauma gross revenue of \$18.9 million for October was favorable to the budget of \$18.1 million by \$0.8 million (4.7%).

The Average Length of Stay was 4.81. The Average Daily Inpatient Census was 167.5 and was unfavorable to budget of 182.7 by 15.3 (8.4%). There were 1,084 Discharges that was consistent to budget of 1,085 by -1 (0.1%). There were 5,191 patient days and was unfavorable to budget of 5,665 by 474 days (8.4%). There were 543 Surgical Cases and 220 Cath Lab cases at the Hospital. Deliveries were 121. Non-Emergency Outpatient visits were 9,864. Emergency Room visits were 5,105. Total Government Sponsored Preliminary Payor Mix was 74.1%, against the budget of 73.5%. Total FTEs per Adjusted Occupied Bed were 5.93.

There was \$125K in charity care adjustments in October 2025.

November Employee of the Month is Angelica Columbus, Confidential Clerk, Wound Care Clinic.

*EMPLOYEE OF THE
MONTH*

Past Health Promotions & Community Outreach Events:

HOSPITAL CALENDAR

- October 9: Washington Health Walk – Choking First Aid – Mark Green Sports Center, Union City
- October 14: Washington Health Employee Fall Festival – Washington West
- October 15: City of Fremont Wellness Expo – Lake Elizabeth Age Well Center

- October 16: 17th Annual Think Pink! Event – Breast Cancer Awareness Event, Washington West Tent Atrium
- October 21: Special Olympics Elementary School Soccer
- October 22: Shingles: What you Need to Know about Prevention and Treatment – Facebook and YouTube
- October 24: Trick or Treat Fremont – Downtown Event Center
- October 25: Medicare Enrollment Presentation – Better Breathers Support Group
- October 28: Special Olympics High School Soccer
- October 29: Sports Physicals for Local High Schools
- November 4: Washington Health Walk – Healthy Holiday Nutrition – Ruggieri Senior Center
- November 5: Brain Health as You Age – Facebook and YouTube
- November 11: Choking First Aid Training for Restaurant Workers – Anderson Auditorium

Upcoming Health Promotions & Community Outreach Events:

- November 19: Managing Gestational Diabetes: A Healthy Pregnancy Journey – Facebook and YouTube
- December 3: Endovascular Treatments for Stroke – Facebook and YouTube
- December 5: Fremont Holidays on the Plaza – Fremont Downtown Event Center
- December 5: Newark Tree Lighting – Newark Library
- December 11: Washington Health Walk: Stress Management – Nakamura Clinic, Union City
- December 11: UCSF – Washington Cancer Center Open House – Anderson Auditorium
- Washington Health was recognized among America's 50 Best for Outpatient Joint Replacement
- Washington Women's Center has been accredited by The National Accreditation Program for Breast Cancer Centers (NAPBC)
- UCSF-Washington Cancer Center has been accredited by The Commission on Cancer Accreditation (CoC)
- Washington Health and WHMB was recognized for BETA HEART Excellence

The Foundation's 39th Annual Top Hat Gala was a great success, raising \$1.47M in gross proceeds from generous community donors. Over 620 guests attended and enjoyed a Wicked evening in support of the Robotics Program at Washington Health. The event was co-chaired by Dr. Kranthi Achanta and Foundation Member, Sharon Gallacher. Please save the date for our 40th Anniversary, set for October 10, 2026.

On Monday, December 1, from 5-6 pm, the Foundation will host the Annual Tree Lighting Celebration with Santa in the main lobby at Washington West. All are welcome to attend for an evening of holiday cheer.

The Foundation's Annual Meeting will take place on Tuesday, January 27, 2026.

Director Stewart moved that the Board of Directors approve the Adoption of Revised Resolution 331A: Establishing Rules & Regulations for Administration of Washington Township Health Care District Employer – Employee Relations for all recognized unions within Washington Hospital.

*ACTION ITEM:
ADOPTION OF
REVISED
RESOLUTION 331A*

Director Wallace inquired if there were any comments from the members of the public. There were none.

Director Yee seconded the motion.

Roll call was taken:

Michael Wallace – aye
William Nicholson, MD – aye
Jeannie Yee - aye
Bernard Stewart, DDS – aye
Jacob Eapen, MD – aye

Motion Approved.

Kimberly Hartz, Chief Executive Officer, announced that Measure B has unofficially passed. At last count, the vote was 57,070, representing 65.20% of the ballots cast. In order for Measure B to pass, 50%+1 of the ballots cast was required. Washington Health is expecting to receive official certification of the election results on December 4, 2025, at which point, the Board will be able to formally declare that Measure B has passed. With the approval of this parcel tax, our community has made a powerful investment in hope, healing, and in a healthier future for every person in our community. Every dollar will be invested with care, transparency and accountability, always guided by a strong focus on improving patient outcomes. Kimberly thanked every member of the Washington Health family, the voters, the volunteers and countless supporters who made this possible.

ANNOUNCEMENTS

There being no further business, Director Wallace adjourned the meeting at 7:34 p.m.

ADJOURNMENT

Michael Wallace
President

Jacob Eapen, MD
Secretary

A meeting of the Board of Directors of the Washington Township Health Care District was held on Monday, November 17, 2025 in the Board Room at 2000 Mowry Avenue, Fremont and Zoom access was provided. Director Wallace called the meeting to order at 6:00 p.m. and led those present in the Pledge of Allegiance.

CALL TO ORDER

Roll call was taken. Directors present: Michael Wallace; William Nicholson, MD; Jeannie Yee; Jacob Eapen, MD

ROLL CALL

Absent: Bernard Stewart, DDS

Also present: Kimberly Hartz, Chief Executive Officer; Ajay Sial, Senior Vice President & Chief Financial Officer; Larry LaBossiere, Senior Vice President & Chief Operating Officer; Tina Nunez, Senior Vice President & Chief Administrative Officer; Terri Hunter, Vice President & Chief Nursing Officer; Paul Kozachenko, Legal Counsel; Cheryl Renaud, Executive Assistant to the CEO & District Clerk; Shirley Ehrlich, Executive Assistant II

Director Wallace welcomed any members of the general public to the meeting.

OPENING REMARKS

Director Wallace noted that Public Notice for this meeting, including Zoom information, was posted appropriately on our website. This meeting is being conducted in the Board Room and by Zoom.

There were no Oral Communications.

*COMMUNICATIONS:
ORAL*

There were no Written Communications.

*COMMUNICATIONS:
WRITTEN*

There were no Items on the Consent Calendar for consideration.

CONSENT CALENDAR

There were no Action Items.

ACTION ITEM

There were no Announcements.

ANNOUNCEMENTS

Director Wallace adjourned the meeting to closed session at 6:02 p.m., as the discussion pertained to reports regarding Medical Audit & Quality Assurance Matters pursuant to Health & Safety Code Section 32155; Conference with Labor Negotiators pursuant to Government Code Section 54957.6; Agency designated representative: Kimberly Hartz, Chief Executive Officer; Conference Involving Trade Secrets pursuant to Health & Safety Code Section 32106 - Strategic Planning, and Conference with Legal Counsel – Anticipated Litigation pursuant to Government Code Section 54956.9(d)(2).

*ADJOURN TO CLOSED
SESSION*

Director Wallace stated that the public has a right to know what, if any, reportable action takes place during closed session. Since this meeting was being conducted in the Board Room and via Zoom, there is no way of knowing when the closed session will end. The public was informed they could contact the District Clerk for the Board's report beginning November 18, 2025. The minutes of this meeting will reflect any reportable actions.

Director Wallace reconvened the meeting to open session at 8:56p.m. During closed session, the District Clerk reported that the Board of Directors approved the closed session minutes of October 20 & 22, 2025 and the Medical Staff Credentials Committee Report by unanimous vote of all directors present. Also, the Board of Directors authorized the Chief Executive Officer to sign the notice of return of late claim to Prudveer Karne because it was not presented within six months after the event or occurrence as required by law.

*RECONVENE TO OPEN
SESSION & REPORT ON
CLOSED SESSION*

There being no further business, Director Wallace adjourned the meeting at 8:56 p.m.

ADJOURNMENT

Michael Wallace
President

Jacob Eapen, MD
Secretary

A meeting of the Board of Directors of the Washington Township Health Care District was held on Monday, November 24, 2025 in the Board Room at 2000 Mowry Avenue, Fremont and by Teleconference. Director Nicholson called the meeting to order at 7:32 a.m.

CALL TO ORDER

Roll call was taken. Directors present: William Nicholson, MD; Bernard Stewart, DDS; Jeannie Yee; Jacob Eapen, MD

ROLL CALL

Absent: Michael Wallace

Also present: Larry LaBossiere, Senior Vice President & Chief Operating Officer; Terri Hunter, Vice President & Chief Nursing Officer; Brian Smith, MD, Chief Medical Information Officer and Quality & Patient Safety Physician Officer; Ranjana Sharma, MD; John Romano, MD; Aaron Barry, MD; Rohit Arora, MD; Jeanie Ahn, MD

There were no Oral communications.

*COMMUNICATIONS:
ORAL*

There were no Written communications.

*COMMUNICATIONS:
WRITTEN*

Director Nicholson adjourned the meeting to closed session at 7:34 a.m. as the discussion pertained to Medical Audit and Quality Assurance Matters pursuant to Health & Safety Code Section 32155.

*ADJOURN TO CLOSED
SESSION*

Director Nicholson reconvened the meeting to open session at 8:47 a.m. and reported no reportable action was taken in closed session.

*RECONVENE TO OPEN
SESSION & REPORT ON
CLOSED SESSION*

There being no further business, the meeting adjourned at 8:47 a.m.

ADJOURNMENT

Michael Wallace
President

Jacob Eapen, MD
Secretary

MEMORANDUM

DATE: December 5, 2025

TO: Washington Township Health Care District Board of Directors

FROM: Kimberly Hartz, Chief Executive Officer

SUBJECT: **Reappointment to the Washington Township Hospital Development Corporation Board of Directors**

The Washington Township Hospital Development Corporation (DEVCO) is a California nonprofit public benefit corporation affiliated with the Washington Township Health Care District. DEVCO is governed by a five-member Board of Directors. The current members of the DEVCO Board of Directors are:

- Russell Blowers
- Pauline Weaver
- Carol Dutra-Vernaci
- Sue Querner
- Steven Chan, D.D.S.

I am recommending that the Washington Township Health Care District Board of Directors reappoint these five individuals to serve on the Washington Township Hospital Development Corporation Board for the 2026 calendar year.



WASHINGTON HEALTH
INDEX TO BOARD FINANCIAL STATEMENTS
October 2025

<u>Schedule Reference</u>	<u>Schedule Name</u>
Board - 1	Statement of Revenues and Expenses
Board - 2	Balance Sheet
Board - 3	Operating Indicators

MEMORANDUM

Date: November 30, 2025

To: Board of Directors

From: Kimberly Hartz, Chief Executive Officer

Subject: Washington Health (Hospital) – October 2025
Operating & Financial Activity

SUMMARY OF OPERATIONS

1. Utilization – Schedule Board 3

	October <u>Actual</u>	October <u>Budget</u>	Current 12 <u>Month Avg.</u>
<u>ACUTE INPATIENT:</u>			
IP Average Daily Census	167.5	182.7	176.5
Combined Average Daily Census	175.2	192.2	184.7
No. of Discharges	1084	1,085	1,056
Patient Days	5,191	5,665	5,366
Discharge ALOS	4.81	5.22	5.11
<u>OUTPATIENT:</u>			
OP Visits	9,864	9,018	9,133
ER Visits	5,105	5,338	5,287
Observation Equivalent Days – OP	238	294	249

Comparison of October's actual Acute Inpatient statistics versus the budget showed a lower level of Average Daily Census which translates into lower Patient Days. Discharges were lower than budget, and the Average Length of Stay (ALOS), based on discharged days, out-performed the Budget. Outpatient visits were favorable to budget, while Emergency Room visits were unfavorable to budget for the month. Outpatients Observation Equivalent days were favorable to budget.

2. Staffing – Schedule Board 3

Total paid FTEs were below budget. Total productive FTEs for October came in at 1,501.0, below the budgeted level of 1,576.2. Non-Productive FTEs were below budget by 23.9. Total FTEs per Adjusted Occupied Bed were 5.93, or 0.13 better than the budgeted level of 6.06.

3. **Income - Schedule Board 1** (Preliminary to audit)

Total Gross Patient Revenue of \$231,735,000 for October was (\$2,242,000) below the budget, or (1.0%).

Deductions from Revenue totaled \$176,798,000 which equates to a 76.3% blended contractual rate. This was favorable to the budgeted rate of 76.5%.

Total Net Operating Revenue of \$56,696,000 was \$363,000 or 0.6% above the Budget.

Total Operating Expenses for the month were \$56,990,000, which was higher than the budget by (\$315,000), or (0.6%).

For the month of October, the Hospital realized a Net Operating Loss of (\$294,000) from Operations, a (0.5%) Margin.

The Total Non-Operating Income of \$1,108,000 for the month includes an unrealized loss on investments of (\$4,000) and was unfavorable to the budget by (\$57,000).

The Net Income for October was \$814,000, which equates to a 1.4% Margin, and was (\$9,000) below the Budgeted Net Income of \$823,000.

The Total Net Gain for October using FASB accounting principles, in which the unrealized gain on investments, net interest expense on GO bonds and property tax revenues are removed from the non-operating income and expense, was \$35,000 (a 0.1% Margin) compared to Budgeted Income of (\$140,000) for a favorable variance of \$175,000.

4. **Balance Sheet – Schedule Board 2** (Preliminary to audit)

There were no noteworthy changes in assets and liabilities when compared to September 2025.

KIMBERLY HARTZ
Chief Executive Officer



WASHINGTON HEALTH
STATEMENT OF REVENUES AND EXPENSES
October 2025
GASB FORMAT
(In thousands)

October					
PRIOR YEAR	ACTUAL	BUDGET	FAV (UNFAV)	VAR	% VAR.
\$ 126,262	\$ 136,522	\$ 145,115	\$ (8,593)		-5.9%
96,232	95,213	88,862	6,351		7.1%
222,494	231,735	233,977	(2,242)		-1.0%
(167,333)	(174,016)	(174,277)	261		0.1%
(3,852)	(2,782)	(4,653)	1,871		40.2%
(171,185)	(176,798)	(178,930)	2,132		1.2%
76.94%	76.29%	76.47%			
51,309	54,937	55,047	(110)		-0.2%
1,215	1,759	1,286	473		36.8%
52,524	56,696	56,333	363		0.6%
24,138	26,052	26,845	793		3.0%
7,550	9,661	9,106	(555)		-6.1%
6,932	8,162	7,296	(866)		-11.9%
7,230	7,464	7,673	209		2.7%
2,130	2,025	2,197	172		7.8%
3,382	3,626	3,558	(68)		-1.9%
51,362	56,990	56,675	(315)		-0.6%
1,162	(294)	(342)	48		14.0%
2.21%	-0.52%	-0.61%			
640	594	472	122		25.8%
(42)	13	-	13		0.0%
(1,610)	(1,776)	(1,642)	(134)		-8.2%
196	62	94	(32)		-34.0%
2,194	2,032	2,032	-		0.0%
229	187	209	(22)		0.0%
(1,737)	(4)	-	(4)		0.0%
(130)	1,108	1,165	(57)		-4.9%
\$ 1,032	\$ 814	\$ 823	\$ (9)		-1.1%
1.96%	1.44%	1.46%			
\$ 1,689	\$ 35	\$ (140)	\$ 175		125.0%
3.22%	0.06%	-0.25%			

FISCAL YEAR TO DATE					
PRIOR YEAR	ACTUAL	BUDGET	FAV (UNFAV)	VAR	% VAR.
\$ 495,184	\$ 549,558	\$ 566,341	\$ (16,783)		-3.0%
372,719	367,258	346,196	21,062		6.1%
867,903	916,816	912,537	4,279		0.5%
(652,539)	(683,139)	(678,709)	(4,430)		-0.7%
(14,391)	(17,742)	(18,611)	869		4.7%
(666,930)	(700,881)	(697,320)	(3,561)		-0.5%
76.84%	76.45%	76.42%			
200,973	215,935	215,217	718		0.3%
4,518	5,428	5,115	313		6.1%
205,491	221,363	220,332	1,031		0.5%
96,229	104,264	105,012	748		0.7%
30,856	37,064	36,611	(453)		-1.2%
27,396	30,422	28,722	(1,700)		-5.9%
28,612	30,694	31,676	982		3.1%
7,526	8,536	9,304	768		8.3%
13,623	14,394	14,197	(197)		-1.4%
204,242	225,374	225,522	148		0.1%
1,249	(4,011)	(5,190)	1,179		22.7%
0.61%	-1.81%	-2.36%			
2,512	2,512	1,888	624		33.1%
26	64	-	64		0.0%
(6,370)	(7,050)	(6,557)	(493)		-7.5%
494	340	338	2		0.6%
7,955	8,290	8,290	-		0.0%
609	431	837	(406)		-48.5%
1,741	508	-	508		0.0%
6,967	5,095	4,796	299		6.2%
\$ 8,216	\$ 1,084	\$ (394)	\$ 1,478		375.1%
4.00%	0.49%	-0.18%			
\$ 2,818	\$ (2,950)	\$ (4,409)	\$ 1,459		33.1%
1.37%	-1.33%	-2.00%			

**NET INCOME (FASB FORMAT) EXCLUDES PROPERTY TAX INCOME, NET INTEREST EXPENSE ON GO BONDS AND UNREALIZED GAIN(LOSS) ON INVESTMENTS



**WASHINGTON HEALTH
BALANCE SHEET
October 2025
(In thousands)**

SCHEDULE BOARD 2

ASSETS AND DEFERRED OUTFLOWS		October 2025	Unaudited June 2025	LIABILITIES, NET POSITION AND DEFERRED INFLOWS		October 2025	Unaudited June 2025
CURRENT ASSETS				CURRENT LIABILITIES			
1	CASH & CASH EQUIVALENTS	\$ 15,745	\$ 30,849	1	CURRENT MATURITIES OF L/T OBLIG	\$ 10,365	\$ 9,880
2	ACCOUNTS REC NET OF ALLOWANCES	73,345	81,212	2	ACCOUNTS PAYABLE	23,787	39,261
3	OTHER CURRENT ASSETS	25,664	31,385	3	OTHER ACCRUED LIABILITIES	49,025	86,340
4	TOTAL CURRENT ASSETS	114,754	143,446	4	INTEREST	8,152	13,801
				5	TOTAL CURRENT LIABILITIES	91,329	149,282
ASSETS LIMITED AS TO USE				LONG-TERM DEBT OBLIGATIONS			
5	BOARD DESIGNATED FOR CAPITAL AND OTHER	169,943	181,650	6	REVENUE BONDS AND OTHER	206,080	215,181
6	GENERAL OBLIGATION BOND FUNDS	111,090	129,459	7	GENERAL OBLIGATION BONDS	464,382	466,177
7	REVENUE BOND FUNDS	50,553	50,903				
8	BOND DEBT SERVICE FUNDS	19,589	41,368				
9	OTHER ASSETS LIMITED AS TO USE	11,171	11,079				
10	TOTAL ASSETS LIMITED AS TO USE	362,346	414,459	OTHER LIABILITIES			
11	OTHER ASSETS	394,254	383,105	8	SUPPLEMENTAL MEDICAL RETIREMENT	47,469	46,109
				9	WORKERS' COMP AND OTHER	10,745	10,540
				10	NET PENSION	54,674	50,459
				11	ROU ASSET LONG-TERM	9,045	9,712
12	OTHER INVESTMENTS	20,735	26,133				
13	NET PROPERTY, PLANT & EQUIPMENT	578,837	565,182	12	NET POSITION	572,851	571,767
14	TOTAL ASSETS	<u>\$ 1,470,926</u>	<u>\$ 1,532,325</u>	13	TOTAL LIABILITIES AND NET POSITION	<u>\$ 1,456,575</u>	<u>\$ 1,519,227</u>
15	DEFERRED OUTFLOWS	14,960	18,475	14	DEFERRED INFLOWS	29,311	31,573
16	TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 1,485,886</u>	<u>\$ 1,550,800</u>	15	TOTAL LIABILITIES, NET POSITION AND DEFERRED INFLOWS	<u>\$ 1,485,886</u>	<u>\$ 1,550,800</u>



WASHINGTON HEALTH
OPERATING INDICATORS
October 2025

SCHEDULE BOARD 3

12 MONTH AVERAGE	October			
	ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.
176.5	167.5	182.7	(15.2)	-8%
8.2	7.7	9.5	(1.8)	-19%
184.7	175.2	192.2	(17.0)	-9%
8.6	8.3	8.3	-	0%
193.3	183.5	200.5	(17.0)	-8%
3.7	2.2	3.8	(1.6)	-42%
5,366	5,191	5,665	(474)	-8%
249	238	294	56	19%
1,056	1,084	1,085	(1)	0%
5.11	4.81	5.22	0.4	8%
3.11	2.90	3.26	0.4	11%
1.645	1.656	1.600	0.056	4%
37	49	37	12	32%
125	128	124	4	3%
57	56	53	3	6%
26	29	27	2	7%
198	190	208	(18)	-9%
36	30	27	3	11%
27	32	34	(2)	-6%
31	29	33	(4)	-12%
536	543	543	-	0%
197	220	196	24	12%
139	121	136	(15)	-11%
9,133	9,864	9,018	846	9%
5,287	5,105	5,338	(233)	-4%
1,487.1	1,501.0	1,576.2	75.2	5%
205.2	184.6	208.5	23.9	11%
1,692.3	1,685.6	1,784.7	99.1	6%
5.09	5.28	5.35	0.07	1%
5.80	5.93	6.06	0.13	2%

PATIENTS IN HOSPITAL

1	ADULT & SCN AVERAGE DAILY CENSUS
2	OUTPT OBSERVATION AVERAGE DAILY CENSUS
3	COMBINED AVERAGE DAILY CENSUS
4	NURSERY AVERAGE DAILY CENSUS
5	TOTAL
6	SPECIAL CARE NURSERY AVERAGE DAILY CENSUS
7	ADULT & SCN PATIENT DAYS
8	OBSERVATION EQUIVALENT DAYS - OP
9	DISCHARGES-ADULTS & SCN
10	AVERAGE LENGTH OF STAY-ADULTS & SCN
11	AVERAGE LENGTH OF STAY-ADULTS & SCN / CASE MIX INDEX

OTHER KEY UTILIZATION STATISTICS

12	OVERALL CASE MIX INDEX (CMI)
SURGICAL CASES	
13	CARDIAC
14	GASTROENTEROLOGY
15	GENERAL
16	NEUROSURGERY
17	ORTHOPEDICS
18	UROLOGY
19	VASCULAR
20	OTHER
21	TOTAL CASES
22	CATH LAB CASES
23	DELIVERIES
24	OUTPATIENT VISITS
25	EMERGENCY VISITS

LABOR INDICATORS

26	PRODUCTIVE FTE'S
27	NON PRODUCTIVE FTE'S
28	TOTAL FTE'S
29	PRODUCTIVE FTE/ADJ. OCCUPIED BED
30	TOTAL FTE/ADJ. OCCUPIED BED

FISCAL YEAR TO DATE			
ACTUAL	BUDGET	FAV (UNFAV) VAR	% VAR.
169.5	179.5	(10.0)	-6%
6.4	9.3	(2.9)	-31%
175.9	188.8	(12.9)	-7%
8.8	8.2	0.6	7%
184.7	197.0	(12.3)	-6%
3.7	3.7	-	0%
20,845	22,084	(1,239)	-6%
788	1,146	358	31%
4,350	4,228	122	3%
4.89	5.22	0.3	6%
3.01	3.21	0.2	6%
1.627	1.627	-	0%
189	145	44	30%
507	478	29	6%
226	208	18	9%
96	106	(10)	-9%
778	802	(24)	-3%
123	102	21	21%
119	131	(12)	-9%
118	129	(11)	-9%
2,156	2,101	55	3%
847	757	90	12%
555	531	24	5%
38,059	35,060	2,999	9%
20,942	20,801	141	1%
1,488.5	1,536.3	47.8	3%
204.2	223.4	19.2	9%
1,692.7	1,759.7	67.0	4%
5.26	5.31	0.05	1%
5.99	6.08	0.09	1%

Washington Township Health Care District

**Annual Financial Report
June 30, 2025 and 2024**

Washington Township Health Care District

Index

June 30, 2025 and 2024

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Report of Independent Auditors

To the Board of Directors of Washington Township Health Care District

Opinions

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component units, and fiduciary activities of the Washington Township Health Care District (the "District") as of and for the years ended June 30, 2025 and 2024, including the related notes, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, and fiduciary activities of the District as of June 30, 2025 and 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material

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if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages from 4 through 13 and the required supplementary information on page 57 through 63 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

[PricewaterhouseCoopers LLP (signed)]

San Francisco, California

December __, 2025

Washington Township Health Care District

Management's Discussion and Analysis

Years Ended June 30, 2025 and 2024 (Unaudited)

Overview of the Financial Statements

The annual financial report consists of Management's Discussion and Analysis, financial statements and notes to those statements and required supplementary information. These statements are organized to present the Washington Township Health Care District doing business as Washington Health (the District), the Washington Hospital Healthcare Foundation doing business as Washington Health Foundation (the Foundation), the Warm Springs Health Center (JV-Warm Springs), and the WHHS & UCSF Health Cancer Services Joint Venture, LLC (JV-Oncology) as discrete financial entities, operating as a financial whole. Readers should also review the accompanying notes to the financial statements as they provide additional information that is essential to a full understanding of the District's, Foundation's, JV-Warm Springs', and JV-Oncology's financial statements.

