Del Norte Healthcare District
Board of Directors Meeting

Agendized
Board Packet

Tuesday June 30, 2026

June
5/21/2026 – 6/24/2026

DATE	NAME	DESCRIPTION	CK#	AMOUNT
5/26	Intuit/Quick books	Inv. 10001495668924	EFT	707.10
5/26	Shellie Babich	D/V/RX Brylie	11175	300.00
5/26	T-Mobile	4/18/26-5/17/26	11176	103.16
5/26	City of CC	Inv. 7165830,7165834,7165835	11177	2811.00
5/26	City of CC	Inv. 7165833, 7165829	11178	1575.00
5/26	City of CC	Inv. 7165836	11179	3700.00
5/26	City of CC	Inv. 7165831	11180	4000.00
5/26	VOID		11181	VOID
5/26	Monica Sperling	D/V/RX Butch	11182	54.00
5/27	DNSWMA	Sharps	11183	75.00
5/27	Edward Jones	SEP IRA May Contribution	11184	437.50
5/29	Doris Hendricks	May Payroll	EFT	1534.66
5/29	US Treasury	May payroll taxes	EFT	349.22
5/29	Hi-Tech Security	Inv. 26-06831	11185	2665.00
6/1	Katie Wheeler	June service	EFT	200.00
6/1	CalPERS	June Premium	EFT	3654.37
6/1	Wen-Cor	May Service	11186	300.00
6/1	Clarke Moore	Dental reimbursement	11187	223.00
6/1	Dwayne Reichlin	3rd quarter Medicare	11188	608.70
6/1	Monica Sperling	3rd quarter Medicare	11189	608.70
6/4	Doris Hendricks	D/V/RX reimbursement	11190	358.86
6/5	Blue Star Gas	Inv. 824923	EFT	2403.65
6/8	Tri Counties CC	Credit Card	11191	1509.75
		Constant Contact 110.00		
		Walmart 26.56		
		Digital Needs S. 1200.00		
		Microsoft 173.19		
6/11	McMillan & Mayle	Inv. 417 May Service	11192	1020.00
6/11	DNOS	Inv. 758457	11193	21.94
6/15	Hi-Tech Security	Inv. 26-04868/26-04951	11194	653.61
6/16	Terry Krieg CPA	Final audit bill	11195	2000.00
6/16	Pacific Power	550 Open Door	11196	3996.80
6/16	Pacific Power	510 location	11197	499.54
6/22	CCWD	550/Garden	11198	485.54
6/22	CCWD	510 location	11199	62.09
6/24	RCT	Inv. SOMS-25-26	11200	9268.64
6/24	RCT	Local Medical	11201	1200.00
Total				47,386.83

Del Norte Healthcare District
Financial Report
May 31, 2026

ACCOUNT	May 1, 2026 Bk./Inv. Acct. Bal.	Note Payable	May 31, 2026 45,991.00
LAIF (Investment Account)	3,985,041.01		4,285,047.01
Tri Counties- Bus. Cking. Acct.	79,626.70		46,721.41
Tri Counties - Money Mkt. (holding) Acct.	454,411.02		154,383.36
Tri Counties- W.C. USDA Auto Pay	0.00	closed acct.	0.00
TOTAL BK./INV. ACCT BALANCES	4,519,078.73	0.00	4,486,151.78

BUDGET CATEGORY INCOME	Anticipated Income	Income Received To Date	Remaining/(Surplus) Anticipated Income
Interest LAIF & bank Accts	140,000.00	164,025.04	-24,025.04
Tax Receipts	765,000.00	764,858.49	141.51
Rent (Open Door $ 10250.00)	123,000.00	112,750.00	10,250.00
510 DNTAL 3000.00 per month	15,000.00	22,980.00	-7,980.00
Utility Reimbursement 80%	72,000.00	55,887.17	16,112.83
Insurance Reimbursement Pers-D/V/RX	1,000.00	200.00	800.00
Miscellaneous Income	1,000.00	14,008.11	-13,008.11
Sub-Total	**1,117,000.00**	**1,134,708.81**	**-17,708.81**
TOTAL AVAILABLE RESOURCES	**1,117,000.00**	**1,134,708.81**	**-17,708.81**

EXPENDITURES	Annual Budget	Paid to Date	Budget Amt. Available
Personnel Expenses			
Payroll	24,000.00	17,125.25	6,874.75
General Benefits/SSI/EDD/WC	14,000.00	8,928.86	5,071.14
Cal Pers	45,000.00	40,731.90	4,268.10
Dental, Vision, RX	30,000.00	9,436.14	20,563.86
Past Board Health Benefits	15,000.00	7,909.40	7,090.60
TOTAL PERSONNEL EXPENSES	**128,000.00**	**84,131.55**	**43,868.45**
Operating Expenses			
Pacific Power	50,500.00	44,299.67	6,200.33
Blue Star Gas	24,500.00	20,494.55	4,005.45
Crescent City W & S	21,000.00	6,538.22	14,461.78
Telephone & Internet	6,000.00	3,249.57	2,750.43
Office Supplies and Expenses	4,000.00	3,486.91	513.09
Training & Education	3,000.00	0.00	3,000.00
Memberships	4,000.00	3,632.00	368.00
TOTAL UTILITIES AND OFFICE EXPENSE	**113,000.00**	**81,700.92**	**31,299.08**
Professional Services Expenses			
Legal	10,000.00		10,000.00
Accounting	20,000.00	14,802.10	5,197.90
Election Expense			
Insurance	28,000.00	27,839.18	160.82
Other Professional	5,000.00	1,028.70	3,971.30
TOTAL PROFESSIONAL EXPENSE	**63,000.00**	**43,669.98**	**19,330.02**

DEL NORTE HEALTHCARE DISTRICT
MONTHLY FINANCIAL REPORT PAGE 2
31-May-26

Budget Category	Annual Budget	Paid to date	Budget Amt. Available
Building Maintenance			
Materials & Supplies	10,000.00	220.89	9,779.11
Grounds Keeping	15,000.00	11,220.00	3,780.00
Maintenance Services	25,000.00	18,325.41	6,674.59
TOTAL BUILDING MAINTENANCE	**50,000.00**	**29,766.30**	**20,233.70**
Contributions			
High School Scholarship ($500.00 x 4)	2,000.00	0.00	2,000.00
Childcare Scholarship	5,000.00	0.00	5,000.00
CR Nursing Scholarship	10,000.00	10,000.00	0.00
Grad Night Safety Program	500.00	500.00	0.00
Sharps Containers	500.00	375.00	125.00
Food Hub Operations	24,000.00	20,000.00	4,000.00
Non-Emergency Transport	10,000.00		10,000.00
Gateway Education	51,000.00	30,746.02	20,253.98
Swim Lessons	41,000.00	12,917.00	28,083.00
Senior Swim Passes	48,000.00	47,850.00	150.00
Public Swim Project	13,000.00	11,025.00	1,975.00
Coastal Hospice	150,000.00	150,000.00	0.00
Emergency Food Project	32,000.00	32,000.00	0.00
CR development	59,000.00	59,000.00	0.00
TOTAL CONTRIBUTIONS	**446,000.00**	**374,413.02**	**71,586.98**
Projects			
Beachfront Exercise Loop Stations	50,000.00	48,150.50	1,849.50
Kids Town hard surface	50,000.00		50,000.00
Local Medical Transportation	10,000.00		10,000.00
Recruitment & Retention	50,000.00		50,000.00
Swim Club Equipment	51,000.00	51,000.00	0.00
Blueberry Legacy	5,000.00	998.20	4,001.80
TOTAL PROJECTS	**216,000.00**	**100,148.70**	**115,851.30**
Building Repairs			
510 E. Washington	35,000.00	34,839.85	160.15
510 Roof	60,000.00	7,261.29	52,738.71
Open Door	40,000.00	0.00	40,000.00
TOTAL REPAIRS	**135,000.00**	**42,101.14**	**92,898.86**
TOTAL OPERATING EXPENSES	**1,151,000.00**	**755,931.61**	**395,068.39**
CAPITAL EXPENSES			
Fixed Assets	0.00		0.00
TOTAL CAPITAL EXPENSES	**0.00**		**0.00**
TOTAL OPERATING & CAPITAL EXPENSES	**1,151,000.00**	**755,931.61**	**395,068.39**
CONTINGENCY FUND	0.00		0.00
TOTAL OPERATING EXPENDITURES	**1,151,000.00**	**755,931.61**	**395,068.39**
TOTAL ANTICIPATED INCOME	**1,117,000.00**		**1,117,000.00**
MINUS OPERATING EXPENDUTURES	**1,151,000.00**		**1,151,000.00**
SURPLUS	**-49,000.00**		

Minutes of the Regular Board Meeting
Del Norte Healthcare District
May 26, 2026 @ 5:30 p.m.

Regular Meeting

1. **CALL TO ORDER:** Meeting called to order at 5:30 p.m.

2. **ROLL CALL :**
Present: Directors Sperling, Pearcey, Vice Chair/Treasurer Babich and Chair Caldwell.
Present but late: Director Mason

Chair Caldwell introduced Monica Sperling who is taking the place of Mike Young who passed away March 21, 2026. He also announced that Mike's memorial service will be Saturday the 30th of May at 12:00 p.m. at the Four Square Church.

3. **PUBLIC COMMENT**: None at this time

4. **CONSENT CALENDAR:**

a. Ratification of invoices paid from 4/23/2026 – 5/20/2026.
b. Approval of financial report for April 2026.

Vice-Chair Babich made a motion to approve the consent calendar. Director Pearcey seconded the motion.
Motion passed 4 – 0.

5. **REVIEW/POSSIBLE REVISION AND APPROVAL OF THE MINUTES FROM THE APRIL 27, 2026, MEETING.**

Director Sperling made a motion to approve the minutes as written. Director Pearcey seconded the motion.
Motion passed 4 – 0.

6. **COMMUNICATIONS:**

a. Open Door: Shauna Burdick informed the board that the shower program has moved to the new location (Cornerstone Church).

Chair Caldwell stated that he noticed that Anna Dominques was not present.

Shauna Burdick: Correct, there has been a leadership change, and I will be the interim site director and there will be a posting soon for the position. Things seem to be going well. We do have some provider openings at this time.

b. Sutter Coast Hospital: Mike Lane, June 9th at 1:00 p.m. will be the opening and ribbon cutting for the empath unit and sometime in July we will have a new Pulmonologist starting.

7. COMMITTEE REPORTS:

A. BUDGET/FINANCE COMMITTEE: (Vice Chair/Treasurer Babich & Chair Caldwell)

1. Discussion/possible action on the 2026 – 2027 preliminary budget.

   Discussed through out the meeting.

2. Discussion/possible action on the request from Gateway Education for $55,370 for continued support in the 2026 – 2027 budget year. (Ron Cole to present).

   Ron Cole gave an update on the Gateway Education program. Ron also requested that the remainder of the funds that were allocated for the 2025-2026 budget year (approximately $20,000) be used to purchase a truck for the purpose of transporting equipment and camp supplies.

   Dave Mason had a question for legal counsel regarding the left over funds being used to purchase a vehicle.

   Dohn Henion: depends on what the vehicle is being used for. Perhaps you can have a discussion about that.

   Ron Cole: It would actually save money in the long run. It will be to transport equipment and supplies to the camps and the cider press operation.

   Dave Mason: It we can make this work financially I have no opposition to support the program with a vehicle or to off-set vehicle cost.

Vice Chair/Treasurer Babich made a motion to approve the request of $55,370 and pending legal research on the $20,000 carry over for a vehicle. Director Mason seconded the motion pending legal counsel follow up.
Motion passed 5 – 0.

3. Discussion/possible approval of the request by Eric Wier of $91,500 for the continued support of the Fred Endert Municipal Pool programs.

Director Mason would like to have information in the future on how many graduates have been able to pass the deep end test.

Vice Chair Babich made a motion to approve the request of $91,500 for the swim programs. Director Sperling seconded the motion.
Motion passed 5 – 0.

4. Discussion/possible approval of the presentation by Eric Wier for the Beach Front Park improvements that exist for $400.000.00 with an additional $100,000.00 request.

Eric Wier: Front street will be closing in the second week of June for further construction. Kid Town will include improvements for all children, including wheelchairs. The Healthcare District has committed $300,000 towards the resurfacing. The cost for the resurfacing will cost more than we thought. This is in the coastal zone, and they require a solid rubber surface. The Healthcare district has funded an exercise station and has funds available for a couple of more. We would like to discuss with the board tonight is to take some of those available funds which are $100,000 remaining and put that towards making all of Kid Town accessible. That would give us a total of $400,000 towards surfacing. Our estimate is about $575,000. We are asking for an additional $100,000. We would like to make this a fully accessible park.

Chair Caldwell: Now that we have been funding these things for a few years, it has been our method that we don't fund it all. Like the money we funded last year has not been used yet. We were spacing it out, so this year doing a new $100,000 seems like a reasonable thing to do.

Vice Chair/Treasurer Babich: Unless you're the Treasurer.

Director Pearcey: So, where in the contributions is the money that has already been earmarked?

Vice Chair/Treasurer Babich: It's on the second page at the bottom of the preliminary budget. Under the LAIF reserve committed items. So, Mike told me that he recommended that we always maintain at least a million dollars in our reserves and we have overspent on that. So, it is up to the board whether we want to take that into consideration.

Eric Wier: We have $400,000 and need about $575,000 and we understand that is a really big ask of the district. Can we do another $100,000 and then that will get us the majority of the way there. If not, we can look at leaving a portion that is not accessible. The is a swing set towards Play street, on the south side of the playground. That would be the logical area that we would try to carve out and only do about 75% of Kid Town. The money is not quite there but the timing is there. The projects are not going to get cheaper, so the timing is now. I realize this is a tough decision for the board.

Chair Caldwell: Things that are already under contributions like the $350,000 for recruitment and retention that haven't been voted on.

Vice Chair/Treasurer Babich: That is in the budget currently, it is not part of the reserve. That is not counted against this reserve.

Chair Caldwell: But you can't take a $100,000 out of that?

Vice Chair/Treasurer Babich: Nope, I can't.

Chair Caldwell: You can't or won't?

Vice Chair/Treasurer Babich: It's up to the board.

Chair Caldwell: Well, If this $350,000 never gets approved.

Vice Chair/Treasurer Babich: Maybe we should jump ahead to that and see if it gets approved, if you want.

Chair Caldwell: So for beachfront we don't have to, were just waiting to approve the extra $100,000, so the other money is already done.

Vice Chair/Treasurer Babich: They have $400,000 coming out of our reserve for there project. $400,000.

Chair Caldwell: That is what we put in a year ago. So let's put that on the back burner. Because I think the final budget item is 7c2a. So maybe Shellie or Tonya can give a quick update as to what this Million Dollar Mission is and what this is all about.

Resuming discussion:

Chair Caldwell: So, If we go back to beachfront park is there anyway, we can fund that additional $100,000?

Vice Chair/Treasurer Babich: Yes, there is, but we would not be going by Mike's recommendation. I'm not a real accountant so I think it is up to the board now.

Director Monica Sperling: I have never worked with Mike, but it seems like he was respected for his financial expertise. I would like to follow it and not get over our heads.

B. COMMUNITY OUTREACH COMMITTEE: (Director Pearcey & Vice Chair Babich
Nothing to report at this time.

C. HEALTHCARE EXPANSION:

1. Community Food Council: (Chair Caldwell & Vice Chair Babich)

   a. Discussion/possible action on the request to install fence and electric vehicle charging station.

   b. Discussion/possible action on the request to install a backup generator.

   c. Discussion/possible action to install a radio antenna.

   Director Mason made a motion to approve items 7C1 a, b & c.
   Vice Chair/Treasurer Babich seconded the motion.
   Motion passed 5 – 0

   The DNTAL (Drea) has two requests: The first one is KFUG moving into the building is requesting that there office rent be donated.

They would like to get free rent in exchange for putting in the generator and providing free advertising for the Del Norte Healthcare District and the Food Hub Council. The total donation would be $7560.00 for one year.

Director Mason made a motion to approve this included in the lease. Director Pearcey seconded the motion.
Motion passed 5 – 0.

DNTAL is requesting $10,000 for nutrition incentives for the Farmers Market and Harvest Box.

This item was already included in the upcoming budget.

2. Recruitment and Retention: (Director Pearcey & Chair Caldwell)

   a. Follow up discussion/possible action from the Million Dollar Mission's request of $350,000.00 be considered in the 2026 – 2027 budget and the request for the MOU from the April 2026 meeting.

