

Del Norte Healthcare District  
Board of Directors Meeting

Agendized  
Board Packet

Tuesday March 24, 2026

**March**  
**2/19/2026 – 3/18/2026**

**4A**

<u>DATE</u>	<u>NAME</u>	<u>DESCRIPTION</u>	<u>CK#</u>	<u>AMOUNT</u>
2/19	McMillan & Mayle	January Service	11103	1020.00
2/19	CCWS	510 location	11104	62.09
2/19	CCWD	550 location	11105	405.92
2/19	Pacific Power	510 location	11106	639.05
2/19	Pacific Power	550 location	11107	3415.62
2/25	Edward Jones	SEP IRA contribution	11108	410.00
2/25	Dwayne Reichlin	2 <sup>nd</sup> qrt. Medicare	11109	608.70
2/25	Mike Young	2 <sup>nd</sup> Qrt. Medicare	11110	558.70
2/26	DIR	elevator inspection	11111	125.00
2/26	Doris Hendricks	Feb. Payroll	DD	1447.93
2/26	U.S. Treasury	Feb. payroll taxes	EFT	317.53
3/2	Katie Wheeler	March Inv.	EFT	200.00
3/2	Wen-Cor	Feb. service	11112	300.00
3/4	Peggy Thomas	RX reimbursement	11113	112.31
3/5	Peggy Thomas	RX reimbursement	11114	552.21
3/9	Food Hub	Funds request	11115	20000.00
3/9	Terry Krieg	Audit 1 <sup>st</sup> payment	11116	9000.00
3/9	D.N.O.S	Supplies	11117	140.66
3/11	Tri Counties Bank	Credit Card	11118	559.80
		Constant Contact	55.00	
		Amazon/adaptor	18.26	
		Microsoft monthly	43.20	
		AirMedCare	375.00	
		T. Mobile	61.97	
		Walmart/phone cable	6.37	
3/17	Clarke Moore	Dental reimbursement	11119	<u>568.00</u>
<b>Total</b>				<b>40,443.52</b>

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**Del Norte Healthcare District  
Financial Report  
February 28, 2026**

ACCOUNT	February 1, 2026		February 28, 2026
	Bk./Inv. Acct. Bal.	Note Payable	45,991.00
LAIF (Investment Account)	3,946,374.18		3,946,374.18
Tri Counties- Bus. Cking. Acct.	53,566.17		104,856.00
Tri Counties - Money Mkt. (holding) Acct.	293,364.15		243,366.58
Tri Counties- W.C. USDA Auto Pay	0.00	closed acct.	0.00
<b>TOTAL BK./INV. ACCT BALANCES</b>	<b>4,293,304.50</b>	<b>0.00</b>	<b>4,294,596.76</b>

BUDGET CATEGORY INCOME	Anticipated Income	Income Received To Date	Remaining/(Surplus) Anticipated Income
Interest LAIF & bank Accts	140,000.00	125,352.21	14,647.79
Tax Receipts	765,000.00	478,817.79	286,182.21
Rent (Open Door \$ 10250.00)	123,000.00	82,000.00	41,000.00
DHHS Lease (\$6800.00)	0.00		0.00
Utility Reimbursement 80%	72,000.00	38,145.97	33,854.03
Insurance Reimbursement Pers-D/V/RX	1,000.00	150.00	850.00
Miscellaneous Income	1,000.00	14,008.11	-13,008.11
<b>Sub-Total</b>	<b>1,102,000.00</b>	<b>738,474.08</b>	<b>363,525.92</b>
<b>TOTAL AVAILABLE RESOURCES</b>	<b>1,102,000.00</b>	<b>724,529.08</b>	<b>363,525.92</b>

EXPENDITURES	Annual Budget	Paid to Date	Budget Amt. Available
<i>Personnel Expenses</i>			
Payroll	24,000.00	12,434.52	11,565.48
General Benefits/SSI/EDD/WC	14,000.00	6,509.55	7,490.45
Cal Pers	45,000.00	28,663.79	16,336.21
Dental, Vision, RX	30,000.00	6,288.36	23,711.64
Past Board Health Benefits	15,000.00	6,676.88	8,323.12
<b>TOTAL PERSONNEL EXPENSES</b>	<b>128,000.00</b>	<b>60,573.10</b>	<b>67,426.90</b>
<i>Operating Expenses</i>			
Pacific Power	42,500.00	32,479.44	10,020.56
Blue Star Gas	32,500.00	13,150.72	19,349.28
Crescent City W & S	21,000.00	3,801.27	17,198.73
Telephone & Internet	6,000.00	1,969.59	4,030.41
Office Supplies and Expenses	4,000.00	2,829.76	1,170.24
Training & Education	3,000.00		3,000.00
Memberships	4,000.00	3,632.00	368.00
<b>TOTAL UTILITIES AND OFFICE EXPENSE</b>	<b>113,000.00</b>	<b>57,862.78</b>	<b>55,137.22</b>
<i>Professional Services Expenses</i>			
Legal	10,000.00		10,000.00
Accounting	20,000.00	4,495.00	15,505.00
Election Expense			
Insurance	28,000.00	27,839.18	160.82
Other Professional	5,000.00	1,028.70	3,971.30
<b>TOTAL PROFESSIONAL EXPENSE</b>	<b>63,000.00</b>	<b>33,362.88</b>	<b>29,637.12</b>