The District is a political subdivision of the State of California organized under the Local Health Care District Law, as set forth in the Health and Safety Code of the State of California, and is considered a Local Government Agency. The District's mission is to provide broad healthcare services to its residents. The District's boundaries encompass an area of approximately 124 square miles in southern Alameda County. Included within the District's boundaries are the cities of Fremont, Newark, Union City, southern portions of Hayward and an unincorporated area of the County known as Sunol. The District operates Washington Hospital (the Hospital), a 415-bed licensed acute care hospital located in Fremont, California.

The District is the sole corporate member of Washington Township Hospital Development Corporation (DEVCO), which is reported as a blended component unit in the District's financial statements. DEVCO was formed in 1984 to train medical personnel, develop medical treatment programs, perform medical research and development, and render medical services to the general public. The DEVCO Board is appointed by the District's Board. DEVCO currently operates an outpatient rehabilitation center and an urgent care clinic. In July 2010, DEVCO purchased a controlling interest in the Washington Outpatient Surgery Center, LLC (WOSC) and has blended its financial statements since this date.

Peninsula Surgery Center LLC (PSC) is a joint venture between DEVCO, WOSC and private physicians that was formed in 2022. DEVCO holds the majority interest in the operating entity, PSC, and the holding company, Peninsula Surgical Partnership LLC (PSP). PSC and PSP are considered component units of DEVCO and are blended in DEVCO's financial statements.

DEVCO is the sole corporate member of Washington Township Medical Foundation doing business as Washington Health Medical Group (WHMG). WHMG was formed in 2010 to operate a multi-specialty medical clinic under the applicable provisions of the California Health and Safety Code. WHMG is a blended component unit of DEVCO.

The accompanying financial statements include the accounts and transactions of the Hospital, DEVCO and WHMG. All significant inter-company accounts and transactions have been eliminated in the financial statements.

The Foundation was established to raise funds for the operation, maintenance, and modernization of the facilities of the District, its related corporations, and sponsored programs which benefit the District. JV-Warm Springs was established to provide a combination of primary care, multi-specialty care, urgent care and other outpatient services to the residents of the District. JV-Oncology was established to provide radiation oncology services at the District and is the beginning phase of a larger ambulatory cancer services affiliation between the District and University of California, San Francisco (UCSF) which are committed to providing the preeminent regional cancer program in the south east Bay Area.

The statements of net position and the statements of revenues, expenses, and changes in net position, provide an indication of the District's, the Foundation's, JV-Warm Springs', and JV-Oncology's financial health. The statements of net position include all of the District's, Foundation's, JV-Warm Springs' and

Washington Township Health Care District

Management's Discussion and Analysis

Years Ended June 30, 2025 and 2024 (Unaudited)

JV-Oncology's assets, deferred outflows of resources, liabilities and deferred inflows of resources, using the accrual basis of accounting, as well as an indication about which portions of net position can be utilized for general purposes and which are restricted as a result of bond covenants, donor restrictions or other purposes. The statements of revenues, expenses, and changes in net position report all of the revenues and expenses and increases and decreases in net position during the time period indicated that resulted from the District's, the Foundation's, JV-Warm Springs', and JV-Oncology's operating and non-operating transactions during the year. For the District, the statements of cash flows report the cash provided by and used in operating activities, as well as other cash sources and uses such as investment income, repayment of bonds, and capital additions and improvements. Two of the primary statements, the statements of fiduciary net position and the statements of changes in fiduciary net position, present the financial position and operating activities for the District's pension and other post-employment medical benefits. The notes to the financial statements provide additional information that is essential to a full understanding of the financial statements.

In fiscal year 2025, the District announced the launch of a phased brand transition to Washington Health. The new brand reflects the organization's evolution from a community hospital into a comprehensive health system, while re-affirming its longstanding commitment to remain an independent, community-based provider. Washington Health encompasses a broad network that includes a hospital, medical group, ambulatory care sites, and specialty services in trauma, orthopedics, neurosurgery, cardiovascular surgery, oncology, maternal and child health, and neonatal intensive care.

In fiscal year 2025, the District adopted GASB Statement No. 101, *Compensated Absences*, effective for the District's fiscal year beginning July 1, 2024. This statement establishes recognition and measurement guidance for all types of compensated absences. The adoption did not have any material impact on the District's consolidated financial statements.

The District also adopted GASB Statement No. 102, *Certain Risk Disclosures*, effective for the District's fiscal year beginning July 1, 2024. This statement establishes accounting and financial reporting requirements which require an assessment on whether a concentration or constraint makes the District or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact, and whether an event or events associated with a concentration or constraint that could cause substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within twelve months of the date the financial statements are issued. The adoption did not have any material impact on the District's consolidated financial statements.

Financial Highlights

- The District generated an operating loss of \$30.8 million in fiscal year 2025, \$29.5 million in fiscal year 2024, and \$39.3 million in fiscal year 2023. The recurring losses over the past three years were primarily driven by a high reliance on government payers and increasing consolidated operating expenses, particularly in salaries and employee benefits, which is further strained by the higher cost of living in the region in which the District operates. In addition, on-going inflationary pressures resulted to increased cost for supplies and contracted services.
- When non-operating income and special items are included, the District's activities resulted in a \$9.6 million, \$14.8 million, and \$41.0 million decrease in net position for fiscal years 2025, 2024, and 2023, respectively.
- Despite the recurring operating losses, the District continues to experience volume improvements. Net patient revenue improved by 9.8 percent (\$61.9 million) from fiscal year 2024 and by 6.2 percent (\$37.1 million) from fiscal year 2023, and is expected to further increase as a result of key strategic and operational improvement initiatives that the District has in its pipeline.

Washington Township Health Care District

Management's Discussion and Analysis

Years Ended June 30, 2025 and 2024 (Unaudited)

Analysis of the District's Net Position

- Total assets and deferred outflows of resources have remained relatively stable since 2023, reaching \$1.3 billion in 2025 and \$1.2 billion in 2024, which is higher compared to \$1.1 billion in fiscal year 2023. The increase in cash and investments in 2025 was primarily driven by higher revenues, improved collections, and favorable financial market returns. In 2024, the increase was mainly attributed to strong market performance and the proceeds from the issuance of Series 2023 bonds. The decline in net capital assets reflects accumulated depreciation outpacing capital additions during the period.
- Total liabilities increased slightly by \$13.7 million to \$984.9 million at June 30, 2025, compared to a larger increase of \$161.2 million to \$971.2 million at June 30, 2024. The increase in fiscal year 2025 was primarily driven by higher current liabilities related to expanded services, while the increase in fiscal year 2024 was mainly due to the issuance of Series 2023 bonds.
- Total net position was \$240.0 million at June 30, 2025, representing a decrease of \$9.6 million from the \$249.6 million reported at June 30, 2024. Similarly, the net position declined by \$14.8 million in fiscal year 2024, down from \$264.4 million at June 30, 2023. These consecutive decreases were primarily driven by on-going losses on operations.

Table 1 provides a summary of the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of June 30:

<i>(in thousands)</i>	2025	2024	2023
Assets			
Current assets	\$ 212,337	\$ 195,937	\$ 163,377
Long-term investment and restricted funds	378,523	371,885	216,763
Capital assets, net	594,993	599,235	612,011
Other assets	49,272	43,367	44,268
Total assets	1,235,125	1,210,424	1,036,419
Deferred outflows of resources	18,489	38,355	72,273
Total assets and deferred outflows of resources	\$ 1,253,614	\$ 1,248,779	\$ 1,108,692
Liabilities and Net Position			
Current liabilities	\$ 172,945	\$ 150,919	\$ 131,705
Net pension liability	50,459	52,379	69,065
Net postemployment medical benefits (OPEB)	46,109	41,143	42,548
Long-term lease and SBITA liabilities	19,881	18,523	15,886
Long-term debt	686,910	699,969	543,256
Other long-term liabilities	8,645	8,288	7,601
Total liabilities	984,949	971,221	810,061
Deferred inflows of resources	28,694	27,946	34,250
Net position			
Net investment in capital assets	34,045	47,060	63,618
Restricted – expendable	34,759	34,531	29,722
Restricted for minority interest	2,269	1,527	1,641
Unrestricted	168,898	166,494	169,400
Total net position	239,971	249,612	264,381
Total liabilities, net position and deferred inflows of resources	\$ 1,253,614	\$ 1,248,779	\$ 1,108,692

Washington Township Health Care District

Management's Discussion and Analysis

Years Ended June 30, 2025 and 2024 (Unaudited)

Table 2 provides a summary of total available cash and investments as of June 30:

<i>(in thousands)</i>	2025	2024	2023
Cash and cash equivalents and short-term investments	\$ 75,878	\$ 66,073	\$ 50,763
Board-designated for capital and debt	181,651	180,886	176,628
Workers' compensation fund	9,855	9,332	8,921
Unexpended capital bond funds, excluding amounts required for current liabilities	186,970	181,622	31,155
Restricted funds	47	45	59
Total available cash and investments	<u>\$ 454,401</u>	<u>\$ 437,958</u>	<u>\$ 267,526</u>

The District maintains sufficient cash, short-term investments and Board-designated balances to cover all short-term liabilities. All excess cash is transferred to Board-designated funds for future needs.

Net Capital Assets

Net capital assets decreased by \$4.2 million to \$595.0 million at June 30, 2025, compared to \$599.2 million at June 30, 2024, and \$612.0 million at June 30, 2023. The decline in net capital assets reflects an increase in accumulated depreciation that outpaced net capital additions during the year. Net capital additions amounted to \$34.2 million and \$22.5 million in fiscal years 2025 and 2024, respectively. Increase in accumulated depreciation amounted to \$48.9 million and \$47.4 million in fiscal years 2025 and 2024, respectively. The majority of net capital additions includes purchases of equipment, construction in buildings, and land improvements.

Debt Administration

As part of the obligations under the bond indentures for the 2015A, 2017A, 2017B, 2019A, 2020A and 2023A Series Revenue Bonds, the District has agreed that the Hospital will maintain a long-term debt service coverage ratio of no less than 1.1 to 1.0 on a yearly basis. The Hospital's long-term debt service coverage ratio was 3.29 to 1.0, 3.21 to 1.0, and 2.56 to 1.0, for the years ended June 30, 2025, 2024, and 2023, respectively. In its report issued January 21, 2025, Moody's assigned their rating of these bonds at Baa3, with a stable outlook.

Washington Township Health Care District

Management's Discussion and Analysis

Years Ended June 30, 2025 and 2024 (Unaudited)

Analysis of the District's Results of Operations

Table 3 shows the revenues, expenses, and changes in net position for the District for the years ended June 30:

<i>(in thousands)</i>	2025	2024	2023
Operating revenues			
Net patient service revenues	\$ 696,025	\$ 634,120	\$ 596,975
Other	23,375	18,391	27,132
Total operating revenues	<u>719,400</u>	<u>652,511</u>	<u>624,107</u>
Operating expenses			
Salaries and wages	321,926	297,224	285,560
Employee benefits	112,350	98,223	101,788
Supplies	98,015	89,719	81,308
Professional fees	96,963	88,350	79,058
Purchased services	54,647	45,803	46,599
Depreciation	46,650	45,144	52,398
Insurance	3,751	4,002	3,782
Other operating expenses	15,875	13,559	12,933
Total operating expenses	<u>750,177</u>	<u>682,024</u>	<u>663,426</u>
Income (loss) from operations	<u>(30,777)</u>	<u>(29,513)</u>	<u>(39,319)</u>
Nonoperating revenues and expenses			
Federal grant revenue	264	4,344	550
Other nonoperating revenues and expenses, net	15,481	5,806	(345)
Total nonoperating revenues and expenses	<u>15,745</u>	<u>10,150</u>	<u>205</u>
Decrease in net position before minority interest and restricted funds	(15,032)	(19,363)	(39,114)
Minority interest from contributions (distributions)	742	(1,850)	(2,049)
Contributions used for capital expenditures	4,649	6,444	167
Decrease in net position	<u>(9,641)</u>	<u>(14,769)</u>	<u>(40,996)</u>
Net position			
Beginning of year	249,612	264,381	305,377
End of year	<u>\$ 239,971</u>	<u>\$ 249,612</u>	<u>\$ 264,381</u>

Washington Township Health Care District

Management's Discussion and Analysis

Years Ended June 30, 2025 and 2024 (Unaudited)

Net Patient Service Revenues

The District receives Federal funds through the Medicare program and State funds through the Medi-Cal program. The District also receives funds through the Alameda County Medi-Cal HMO program. These government payors account for approximately 73.0 percent, 71.8 percent, and 70.9 percent of the District's gross revenues in fiscal years 2025, 2024, and 2023, respectively. Commercial preferred provider organization (PPOs) and health maintenance organizations (HMOs) together comprise approximately 25.3 percent, 26.4 percent, and 27.6 percent of gross revenues in fiscal years 2025, 2024, and 2023, respectively, with the balance of gross revenues attributable to uninsured individuals.

Net patient service revenues increased \$61.9 million (9.8 percent) to \$696.0 million in fiscal year 2025, \$37.1 million (6.2 percent) to \$634.1 million in fiscal year 2024, and \$21.2 million (3.7 percent) to \$597.0 million in fiscal year 2023.

In June 2022, after an extensive yearlong evaluation of Alameda County's existing trauma system, the Health Emergency Medical Services Agency designated Washington Health as the county's new Level II Trauma Center, the first new designation awarded since 1987. Since receiving this designation, the District has undertaken a coordinated, systemwide effort to develop and build the trauma program, culminating in the official opening of the Trauma Center on July 1, 2024.

Inpatient Business Activity

The District's gross inpatient revenue increased by \$219.7 million (15.9 percent) to \$1.6 billion in fiscal year 2025, compared to \$1.4 billion in fiscal years 2024 and 2023.

Table 4 presents the patient days for each year and the percentage changes:

	2025 Days	2024 Days	% Change 2025 v 2024	2023 Days	% Change 2024 v 2023
Specialty					
Medical/surgical	50,273	45,886	9.6%	45,931	-0.1%
Critical care	6,337	5,640	12.4%	5,667	-0.5%
Special care nursery	1,277	1,265	0.9%	1,328	-4.7%
Pediatrics	48	263	-81.7%	438	-40.0%
Obstetrics	4,600	4,080	12.7%	4,371	-6.7%
Subtotal adult and pediatric patient days	62,535	57,134	9.5%	57,735	-1.0%
Newborn	3,099	2,877	7.7%	3,035	-5.2%
Total patient days	65,634	60,011	9.4%	60,770	-1.2%

Admissions increased by 1,690 (16.2 percent) to 12,149 in fiscal year 2025, compared to 10,459 in fiscal year 2024, and 10,603 in fiscal year 2023. Similarly, inpatient surgeries increased to 3,030 in fiscal year 2025, compared to 2,450 in fiscal year 2024, and to 2,437 in fiscal year 2023.

The average length of stay decreased to 5.22 days in fiscal year 2025, compared to 5.38 days in fiscal year 2024, and 5.43 in fiscal year 2023. The overall case mix index, which measures patient acuity, increased to 1.627 in fiscal year 2025, compared to 1.593 in fiscal year 2024 and 1.542 in fiscal year 2023. The reduction in average length of stay reflects on-going operational improvement initiatives aimed at reducing excess days by ensuring patients are transitioned appropriately through the system and receive care at the most suitable level.

Washington Township Health Care District

Management's Discussion and Analysis

Years Ended June 30, 2025 and 2024 (Unaudited)

Outpatient Business Activity

The District's gross outpatient revenue increased by \$84.1 million (6.9 percent) to \$1.30 billion in fiscal year 2025, compared to \$1.22 billion in fiscal year 2024, and \$1.11 billion in fiscal year 2023. This growth was primarily driven by an overall increase in outpatient volumes, as well as the implementation of various operational initiatives aimed at enhancing the quality of care delivered to patients and ensuring they receive the appropriate level of care.

Emergency room visits increased by 2,537 (4.2 percent) to 63,260 in fiscal year 2025, compared to 60,723 in fiscal year 2024, and 58,697 in fiscal year 2023.

Non-Emergency Outpatient visits increased to 107,403 in fiscal year 2025, compared to 103,069 in fiscal year 2024, and 105,848 in fiscal year 2023.

Outpatient surgeries performed at the Hospital increased by 59 (1.8 percent) to 3,274 compared to 3,215 in fiscal year 2024 and 3,139 in fiscal year 2023.

Visits at WHMG increased 4,471 (2.0 percent) to 218,036 in fiscal year 2025, compared to 213,565 in fiscal year 2024, and 210,582 in fiscal year 2023. WHMG's telehealth visit platform provided over 16,000 telehealth visits in fiscal year 2025, 19,000 telehealth visits in fiscal year 2024, and over 25,000 telehealth visits in fiscal year 2023. The decreasing trend in telehealth visits is due to more competition from other virtual care providers.

Deductions from Revenue

Overall deductions from revenue, expressed as a percentage of gross revenues, were 75.9 percent, 75.5 percent, and 75.8 percent for fiscal years 2025, 2024, and 2023, respectively. The rate remains comparable to the prior two years and the District continues to implement revenue improvement initiatives focused on streamlining billing processes, reducing claim denials and enhancing collection. The favorable impact from these initiatives were offset by a growing proportion of government payors and lower average payment rates from commercial payors.

Charity Care

The District provides care without charge to all patients who meet certain criteria under its Charity Care Policy. Charity allowances are based upon the customary charges for the services provided under this program. The District recorded \$3.0 million, \$2.7 million, and \$4.0 million in foregone charges related to charity care for patient services during fiscal years 2025, 2024, and 2023, respectively. Patients who are eligible for charity care are generally those without insurance who also meet income eligibility criteria. Private pay revenues increased from \$36.4 million in fiscal year 2023 to \$48.2 million in fiscal year 2024 and to \$48.9 million in fiscal year 2025.

In addition to the charity care described above, the estimated cost in excess of reimbursement for medically indigent patients under Medi-Cal and Medi-Cal managed care programs was estimated at \$88.0 million in 2025, \$75.0 million in 2024, and \$78.0 million in 2023. Uncompensated services with an estimated total cost of more than \$175.8 million in fiscal year 2025, \$168.0 million in fiscal year 2024, and \$159.0 million in fiscal year 2023 were provided to Medicare and Medicare managed care patients.

Washington Township Health Care District

Management's Discussion and Analysis

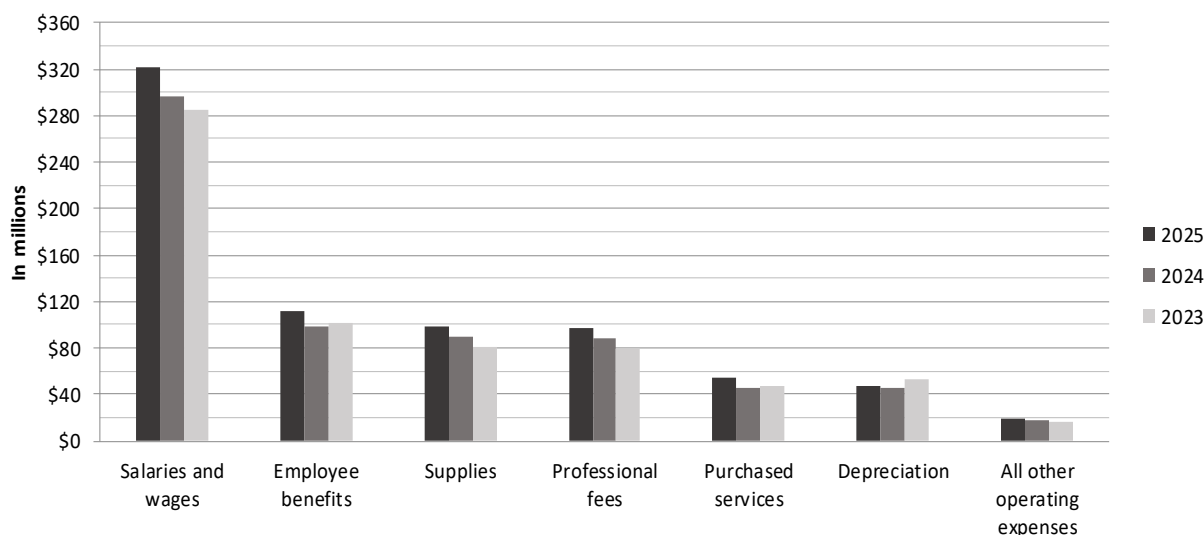
Years Ended June 30, 2025 and 2024 (Unaudited)

Provision for Bad Debt

The provision for bad debt (expressed as a percentage of gross revenues) was 1.65 percent in fiscal year 2025, 1.66 percent in fiscal year 2024, and 1.45 percent in fiscal year 2023.

Operating Expenses

Total operating expenses were \$750.2 million, \$682.0 million, and \$663.4 million for fiscal years 2025, 2024, and 2023, respectively, the components of which are summarized in the graph below:



Total operating expenses increased by \$68.2 million (10.0 percent) from fiscal year 2024 to fiscal year 2025. The primary driver of this increase was higher spending on salaries and wages, which reflects the District's ongoing investments in workforce growth and retention. The second-largest increase was in employee benefits, which is consistent with overall compensation trends. By comparison, total operating expenses increased by \$18.6 million (2.8 percent), from fiscal year 2023 to fiscal year 2024, also primarily due to increases in salaries and wages, followed by employee benefits.

Salaries and Benefits

- Salaries and wages increased by \$24.7 million (8.3 percent) in fiscal year 2025 and by \$11.7 million (4.1 percent) in fiscal year 2024. As of June 30, 2025, approximately 66.2 percent of the District's employees are members of collective bargaining groups. These employees receive periodic pay increases through the various Memoranda of Understanding (MOUs) approved by the District's Board of Directors. The increase in salaries and wages in fiscal year 2025 was driven by negotiated wage rates increases under the MOUs, as well as adjustments for non-represented employees. The District believes that these increases are consistent with the prevailing wage trends in the local labor market. In addition, the nationwide shortage of health care workers and inflationary pressures contributed to higher cost of labor and increased overtime in fiscal year 2025.
- District-wide full-time equivalent employees (FTEs) were 2,058, 1,971, and 1,934 FTEs at June 30, 2025, 2024, and 2023, respectively.
- Employee benefits increased by \$14.1 million (14.4 percent) in fiscal year 2025, decreased by \$3.6 million (3.5 percent) in fiscal year 2024 and increased by \$40.5 million (66.1 percent) in fiscal year

Washington Township Health Care District

Management's Discussion and Analysis

Years Ended June 30, 2025 and 2024 (Unaudited)

2023. The largest component of this was the increase in pension expense and rising health care benefit costs.

Other Operating Expenses

- The increase in professional services and supplies expenses in fiscal years 2025 and 2024 are related to the increase in volumes and inflationary pressures that have generally driven up the costs of supplies and services.
- Depreciation expense increased by \$1.5 million (3.3 percent) and decreased by \$7.3 million (13.8 percent) in fiscal years 2025 and 2024, respectively.
- The change in other operating expenses were not significant.

Net Non-operating Revenues and Expenses

Net non-operating revenues and expenses increased by \$5.6 million and \$10.0 million in fiscal years 2025 and 2024, respectively. The most significant changes in non-operating activity include favorable market returns in fiscal year 2025 resulting to \$11.7 million increases in investment income and fair value of investments, compared to \$8.6 million investment gains in fiscal year 2024.