   Director Tonya Pearcey: The Million Dollar Mission is a large group of community members that are coming together and have put together this mission and if approved would allocate $350,000 for physician recruitment and retention from the Del Norte Healthcare District, $350,000 from the Humboldt Area Foundation and $350,000 from Sutter Coast Hospital. What the group is asking is approval for the $350,000 commitment to fund physician recruitment and retention incentives from Del Norte Healthcare District and also authorization for the Healthcare District to apply for the Humboldt Area Foundation monies of $350,000 to support that same mission. Those monies that have been set aside for retention. The third ask was an agreement with the Healthcare District to be the central coordinating entity for the program administration.(An updated overview was handed out.)

   Ellie Popadic from Sutter Coast Hospital: The MOU draft was sent this afternoon. It was between Sutter Coast and the Healthcare District, not with the Humboldt Area Foundation. The Healthcare District will be applying for those funds.

Director Sperling: After service on the committee and working together with everyone and just becoming a new member of this board I did feel it met the mission statement of the Healthcare District. I know there are qualms and questions that I feel can be worked out. We can talk to our attorney, but I felt that the work that has been done after all these years could be useful and fruitful because of that money, particularly the HAF money that has been sitting for 20 years not being used.

Direct Tonya Pearcey: So Dohn (Special Counsel Henion) one of the questions that has come up is whether or not the Healthcare District could write a check to a physician in agreement with this program. Is there any problem with writing checks to individual people?

Special Counsel Dohn Henion: I don't know of any prohibition on that.

Ellie Popadic: I would actually add, and Dohn please correct me if I'm wrong but health and safety code 32121.3 A4 actually authorizes specifically healthcare and hospital districts to provide funding incentives to physicians to serve the community.

Chair Caldwell: I think my biggest concerns are that your asking the Healthcare District to manage a program and we have never managed a program. What we have done is like this. We have worked with the city, the city manages the program, and we fund the program or with the transportation people or with Gateway Education or with the Food Hub. They're running a program and they're asking us for money to assist in the program. Where this is asking to actually run the program and have the responsibility for all the things that are in that program. To keep track of it, not just the money but the compliance with all the rules of the program.

My point is we have never done that before; it's a really big job and before we approve it, we should spend a lot more time working out exactly how that's going to get done. The same with we have never taken $350,000 and taken out of the account where we personally write the check to an individual and are responsible for that individual properly using the money. There is a whole side problem here which is where the person can take the $50,000 and go and there is no way to get it back.

Vice Chair/Treasurer Babich: Dohn was going to look into that.

Chair Caldwell: But we are not set up to run a big program like this, and we need to have much more discussion and figuring out how that would work.

Director Sperling: I don't think at this point that that was the intention. I'm not sure about the wording and you can jump in but, what the Healthcare District saw in our committee was that the Healthcare District was going to write the check and keep track of the financial dealings. The committee, Sutter, Open Door or United Indian Health would get the ground work take care of who gets the money and who they pick, then tell you and you would be the bank, you would write the check. That was it, basically, just to keep track of the money and I would be glad to help with that part of it. If you have a better explanation of that.

Ellie Popadic: No, I think I hear Dr. Caldwell. From my perspective it doesn't seem like a very challenging program to operate. It's really coordination, tracking funds on an excel spread sheet. It will be first come first serve essentially whatever physician is hired after July 1st whether it is Open Door, UHS, Sutter or private practice that individual can fill out a quick form which the form can be modified that essentially says the organization say this individual is starting employment or practice in this community. The committee looks at it and issues the check and track that.

Chair Caldwell: So, governance and administration of the Million Dollar Mission are managed by the Del Norte Healthcare District. The Healthcare District serves as the administering entity responsible for program oversight, execution of incentive agreements, payment processing, compliance with approved program parameters and reporting. The Healthcare District will provide quarterly reports to the Del Norte County recruitment and retention committee detailing use of funds, the number of providers receiving funds, and the types of providers supported for ongoing monitoring of program outcomes. That to me is quite a job and were not set up to do that job.

Dohn Henion: Just so that you know normally if we are administering a program like that, we usually get a percentage to

cover our cost for the program requirements. Dr Caldwell is telling us about a number of things, including quarterly reports and whether the district itself should be absorbing those administrating costs or whether the program itself should be reimbursing or paying the district an overhead fee.

Vice Chair/Treasurer Babich: Well luckily Tonya and Monica have agreed to do that oversight and accounting work. So it won't cost the district anything.

Chair Caldwell: It's not just money it's compliance with the parameters.

Vice Chair/Treasurer Babich: You guys are comfortable with that, right?

Chair Caldwell: They don't even know what it is.

Vice Chair/Treasurer Babich: oh yea, they know what the program is. It's all written up.

Chair Caldwell: Do we?

Vice Chair/Treasurer Babich: Yes, we do.

Ellie Popadic: The program parameters are in the packet.

Director Tonya Pearcey: Dohn, did you have a chance to look into whether or not the district itself could do a claw back. I know the hospital cannot. But these funds are being allocated to this Million Dollar Mission, can we do a claw back? Like if somebody moves in, gets a job and two months later takes the money and goes, do we have any recourse? Can the Healthcare District pull back those funds?

Dohn Henion: Yes, and I don't see a prohibition of the district to do a claw back.

Director Tonya Pearcey: Thank you. We can put it in a clause. That would help guarantee the funds are not absconded with. That would be a good thing.

Director Monica Sperling: If the committee assumes some of the work, would that help with your decision?

Chair Caldwell: That would come under the heading that this needs more work. It's not ready for a vote.

Vice Chair/Treasurer Babich: The budgets coming up so it's time to decide. I'm going to make a motion to allocate $350,000 to the Million Dollar Mission for the upcoming year and that we work out and details that come up as a separate issue.

Director Tonya Pearcey: Can we do that Dohn?

Dohn Henion: You can direct the appropriation of the fund's defendant on whether the actual criteria's your operating by formulate within the parameters that the district feels comfortable with, sure. Basically there has been some discussion about forming an MOU. I have not seen that paperwork yet. We don't know exactly what it is going to say. Right now there are basically papers laying out the ideation of how the program would work. I would think that we would also like to have individual agreements with those that we are giving the funds to. Which would permit why they are receiving the funds and our ability to claw back the funds if they breach the agreement.

Director Tonya Pearcey: That application can be modified to add that. Put in the claw back clause. Dr. Caldwell you also had a question about the two year commitment.

Chair Caldwell: Yea, for $50,000 it's a super low bar were asking the to meet of just two years. The whole purpose of the program was to get Doctors here who become part of the community and practice here for a long time. But this program just says two years and then you're done.

Vice Chair/Treasurer Babich: Well, we also have the retention component to the program. That's the recruitment portion.

Chair Caldwell: That's for two more years for $50,000 more.

Dr. Christie: Dr. Caldwell if I may. In terms of physicians coming to the county, we want them to come here because they are going

to be incorporated into our local community. I had a chance to be incorporated in this community, yes, I came here without a bonus structure present at the time. But there are other prongs to this. Yet were talking about two years for this amount. Other countries are also giving up to $100,000 of reimbursement for physicians coming to there area. So the number is very reasonable. I really think it is going to cause traction. I hope physicians like yourself will be interested in mentoring new physicians coming into the area. In helping them build relationships to keep them here. The funds can only do so much. How ever there has to be something that sets us apart. The committee provided funding, especially Healthcare District funding is being used in other counties, and it has been profitable for bringing physicians to the county. I think we have a chance here to be a part of a small group of counties to trailblaze in this area to be a model of how we can bring people here. With the benefits of the claw back provision protection. The bigger picture here is how we are going to bring them here and keep them here. That is when the work really starts. And that's where the Healthcare District can help.

Vice Chair/Treasurer Babich: I made a motion, does anyone want to second it?

Director Tonya Pearcey: Can you please repeat your motion?

Vice Chair/Treasurer Babich: I am making a motion that we set aside $350,000 for the Million Dollar Mission.

Director Sperling: I will second it.

Director Dave Mason: Pending all the I's dotted and T's crossed and the lumps worked out of the gravy, right. This is just to set the funding aside for the budget. I would like to see what the other communities are doing with this type of program.

Vice Chair/Treasurer Babich: That's fine. But right now we need to vote.

Chair Caldwell called for a roll call vote:

Director Sperling – For
Director Pearcey – For

Director Mason – For
Vice Chair/Treasurer Babich – For
Chair Caldwell – No
Motion passed 4 – 1.

Vice Chair/Treasurer Babich: I will make a motion that the Healthcare District applies to the Humboldt Are Foundation for the $350,000 that were hoping to get from them.

Director Tonya Pearcey seconded the motion.

Chair Caldwell called for a roll call vote:

Director Sperling – For
Director Pearcey – For
Director Mason – For
Vice Chair/Treasurer Babich – For
Chair Caldwell – For
Motion passed 5 – 0.

Vice Chair/Treasurer Babich: Is the Healthcare District willing to manage the program?

Director Tonya Pearcey: I think that with what Dr. Caldwell has said that maybe we need to detail it out more. And also to correct the application and put the claw back clause in place.

Director Sperling: Can our committee work on that at the next meeting?

Ellie Popadic: Yes, we can work on this.

Dohn Henion: Also I think it is appropriate to point out that the chair in control of the committee members and I heard that Chair Caldwell was one of the original committee members. There is nothing stopping the Chair from rearranging the committee and putting himself back on to be part of the discussion.

Director Tonya Pearcey: That is true and I am perfectly willing to step back and let Dr. Caldwell take my seat at the table.

Director Monica Sperling: I would be willing also.

Vice Chair/Treasurer Babich: Dohn was suggesting that you (Chair Caldwell) go on the committee.

Chair Caldwell: Thank you for your suggestion.

Director Dave Mason: In order for me to feel comfortable about voting on this part I need to see details. Exactly how it pans out. Who is doing what, the MOU all of that. I can't vote to approve it until it's done.

Vice Chair/Treasurer Babich: Ok, it's in the budget.

Director Tonya Pearcey: The next meeting is June 2nd at 5:30.

Chair Caldwell: Why isn't Open Door on that committee?

Director Tonya Pearcey: They are.

Shauna Burdick: I think there was a missed communication at the start of those meetings, and I have now taken over that position. Open Door is at the table.

3. Mental/Public Health Updates: (Janel Obenchain)

The C.H.I.P. is complete and can be found on the county website. This really is a community driven committee.

D. HEALTH PROMOTION:

1. Swimming Programs:

Report by Kelly Feola for April lessons had a total of 26.

2. Non-emergency Transport/Local Medical Transport:

a. Discussion/possible action on the two project proposals by Joe Rye with RCTA.

Director Mason made a motion to approve the Non-Emergency Transport request for $15,000 and the Local Medical Transport request for $10,000. Director Sperling seconded the motion.

Motion passed 5 – 0.

8. **REPORT OF THE EXECUTIVE SECRETARY:** Approved as submitted. The board approved installing a Little Free Library in the garden and agreed that the large tree in the parking lot needs to be trimmed and for the Executive Secretary to get quotes.

9. **UNFINISHED BUSINESS:** None at this time.

10. **NEW BUSINESS:** None at this time.

11. **INDIVIDUAL DIRECTORS REPORT OF ACTIVITIES:** Nothing at this time.

12. **PUBLIC COMMENT FOR ANY CLOSED SESSION ITEMS:** Nothing at this time.

13. **ADJOURNMENT TO CLOSED SESSION:** No closed session.

14. **RETURN TO OPEN SESSION AND REPORT OF ANY ACTION:** No action was taken.

15. **ADJOURNMENT:** The meeting adjourned at 7:18 p.m.

Minutes prepared and submitted by: Minutes approved by:

Doris Hendricks, Executive Secretary Dave Mason, Board Secretary

7a1.

GSRMA
GOLDEN STATE RISK MANAGEMENT AUTHORITY

Contribution Indication

Policy Period: 2026-27
Coverage Dates: 7/1/2026-7/1/2027
Account No: DELNORT

Customer Service

For Information on Your Account Visit:

https://gsrma.org/member-portal/

GSRMA
PO Box 706
Willows, CA 95988

Phone: 530-934-5633
Fax: 530-934-8133

Del Norte Healthcare District

COVERAGES			CONTRIBUTION
Workers' Compensation	*Estimated Payroll*	*$22,660*	$1,250
General Liability	*Estimated Payroll*	*$22,660*	$4,500
Property	*Total Insured Value*	*$10,175,585*	$24,539
Cyber Liability	*Total Insured Value*	*$10,175,585*	$3,296
Crime Bond	*Exposure*	*1*	$18
TOTAL ESTIMATED ANNUAL CONTRIBUTION*			**$33,603**

*Total Contribution is an ESTIMATE ONLY and may not be equal to the final Contribution amount when coverage is bound. Finance charges apply when paying in installments.

32,761.95

NOT AN INVOICE. INDICATION DATED 3/31/2026 DOES NOT BIND COVERAGE.

CONTRIBUTION INDICATION VALID FOR 60 DAYS FROM INDICATION DATE.

There is a 2.5% discount for paying in Full

GSRMA
GOLDEN STATE RISK MANAGEMENT AUTHORITY

Contribution Comparison

Policy Period: 2026-27
Coverage Dates: 7/1/2026-7/1/2027
Account No: DELNORT

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Del Norte Healthcare District

COVERAGE	CURRENT YEAR	PRIOR YEAR	DIFFERENCE	% CHANGE
Workers' Compensation	**$1,250**	**$1,250**	**$ 0**	**0%**
Estimated Payroll	$22,660	$21,630	$1,030	4.8%
*Effective Rate**	5.52	5.78	$(0.26)	(4.5)%
Experience Ratio	1.114	1.095	0.019	
General Liability	**$4,500**	**$4,500**	**$ 0**	**0%**
Estimated Payroll	$22,660	$21,630	$1,030	4.8%
*Effective Rate**	19.86	20.80	$(0.94)	(4.5)%
Experience Ratio	1.211	1.126	0.085	
Property	**$24,539**	**$22,369**	**$2,170**	**9.7%**
Total Insured Value	$10,175,585	$9,971,750	$203,835	2%
Cyber Liability	**$3,296**	**$3,153**	**$ 143**	**4.5%**
Total Insured Value	$10,175,585	$9,971,750	$203,835	2%
Crime Bond	**$ 18**	**$ 18**	**$ 0**	**0%**
# of Employees	1	1	0	0%
**TOTAL CONTRIBUTION ** **	**$33,603**	**$31,290**	**$2,313**	**7.4%**

*Amounts are shown rounded to the nearest cents. Actual Effective Rate = Contribution / Payroll * 100
**Total Contribution is an ESTIMATE ONLY and may not be equal to the final Contribution amount when coverage is bound.
Indication dated 3/31/2026

GSRMA
GOLDEN STATE RISK MANAGEMENT AUTHORITY

Estimated Payroll

Policy Period: *2026-27*
Coverage Dates: *7/1/2026-7/1/2027*
Account No: *DELNORT*

Customer Service

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PO Box 706
Willows, CA 95988

Phone: 530-934-5633
Fax: 530-934-8133

Del Norte Healthcare District

Estimated Payroll for 2026-27

CLASS CODE	DESCRIPTION	# FULL TIME EMPLOYEES	# PART TIME EMPLOYEES	ANNUAL REGULAR PAYROLL	ANNUAL OVERTIME PAYROLL
7520	Waterworks	0	0	$0	$0
7580	Sanitary or Sanitation Districts Operation	0	0	$0	$0
7706	Firefighters - not volunteers	0	0	$0	$0
7707	Firefighters - volunteers	0	0	$0	$0
7720	Police, Sheriffs, Constables, etc. - not volunteers	0	0	$0	$0
8601(1)	Engineers-Consulting	0	0	$0	$0
8810(1)	Clerical Office Employees	0	1	$22,660	$0
8810(4)	Libraries - public	0	0	$0	$0
9043	Hospitals	0	0	$0	$0
9410	Municipal, State, or Public Agency Employees	0	0	$0	$0
9420	Municipal, State, or Public Agency Emp - other	0	0	$0	$0
Other	Other	0	0	$0	$0
TOTAL		**0**	**1**	**$22,660**	**$0**
	Total Regular and Overtime Payroll (OT included at 2/3)				**$22,660**
	Imputed Payroll* for Volunteer Firefighters ($5,000 per volunteer)				**$0**
TOTAL ESTIMATED PAYROLL					**$22,660**

Firefighter Guidance

Imputed Payroll*: GSRMA primarily uses payroll to allocate costs for the risk pool across membership. For members with Fire, the number of calls is used to some extent as well. To calculate the contribution amount for Volunteer Firefighters, a payroll amount of $5,000 per Volunteer is used.