**DEL NORTE HEALTHCARE DISTRICT**  
**MONTHLY FINANCIAL REPORT PAGE 2**  
**28-Feb-26**

<b>Budget Category</b>		<b>Annual Budget</b>	<b>Paid to date</b>	<b>Budget Amt. Available</b>
<b>Building Maintenance</b>				
Materials & Supplies		10,000.00		10,000.00
Grounds Keeping		15,000.00	8,160.00	6,840.00
Maintenance Services		25,000.00	10,300.50	14,699.50
<b>TOTAL BUILDING MAINTENANCE</b>		<b>50,000.00</b>	<b>18,460.50</b>	<b>31,539.50</b>
<b>Contributions</b>				
High School Scholarship (\$500.00 x 4)		2,000.00		2,000.00
Childcare Scholarship		5,000.00		5,000.00
CR Nursing Scholarship		10,000.00	10,000.00	0.00
Grad Night Safety Program		500.00		500.00
Sharps Containers		500.00	225.00	275.00
Food Hub Operations		24,000.00		24,000.00
Non-Emergency Transport		10,000.00		10,000.00
Gateway Education		51,000.00		51,000.00
Swim Lessons		41,000.00	8,393.00	32,607.00
Senior Swim Passes		48,000.00	28,250.00	19,750.00
Public Swim Project		13,000.00	6,525.00	6,475.00
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
<b>TOTAL CONTRIBUTIONS</b>		<b>446,000.00</b>	<b>294,393.00</b>	<b>151,607.00</b>
<b>Projects</b>				
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
Blueberry Legacy		5,000.00		5,000.00
<b>TOTAL PROJECTS</b>		<b>216,000.00</b>	<b>48,150.50</b>	<b>167,849.50</b>
<b>Building Repairs</b>				
510 E. Washington		35,000.00	34,583.85	416.15
510 Roof		60,000.00	650.00	59,350.00
Open Door		40,000.00	0.00	40,000.00
<b>TOTAL REPAIRS</b>		<b>135,000.00</b>	<b>35,233.85</b>	<b>99,766.15</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>1,151,000.00</b>	<b>548,036.61</b>	<b>602,963.39</b>
<b>CAPITAL EXPENSES</b>				
Fixed Assets		0.00		0.00
<b>TOTAL CAPITAL EXPENSES</b>		<b>0.00</b>		<b>0.00</b>
<b>TOTAL OPERATING &amp; CAPITAL EXPENSES</b>		<b>1,151,000.00</b>	<b>548,036.61</b>	<b>602,963.39</b>
CONTINGENCY FUND		0.00		0.00
<b>TOTAL OPERATING EXPENDITURES</b>		<b>1,151,000.00</b>	<b>548,036.61</b>	<b>602,963.39</b>
<b>TOTAL ANTICIPATED INCOME</b>		<b>1,102,000.00</b>		<b>1,102,000.00</b>
<b>MINUS OPERATING EXPENDITURES</b>		<b>1,151,000.00</b>		<b>1,151,000.00</b>
<b>SURPLUS</b>		<b>-49,000.00</b>		

**Minutes of the Regular Board Meeting  
Del Norte Healthcare District  
February 24, 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 Pearcey & Mason. Vice Chair/Treasurer Babich and Chair Caldwell.  
Absent: Excused absence Director Young.
3. **PUBLIC COMMENT:** None
4. **CONSENT CALENDAR:**
  - a. Ratification of invoices paid from 1/22/2026 – 2/18/2026.
  - b. Approval of financial report for January 2026.

Director Pearcey made a motion to approve. Director Mason seconded the motion.
5. **REVIEW/POSSIBLE REVISION AND APPROVAL OF THE MINUTES FROM THE JANUARY 27, 2026, MEETING.**  
  
Director Pearcey made a motion to approve the minutes as written. Director Mason seconded the motion.
6. **COMMUNICATIONS:**
  - a. Open Door: Annabelle Dominguez.
    1. Discussion/Possible action regarding the Shower Program and Thursday Food drop off.  
  
Present for discussion: Charlaine Mazzei from the Del Norte Senior Center, Daphne Cortese-Lamber from Mission Possible, Annabelle Dominguez from Open Door Clinic and Shauna from Open Door Clinic

Medical Van services.

Chair Caldwell started the discussion with finding solutions for some of The issues that have come up on Tuesday Shower Program days. Charlaine Mazzei informed the board that the Shower Program would be Relocating to a new location. She did not feel that they could meet the Board's expectations. Chair Caldwell stated that he was sorry that something could not be worked out and that if anything is needed at the new Location and the board can help, please ask.

b. Sutter Coast Hospital: Mike Lane,

Construction on the Psychiatric facility to be completed in May. We hope to be open in July 2026. We have purchased 785 E. Washington Blvd and will be taking that over by July, pending tenants will be able to relocate. Construction will be starting and plans include an urgent care, wound care, physical therapy, occupational therapy and primary care services.

**7. COMMITTEE REPORTS:**

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

Nothing to report at this time.

**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 potential loans for the Food Hub build.

Director Babich, I have been working with CSDA regarding a loan for the food hub project and it will not be a problem getting the loan needed.

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

Director Pearcey, We are waiting for the meeting date to be set.

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

Janel reported that they are wrapping up C.H.I.P and are moving on to the sub-committees.

**D. HEALTH PROMOTION:**

1. **Swimming Programs: (Director Young).**  
Reports were attached.

Director Pearcey to speak with Eric Wier in regard to the criteria for the senior passes.

2. **Non-emergency Transport: (Director Young)**  
Nothing to report

8. **REPORT OF THE EXECUTIVE SECRETARY:** See attached report.

9. **UNFINISHED BUSINESS:**

10. **NEW BUSINESS:**

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:**

15. **ADJOURNMENT:** The meeting adjourned at 6:30 p.m.

Minutes prepared and submitted by:

Minutes approved by:

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Doris Hendricks, Executive Secretary

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Dave Mason, Board Secretary

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

**DEL NORTE HEALTHCARE DISTRICT  
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JUNE 30, 2025**

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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 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 all 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 with accounting 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.