Economic Factors Expected to Affect the District's 2025 Operations

The District's Board of Directors approved the fiscal year 2026 operating budget at its June 2025 meeting. The operating budget was developed after a thorough analysis of both internal and external factors, including key volume trends, economic indicators, and the evolving regulatory landscape. It reflects the best information available amid ongoing economic uncertainty, market volatility and healthcare policy changes. The fiscal year 2026 budget focuses on revisiting and refining growth strategies and the implementation of cost-saving initiatives designed to position the District for long-term financial stability. It also incorporates the District's current Institutional Agenda, along with forward-looking projections for population growth, unemployment rates, inflationary pressures, investment market fluctuations, and anticipated regulatory developments in the healthcare sector.

Downward pressures on reimbursement are expected to continue. In projecting net revenues for fiscal year 2026, the District has incorporated the continued effects of reimbursement changes from government, commercial and third party payors, based on the available information. Likewise, the unpredictable future of the Bay Area and the country's economy could significantly impact the District's operations. Additional legislation at either the State or Federal level may affect the accuracy of many budget assumptions.

The fiscal year 2026 budget anticipates an increase in both operating revenues and expenditures compared to fiscal year 2025. Expense growth will be primarily driven by salaries and employee benefits, purchased and professional services, and supplies expenses. The number of full-time employees is expected to grow related to expanded services, contributing to higher salary and benefit costs. These costs, along with purchased services and supplies, are projected to continue increasing over the next several years due to volume growth and inflation. Utilities and software licenses are also expected to increase as investments in technology for operational improvement continue. All other expense categories are expected to increase modestly in fiscal year 2026.

The District remains focused on identifying opportunities to improve its financial performance in both the short- and the long-term. This includes operational improvement initiatives to reduce costs and strategic investments in key service areas such as cancer care, level II adult trauma, urgent care, Warm Springs Health Center and Morris Hyman Critical Care Pavilion.

Washington Township Health Care District

Statements of Net Position

June 30, 2025 and 2024

	District		Foundation		JV-Warm Springs		JV-Oncology	
	2025	2024	2025	2024	2025	2024	2025	2024
<i>(in thousands)</i>								
Assets								
Current assets								
Cash and cash equivalents	\$ 41,118	\$ 31,542	\$ 15,050	\$ 4,280	\$ 3,226	\$ 4,065	\$ 793	\$ 1,179
Short-term investments	34,759	34,531	109	8,431	-	-	-	-
Short-term investments held by District on behalf of Foundation	-	-	1,066	1,019	-	-	-	-
Patient accounts receivable, less allowance for estimated uncollectibles of \$27,184 and \$35,337 for the District, and \$3,307 and \$4,185 for the JV-Oncology in 2025 and 2024, respectively	98,186	90,937	-	-	-	-	1,596	1,946
Contributions receivable, net	-	-	297	106	-	-	-	-
Supplies	7,285	4,912	-	-	-	-	-	-
Other receivables	23,900	27,410	-	-	-	-	23,311	15,111
Prepaid expenses and other	7,089	6,605	15	105	-	-	607	589
Total current assets	212,337	195,937	16,538	13,940	3,226	4,065	26,307	18,826
Long-term investment and restricted funds								
Board-designated for capital, debt and workers' compensation	191,506	190,218	-	-	-	-	-	-
Held by trustee	186,970	181,622	-	-	-	-	-	-
Restricted funds	47	45	-	-	-	-	-	-
Capital assets, net	594,993	599,235	-	-	24,579	24,477	5,701	6,404
Other assets								
Contributions receivable, net	-	-	1,528	2,038	-	-	-	-
Other noncurrent assets	49,272	43,367	-	-	-	-	-	-
Total assets	1,235,125	1,210,424	18,066	15,978	27,805	28,542	32,008	25,230
Deferred outflows of resources								
Deferred outflows of resources – Goodwill	14	687	-	-	-	-	-	-
Deferred outflows of resources – Postemployment medical benefits (OPEB)	8,003	7,727	-	-	-	-	-	-
Deferred outflows of resources – Pension	10,472	29,941	-	-	-	-	-	-
Total deferred outflows	18,489	38,355	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 1,253,614	\$ 1,248,779	\$ 18,066	\$ 15,978	\$ 27,805	\$ 28,542	\$ 32,008	\$ 25,230

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

Washington Township Health Care District

Statements of Net Position

June 30, 2025 and 2024

	District		Foundation		JV-Warm Springs		JV-Oncology	
	2025	2024	2025	2024	2025	2024	2025	2024
<i>(in thousands)</i>								
Liabilities and Net Position								
Current liabilities								
Current portion of long-term debt	\$ 10,764	\$ 10,334	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued expenses	43,666	49,820	-	-	146	536	7,730	6,193
Due to Foundation	1,078	1,030	-	-	-	-	-	-
Due to third party payors and unearned revenue	6,096	5,587	-	-	-	-	-	-
Accrued liabilities								
Payroll related	17,220	15,165	-	-	-	-	-	-
Vacation	22,515	22,078	-	-	-	-	-	-
Health benefits	4,782	4,866	-	-	-	-	-	-
Interest	13,866	13,953	-	-	-	-	43	45
Other	52,958	28,086	-	-	-	-	273	238
Total current liabilities	172,945	150,919	-	-	146	536	8,046	6,476
Long-term liabilities								
Workers' compensation claims	8,645	8,288	-	-	-	-	-	-
Net postemployment medical benefits (OPEB)	46,109	41,143	-	-	-	-	-	-
Long-term lease and SBITA liabilities	19,881	18,523	-	-	-	-	2,241	2,411
Net Pension Liability	50,459	52,379	-	-	-	-	-	-
Long-term debt, net of current maturities	220,733	231,669	-	-	-	-	-	-
Long-term debt, general obligation bonds	466,177	468,300	-	-	-	-	-	-
Total long-term liabilities	812,004	820,302	-	-	-	-	2,241	2,411
Total liabilities	984,949	971,221	-	-	146	536	10,287	8,887
Deferred inflows of resources								
Deferred inflows of resources – Postemployment medical benefits (OPEB)	4,439	6,095	-	-	-	-	-	-
Deferred inflows of resources – Pension	170	957	-	-	-	-	-	-
Deferred inflows of resources – Lease obligations	24,085	20,894	-	-	-	-	-	-
Total deferred inflows	28,694	27,946	-	-	-	-	-	-
Net position								
Net investment in capital assets	34,045	47,060	-	-	12,535	12,483	3,144	3,967
Restricted – expendable	34,759	34,531	3,799	5,772	-	-	-	-
Restricted for minority interest – nonexpendable	2,269	1,527	-	-	13,553	13,723	10,641	8,006
Unrestricted	168,898	166,494	14,266	10,205	1,571	1,800	7,936	4,370
Total net position	239,971	249,612	18,066	15,978	27,659	28,006	21,721	16,343
Total liabilities, deferred inflows of resources and net position	\$ 1,253,614	\$ 1,248,779	\$ 18,066	\$ 15,978	\$ 27,805	\$ 28,542	\$ 32,008	\$ 25,230

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

Washington Township Health Care District

Statements of Revenues, Expenses, and Changes in Net Position

Years Ended June 30, 2025 and 2024

	District		Foundation		JV-Warm Springs		JV - Oncology	
	2025	2024	2025	2024	2025	2024	2025	2024
<i>(in thousands)</i>								
Operating revenues								
Net patient service revenues	\$ 696,025	\$ 634,120	\$ -	\$ -	\$ -	\$ -	\$ 10,782	\$ 12,398
Other	23,375	18,391	-	-	-	-	-	-
Contributions	-	-	7,718	15,385	-	-	-	-
Contributed services	-	-	951	783	-	-	-	-
Total operating revenues	719,400	652,511	8,669	16,169	-	-	10,782	12,398
Operating expenses								
Salaries and wages	321,926	297,224	-	-	-	-	-	-
Employee benefits	112,350	98,223	-	-	-	-	-	-
Supplies	98,015	89,719	-	-	-	-	4	-
Professional services	96,963	88,350	-	-	-	-	118	134
Purchased services	54,647	45,803	-	-	217	104	4,057	4,077
Depreciation	46,650	45,144	-	-	-	-	934	881
Insurance	3,751	4,002	-	-	76	18	41	32
Donations	-	-	5,713	6,799	-	-	-	-
Other operating expenses	15,875	13,559	1,463	1,303	54	54	147	149
Total operating expenses	750,177	682,024	7,176	8,102	347	177	5,301	5,273
Operating (loss) income	(30,777)	(29,513)	1,493	8,067	(347)	(177)	5,480	7,125
Non-operating revenues and expenses								
Federal grant revenue	264	4,344	-	-	-	-	-	-
Investment income	7,788	6,742	595	291	-	-	-	-
Net increase (decrease) in the fair value of investments	3,909	1,847	-	-	-	-	-	-
Interest expense, including amortization of premiums and discounts on bonds payable	(21,573)	(21,376)	-	-	-	-	(102)	(108)
Property tax revenue	25,507	16,626	-	-	-	-	-	-
Other non-operating income	(150)	1,967	-	-	-	-	-	-
Total non-operating (expenses) and revenues, net	15,745	10,150	595	291	-	-	(102)	(108)
(Decrease) increase in net position before other changes	(15,032)	(19,363)	2,088	8,358	(347)	(177)	5,378	7,017
Minority interest – Contribution from (Distributions to)	742	(1,850)	-	-	-	-	-	-
Contributions used for capital expenditures	4,649	6,444	-	-	-	-	-	-
(Decrease) increase in net position after other changes	(9,641)	(14,769)	2,088	8,358	(347)	(177)	5,378	7,017
Net position								
Beginning of year	249,612	264,381	15,978	7,620	28,006	28,183	16,343	9,326
End of year	\$ 239,971	\$ 249,612	\$ 18,066	\$ 15,978	\$ 27,659	\$ 28,006	\$ 21,721	\$ 16,343

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

Washington Township Health Care District

Statements of Cash Flows

Years Ended June 30, 2025 and 2024

(in thousands)

	District	
	2025	2024
Cash flows from operating activities		
Cash received from patient service activities	\$ 688,776	\$ 622,711
Other cash receipts	23,375	18,391
Cash payments to suppliers	(256,786)	(223,735)
Cash payments to employees and employee benefit programs	(408,208)	(383,154)
Net cash provided by operating activities	47,157	34,213
Cash flows from noncapital financing activities		
Donation from Foundation to District	593	343
Net assets distributed to minority shareholders in WOSC, LLC	742	(1,850)
Federal grant receipts	264	4,344
Net cash provided by noncapital financing activities	1,599	2,837
Cash flows from capital and related financing activities		
Purchases of capital assets	(34,228)	(22,427)
Rental receipts	4,424	4,529
Donation from Foundation to District	4,649	6,444
Principal paid on debt, lease and SBITA	(17,788)	(17,165)
Interest paid on debt	(32,762)	(27,951)
Proceeds from debt issuance, net of issuance costs	-	162,990
Proceeds from property taxes levied by the County	27,043	17,235
Net cash (used in) provided by capital and related financing activities	(48,662)	123,655
Cash flows from investing activities		
Purchases of investments	(150,593)	(311,434)
Sales of investments	153,244	152,384
Investment income	7,573	6,554
Purchase of interest in equity investments	-	-
Other non-operating income	(742)	3,715
Net cash provided by (used in) investing activities	9,482	(148,781)
Net increase in cash and cash equivalents	9,576	11,924
Cash and cash equivalents		
Beginning of year	31,542	19,618
End of year	\$ 41,118	\$ 31,542
Reconciliation of operating income to net cash provided by (used in) operating activities		
Operating loss	\$ (30,777)	\$ (29,513)
Adjustments to reconcile operating income to net cash		
Adjustments to reconcile operating income to		
Loss (gain) on disposal of fixed asset	38	(709)
Impairment of fixed asset	-	1,085
Depreciation and amortization	48,937	46,323
Provision for doubtful accounts	47,844	43,017
Amortization of goodwill	673	657
Pension funding	-	(2,125)
Postemployment medical benefits (OPEB) funding	(2,790)	(3,363)
Net change in deferred outflows and inflows	25,777	14,354
Changes in assets and liabilities		
Accounts receivable	(55,093)	(54,426)
Supplies, prepaid expenses, and other current assets	(2,266)	(4,819)
Other assets	(11,093)	4,658
Due to Foundation	48	51
Due from/to third party payors	(781)	(4,373)
Accounts payable and accrued expenses	(5,225)	8,375
Payroll, vacation, and health accrued liabilities	2,408	2,770
Other liabilities	29,457	12,251
Net cash provided by operating activities	\$ 47,157	\$ 34,213
Noncash transactions		
Accounts payable and accrued expenses for property and equipment purchases	\$ (930)	\$ 2,536
Change in fair value of investments	4,108	3,588
Capital assets acquired through leases	5,218	10,390
Capital assets acquired through SBITA's	4,825	1,528

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

Washington Township Health Care District
Statements of Fiduciary Net Position
December 31, 2024 and 2023¹

	Pension and OPEB Trust Funds	
	2024	2023
<i>(in thousands)</i>		
Assets		
Cash and cash equivalents	\$ 4,287	\$ 2,477
Investments at fair value		
Mutual funds		
Fixed income funds	137,765	127,930
Domestic equity funds	170,166	152,640
International equity funds	86,328	92,680
Balanced real asset funds	83,948	79,379
Commodity funds	1,594	1,371
Real estate funds	1,588	1,464
Infrastructure funds	518	490
Total investments	481,907	455,954
Total assets	\$ 486,194	\$ 458,431
Liabilities and Net Position		
Liabilities		
Accounts payable and other liabilities	\$ -	\$ -
Total liabilities	-	-
Net position		
Restricted for		
Pensions	455,876	430,862
OPEB	30,318	27,569
Total liabilities and net position	\$ 486,194	\$ 458,431

1 Information regarding fiduciary funds is presented as of the measurement date of December 31, the plan year end for the Pension and OPEB Plans.

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

Washington Township Health Care District
Statements of Changes in Fiduciary Net Position
Years Ended December 31, 2024 and 2023¹

	Pension and OPEB Trust Funds	
	Years ended	
	2024	2023
<i>(in thousands)</i>		
Additions		
Contributions		
Members	\$ 3,111	\$ 2,620
Employers	2,125	2,700
Total contributions	<u>5,236</u>	<u>5,320</u>
Investment earnings		
Net increase in fair value of investments	47,817	58,305
Interest, dividends, and other	910	1,651
Total investment income	<u>48,727</u>	<u>59,956</u>
Less: Investment costs:		
Investment activity (credit) costs	<u>(1,078)</u>	<u>(1,221)</u>
Net investment income	<u>49,805</u>	<u>61,177</u>
Total additions	<u>55,041</u>	<u>66,497</u>
Deductions		
Benefits paid to participants or beneficiaries	25,919	24,325
Administrative expense	258	247
Other disbursements	1,101	2,280
Total deductions	<u>27,278</u>	<u>26,852</u>
Net increase in fiduciary net position	<u>27,763</u>	<u>39,645</u>
Net position		
Beginning	458,431	418,786
Ending	<u>\$ 486,194</u>	<u>\$ 458,431</u>

1 Information regarding fiduciary funds is presented as of the measurement date of December 31, the plan year end for the Pension and OPEB Plans.

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

Washington Township Health Care District

Notes to Financial Statements

June 30, 2025 and 2024

1. Organization and Summary of Significant Accounting Policies

Organization

District

Washington Township Health Care District doing business as Washington Health (the District) is a political subdivision of the State of California organized under the Local Health Care District Law, as set forth in the Health and Safety Code of the State of California, and is considered a Local Government Agency (Local Agency). It is exempt from federal and state income taxes. The District's mission is to provide broad healthcare services to its residents. The District's boundaries encompass an area of approximately 124 square miles in southern Alameda County. The District operates Washington Hospital (the Hospital), a 415-bed licensed acute care hospital located in Fremont, California. Included within the District boundaries are the cities of Fremont, Newark and Union City, the southern portions of the city of Hayward and the unincorporated area known as Sunol.

The District is the sole corporate member of Washington Township Hospital Development Corporation (DEVCO). DEVCO was formed in 1984 to train medical personnel, develop medical treatment programs, perform medical research and development, and render medical services to the general public. The DEVCO Board is appointed by the District's Board. DEVCO operates an outpatient rehabilitation center and an urgent care clinic. In July 2010, DEVCO purchased a controlling interest in the Washington Outpatient Surgery Center, LLC (WOSC) and has blended its financial statements since this date.

Peninsula Surgery Center LLC (PSC) is a joint venture between DEVCO, WOSC and private physicians that was formed in 2022. DEVCO holds the majority interest in the operating entity, PSC, and the holding company, Peninsula Surgical Partnership LLC (PSP). PSC and PSP are blended component units of DEVCO.

DEVCO is the sole corporate member of its blended component unit, Washington Township Medical Foundation doing business as Washington Health Medical Group (WHMG). WHMG was formed in November 2010 to operate a multi-specialty medical clinic under the applicable provisions of the California Health and Safety Code.

The accompanying financial statements include the accounts and transactions of the Hospital, DEVCO, WOSC, PSC, PSP and WHMG. All significant inter-company accounts and transactions have been eliminated in the financial statements.

Foundation

Washington Hospital Healthcare Foundation (the Foundation), founded in 1982, is a California non-profit corporation. The Foundation was established to raise funds for the operation, maintenance, and modernization of the facilities of the District, its related corporations, and sponsored programs which benefit the District. Accordingly, the Foundation is considered a component unit of the District and is discretely presented in the District's financial statements. Complete financial statements for the Foundation can be obtained from the Foundation at 2000 Mowry Avenue, Fremont, CA 94538.

JV-Warm Springs and JV-Oncology

Warm Springs Health Center Partnership, LLC (JV-Warm Springs) was established in October 2021 and is a California limited liability corporation for federal and state tax purposes. JV-Warm Springs is a joint venture between the District and the University of California at San Francisco (UCSF). This joint venture was established to handle the management, design and construction of the building that these two entities own through a Tenants In Common Agreement, and to provide a combination of

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Notes to Financial Statements

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primary care, multi-specialty care, urgent care and other outpatient services to the residents of the District.

WHHS & UCSF Health Cancer Services Joint Venture, LLC (JV-Oncology) was established in February 2023 to jointly provide radiation oncology services at the Hospital. The radiation oncology joint venture is the beginning phase of a larger ambulatory cancer services affiliation between the District and UCSF. Through the evolution of this joint venture in cancer care, the District and UCSF are committed to providing the preeminent regional cancer program in the south east Bay Area.

The District's holding of a majority equity interest in JV-Warm Springs and JV-Oncology does not meet the definition of an investment and the holding of the majority equity interest results in the District being financially accountable for the organizations. JV-Warm Springs and JV-Oncology do not meet the criteria for blending, and therefore are discretely presented component units in the District's financial statements.

Accounting Standards

District

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, using the economic resources measurement focus and the accrual basis of accounting. The District follows accounting principles issued by the Governmental Accounting Standards Board (GASB).

Foundation

As a non-profit organization, the Foundation reports under the Financial Accounting Standards Board (FASB) standards, including generally accepted accounting principles for not-for-profit organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. For purposes of the District's financial statements, the Foundation's financial statements have been conformed to GASB presentation.

JV-Warm Springs and JV-Oncology

As the District's and UCSF's officials appoint a controlling majority of the members of the JV-Warm Springs and JV-Oncology's governing body, these two organizations are considered governmental. As such, JV-Warm Springs' and JV-Oncology's financial statements are reported under GASB requirements.

Fiduciary Component Units

The District administers a pension plan and an OPEB plan through trust arrangements. The District is obligated to make contributions to the plans and as such the plans meet the criteria for being considered fiduciary component units of the District.

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The District's most significant estimates relate to patient accounts receivable allowances, amounts due to third-party payors, self-insurance liabilities and employee benefit costs. Estimates related to employee benefit costs include actuarial estimates of pension and OPEB obligations.

Washington Township Health Care District

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Proprietary Fund Accounting

The District utilizes the proprietary fund method of accounting whereby revenues and expenses are recognized on the accrual basis and financial statements are prepared using the economic resources measurement focus.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid debt instruments with an original maturity of three months or less. Cash equivalents held in short-term investments and long-term investments and restricted funds are treated as investments and are not included in cash and cash equivalents on the Statement of Cash Flows.

Due to the District's status as a Local Agency, amounts in the District's deposit accounts are considered to be public funds, which, by State statute, are required to be collateralized, with pledged securities, by the depository bank. The value of the pledged securities, in addition to the deposit insurance provided by the Federal Deposit Insurance Corporation, equals or exceeds the District's carrying value. Collateral is held by the depository bank's trust department in the name of the District.

Long-Term Investments and Restricted Funds

Long-term investments and restricted funds are invested in corporate debt securities, United States Treasury bonds and government agency debt issues. These investments are measured at fair value, which is determined based upon quoted market prices. These investments are exposed to various risks, such as interest rate, market and credit risks. Investments set aside for future capital improvements, or for funding insurance are considered to be Board-designated funds. These and other investments, whose use has been limited by financial arrangements, are classified as long- or short-term investment funds. Investments whose use by the District has been limited by Foundation donors to a specific time period or purpose are classified as restricted funds.

Capital Assets

Capital assets are recorded at cost. District assets with an original cost of \$2,500 or more are considered capital assets. Expenditures that substantially increase the useful lives of existing assets are capitalized. Routine maintenance and repairs are expensed as incurred.

Depreciation is provided over the useful life of each class of depreciable assets and is computed using the straight-line method.

Depreciable lives by property classification are as follows:

Land improvements	2–25 years
Buildings	10–40 years
Right-to-use lease and subscription-based IT arrangement assets	5–17 years
Fixed and moveable equipment	3–20 years

Deferred Inflows and Outflows of Resources

In addition to assets, liabilities and net position, the statements of net position includes separate sections for deferred outflows of resources and deferred inflows of resources. A deferred outflow represents a consumption or use of net position, applicable to a future period that will not be recognized as an outflow (expense) until that future period. Conversely, a deferred inflow represents an acquisition of net position, applicable to a future period that will not be recognized as an inflow (revenue) until that future period. The District has deferred outflows of resources related to goodwill, and both deferred inflows and deferred outflows of resources related to pension and other postemployment medical benefits (OPEB) both of which are described further under Note 9, Employee Benefit Plans. The District also records deferred inflows related to lessor arrangements.

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Net Position

Net position is composed of the following categories:

Net Investment in Capital Assets

Capital assets, net of accumulated depreciation and amortization reduced by outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

Restricted - Expendable

Net position, whose use is subject to externally-imposed restrictions that can be fulfilled by actions of the District, pursuant to those restrictions, or that expire by the passage of time.

Restricted for Minority Interest - Nonexpendable

The District is involved in several joint ventures with outside entities in which it maintains majority ownership interest. The minority interest in these joint ventures includes:

<i>(in thousands)</i>	2025	2024
Washington Outpatient Surgery Center	\$ 1,555	\$ 3,604
Peninsula Surgical Partnership and Peninsula Surgery Center	\$ 714	\$ (2,077)
Restricted for minority interest – nonexpendable	<u>\$ 2,269</u>	<u>\$ 1,527</u>

Unrestricted

Net position that is neither restricted nor included in net investment in capital assets. Unrestricted net position may be designated for specific purposes by management or the Board of Directors.

When an expense is incurred where both restricted and unrestricted net positions are available for use, the restricted net position is applied first.

Risk Management

The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; employee health, dental, and accident claims; and medical malpractice. The District utilizes both commercial insurance and self-insurance for claims arising from such matters. The District is self-insured with excess insurance above specified retention amounts for workers' compensation claims, health, vision and dental claims. The District has commercial insurance coverage for professional and general liability, directors' and officers' liability, and property damage claims.

Self-Insurance Plans

The District is self-insured for workers' compensation benefits for employees, up to a specified retention amount. An actuarial estimate of future claims payments, up to the retention amount, are accrued as a long-term liability. This estimate is based on the expected, undiscounted payments. Assets have been set aside for future payments of workers' compensation benefits, related expense, and the cost of administering the plan. These assets are classified as long-term investment funds in the accompanying financial statements.

The District provides eligible employees with health, vision and dental benefits through self-insured programs administered by Health Comp, OptumRx, Vision Service Plan and Delta Dental, respectively. The accrued liabilities for claims arising from these programs are estimated based upon annual actuarial reviews and are recorded at the expected, undiscounted amounts.