Volunteer # Employees: If your Agency has volunteer firefighters (7707), report the number of "active" volunteers (i.e. individuals that attend trainings, regularly respond to calls, etc.). This amount should be a simple **estimated average number of volunteers** during the reporting period.

Volunteer Payroll: Additional pay to volunteers (7707) such as stipends for local activities, etc. ***should not be*** reported.

Strike Team Pay: Strike team pay ***should be*** reported for all non-volunteer fighters (7706) and volunteer firefighters (7707).
Trainees/Cadets: Trainees and cadets that may attend training and respond to incidents ***should be*** identified as volunteer firefighters (7707).

GSRMA
GOLDEN STATE RISK MANAGEMENT AUTHORITY

Uninsured Property

Policy Period:	*2026-27*
Coverage Dates:	*7/1/2026-7/1/2027*
Account No:	*DELNORT*

Customer Service

For Information on Your Account Visit:

https://gsrma.org/member-portal/

GSRMA
PO Box 706
Willows, CA 95988
Phone: 530-934-5633 Fax: 530-934-8133

Del Norte Healthcare District

This schedule lists all property owned by the agency that has been explicitly **EXCLUDED FROM COVERAGE** by the agency. This is supplied as a reminder to agency staff and should be reviewed for continued accuracy.

Note: Absence from this schedule does not imply that a particular agency-owned property is covered. Property must be added to its pertinent schedule to be covered (i.e. vehicles, buildings, tanks, mobile equipment, ...). Please contact your GSRMA Risk Control Advisor or Member Services to add new property to your schedules.

GSRMA
GOLDEN STATE RISK MANAGEMENT AUTHORITY

Special Instructions

Policy Period:	***2026-27***
Coverage Dates:	***7/1/2026-7/1/2027***
Account No:	***Del Norte Healthcare District***

Customer Service

For Information on Your Account Visit:

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GSRMA
PO Box 706
Willows, CA 95988

Phone: 530-934-5633
Fax: 530-934-8133

GSRMA
GOLDEN STATE RISK MANAGEMENT AUTHORITY

Disclosures/Disclaimers

Policy Period:	*2026-27*
Coverage Dates:	*7/1/2026-7/1/2027*
Account No:	*DELNORT*

Customer Service

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Willows, CA 95988

Phone: 530-934-5633
Fax: 530-934-8133

This proposal for coverage is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, vehicle schedules, financial data and loss experience, is based on facts and representations supplied to Golden State Risk Management Authority by your agency. This proposal does not reflect any independent study or investigation by Golden State Risk Management Authority or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed coverage (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, GSRMA may, at its sole discretion, modify, or withdraw this proposal, whether or not this offer has already been accepted.

This proposal is not confirmation of coverage and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance your agency may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your coverage, please refer to the policy itself. Golden State Risk Management Authority will not be liable for any claims arising from or related to information included in or omitted from this proposal for coverage.

This proposal is valid for 60 days from the date of the Indication.

7a3

DEL NORTE HEALTHCARE DISTRICT

550 E. Washington Blvd. Suite 400
P.O. Box 2034 Crescent City, CA. 95531
707-464-9494/dnhcd@delnortehealth.com

SEPARATE AND COLLATE 7 COPIES OF THE FOLLOWING INFORMATION

REQUEST FOR FUNDS APPLICATION AMOUNT REQUESTED $100,000

1. Name of Organization: California Health Collaborative
2. Address: Local office 510 E Washington. BLVD. Crescent City, CA 95531
   Mailing: PO BOX 25609, Fresno, CA 93729
3. When Founded: Jan. 1983
4. Executive Officer: John Botker
5. List of officers and members of governing board.
   - Leslie Sandberg, MBA. Chair of the Board
   - Joan Werblun, RN. Vice Chair of the Board
   - Eric Gold, Esq. Board Member/CHC Finance Committee Member
   - Tom Levin, J.D. Board Member/Finance Committee Member
   - Robert Oldham, MD, MHA. Board Member
   - Patricia Tanquary MPH, Ph.D. Board Member
   - Kamell Eckroth – Bernard. Board Member
6. Provide cover letter describing the purpose and services of your organization.
   - Page 2
7. Describe how the funds will be used.
   - Page 3
8. The nexus between the allocation of the funds and the mission of the Healthcare District.
   - Page 3
9. How the applicant intends to demonstrate that the funds are being spent consistently with the proposal and the mission of the Healthcare District.
   - Page 4
10. Provide any other information you feel will be helpful.
    - Page 4

The Healthcare District does require a report with the submission of invoices or request of funds to be released.

Please provide a contact person, phone number and e-mail address.
Contact: Amber Wier
Phone: (707) 954-4365
Email: AWier@healthcollaborative.org

CALIFORNIA HEALTH
COLLABORATIVE

June 11, 2026

Del Norte Healthcare District Board

Dear Del Norte Healthcare District Board,

The California Health Collaborative (CHC) respectfully submits this request for support of the Resilient DNATL (Del Norte and Tribal Lands) program, a community-driven initiative focused on improving health outcomes and strengthening resilience in one of California's most underserved regions. CHC's mission is to advance health equity and improve quality of life by designing and implementing innovative, evidence-based public health programs in partnership with community.

Resilient DNATL specifically works to prevent and address adverse childhood experiences (ACEs) through trauma-informed, culturally grounded systems change. The program is rooted in the belief that long-term health and well-being are shaped by connection, belonging, and supportive relationships. By aligning healthcare, education, social services, and community networks, through a coalition of 22 members Resilient DNATL strengthens the local infrastructure needed to support children, families, and future generations.

In Del Norte County and Tribal Lands, communities experience disproportionately high rates of poverty, substance use, and family instability. Resilient DNATL addresses these challenges by building trust-based partnerships with Native American, low SES, and rural populations, ensuring that solutions are community-led and culturally responsive. Through initiatives such as parental resilience programming, maternal and paternal mental health supports, and youth-led mental health efforts, the program promotes prevention, connection, and improves overall health outcomes.

The program's approach is guided by trauma-informed practices and emphasizes systems alignment, community engagement, and sustainable change. Rather than providing isolated services, Resilient DNATL acts as a back bone agency to strengthen relationships across institutions and families, creating a coordinated and lasting impact on community well-being.

CHC is committed to ensuring that this work benefits the residents of Del Norte County and aligns closely with the mission of the Del Norte Healthcare District by improving health outcomes, increasing access to supportive services, and addressing root causes of health disparities.

Thank you for your consideration of this request.

Sincerely,
Amber Wier
Project Director

How the funds will be used.

The requested $100,000 in general support will primarily fund personnel and core coordination capacity necessary to sustain the Resilient DNATL program's prevention-focused work in Del Norte County and Tribal Lands. These funds will ensure continuity of leadership, partnership development, and cross-sector collaboration essential to preventing adverse childhood experiences (ACEs) and improving long-term community health outcomes.

Resilient DNATL operates as a backbone initiative, aligning healthcare, behavioral health, education, and community-based organizations through trauma-informed and community-driven approaches. While this request prioritizes personnel, the Del Norte Healthcare District may choose to direct this support toward specific program areas, including:

- Systems change and organizational alignment efforts (Community Health Improvement Plan facilitation of ACEs goals, maternal and paternal mental health systems change, and domestic violence prevention coordination).
- Anchor Point Youth Podcast, a youth-led mental health prevention initiative promoting intergenerational connection, empathy, and belonging through Neurosequential Model-informed storytelling.
- Direct community-based prevention services such as Hike It Baby groups, caregiver book studies, and neighborhood gatherings that reduce isolation and strengthen protective factors.
- Workforce development and sustainability efforts, including bringing in CHC's Community Health Worker certification curriculum to enable Medi-Cal (CalAIM) reimbursement and long-term program stability for community partners.

This flexible approach ensures funding can support either systems-level change or direct prevention activities, while maintaining the personnel infrastructure that makes this work possible.

The nexus between the allocation of the funds and the mission of the Healthcare District.

The proposed use of funds directly aligns with the Del Norte Healthcare District's mission to improve the health and well-being of local residents. Resilient DNATL focuses on prevention, access, and systems alignment—key components of improving population health outcomes.

By supporting efforts that reduce adverse childhood experiences, strengthen mental health systems, and improve access to culturally responsive services, this funding contributes to reduced healthcare burden, improved maternal and family health outcomes, and increased coordination across local providers. The program's work in prevention and early intervention directly supports healthier communities and reduces long-term healthcare costs.

How the applicant intends to demonstrate that the funds are being spent consistently with the proposal and the mission of the Healthcare District

California Health Collaborative will ensure accountability and transparency through established tracking, evaluation, and reporting processes. Program activities will be documented through regular reporting, including participation data, partnership engagement, and progress on systems alignment efforts.

Outcomes will be tracked using a combination of local and statewide data sources, including surveys measuring connection, belonging, and mental health indicators, as well as internal tracking of program reach and collaboration outcomes.

CHC will provide presentations and reports to the Healthcare District as required, including updates tied to invoices or fund disbursement, demonstrating that funds are used consistently with the proposal and intended community health outcomes.

Provide any other information you feel will be helpful.

Resilient DNATL serves one of California's most underserved regions, where residents experience disproportionately high rates of poverty, substance use, and adverse childhood experiences. The program is uniquely positioned as a trusted, community-centered initiative that builds long-term solutions through partnerships and culturally grounded approaches.

The total operating budget for Resilient DNATL is approximately $400,000 annually. As prior grant funding sources sunset, CHC is actively working to braid multiple funding streams to sustain this work. The requested $100,000 investment will play a critical role in maintaining continuity of services and staff capacity during this transition.

CHC is committed to collaboration, transparency, and measurable impact, and values the opportunity to partner with the Del Norte Healthcare District to strengthen the health and resilience of the community.

System Change for Prevention of ACEs

Buget Item	Calculation	Explanation	year one
Personnel	Personnel		
Project Director	80% FTE exempt salary $85,000	Oversees and coordinates Systems Change for Prevention ACES project, provides strategic guidance and alignment for community systems change. Leads facilitation of stakeholders, creates tools and hosts collaborative stratigy sessions for partners to create systems change in allignment. Takes led in writing reports, tracking community data, and working with community program leads. Designated point of contact with funder, works with CHC HR and Finance departments directly, submits cost reports, scope of work and budget revisions, oversees personnell and supervision of, Approves timesheets and nexonia submissions provides trainings to program staff, takes lead on grant writing.	$ 76,500
Media Coordinator	10% FTE at $65,000 a year	Creates all educational materials, infographics and updates website. Provides support with paid media campaigns creates social media campaigns, artwork and collateral materials.	$ 6,500
Fringe 30%			$ 24,900
		Total personnel plus fringe	$ 107,900
Operational expenses			
Paid media	Community education campaign for building connection and belonging	media buys for promotion of podcast, may include digital geo fencing buys, social media, print media like bill boards or ad placements, radio ads or digital platforms for listening.	$ 5,000
Office supplies	Printer ink, paper, pens, sticky notes, copies, etc. $50 per month		$ 600
IT support	Estimated at $147*.9 FTE *12 months	Information technology (IT) support services (e.g. server access and maintenance, computer maintenance and updates, and e-mail hosting and management)	$ 1,588
Total			$ 115,088
Indirect Costs	15%	Grant Administrative and fiscal support	$ 17,263
			$ 132,351

Anchor Point Youth Podcast

Buget Item	Calculation	Explanation	year one
Personnel	Personnel		
Project Director	10% FTE exempt salary $85,000	Oversees project, provides strategic guidance, alignment of grant and programs, comliance and growth. Takes led in writing progress reports, review and submission of progress reports, designated point of contact with funder, works with CHC HR and Finance departments directly, submits cost reports, scope of work and budget revisions, oversees personnell and supervision of, Approves timesheets and nexonia submissions provides trainings to program staff, takes lead on grant writing.	$ 8,500
Media Coordinator	80% FTE at $65,000 a year	Creates all educational materials, infographics and website. Provides support with paid media campaigns, produces and coordinates youth mental health podcast: Trains and coordinates youth to interview guests, create run sheets, edit podcast, create social media campaigns, artwork and collateral materials. Oversees youth work schedules and communications.	$ 52,000
Fringe 30%			$ 18,150
		Total personnel plus fringe	$ 78,650
Operational expenses			
Paid media	Community education campaign for building connection and belonging	media buys for promotion of podcast, may include digital geo fencing buys, social media, print media like bill boards or ad placements, radio ads or digital platforms for listening.	$ 5,000
Stipends	4 youth podcasters each can work up to $640 a month x 12 months = $38,400	local youth ages 16-24 interested in building community mental health through connection and belonging.	$ 30,720
Office supplies	Printer ink, paper, pens, sticky notes, copies, etc. $50 per month		$ 600
Rent and Utilities	915 per month		$ 10,980
IT support	Estimated at $147*.9 FTE *12 months	Information technology (IT) support services (e.g. server access and maintenance, computer maintenance and updates, and e-mail hosting and management)	$ 1,588
Total			$ 127,538
Indirect Costs	15%	Grant Administrative and fiscal support	$ 19,131
			$ 146,668

Community Connection Programs

Buget Item	Calculation	Explanation	year one	
Personnel	Personnel			
Project Director	10% FTE exempt salary $85,000	Oversees project, provides strategic guidance, alignment of grant and programs, comliance and growth. Takes led in writing progress reports, review and submission of progress reports, designated point of contact with funder, works with CHC HR and Finance departments directly, submits cost reports, scope of work and budget revisions, oversees personnell and supervision of, Approves timesheets and nexonia submissions provides trainings to program staff, takes lead on grant writing.	$	8,500
Media Coordinator	10% FTE at $65,000 a year	Creates all educational materials, infographics and updates website. Provides stratigy and support with paid media campaigns	$	6,500
Project Coordinator	100% FT exempt employe $69,000	Oversees and coordinates community learning project programs attends meetings for community awareness and collaboration . Duties include strategic planning and development, leading trainings, booking locations, recruitment and coordination of participants, organizing community awareness campaigns and communication.	$	69,000
Fringe 30%			$	25,200
		Total personnel plus fringe	$	109,200
Operational expenses				
Paid media	Community education campaign for building connection and belonging	media buys for promotion of Hike it DNATL, Book Studies and Neighborhood BBQ's, may include digital geo fencing buys, social media, print media like bill boards or ad placements, radio ads or digital platforms for listening.	$	5,000
Hike it DNATL - Stipends	Hike facilitators $100 per hike - Jan - December 8 -12 hikes a month = 96 - 144 hikes max hikes 144 =$14,400 coordination of outreach $200 a month 12 months = $2,400	duties includes planning hike dates, location, gathering liability waivers and reporting #'s to Resilient DNATL.	$	16,800

Book Studies	10 book studies (8 pp per meeting, each series is 10 meetings = 800 possible $25 gift cards) = $20,000 food $50 per meeting *100 meetings = $5000 Books (Audiable and HGP) = $16*80 books = 1280 Babysitter incentives = 80 sessions @ $25 p/hr x 2 hrs each = $4,000	Book studies are hosted with a lite meal and babysitters to create a comfortable and supportive opportunity for parents and caregivers to learn. 2 books are currently being offered: What Happened to You? explores how early life experiences and trauma shape the way we think, feel, and behave. Dr. Perry and Oprah Winfrey highlight the importance of understanding these experiences through a lens of empathy and curiosity rather than judgment. The book emphasizes how connection, relationships, and trauma-informed approaches can help individuals heal and build resilience. Hunt, Gather, Parent examines how human evolution and ancestral parenting practices inform the way we raise children today. Dr. Perry and co-author Oprah Winfrey explore strategies that support secure attachment, emotional development, and resilience. The book provides insight into building strong, nurturing relationships that help children thrive and communities grow stronger.	$	30,280
Neighborhood BBQ's	Training: 8 attendees will recieve $100 incentive cards for attending a 4 hr neighborhood training = $800 -1 $100 incentive card for Babysitter at training = $100 -4 BBQ kits @ $800 each = $3,200 -8 BBQ supplies @ $200 each + $1,600	Neighboorhood BBQs Include: One 4 hr. Neighborhood training will go over the science on why and how connecetion is important, how our brains work when we are not regulated and have experienced trauma, and how to use this knowledge to create intentional BBQ's that build connection and belonging. Attendees will recieve $100 for completing the training and a Babysitter will be available so parents can attend training. 4 neighborhoods will have 2 BBQs in oder to keep their Kit, which includes a camp chef portable grill, grill utensils, carrying case, two folding tables, games and paper plates, cooler plus $200 for them to use as they wish for the event= $800 for each kit. Plus $200 for main dish support per BBQ	$	5,700
IT support	Estimated at $147*1.20 FTE *12 months = $2,117	Information technology (IT) support services (e.g. server access and maintenance, computer maintenance and updates, and e-mail hosting and management)	$	2,117
Total			$	169,097
Indirect Costs	15%	Grant Administrative and fiscal support	$	25,365
			$	194,461

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DEL NORTE HEALTHCARE DISTRICT, CALIFORNIA
BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

DEL NORTE HEATHCARE DISTRICT
TABLE OF CONTENTS
JUNE 30, 2025

TEK *Terry E Krieg CPA*
Certified Public Accountant

Independent Auditor's Report

Honorable President and Members of the Board of Directors
Del Norte Healthcare District
Crescent City, California

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

I have audited the financial statements of the governmental activities and the general fund of the Del Norte Healthcare District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Del Norte Healthcare District's basic financial statements as listed in the table of contents.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Qualified
General Fund	Unmodified

Qualified Opinion on Governmental Activities

In my opinion, except for the matter described in the Basis for Qualified Opinion section of my report, the accompanying financial statements referred to above present fairly, in ll material respects, the respective financial position of the governmental activities as of June 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion on General Fund

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the general fund as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance withaccounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*), issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of my report. I am required to be independent of the Del Norte Healthcare District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

131-A Stony Circle, Suite 500, Santa Rosa, California 95401
P: (707) 544-5684 C: (707) 888-1052 E: Kriegcpa@msn.com

Matters Giving Rise to Qualified Opinions on Governmental Activities

Management has not updated the total other post-employment liability (OPEB) or obtained a biennial actuarial valuation of the total OPEB liability in these financial statements. Accounting principles generally accepted in the United States of America require that the total OPEB liability be updated each year and that an actuarial valuation should be performed at least biennially. Updated information and actuarial valuations could change total liabilities, net position, program expenses and changes in net position of governmental activities. The amount by which this departure would affect liabilities, net position and expenses of the governmental activities has not been determined.