### *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 March 6, 2025, 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, CPA  
Santa Rosa, California  
March 6, 2025

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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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 \$4,168,851 fund balance which is about a \$451,000 increase over the fiscal 2024 fund balance.

### 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.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**Table A-1**

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

<u>Features</u>	<u>Fund Statements</u>	
	<u>Government Wide Statements</u>	<u>Governmental Funds</u>
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:

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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- *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 including prior period adjustments (See Table A-2, rounded to nearest hundred))

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

	2025	2024	Percentage Change 2024-2025
<b>Assets:</b>			
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)
<b>Total assets</b>	<b>10,528,400</b>	<b>10,366,500</b>	<b>2</b>
<b>Liabilities:</b>			
<b>Other liabilities</b>	81,900	12,500	555%
Total OPB Liability	24,500	24,500	
<b>Total liabilities</b>	<b>106,400</b>	<b>37,000</b>	<b>288%</b>
<b>Deferred inflows of Resources</b>			
Leases related	285,200	491,700	(40)
<b>Net position:</b>			
Net investment in capital assets	5,994,700	6,144,700	(3)
Restricted	4,142,100	3,693,100	12
<b>Total net position</b>	<b>\$10,136,800</b>	<b>\$9,837,800</b>	<b>3%</b>

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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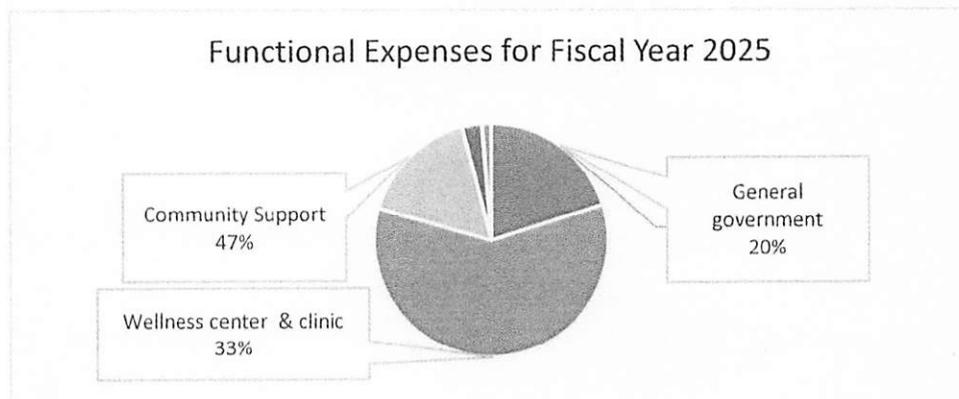
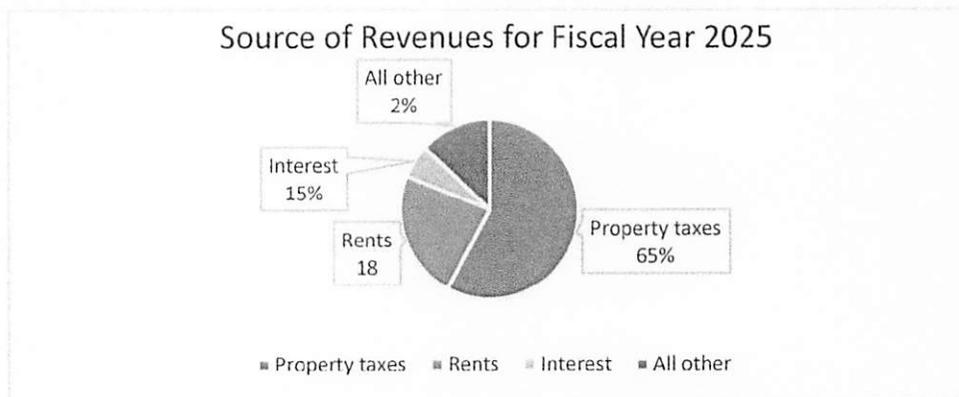
### FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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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)**

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

The district's net increase in 2025 net position was about \$299,000 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.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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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 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**

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

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 organisations.

**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.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**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) On 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	
	<u>1,340,300</u>	<u>1,340,300</u>	
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	<u>4,654,500</u>	<u>4,804,400</u>	
<b>Total</b>	<b><u>\$5,994,800</u></b>	<b><u>\$6,144,700</u></b>	<b>(2) %</b>

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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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  
GOVERNMENTAL 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
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Noncurrent assets:

Leases	164,768
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Capital assets:

Land	1,340,293
Depreciable capital assets - net	4,654,418

Total capital assets	5,994,711
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Total noncurrent assets	6,159,479
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Total assets	10,528,438
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**LIABILITIES**

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
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**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)
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**GENERAL REVENUES**

Property taxes	799,828
Interest	179,433
Total general revenues	979,261

Increase in net position	299,008
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Net Position – beginning of year	9,837,836
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Net position – end of year	\$ 10,136,844
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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**

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

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	<u>5,994,711</u>
Total net position of governmental activities	<u>\$10,136,844</u>

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**

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

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	<u>(1,730)</u>
Change in net position of governmental activities	<u>\$ 299,008</u>

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

**DEL NORTE HEALTHCARE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**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.

**DEL NORTE HEALTHCARE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025**

**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.

**DEL NORTE HEALTHCARE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025**

**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.

**DEL NORTE HEALTHCARE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025**

**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.

**DEL NORTE HEALTHCARE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025**

**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.

**DEL NORTE HEALTHCARE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025**

**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 \$3,825,601 which 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.