Washington Township Health Care District

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The District is a member of and participates in a professional and general liability and also directors' and officers' liability coverage group insurance program through BETA Healthcare Group (BETA). BETA is a joint powers authority whose members are primarily district hospitals and county facilities in California. Amounts paid to BETA by each member represent actuarially determined assessments of claims payable, and estimated incurred, but not reported, claims that are adjusted periodically based on the claims experience for each insured member. Claims in excess of specified insured limits are the responsibility of individual program participants.

The District's BETA professional and general liability insured program is on a "claims-made" basis, with a deductible and \$40.0 million limits. The District converted coverage for these liabilities from occurrence-based to claims-made on July 1, 2004. The District records actuarially-determined liabilities related to this coverage for 1) deductible amounts for currently open claims, 2) tail liability (based on claims associated with occurrences subsequent to July 1, 2004), and 3) unreported claims from occurrences prior to July 1, 2004 (subject to the deductible limit). The accrued liabilities are recorded at the expected, undiscounted amounts.

Concentration of Credit Risk

District

Financial instruments that potentially subject the District to concentration of credit risk consist principally of cash equivalents and patient accounts receivable.

The District invests its cash and cash equivalents in highly rated financial instruments including insured deposits and the Local Agency Investment Fund (LAIF). All of the District's investments, including assets held by trustees, are collateralized and/or are held by the District, or its agent, in the District's name. Other than U.S. Treasury obligations, LAIF funds, and money market mutual funds, there is no significant concentration in one investment or group of similar investments.

The District's concentration of credit risk relating to patient accounts receivable is limited by the diversity and number of the District's patients and payors. Patient accounts receivable consists of amounts due from governmental programs, commercial insurance companies, private pay patients and other group insurance programs. Medicare (22.0 percent), Medicare HMO (20.6 percent) and Medi-Cal HMO (20.1 percent) are the only payors representing more than ten percent of the District's net patient accounts receivable as of June 30, 2025. The District maintains an allowance for doubtful accounts based on the expected collectability of patient accounts receivable.

Statements of Revenues, Expenses, and Changes in Net Position

For purposes of display, transactions deemed by management to be ongoing, major, or central to the provision of health care services are reported as operating revenues and expenses. Peripheral or incidental transactions, which include federal grant revenues, property tax revenues, interest expense, investment income, changes in unrealized gains and losses, rental income and bond issuance costs are reported as non-operating revenues and expenses.

Net Patient Service Revenues

Net patient service revenues are reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Reimbursement from third-party payors under various methodologies is based on the level of care provided. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Retroactive adjustments, related to prior years, including adjustments to prior year estimates, increased net patient service revenues by approximately \$6.2 million in fiscal year 2025 and approximately \$15.0 million in fiscal year 2024.

Washington Township Health Care District

Notes to Financial Statements

June 30, 2025 and 2024

Laws and regulations governing the Medicare and Medi-Cal programs are complex and are subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change.

Charity Care

The District provides care without charge to all patients who meet certain criteria under its Charity Care Policy. Because the District does not pursue collection of amounts determined to qualify as charity care, they are not included in net patient service revenues. The District subsidizes the cost of treating patients who are on governmental assistance, where reimbursement is below cost. The District recorded \$3.0 million and \$2.7 million in foregone charges related to charity care for patient services during fiscal years 2025 and 2024, respectively.

Other Revenues

Other revenues include revenues from cafeteria, laundry, dietary and certain DEVCO operations. Other revenues also include funding under the State of California's Quality Incentive Pool (QIP) program. Amounts recorded for the QIP program were \$7.0 million and \$3.8 million in fiscal year 2025 and fiscal year 2024, respectively.

Interest Income and Expense

Interest expense on debt issued for construction projects and income earned on the funds held pending use are recorded as income or expense in the period they are earned or incurred.

Impairment of Long-Lived Assets

The District is required to evaluate material events or changes in circumstances to determine whether an impairment loss should be recorded and that any insurance recoveries be netted with the impairment loss. Based on management's evaluation, there were no material impairment losses in fiscal years 2025 and 2024.

Income Taxes

District

The District operates under the purview of the Internal Revenue Code, Section 115, and corresponding California Revenue and Taxation Code provisions. As such, it is not subject to state or federal taxes on income. However, income from the unrelated business activities of the District may be subject to income taxes.

DEVCO, WHMG and Foundation

DEVCO, WHMG and the Foundation are California non-profit corporations and are therefore exempt from federal and state income tax as a 501(c) (3) organizations.

PSP, PSC, WOSC, JV-Warm Springs and JV-Oncology

These entities are all California limited liability corporations and are subject to state tax but are treated as pass-through entities for federal income tax purposes.

Property Tax Revenue

The District receives property taxes that are assessed by Alameda County for the service of the general obligation bond principal and interest payments. The District records these revenues as non-operating revenues.

Contributions used for Capital Items

Donations received that are restricted as to use, and have been used, for the purchase of capital items are reported as other changes to net position.

Washington Township Health Care District

Notes to Financial Statements

June 30, 2025 and 2024

New Accounting Pronouncements

Pending Adoption

In May 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*, effective for financial statements beginning after June 15, 2025 (fiscal year 2026 for the District). This statement provides guidance to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. Management is currently evaluating the effect of this standard on the District's financial statements.

In October 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, effective for financial statements beginning after June 15, 2025 (fiscal year 2026 for the District). The standard requires that certain types of capital assets, such as lease assets by major class of underlying asset, and right-to-use assets arising from subscription-based information technology arrangements, be disclosed separately in capital asset note disclosures. The standard also requires that capital assets be reported as capital assets held for sale if the government has decided to pursue a sale of the asset and it is probable that the sale will be finalized within one year of the financial statement date; it also requires additional note disclosures about capital assets held for sale.

Adopted

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*, effective for financial statements beginning after December 15, 2023 (fiscal year 2025 for the District), with earlier adoption encouraged. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The adoption did not have any material impact on the District's financial statements.

In January 2024, the GASB issued Statement No. 102, *Certain Risk Disclosures*, effective for financial statements beginning after June 15, 2024 (fiscal year 2025 for the District), with earlier adoption encouraged. This statement establishes accounting and financial reporting requirements which require an assessment on whether a concentration or constraint makes the District or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact, and whether an event or events associated with a concentration or constraint that could cause substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within twelve months of the date the financial statements are issued. The adoption did not have any material impact on the District's financial statements.

Washington Township Health Care District

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2. Patient Revenues

Patient revenues consist of the following:

<i>(in thousands)</i>	2025	2024
Gross patient charges		
Routine inpatient services	\$ 521,547	\$ 460,247
Ancillary inpatient services	1,080,982	922,580
Outpatient services	1,300,845	1,216,765
	<u>2,903,374</u>	<u>2,599,592</u>
Less: Charity care	(2,989)	(2,724)
Gross patient service revenues	<u>2,900,385</u>	<u>2,596,868</u>
Deductions from gross patient service revenues		
Contractual allowances for statutory and negotiated rates	2,156,516	1,919,731
Provision for doubtful accounts	47,844	43,017
	<u>2,204,360</u>	<u>1,962,748</u>
Net patient service revenues	<u>\$ 696,025</u>	<u>\$ 634,120</u>

The District has agreements with third-party payors that provide for payments to the District at amounts that differ from established rates. Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates-per-discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. The District also receives Medicare Disproportionate Share (DSH) reimbursements for services provided to a disproportionate percentage of low-income patients. The Medicare program pays hospitals for outpatient services under the prospective payment system known as Ambulatory Payment Classifications (APCs). Under APCs, the District is paid a prospectively determined rate based on the diagnosis and procedures provided to patients. Outpatient physical therapy, speech therapy, occupational therapy, and laboratory are paid based upon prospectively determined fee schedules. The Hospital is reimbursed for cost reimbursable items at a tentative rate, with final settlements determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's cost reports have been finalized for all fiscal years through June 30, 2020. Inpatient services provided to Medi-Cal program beneficiaries are reimbursed under an All Patient Refined Diagnosis Related Group (APR-DRG) payment methodology. Outpatient services provided to Medi-Cal beneficiaries are reimbursed according to a state fee schedule.

The District has also entered into payment agreements with certain commercial insurance carriers and preferred provider organizations. The methods for payment under these agreements include prospectively determined rates-per-discharge, discounts from established charges, and prospectively determined per diem rates. The District receives reimbursement from various payors under the State of California Division of Workers' Compensation program, based upon a pre-determined fee schedule.

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Notes to Financial Statements

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Billings relating to services rendered are recorded as net patient service revenue in the period in which the service is performed, net of contractual and other allowances, which represent differences between gross charges and the estimated receipts under such programs. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Receivables for patient care are also reduced for allowances for uncollectible accounts.

The process for estimating the ultimate collection of receivables involves significant assumptions and judgments. Account balances are written off against the allowance when management determines it is probable the receivable will not be recovered. The use of historical collection and payor reimbursement experience is an integral part of the estimation of reserves for uncollectible accounts. Revisions in estimated reserves for uncollectible accounts are recorded as an adjustment to the provision for bad debts.

There is ongoing uncertainty about reimbursements from government programs. The Centers for Medicare and Medicaid Services have proposed reductions in rates that, if finalized, could result in decreases in Medicare reimbursements for hospitals and providers. Similarly, the State of California's proposed budget includes healthcare-related spending cuts that may affect reimbursements for Medi-Cal services. It also includes potential delays or reductions in Medi-Cal program expansions and provider rate increases, further contributing to the financial uncertainty facing the District. The ultimate outcome of these proposals and other market changes cannot presently be determined.

The District participates in several State and Federal supplemental payment programs that allow it and other governmental agencies to draw down unspent Medi-Cal funds, up to the Federal upper payment limit. The primary mechanism used for drawing down these funds is intergovernmental transfers, whereby Districts transfer funds to the State, who then transmits the funds to the Federal government to draw down the Federal matching funds. In fiscal years 2025 and 2024, the District recognized \$33.2 million and \$26.5 million, respectively, in supplemental funding obtained through these programs, including the following:

<i>(in thousands)</i>	2025	2024
Hospital Quality Assurance Fee	\$ 6,629	\$ 4,555
Rate Range	17,178	15,040
Public Hospital Redesign and Incentives in Medi-Cal Program	7,013	3,771
AB915 Public Hospital Outpatient Services Supplemental Reimbursement Program	1,000	1,110
AB113 Medi-Cal Fee-for-Service Payment Supplement	1,400	2,034
Total State and Federal Supplemental Payments	<u>\$ 33,220</u>	<u>\$ 26,510</u>

In fiscal year 2020, the State announced that they were recalculating amounts paid to all District Hospitals under the Public Hospital Outpatient Services Supplemental Reimbursement Program from 2003 to 2017 due to an error in the State's original calculations. It is anticipated that these recalculations may result in recoupment of amounts previously recorded, however the State has not yet finalized its analysis. The District had recorded a reserve of \$2.5 million as of June 30, 2025 and 2024, based on the District's preliminary calculations of the potential recoupment amount.

Washington Township Health Care District

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The composition of gross patient revenues by major payor type is as follows:

<i>(in thousands)</i>	2025	2024
Medicare and Medicare HMO	\$ 1,490,057	\$ 1,373,753
Medi-Cal and Medi-Cal HMO	629,231	492,224
Commercial PPO, HMO and others	735,209	685,391
Private pay	48,877	48,225
Total gross patient revenues	<u>\$ 2,903,374</u>	<u>\$ 2,599,592</u>

3. Related-Party Transactions

One of the District board members is an officer of the District's primary banking institution. As of June 30, 2025 and June 30, 2024, respectively, the District's balances on deposit with the primary banking institution were as follows: cash and cash equivalents \$34.9 million and \$31.5 million, Board-designated for capital and workers compensation \$160.1 million and \$150.7 million. Banking and investment fees paid were \$0.5 million for fiscal year 2025 and \$0.4 million for fiscal year 2024.

4. Fair Value

The fair value of certain assets has been estimated using available market information and appropriate valuation methodologies. A fair market value hierarchy for valuation inputs has been established to prioritize them into levels based on the extent to which inputs used in measuring fair value are observable in the market. The level assigned to a particular financial instrument is determined by the lowest level input that is significant to the fair value measurement in its entirety.

These levels are as follows:

Level 1	Values are based on quoted prices (unadjusted) available in active markets for identical assets or liabilities as of the measurement date. Level 1 investments include equity securities and other publicly traded securities. The District has no Level 1 assets or liabilities.
Level 2	Values are based on quoted prices in non-active markets, dealer quotations, or alternative pricing sources for similar assets or liabilities, for which all significant inputs are observable, either directly or indirectly. Level 2 investments included fixed- or variable-income securities, commingled funds, certain derivatives and other assets that are valued using market information.
Level 3	Values are based on inputs that are generally unobservable for the asset or liability and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value for Level 3 investments are based upon the best information available and may require significant management judgment. Level 3 investments include private equity investments, real estate and split interest agreements. The District has no Level 3 assets or liabilities.
Net Asset Value (NAV)	Investments whose fair value is measured at NAV are excluded from the fair value hierarchy. Investments in non-governmental entities that do not have a readily determinable fair value may be valued at NAV. Types of investments which are

Washington Township Health Care District

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measured at NAV include hedge funds, private equity investments and commingled funds.

Not Levelled Cash and cash equivalents include cash on hand, deposits in banks, certificates of deposit and money market funds. Due to their short-term nature, the carrying amounts of these assets are considered to approximate their fair value. Certain deposits exceed FDIC limits.

The fair value of the District's investment assets, measured on a recurring basis at June 30, 2025, is reflected in the following table:

<i>(in thousands)</i>	Significant Other Observable Inputs (Level 2)	Net Asset Value (NAV)	Not Levelled	Balance at June 30, 2025
District				
U.S. Treasuries	\$ 88,670	\$ -	\$ -	\$ 88,670
U.S. Agencies	12,433	-	-	12,433
Corporate and municipal bonds	55,895	-	-	55,895
Local Agency Investment Fund (LAIF)	-	-	31,403 ¹	31,403
Money market and mutual funds	-	-	224,881	224,881
Total Investments - District	<u>\$ 156,998</u>	<u>\$ -</u>	<u>\$ 256,284</u>	<u>\$ 413,282</u>

¹ Amount includes funds held on behalf of the Foundation.

The fair value of the District's investment assets, measured on a recurring basis at June 30, 2024, is reflected in the following table:

<i>(in thousands)</i>	Significant Other Observable Inputs (Level 2)	Net Asset Value (NAV)	Not Levelled	Balance at June 30, 2024
District				
U.S. Treasuries	\$ 73,382	\$ -	\$ -	\$ 73,382
U.S. Agencies	17,518	-	-	17,518
Corporate and municipal bonds	56,296	-	-	56,296
Local Agency Investment Fund (LAIF)	-	-	39,560 ¹	39,560
Money market and mutual funds	-	-	219,660	219,660
Total Investments - District	<u>\$ 147,196</u>	<u>\$ -</u>	<u>\$ 259,220</u>	<u>\$ 406,416</u>

¹ Amount includes funds held on behalf of the Foundation.

Significant Level 2 instruments listed in the fair value hierarchy tables above use the following valuation techniques and inputs:

Fixed income funds consist of government securities and corporate bonds. Where identical quoted market prices are not readily available, fair value is determined using quoted market prices and/or other market data for comparable instruments and transactions in establishing prices, as well as discounted cash flow models and other pricing modes. These inputs to fair value are included in industry-standard valuation techniques such as the income or market approach.

Investments that are not leveled include the State of California Local Agency Investment Fund that consists of funds designated for operations and for Board-designated purposes which are highly liquid and for which there are no unfunded commitments. Excluding invested amounts related to

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bond proceeds, amounts may be withdrawn with 1 to 2 days' notice, depending on the amount. For bond proceeds invested in the commingled funds, withdrawals are subject to a delay of up to 30 days, depending on the timing of the request.

Fair value estimates are made at a specific point in time and are based on relevant market information about the financial instrument therefore changes in assumptions could significantly affect these estimates.

Since the fair value has been estimated as of June 30, 2025 and as of June 30, 2024, the amounts that will actually be realized or paid at settlement or maturity of the instruments could be different.

5. Long-Term Investment and Restricted Funds

District

Investment and restricted funds, at fair value, have been set aside as follows as of June 30:

<i>(in thousands)</i>	2025	2024
Long-term investment and restricted funds		
Board-designated for capital and debt	\$ 181,651	\$ 180,886
Workers' compensation fund	9,855	9,332
Funds held by trustee under bond indenture	221,729	216,153
Restricted funds	47	45
Total funds	<u>413,282</u>	<u>406,416</u>
Short-term investments – required for current liabilities	<u>(34,759)</u>	<u>(34,531)</u>
Total long-term investment and restricted funds	<u>\$ 378,523</u>	<u>\$ 371,885</u>

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy, for assets that are Board-designated for capital, limits investments made by each investment manager to have an average maturity of not more than five years.

Washington Township Health Care District

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June 30, 2025 and 2024

The District's investment policy permits the following investments:

	Maximum Average Maturity	Maximum Percentage	Maximum Investment
Authorized investment type			
U.S. Treasury obligations	10 years	100%	none
U.S. Government agency securities	10 years	100%	none
State of California or local agency obligations	5 years	100%	none
Corporate bonds	5 years	30%	none
Certificates of deposit	5 years	30%	none
Mortgage pass-throughs	5 years	20%	none
Commercial paper	270 days	40%	10%
Bankers acceptances	180 days	40%	30%
Repurchase agreements	1 year	none	none
Mutual funds and money market mutual funds	N/A	20%	none
LAIF (State Pool Demand Deposits)	N/A	As permitted by law	As permitted by law

As of June 30, 2025, the District had the following investments with maturities as follows:

(in thousands)	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Investment type					
U.S. Treasuries	\$ 88,670	\$ 649	\$ 85,643	\$ 2,378	\$ -
U.S. Government agencies	12,433	1,581	5,890	1,640	3,322
Corporate and municipal bonds	55,895	3,302	51,953	640	-
LAIF (State Pool Demand Deposits)	31,403	31,403	-	-	-
Money market and mutual funds	224,880	224,679	201	-	-
Total investments	<u>\$ 413,282</u>	<u>\$ 261,614</u>	<u>\$ 143,687</u>	<u>\$ 4,658</u>	<u>\$ 3,322</u>

As of June 30, 2024, the District had the following investments with maturities as follows:

(in thousands)	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Investment type					
U.S. Treasuries	\$ 73,632	\$ 3,686	\$ 62,957	\$ 6,989	\$ -
U.S. Government agencies	17,517	2,274	10,217	1,553	3,473
Corporate and municipal bonds	56,297	13,159	38,550	4,588	-
LAIF (State Pool Demand Deposits)	39,560	39,560	-	-	-
Money market and mutual funds	219,410	219,212	198	-	-
Total investments	<u>\$ 406,416</u>	<u>\$ 277,891</u>	<u>\$ 111,922</u>	<u>\$ 13,130</u>	<u>\$ 3,473</u>

Amounts invested in the State of California Local Agency Investment Fund include funds designated for operations and for Board-designated purposes.

Credit Risk

The District's investment policies are governed by State statutes that require the District to invest in highly rated and secure cash equivalents, and government and corporate debt securities. The District's policy requires that investments in corporate bonds be rated "A-" or its equivalent or better

Washington Township Health Care District

Notes to Financial Statements

June 30, 2025 and 2024

by a nationally recognized rating service under the “prudent man rule” (Civil Code Sect. 2261 et seq.) as long as the investment is deemed prudent and the type of investment is allowable under current legislation of the State of California (Government Code Section 53600 et seq.). Should the rating fall below the required rating, the District’s policies provide for a period under which corrective action is to be taken. As of June 30, 2025 and 2024, there were no investments below the required rating.

The District’s investments at June 30 are rated as follows:

<i>(in thousands)</i>	Fair Value at June 30		Ratings
	2025	2024	
Investment type			
U.S. Treasuries	\$ 88,670	\$ 73,382	AAA
U.S. Government agencies	12,433	17,518	AAA
Corporate & municipal bonds	55,895	56,296	See below
Local agency investment fund	31,403	39,560	Not rated
Money market and mutual funds	224,881	219,660	Not rated
Total Investments	<u>\$ 413,282</u>	<u>\$ 406,416</u>	
 Corporate & municipal bonds rating			
AAA	\$ 9,973	\$ 16,175	
AA+	576	5,594	
AA	3,534	3,943	
AA-	7,225	1,923	
A+	13,143	9,096	
A	10,485	4,509	
A-	8,422	12,703	
BBB	1,677	2,353	
Not rated	860	-	
Total corporate & municipal bonds	<u>\$ 55,895</u>	<u>\$ 56,296</u>	

6. Capital Assets

The District’s capital assets activity for fiscal year 2025 consisted of the following:

<i>(in thousands)</i>	Beginning Balance June 30, 2024	Increase	Decrease	Ending Balance June 30, 2025
Capital assets, not being depreciated				
Land	\$ 27,616	\$ -	\$ -	\$ 27,616
Construction in progress	30,942	25,950	(5,881)	51,011
Total capital assets not being depreciated	<u>58,558</u>	<u>25,950</u>	<u>(5,881)</u>	<u>78,627</u>
Capital assets being depreciated				
Land improvements	16,287	-	-	16,287
Buildings	787,529	4,186	-	791,715
Right of use asset	33,581	10,039	(1,003)	42,617
Fixed and moveable equipment	410,219	10,553	(1,437)	419,335
Total capital assets being depreciated	<u>1,247,615</u>	<u>24,778</u>	<u>(2,440)</u>	<u>1,269,953</u>
Less: Accumulated depreciation				
Land improvements	(12,524)	(632)	-	(13,156)
Buildings	(339,735)	(26,417)	-	(366,152)
Right of use asset	(10,752)	(7,018)	751	(17,019)
Fixed and moveable equipment	(343,929)	(14,596)	1,263	(357,262)
Total accumulated depreciation	<u>(706,939)</u>	<u>(48,663)</u>	<u>2,014</u>	<u>(753,588)</u>
Total capital assets being depreciated, net	<u>540,676</u>	<u>(23,885)</u>	<u>(426)</u>	<u>516,365</u>
Total capital assets, net	<u>\$ 599,235</u>	<u>\$ 2,065</u>	<u>\$ (6,307)</u>	<u>\$ 594,993</u>

Washington Township Health Care District

Notes to Financial Statements

June 30, 2025 and 2024

The District's capital assets activity for fiscal year 2024 consisted of the following:

<i>(in thousands)</i>	Beginning Balance June 30, 2023	Increase	Decrease	Ending Balance June 30, 2024
Capital assets, not being depreciated				
Land	\$ 27,616	\$ -	\$ -	\$ 27,616
Construction in progress	17,301	20,872	(7,231)	30,942
Total capital assets not being depreciated	44,917	20,872	(7,231)	58,558
Capital assets being depreciated				
Land improvements	16,281	7	(2)	16,287
Buildings	791,119	4,396	(7,986)	787,529
Right of use asset	30,533	11,918	(8,870)	33,581
Fixed and moveable equipment	398,604	13,849	(2,234)	410,219
Total capital assets being depreciated	1,236,537	30,170	(19,092)	1,247,615
Less: Accumulated depreciation				
Land improvements	(16,254)	(642)	4,372	(12,524)
Buildings	(316,853)	(26,292)	3,410	(339,735)
Right of use asset	(11,746)	(5,143)	6,137	(10,752)
Fixed and movable equipment	(324,591)	(21,274)	1,936	(343,929)
Total accumulated depreciation	(669,443)	(53,350)	15,855	(706,939)
Total capital assets being depreciated, net	567,093	(23,180)	(3,237)	540,676
Total capital assets, net	\$ 612,011	\$ (2,308)	\$ (10,468)	\$ 599,235

The District's right of use asset for both fiscal year 2025 and 2024 includes building and equipment leases and subscription based IT arrangement assets (SBITAs). The equipment leases are not material.

At June 30, 2025, the District was in the process of completing several construction and renovation projects. Commitments related to these projects totaled approximately \$61.0 million.

The increase in the District's accumulated depreciation includes both operating and non-operating depreciation as detailed below:

<i>(in thousands)</i>	2025	2024
Change in accumulated depreciation		
Operating depreciation expense	\$ 46,650	\$ 45,144
Nonoperating depreciation expense	2,287	2,262
Disposal/Adjustment of fixed assets	(2,013)	(8,887)
Total increase in accumulated depreciation	\$ 46,924	\$ 38,519

7. Credit Facilities

The District entered into an Irrevocable Standby Letter of Credit (LOC) in connection with phase II of the facility master plan construction project that was completed in 2018. In fiscal year 2025, the amount of the letter of credit was \$1.5 million. No draws have been made under the LOC as of June 30, 2025.