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 the Del Norte Healthcare 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.

Auditor's Responsibility for the Audit of Financial Statements

My 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 auditor's report that includes my 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 GAAS and *Government Auditing Standards* 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 if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards, I*

- exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform auditing 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 Del Norte Healthcare District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Del Norte Healthcare District's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that *management's discussion and analysis, budgetary comparison schedules, and schedule of changes in the district's total OPEB Liability and Related Ratios* 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 Government 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.

I have applied certain limited procedures to the required supplemental information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's representations to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* I have also issued my report dated June 9, 2026, on my consideration of Del Norte Healthcare District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Del Norte Healthcare District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Del Norte Healthcare District's internal control over financial reporting and compliance.

Terry E. Krieg

Terry E. Krieg, CPA
Santa Rosa, California
June 9, 2026

This section of the *Del Notre Healthcare District* financial report presents our discussion and analysis of the district's financial performance during the fiscal year that ended on June 30, 2025 Please read it in conjunction with the district's audited financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- Revenue from all governmental activities increased by about $75,700 or about 5% in the 2025 fiscal year. The main reasons for the increase in total revenues in fiscal 2025 were the increase in investment earnings distributed to the district in fiscal 2025 from the State LAIF and about $42,000 increase in property tax revenues allocated to the district by the County.

- Expenses for all governmental activities of $941,700 increased significantly by $282,600 compared to fiscal 2024 in the statement of activities using full accrual basis of accounting. The main reason being the $250,000 in funding provided to the local Meals on Wheels program

- The district's general fund ended fiscal 2025 with a $4,169,651 fund balance which is about a $451,000 increase over the fiscal 2024 fund balance.

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OVERVIEW OF THE FINANCIAL STATEMENTS

This financial report consists of four parts – *the independent auditor's report*, management's *discussion, and analysis* (this section), the *basic financial statements including the notes to the financial statements and a required supplementary information (RSI) section.* The basic financial statements include two kinds of statements that present different views of the district:

The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the district's *overall* financial status.

The remaining statements are *fund financial statements* that focus on individual parts of the district government, reporting the district's operations in more detail than the government-wide statements.

- The *governmental fund* statements tell how *government* services like the Wellness Center were financed in the *short term* as well as what remains for future spending.

The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information (RSI) that further explains and supports the information in the financial statements about the general fund.

Table A-1 summarizes the major features of the district's financial statements, including the portion of the district government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Table A-1

Major Features of Del Norte Healthcare District's Government-Wide and Fund Financial Statements

		Fund Statements
Features	**Government Wide Statements**	**Governmental Funds**
Scope	Entire District government	Excludes proprietary and fiduciary activity, includes wellness, administration
Required financial statements	* Statement of net position * Statement of Activities	Balance sheet Statement of revenues, expenditures and changes in fund balance
Accounting basis and measurement focus	Accrual accounting and economic resources	Modified accrual accounting and current financial resources focus
Type of asset and liability information	All assets, deferred outflows, liabilities and deferred Inflows, both financial and capital, and short-term and Long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital and no long-term debt included
Type of inflow/outflow information	All revenues and all expenses during the year, regardless of when cash is received or when cash is paid	Revenues for which cash is received during or soon after the end of the fiscal year: expenditures are considered made when the goods or services have been received and payments is due during the year or soon thereafter

Government-Wide Financial Statements

The government-wide financial statements report information about the district using accounting methods like those used by private-sector companies. The *statement of net position* includes *all* the district's assets and liabilities. All the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report on the district's net position and how it has changed. Net position – the difference between the district's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the district's financial health, or position.

Over time, increases or decreases in the district's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the district you need to consider additional non-financial factors such as changes in the property tax base, other revenues, and facilities.

The government-wide financial statements of the district are reported in one category:

- *Governmental activities* – All of the District's basic services are included here, such as the wellness center and general administration. Property taxes, investment revenues, charges for services, and rents finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the district's most significant funds – not the district as a whole. Funds are accounting devices that the district uses to keep track of specific sources of funding and spending for specific purposes. The district has one general fund and one type of fund:

- *Governmental funds* – The District's basic services are included in a governmental fund, which focus on (1) *how cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term view* that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the district's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The financial position of the district increased about net $299,000 between fiscal 2025 and 2024. (See Table A-2, rounded to nearest hundred))

TABLE A-2
Del Norte Healthcare District's Net Position

Assets:	2025	2024	Percentage Change 2024-2025
Current and other assets	$4,368,900	$3,955,500	11%
Long-term lease receivable	164,800	266,300	(38)
Capital assets	5,994,700	6,144,700	(2)
Total assets	**10,528,400**	**10,366,500**	**2**
Liabilities:			
Other liabilities	81,900	12,500	555%
Total OPB Liability	24,500	24,500	
Total liabilities	**106,400**	**37,000**	**288%**
Deferred inflows of Resources			
Leases related	**285,200**	**491,700**	**(40)**
Net position:			
Net investment in capital assets	5,994,700	6,144,700	(3)
Restricted	4,142,100	3,693,100	12
Total net position	**$10,136,800**	**$9,837,800**	**3%**

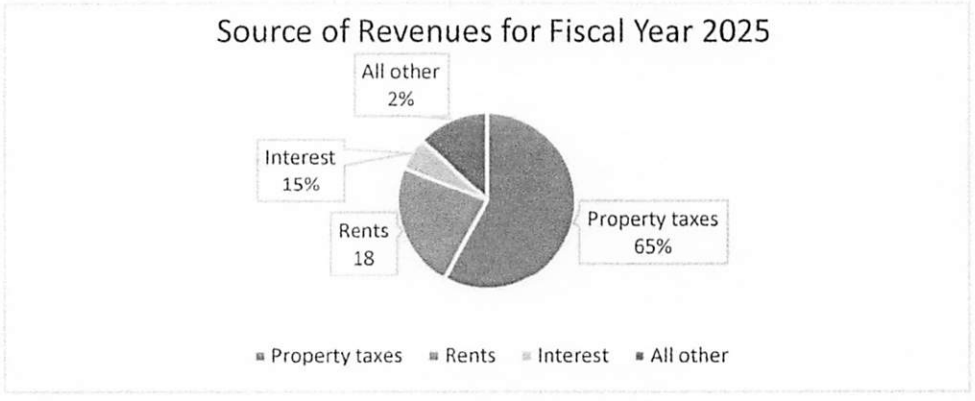
FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

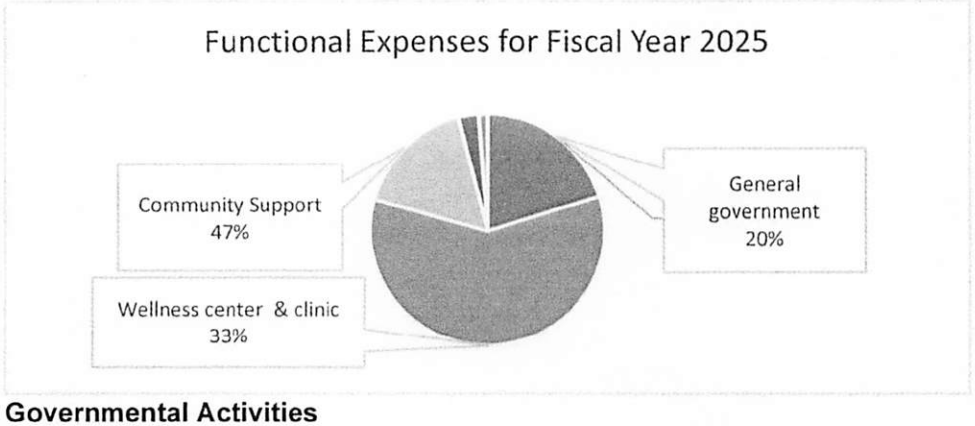
Net position of the district's governmental activities was $10,136,800 at the end of fiscal 2025 However, about 61 percent of the ending net position of the district represents our net investment in capital assets (land, Improvements, equipment, and buildings (net of any retainage on construction work) and therefore is not available for use for other activities.

Changes in net position. The district's total government-wide revenues increased to $1,240,700 in fiscal 2025 on a full-accrual basis. (See Table A-3). About 65 % of the district's' revenue comes from property taxes. The remainder comes from facility rents, investment income and other revenues.

The total cost of all programs and services in fiscal 2025 was $941,700 and include operation of the wellness center, clinic, special projects, and general administration expenses.

The Sources of the District's major types of revenue and the areas where such resources are used (expenses) is shown below in summary graphic form:





Governmental Activities

Revenues for the governmental activities increased in fiscal 2025 because of general economic conditions in the world of investments which were factors were outside the control of district management. Rental income was relatively stable in fiscal 2025 under the lease arrangements with the "Open Door Clinic" and the County of Del Norte Department of Health and Human Services (DHHS). As the above graph shows, the district is very dependent upon property taxes as a source of financing operating and capital costs

As the above graph shows, most of the district's operating expenses (53%) are incurred for administration and the operation and maintenance of the district's wellness center clinic facilities which are used to provide medical care to local residents. The other 47% of the district's 2025 operating expenses were incurred to fund community support projects.

Table A-3
Changes in Del Norte Healthcare District's Net Position
(Rounded to nearest hundred)

	2025	2024	Percent Change 2024-2025
Program expenses:			
Public health:			
General government:	$ 184,900	$ 166,900	11%
Wellness center and Clinic support	311,500	342,500	(9)
Community support	445,300	149,700	297
Total program expenses	941,700	659,100	**43**
Program revenues:			
Lease revenue	207,200	206,500	
Reimbursements	54,300	51,700	5
Total program revenues	261,500	258,200	1
Net program expense	(680,200)	(400,900	70
General revenues:			
Property taxes	799,800	758,100	6
Investment income	179,400	148,700	21
Total general revenues	979,200	906,800	**8**
Increase in net position	299,000	505,900	(41)
Net position, beginning,	9,837,900	9,332,000	
Net position, ending	**$10,136,900**	**$ 9,837,900**	**3**

The district's net increase in 2025 net position was about $206,900 less than the 2024 increase because of the increased level of funding local non-profit programs and activities.

The investment income increases in fiscal 2025 was the result of two primary factors with one being an increase in the fair value of the district's share in the LAIF pool and an actual increase in the investment income allocated to the district by the LAIF.

The district's overall cash and investment position increased by about $511,288 in fiscal 2025.

While users of the district's services and facilities funded only $261,000 of the costs of our programs through charges for utilities and rents, there remained a $680,000 operating deficit that had be to be funded from a portion of the district's property tax revenues.

The district has no other source of discretionary revenues, and as it does not share in any sales tax or local County wide special tax allocations. Without the annual allocations of property tax revenues from the Del Norte County, the District would be unable to sustain its current level of service.

Table A-4
Cost of Del Norte Healthcare District's Governmental Activities

	Total Cost of Services		Percentage Change
	2025	2024	2024-2025
General Government	$184,900	$106,900	73%
Wellness Center and Clinic	311,500	342,500	(10)
Community support	445,300	149,700	197
Total	**$941,700**	**$659,100**	**43**

Because the governmental activities focus is both short and long term, the expenses of the Wellness Center include depreciation on the district's buildings.

The most significant changes in overall expenses in fiscal 2025 was that (1) the district provided $250,000 in funding for a "Meals on Wheels" program for the elderly in Del Norte County.and an additional $226,000 in funding and contributions to local nonprofit organisaions.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUND

General Fund

As the District completed the 2025 fiscal year, its one governmental fund (the general fund) concluded the year with a $4,169,651 fund balance. Maintaining a positive fund balance has been a goal of the District's Board of Directors ever since the new building was opened in 2007.

While Governmental Accounting Standards Board Statement (GASB) Number 54 provides for the reporting of fund balance commitments and assignments, the district has no such amounts set aside. All the general fund balance is restricted for future public health care needs.

The district has made a commitment to assist in the funding of a "Food Hub" facility to be operated by the Del Norte and Tribal Lands Community Food Council and a commitment to provide funding for equipment for a nursing training facility.

General Fund Budgetary Highlights

The district's policy has been to adopt an original budget at the commencement of the fiscal year and to not change or modify the adopted budget during the year. While the adopted budget was not significantly modified during the year, actual results varied from the adopted version as follows:

1) Property tax revenues exceeded the budget by about 10 percent.

2) Interest revenues were $59,433 over budget because of a significant increase in the investment income from the LAIF pool in fiscal 2025.

3) One the spending side of the budget, the normal general fund spending was about $722,539 under the final budget. The main reasons for the favorable spending variance were that (1) the $150,000 budgeted for beach front exercise stations was delayed and (2) the $300,000 budgeted for "kids" town hard surfaces was also not commenced in fiscal 2025.

4) The most significant budget over run was the $40,678 tax collection expenditure as the district had not budgeted for that type of expenditure since it is automatically withheld by the taxing entity.

Overall, the general fund budgetary balance increased by about $450,696 at the end of fiscal 2025 while the adopted budget had anticipated a year end decrease of about $378,880.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2025 the district had invested $5,994,800 in a broad range of capital assets, including land, equipment, buildings, facilities, and other assets. (See Table A-5.) This amount represents a net decrease (including additions, deductions, and current year's depreciation) of $149,900) from last year.

Table A-5
Del Norte Healthcare District's Governmental Activities Capital Assets

	2025	2024	Percent Change 2023-2024
Assets not being depreciated:			
Land and improvements	$1,340,300	$1,340,300	
	1,340,300	1,340,300	
Depreciable assets			
Wellness Center building	7,628,500	7,628,500	
Equipment	197,700	192,800	
PPC building	441,600	441,600	
Parking lot and fencing	171,600	111,600	53%
Total depreciable assets	8,439,400	8,374,500	
Accumulated depreciation	(3,784,900)	(3,570,100)	6
Net depreciable assets	4,654,500	4,804,400	
Total	**$5,994,800**	**$6,144,700**	**(2) %**

There were no significant additions to capital assets in fiscal 2025 other than about $65,000 for the construction of a secured vehicle parking area known as the "bus corral". More detailed information about the district's capital assets is presented on page 25 in Note 2B to the notes to the basic financial statements.

Long - Term Debt

The district has no long-term debt outstanding on June 30, 2025

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The district's revenue budget for fiscal 2025 anticipates no significant increases in district revenues other than normal increases in property tax revenues. Investment earnings are susceptible to unpredictable changes.

The district in November 2024 provided a letter of intent to provide up to 1.7 acres for construction and commit funds up to $2 million to the Del Norte and Tribal Lands Community Food Council for soft costs, site work, utility hook up and construction of a Food Hub facility. In fiscal 2025, the district approved a commitment to provide $1 million in funding for equipment for a nursing facility in Del Norte County.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the district's finances and to demonstrate the district's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the President of the Board of Directors. Del Norte Healthcare District, 550 E. Washington Blvd., Suite 100, Crescent City, California, 95531.