**DEL NORTE HEALTHCARE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025**

**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.

	<u>LAIF Holdings</u>
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.

**DEL NORTE HEALTHCARE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025**

**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	<u>          </u>
<b>Total</b>		<u><b>\$4,107,458</b></u>

**B. CAPITAL ASSETS**

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

	<u>Beginning of Fiscal Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Fiscal Year</u>
<b>Non-depreciable assets:</b>				
Land	<u>\$1,340,293</u>	<u>\$</u>	<u>\$</u>	<u>\$1,340,293</u>
<b>Total non-depreciable assets</b>	<u>1,340,293</u>			<u>1,340,293</u>
<b>Depreciable capital assets</b>				
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	<u>192,780</u>	<u>4,919</u>		<u>197,699</u>
<b>Total depreciable capital assets</b>	<u>8,374,506</u>	<u>64,854</u>		<u>8,439,360</u>
<b>Accumulated depreciation</b>				
Buildings and improvements	(3,386,603)	(212,813)		(3,599,416)
Equipment	<u>(183,527)</u>	<u>(1,999)</u>		<u>(185,526)</u>
<b>Total accumulated depreciation</b>	<u>(3,570,130)</u>	<u>(214,812)</u>		<u>(3,784,942)</u>
<b>Net depreciable capital assets</b>	<u>4,804,376</u>	<u>(149,958)</u>		<u>4,654,418</u>
<b>Total capital assets</b>	<u>\$6,144,669</u>	<u>\$(149,958)</u>	<u>\$</u>	<u>\$5,994,711</u>

**DEL NORTE HEALTHCARE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025**

**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

**DEL NORTE HEALTHCARE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025**

**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.

**DEL NORTE HEALTHCARE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025**

**2. DETAIL NOTES**

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

	<i>Changes in Total OPEB Liability</i>
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	Discount Rate	1% Increase
	2.65	3.65%	4.65%
Total OPEB Liability	\$ 26,446	\$ 24,488	\$ 22,762

**DEL NORTE HEALTHCARE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025**

**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.

**DEL NORTE HEALTHCARE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025**

**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's appropriations limit is undeterminable at the present time. Actions are planned to retroactively recalculate the appropriations limit and make such information available as part of the district's commitment to transparency in local government.

**DEL NORTE HEALTHCARE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025**

**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.

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

**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 SCHEDULE  
JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance Final
	Original	Final		Budget Positive (Negative)
<b>Revenues:</b>				
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)
<b>Total revenues</b>	<b>1,133,720</b>	<b>1,133,720</b>	<b>1,240,757</b>	<b>107,037</b>
<b>Expenditures:</b>				
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
<b>Projects:</b>				
Beach front exercise equipment	150,000	150,000	48,150	101,850
Kids Town hard surface	300,000	300,000		300,000
<b>New Projects</b>				
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
<b>Capital:</b>				
Building repairs	30,000	35,000		35,000
Contingency	20,000	20,000		20,000
<b>Total expenditures</b>	<b>1,776,300</b>	<b>1,512,600</b>	<b>790,061</b>	<b>722,539</b>
<b>Net change in fund balance</b>	<b>(642,580)</b>	<b>(378,880)</b>	<b>450,696</b>	<b>829,576</b>
<b>Fund balance beginning</b>	<b>3,718,955</b>	<b>3,718,955</b>	<b>3,718,955</b>	<b>-</b>
<b>Fund balance, ending</b>	<b>\$3,076,375</b>	<b>\$3,340,075</b>	<b>\$ 4,169,651</b>	<b>\$829,576</b>

**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**

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b>Total OPEB Liability:</b>				
Service cost:				
Interest	\$ 632	\$ 878		
Change in benefit terms				
Differences between expected and Actual experience				
Changes of assumptions	(3,085)	(203)		
Benefit payments	<u>(1,976)</u>	<u>(1,994)</u>		
Net change in total OPEB liability	(4.429)	(1,319)		
Total OPEB liability, beginning of year	<u>30,236</u>	<u>25,807</u>	<u>24,488</u>	<u>24,4878</u>
Total OPEB liability, end of year	<u>\$ 25,807</u>	<u>\$24,488</u>	<u>\$24,488</u>	<u>\$24,488</u>