WOSC had a short-term \$1.0 million revolving line of credit available as of June 30, 2024. This facility expired in May 2025.

Washington Township Health Care District

Notes to Financial Statements

June 30, 2025 and 2024

8. Long-Term Debt

The District directly finances the construction, renovation and acquisition of facilities and equipment, or such other purposes as authorized by the Board of Directors through the issuance of debt obligations. Long-term financing includes revenue and government bonds, financial obligations and other borrowings.

In November 2020, the residents of the District approved Measure XX, which authorized the issuance of \$425 million of general obligation bonds to fund certain capital building projects. In April 2022, the District issued \$20.0 million of the 2020 Election General Obligation Bonds (2022 Series A), and in September 2023 issued another \$125.0 million of the 2023 Election General Obligation Bonds (2023 Series B). The proceeds of the issuance from these bonds were used to finance a portion of the projects authorized by Measure XX. As of June 30, 2025, \$280 million of the November 2020 bond authorization remains unissued.

In September 2023, the District issued \$40.0 million of revenue bonds (2023 Series A) to finance the acquisition, construction, improvement, betterment and equipping of the District's facilities and the cost of issuing the Bonds.

The District is required to meet certain covenants, the most restrictive of which is related to debt service coverage. The District has agreed that the Hospital will maintain a long-term debt service coverage ratio of no less than 1.1 to 1.0 on a yearly basis. If, for any fiscal year, the long-term debt service coverage ratio falls between 1.0 and 1.1 to 1.0, the District is required to employ an independent consultant to make recommendations which will result in the long-term debt service coverage increasing to 1.1 to 1.0. As long as the District complies with the recommendations and the long-term debt service coverage is no less than 1.0 to 1.0, no further actions are required of the District. In the event that the long-term debt service coverage ratio falls below 1.0 to 1.0, the Trustee, or a majority of the bondholders, shall be entitled to declare the bonds immediately due and payable.

The District was in compliance with these covenants as of June 30, 2025 and 2024, maintaining debt service coverage ratios of 3.29 to 1.0 and 3.21 to 1.0, respectively. The Hospital is the sole member of the obligated group, as part of the obligations under the bond indentures for the 2015A, 2017A, 2017B, 2019A, 2020A and 2023A Series Revenue Bonds.

WOSC is party to several multi-year lease agreements for surgical equipment. Amounts related to these obligations are included in current maturities of long-term debt and long-term debt, as appropriate.

In November 2020, PSC entered into a business loan agreement (Loan) to finance construction expenditures related to a surgery center in Redwood City, California. The Loan was guaranteed by PSP and the District. The original amount of the promissory note was \$9.4 million at 4.25 percent with a maturity date of December 1, 2031.

Washington Township Health Care District

Notes to Financial Statements

June 30, 2025 and 2024

A summary of the District's revenue bond, general obligation bond and loans payable activity for the year ended June 30, 2025 is as follows:

	Beginning Balance		Amortization		Ending Balance	Due Within
(in thousands)	June 30, 2024	Additions	/Other	Principal Repayments	June 30, 2025	One Year
Bonds payable						
2023B General Obligation Bonds, principal and interest (at 4.00% to 5.00%) payable semiannually	\$ 125,000	\$ -	\$ -	\$ -	\$ 125,000	\$ -
Plus: Issuance premium	3,106	-	(145)	-	2,961	-
Total 2023B General Obligation Bonds	128,106	-	(145)	-	127,961	-
2023A Revenue Bonds, principal and interest (at 3.00% to 5.00%) payable semiannually	40,000	-	-	-	40,000	-
Plus: Issuance premiums	696	-	(27)	-	669	-
Total 2023A Revenue Bonds	40,696	-	(27)	-	40,669	-
2022A General Obligation Bonds, principal and interest (at 4.00% to 5.00%) payable semiannually	20,000	-	-	-	20,000	-
Plus: Issuance premium	401	-	(26)	-	375	-
Total 2022A General Obligation Bonds	20,401	-	(26)	-	20,375	-
2020A Revenue Refunding Bonds, principal and interest (at 3.00% to 5.00%) payable semiannually	35,055	-	-	(1,670)	33,385	1,755
Plus: Issuance premiums	2,279	-	(480)	-	1,799	-
Total 2020A Revenue Bonds	37,334	-	(480)	(1,670)	35,184	1,755
2019A Revenue Refunding Bonds, principal and interest (at 3.00% to 5.00%) payable semiannually	43,455	-	-	(1,690)	41,765	1,775
Plus: Issuance premiums	1,388	-	(347)	-	1,041	-
Total 2019A Revenue Bonds	44,843	-	(347)	(1,690)	42,806	1,775
2019A General Obligation Refunding Bonds, principal and interest (at 3.00% to 5.00%) payable semiannually	10,890	-	-	(95)	10,795	105
Plus: Issuance premiums	(2)	-	(22)	-	(23)	-
Total 2019A General Obligation Bonds	10,888	-	(22)	(95)	10,772	105
2017A Revenue Bonds principal and interest (at 3.325% to 5.00%) payable semiannually	33,460	-	-	(810)	32,650	850
Plus: Issuance premiums	498	-	(73)	-	425	-
Total 2017A Revenue Bonds	33,958	-	(73)	(810)	33,075	850
2017B Revenue Bonds principal and interest (at 3.00% to 5.00%) payable semiannually	59,145	-	-	(1,495)	57,650	1,565
Plus: Issuance premiums	1,280	-	(250)	-	1,030	-
Total 2017B Revenue Bonds	60,425	-	(250)	(1,495)	58,680	1,565
2016 General Obligation Bonds principal and interest (at 2.00% to 5.00%) payable semiannually	22,405	-	-	(1,375)	21,030	1,425
Plus: Issuance premiums	897	-	(203)	-	695	-
Total 2016 General Obligation Bonds	23,302	-	(203)	(1,375)	21,725	1,425
2015A Revenue Refunding Bonds principal and interest (at 3.25% to 5.00%) payable semiannually	15,430	-	-	(2,290)	13,140	2,405
Plus: Issuance premiums	22	-	(45)	-	(23)	-
Total 2015A Revenue Bonds	15,452	-	(45)	(2,290)	13,117	2,405
2015B General Obligation Bonds principal and interest (at 3.00% to 5.00%) payable semiannually	145,500	-	-	-	145,500	-
Plus: Issuance premiums	1,205	-	(50)	-	1,155	-
Total 2015B General Obligation Bonds	146,705	-	(50)	-	146,655	-
2013A General Obligation Bonds principal and interest (at 3.00% to 5.50%) payable semiannually	38,540	-	-	-	38,540	-
Plus: Issuance premiums	434	-	(32)	-	402	-
Total 2013A General Obligation Bonds	38,974	-	(32)	-	38,942	-
2013B General Obligation Bonds principal and interest (at 4.00% to 5.50%) payable semiannually	99,960	-	-	-	99,960	-
Plus: Issuance premiums	1,434	-	(117)	-	1,317	-
Total 2013B General Obligation Bonds,	101,394	-	(117)	-	101,277	-
Loans payable						
WOSC 2020 Loans, principal and interest (at 5.25% to 6.75%) payable annually	485	-	-	(47)	438	52
Total WOSC 2020 Loans Payable	485	-	-	(47)	438	52
PSC 2021 Loan, principal and interest (at 4.25%) payable monthly	7,338	-	-	(1,340)	5,998	832
Total PSC 2021 Loan Payable	7,338	-	-	(1,340)	5,998	832
Lease & Software Subscription Obligations						
Lease & software obligations principal and interest (at 4.25%) payable monthly	23,397	9,712	48	(6,974)	26,183	6,302
Total lease obligations	23,397	9,712	48	(6,974)	26,183	6,302
Total long-term debt payable	\$ 733,699	\$ 9,712	\$ (1,767)	\$ (17,786)	\$ 723,858	\$ 17,066

Washington Township Health Care District

Notes to Financial Statements

June 30, 2025 and 2024

A summary of the District's revenue bond, general obligation bond and loans payable activity for the year ended June 30, 2024 is as follows:

<i>(in thousands)</i>	Beginning Balance June 30, 2023	Additions	Amortization /Other	Repayments	Ending Balance June 30, 2024	Due Within One Year
Bonds payable						
2023B General Obligation Bonds, principal and interest (at 4.00% to 5.00%) payable semiannually	\$ -	\$ 125,000	\$ -	\$ -	\$ 125,000	\$ -
Plus: Issuance premium	-	3,223	(116)	-	3,106	-
Total 2023B General Obligation Bonds	-	128,223	(116)	-	128,106	-
2023A Revenue Bonds, principal and interest (at 3.00% to 5.00%) payable semiannually	-	40,000	-	-	40,000	-
Plus: Issuance premiums	-	717	(22)	-	696	-
Total 2023A Revenue Bonds	-	40,717	(22)	-	40,696	-
2022A General Obligation Bonds, principal and interest (at 4.00% to 5.00%) payable semiannually	20,000	-	-	-	20,000	-
Plus: Issuance premium	426	-	(25)	-	401	-
Total 2022A General Obligation Bonds	20,426	-	(25)	-	20,401	-
2020A Revenue Refunding Bonds, principal and interest (at 3.00% to 5.00%) payable semiannually	36,640	-	-	(1,585)	35,055	1,670
Plus: Issuance premiums	2,815	-	(536)	-	2,279	-
Total 2020A Revenue Bonds	39,455	-	(536)	(1,585)	37,334	1,670
2019A Revenue Refunding Bonds, principal and interest (at 3.00% to 5.00%) payable semiannually	45,060	-	-	(1,605)	43,455	1,690
Plus: Issuance premiums	1,784	-	(396)	-	1,388	-
Total 2019A Revenue Bonds	46,844	-	(396)	(1,605)	44,843	1,690
2019A General Obligation Refunding Bonds, principal and interest (at 3.00% to 5.00%) payable semiannually	10,970	-	-	(80)	10,890	95
Plus: Issuance premiums	23	-	(25)	-	(2)	-
Total 2019A General Obligation Bonds	10,993	-	(25)	(80)	10,888	95
2017A Revenue Bonds principal and interest (at 3.325% to 5.00%) payable semiannually	34,230	-	-	(770)	33,460	810
Plus: Issuance premiums	586	-	(89)	-	497	-
Total 2017A Revenue Bonds	34,816	-	(89)	(770)	33,957	810
2017B Revenue Bonds principal and interest (at 3.00% to 5.00%) payable semiannually	60,565	-	-	(1,420)	59,145	1,495
Plus: Issuance premiums	1,565	-	(285)	-	1,280	-
Total 2017B Revenue Bonds	62,130	-	(285)	(1,420)	60,425	1,495
2016 General Obligation Bonds principal and interest (at 2.00% to 5.00%) payable semiannually	23,725	-	-	(1,320)	22,405	1,375
Plus: Issuance premiums	1,135	-	(237)	-	898	-
Total 2016 General Obligation Bonds	24,860	-	(237)	(1,320)	23,303	1,375
2015A Revenue Refunding Bonds principal and interest (at 3.25% to 5.00%) payable semiannually	17,610	-	-	(2,180)	15,430	2,290
Plus: Issuance premiums	104	-	(82)	-	22	-
Total 2015A Revenue Bonds	17,714	-	(82)	(2,180)	15,452	2,290
2015B General Obligation Bonds principal and interest (at 3.00% to 5.00%) payable semiannually	145,500	-	-	-	145,500	-
Plus: Issuance premiums	1,255	-	(50)	-	1,205	-
Total 2015B General Obligation Bonds	146,755	-	(50)	-	146,705	-
2013A General Obligation Bonds principal and interest (at 3.00% to 5.50%) payable semiannually	38,960	-	-	(420)	38,540	-
Plus: Issuance premiums	467	-	(33)	-	434	-
Total 2013A General Obligation Bonds	39,427	-	(33)	(420)	38,974	-
2013B General Obligation Bonds principal and interest (at 4.00% to 5.50%) payable semiannually	101,040	-	-	(1,080)	99,960	-
Plus: Issuance premiums	1,551	-	(117)	-	1,434	-
Total 2013B General Obligation Bonds	102,591	-	(117)	(1,080)	101,394	-
Loans payable						
WOSC 2020 Loans, principal and interest (at 5.25% to 6.75%) payable annually	393	14	107	(30)	485	48
Total WOSC 2020 Loans Payable	393	14	107	(30)	485	48
PSC 2021 Loan, principal and interest (at 4.25%) payable monthly	8,230	-	(68)	(824)	7,338	860
Total PSC 2021 Loan Payable	8,230	-	(68)	(824)	7,338	860
Lease & Software Subscription Obligations						
Lease & software obligations principal and interest (at 4.25%) payable monthly	19,600	12,140	(2,492)	(5,852)	23,397	4,874
Total lease obligations	19,600	12,140	(2,492)	(5,852)	23,397	4,874
Total long-term debt payable	\$ 574,235	\$ 181,094	\$ (4,465)	\$ (17,165)	\$ 733,699	\$ 15,207

Washington Township Health Care District

Notes to Financial Statements

June 30, 2025 and 2024

A summary of the District's revenue bonds and general obligation bonds issuance information is as follows:

(in thousands)	Original Issue Amount	Maturity Date	Effective Interest Rate		
			2025	2024	
Bond issue					
2023B General Obligation Bonds	\$ 125,000	8/1/2053	4.81%	4.70%	
2023A Revenue Bonds	40,000	8/1/2053	5.44%	5.51%	
2022A General Obligation Bonds	20,000	8/1/2052	3.83%	3.83%	
2020A Revenue Refunding Bonds	40,865	7/1/2038	2.42%	2.36%	
2019A Revenue Refunding Bonds	49,445	7/1/2048	3.18%	3.12%	
2019A General Obligation Refunding Bonds	11,110	8/1/2039	3.04%	3.03%	
2017B Revenue Refunding Bonds	66,690	7/1/2037	3.81%	3.76%	
2017A Revenue Bonds	37,655	7/1/2047	4.12%	4.08%	
2016 General Obligation Refunding Bonds	30,725	8/1/2036	2.61%	2.52%	
2015A Revenue Bonds	30,290	7/1/2029	3.70%	3.64%	
2015B General Obligation Bonds	145,500	8/1/2045	3.94%	3.94%	
2013B General Obligation Bonds	105,000	8/1/2043	5.02%	5.01%	
2013A General Obligation Bonds	40,500	8/1/2043	5.02%	5.01%	

The long-term debt payment requirements as of June 30, excluding unamortized discounts, premiums on bonds payable, leases and SBITAs are as follows:

(in thousands)	Private Long-Term Debt		Public Long-Term Debt		Total Long-Term Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
June 30,						
2026	8,350	9,759	1,530	21,102	9,880	30,861
2027	8,755	9,350	1,610	21,026	10,365	30,376
2028	9,195	8,912	2,065	20,945	11,260	29,857
2029	9,605	8,499	2,980	20,865	12,585	29,364
2030	9,985	8,113	3,945	20,783	13,930	28,896
2031 - 2035	59,060	33,165	38,750	100,647	97,810	133,812
2036 - 2040	53,860	20,601	89,780	88,133	143,640	108,734
2041 - 2045	21,445	13,459	170,750	59,731	192,195	73,190
2046 - 2050	24,735	7,728	86,690	24,640	111,425	32,368
2051 - 2054	13,600	1,955	62,725	8,157	76,325	10,112
Total long-term debt, excluding						
Total	\$ 218,590	\$ 121,541	\$ 460,825	\$ 386,029	\$ 679,415	\$ 507,570

9. Employee Benefit Plans

Defined Benefit Retirement Plan

The Board of Directors of the District administers a defined benefit retirement plan, the Washington Township Health Care District Retirement Plan (the Plan), that covers all employees who meet certain eligibility requirements. The Plan, as approved by the Board of Directors of the District, is a single employer plan funded solely by the District. Benefits under the Plan are calculated based on the participant's length of service, age at retirement, and average compensation as defined by the Plan. The annual benefit is also subject to the maximum wage limitation on FICA tax for Social Security. There is no cost-of-living adjustment made to monthly retirement benefits.

Employees are fully vested in the Plan after five years of service and are eligible to receive an unreduced benefit once they reach age 65. An employee who attains age 62 and has completed 20 years of service, or an employee who attains age 60 with 30 years of service, is also eligible for an unreduced benefit. The Plan also provides disability and death benefits. The Plan does not issue a stand-alone financial report.

Washington Township Health Care District

Notes to Financial Statements

June 30, 2025 and 2024

The Board of Directors of the District is responsible for the fiduciary oversight of the Plan's investments, including approval and periodic review of investment policies. Management of the Plan's assets is delegated to an external investment advisory group authorized by the Board, which administers the portfolio in accordance with the established policies.

Under GASB Statement No. 68, the benefit discount rate is equal to the expected long-term (30-year) return on assets, which assumes that Plan assets will be invested in a diversified portfolio of stocks and bonds.

The Plan's investment pool includes the Equity class, the Fixed Income class, and the Diversifier class. The Equity class investment portfolio may include both domestic and foreign stocks. The Fixed Income class investment portfolio may include bonds and cash equivalents instruments. The Diversifier class investment portfolio may include Public credit, Private credit, and Real Assets.

The Plan Target Allocation (shown as percentage)

Asset Class	Long-term Target	Range
Equity Class	55 %	50-60 %
Core Fixed Income Class	12	9-20
Diversifier Class	33	25-38
Public Credit	10	
Private Credit	8	
Real Assets	15	

The money-weighted rate of return reflects the impact of the timing and amount of contributions and withdrawals during the reporting period, weighting investment performance by the proportion of time assets are available to earn a return. For the Plan, the annual money-weighted rates of return, net of investment expenses, were 10.9 percent and 14.4 percent for the fiscal years ended June 30, 2025 and 2024, respectively.

The District has flexibility in determining the amount to contribute to the Plan each year. In determining the amount of the annual contribution, the District considers the calculated actuarially determined contribution. The District has adopted a funding policy that is intended to result in the funding status of the Plan reaching 100 percent, as calculated under the provisions of GASB Statement No. 68. In addition to the District's contributions, under the terms of the California Public Employees' Pension Reform Act (PEPRA), which became effective in January 1, 2013, new employees are required to contribute to the normal cost of their pension benefits. The projected amounts of these employee contributions have been considered in determining the actuarially determined contribution amounts.

Participant data for the Plan, as of the measurement date (December 31 of the prior year) for the indicated fiscal years, is shown in the table below:

	2025	2024
Active and suspended	1,695	1,649
Vested terminated	749	753
Retirees and beneficiaries	1,061	973
Total participants	3,505	3,375

Washington Township Health Care District

Notes to Financial Statements

June 30, 2025 and 2024

Components of pension cost for years ended June 30, were as follows:

<i>(in thousands)</i>	2025	2024
Pension cost		
Service cost	\$ 11,600	\$ 11,089
Employee contributions	(3,111)	(2,620)
Interest	32,895	31,624
Expected return on plan assets	(29,440)	(26,987)
Administrative expenses	248	196
Effect of plan changes	920	-
Recognition of deferred amounts	3,650	1,318
Total pension cost	<u>\$ 16,762</u>	<u>\$ 14,620</u>

Components of deferred outflows and inflows of resources for the year ended June 30, 2025 were as follows:

<i>(in thousands)</i>	Deferred Outflows	Deferred (Inflows)
Differences between expected and actual experience	\$ 4,703	\$ (140)
Change of assumptions	190	(30)
Net differences between projected and actual earnings	5,579	-
Contributions made subsequent to measurement date	-	-
Total	<u>\$ 10,472</u>	<u>\$ (170)</u>

Components of deferred outflows and inflows of resources for the year ended June 30, 2024 were as follows:

<i>(in thousands)</i>	Deferred Outflows	Deferred (Inflows)
Differences between expected and actual experience	\$ 2,944	\$ (335)
Change of assumptions	1,184	(622)
Net differences between projected and actual earnings	23,688	-
Contributions made subsequent to measurement date	2,125	-
Total	<u>\$ 29,941</u>	<u>\$ (957)</u>

Washington Township Health Care District

Notes to Financial Statements

June 30, 2025 and 2024

Amounts reported as deferred outflows and inflows of resources – pension will be recognized in pension expense as indicated in the following table:

<i>(in thousands)</i>	Deferred Outflows	Deferred (Inflows)	Total
2026	22,919	(15,446)	7,473
2027	22,649	(9,008)	13,641
2028	800	(9,008)	(8,208)
2029 and thereafter	696	(3,301)	(2,605)
Total deferred outflows and (inflows) of resources - pension	<u>\$ 47,064</u>	<u>\$ (36,763)</u>	<u>\$ 10,301</u>

The following table summarizes the changes in net pension liability for the years ended June 30:

<i>(in thousands)</i>	2025	2024
Total pension liability		
Service cost	\$ 11,601	\$ 11,089
Interest	32,895	31,624
Change of benefit terms	920	-
Change in assumptions	3	2
Difference between expected and actual experience	3,594	420
Benefit payments	<u>(25,919)</u>	<u>(24,325)</u>
Net change in total pension liability	23,093	18,809
Total pension liability (beginning of year)	<u>483,241</u>	<u>464,432</u>
Total pension liability (end of year)	<u>506,335</u>	<u>483,241</u>
Plan fiduciary net position		
Employer contributions	2,125	1,875
Employee contributions	3,111	2,620
Net investment income (loss)	45,944	55,522
Benefit payments	(25,919)	(24,325)
Administrative expense	<u>(248)</u>	<u>(196)</u>
Net change in fiduciary net position	25,013	35,495
Fiduciary net position (beginning of year)	<u>430,862</u>	<u>395,367</u>
Fiduciary net position (end of year)	<u>455,876</u>	<u>430,862</u>
Net pension liability (end of year)	<u>\$ 50,459</u>	<u>\$ 52,379</u>
Fiduciary net position as percent of liability	90.0%	89.2%
Covered payroll	\$ 245,187	\$ 216,805
Net pension liability as percent of covered payroll	20.6%	24.2%

Washington Township Health Care District

Notes to Financial Statements

June 30, 2025 and 2024

The following table summarizes the actuarial assumptions used to determine net pension liability and plan fiduciary net position as of June 30, 2025 and June 30, 2024 (unless otherwise indicated, the same assumption was used for the valuations for both years):

Valuation date	December 31
Actuarial cost method	Entry Age Normal, Level Percent of Pay
Amortization method	Straight Line
Asset valuation method	Fair Value
Economic assumptions (including 3% inflation)	
Projected salary increases	3.00 %
Discount rate	7.00 %
Demographic assumptions	
Mortality table for healthy participants	December 31, 2024 - Pri-2012 tables and projected forward using MP-2021 projection scale on a generational basis December 31, 2023 - Pri-2012 tables and projected forward using MP-2021 projection scale on a generational basis
Mortality table for disabled participants	December 31, 2024 - Pri-2012 disabled tables and projected forward using MP-2021 projection scale on a generational basis December 31, 2023 - Pri-2012 disabled tables and projected forward using MP-2021 projection scale on a generational basis
Sensitivity of net pension liability at December 31, 2024 to changes in the discount rate, with no other changes -	
1 percent decrease (6.0%)	\$ 111,910,876
Current discount rate (7.0%)	50,459,230
1 percent increase (8.0%)	(1,087,722)
Sensitivity of net pension liability at December 31, 2023 to changes in the discount rate, with no other changes -	
1 percent decrease (6.0%)	\$ 110,927,701
Current discount rate (7.0%)	52,379,351
1 percent increase (8.0%)	3,233,419

The fair value of the District's pension investments measured as of December 31, 2024, and used for the purpose of the June 30, 2025 valuation, is reflected in the following table:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Cash and Cash Equivalents (Not Levelled)	Balance at Valuation Date
<i>(in thousands)</i>			
Money market funds	\$ -	\$ 2,935	\$ 2,935
Fixed income funds	128,521	-	128,521
Domestic equity funds	159,392	-	159,392
International equity funds	81,080	-	81,080
Balanced real asset funds	83,948	-	83,948
Total pension assets	<u>\$ 452,941</u>	<u>\$ 2,935</u>	<u>\$ 455,876</u>

Washington Township Health Care District

Notes to Financial Statements

June 30, 2025 and 2024

The fair value of the District's pension investments measured as of December 31, 2023, and used for the purpose of the June 30, 2024 valuation, is reflected in the following table:

<i>(in thousands)</i>	Quoted Prices		
	in Active Markets for Identical Assets (Level 1)	Cash and Cash Equivalents (Not Leveled)	Balance at Valuation Date
Money market funds	\$ -	\$ 2,467	\$ 2,467
Fixed income funds	118,526	-	118,526
Domestic equity funds	143,409	-	143,409
International equity funds	87,081	-	87,081
Balanced real asset funds	79,379	-	79,379
Total pension assets	<u>\$ 428,395</u>	<u>\$ 2,467</u>	<u>\$ 430,862</u>

For a description of the levels used for valuation, information about the valuation techniques and inputs used to measure the fair value of plan assets, see discussion regarding fair value measurements in Note 4.