DEL NORTE HEALTHCARE DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025
GOVERMENTAL ACTIVITIES

ASSETS	
Current assets:	
Cash and cash equivalents	$4,107,458
Receivables:	
Accounts	6,530
Interest	41,864
Property taxes	91,567
Leases	121,540
Prepaid items	
Total current assets	4,368,959
Noncurrent assets:	
Leases	164,768
Capital assets:	
Land	1,340,293
Depreciable capital assets - net	4,654,418
Total capital assets	5,994,711
Total noncurrent assets	6,159,479
Total assets	10,528,438
LIBILITIES	
Current liabilities:	
Accounts payable	78,889
Compensated absences	3,030
Total current liabilities	81,919
Noncurrent liabilities:	
Total other post-employment obligation	24,488
Total liabilities	106,407
Deferred Inflows:	
Leases	285,187
NET POSITION	
Net investment in capital assets	5,994,711
Restricted for public healthcare	4,142,133
Total net position	$10,136,844

The accompanying notes are an integral part of these financial statements

DEL NORTE HEALTHCARE DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025
GOVERNMENTAL ACTIVITIES

PROGRAM EXPENSES:	
Public health:	
General government	$ 184,940
Wellness center and clinic support:	
Utilities	69,441
Maintenance and operations	27,240
Depreciation	214,812
Community support, programs and projects:	
Meals on Wheels program	250,000
Contributions and other projects	195,316
Total expenses	941,749
PROGRAM REVENUES	
Charges for services:	
Lease revenues	207,208
Expense reimbursement	54,288
Total program revenues	261,496
Net program expense	(680,253)
GENERAL REVENUES	
Property taxes	799,828
Interest	179,433
Total general revenues	979,261
Increase in net position	299,008
Net Position – beginning of year	9,837,836
Net position – end of year	$ 10,136,844

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

DEL NORTE HEALTHCARE DISTRICT
BALANCE SHEET
GOVERNMENTAL FUND
(GENERAL)
AS OF JUNE 30, 2025

ASSETS		
Cash and cash equivalents	$	4,107,458
Receivables:		
Accounts		6,530
Leases		286,308
Interest		41,864
Property taxes		91,567
Prepaid items		
Total assets		4,533,727
LIABILITIES:		
Accounts payable		78,889
Total Liabilities		78,889
DEFERRED INFLOWS OF RESOURCES		
Leases		285,187
Total deferred inflows of resources		364,076
FUND BALANCE		
Nonspendable items		
Restricted for public healthcare		4,169,651
Total fund balance		4,169,651
Total liabilities, deferred inflows of resources and fund balance	$	4,533,727

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

DEL NORTE HEALTHCARE DISTRICT
BALANCE SHEET
GOVERNMENTAL FUND
(GENERAL)
AS OF JUNE 30, 2025
(Continued)

Reconciliation of the General Fund balance to net position of governmental activities:

Total governmental fund balance	$4,169,651
Amounts reported for governmental activities in the statement of net position is different because:	
The total other post-employment benefit obligation does not require. the use of current financial resources and is not reported in the general fund	(24,488)
Compensated absences do not require the use of current financial. Resources and are therefore not reported in the general fund	(3,030)
Capital assets used in governmental activities are not current financial. resources and are therefore not reported in the general fund	5,994,711
Total net position of governmental activities	$10,136,844

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

DEL NORTE HEALTHCARE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUND (GENERAL)
FOR THE YEAR ENDED JUNE 30, 2025

REVENUES		
Property taxes	$	799,828
Leases		207,208
Interest		179,433
Reimbursements		54,288
Total revenues		1,240,757
EXPENDITURES		
Public health:		
Current:		
General government		183,210
Facilities maintenance and operation		96,681
Community support		445,316
Capital outlay		64,854
Total expenditures		790,061
Net change in fund balance		450,696
Fund balance		3,718,955
Fund balance - ending	$	4,169,651

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

DEL NORTE HEALTHCARE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
DEL NORTE HEALTHCARE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-GOVERNMENTAL FUND (GENERAL)
FOR THE YEAR ENDED JUNE 30, 2025

(Continued)

Reconciliation of the change in fund balance- governmental fund (General) to the change in net position of governmental activities:

Net change in fund balance	$ 450.696
The amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures, however, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
Capital asset purchases capitalized	64,854
Depreciation expense	(214,812)
Expenditures reported in the modified accrual basis statement of revenues, expenditures and changes in fund balance are recognized in the period incurred if they are to be paid from current financial resources. Expenses reported on an accrual basis statement of activities are recognized when incurred, regardless of the timing of the payment:	
Change in total other post-employment obligation	
Vacation and sick leave benefits	(1,730)
Change in net position of governmental activities	$ 299,008

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Del Norte Healthcare District (the district) is a separate governmental unit authorized under the Local Health Care District Law (California Health and Safety Code Section 32000 et seq.) providing funding and support for healthcare services and is governed by a five-member elected Board of Directors. The district owned Wellness Center facility provides space for the Del Norte Community Health Center (part of the Open-Door Community Health Centers) and other health related service providers. The district does not directly provide healthcare services. The district is not accountable for and has no control over other governmental units referred to as component units.

B. Basis of Presentation and Basis of Accounting

Basis of Presentation

Government-Wide Statements: The statement of net position and the statement of activities display information about the primary government (the district), These statements include the activities of the overall government, except for fiduciary activities. These statements distinguish between the *governmental* and *business-type activities of the district.* The district conducts no business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions whereas business-type activities would be financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the district's governmental activities. Direct expenses are those that are specifically associated with a program or function, and therefore, are clearly identifiable to a particular function. Program revenues include (a) building lease revenues and reimbursements and (b) grants and contributions restricted for health care functions. Revenues that are not classified as program revenues including property taxes and investment interest are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the district's governmental fund. Separate statements for each fund category- *governmental are* presented. The emphasis of fund financial statements is on major governmental funds; and the district reports the following major governmental fund:

General fund. This is the district's only primary operating fund. It accounts for all financial resources of the district.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements. The government-wide financial statements are reported using the economic resources measurement focus and the and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions in which the district gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the property taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all entitlement requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The district considers all revenues to be available if the revenues are collected within 60 days after the year-end. Property taxes, fees and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the general fund. Proceeds of general long-term debt and capital asset financing are reported as other financing sources.

C. Assets, Liabilities and Net Position

1. Cash and Cash Equivalents

The district has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with its fiscal agent.

2. Prepaid Items and Leases

The district reports payments made in advance of receiving goods or services as prepaid items using the consumption method. Prepaid items using the consumption method are initially recorded as an asset, and recognition of an expenditure is deferred until the period in which the prepaid item is actually consumed or used.

Leases receivables are measured at the present value of lease payments expected to be received during the term of the leases. A deferred inflow of resources is recorded at the initiation of the leases in an amount equal to the initial recording of the lease receivable. The deferral is amortized on a straight-line basis over the term of the leases.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Liabilities and Net Position (continued)

3. Capital Assets

Capital assets purchased or acquired with an original cost of $500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

- Buildings and improvements 20-50 years
- Equipment 5--10 years
- Improvements 10-20 years

4. Compensated Absences

The district's one employee accumulated unpaid vacation and sick leave at the rate of one and one -half days for each two months worked. Compensatory and compensatory time off are to be compensated at 100 percent of the current pay rate upon termination of employment. Accumulated and unused sick leave is to be compensated at the rate of 50 percent of the current pay rate.

5. Property Taxes

Property taxes are levied as of March 1 on property values as of that date. State statutes provide that the property tax rate be limited generally to one percent of market value, be levied only by the County, and be shared by jurisdictions. The County of Del Norte collects the taxes and distributes them to taxing jurisdictions on the basis of assessed valuations subject to voter-approved debt. Property taxes are due on November 1 and March 1 and become delinquent on December 10 and April 10. The district receives property taxes pursuant to an arrangement with the County known as the "Teeter Plan". Under the plan, the County assumes responsibility for the collection of delinquent taxes and pays the full allocation to the district. The district recognizes property tax revenues in the fiscal year in which they are due to the district and accrues as receivable such taxes. Accordingly, the district provides for no allowances for doubtful accounts.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Liabilities and Net Position (continued)

6. Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the district is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Governmental accounting principles provide that fund balance is reported in five components nonspendable, restricted, committed, assigned and unassigned.

Nonspendable amounts are generally items not expected to be converted into cash such as inventories, prepayments and long-term receivables. Restricted amounts include those where constraints placed on the use of resources are externally imposed by grantors, contributors, other governments, or by laws and regulations. Committed amounts are those that can only be used for specific purposes as determined by the Board of Directors. Such committed amounts can only be redeployed for other uses by the management of the Board of Directors. Assigned amounts are fund balance amounts constrained by the district's intent to be used for specific purposes. Assigned amounts can be redeployed for other uses without formal Board approval. Unassigned fund balance amounts are the residual amounts reported only in the general fund. The district reports only nonspendable amounts and restricted amounts in the general fund.

7. Net Position

In the financial statements, fund net position is reported in two categories as follows:

- Net investment in capital assets – This category of net position reports the net book value of capital assets used in district operations including construction in progress all net of related accumulated depreciation and reduced by the carrying values of related long-term debt issued to finance the construction of such assets and any construction contract retentions payable.
- Restricted – This category as discussed above in the fund balance section represents the amounts constrained in use by other governments, laws regulations which for the district means public health purposes only.

8. Pension Plan

The district does not participate in the Public Employees Retirement System of the State of California (CalPERS). In fiscal 2024, the district authorized a defined contribution plan for employees with district contributions set a 25 percent of gross compensation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Liabilities and Net Position (continued)

9. Other Postemployment Benefits Other Than Pensions (OPEB)

The district provides limited retiree benefits to a former Board member on a pay as you go basis. An actuarial valuation has been performed, and accordingly the total OPEB liability has been reported in these financial statements.

10. Fair Value Measurements

GASB Statement No. 72, *Fair Value Measurement and Application*, sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the district has the ability to access. Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability. Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The district's investments in an external investment pool are not subject to reporting within the above hierarchy.

11. Use of Estimates

The basic financial statements have been prepared in conformity to generally accepted accounting principles and therefore include amounts based on informed estimates and judgments of management. Actual results could differ from those estimates.
hierarchy.

2. DETAIL NOTES

A. CASH AND CASH EQUIVALENTS

The district maintains most of its cash in the California Local Agency Investment Fund (LAIF) for the purpose of increasing interest earnings through pooled investment activities. These funds are not registered with the Securities and Exchange Commission as an investment company but are required to invest according to the California State Code. Participants in the pool include voluntary and involuntary participants, such as special districts, cities, and school districts for which there are legal provisions regarding their investments. The Local Investment Advisory Board (LIAB) has oversight duty for Local Agency Investment Fund. The LIAB consists of four members as designated by State Statute.

On June 30, 2025, the District's pooled investment position in Local Agency Investment Fund was $3,825,601which approximates fair value and is the same value as pooled. shares. Fair value is based on information provided by the State for. The balances are. available for withdrawal on demand and are based on accounting records maintained. by LAIF, which are recorded on an amortized cost basis. Liquidity fees are not charged.

The LAIF pooled investments are not subject to reporting within the hierarchy as described in GASB Statement No. 72, *Fair Value Measurement and Application.*

INTEREST RATE RISK

As a means of limiting its exposure to fair value losses arising from rising interest rates, the district's investment policy limits the district's investment portfolio to maturities prescribed in Sections 53600 through 53609 of the California Government Code, which states that the district shall act with care, skill, prudence and diligence pursuant to the general economic conditions and anticipated needs of the agency. The district shall prioritize the safeguarding of principal and acquire only investments that are legal investments in the State of California. On June 30, 2024, the LAIF effective yield was 4.48 percent.

CREDIT RISK

State law limits investments in various securities to a certain level of risk ratings issued by nationally recognized statistical rating organizations. It is the district's policy to comply with State law regarding security ratings. The State Investment Pool was unrated.

2. DETAIL NOTES

A. CASH AND CASH EQUIVALENTS (continued)

CONCENTRATION OF CREDIT RISK

Credit risk is the risk of loss attributed to the concentration of the district's investment in a single issuer. The following is a summary of the concentration of credit risk by investment type of Local Agency Investment Fund as a percentage of fair value on June 30, 2024.

	LAIF Holdings
U.S. Treasuries	55.09%
Federal agencies	25.48
Certificates of deposit	9.12
Time deposits	2.96
Commercial paper	6.67
Corporate bonds and PMIA loans	.68
Totals	100%

CUSTODIAL CREDIT RISK

For deposits, custodial risk is the risk that in the event of a bank failure, the district's deposits may not be returned to it. The district's policy for deposits is that they be insured by the FDIC. The district maintains cash in bank accounts, which at times may exceed federally insured limits. Bank accounts are guaranteed by the FDIC up to $250,000. The district has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash. Institutions in California holding deposits from public agencies are required to collateralize the deposits with securities held by a third-party agent and have a market value equal to at least 110 % of the public funds held by the institution.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the district would not be able to recover the value of the investment or collateral securities that are in possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the district's name, and held by the counterparty. The district's investment is not exposed to custodial credit risk because the district's investments with the LAIF are not evidenced by specific securities.

2. DETAIL NOTES

A. CASH AND CASH EQUIVALENTS (continued)

BALANCES

Cash and cash equivalents consist of the following:

Cash with LAIF	$3,825,601
Cash in banks	281,857
Total	$4,107,458

B. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, was as follows:

	Beginning of Fiscal Year	Additions	Deletions	End of Fiscal Year
Non-depreciable assets:				
Land	$1,340,293	$	$	$1,340,293
Total non-depreciable assets	1,340,293			1,340,293
Depreciable capital assets				
Buildings -Wellness center	7,628,516			7,628,516
Building - PPC	441,560			441,560
Parking lots, fencing, clearing	111,650	59,935		171,585
Equipment	192,780	4,919		197,699
Total depreciable capital assets	8,374,506	64,854		8,439,360
Accumulated depreciation				
Buildings and improvements	(3,386,603)	(212,813)		(3,599,416
Equipment	(183,527)	(1,999)		(185,526)
Total accumulated depreciation	(3,570,130)	(214,812)		(3,784,942)
Net depreciable capital assets	4,804,376	(149,958)		4,654,418
Total capital assets	$6,144,669	$(149,958)	$	$5,994,711

2. DETAIL NOTES

C. ACCRUED VACATION, SICK LEAVE AND COMPENSATORY TIME OFF

Accrued, vacation, sick leave and compensatory time off are not due and payable in the current period and therefore, are not considered liabilities of the general fund in the fund financial statements. The government-wide statement of net position records the liability, segregating the amount expected to be paid within one year as a current liability.

Balance, June 30, 2023	$1,300
Net change	1,730
Balance, June 30, 2024	3,030
Less amounts due within 1 year	(3,030)
Amounts due after 1 year	$

D. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN

DESCRIPTION

1. Other Post Employment Benefits

Plan Description.

The District has a single employer retiree healthcare plan (the OPEB Plan)

Benefits Provided.

The District's OPEB plan provides lifetime subsidized healthcare benefits for one retired elected official. The benefits have to be provided have been defined to mean that the district will fully reimburse the Medicare Part B premiums for the remaining lifetime of eligible former directors.

Employees Covered by the Benefit Terms.

As of June 30, 2022, the valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries current receiving benefits	1
Inactive employees entitled to but not yet receiving benefit payments	
Active employees	
	1

2. DETAIL NOTES

D. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (Continued)

Employees covered by the benefit terms (Continued)

The district, by a resolution approved in June 1994, a provision that members of the Board of Directors who had served for 16 years prior to their retirement were entitled to health insurance paid for by the district for the remainder of their lives.

The District's OPEB Plan is closed to new entrants.

Contributions

District contributions to the plan occur as benefits are paid to retiree.

Total OPEB Liability

The district's total OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the liability was determined by an actuarial valuation as of June 30, 2022.

Actuarial assumptions

The total OPEB liability on June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent per year
Salary increases	Not applicable, there are no active plan members
Investment rate of return	Not applicable, an OPEB Trust has not been established
Healthcare cost trend rates	Medicare B premiums to increase 4.5% per year

Mortality rates were based on the MacLeod Watts Scale 2022 applied generationally from 2010.

The actuarial assumptions used on June 30, 2023; measurement date was based on the results of actuarial valuation as of June 30, 2022.

Discount Rate

The discount rate used was 3,54 percent as of June 30, 2022, and 3.65 as of June 30, 2023.