**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  
Working Trial Balance  
June 30, 2025

A-100  
TEK 1/12/2026

Account Name	Account Number	6/30/2024	Quickbooks GL 6/30/2025	Debits	Credits	Quickbooks GL 6/30/2025	Reference
LAIF Confirmed	1001	\$ 3,322,806.89	\$ 3,821,021.97			\$ 3,821,021.97	C200
FV adjusrment		\$ (12,241.09)	\$ (12,241.09)	\$ 16,819.85		\$ 4,578.76	C200
Tri Counties Bus checking	1050	\$ 38,811.69	\$ 44,215.36			\$ 44,215.36	B301
Unknown amount		\$ -				\$ -	
Tri-Counties Holding	1015	\$ 246,792.31	\$ 237,641.90			\$ 237,641.90	B400
Cash In Quick Books	1000	\$ 0.40				\$ -	
Tri-Counties USDA	1007					\$ -	
Holding account			\$ 356.24			\$ 356.24	
Current receivables	1100	\$ 4,235.54	\$ 4,235.55	\$ 6,173.32	\$ (4,235.55)	\$ 6,173.32	D400
Interest receivable LAIF		\$ 37,495.85	\$ 37,495.85	\$ 41,863.82	\$ (37,495.85)	\$ 41,863.82	D200
Interest receivable LAIF						\$ -	
Taxes Interest receivable	1210	\$ 85,842.62	\$ 85,842.61	\$ 91,567.20	\$ (85,842.61)	\$ 91,567.20	D200
DHS lease current	1227	\$ 87,720.00	\$ 87,720.00		\$ (87,720.00)	\$ -	D300
DHS lease long-term	1226					\$ -	
Open door lease current	1224	\$ 142,294.92	\$ 142,294.92		\$ (20,754.75)	\$ 121,540.17	D300
Open door lease long-term	1223	\$ 408,602.43	\$ 266,307.57		\$ (101,540.07)	\$ 164,767.50	D300
Open door lease long-term		\$ (142,294.86)				\$ -	
<b>Prepayments</b>							
Deposits Prepalds	1430	\$ 1,789.00				\$ -	
Deposits Pacific Power		\$ -				\$ -	
Land wellness center	1660	\$ 1,283,773.18	\$ 1,283,773.18			\$ 1,283,773.18	I200
Land PPC	1646	\$ 56,520.00	\$ 56,520.00			\$ 56,520.00	I200
Parking lot		\$ 84,334.26	\$ 84,334.26			\$ 84,334.26	I200
Fencing		\$ 27,316.45	\$ 27,316.45			\$ 27,316.45	I200
Wellness center equipment		\$ -				\$ -	
Clinic equipment	1641	\$ 87,743.30	\$ 87,743.30			\$ 87,743.30	I200
Office equipment	1643	\$ 105,036.64	\$ 105,036.64			\$ 105,036.64	I200
Bus corral camera poer				\$ 4,918.96		\$ 4,918.96	I-300
Wellness center building	1650	\$ 7,552,031.14	\$ 7,552,031.14			\$ 7,552,031.14	I200
Clinic land improvement	1612	\$ 17,261.25	\$ 17,261.25			\$ 17,261.25	I200
Clinic building	1621	\$ 10,443.20	\$ 10,443.20			\$ 10,443.20	I200
Porch	1645	\$ 48,780.90	\$ 48,780.90			\$ 48,780.90	I200
Bus parking corral				\$ 59,935.00		\$ 59,935.00	I-300
PPC building PPC land	1647	\$ 114,519.62	\$ 114,519.62			\$ 114,519.62	I200
PPC building PPC land	1644	\$ 327,040.41	\$ 327,040.41			\$ 327,040.41	I200
Accumulated depreciation	1700						
Accumulated depreciation	1743	\$ (2,410.68)	\$ (2,410.68)			\$ (2,410.68)	I200
Accumulated depreciation	1700	\$ (3,352,908.52)	\$ (3,567,720.52)		\$ (214,812.00)	\$ (3,782,532.52)	I200
Accumulated depreciation	2024	\$ (214,812.00)					
<b>TOTAL ASSETS</b>		<b>\$ 10,366,524.85</b>	<b>\$ 10,859,560.03</b>	<b>\$ 221,278.15</b>	<b>\$ (552,400.83)</b>	<b>\$ 10,528,437.35</b>	<b>FS</b>

**Del Norte Healthcare District**  
**Working Trial Balance**  
**June 30, 2025**

Account Name	Account Number	Quickbooks GL		Debits	Credits	Quickbooks GL		A-101
		6/30/2024	6/30/2025			6/30/2025	TEK	
								1/12/2026
								Reference
Accounts payable	2000	\$ (11,211.34)			\$ (78,679.12)	\$ (78,679.12)		BB300
Contract payable						\$ -		
Payroll liabilities	2100	\$ (1,300.00)	\$ (1,300.00)	\$ 1,300.00	\$ (3,030.00)	\$ (3,030.00)		CC-300
CA PIT			\$ 105.06			\$ 105.06		
FEDERAL Taxes			\$ (315.22)			\$ (315.22)		
Accounts payable		\$ -				\$ -		
OPEB Payable	2100-1	\$ (24,488.00)	\$ (23,933.00)		\$ (555.00)	\$ (24,488.00)		CC-100
Compensated absences						\$ -		
Payable Del Norte CTY	2000					\$ -		
Deferred revenue	2700					\$ -		
USDA loan payable	2185	\$ -				\$ -		
<b>Total liabilities</b>		<b>\$ (36,999.34)</b>	<b>\$ (25,443.16)</b>			<b>\$ (106,407.28)</b>		
Deferred inflows	2750	\$ (491,690.67)	\$ (491,690.67)	\$ 206,503.30		\$ (285,187.37)		D300
<b>NET POSITION</b>		<b>\$ 9,837,834.84</b>	<b>\$ 10,342,426.20</b>			<b>\$ 10,136,842.70</b>		
Net position beginning		\$ (9,331,980.87)	\$ (9,837,834.84)			\$ (9,837,834.84)		
Property tax beginning								
Accumulated depreciation								
Vacation								
Property tax 2022								
Notes receivable								
Prior year AP, OPEB VAC								
Prepaid insurance								
		<b>\$ (9,331,980.87)</b>	<b>\$ (9,837,834.84)</b>			<b>\$ (9,837,834.84)</b>		
Interest banks	4230	\$ (120,501.45)	\$ (158,245.02)	\$ 37,495.85	\$ (41,863.82)	\$ (162,612.99)		D200
LAIF Fair Value		\$ (26,896.87)			\$ (16,819.85)	\$ (16,819.85)		C200
Property taxes	4210	\$ (723,071.63)	\$ (753,425.01)	\$ 85,842.61	\$ (132,245.20)	\$ (799,827.60)		D200
Property taxes Fee Cty	2023	\$ (35,015.00)				\$ -		
Property tax 2023								
Rent Interest		\$ (1,314.06)				\$ -		
Principal Yuan note	6653							
Interest leases					\$ (685.15)	\$ (685.15)		
Rent open door A-202	A1AA	\$ (122,214.16)	\$ (123,000.00)	\$ 123,000.00	\$ (122,214.16)	\$ (122,214.16)		D300
Rent DHHS A-202	A1AA	\$ (84,309.17)	\$ (87,720.00)	\$ 87,720.00	\$ (84,309.17)	\$ (84,309.17)		D300
Utility reimbursements	A1AA	\$ (51,280.64)	\$ (52,350.06)	\$ 4,235.55	\$ (6,173.32)	\$ (54,287.83)		
Insurance reimbursements	4130	\$ (300.00)				\$ -		
General revenue	4200					\$ -		
Miscellaneous	66900	\$ (89.15)				\$ -		
<b>TOTAL REVENUES</b>		<b>\$ (1,164,992.13)</b>	<b>\$ (1,174,740.09)</b>			<b>\$ (1,240,756.75)</b>		