The District also has a Deferred Compensation Plan available to employees. Generally, any employee is eligible to voluntarily enter into an agreement with the District to defer current wages at amounts limited by federal law. Effective January 1, 2010, under the terms of the Washington Township Health Care District Employer Matching Contributions Plan (the Matching Plan), the District makes contributions to this plan, matching participant contributions to the Deferred of 1,000 hours in a benefitted status. Under the Deferred Compensation Plan and the Matching Plan agreements, participants select and manage their own investments in mutual fund options approved by the District. All investment earnings, including market value appreciation and depreciation, are set aside for the benefit of the participants.

Matching contributions made by the District were as follows:

(in thousands)

Contribution Year	Amount	Employee Deductions Being Matched
Fiscal Year 2026	\$ 2,798	Calendar year 2024
Fiscal Year 2025	\$ 2,318	Calendar year 2023

Defined Benefit Postemployment Medical Plan

Other postemployment benefits are provided by the District through a single employer defined benefit postemployment medical plan, the Washington Township Health Care District Postretirement Medical Plan (the OPEB Plan). The OPEB Plan provides benefits for salaried and non-salaried employees, as approved and/or amended by the Board of Directors of the District, and is administered by the District. Eligible individuals are those retiring directly from the District, at a minimum age of 55, with a minimum of fifteen years of service, who have been continuously in a benefitted status for the five years prior to their retirement date.

Washington Township Health Care District

Notes to Financial Statements

June 30, 2025 and 2024

Eligible retirees who are less than age 65, with at least fifteen years of service, are eligible for coverage under the Blue Shield Retiree Medical Plan, with the District providing premium subsidies of from 35 percent (with 15 years of service) to 100 percent (with 30 years of service). Eligible retirees with at least twenty years of service may elect coverage under the Blue Shield Retiree Medical Plan or may elect to receive a monthly reimbursement for medical expenses up to a stipulated amount under the Retiree Medical Reimbursement Plan. This reimbursement amount is fixed and is not subject to future increases under the current terms of the OPEB Plan. Participation in either the Blue Shield Retiree Medical Plan or the Retiree Medical Reimbursement Plan is only available until the retirees reach age 65.

Once eligible retirees reach age 65, the OPEB Plan allows for reimbursement to the retiree of the standard Medicare Part B insurance premium amounts, with automatic reimbursement increases when Medicare increases the standard premium amounts. Employees retiring at or after age 55 with 25 years of benefited service are also eligible for a prescription drug benefit which provides reimbursement up to a stipulated amount for 10 years beginning at the later of age 65 or retirement. The stipulated reimbursement amount is fixed and is not subject to future increases under the current terms of the OPEB Plan.

A separate financial report is not prepared for the OPEB Plan.

The District has flexibility in determining the amount to contribute to the OPEB Plan each year. In determining the amount of the annual contribution, the District intends to contribute, at a minimum, the actuarially determined contribution for each year. The District has adopted a funding policy that is intended to result in the funding status of the Plan reaching 100 percent, as calculated under the provisions of GASB Statement No. 75.

As of the December 31, 2024 and December 31, 2023 measurement dates, the numbers of current and former employees who were eligible, or potentially eligible, for the OPEB Plan were as follows:

	2025	2024
Active	1,618	1,550
Retirees	642	615
Total participants	<u>2,260</u>	<u>2,165</u>

Components of postemployment medical benefits cost for years ended June 30, were as follows:

<i>(in thousands)</i>	2025	2024
Postemployment medical benefits cost		
Service cost	\$ 2,272	\$ 2,220
Interest	4,975	4,692
Expected return on plan assets	(1,928)	(1,666)
Administrative expenses	45	52
Recognition of deferred amounts	295	(3,975)
Total postemployment medical benefits cost	<u>\$ 5,659</u>	<u>\$ 1,324</u>

Washington Township Health Care District

Notes to Financial Statements

June 30, 2025 and 2024

Components of deferred outflows and inflows of resources for the year ended June 30, 2025 were as follows:

<i>(in thousands)</i>	Deferred Outflows	Deferred (Inflows)
Differences between expected and actual experience	\$ 2,512	\$ (1,649)
Change of assumptions	3,896	(2,790)
Net differences between projected and actual earnings	247	-
Contributions made subsequent to measurement date	1,348	-
Total	<u>\$ 8,003</u>	<u>\$ (4,439)</u>

Components of deferred outflows and inflows of resources for the year ended June 30, 2024 were as follows:

<i>(in thousands)</i>	Deferred Outflows	Deferred (Inflows)
Differences between expected and actual experience	\$ 1,135	\$ (2,057)
Change of assumptions	4,266	(4,039)
Net differences between projected and actual earnings	1,270	-
Contributions made subsequent to measurement date	1,056	-
Total	<u>\$ 7,727</u>	<u>\$ (6,095)</u>

Amounts reported as deferred outflows and inflows of resources – postemployment medical benefits (OPEB) will be recognized in OPEB expense as indicated in the following tables:

<i>(in thousands)</i>	Deferred Outflows	Deferred (Inflows)	Total
2026	\$ 2,900	\$ (1,770)	\$ 1,130
2027	2,585	(1,494)	1,091
2028	886	(1,438)	(552)
2029	869	(949)	(80)
2030	716	(564)	152
Thereafter	681	(206)	475
Total deferred inflows of resources - postemployment medical benefits (OPEB)	<u>\$ 8,637</u>	<u>\$ (6,421)</u>	<u>\$ 2,216</u>

Washington Township Health Care District

Notes to Financial Statements

June 30, 2025 and 2024

The following table summarizes changes in the net postemployment medical benefit liability from July 1, 2023 to June 30, 2025 and related ratios:

<i>(in thousands)</i>	2025	2024
Total postemployment medical benefits liability		
Service cost	\$ 2,272	\$ 2,220
Interest	4,975	4,692
Difference between expected and actual experience	1,807	1,055
Change of assumptions	994	(2,823)
Benefit payments	(2,498)	(2,307)
Net change in postemployment medical benefits liability	7,550	2,837
Total postemployment medical benefits liability (beginning of year)	68,803	65,966
Total postemployment medical benefits liability (end of year)	76,353	68,803
Plan fiduciary net position		
Employer contributions	2,498	3,132
Net investment income	2,630	3,469
Benefit payments	(2,498)	(2,307)
Administrative expense	(45)	(52)
Net change in fiduciary net position	2,585	4,242
Fiduciary net position (beginning of year)	27,660	23,418
Fiduciary net position (end of year)	30,245	27,660
Net postemployment medical benefits liability (end of year)	\$ 46,108	\$ 41,143
Fiduciary net position as percent of liability	39.6%	40.1%
Covered employee payroll	\$ 245,187	\$ 216,805
Net postemployment medical benefits liability as percent of covered employee payroll ¹	18.8%	19.0%

¹ Required disclosure; neither OPEB Plan contributions nor benefits are based on covered employee payroll.

Washington Township Health Care District

Notes to Financial Statements

June 30, 2025 and 2024

The following table summarizes the actuarial assumptions used to determine net OPEB liability and plan fiduciary net position as of June 30, 2025 and June 30, 2024 (unless otherwise indicated, the same assumption was used for the valuations for both years):

Valuation date	December 31
Actuarial cost method	Entry Age Normal, Level Percent of Pay
Amortization method	Straight Line
Asset valuation method	Fair Value
Economic assumptions (including 3% inflation)	
Projected salary increases	3.00 %
Discount rate	7.00 %
Demographic assumptions	
Mortality table for healthy participants	December 31, 2024 - Pri-2012 tables and projected forward using MP-2021 projection scale on a generational basis December 31, 2023 - Pri-2012 tables and projected forward using MP-2021 projection scale on a generational basis
Mortality table for disabled participants	December 31, 2024 - Pri-2012 tables and projected forward using MP-2021 projection scale on a generational basis December 31, 2023 - Pri-2012 tables and projected forward using MP-2021 projection scale on a generational basis
Other assumptions	
Healthcare cost trend rate	Getzen Model of Long-Run Medical Cost Trends
Sensitivity of postretirement employee medical benefits liability as of December 31, 2024 to changes in the discount rate, with no other changes -	
1 percent decrease (6.00%)	\$ 56,270,675
Current discount rate (7.00%)	46,036,169
1 percent increase (8.00%)	37,487,874
Sensitivity of postretirement employee medical benefits liability as of December 31, 2024 to changes in the health cost trend rate, with no other changes -	
1 percent decrease	\$ 36,551,505
Current healthcare cost trend rate	46,036,169
1 percent increase	57,716,255
Sensitivity of postretirement employee medical benefits liability as of December 31, 2023 to changes in the discount rate, with no other changes -	
1 percent decrease (6.00%)	\$ 50,429,000
Current discount rate (7.00%)	41,234,000
1 percent increase (8.00%)	33,535,000
Sensitivity of postretirement employee medical benefits liability as of December 31, 2023 to changes in the health cost trend rate, with no other changes -	
1 percent decrease	\$ 32,698,000
Current healthcare cost trend rate	41,234,000
1 percent increase	51,719,000

Washington Township Health Care District

Notes to Financial Statements

June 30, 2025 and 2024

The fair value of the District's OPEB investments measured as of December 31, 2024, and used for the purpose of the June 30, 2025 valuation, is reflected in the following table:

(in thousands)	Quoted Prices in Active Markets for Identical Assets (Level 1)		Cash and Cash Equivalents (Not Levelled)	Balance at Valuation Date
Money market funds	\$	-	\$	1,352
Fixed income funds		9,244	-	9,244
Domestic equity funds		10,773	-	10,773
International equity funds		5,248	-	5,248
Commodity funds		1,594	-	1,594
Real estate funds		1,588	-	1,588
Infrastructure funds		518	-	518
Total OPEB assets	\$	28,966	\$	30,318

The fair value of the District's OPEB investments measured as of December 31, 2023, and used for the purpose of the June 30, 2024 valuation, is reflected in the following table:

(in thousands)	Quoted Prices in Active Markets for Identical Assets (Level 1)		Cash and Cash Equivalents (Not Levelled)	Balance at Valuation Date
Money market funds	\$	-	\$	10
Fixed income funds		9,404	-	9,404
Domestic equity funds		9,231	-	9,231
International equity funds		5,599	-	5,599
Commodity funds		1,371	-	1,371
Real estate funds		1,464	-	1,464
Infrastructure funds		490	-	490
Total OPEB assets	\$	27,560	\$	27,570

Pension Plan and OPEB Plan Portfolios

Long term (30-year) expected rate of returns are forecasted on a forward-looking basis by each asset class. Then the total portfolio's return is forecasted by combining returns of the asset classes based on the respective Plan's asset allocation targets as well as the asset classes' diversification benefits. The forecasting method takes into consideration current market conditions along with potential future changes such as yield shifts or valuation changes, as well as long term equilibrium return and risk considerations. For example, equity asset class methodology includes two models that focus on variables including expected earnings growth, dividend income and expected inflation to triangulate on a reasonable expected return. Fixed income models rely heavily on the existing yield environment but long term equilibrium rates play a part in the long run expectations that incorporate current expectations of inflation and yield curve normalization. The forecasting methodology combines insights of expected returns for the next immediate period and a long term equilibrium period, to maintain capital markets' long term integrity.

Washington Township Health Care District

Notes to Financial Statements

June 30, 2025 and 2024

The expected rates of return are presented as geometric means. The details are summarized in the following table:

		Long Term
Total portfolio		7.00 %
		Asset Class Expected Returns
Total portfolio asset allocation		
U.S. Stocks	33 %	6.4 %
Non-U.S. Stocks	22	7.5
Core Fixed Income	12	5.5
Credit Opportunities	10	7.2
Real Assets	15	7.9
Private credit	8	8.5
Total	<u>100 %</u>	

10. Insurance Plans

The District's hospital professional and general liability insurance, and the directors and officers liability deductible and insured programs, are purchased from BETA Healthcare Group (BETA). BETA was formed in 1979 for the purpose of operating an insured program with excess insurance coverage for certain hospital districts of the Association of California Hospital Districts (ACHD). Effective October 1, 1989, BETA became a separate joint powers authority, establishing itself as a public agency and distinct from ACHD. BETA is managed by a board of 15 elected representatives (the BETA council). The BETA council and its six committees meet quarterly to vote on all matters affecting the program. A representative from the District occupies one seat on the BETA council. The District is self-funded for its workers' compensation claims and has been issued a Certificate of Consent to Self-Insure by the State of California, Department of Industrial Relations. The District purchases excess workers' compensation insurance coverage.

Washington Township Health Care District

Notes to Financial Statements

June 30, 2025 and 2024

Significant primary and excess insurance coverage types, limits and retention/deductible amounts are included below:

Coverage	Policy Limit	Self-insured Retention/ Deductible Per Occurrence
General		
All risk property	\$ 1,000,000,000	\$ 100,000
Hospital professional and general liability	40,000,000	50,000
Directors and officers liability	10,000,000	25,000
Employment practices liability insurance	10,000,000	100,000
Excess workers' compensation (A and B)	Statutory	1,250,000
	2,000,000	-
Commercial crime	10,000,000	50,000
Automobile insurance	10,000,000	500
Cyber liability	5,000,000	250,000
Fiduciary	5,000,000	25,000
Pollution	2,000,000	50,000

Settled claims have not exceeded the District's policy limits in any year.

The District has actuarial reviews performed annually on its self-insured claims programs, including professional and general liability, directors' and officers' coverage, workers' compensation, and employee health, vision and dental benefits. Estimated liabilities include amounts for incurred but not reported (IBNR) claims.

11. Compensated Absences

District employees earn paid leave at rates that vary based on their job classification and length of service. With the exception of eligible executives at Washington Health, who participate in a flexible time off program, employees can accumulate up to 640 hours of paid leave. All accumulated unused leave exceeding this limit is paid out annually on the employee's anniversary date. Upon separation, unused vested leave balances are paid in full. As of June 30, 2025 and 2024, the approximate liability for unpaid compensated absences was \$22.5 million and \$22.1 million, respectively.

Washington Township Health Care District

Notes to Financial Statements

June 30, 2025 and 2024

12. Blended Component Unit Information

Condensed financial statement information related to certain of the District's blended component units for the year ended June 30, 2025 is as follows:

<i>(in thousands)</i>	Hospital	DEVCO	Eliminations	District
Condensed statements of net position				
Current assets	\$ 199,413	\$ 28,344	\$ (15,420)	\$ 212,337
Long-term investment and restricted funds	378,523	-	-	378,523
Capital assets, net	565,182	48,121	(18,310)	594,993
Other assets	408,725	14,234	(373,687)	49,272
Total assets	1,551,843	90,699	(407,417)	1,235,125
Deferred outflows of resources	18,475	14	-	18,489
Total assets and deferred outflows of resources	\$ 1,570,318	\$ 90,713	\$ (407,417)	\$ 1,253,614
Liabilities				
Current liabilities	\$ 167,506	\$ 21,494	\$ (16,055)	172,945
Other non-current liabilities	799,472	387,924	(375,392)	812,004
Total liabilities	966,978	409,418	(391,447)	984,949
Deferred inflows of resources	31,573	13,765	(16,644)	28,694
Net position				
Net investment in capital assets	19,238	(2,638)	17,445	34,045
Restricted - expendable	34,759	-	-	34,759
Restricted for minority interest	-	2,269	-	2,269
Unrestricted	517,770	(332,101)	(16,771)	168,898
Total net position	571,767	(332,470)	674	239,971
Total liabilities, net position and deferred inflows of resources	\$ 1,570,318	\$ 90,713	\$ (407,417)	\$ 1,253,614
Condensed statements of revenues, expenses and changes in net position				
Operating revenues	\$ 628,412	\$ 109,650	\$ (18,662)	\$ 719,400
Operating expenses	(590,901)	(126,834)	14,208	(703,527)
Depreciation	(42,740)	(9,945)	6,035	(46,650)
Operating (loss) income	(5,229)	(27,129)	1,581	(30,777)
Non-operating revenues and expenses, net	21,487	(4,942)	(800)	15,745
Increase (decrease) in net position before minority interest and restricted funds	16,258	(32,071)	781	(15,032)
Other, including minority interest	4,649	742	-	5,391
Increase (decrease) in net position	20,907	(31,329)	781	(9,641)
Net position				
Beginning of year	550,860	(301,141)	(107)	249,612
End of year	\$ 571,767	\$ (332,470)	\$ 674	\$ 239,971
Condensed statements of cash flows				
Net cash provided (used) by				
Operating activities	\$ 32,481	\$ 14,676	\$ -	\$ 47,157
Noncapital financing activities	857	742	-	1,599
Capital and related financing activities	(43,265)	(5,397)	-	(48,662)
Investing activities	14,003	(4,521)	-	9,482
Net increase in cash and cash equivalents	4,076	5,500	-	9,576
Cash and cash equivalents - beginning of year	26,773	4,769	-	31,542
Cash and cash equivalents - end of year	\$ 30,849	\$ 10,269	\$ -	\$ 41,118

Washington Township Health Care District

Notes to Financial Statements

June 30, 2025 and 2024

Condensed financial statement information related to certain of the District's blended component units for the year ended June 30, 2024 is as follows:

<i>(in thousands)</i>	Hospital	DEVCO	Eliminations	District
Condensed statements of net position				
Current assets	\$ 178,963	\$ 23,543	\$ (6,569)	\$ 195,937
Long-term investment and restricted funds	371,885	-	-	371,885
Capital assets, net	567,806	46,174	(14,745)	599,235
Other assets	378,565	10,333	(345,531)	43,367
Total assets	1,497,219	80,050	(366,845)	1,210,424
Deferred outflows of resources	37,668	687	-	38,355
Total assets and deferred outflows of resources	\$ 1,534,887	\$ 80,737	\$ (366,845)	\$ 1,248,779
Liabilities				
Current liabilities	\$ 148,349	\$ 343,157	\$ (340,587)	150,919
Other non-current liabilities	802,987	28,211	(10,896)	820,302
Total liabilities	951,336	371,368	(351,483)	971,221
Deferred inflows of resources	32,691	10,509	(15,254)	27,946
Net position				
Net investment in capital assets	35,394	11,288	378	47,060
Restricted - expendable	34,531	-	-	34,531
Restricted for minority interest	-	1,527	-	1,527
Unrestricted	480,935	(313,955)	(486)	166,494
Total net position	550,860	(301,140)	(108)	249,612
Total liabilities, net position and deferred inflows of resources	\$ 1,534,887	\$ 80,737	\$ (366,845)	\$ 1,248,779
Condensed statements of revenues, expenses and changes in net position				
Operating revenues	\$ 566,561	\$ 104,310	\$ (18,360)	\$ 652,511
Operating expenses	(532,303)	(119,706)	15,129	(636,880)
Depreciation	(39,638)	(9,545)	4,039	(45,144)
Operating (loss) income	(5,380)	(24,941)	808	(29,513)
Non-operating revenues and expenses, net	13,006	(1,979)	(877)	10,150
Increase (decrease) in net position before minority interest and restricted funds	7,626	(26,920)	(69)	(19,363)
Other, including minority interest	6,444	(1,850)	-	4,594
Increase (decrease) in net position	14,070	(28,770)	(69)	(14,769)
Net position				
Beginning of year	536,790	(272,371)	(38)	264,381
End of year	\$ 550,860	\$ (301,141)	\$ (107)	\$ 249,612
Condensed statements of cash flows				
Net cash provided (used) by				
Operating activities	\$ 30,868	\$ 3,345	\$ -	\$ 34,213
Noncapital financing activities	4,687	(1,850)	-	2,837
Capital and related financing activities	124,754	(1,099)	-	123,655
Investing activities	(147,329)	(1,452)	-	(148,781)
Net increase (decrease) in cash and cash equivalents	12,980	(1,056)	-	11,924
Cash and cash equivalents - beginning of year	13,793	5,825	-	19,618
Cash and cash equivalents - end of year	\$ 26,773	\$ 4,769	\$ -	\$ 31,542

13. Commitments and Contingencies

Lease Commitments

The District has entered into leases for medical clinic facilities, administrative spaces, and equipment that extends through 2042. Some leases include one or more options to renew, with renewal terms that can extend the lease term from one to five years. Leases may also include options to terminate the leases.

Certain of the District's lease agreements include rental payments adjusted periodically primarily for inflation. The lease agreements do not contain any material lease incentive received, residual value guarantees, material restrictive covenants or material termination penalties. The District also subleases certain real estate to third parties.

Washington Township Health Care District

Notes to Financial Statements

June 30, 2025 and 2024

The District measures the lease liability at the present value of payments expected to be made during the lease term. Leases with a term of twelve months or less and with undiscounted payments of less than \$150,000 are recognized as operating expense on a straight-line basis over the lease term. If the interest rate cannot be determined, the District will use an incremental borrowing rate to discount the lease payments, which is an estimate of the interest rate that would be charged for borrowing the lease payment amounts during the lease term.

The District's future minimum payments on leases are as follows:

<i>(in thousands)</i>	Principal	Interest
2026	6,500	1,273
2027	5,691	979
2028	3,900	743
2029	2,985	575
2030	2,081	449
Thereafter	8,909	1,811
Total lease commitments	<u>\$ 30,066</u>	<u>\$ 5,830</u>

The District is a lessor of buildings under agreements that extend through 2062. Some leases include one or more lessee options to renew, with renewal terms that can extend the lease term from one to five years. Certain of the District's lease agreements include rental payments that are adjusted periodically, primarily for inflation. The lease agreements do not contain any material lease incentives paid, residual value guarantees, material restrictive covenants or material termination penalties. The District measures the deferred inflow of resources at the present value of payments expected to be received including any advance lease payments or lease incentives during the lease term. During the years ended June 30, 2025 and 2024, the District recorded \$4.4 million and \$5.6 million, respectively, in lease revenues.

Subscription-based Information Technology Arrangements

The District has subscription-based information technology arrangements (SBITAs) under agreements that extend through 2027. Some SBITAs include one or more options to renew and may also include options to terminate the subscription. SBITAs do not contain any material incentive paid, material restrictive covenants or material termination penalties. The District measures the SBITA liability at the present value of payments expected to be made during the subscription term. SBITAs with a term of 12 months or less and with undiscounted payments of less than \$150,000 are recognized as operating expense on a straight-line basis over the subscription term. If the interest rate implicit in the SBITA cannot be readily determined, the District uses an incremental borrowing rate to discount the SBITA payments, which is an estimate of the interest rate that would be charged for borrowing the SBITA payment amounts during the subscription term.

Washington Township Health Care District

Notes to Financial Statements

June 30, 2025 and 2024

The District's future minimum payments on SBITAs are as follows:

<i>(in thousands)</i>	Principal	Interest
2026	1,879	185
2027	1,033	106
2028	809	64
2029	730	28
Thereafter	-	-
Total SBITA commitments	<u>\$ 4,451</u>	<u>\$ 383</u>

Litigation

The District is involved in various claims and litigation, as both plaintiff and defendant, arising in the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters will be resolved without material adverse effect on the District's financial position.

Regulatory Environment

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, and government health care program participation requirements, reimbursement for patient services, and Medicare and Medi-Cal fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or not asserted at this time.

14. The CARES Act

The District received COVID-19 Grants of \$0.3 million and \$4.3 million in fiscal years 2025 and 2024, respectively from Federal Emergency Management Agency (FEMA) for two obligated projects. This was recognized as federal grant revenue on the statement of revenues, expenses, and changes in net position.