2. DETAIL NOTES

D. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (Continued)

	Changes in Total OPEB Liability
Balance 6/30/2022	*$25,807*
Changes for the year:	
Interest cost	*878*
Differences between expected and actual experience	
Changes in assumptions	*(203)*
Contributions employer	
Net investment income	
Benefit payments	*(1,994)*
Administrative expense	
Net changes	*(1,319)*
Balance 6/30/2023	*$24,488*

Sensitivity of the Total OPEB Liability to changes in the discount rate and health-care trend rates.

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability of the district, as well as what the district's total OPEB liability would be if it were calculated using a discount rate that is 1-percent-point lower (2.65 percent) or 1-percentage point higher (4.65 percent) than the current discount rate.

	1% Decrease 2.65	Discount Rate 3.65%	1% Increase 4.65%
Total OPEB Liability	$ 26,446	$ 24,488	$ 22,762

2. DETAIL NOTES

D. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN (Continued)

Sensitivity of the net OPEB liability to changes in healthcare cost trend rates.

	1% decrease	Healthcare Cost Trend	1% increase
Total OPEB liability	$ 22,753	$ 24,488	$ 26,421

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year fiscal year ended June 30, 2023, the district recognized OPEB expense of $675. On June 30, 2023, there were no deferred outflows or inflows.

Payable to the OPEB Plan

On June 30, 2023, the district had no payable for the outstanding number of contributions to the plan for the year ended June 30, 2023

Other Benefits

The district also maintains self-insured vision, dental and prescription plans. Special provisions in the plan documents provide that once a director has served for 96 consecutive months (8 years), the director shall be vested for additional dental, vision and prescription coverage. The plan provides that a person meets the 96-month requirement, shall upon leaving office, be provided such coverage for each month they served on the Board.

F. RISK MANAGEMENT

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the district obtains insurance coverage.

3. DETAIL NOTES

F RISK MANAGEMENT (Continued)

Public entity risk pools are formally organized, and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, those entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective risk pool, including the selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. Obligations and liabilities of these risk pools are not the district's responsibility.

Golden State Risk Management Authority

The district is insured for general liability, property, and workers compensation as a member of the Golden State Risk Management Authority (the Authority). The Authority is a public agency risk pool created under a joint power agreement between the numerous governmental entities. The Authority manages one pool for all member agencies. Each member pays an annual premium to the system based on numerous factors including the number of personnel, and the types and values of assets held.

The Golden State Risk Management Authority is responsible for the first $300,000 in workers' compensation coverage and the first $250,000 in general and automobile liability claims. The district has a zero self-insured retention limit for these coverages. The Authority purchases excess insurance coverages up to a combined $50 million limit per occurrence for general liability and up to $600 million for property. Workers' compensation is provided to statutory limits. Financial information on the Authority is available from its headquarters office upon request.

G. APPROPRIATIONS LIMIT

The district has determined that it is exempt from the annual Appropriations Limit Calculations requirement.

2, DETAIL NOTES

G. LEASES

The district leases its facility known as the Del Norte Community Wellness Center (approximately a 20,000 square foot building) to providers of health care services. Under one lease arrangement, the monthly rent is $10,250 per month for a lease term that expires October 31, 2027. In addition, the tenant pays 80 percent of the costs of electrical, propane, water and sewer services to the building. This lease is generally noncancellable except for cause of default by either party and contains no option for renewal or extension, other than a month to month holding over provision.

Fiscal Year	Principal	Interest	Totals
2025-2026	122,540	460	123,000
2026-2027	122,785	215	123,000
2027-2028	40,983	117	41,100
	$286,308	$792	164,100

H. COMMITMENTS

In November 2024, the district issued a letter of Intent to the Del Norte and Tribal Lands Community Food Council for the purpose of leasing a portion of district property, providing up to 1.7 acres for construction and committing up to $2 million for soft costs, site work, utility hookup and construction of a Food Hub building.

In March 2025. The district board approved a commitment to provide funding of $1 million toward equipment for the nursing training facility in Del Norte County.

DEL NORTE HEALTHCARE DISTRICT
GENERAL FUND BUDGETARY COMPARISON SCHEDUE
JUNE 30, 2025

Revenues:	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance Final Budget Positive (Negative)
Property taxes	$ 725,000	$ 725,000	$ 799,828	$ 74,828
Interest	120,000	120,000	179,433	59,433
Lease rents	210,720	210,720	207,208	(3,512)
Utility reimbursements	76,000	76,000	54,288	(21,712)
Insurance reimbursements	1,000	1,000		(1,000)
Miscellaneous	1,000	1,000		(1,000)
Total revenues	1,133,720	1,133,720	1,240,757	107,037
Expenditures:				
Personnel	124,300	124,300	82,920	41,380
Utilities and office	116,500	116,500	83,790	32,710
Professional	45,000	45,000	13,860	31,140
Insurance	35,000	35,000	31,400	3,600
Building maintenance	81,000	81,000	61,562	19,438
County tax collection fees			40.678	(40,678)
Contributions	194,000	200,000	136,451	63,549
Projects:				
Beach front exercise equipment	150,000	150,000	48,150	101,850
Kids Town hard surface	300,000	300,000		300,000
New Projects				
Local medical transportation	10,000	10,000	10,718	(718)
Recruitment and retention	50,000	50,000		50,000
Harvest of the Month	16,000	16,000		16,000
Downtown Divas	3,000	3,000		3,000
Open Door bus barn	600,000	40,000	30,532	9.468
Little league All Stars	1,500	1,500		1,500
Meals on Wheels program		250,000	250,000	
Swim club equipment		35,300		35,300
Capital:				
Building repairs	30,000	35,000		35,000
Contingency	20,000	20,000		20,000
Total expenditures	1,776,300	1,512,600	790,061	722,539
Net change in fund balance	(642,580)	(378,880)	450,696	829,576
Fund balance beginning	3,718,955	3,718,955	3,718,955	-
Fund balance, ending	$3,076,375	$3,340,075	$ 4,169,651	$829,576

NOTE A Budgetary Basis of Accounting

The district in fiscal 2025 changed the format of the budgetary comparison schedule to present summary departmental classifications and details of specific projects and new projects.

DEL NORTE HEALTHCARE DISTRICT
Required Supplementary Information
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years

	2022	2023	2024	2025
Total OPEB Liability:				
Service cost:				
Interest	$ 632	$ 878		
Change in benefit terms				
Differences between expected and Actual experience				
Changes of assumptions	(3,085)	(203)		
Benefit payments	(1,976)	(1,994)		
Net change in total OPEB liability	(4.429)	(1,319)		
Total OPEB liability, beginning of year	30,236	25,807	24,488	24,48Z8
Total OPEB liability, end of year	$ 25,807	$24,488	$24,488	$24,488

Notes to Schedule:

Benefit changes: There were no changes in fiscal 2022.

Changes of assumptions: The discount rate was changed in 2022 from 3.54% to 3.65% in fiscal 2023

Covered employee payroll. None is presented as there is only one retired plan member.

Ten years of data: Fiscal 2022 is the first year of implementation of the GASB Statement Number 75. Additional years of information will be presented as they become available

DEL NORTE HEALTHCARE *DISTRICT*
Report on Internal Control over Financial Reporting, Compliance and Other Matters
June 30, 2025

TEK *Terry E Krieg CPA*
Certified Public Accountant

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Independent Auditor's Report

President and Members
Of the Board of Directors
Del Norte Healthcare District
Crescent City, California

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Del Norte Healthcare District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Del Norte Healthcare District's basic financial statements, and have issued my report thereon dated June 9, 2026..

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered Del Norte Healthcare District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Del Norte Healthcare District's internal control. Accordingly, I do not express an opinion on the effectiveness of the Del Norte Healthcare District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the System's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Del Norte Healthcare District's financial statements are free from material misstatement. I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that are required to be reported.

Purpose of Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the district's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the district's internal control and compliance. Accordingly, this communication is not suitable for any other purpose,

Terry E. Krieg, CPA
Santa Rosa, California
June 9, 2026

131-A Stony Circle, Suite 500, Santa Rosa, California 95401
P: (707) 544-5684 C: (707) 888-1052 E: Kriegcpa@msn.com

Del Norte Healthcare District
Communication to Those Charged with Governance
June 30, 2025

TEK *Terry E Krieg CPA*
Certified Public Accountant

June 9, 2026

Board of Directors
Del Norte Healthcare District
Crescent City, California

I have audited the basic financial statements of the governmental- type activities, and major fund of the Del Norte Healthcare District for the year ended June 30, 2025, and have issued my report thereon dated June 9, 2026, Professional standards require that I provide you with the following information related to my audit.

1. My Responsibility under U.S. Generally Accepted Auditing Standards

As stated in my engagement letter, my responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material aspects, in conformity with U.S. generally accepted accounting principles. My audit of the financial statements does not relieve you or management of your responsibilities.

As part of my audit, I considered the internal control of the district. Such considerations were solely for the purpose of determining my audit procedures and not to provide assurance concerning such internal control. My responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. I am responsible for communicating significant matters related to the audit that are, in my professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, I am not required to design procedures specifically to identify such matters.

2. Other Information In Documents Containing Audited Financial Statements and Electronic Dissemination of Audited Financial Statements

My responsibility for other information in documents that contain the 's financial statements and my auditor's report, such as an official statement for a bond or debt offering, does not extend beyond the financial information identified in the report. I do not have an obligation to perform any procedures to corroborate other information contained in such other documents. To my knowledge, the Del Norte Healthcare District's audited financial statements were not incorporated into other documents.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, I am not required to read the information in any such sites or to consider the consistency of other information in the electronic site with the original documents.

3. Planned Scope and Timing of the Audit

I performed the audit according to the planned scope and timing previously communicated to the District's Chairman of the Board of Directors in the audit engagement letter and discussed with the District's Executive Secretary. My understanding is that the District's Executive Secretary has the responsibility for coordinating the audit process with my firm and for communicating to you significant audit matters.

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4. Significant Audit Findings

A. Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with my engagement letter, I will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the district are described in Note one to the financial statements.

There were no changes in accounting principles or changes in the application of adopted accounting principles and financial reporting practices in fiscal 2025.

B. New and Pending Accounting Standards of Significance

The Governmental Accounting Standards Board has issued several new financial reporting standards that may impact the district's financial reporting process in future years. These are communicated in a separate Management Letter. The GASB has issued an exposure draft "*Financial Reporting Model Improvements*" that may result in changes to financial statements of local governments.

C. Significant and Unusual Transactions

There were significant and unusual transactions reported in the district's 2025 statement of net position, statement of activities, and fund statements and they were:

1. Reporting a general fund ending balance of $4,169,651 which fund balance reflects a positive $450,696 increase for the year end June 30, 2025.

2. Recognizing in the general fund about a $41,700 increase in property tax revenue. Reporting about a 21 percent increase in investment income as the district received more interest on its investment in the LAIF while the fair value of the district's share of the LAIF pool also increased.

3. The district was not subject to the Federal Single Audit Requirements in fiscal 2025 because aggregated expenditures of Federal Awards were less than the $750,000 threshold that when met triggers the requirement for single audit coverage.

4. Reporting a $299,000 net increase in the district's government-wide statement of net position which increase was about 41% lower than the fiscal 2024 operating results.

5. Reporting investment interest revenues of $179,400 in fiscal 2025 as a result of significant higher income from the district's investment in the State of California's LAIF investment pool.

6. Expending $250,000 on the Meals on Wheels program in fiscal 2025.

D. Transactions Having a Lack of Authoritative Guidance or Unique to the

No significant dollar value transactions came to my attention when there was a lack of authoritative guidance regarding the application of accounting principles to the transactions.

E. Accounting Estimates

Accounting estimates are an integral part of financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most significant estimate affecting the financial statements was management's estimate of depreciation expense which estimates were based upon subsidiary schedules of capital assets, the OPEB liability which is based upon actuarial assumptions and calculations, and the amounts of leases receivable and deferred inflows of resources which are based upon interest rate assumptions and term assumptions.

F. Sensitive Financial Statement Disclosures

The disclosures in the financial statements are to be neutral and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were, in my judgment, no unusual and sensitive disclosures affecting the financial statements other than those pertaining to the discussion about other post-employment benefits (OPEB) and depreciation.

5. Difficulties and Unusual Matters Encountered in Performing the Audit

I experienced no significant difficulties in dealing with management in performing and completing my audit, and the district's executive secretary was especially professional and effective in rendering assistance in regard to completing tasks associated with the financial statement audit.

6. Corrected and Uncorrected Misstatements

Professional standards require me to accumulate all known and likely misstatements identified during the audit other than those that are trivial and communicate them to the appropriate level of management. To date I have accumulated 8 adjusting journal entries (compared to 11 adjusting entries in fiscal 2024) that on a collective basis are material in dollar amounts.

The nature of the adjustments were essentially all related to year closing and the preparation of financial statements in accordance with accounting principles generally accepted in the united States of America.

The district reformatted and restructured its grouping of transactions and accounts to make the general ledger more easily readable and understandable. In addition, all beginning of year balances were reconciled to the June 30, 2024 audited ending balances.

7. Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to my satisfaction, concerning a financial accounting, reporting or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the audit.

8. Management Representations

I have requested certain representations from management that are included in the management representation letter.

During the fiscal year, the district's general counsel made a determination that the district was exempt from the requirement to annually adopt an appropriations limit. Accordingly, my report to you on internal control over financial reporting and compliance for fiscal 2025 contains no compliance findings.

9. Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, like obtaining a second opinion on certain situations. If a consultation involves the application of an accounting principle to the district's financial statements or a determination of the type of auditor's opinion that may be expressed on those financial statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To my knowledge, there were no such consultations with other accountants.

10. Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to our retention as the district's auditors or prior to commencement of the financial statement audit. However, these discussions occurred in the normal course of my professional relationship and my responses were not a condition to my retention as the district's independent auditor.

The district's improvements in the accuracy, format and structure of its computerized general ledger for fiscal 2025 will, in my judgment, make it easier for the district to computerize and automate additional financial reporting programs and reports that will be useful to district management.

This information is intended solely for the use of the Board of Directors and management of the district and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely yours,

Terry E. Krieg, CPA
Santa Rosa, California
June 9, 2026

DEL NORTE HEALTHCARE DISTRICT
MANAGEMENT LETTER
JUNE 30,2025

TEK *Terry E Krieg CPA*
Certified Public Accountant

June 9, 2026

Board of Directors
Del Norte Healthcare District
Crescent City, California

I have audited the basic financial statements of the Del Norte Healthcare District as of and for the fiscal year ended June 30, 2025 and have issued my report thereon dated June 9, 2026. In planning and performing my audit, of the basic financial statements of the District, I considered internal control in order to determine my auditing procedures for the purpose of expressing my opinions on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. I have not considered internal control since the date of my report.

During my audit I noted certain matters involving internal control and other operational matters that are presented for your consideration. These observations and recommendations, all of which have been discussed with the appropriate levels of management, are intended to improve internal control or result in other operating efficiencies and are summarized in this letter.

Follow Up on Prior Year Matters

In the prior year, I recommended that the district establish procedures to reconcile and adjust receivables, accounts payables, and accumulated depreciation to actual balances at the end of each fiscal year.

General Ledger Accounting and internal Controls

In the prior fiscal year, I reported to you a material weaknesses in internal control over financial reporting related to reporting of year end account balances.

Current Status.

Not fully implemented. The district completely restructured its general ledger reporting format and account classifications which resulted in more user friendly and easily reviewable general ledger detail reports. The beginning of year net position was in agreement with the fiscal 2024 audited ending balances which does result in more reliable current year reports.

However, the district had not yet established internal procedures to prepare schedules or record year end accounts payable, receivable and depreciation. Instead, the district provided during the audit sufficient information and documents that supported the year end balances.

To assist the district in continuing to upgrade its financial management and reporting system, I do recommend that the district consider making the following improvements:

a) Establish a chart of accounts and assign account numbers to its computerized general ledger system or enable the computerized reporting system to print account numbers in its statements of net position and statement of activity.
b) Use or acquire a computerized reporting module that will enable the district to generate computerized budget to actual comparison statements rather than using manual excel-based offline schedules.
c) Prior to each year end fiscal financial statement audit, prepare schedules or listing of current accounts payable, receivable and depreciation

131-A Stony Circle, Suite 500, Santa Rosa, California 95401
P: (707) 544-5684 C: (707) 888-1052 E: Kriegcpa@msn.com

Management's Response.

The district will continue to review and improve its internal controls and financial management system.

Appropriations Limit Reorting

In the prior fiscal year, I reported that the district had not complied with the requirement to adopt an annual appropriations limit.