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<b>Personnel:</b>												
Payroll	6560	\$	18,369.18	\$	18,705.99	\$	3,030.00	\$	(1,300.00)	\$	20,435.99	
Payroll taxes	5150/5160	\$	6,070.42	\$	3,698.91					\$	3,698.91	
Medical reimbursement	5173	\$	6,383.27	\$	14,941.88	\$	555.00			\$	15,496.88	
Medical reimbursement	5510	\$	390.00			\$	1,628.00			\$	1,628.00	BB-300
CalPERS	5510	\$	34,030.65	\$	38,138.02					\$	38,138.02	
Dental vision	5171	\$	8,688.84							\$	-	
SEP Contribution	5210	\$	2,140.00	\$	5,252.50					\$	5,252.50	
<b>Utilities:</b>												
All utilities	5660	\$	66,498.29	\$	66,966.25					\$	66,966.25	
Pacific power	5660					\$	2,472.00			\$	2,472.00	BB-300
Blue star gas	5660											
Crescent City WS	5660											
<b>General Administration:</b>												
Postage	5608	\$	354.00	\$	305.00					\$	305.00	
Internet	5605											
Telephone internet	5630	\$	1,095.58	\$	3,900.71					\$	3,900.71	
Office supplies	5611	\$	1,041.38	\$	6,755.64					\$	6,755.64	
Contracts	5200	\$	1,200.00							\$	-	
Other /land clearing	5600	\$	297.52							\$	-	
Director employee	5100									\$	-	
Accounting	5601	\$	14,912.80	\$	11,400.00	\$	2,100.00			\$	13,500.00	BB-300
Tax collection		\$	35,015.00			\$	40,678.00			\$	40,678.00	D200
Election	5604			\$	360.00					\$	360.00	
Bank charges	5602	\$	60.00	\$	57.00					\$	57.00	
Memberships subscriptions	5618	\$	3,297.50	\$	3,333.00					\$	3,333.00	
Internet	5605	\$	3,123.11							\$	-	
Other/Miscellaneous	5606	\$	690.64							\$	-	
Other/Miscellaneous	5640	\$	832.65							\$	-	
Insurance & legal	5510	\$	26,432.00	\$	31,400.00					\$	31,400.00	
Printing	5609											
Office repairs												
Travel	5651											
Maintennace	5310	\$	59,683.63	\$	61,562.29			\$	(34,322.00)	\$	27,240.29	I-300
Bulding maintenance	5661	\$	1,500.15							\$	-	
Contributions:		\$	(8,269.68)							\$	-	
Highschool	5410	\$	22,225.00							\$	-	
Food hub	5430			\$	6,400.00					\$	6,400.00	
Special projects	5420	\$	115,794.55	\$	69,626.58					\$	69,626.58	
Open Door Bus OUTLAY	5440	\$	500.00	\$	30,531.96			\$	(30,531.96)	\$	-	I-300
SCHOLARSHIP	5450	\$	10,000.00	\$	12,000.00					\$	12,000.00	
Swim lessons	5420			\$	32,293.00	\$	11,466.00			\$	43,759.00	BB-300
Meals wheels	5420			\$	250,000.00					\$	250,000.00	GF20-208
Board special projecta	5420	\$	3,700.00	\$	2,520.00					\$	2,520.00	
Capital outlay												
Interest	5690											
Parking lot	5210/40	\$	-									
Building repairs		\$	8,269.68	\$	-					\$	-	
Unclassified expenses	5999									\$	-	
Board Projects												
Debt service Special Item												
<b>Special projects:</b>												
Cescent City Park equip						\$	48,150.50			\$	48,150.50	BB-300
Medical shuttle		\$	-			\$	10,717.62			\$	10,717.62	BB-300
Del Norte School hot meals		\$	-			\$	2,145.00			\$	2,145.00	BB-300
Travel		\$	-									
Depreciation		\$	214,812.00			\$	214,812.00			\$	214,812.00	I200
TOTAL EXPENSES		\$	659,138.16	\$	670,148.73	\$	883,851.43	\$	(552,728.75)	\$	941,748.89	
NET CHANGE		\$	(505,853.97)	\$	(504,591.36)	\$	1,105,129.58	\$	(1,105,129.58)	\$	(299,007.86)	
EOY NET POSITION		\$	(9,837,834.84)	\$	(10,342,426.20)					\$	(10,136,842.70)	