Required Supplementary Information

Washington Township Health Care District

Required Supplementary Pension and Postemployment Benefits Information

(unaudited)

Defined Benefit Retirement Plan

The District's actuarially determined contribution and actual contributions, for this plan year and the nine plan years prior, are presented in the following table:

<i>(in thousands)</i>	Actuarially Determined Contribution	Actual Employer Contribution	Actual Employee Contribution	Contribution Excess (Deficiency)	Covered Payroll	Contributions as % of Covered Payroll
Fiscal Year Ended						
2017	22,732	22,000	732	-	146,438	15.52%
2018	23,280	22,300	980	-	168,165	13.84%
2019	24,335	23,100	1,235	-	165,710	14.69%
2020	24,755	23,100	1,655	-	177,841	13.92%
2021	25,019	23,100	1,919	-	182,973	13.67%
2022	10,333	8,400	2,140	(208)	181,577	5.80%
2023	9,513	8,100	2,180	(767)	210,819	4.88%
2024	11,089	1,875	2,620	6,594	216,805	2.07%
2025	12,729	2,125	3,111	7,493	245,187	2.14%
Total	<u>\$ 163,785</u>	<u>\$ 134,100</u>	<u>\$ 16,572</u>			

Washington Township Health Care District

Required Supplementary Pension and Postemployment Benefits Information (unaudited)

The following table summarizes changes in net pension liability from July 1, 2016 to June 30, 2025:

<i>(in thousands)</i>	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ 11,601	\$ 11,089	\$ 9,513	\$ 10,332	\$ 9,548	\$ 9,075	\$ 8,190	\$ 6,500	\$ 6,494	\$ 5,669
Interest	32,895	31,624	30,239	28,992	27,890	27,395	26,693	24,436	24,263	23,657
Difference between expected and actual experience	3,594	420	4,053	(786)	1,001	(703)	(8,586)	15,019	8,244	(13,656)
Change of benefit terms	920	-	-	-	-	-	-	-	-	-
Change in assumptions	2	2	-	1,042	(2,992)	16,421	-	-	-	-
Benefit payments	(25,919)	(24,325)	(22,859)	(21,045)	(19,623)	(18,146)	(16,330)	(15,043)	(30,410)	(13,760)
Net change in total pension liability	23,093	18,810	20,946	18,535	15,824	34,042	9,967	30,912	8,591	1,910
Total pension liability (beginning of year)	483,242	464,432	443,486	424,951	409,127	375,085	365,118	334,206	325,615	323,705
Total pension liability (end of year) (a)	506,335	483,242	464,432	443,486	424,951	409,127	375,085	365,118	334,206	325,615
Plan fiduciary net position										
Employer contributions	2,125	1,875	8,100	8,400	23,100	23,100	23,100	22,300	22,000	27,100
Employee contributions	3,111	2,620	2,180	2,140	1,919	1,655	1,235	980	732	374
Net investment (loss) income	45,944	55,522	(72,238)	61,077	47,613	59,371	(18,935)	42,293	7,817	1,740
Benefit payments	(25,919)	(24,325)	(22,859)	(21,045)	(19,623)	(18,146)	(16,330)	(15,043)	(30,410)	(13,760)
Administrative expense	(248)	(196)	(272)	(228)	(226)	(226)	(224)	(252)	(216)	(64)
Other	-	-	-	-	-	-	-	(1)	(126)	-
Net change in fiduciary net position	25,013	35,496	(85,089)	50,344	52,783	65,754	(11,154)	50,277	(203)	15,390
Plan fiduciary net position (beginning of year)	430,863	395,367	480,456	430,112	377,329	311,575	322,729	272,452	272,655	257,265
Plan fiduciary net position (end of year) (b)	455,876	430,863	395,367	480,456	430,112	377,329	311,575	322,729	272,452	272,655
Net pension liability (end of year) (a) - (b)	\$ 50,459	\$ 52,379	\$ 69,065	\$ (36,970)	\$ (5,161)	\$ 31,798	\$ 63,510	\$ 42,389	\$ 61,754	\$ 52,960
Plan fiduciary net position as percent of total pension liability	90.0%	89.2%	85.1%	108.3%	101.2%	92.2%	83.1%	88.4%	81.5%	83.7%
Covered payroll	\$ 245,187	\$ 216,805	\$ 210,819	\$ 181,577	\$ 182,973	\$ 177,841	\$ 165,710	\$ 168,165	\$ 146,438	\$ 142,319
Net pension liability as percent of covered payroll	20.6%	24.2%	32.8%	(20.4)%	(2.8)%	17.9%	38.3%	25.2%	42.2%	37.2%
Deferred outflows of resources										
Employer contributions after measurement date	\$ -	\$ 2,125	\$ 1,875	\$ 4,050	\$ 5,775	\$ 5,775	\$ 5,775	\$ -	\$ -	\$ -
Fiduciary net position as percent of liability including deferred outflows of resources	90.0%	89.6%	85.1%	109.2%	102.6%	93.6%	84.6%	88.4%	81.5%	83.7%
Net pension liability as percent of covered payroll including deferred outflows of resources	20.6%	23.9%	32.8%	(22.6)%	(6.0)%	14.6 %	34.8 %	25.2%	42.2%	37.2%

Washington Township Health Care District

Required Supplementary Pension and Postemployment Benefits Information

(unaudited)

The following table summarizes the significant actuarial assumptions used to determine net pension liability and plan fiduciary net position as of June 30 for the years presented (unless otherwise indicated, the same assumption was used for the valuations for all years):

Discount rate		December 31, 2019 - 2024	7.00%
		December 31, 2013 - 2018	7.50%
Demographic assumptions			
Mortality table for healthy participants	December 31, 2024	Pri-2012 mortality tables and projected forward using MP-2021 projection scale on a generational basis	
	December 31, 2023	Pri-2012 mortality tables and projected forward using MP-2021 projection scale on a generational basis	
	December 31, 2022	Pri-2012 mortality tables and projected forward using MP-2021 projection scale on a generational basis	
	December 31, 2021	Pri-2012 mortality tables and projected forward using MP-2021 projection scale on a generational basis	
	December 31, 2020	Pri-2012 mortality tables projected forward generationally using MP-2020 projection scale	
	December 31, 2019	Pri-2012 mortality tables projected forward generationally using MP-2019 projection scale	
	December 31, 2014 - 2018	RP-2014 base table with two-dimensional projection scale BB projected generationally	
	December 31, 2013	Internal Revenue Code Section 430(h)(3)(A) using static tables and separate mortality rates for annuitants and non-annuitants	
Mortality table for disabled participants	December 31, 2024	Pri-2012 disabled tables and projected forward using MP-2021 projection scale on a generational basis	
	December 31, 2023	Pri-2012 disabled tables and projected forward using MP-2021 projection scale on a generational basis	
	December 31, 2022	Pri-2012 disabled tables and projected forward using MP-2021 projection scale on a generational basis	
	December 31, 2021	Pri-2012 disabled tables and projected forward using MP-2021 projection scale on a generational basis	
	December 31, 2020	Pri-2012 disabled mortality tables projected forward generationally using MP-2020 projection scale	
	December 31, 2019	Pri-2012 disabled mortality tables projected forward generationally using MP-2019 projection scale	
	December 31, 2014 - 2018	RP-2014 Disabled retiree table	
	December 31, 2013	RP-2000 Disabled mortality tables for females and males	

Washington Township Health Care District

Required Supplementary Pension and Postemployment Benefits Information

(unaudited)

Defined Benefit Post-Employment Medical Plan (OPEB)

The following table summarizes contributions to the OPEB Plan from July 1, 2017 to June 30, 2025:

<i>(in thousands)</i>	Actuarially Determined Contribution	Actual Contribution	Contribution Excess (Deficiency)	Covered Employee Payroll ¹	Contributions as % of Covered Employee Payroll ¹
Fiscal Year Ended					
2017	\$ 5,099	\$ 1,455	\$ (3,644)	\$ 146,438	0.99%
2018	5,451	5,995	544	168,165	3.56%
2019	6,200	6,400	200	165,710	3.86%
2020	7,400	4,891	(2,509)	177,841	2.75%
2021	7,400	6,046	(1,354)	182,973	3.30%
2022	7,400	5,444	(1,956)	181,577	3.00%
2023	6,000	5,531	(469)	210,819	2.62%
2024	6,200	3,132	(3,068)	216,805	1.44%
2025	7,300	2,498	(4,802)	245,187	1.02%
	<u>\$ 58,450</u>	<u>\$ 41,392</u>	<u>\$ (17,058)</u>		

¹ Required disclosure; neither OPEB Plan contributions nor benefits are based on covered employee payroll.

Washington Township Health Care District

Required Supplementary Pension and Postemployment Benefits Information (unaudited)

The following table summarizes changes in the net postemployment medical benefits (OPEB) liability from July 1, 2017 to June 30, 2025, and related ratios:

<i>(in thousands)</i>	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total postemployment medical benefits (OPEB) liability									
Service cost	\$ 2,272	\$ 2,220	\$ 1,939	\$ 1,911	\$ 1,885	\$ 1,473	\$ 3,049	\$ 2,948	\$ 3,007
Interest	4,975	4,692	4,372	4,155	3,948	3,461	2,495	2,457	2,260
Difference between expected and actual experience	1,807	1,055	(2,300)	349	(555)	(265)	368	-	-
Change of assumptions	994	(2,823)	2,551	(1,217)	(385)	6,880	(29,183)	3,541	(2,045)
Benefit payments	(2,498)	(2,307)	(2,230)	(2,005)	(1,904)	(1,508)	(1,569)	(1,494)	(1,412)
Net change in postemployment medical benefits (OPEB) liability	7,550	2,837	4,332	3,193	2,989	10,041	(24,840)	7,452	1,810
Total postemployment medical benefits (OPEB) liability (beginning of year)	68,804	65,967	61,635	58,442	55,453	45,412	70,252	62,800	60,990
Total postemployment medical benefits (OPEB) liability (end of year)	76,354	68,804	65,967	61,635	58,442	55,453	45,412	70,252	62,800
Plan fiduciary net position									
Employer contributions	2,498	3,132	5,531	5,305	5,204	4,808	9,969	1,494	1,412
Net investment income	2,793	3,378	(3,783)	2,689	1,900	1,510	(270)	-	-
Benefit payments	(2,498)	(2,307)	(2,231)	(2,005)	(1,904)	(1,508)	(1,569)	(1,494)	(1,412)
Administrative expense	(45)	(52)	(57)	(53)	(52)	(49)	(15)	-	-
Other	-	-	-	-	-	1	(2)	-	-
Net change in fiduciary net position	2,748	4,151	(540)	5,936	5,148	4,762	8,113	-	-
Fiduciary net position (beginning of year)	27,570	23,419	23,959	18,023	12,875	8,113	-	-	-
Fiduciary net position (end of year)	30,318	27,570	23,419	23,959	18,023	12,875	8,113	-	-
Net postemployment medical benefits (OPEB) liability (end of year)	\$ 46,036	\$ 41,234	\$ 42,548	\$ 37,676	\$ 40,419	\$ 42,578	\$ 37,299	\$ 70,252	\$ 62,800
Fiduciary net position as percent of liability	39.7%	40.1%	35.5%	38.9%	30.8%	23.2%	17.9%	0.0%	0.0%
Covered employee payroll	\$ 245,187	\$ 216,805	\$ 210,819	\$ 181,577	\$ 182,973	\$ 177,841	\$ 165,710	\$ 168,165	\$ 146,438
NOL as a % of Covered Employee Payroll	18.8%	19.0%	20.2%	20.7%	22.1%	23.9%	21.5%	41.8%	42.9%
Deferred outflows of resources									
Employer contributions after measurement date	\$ 1,348	\$ 1,056	\$ 1,821	\$ 2,750	\$ 2,611	\$ 1,769	\$ 1,686	\$ 4,500	\$ -
Fiduciary net position as percent of liability including deferred outflows of resources	41.5 %	41.6 %	38.3 %	43.3 %	35.3 %	26.4 %	21.6 %	6.4 %	0.0 %
Net OPEB liability as percent of covered employee payroll including deferred outflows of resources	18.2 %	18.5 %	19.3 %	19.2 %	20.7 %	22.9 %	21.5 %	39.1 %	42.9 %

Washington Township Health Care District

Required Supplementary Pension and Postemployment Benefits Information

(unaudited)

The following table summarizes the significant actuarial assumptions used to determine net OPEB liability and plan fiduciary net position as of June 30 for the years presented (unless otherwise indicated, the same assumption was used for the valuations for all years):

Discount rate	December 31, 2019 - 2024	7.00%
	December 31, 2018	7.50%
	December 31, 2017	3.44%
	December 31, 2016	3.78%
	December 31, 2015	3.57%
Other assumptions		
Healthcare cost trend rate	Getzen Model of Long-Run Medical Cost Trends	

RESOLUTION NO. 1277

A RESOLUTION OF THE WASHINGTON TOWNSHIP HEALTH CARE DISTRICT
DECLARING THE RESULTS OF THE VOTE CAST ON MEASURE B AT THE
NOVEMBER 4, 2025, SPECIAL STATEWIDE ELECTION

WHEREAS, on July 28, 2025, after the Board of Directors (the “Board”) accepted the Certifications of the Alameda County Registrar of Voters and the District Clerk that the initiative petition entitled “Medical Emergency and Life Saving Care Funding Act” (the “Measure”) contained a sufficient number of signatures of voters in the District to qualify the Measure for the ballot at an upcoming election, the Board by Resolution Number 1275 ordered a special election to be held and conducted in the Washington Township Health Care District on Tuesday, November 4, 2025, for the purpose of submitting the Measure to the voters of the District

WHEREAS, a special election was consolidated with a special statewide election, held and conducted in the Washington Township Health Care District, Alameda County, California, on Tuesday, November 4, 2025, as required by law; and

WHEREAS, notice of the election was given in time, form and manner as provided by law; voting precincts were properly established; election officers were appointed and in all respects the election was held and conducted and the votes were cast, received, and canvassed and the returns made and declared in time, form and manner as required by the provisions of the Elections Code of the State of California for the holding of elections in special districts; and

WHEREAS, the Alameda County Registrar of Voters conducted said election on behalf of the District, canvassed the returns, and certified the results of the election, and those results are attached as “Exhibit A” and incorporated herein by reference; and

WHEREAS, the District Clerk has presented the certified results of the canvass to the Board;

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED AND ORDERED, as follows;

Section 1. The following is declared to be the results of the special election for Measure B (requiring a simple majority of the votes cast):

Measure B - To provide local access to the highest level of life-saving emergency and medical care for trauma patients, victims of heart attacks, strokes, accidents, and cancer, keep medical equipment and technology up-to-date, reduce ER wait times; and ensure that our community has highly qualified doctors, surgeons and nurses, shall Washington Township Healthcare District’s measure levying 5 cents per square foot of improved property be adopted, generating \$13,000,000 annually for 12 years for emergency healthcare, hospital, and Trauma Center services?

Votes in Favor: 57,647 65.20%

Votes Opposed: 30,774 34.80%
Total Votes Cast: 88,421

Section 2. Having determined that more than a majority of the total votes cast were in support of Measure B, it is hereby declared to be approved by the voters of the District, and Measure B, attached as “Exhibit B”, is adopted.

PASSED AND ADOPTED by the Board of the Washington Township Health Care District at a regular meeting thereof, at which a quorum of its members participated and were acting throughout, conducted in person and electronically at Fremont, California on December 10, 2025, through a system freely accessible to the public, by the following roll-call vote:

AYES:

NOES:

ABSENT:

Michael Wallace
President of the Washington Township
Health Care District Board of Directors

Jacob Eapen, MD
Secretary of the Washington Township
Health Care District Board of Directors

EXHIBIT A



REGISTRAR OF VOTERS
ALAMEDA COUNTY • CALIFORNIA

TIM DUPUIS
REGISTRAR OF VOTERS

CYNTHIA CORNEJO
DEPUTY REGISTRAR OF VOTERS

December 3, 2025

Washington Township Health Care District
Cheryl Renaud, Executive Assistant to the Chief Executive Officer & District Clerk
2000 Mowry Avenue
Fremont, CA 94538

Dear Cheryl Renaud:

Enclosed are the Certificate of Election Results and a copy of the Official Canvass for the Washington Township Healthcare District at the Statewide Special Election held on November 4, 2025.

If you have any questions, please contact me at (510) 272-6933.

Sincerely,

Tim Dupuis
Registrar of Voters
Alameda County
Enclosures

STATE OF CALIFORNIA }
COUNTY OF ALAMEDA } ss.

I, **TIM DUPUIS**, Registrar of Voters for the County of Alameda, State of California, having canvassed the returns of all votes cast in the Washington Township Healthcare District at the Statewide Special Election held on **Tuesday, November 4, 2025**, do hereby certify the following to be a full, true and correct Statement of the Results of all the votes cast, to which this certificate is attached, at said election for and against **Measure B**.

I hereby set my hand and my official seal this **3rd** day of **December 2025**.



TIM DUPUIS
Registrar of Voters
Alameda County
State of California

ELECTION SUMMARY REPORT STATEWIDE SPECIAL ELECTION NOVEMBER 4, 2025 ALAMEDA COUNTY

CERTIFIED FINAL RESULTS

Elector Group	Counting Group	Cards Cast	Voters Cast	Registered Voters	Turnout
Total	Election Day	36,589	36,589		3.79%
	Vote by Mail	472,141	472,141		48.88%
	Total	508,730	508,730	965,876	52.67%

Precincts Reported: 539 of 539 (100.00%)

Voters Cast: 508,730 of 965,876 (52.67%)

Cards Cast: 508,730

Proposition 50 (Vote for 1)

Precincts Reported: 539 of 539 (100.00%)

	Total	
Times Cast	508,730 / 965,876	52.67%
Undervotes	699	
Overvotes	77	
Candidate	Total	
YES	409,301	80.58%
NO	98,653	19.42%
Total Votes	507,954	

Measure B - Washington Township Healthcare District (Vote for 1)

Precincts Reported: 92 of 92 (100.00%)

	Total	
Times Cast	91,375 / 193,607	47.20%
Undervotes	2,941	
Overvotes	13	
Candidate	Total	
YES	57,647	65.20%
NO	30,774	34.80%
Total Votes	88,421	

1 Measure B - Washington Township Healthcare District

		Registered Voters	Voters Cast	Turnout (%)	YES	NO	Over Votes	Under Votes	Total Votes
422940	Election Day	0	0						
422940	Vote by Mail	0	0						
422940	Total	0	0						
423800	Election Day	49	2	4.08%	***	***	***	***	***
423800	Vote by Mail	49	13	26.53%	4	9			13
423800	Total	49	15	30.61%	5	10			15
424200	Election Day	78	5	6.41%	***	***	***	***	***
424200	Vote by Mail	78	45	57.69%	34	9		2	43
424200	Total	78	50	64.10%	36	12		2	48
424510	Election Day	283	10	3.53%	***	***	***	***	***
424510	Vote by Mail	283	132	46.64%	91	35		6	126
424510	Total	283	142	50.18%	99	36		7	135
424600	Election Day	2994	149	4.98%	115	32		2	147
424600	Vote by Mail	2994	1305	43.59%	890	348		67	1238
424600	Total	2994	1454	48.56%	1005	380		69	1385
433650	Election Day	0	0						
433650	Vote by Mail	0	0						
433650	Total	0	0						
438140	Election Day	0	0						
438140	Vote by Mail	0	0						
438140	Total	0	0						
490300	Election Day	0	0						
490300	Vote by Mail	0	0						
490300	Total	0	0						
498250	Election Day	0	0						
498250	Vote by Mail	0	0						
498250	Total	0	0						
498300	Election Day	71	3	4.23%	***	***	***	***	***
498300	Vote by Mail	71	42	59.15%	16	26			42
498300	Total	71	45	63.38%	16	29			45
498310	Election Day	1	0	0.00%					
498310	Vote by Mail	1	1	100.00%	***	***	***	***	***
498310	Total	1	1	100.00%	***	***	***	***	***
498320	Election Day	0	0						
498320	Vote by Mail	0	0						
498320	Total	0	0						
810910	Election Day	0	0						
810910	Vote by Mail	0	0						
810910	Total	0	0						
819010	Election Day	35	1	2.86%	***	***	***	***	***
819010	Vote by Mail	35	23	65.71%	8	15			23
819010	Total	35	24	68.57%	9	15			24
819100	Election Day	4	0	0.00%					
819100	Vote by Mail	4	2	50.00%	***	***	***	***	***
819100	Total	4	2	50.00%	***	***	***	***	***
820000	Election Day	0	0						
820000	Vote by Mail	0	0						
820000	Total	0	0						
820010	Election Day	0	0						
820010	Vote by Mail	0	0						

1 Measure B - Washington Township Healthcare District									
		Registered Voters	Voters Cast	Turnout (%)	YES	NO	Over Votes	Under Votes	Total Votes
820010	Total	0	0						
821110	Election Day	2409	73	3.03%	54	18		1	72
821110	Vote by Mail	2409	937	38.90%	648	239	1	49	887
821110	Total	2409	1010	41.93%	702	257	1	50	959
821120	Election Day	1688	40	2.37%	25	15			40
821120	Vote by Mail	1688	802	47.51%	549	222		31	771
821120	Total	1688	842	49.88%	574	237		31	811
821210	Election Day	3389	95	2.80%	63	30		2	93
821210	Vote by Mail	3389	1465	43.23%	956	463		46	1419
821210	Total	3389	1560	46.03%	1019	493		48	1512
821230	Election Day	159	8	5.03%	***	***	***	***	***
821230	Vote by Mail	159	56	35.22%	45	8		3	53
821230	Total	159	64	40.25%	51	10		3	61
821700	Election Day	3510	121	3.45%	81	34		6	115
821700	Vote by Mail	3510	1599	45.56%	1026	505	1	67	1531
821700	Total	3510	1720	49.00%	1107	539	1	73	1646
821800	Election Day	4412	128	2.90%	102	23		3	125
821800	Vote by Mail	4412	1875	42.50%	1286	529		60	1815
821800	Total	4412	2003	45.40%	1388	552		63	1940
821900	Election Day	3661	126	3.44%	99	24		3	123
821900	Vote by Mail	3661	1540	42.07%	1024	462		54	1486
821900	Total	3661	1666	45.51%	1123	486		57	1609
821920	Election Day	228	2	0.88%	***	***	***	***	***
821920	Vote by Mail	228	93	40.79%	78	12		3	90
821920	Total	228	95	41.67%	80	12		3	92
822030	Election Day	0	0						
822030	Vote by Mail	0	0						
822030	Total	0	0						
822200	Election Day	4818	161	3.34%	96	59		6	155
822200	Vote by Mail	4818	2310	47.95%	1433	791		86	2224
822200	Total	4818	2471	51.29%	1529	850		92	2379
822900	Election Day	538	25	4.65%	15	9		1	24
822900	Vote by Mail	538	232	43.12%	146	71		15	217
822900	Total	538	257	47.77%	161	80		16	241
823200	Election Day	2852	102	3.58%	74	27		1	101
823200	Vote by Mail	2852	1062	37.24%	748	288		26	1036
823200	Total	2852	1164	40.81%	822	315		27	1137
823300	Election Day	2385	88	3.69%	66	20		2	86
823300	Vote by Mail	2385	931	39.04%	628	263		40	891
823300	Total	2385	1019	42.73%	694	283		42	977
823400	Election Day	2575	95	3.69%	64	29		2	93
823400	Vote by Mail	2575	1218	47.30%	791	395		32	1186
823400	Total	2575	1313	50.99%	855	424		34	1279
823500	Election Day	2227	74	3.32%	61	10		3	71
823500	Vote by Mail	2227	948	42.57%	713	206		29	919
823500	Total	2227	1022	45.89%	774	216		32	990
823710	Election Day	3691	118	3.20%	84	31		3	115
823710	Vote by Mail	3691	1508	40.86%	1060	387		61	1447
823710	Total	3691	1626	44.05%	1144	418		64	1562
823720	Election Day	1025	34	3.32%	23	10		1	33