Current Status

Resolved. The district's legal counsel determined that the district is exempt from the requirement to adopt an appropriations limit.

My audit procedures are designed primarily to enable me to form opinions on the financial statements, and, therefore, may not bring to light all weaknesses in policies and procedures that may exist. My aim, however, is to use my knowledge of the district gained during the audit to make comments and suggestions that I hope will be useful to you.I would be available to discuss these comments and recommendations with you either by cell phone, email, or zoom conferencing if so desired.

This report is intended solely for the information of the Board of Directors, the Executive Secretary and other officials within the district, and is not intended to be and should not be used by anyone other than these specified parties.

Terry E Krieg, CPA
Santa Rosa, California
June 9, 2026

DEL NORTE HEALTHCARE DISTRICT
BUDGET 2026 - 2027

INCOME;	
Interest - LAIF	140,000.00
Tax Receipts	765,000.00
Rent (Open Door Clinic $10,250.00/mo)	123,000.00
510 E. Washington Building DNATL	50,000.00
Utility Reimbursement 80% from Open Door	82,000.00
Utility Reimbursement 100% from DNATL	10,000.00
Insurance Reimbursement Pers-D/V/RX	1,000.00
Misc. Income	1,000.00
TOTAL ANTICIPATED INCOME	**$1,172,000.00**
EXPENDITURES:	
Personnel Expenses	
Payroll	24,000.00
General Benefits/SSI/EDD/WC	14,000.00
CalPers	50,000.00
Dental, Vision, Rx	30,000.00
Past Board Health Benefits	15,000.00
TOTAL PERSONNEL EXPENSE	**$133,000.00**
Operating Expenses & Utilities	
Pacific Power	50,000.00
Blue Star Gas	32,500.00
Crescent City W & S	21,000.00
Telephone & Internet	7,000.00
Office Supplies & Expenses	5,000.00
Training & Education	3,000.00
Memberships	4,500.00
TOTAL UTILITIES	**$123,000.00**
Professional Services Expense	
Legal	10,000.00
Accounting	20,000.00
Election Expense	10,000.00
Insurance	34,000.00
Other Professional Services	5,000.00
TOTAL PROFESSIONAL SERVICES	**$79,000.00**
Building Maintenance	
Materials & Supplies	10,000.00
Grounds Keeping	15,000.00
Maintenance Services	25,000.00
TOTAL BUILDING MAINTENANCE EXPENSE	**$50,000.00**

Contributions

High School Scholarship ($500.00 x 4)	2,000.00
CR Nursing Scholarship	10,000.00
Grad Night Safety Program	500.00
Sharps Containers	500.00
Food Promotions/Food HUB	10,000.00
Non-Emergency Transport	15,000.00
Local Medical Transport	10,000.00
Gateway Education	55,370.00
Swim Lessons	30,500.00
Senior Swim Passes	48,000.00
Public Swim Project	13,000.00
Recruitment & Retention	350,000.00
Blueberry Legacy	4,000.00
TOTAL CONTRIBUTIONS	**548,870.00**

Building Repairs

510 E. Washington Building	20,000.00
Open Door	40,000.00
TOTAL REPAIRS	**60,000.00**

TOTAL OPERATING EXPENSES	**$993,870.00**

Capital Expense

Fixed Assets	.00
TOTAL CAPITAL EXPENSES	**0**

TOTAL OPERATING & CAPITAL EXPENSES	**$993,870.00**
CONTINGENCY	**0**
TOTAL OPERATING EXPENDITURES	**$993,870.00**

TOTAL ANTICIPATED INCOME	**$1,172,000.00**
MINUS TOTAL OPERATING EXPENDITURES	**- $993,870.00**
SURPLUS OF	**$178,130.00**

RESERVE FUNDS COMMITTED PROJECTS:	
LAIF Funds	**4,000,000.00**
Unfunded OPEB	-25,800.00
CR Nursing Equipment	-1,000,000.00
Food Hub Building	-2,000,000.00
Beachfront Exercise Loop	-100,000.00
Kids Town Hard Surface	-300,000.00
Total	**574,200.00**

7 C 2.b.

To: Del Norte Healthcare District Board of Directors

Re: *The Million Dollar Mission – A Coordinated Recruitment and Retention Strategy Aligned with the Community Health Improvement Plan*

On behalf of our healthcare and community partners, we respectfully submit **The Million Dollar Mission**, a comprehensive recruitment and retention plan designed to improve access to healthcare services for the residents of Del Norte County.

This plan has been intentionally developed to align with the priorities and goals outlined in Del Norte County's Community Health Improvement Plan (CHIP), particularly those focused on access to care, workforce stability, and long-term community health outcomes. Persistent challenges in recruiting and retaining physicians and advanced practice clinicians continue to impact timely access, continuity of care, and service sustainability across the County. The Million Dollar Mission seeks to address these challenges through a coordinated, community-driven approach as one prong of a broader three-pronged CHIP workforce strategy.

Alignment with CHIP Through a Three-Pronged Strategy

Improving and sustaining access to healthcare in Del Norte County requires a multi-faceted approach. The CHIP workforce strategy is structured around three interconnected prongs, each designed to address a different but complementary component of access and workforce sustainability.

Prong One: Recruitment and Retention Incentives — *The Million Dollar Mission*

The first prong establishes a transparent, community-funded recruitment and retention incentive program for physicians and advanced practice clinicians who practice in Del Norte County. This program is The Million Dollar Mission and is designed to be competitive, compliant with California regulations, and clearly separate from employer compensation structures. The proposed funding framework brings together support from the Del Norte Healthcare District, Sutter Coast Hospital, and the Humboldt Area Foundation to represent a shared community investment in stabilizing the provider workforce.

Prong Two: Retention Through Community Connection

The second prong recognizes that long-term provider retention is influenced not only by professional opportunities, but also by a provider's sense of connection to the community. To support this, the plan outlines a retention strategy focused on community integration, to be developed in collaboration with the Del Norte County Chamber of Commerce and other community partners.

This Community Connections Program for Providers will focus on welcoming providers and their families, fostering relationships with local organizations, individuals and businesses, and creating meaningful opportunities for civic and social engagement. This approach directly supports CHIP objectives related to community vitality, workforce sustainability, and long-term access to care.

Prong Three: Evaluation of Telehealth Hubs to Expand Access

The third prong focuses on the evaluation and strategic use of telehealth hubs to further expand access to care, particularly in rural and underserved areas of the County. This includes assessing where telehealth infrastructure can complement in-person services, support specialty access, and reduce barriers related to geography and provider availability. Together with direct recruitment and retention efforts, this prong supports a comprehensive approach to access that is scalable and responsive to community needs.

Role of the Healthcare District

The plan proposes that the Del Norte Healthcare District serve as the administering and governing entity for The Million Dollar Mission, ensuring accountability, transparency, and compliance with approved program parameters. The Healthcare District's leadership is central to aligning this initiative with community needs, managing incentive funds, and ensuring that outcomes are tracked and reported in a manner consistent with CHIP goals.

Moving Forward

The Million Dollar Mission is presented for adoption by the Del Norte Healthcare District as a core component of the County's CHIP-aligned workforce strategy. Together with community-based retention efforts and the evaluation of telehealth hubs, this approach is intended to provide a comprehensive, sustainable framework for improving access to care across Del Norte County.

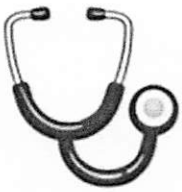
Adoption of this plan by the Healthcare District would formalize a coordinated community investment in recruitment, retention, and access, while establishing clear governance, accountability, and alignment with CHIP goals. We respectfully request the Healthcare District's consideration and support of this strategy and look forward to working collaboratively to implement The Million Dollar Mission and related workforce initiatives in service of our community's health needs.

Respectfully submitted,

Del Norte County Recruitment and Retention Collaboration Committee

Million Dollar Mission

to improve access to healthcare in Del Norte County!



$350,000

Physician Recruitment

sponsored by:

HCD Del Norte Healthcare District

- $50,000 sign-on bonus per physician

$350,000

Physician Retention

sponsored by:

HAF Humboldt Area Foundation

- $50,000 retention bonus per physisian

$350,000

APC Recruitment and Retention

sponsored by:

SCH Sutter Coast Hospital

- $25,000 sign-on bonus per APC
- $25,000 retention bonus per APC

The Million Dollar Mission

A Comprehensive Recruitment and Retention Plan to Improve Access to Healthcare in Del Norte County

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Program Purpose and Rationale

Del Norte County continues to experience persistent challenges in recruiting and retaining physicians and advanced practice clinicians, limiting access to care for community members. The Million Dollar Mission establishes a coordinated, community-aligned investment to strengthen recruitment, improve long-term retention, and expand access to healthcare services across Del Norte County.

Program Scope

- Up to seven (7) Physicians
- Up to seven (7) Advanced Practice Clinicians (APCs)
- Providers practicing in Del Norte County

Program Start Date: July 1, 2026

Providers are eligible for the program only if their agreement is executed on or after July 1, 2026, and all other requirements outlined in this plan are met. Providers whose agreements are executed prior to July 1, 2026, are not eligible for the program, regardless of whether their employment or start date occurs on or after July 1, 2026.

Eligible Provider Types

- Office Based Physicians & Dentists (MD, DO, DDS)
- Office Based Advanced Practice Clinicians (Nurse Practitioners, Physician Assistants)

FTE Definitions

- Full-Time: 0.8–1.0 FTE
- Part-Time: 0.5–0.7 FTE

Recruitment Incentive Structure (One-Time Sign-On)

Physicians:

- $50,000 – Full-Time (0.8–1.0 FTE)
- $25,000 – Part-Time (0.5–0.7 FTE)

Advanced Practice Clinicians (APCs):

- $25,000 – Full-Time (0.8–1.0 FTE)
- $12,500 – Part-Time (0.5–0.7 FTE)

Retention Incentive Structure (One-Time, after two years of service with an expectation of an additional two years of service in Del Norte County)

Physicians/Dentists:

- $50,000 – Full-Time (0.8–1.0 FTE)
- $25,000 – Part-Time (0.5–0.7 FTE)

Advanced Practice Clinicians (APCs):

- $25,000 – Full-Time (0.8–1.0 FTE)
- $12,500 – Part-Time (0.5–0.7 FTE)

Incentive Principles

All recruitment and retention incentives under The Million Dollar Mission are one-time, non-wage, non-performance-based community incentives. They are not structured as loans, down payment assistance, forgivable debt, or incentive packages.

Funding Framework

Total Coordinated Investment: $1,050,000

- $350,000 – Del Norte Healthcare District: Physician Recruitment Incentive
- $350,000 – Humboldt Area Foundation (HAF): Retention Incentives (grant application)
- $350,000 – Sutter Coast Hospital: APC Recruitment and Retention Incentive (funds provided to the Healthcare District per approved APC)

Recruitment and Advertising Approach

Recruitment incentives under The Million Dollar Mission will be communicated as part of a coordinated, community-wide recruitment strategy designed to highlight Del Norte County as an attractive place to practice medicine and build a long-term professional and personal home.
The recruitment incentive will be advertised upfront, in coordination by employing entities, as a community-funded recruitment incentive.
Recruitment outreach may include, but is not limited to:

- Physician, Dentists and APC recruitment firms
- Academic and training program outreach
- Professional conferences and specialty societies
- Digital recruitment platforms
- Community recruitment materials coordinated across partners

The incentive will be positioned as part of a broader package that reflects the County's commitment to sustaining healthcare access, while maintaining clear separation from employer compensation and contractual arrangements.

Provider Selection and Onboarding

- Providers will be recruited and onboarded through the standard recruitment, credentialing, and onboarding processes of their respective employing organizations.

- Providers must meet program eligibility requirements, including provider type, FTE status, and practice location within Del Norte County.
- A separate community incentive acknowledgment or agreement will be executed between the provider and the Del Norte Healthcare District.
- Incentive agreements are distinct from employment agreements and do not modify employment terms, compensation, or expectations established by the employment entity.
- Incentive payments are contingent upon verification of start date, FTE status, and continued eligibility, as applicable within this plan.

Program Coordination and Fund Administration

The Del Norte Healthcare District serves as the fund administrator and coordinating entity for The Million Dollar Mission. In this role, the Healthcare District is responsible for administering program funds, executing incentive agreements, processing payments, and ensuring funds are distributed in accordance with approved program criteria. The Healthcare District will provide quarterly updates to the Del Norte County Recruitment and Retention Committee, including fund utilization, the number of providers supported, and program outcomes to promote transparency and informed decision-making.

Sutter Coast Hospital will support program implementation by providing APC recruitment funds to the Del Norte Healthcare District on a per-approved-APC basis. These funds will be administered through the same established processes and reporting structure as all other program funds.

Key responsibilities include confirming provider eligibility, facilitating incentive payments, tracking fund utilization, monitoring program outcomes, and supporting ongoing coordination among participating partners.

Plan Adoption

This plan is presented for adoption to the Del Norte Healthcare District by the Del Norte County Recruitment and Retention Collaboration Committee.

Membership of the Del Norte County Recruitment and Retention Collaboration Committee includes representatives from the following agencies and organizations:

- United Indian Health Services
- Sutter Coast Hospital
- Open Door Community Health Centers
- Humboldt Area Foundation
- Del Norte Healthcare District
- Del Norte County Public Health Department
- Del Norte County Board of Supervisors
- College of the Redwoods

The Million Dollar Mission
Provider Community Recruitment Incentive Application

This application is submitted for consideration under The Million Dollar Mission, a community-funded recruitment and retention initiative administered by the Del Norte Healthcare District. Submission of this application does not guarantee funding and is subject to eligibility, approval, and availability of funds in accordance with the adopted plan.

Provider Information

Provider Name: _____ Degree (MD / DO / DDS / NP / PA): _____

Primary Specialty: _____

Email Address: _____ Phone Number: _____

Mailing Address: _____

Employment Information

Employing Organization: _____

Primary Practice Location (Del Norte County): _____

Employment Start Date: _____ Anticipated Clinical FTE: _____

Incentive Request

☐ Physician – Full-Time (0.8–1.0 FTE): $50,000
☐ Physician – Part-Time (0.5–0.7 FTE): $25,000
☐ APC – Full-Time (0.8–1.0 FTE): $25,000
☐ APC – Part-Time (0.5–0.7 FTE): $12,500

Practice/Group/Employer Signature: _____ Date: _____

Program Acknowledgment

By signing below, I acknowledge that this is a one-time, non-wage, non-performance-based community recruitment incentive administered by the Del Norte Healthcare District under The Million Dollar Mission. Eligibility requires execution of an employment agreement or offer acceptance on or after July 1, 2026. This incentive is separate from employment compensation and includes an expected two-year commitment to practice in Del Norte County, with eligibility for a one-time retention incentive after two years, contingent upon a commitment of an additional two years. I further acknowledge and agree that if I voluntarily terminate my employment, reduce my clinical commitment below the level associated with the awarded incentive, or otherwise fail to provide clinical services in Del Norte County for the full two year commitment period, I will be required to repay the incentive funds on a prorated basis. Repayment will be calculated based on the portion of the two-year service obligation not fulfilled, unless otherwise approved in writing by the Del Norte Healthcare District.

Provider Signature: _____ Date: _____

Del Norte Healthcare District Use

Payment Approval Signature: _____ **Date:** _____

Del Norte County Million Dollar Mission
Provider Recruitment and Retention Program Management Tool

	Provider Tracker											
	Provider Name	Specialty	Employment Location	FTE	Provider Type (Physician/DDS/APC)	Application Date	Status (Applied/Approved/Denied)	Request Type (Recruitment/Retention)	Requested Amount	Approved Amount	Payment Date	Notes
Example	Dr. Excited	Family Medicine	UIHS	Full Time	Physician	7/5/2026	Approved	Recruitment	$ 50,000.00	$ 50,000.00		
	Summary	Total FTE Recruited		0				Total Amount Allocated		0		
		Total FTE Retained		0				Balance Remaining		0		

	Fund Summary			
	Funding Source	Funds Requested	Funds Request Date	Fund Amount Received
Example	Health Care District	$ 350,000.00	7/1/2026	$ 350,000.00
		Total Funds Received		0

Secretary Report **June 2026**

We received a Thank You card from the Del Norte Safe and Sober 2026 class.

I have included an email from Dwayne Lemos from Open Door with an update regarding the status of the lobby windows.

Attached is a report from the termite inspection. There is a comment regarding the gutters rusting and needing fixed.

It has been a quiet month. I have been working on completing items to close out the fiscal year.