FS

**DEL NORTE HEALTHCARE DISTRICT**  
**Adjusting Journal Entries**  
**6/30/2025**

**TEK**  
**2/21/2026**

Account Description	Account Number	Debit	Credit
<b>AJE#1</b>			
Fair value adjustment LAIF		\$ 16,819.85	
Interest revenue FV adjustment			\$ 16,819.65
		\$ 16,819.85	\$ 16,819.65
To adjust to 6/30/2025 fair value based on LAIF factors			
<b>AJE#2</b>			
Current receivable		\$ 6,173.32	\$ 4,235.55
Utility reimbursement revenue		\$ 4,235.55	\$ 6,173.32
		\$ 10,408.87	\$ 10,408.87
To reverse prior year receivable and record current June reimbursement at year end			
<b>AJE#3</b>			
Interest receivable LAIF		\$ 41,863.82	\$ 37,495.85
Interest revenues LAIF		37,495.85	\$ 41,863.82
		\$ 41,863.82	\$ 79,359.67
To record current year interest receivable from the LAIF			
<b>AJE#4</b>			
Property taxes receivable		\$ 91,567.20	\$ 85,842.61
Property tax revenues		\$ 85,842.61	\$ 132,245.20
County collection fees		\$ 40,678.00	
		\$ 218,087.81	\$ 218,087.81
<b>AJE#5</b>			
DHS Lease receivable			\$ 87,720.00
Open door lease receivable current			\$ 20,754.75
Open door lease long-term			\$ 101,540.07
Rents DHS		\$ 87,720.00	\$ 84,309.17
Rents Open Door		\$ 123,000.00	\$ 122,214.16
Interest revenues leases			\$ 685.15
Deferred inflows leases		\$ 206,503.30	
		\$ 417,223.30	\$ 417,223.30
To adjust leases receivable and deferred inflows for fiscal 2025			

**DEL NORTE HEALTHCARE DISTRICT**  
**Adjusting Journal Entries**  
**6/30/2025**

Account Description	Account Number	Debit	Credit
<b>AJE#6</b>			
Capital asset equipment power unit		\$ 4,918.96	
Capital asset bus corral		\$ 59,935.00	
Accumulated depreciation			\$ 214,812.00
Depreciation expense		\$ 214,812.00	
Open door bus outlay			\$ 30,531.96
Maintenance costs -bus corral			\$ 34,322.00
		\$ 279,665.96	\$ 279,665.96

To record FY 2025 depreciation and capitalize bus corral costs

<b>AJE#7</b>			
Accounts payable			\$ 78,679.12
Medical reimbursement		\$ 1,628.00	
Utilities Pacific power		\$ 2,472.00	
Accounting		\$ 2,100.00	
Crescent City swimming April May		\$ 11,466.00	
Crescent City swimming park equip		\$ 48,150.50	
Medical shuttle		\$ 10,717.62	
Del Norte School meals		\$ 2,145.00	
		\$ 78,679.12	\$ 78,679.12

To record June 2025 accounts payable

<b>AJE#8</b>			
Payroll vacation expense		\$ 3,030.00	\$ 1,300.00
Vacation payable		\$ 1,300.00	\$ 3,030.00
OPEB payable			\$ 555.00
Medical reimbursement		\$ 555.00	
		\$ 4,885.00	\$ 4,885.00

To adjust vacation payable and reverse OPEB charge as no valuation is available

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

**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 March 6, 2026..

**Internal Control over Financial Reporting**

In planning and performing my audit of the financial statements, I considered Almonte Sanitation 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 Almonte Sanitation District's internal control. Accordingly, I do not express an opinion on the effectiveness of the Almonte Sanitation 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  
March 6, 2026

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

March 6, 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 March 6, 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 '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.

#### 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  
March 6, 2026

**DEL NORTE HEALTHCARE DISTRICT  
MANAGEMENT LETTER  
JUNE 30,2025**

March 6, 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 March 6, 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

**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  
March 6, 2026

**Secretary Report**

**8**  
**March 2026**

I have received notification that the elevator has passed inspection and I have received the permit.

Hi-Tech security will be adding additional cameras to cover the refrigeration unit that is outside at 510 E. Washington Blvd.

Just a reminder to complete your Form 700's by the end of April.

Attached is a letter from Anna Porter on the status of the Blueberry Legacy Project.

We have had more fence damage on the Shelter Island side street. I have contacted fence solutions to get it repaired.

It is time for the back flow devices to be inspected. I have contacted woods plumbing to do the inspection. They will be here on the 19<sup>th</sup>.

We had more damage in the men's lobby restroom that needed to be repaired. First service plumbing was out to do the repair.



**Anna Porter**  
Blueberry Legacy Project  
AnnaPorter717@gmail.com | 707-954-7428

**February 25, 2026**

Del Norte Health Care District  
550 E. Washington Blvd.  
Crescent City, CA 95531

Attn: Dr. Caldwell, Clinic Operator; David Mason, Board Secretary; Shellie Babich, PA; Dohn Henion, Special Counsel

Dear Dr. Caldwell, Mr. Mason, Ms. Babich, and Mr. Henion,

I wanted to send an urgent update and a sincere thank you. Your support and belief in me—and in the Blueberry Legacy—means a great deal. I take that trust seriously, and I want you to know I'm treating the \$5,000 award with care and respect.

Right now we have **12 blueberry plants at the Early Learning Center on Butte Street**, and they're doing well. That first site has helped us learn what works, build consistency, and strengthen the foundation so the program grows the right way.

The reason I have not drawn down the \$5,000 yet is because my next step is bigger: I'm working toward implementing the Blueberry Legacy at **Pelican Bay Prison**. A new person has taken over that yard, and I want her to be comfortable in her role before I propose adding anything new to her duties. I'm being intentional because I want this partnership to start supported and positive—so it can truly last.

At the same time, I also want the community to feel the benefit sooner rather than later. One of my immediate goals is to place **at least 10 blueberry bushes at Sutter Coast Hospital, growing on-site near the employee sitting area with the benches**—a space staff already use to take a breath and reset during long days. I would love for that area to become a small, living reminder that the community cares about the people who care for everyone else.