1 Measure B - Washington Township Healthcare District									
		Registered Voters	Voters Cast	Turnout (%)	YES	NO	Over Votes	Under Votes	Total Votes
823720	Vote by Mail	1025	463	45.17%	272	168		23	440
823720	Total	1025	497	48.49%	295	178		24	473
824100	Election Day	1969	78	3.96%	49	28		1	77
824100	Vote by Mail	1969	905	45.96%	595	282		28	877
824100	Total	1969	983	49.92%	644	310		29	954
830320	Election Day	3142	110	3.50%	80	27		3	107
830320	Vote by Mail	3142	1274	40.55%	832	399		43	1231
830320	Total	3142	1384	44.05%	912	426		46	1338
830400	Election Day	1	0	0.00%					
830400	Vote by Mail	1	0	0.00%					
830400	Total	1	0	0.00%					
830410	Election Day	1	1	100.00%	***	***	***	***	***
830410	Vote by Mail	1	0	0.00%					
830410	Total	1	1	100.00%	***	***	***	***	***
830500	Election Day	4446	163	3.67%	113	47		3	160
830500	Vote by Mail	4446	1848	41.57%	1173	637		38	1810
830500	Total	4446	2011	45.23%	1286	684		41	1970
831000	Election Day	4884	169	3.46%	123	45		1	168
831000	Vote by Mail	4884	2118	43.37%	1340	699		79	2039
831000	Total	4884	2287	46.83%	1463	744		80	2207
831200	Election Day	2182	47	2.15%	26	21			47
831200	Vote by Mail	2182	1039	47.62%	634	371		34	1005
831200	Total	2182	1086	49.77%	660	392		34	1052
831410	Election Day	4769	130	2.73%	79	45		6	124
831410	Vote by Mail	4769	2080	43.62%	1293	710		77	2003
831410	Total	4769	2210	46.34%	1372	755		83	2127
831500	Election Day	4445	120	2.70%	66	48		6	114
831500	Vote by Mail	4445	2322	52.24%	1500	762	1	59	2262
831500	Total	4445	2442	54.94%	1566	810	1	65	2376
831710	Election Day	810	35	4.32%	26	9			35
831710	Vote by Mail	810	300	37.04%	220	68		12	288
831710	Total	810	335	41.36%	246	77		12	323
831730	Election Day	2037	48	2.36%	26	20		2	46
831730	Vote by Mail	2037	1042	51.15%	629	383	1	29	1012
831730	Total	2037	1090	53.51%	655	403	1	31	1058
831810	Election Day	3842	118	3.07%	70	46		2	116
831810	Vote by Mail	3842	1703	44.33%	1087	558		58	1645
831810	Total	3842	1821	47.40%	1157	604		60	1761
831930	Election Day	2299	57	2.48%	42	14		1	56
831930	Vote by Mail	2299	1019	44.32%	631	353		35	984
831930	Total	2299	1076	46.80%	673	367		36	1040
832010	Election Day	1436	59	4.11%	35	23		1	58
832010	Vote by Mail	1436	542	37.74%	373	141		28	514
832010	Total	1436	601	41.85%	408	164		29	572
832200	Election Day	3095	125	4.04%	78	46		1	124
832200	Vote by Mail	3095	1287	41.58%	815	435		37	1250
832200	Total	3095	1412	45.62%	893	481		38	1374
832400	Election Day	3396	168	4.95%	110	55		3	165
832400	Vote by Mail	3396	1567	46.14%	983	531		53	1514
832400	Total	3396	1735	51.09%	1093	586		56	1679

1 Measure B - Washington Township Healthcare District

		Registered Voters	Voters Cast	Turnout (%)	YES	NO	Over Votes	Under Votes	Total Votes
832500	Election Day	2002	122	6.09%	53	67		2	120
832500	Vote by Mail	2002	980	48.95%	580	366		34	946
832500	Total	2002	1102	55.04%	633	433		36	1066
832600	Election Day	4215	144	3.42%	85	49		10	134
832600	Vote by Mail	4215	1844	43.75%	1135	657		52	1792
832600	Total	4215	1988	47.16%	1220	706		62	1926
832620	Election Day	2357	90	3.82%	64	24		2	88
832620	Vote by Mail	2357	979	41.54%	672	289		18	961
832620	Total	2357	1069	45.35%	736	313		20	1049
833010	Election Day	3579	95	2.65%	70	24		1	94
833010	Vote by Mail	3579	1478	41.30%	931	507		40	1438
833010	Total	3579	1573	43.95%	1001	531		41	1532
833200	Election Day	3005	81	2.70%	54	19		8	73
833200	Vote by Mail	3005	1466	48.79%	934	480		52	1414
833200	Total	3005	1547	51.48%	988	499		60	1487
833300	Election Day	3776	125	3.31%	87	35		3	122
833300	Vote by Mail	3776	1575	41.71%	956	552		67	1508
833300	Total	3776	1700	45.02%	1043	587		70	1630
833400	Election Day	3810	163	4.28%	110	50		3	160
833400	Vote by Mail	3810	1447	37.98%	959	435	1	52	1394
833400	Total	3810	1610	42.26%	1069	485	1	55	1554
833410	Election Day	3217	92	2.86%	58	32		2	90
833410	Vote by Mail	3217	1386	43.08%	805	548		33	1353
833410	Total	3217	1478	45.94%	863	580		35	1443
833710	Election Day	2015	79	3.92%	41	36		2	77
833710	Vote by Mail	2015	848	42.08%	539	294	1	14	833
833710	Total	2015	927	46.00%	580	330	1	16	910
834020	Election Day	7	0	0.00%					
834020	Vote by Mail	7	2	28.57%	***	***	***	***	***
834020	Total	7	2	28.57%	***	***	***	***	***
834200	Election Day	3230	179	5.54%	112	60		7	172
834200	Vote by Mail	3230	1712	53.00%	1076	584		52	1660
834200	Total	3230	1891	58.54%	1188	644		59	1832
834600	Election Day	2257	89	3.94%	48	41			89
834600	Vote by Mail	2257	1126	49.89%	719	376		31	1095
834600	Total	2257	1215	53.83%	767	417		31	1184
834700	Election Day	1678	55	3.28%	35	17		3	52
834700	Vote by Mail	1678	791	47.14%	510	254		27	764
834700	Total	1678	846	50.42%	545	271		30	816
835020	Election Day	1845	50	2.71%	28	21		1	49
835020	Vote by Mail	1845	788	42.71%	527	231		30	758
835020	Total	1845	838	45.42%	555	252		31	807
835200	Election Day	1000	35	3.50%	26	9			35
835200	Vote by Mail	1000	331	33.10%	272	50		9	322
835200	Total	1000	366	36.60%	298	59		9	357
835310	Election Day	2790	106	3.80%	81	20		5	101
835310	Vote by Mail	2790	1126	40.36%	838	258		30	1096
835310	Total	2790	1232	44.16%	919	278		35	1197
835500	Election Day	727	38	5.23%	31	7			38
835500	Vote by Mail	727	279	38.38%	181	94		4	275

1 Measure B - Washington Township Healthcare District								
		Registered Voters	Voters Cast	Turnout (%)	YES	NO	Over Votes	Total Votes
835500	Total	727	317	43.60%	212	101		313
835710	Election Day	3289	106	3.22%	66	37		103
835710	Vote by Mail	3289	1402	42.63%	885	485	1	1370
835710	Total	3289	1508	45.85%	951	522	1	1473
835830	Election Day	1426	71	4.98%	45	25		70
835830	Vote by Mail	1426	598	41.94%	422	160		582
835830	Total	1426	669	46.91%	467	185		652
836010	Election Day	4776	106	2.22%	66	40		106
836010	Vote by Mail	4776	2208	46.23%	1219	917	1	2136
836010	Total	4776	2314	48.45%	1285	957	1	2242
836500	Election Day	4511	127	2.82%	76	50		126
836500	Vote by Mail	4511	2009	44.54%	1006	938		1944
836500	Total	4511	2136	47.35%	1082	988		2070
837100	Election Day	2060	51	2.48%	27	23		50
837100	Vote by Mail	2060	917	44.51%	520	379	1	899
837100	Total	2060	968	46.99%	547	402	1	949
837300	Election Day	2612	66	2.53%	40	25		65
837300	Vote by Mail	2612	1154	44.18%	638	478		1116
837300	Total	2612	1220	46.71%	678	503		1181
837600	Election Day	5486	136	2.48%	71	60		131
837600	Vote by Mail	5486	2562	46.70%	1342	1136		2478
837600	Total	5486	2698	49.18%	1413	1196		2609
837700	Election Day	2493	87	3.49%	47	39		86
837700	Vote by Mail	2493	1114	44.69%	609	454		1063
837700	Total	2493	1201	48.17%	656	493		1149
838000	Election Day	2202	43	1.95%	28	14		42
838000	Vote by Mail	2202	1010	45.87%	543	439		982
838000	Total	2202	1053	47.82%	571	453		1024
838120	Election Day	1466	35	2.39%	18	17		35
838120	Vote by Mail	1466	630	42.97%	312	302		614
838120	Total	1466	665	45.36%	330	319		649
838700	Election Day	4671	123	2.63%	59	61		120
838700	Vote by Mail	4671	2119	45.37%	1144	906		2050
838700	Total	4671	2242	48.00%	1203	967		2170
839040	Election Day	2771	101	3.64%	79	18		97
839040	Vote by Mail	2771	984	35.51%	627	325		952
839040	Total	2771	1085	39.16%	706	343		1049
839100	Election Day	1322	32	2.42%	15	17		32
839100	Vote by Mail	1322	481	36.38%	303	160		463
839100	Total	1322	513	38.80%	318	177		495
839220	Election Day	3	0	0.00%				
839220	Vote by Mail	3	0	0.00%				
839220	Total	3	0	0.00%				
839240	Election Day	1013	29	2.86%	11	16		27
839240	Vote by Mail	1013	532	52.52%	281	223		504
839240	Total	1013	561	55.38%	292	239		531
839300	Election Day	38	0	0.00%				
839300	Vote by Mail	38	13	34.21%	4	9		13
839300	Total	38	13	34.21%	4	9		13
850330	Election Day	4387	184	4.19%	91	88		179

1 Measure B - Washington Township Healthcare District									
		Registered Voters	Voters Cast	Turnout (%)	YES	NO	Over Votes	Under Votes	Total Votes
850330	Vote by Mail	4387	1781	40.60%	1212	501		68	1713
850330	Total	4387	1965	44.79%	1303	589		73	1892
850500	Election Day	5013	236	4.71%	164	67		5	231
850500	Vote by Mail	5013	2015	40.20%	1267	679		69	1946
850500	Total	5013	2251	44.90%	1431	746		74	2177
850800	Election Day	2550	132	5.18%	92	35		5	127
850800	Vote by Mail	2550	853	33.45%	595	231	2	25	826
850800	Total	2550	985	38.63%	687	266	2	30	953
851000	Election Day	4158	148	3.56%	74	70		4	144
851000	Vote by Mail	4158	1929	46.39%	1243	620		66	1863
851000	Total	4158	2077	49.95%	1317	690		70	2007
851520	Election Day	4722	210	4.45%	140	65		5	205
851520	Vote by Mail	4722	2332	49.39%	1469	811	1	51	2280
851520	Total	4722	2542	53.83%	1609	876	1	56	2485
852010	Election Day	5149	247	4.80%	148	90		9	238
852010	Vote by Mail	5149	2160	41.95%	1478	613	1	68	2091
852010	Total	5149	2407	46.75%	1626	703	1	77	2329
867110	Election Day	31	3	9.68%	***	***	***	***	***
867110	Vote by Mail	31	10	32.26%	***	***	***	***	***
867110	Total	31	13	41.94%	6	6		1	12
867200	Election Day	109	4	3.67%	***	***	***	***	***
867200	Vote by Mail	109	46	42.20%	24	20		2	44
867200	Total	109	50	45.87%	27	21		2	48
867310	Election Day	3	0	0.00%					
867310	Vote by Mail	3	2	66.67%	***	***	***	***	***
867310	Total	3	2	66.67%	***	***	***	***	***
Total - Election Day		193607	6708	3.46%	4310	2226		172	6536
Total - Vote by Mail		193607	84667	43.73%	53337	28548	13	2769	81885
Contest Total		193607	91375	47.20%	57647	30774	13	2941	88421

*** Indicates vote data was suppressed due to voter privacy settings.

1 Measure B - Washington Township Healthcare District

		Registered Voters	Voters Cast	Turnout (%)	YES	NO	Over Votes	Under Votes	Total Votes
California	Election Day	193607	6708	3.46%	4310	2226		172	6536
California	Vote by Mail	193607	84667	43.73%	53337	28548	13	2769	81885
California	Total	193607	91375	47.20%	57647	30774	13	2941	88421
14th Congressional District	Election Day	131786	4469	3.39%	2948	1407		114	4355
14th Congressional District	Vote by Mail	131786	58287	44.23%	37296	19064	7	1920	56360
14th Congressional District	Total	131786	62756	47.62%	40244	20471	7	2034	60715
17th Congressional District	Election Day	61821	2239	3.62%	1362	819		58	2181
17th Congressional District	Vote by Mail	61821	26380	42.67%	16041	9484	6	849	25525
17th Congressional District	Total	61821	28619	46.29%	17403	10303	6	907	27706
5th State Senatorial District	Election Day	143	7	4.90%	***	***	***	***	***
5th State Senatorial District	Vote by Mail	143	58	40.56%	31	24		3	55
5th State Senatorial District	Total	143	65	45.45%	35	27		3	62
10th State Senatorial District	Election Day	193464	6701	3.46%	4306	2223		172	6529
10th State Senatorial District	Vote by Mail	193464	84609	43.73%	53306	28524	13	2766	81830
10th State Senatorial District	Total	193464	91310	47.20%	57612	30747	13	2938	88359
16th Assembly District	Election Day	3	0	0.00%					
16th Assembly District	Vote by Mail	3	2	66.67%	***	***	***	***	***
16th Assembly District	Total	3	2	66.67%	***	***	***	***	***
20th Assembly District	Election Day	45051	1538	3.41%	1091	409		38	1500
20th Assembly District	Vote by Mail	45051	19507	43.30%	13042	5735	2	728	18777
20th Assembly District	Total	45051	21045	46.71%	14133	6144	2	766	20277
24th Assembly District	Election Day	148553	5170	3.48%	3219	1817		134	5036
24th Assembly District	Vote by Mail	148553	65158	43.86%	40293	22813	11	2041	63106
24th Assembly District	Total	148553	70328	47.34%	43512	24630	11	2175	68142
Board of Equalization, 2nd District	Election Day	193607	6708	3.46%	4310	2226		172	6536
Board of Equalization, 2nd District	Vote by Mail	193607	84667	43.73%	53337	28548	13	2769	81885
Board of Equalization, 2nd District	Total	193607	91375	47.20%	57647	30774	13	2941	88421
1st Supervisorial District	Election Day	90446	2993	3.31%	1852	1063		78	2915
1st Supervisorial District	Vote by Mail	90446	40228	44.48%	24455	14520	7	1246	38975
1st Supervisorial District	Total	90446	43221	47.79%	26307	15583	7	1324	41890
2nd Supervisorial District	Election Day	103050	3711	3.60%	2457	1160		94	3617

1 Measure B - Washington Township Healthcare District

		Registered Voters	Voters Cast	Turnout (%)	YES	NO	Over Votes	Under Votes	Total Votes
2nd Supervisorial District	Vote by Mail	103050	44371	43.06%	28857	13985	6	1523	42842
2nd Supervisorial District	Total	103050	48082	46.66%	31314	15145	6	1617	46459
4th Supervisorial District	Election Day	111	4	3.60%	***	***	***	***	***
4th Supervisorial District	Vote by Mail	111	68	61.26%	25	43			68
4th Supervisorial District	Total	111	72	64.86%	26	46			72
City of Fremont	Election Day	122434	4006	3.27%	2506	1399		101	3905
City of Fremont	Vote by Mail	122434	54032	44.13%	33000	19334	7	1691	52334
City of Fremont	Total	122434	58038	47.40%	35506	20733	7	1792	56239
City of Hayward	Election Day	3404	166	4.88%	126	37		3	163
City of Hayward	Vote by Mail	3404	1495	43.92%	1019	401		75	1420
City of Hayward	Total	3404	1661	48.80%	1145	438		78	1583
City of Newark	Election Day	25979	1157	4.45%	709	415		33	1124
City of Newark	Vote by Mail	25979	11070	42.61%	7264	3455	4	347	10719
City of Newark	Total	25979	12227	47.06%	7973	3870	4	380	11843
City of Union City	Election Day	41536	1368	3.29%	964	369		35	1333
City of Union City	Vote by Mail	41536	17944	43.20%	11998	5291	2	653	17289
City of Union City	Total	41536	19312	46.49%	12962	5660	2	688	18622
Unincorporated Alameda County	Election Day	254	11	4.33%	5	6			11
Unincorporated Alameda County	Vote by Mail	254	126	49.61%	56	67		3	123
Unincorporated Alameda County	Total	254	137	53.94%	61	73		3	134
Unincorporated/Eden Township	Election Day	0	0						
Unincorporated/Eden Township	Vote by Mail	0	0						
Unincorporated/Eden Township	Total	0	0						
Unincorporated/Washington Township	Election Day	254	11	4.33%	5	6			11
Unincorporated/Washington Township	Vote by Mail	254	126	49.61%	56	67		3	123
Unincorporated/Washington Township	Total	254	137	53.94%	61	73		3	134
Total - Election Day		193607	6708	3.46%	4310	2226		172	6536
Total - Vote by Mail		193607	84667	43.73%	53337	28548	13	2769	81885
Contest Total		193607	91375	47.20%	57647	30774	13	2941	88421

*** Indicates vote data was suppressed due to voter privacy settings.

FULL TEXT OF MEASURE B**EXHIBIT 1**

The People of the Washington Township Health Care District do ordain as follows:

Section 1. Title.

This Ordinance shall be known and may be cited as the “Medical Emergency and Life Saving Care Funding Act.”

Section 2. Findings and Declarations.

The People of the Washington Township Health Care District find and declare all of the following:

(a) For 67 years, the Washington Township Health Care District has been a vital lifeline for residents of southern Alameda County, delivering essential emergency and critical care to victims of heart attacks, strokes, accidents, cancer, and trauma.

(b) The District’s ability to continue providing the level of care that patients deserve is being threatened by rising costs, limited state and federal funding, and other economic challenges.

(c) For the last several years, healthcare costs have been rising faster than health insurance reimbursement rates as inflationary factors continue to push labor, supply, and service costs ever higher. For example, labor costs, which account for 60% of the District’s total operating expenses, have increased 33% since 2015 and are expected to continue rising at an accelerated rate due to inflation, labor shortages, and the high cost of living in the Bay Area.

(d) In addition, the District has been faced with the challenge of scaling up its operations to keep pace with natural population growth. Washington Hospital opened 67 years ago to serve a community of eighteen thousand people. Today, there are over three hundred and fifty thousand residents in the District and the population continues to grow. We need more doctors, nurses, and specialists to meet the healthcare needs of our community.

(e) To meet the needs of its growing population, the District has expanded facilities and programs that enable it to provide life-saving services. In 2018, the District opened the Morris Hyman Critical Care Pavilion to house a new emergency department, a critical care department, and a 68-bed medical-surgical unit. In addition, the District is building an earthquake-safe patient facility.

(f) Washington Hospital has been designated as southern Alameda County’s only primary stroke center, cardiac arrest receiving center, and trauma center. These expanded facilities and programs allow the hospital to treat patients needing acute care on-site instead of transporting them to distant facilities, resulting in higher survival rates and more positive outcomes for local residents.

(g) In order to meet the challenges of rising costs and the need for expanded services, the District is in dire need of an additional source of revenue. Many health care districts have come to rely on locally-controlled funding like parcel taxes to help fund rising operating costs and sustain important services. A parcel tax is an effective way

for a service provider such as a health care district to create a steady source of funding that is not subject to variable economic conditions or the shifting priorities of government officials, allowing for predictability in budgeting, long-range planning, and reliability of services from year to year.

Section 3. Statement of Purpose.

It is the purpose and intent of this Ordinance to enact a special parcel tax on the parcels of real property located in the Washington Township Health Care District in order to create additional funding to support the operations of the District and enable Washington Hospital and the other related facilities of the District to continue to be highly-valued community assets by maintaining access to life-saving care, furnishing emergency response and disaster preparedness, acquiring cutting-edge medical technology, confronting the challenges of rising costs and an expanding population, and otherwise meeting the various health care needs of the communities served by the District.

Section 4. Definitions.

For purposes of this Ordinance, the following terms have the following meanings:

(a) “Board of Directors” means the Board of Directors of the Washington Township Health Care District.

(b) “District” means the Washington Township Health Care District.

(c) “Parcel” means a lot, unit, or plot of real property having identified boundaries and an identified owner that is within the boundaries of the District and is documented for property tax purposes and given an assessor’s parcel number by the Alameda County Assessor.

(d) “Special parcel tax” means the tax imposed by Section 5.

(e) “Structural improvements” means the square footage of building floor area on a parcel.

Section 5. Imposition of Special Parcel Tax.

(a) Commencing with the first full fiscal year after the enactment of this Ordinance, there shall be imposed on each parcel of taxable real property a special parcel tax at the uniform rate of five cents (\$0.05) per square foot of structural improvements not to exceed \$7,500 per parcel.

(b) The special parcel tax is imposed as of July 1 of each year and shall be assessed on the person who owned the parcel on that date unless the owner is by law exempt from taxation, in which case the special parcel tax shall be assessed on the holder of the possessory interest in the parcel unless such holder is also by law exempt from taxation.

(c) The special parcel tax shall be collected at the same time and in the same manner in which the County of Alameda collects secured roll ad valorem property taxes, pursuant to an agreement entered into between the District and the County of Alameda. All laws, regulations, and procedures regarding due dates, installment payments, corrections, appeals, cancellations, refunds, late payments, penalties, liens, and collections for secured roll ad valorem

property taxes in the County of Alameda shall be applicable to the collection of the special parcel tax. The secured roll tax bill shall be the only notice required for collection of the special parcel tax.

(d) The amount of the special parcel tax for each parcel each fiscal year shall constitute a lien on such property in accordance with Section 2187 of the California Revenue and Taxation Code and shall have the same effect as an ad valorem real property tax lien until fully paid. The special parcel tax, together with all penalties and interest thereon, shall constitute, until paid, to the extent authorized by law, a personal obligation to the District by the person or persons who own the parcel on the date the tax is imposed.

(e) Beginning with the second fiscal year during which the special parcel tax is in effect, the Board of Directors may annually adjust the amount of the special parcel tax in accordance with the Consumer Price Index for All Urban Consumers (CPI-U) for the San Francisco–Oakland–Hayward statistical area, as reported by the United States Bureau of Labor Statistics.

(f) The special parcel tax shall not be imposed upon any parcel that is exempt from ad valorem property taxes pursuant to any provision of state or federal law.

Section 6. Creation of Special Fund.

Pursuant to Section 50075.1(c) of the California Government Code, the proceeds of the special parcel tax shall be deposited into a designated account, specially created for this purpose, to be used solely for the purposes of this Ordinance.

Section 7. Authorized Expenditures.

The proceeds of the special parcel tax shall be expended only for purposes of funding the continued operation of Washington Hospital and other health care facilities of the District, including the purchase and maintenance of trauma equipment, disaster preparedness and public health emergency readiness, the operation of the emergency department and advanced operating rooms, acquiring and sustaining medical and laboratory technology, healthcare provider costs and supporting ambulatory services, urgent care clinics and outpatient health centers.

Section 8. No Reduction of Other Revenue.

The special parcel tax is not intended to decrease or offset any federal, state, or local revenue, or any revenue from a private funding source, that is available to the District or becomes available in the future.

Section 9. Audits.

(a) The expenditure of the proceeds of the special parcel tax shall be subject to an annual independent audit pursuant to Section 26909 of the California Government Code or any other independent audit of the accounts and records of the District.

(b) Pursuant to Section 50075.3 of the California Government Code, the chief fiscal officer of the District shall file an annual report with the Board of Directors, based on the annual independent audit, describing both of

the following:

(1) The amount of funds collected and expended pursuant to this Ordinance.

(2) The status of any project required or authorized to be funded by this Ordinance.

(c) The findings of an audit described in subdivision (a) with respect to the expenditure of the proceeds of the special parcel tax, and the findings of the report described in subdivision (b) with respect to the expenditure of the proceeds of the special parcel tax, shall be presented to the Board of Directors at a public meeting.

Section 10. Term.

This Ordinance shall remain in effect for 12 years from the effective date.

Section 11. Amendment of Ordinance.

Except for amendments that would increase the special parcel tax above an amount authorized by Section 5 or change the authorized uses of the proceeds of the special parcel tax as specified in Section 7, the Board of Directors may amend this Ordinance without submitting the amendment to the voters for approval, provided that the amendment is consistent with and furthers the purposes of this Ordinance as enacted by the voters.

Section 12. Severability.

If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect any other provisions or applications. To that end, the provisions of this Ordinance are declared to be severable. It is the intent of the voters that this Ordinance would have been enacted regardless of whether any invalid provision had been included or any invalid application had been made.