8

Del Norte Healthcare District

From: Dwayne A. Lemos <dlemos@opendoorhealth.com>
Sent: Tuesday, June 16, 2026 7:46 AM
To: Shauna Burdick; Sarah Ross; Del Norte Healthcare District
Cc: Natasha Wood; Koreen Nagle; Charles Osborn
Subject: Update: Lobby/Waiting Rm Glass Repair
Attachments: Est_36189_from_Eureka_Glass_Company_Inc._12852.pdf

Hi All,

This is an update on the replacement of the broken glass in the lobby/waiting area at the Del Norte Community Health Center.

When the windows were initially damaged, Redwood Glass (Fortuna) was the only company available to respond. Eureka Glass, who originally installed the Wellness Center windows, had declined the project at that time. Eight months later, Redwood Glass is experiencing staffing shortages and is unable to complete the work. Eureka Glass has now agreed to take on the project. They conducted an initial site visit and will return this week to verify all measurements. The current target for replacement is mid-July.

Because no suitable lifts are available locally, a specialized lift will need to be rented and transported from Fortuna. The work will most likely occur during regular clinic hours. We are hopeful for favorable weather so that the temporary lack of windows in that section of the lobby will not be disruptive.

I will provide a more detailed schedule once it is confirmed. Please let me know if you have any questions or concerns in the meantime.

Thank you,
DL

Dwayne Lemos
Director – Corporate Services
Open Door Community Health Centers, Inc.
3696 Jacob's Ave
Eureka, CA 95501
707-498-6621 cell
707-826-9928 fax
dlemos@opendoorhealth.com

Maintenance Requisitions
facilities@opendoorhealthc.om or Ext: 2626

EUREKA GLASS COMPANY, INC
CONSTRUCTION DIVISION
2664 Myrtle Avenue
Eureka, Ca. 95501
707-443-7007 / 707-443-7010 Fax

License #770569

Construction Estimate

Date	Estimate #
6/15/2026	36189

Customer Address	Job Address
Open Door Community Health Center 1275 8th St Arcata, CA 95521	550 E Washington Blvd Crescent City CA 95531

Estimate Valid for 30 Days	Entered By		Estimator	
	AF		JC	
Description	**Qty**	**Rate**	**Location**	**Total**
Thermalsun Insulated Units with 10 Year Warranty				
60 x 78 x 84 1" OA 1/4" Bronze over 1/4" Clear Glass with Mill Spacer TEMPERED	1	1754.66		1,754.66T
60 x 60 1/4" Bronze over 1/4" Clear Glass with Mill Spacer TEMPERED	1	1160.10		1,160.10T
Sealant		80.00		80.00T
Commercial Labor		7560.00		7,560.00
Lift		3200.00		3,200.00
Final measure scheduled for Thursday 6/18/26. Please sign and return if you'd like to proceed. Thank you.				

D Linn 6/16/26

P.O. # 11/11456

This Construction estimate becomes binding upon signature. **Please review carefully.** RETURN SIGNED COPY to SCHEDULE JOB. PAYMENT IS DUE IN FULL AT TIME OF JOB. **Customer is responsible for removal or reinstallation of window coverings,alarms, the painting/staining of new trim.**	**Subtotal**	$13,754.76
	Sales Tax (8.25%)	$247.07
	Total	$14,001.83

Signature _____

707 PEST SOLUTIONS

Annual Termite Renewal Inspection Checklist

JUN 23 2026

Customer Name: Del Norte Healthcare District
Address: 550 E Washington Blvd

Exterior:

1. Foundation Type:
- ____ Post and Pier
- ____ Hollow Block
- _X_ Solid Pour
- ____ Combination
- ____ Brick Veneer Perimeter
- ____ Slab
- ____ Perimeter Footing
- ____ Manufactured Metal Frame and block

2. Construction Type:
- ☐ Basement
- ☐ Crawl
- ☐ Manufactured Home
- ☐ Pier & Post
- ☒ Slab
- ☐ Other

3. Siding Type:
- ☑ Stucco
- ☒ Fiber Cement
- ☐ Shingle
- ☐ Metal
- ☐ Wood Lap
- ☐ Wood Panel
- ☐ Log
- ☐ Vinyl
- ☐ Brick/Stone
- ☐ (EIFS)
- ☐ Other

Is there 3 inches or more of clearance from siding to soil?
Yes _X_ No ____
Which side does soil need to be lowered?
____

4. Firewood storage:
Yes ____ No _X_
Distance away from Home:
____

5. Is there a well, cistern, or pond?
Yes ____ No _X_
Distance away from Home:

6. Conducive Conditions Termites seek:

Landscape Timbers	Yes ____ No _X_	Irregular Grading	Yes ____ No _X_	Wood to Ground	Yes ____ No _X_
Mulch	Yes ____ No _X_	Gutters/Splash Guards	Yes _X_ No ____	Cellulose debris	Yes ____ No _X_
Sprinklers	Yes ____ No _X_	Standing Water	Yes ____ No _X_		
Tree Stumps	Yes ____ No _X_	Deck/Fence	Yes ____ No _X_		

Comments: ____

Interior:

1. Structural Conditions:

Water leaks/moisture:	Yes _X_ No ____	Comments : Gutters are rusting and need repair.
Moisture Conditions:	Yes _X_ No ____	Comments : ____
Earth-to-Wood contact:	Yes ____ No _X_	Comments : ____
Inaccessible areas:	Yes ____ No _X_	Comments : ____
Wood to slab:	Yes ____ No _X_	Comments : ____
Subfloor Insulation:	Yes ____ No _X_	Comments : ____
Ventilation Lacking:	Yes ____ No _X_	Comments : ____

2. Evidence of pest found?: No evidence of subterranean termits.
Locations : ____

3. Heating system:
- ☐ Plenum
- ☐ Subslab Duct
- ☒ Overhead Duct
- ☐ Subarea Duct
- ☐ Radient
- ☐ Fireplace
- ☐ ____

Issues Noted with Heating System:
____ 124 LF

4. If working in the attic, Estimated insulation energy rating in the attic: ____ **Type:** ____

Additional Insulation Recommended: **Yes** ____ **No** ____

Technician: [signature] Date: 6/10/26

This list is limited to a visual inspection of the exposed structure. There may be hidden infestations and/or damage that is not evident from visual inspection. The purpose of this inspection checklist is to document areas of concern from the exterior inspection: 1. Visible conducive conditions to infestation. 2. Visible evidence of infestations, damage, or past infestations.
Note: This list is not valid for real estate transactions. This list does not include mold or mold-like conditions. Mold is generally not a wood destroying organism and is outside the scope of this company.

Resolution No. 2026-01

Resolution Ordering an Election, Requesting County Elections to Conduct the Election, and Requesting Consolidation of the Election

Del Norte County Health Care District

Name of City or Special District
Exactly As It Will Appear on the Ballot

WHEREAS, pursuant to Elections Code Section 10002, the governing body of any city or district may by resolution request that the Board of Supervisors of the county permit the county elections official to render specified services to the city or district relating to the conduct of an election; and

WHEREAS, the resolution of the governing body of the city or district shall specify the services requested; and

WHEREAS, pursuant to Elections Code Section 10002, the city or district shall reimburse the county in full for the services performed upon presentation of a bill to the city or district; and

WHEREAS, pursuant to Elections Code Section 10400, whenever two or more elections, including bond elections, of any legislative or congressional district, public district, city, county, or other political subdivision are called to be held on the same day, in the same territory, or in territory that is in part the same, they may be consolidated upon the order of the governing body or bodies or officer or officers calling the elections; and

WHEREAS, pursuant to Elections Code Section 10400, such election for cities and special districts may be either completely or partially consolidated; and

WHEREAS, pursuant to Elections Code Section 10403, whenever an election called by a district, city or other political subdivision for the submission of any question, proposition, or office to be filled is to be consolidated with a statewide election, and the question, proposition, or office to be filled is to appear upon the same ballot as that provided for that statewide election, the district, city or other political subdivision shall, at least 88 days prior to the date of the election, file with the board of supervisors, and a copy with the elections official, a resolution of its governing board requesting the consolidation, and setting forth the exact form of any question, proposition, or office to be voted upon at the election, as it is to appear on the ballot, acknowledging that the consolidation election will be held and conducted in the manner prescribed in Section 10418. Upon such request, the Board of Supervisors may order the consolidation; and

WHEREAS, pursuant to Elections Code Section 10418, if consolidated, the consolidated election shall be held and conducted, election boards appointed, voting precincts designated, candidates nominated, ballots printed, polls opened and closed, voter challenges determined, ballots counted and returned, returns canvassed, results declared, certificates of election issued, recounts conducted, election contests presented, and all other proceedings incidental to and connected with the election shall be regulated and done in accordance with the provisions of law regulating the statewide or special election, or the election held pursuant to Section 1302 or 1303, as applicable.

WHEREAS, the resolution requesting the consolidation shall be adopted and filed at the same time as the adoption of the ordinance, resolution, or order calling the election; and

WHEREAS, various district, county, state and other political subdivision elections may be or have been called to be held on November 3, 2026;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED THAT THE governing body of the

Del Norte County Health Care District
(Name of City/District)

hereby orders an election be called and consolidated with any and all elections also called to be held on November 3, 2026 insofar as said elections are to be held in the same territory or in territory that is in part the same as the territory of Del Norte County
(Political Jurisdiction)

and requests the Board of Supervisors of the County of Del Norte to order such consolidation under Elections Code Sections 10401, 10403 and 10418.

BE IT FURTHER RESOLVED AND ORDERED that said governing body hereby requests the Board of Supervisors to permit the Del Norte County Elections Department to provide any and all services necessary for conducting the election and agrees to pay for said services, and

Check the following that apply:

☒ **BE IT FURTHER RESOLVED AND ORDERED** that the Del Norte County Elections Department conduct the election for the following offices on the November 3, 2026 ballot:

SEATS OPEN	OFFICE	TERM	DIST/DIV (if app.)
David Mason	Board Member	4 Years	Health Care District
Monica Sperling	Board Member	4 Years	Health Care District
Shelly Babich	Board Member	4 Years	Health Care District

BE IT FURTHER RESOLVED AND ORDERED that the Del Norte County Elections Department shall conduct the election for the following MEASURE(S) to be voted on at the November 3, 2026 election:
(Attachment of 75-word ballot question here)

BE IT FURTHER RESOLVED AND ORDERED THAT Del Norte County Elections Department is requested to: [Check one of the following if City/District is placing a measure on the ballot]

☐ Print the attached measure text exactly as filed or indicated on the filed document in the Voter's Information Pamphlet section of the Sample Ballot for the November 3, 2026 election. Cost of printing and distribution of the measure text will be paid for by the city/district.

☐ Not to print the measure text in the Voter's Information Pamphlet of the Sample Ballot but send a copy to voters upon request at the cost of said city/district.

BE IT FURTHER RESOLVED AND ORDERED THAT in accordance with section 9313 of the California Elections Code, the County Counsel or District Attorney is hereby directed to prepare an impartial analysis of this measure.

PASSED AND ADOPTED this 30th day of June, 2026 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

_____
Chairperson of said Governing Board

Attested: _____
Secretary

10.b.

Redwood Voice

ARTICLES, COMMUNITY NEWS, LOCAL GOVERNMENT, PARKS, YOUTH

SUPERVISORS SIDE WITH GATEWAY EDUCATION OVER FLORENCE KELLER USE, REJECT COUNTY MOU RESTRICTING DAY CAMP PROGRAM TO PICNIC AREAS

JUNE 10, 2026 | JESSICA CEJNAR ANDREWS | 0 COMMENTS

Thumbnail photo courtesy of Del Norte County

Florence Keller Regional Park is one of a handful of local spots ideal for teaching kids how to build a shelter in the wilderness, Ron Cole says.

For 25 years, Gateway Education of the Wild Rivers Coast, has used the 26-acre park with its redwood grove as an outdoor classroom to teach youngsters how to identify plants, move quietly through their environment and build the intuitive skills needed for survival, the organization's board president said.

"All of these things are pretty quiet activities," Cole told *Redwood Voice Community News* after appearing before the Del Norte County Board of Supervisors on Tuesday. "Even the games that they do to practice those skills — the kids are moving as silently as they can because they don't want to be caught — (so) the concerns about noise really weren't justified."

Three members of the Board of Supervisors on Tuesday approved a renewed memorandum of understanding with Gateway Education enabling the organization to continue to use three campsites and the former ropes course at Florence Keller for its Summer Day Camp program through 2031.

County supervisors also rejected a competing MOU Building Maintenance and Parks Director Allen Winogradov submitted that would have restricted Summer Camp activities to the parks' day-use area where he says they are more suited.

Winogradov said he has received noise complaints from visitors who were at the park during Gateway Education's Summer Day Camp program. People have also complained about traffic congestion, though he was unable to furnish written proof when District 2 Supervisor Valerie Starkey asked for it.

"The campsites he uses each time are in an area that's very congested," Winogradov said of Gateway Education. "Almost every time we've had a complaint regarding parking and we've had to go out and say, 'Hey, you can't be parking your cars here. You got to move your cars.' I've had campers who have come to me and asked me, 'Can I get my money back? I just don't want to be here anymore.' I think he runs a great program, don't get me wrong, but I think the place for it is in the dedicated day-use areas."

Board Chairman Joey Borges voted against the MOU Gateway Education submitted to the county.

"I would prefer to see the county MOU where we have our building director-parks director telling us what he needs to make this safe for everyone," he said.

Borges's motion died due to lack of a second.

District 5 Supervisor Dean Wilson was absent.

Del Norte County Risk Manager Whitney Pincombe also raised concerns that because Gateway Education is "running a business on our property" a system for inspecting the safety of the area his organization uses is needed as is sufficient insurance.

"The reason the insurance requirements are so important that we revise them is if there were some sort of a catastrophic injury and then some nuclear verdict, a $1 million or a $2 million insurance policy is not going to cover the cost that would be owed to that claimant and then we would be looked at to cover the

difference," she said. "That's a risk we would really need to consider when we're allowing people to run these survival camps on our property."

During her motion to approve the MOU Gateway Education drafted, one that was in place since 2021, Starkey said it should be modified to include the new requirements concerning insurance.

Pincombe said that would be doable.

Gateway Education charges $475 for its Summer Day Camp. According to Cole, the program is five days long and since kids need to understand that survival skills can be applied anywhere, each day is spent at a different location.

Cole said he reserves three campsites for three days, spending a total of about $180 "so we can have them for seven hours on Monday." Three vans pick the children up at the Del Norte County Library and ferry them to Florence Keller at about 8:30 a.m. They're at the park until about 4 p.m. before they're taken back to the library, Cole said.

According to Cole, there are about 18 children in the Summer Day Camp. They are divided into three groups of six, each with three counselors. There's also a cook that accompanies the youngsters to the park. Cole said the children eat lunch at the picnic tables at the campsites.

"We have a very strong pack it in, pack it out policy," he said, adding that there are up to five vehicles including the three vans. "But when you're making food from scratch and everything, there's no processed food, no packaged art pieces and not much trash. Everything fits into a bread bag."

According to the county's website, renting the small picnic area costs $60 per day while renting the large picnic area is $120 per day.

Another county park, Ruby Van Deventer along North Bank Road is also a venue for Gateway Education's Summer Day Camp. Because it's alongside the Smith River, the environment is very different from Florence Keller.

"It allows some other activities that can be done," Cole said. "For example, when we do tracking exercises... you have the whole river area over there. You can turn over rocks, you can make a trail through different kinds of ecosystems and each year we change the location so the kids never know what to expect if they come back."

During Tuesday's meeting, Winogradov said he has had to issue refunds "probably dozens of times" and the only time he receives complaints about congestion are during the Summer Camp program.

Starkey asked Winogradov if he asked Gateway Education representatives to move their vehicles to which he answered in the affirmative.

The parks director said that the MOU Gateway Education had with the county until it expired in September didn't explicitly forbid use of the campsites. There are also signs throughout the campground prohibiting picnicking in the camping areas, though Winogradov said they were put in place before he worked for the county.

Starkey noted that campers often hold family reunions with a lot of people taking up three campsites.

"Outside of the liability that Whitney (Pincombe) was talking about earlier which is not insurmountable, I would think, I just don't see why the need to insert in your version 'individual campsites are not to be used for day camps,'" Starkey said. "I don't really understand what the big problem is. You brought up parking, that's not insurmountable either. I see there is obviously conflict here, but I'm not understanding why somebody couldn't rent three campsites and use them during the day."

Following the meeting, Cole said he didn't understand why Winogradov was so insistent that Gateway Education use the day-use areas, which is closer to the highway and is "counter to what we're trying to do, which is get the kids in nature."