If for any reason the Pelican Bay partnership doesn't move forward, I am ready to pivot quickly and partner with other local sites, including **the City** and the **Fred Endert Municipal Pool**, so the funds can immediately be put to work and the program continues to expand.

I know this may look like I'm moving slowly, but I'm not. I'm moving **methodically**, because I want the Blueberry Legacy to be something we can point to years from now and say, "That's still going. That mattered."

Thank you again for believing in this work. I appreciate you more than I can say, and I'll keep you updated as soon as I have the green light to move forward with Pelican Bay and the hospital planting site.

With respect and gratitude,

**Anna Porter**  
Blueberry Legacy Project



Thank you for believing in me and this program.

Sincerely,  
Anna Porter

9a

## Del Norte Healthcare District

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**From:** Crescent City Swim Club <ccscboard@hotmail.com>  
**Sent:** Friday, March 13, 2026 10:21 AM  
**To:** Del Norte Healthcare District  
**Subject:** Re: Swim Club Equipment

Just wanted to follow up really quickly as I just talked to the City. I had forgotten that the portion they're paying for is the added expense of engineering for the wall and installing the scoreboard not the equipment itself.

So, I will get a purchase order from Colorado Time so the Healthcare District can pay their portion - he said payment can be made via check or credit card. Is there a method that's best for you?

Thanks again!  
Kristin

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**From:** Crescent City Swim Club <ccscboard@hotmail.com>  
**Sent:** Friday, March 13, 2026 10:11:13 AM  
**To:** Del Norte Healthcare District <dnhcd@delnortehealth.com>  
**Subject:** Swim Club Equipment

Hi Doris,

I have good news! The final approvals for the equipment installation at the pool have been settled and we're ready to move forward with purchasing everything. Such a relief! 😊

I spoke with the Colorado Time rep this morning and he mentioned it would be best to consolidate funds to simplify the purchase order for accounting reasons. The City, swim club and Healthcare District are all contributing financially to the purchase of the equipment, with the bulk of funding coming from you. Since we have an MOU in place that the City will be responsible for the equipment moving forward, I was wondering if the funds can somehow be transferred to the City and they will then be the main contact for the order and delivery of everything? Let me know if that's something that can be done.

I appreciate your help and patience with all of this. 😊

Kristin Jansen

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10a

**NGI**  
Neal Goodman  
5409 S Bank Rd.  
Crescent City, CA 95531  
(707)-954-7247  
[ngi.light@yahoo.com](mailto:ngi.light@yahoo.com)



Date:

Invoice Number: Quote#2

Bill to: Del Norte Healthcare District  
510 Washington Blvd  
Crescent City CA 95531

Quantity:	Description:	Cost per Unit:	Total Cost:
25	100 watt area lights, 57K, 7 yr warranty	\$140.00/ea	\$ 3500.00
	Sales tax (8.25%)		\$ 288.75
	Labor & lift		\$ 1800.00
	Total		\$ 5588.75
	<b>Wattsmart Incentive</b>		\$ 1560.45
	<b>TOTAL INVESTMENT DUE FROM CUSTOMER</b>		\$ 4028.30

\*Customer acknowledges receipt of the above lights

**Customer/Site Information**

510 Washington blvd  
 Crescent City, CA 95531  
 Rate: 32

**Vendor Information**

NGI

5409 South Bank Rd  
 Crescent City, CA 95531

**Project Information**

Del Norte Community Health Center (estir)  
 Audit Date: 01/27/2026  
 Project Type: Retrofit: Old (2001 and older)  
 Project Stage: Preliminary (Pre-Install)

**Lighting Assessment Summary**

**Electric Cost Savings<sup>a</sup>**



**\$2,135** Per Year

**Total Project Incentives<sup>a</sup>**



**\$1,560.45**

**Energy Savings<sup>a, b</sup>**



**10,403** kWh/year Energy Savings

**0.0** kW/month Demand Reduction

**Cost of Waiting<sup>a</sup>**

**\$178** per month



**Simple Payback<sup>a</sup>**



**1.9 years** with incentives

**2.6 years** without incentives

**Carbon Footprint Calculator**

Cars on the Road	75
Energy Used by Homes	2.84
Acres of Pine Trees Saved	7.31

a. Energy savings, electric cost savings, and total project incentives are estimates only and intended solely for Wattsmart Business lighting projects. Savings may be adjusted for heating/cooling factors based on region and spec type. Incentives paid are based upon approved as-installed equipment, operating conditions, and project costs.

\* Project-Level Lighting Power Density (watts per square foot): Existing (0.000) / Code (0.600) / Proposed (0.000)

**Lighting Project Next Steps**

- ✓ Review this assessment report with your auditor.
- ✓ Steps for typical lighting incentives
  1. Contact us or a Wattsmart® Business Vendor for assistance before you start your project since some lighting retrofits require pre-approval and confirmation of program influence.
  2. Obtain a lighting application package and catalog from us or a Wattsmart Business Vendor.
    - For upgrades listed on the application, you can submit an incentive application after you install your new lighting. Contact us or a Wattsmart Business Vendor for assistance in applying for these measures.
    - For upgrades not listed on the application, **pre-approval is required**. You'll submit a general application. We'll complete a pre-installation inspection if needed and confirm project eligibility. You'll receive an incentive offer before you begin project implementation.
  3. You provide your tax ID in a completed W-9 form so our program administrator can prepare a 1099-Misc. (if required) following the incentive payment.
  4. Upgrade your lighting.
  5. Submit project cost documentation including invoices with a breakdown of materials and labor. Then, contact Pacific Power or your Wattsmart Business Vendor for a post-installation inspection.
  6. Receive incentive check within 45 days of completion of step 5.