



CITY COUNCIL AGENDA REGULAR MEETING 6:00 PM TUESDAY, MAY 19, 2026

City Council Chambers - 675 Wildwood Avenue, Rio Dell

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City Council meetings are held in City Hall Council Chambers for in-person public attendance. The public may also attend these meeting virtually through Zoom.

Public Comment by Email:

In balancing the need to conduct government in an open and transparent manner, public comment on agenda items can be submitted via email at publiccomment@cityofriodell.ca.gov Please note the agenda item the comment is directed to (example: Public Comments for items not on the agenda) **and email no later than one-hour prior to the start of the Council meeting**. Written comments will be submitted to the City Council and included in the meeting minutes as part of the public record. Meeting can be viewed on Access Humboldt's website at <https://www.accesshumboldt.net/>. Suddenlink Channels 10, 11 & 12 or Access Humboldt's YouTube Channel at <https://www.youtube.com/user/accesshumboldt>.

Zoom Public Comment:

When the Mayor announces the agenda item that you wish to comment on, call the conference line and turn off your TV or live stream. Please call the toll-free number **1-888-475-4499**, enter meeting **ID 987 154 0944** and press star (*) 9 on your phone – this will raise your hand. You will continue to hear the meeting on the call. When it is time for public comment on the item you wish to speak on, the Clerk will unmute your phone. You will hear a prompt that will indicate your phone is unmuted. Please state your name and begin your comment. You will have 3 minutes to comment.



In compliance with the Americans with Disabilities Act (ADA), if you require special assistance to participate in this meeting, please get in touch with the Office of the City Clerk at (707) 764-3532. Notification 48 hours before the meeting will enable the City to make reasonable arrangements to ensure accessibility to the meeting. Assistive listening devices are now available for the hearing-impaired. Please see the City Clerk for a receiver.

A. CALL TO ORDER

B. ROLL CALL

C. PLEDGE OF ALLEGIANCE

D. CEREMONIAL MATTERS

1. 2026/0519.01 - Proclamation in Honor of Older Americans Month - Pg.#4

E. PUBLIC PRESENTATIONS

This time is for persons who wish to address the Council on any matter not on this agenda and over which the Council has jurisdiction. As such, a dialogue with the Council or staff is not allowed under the Ralph M. Brown Act. Items requiring Council action not listed on this agenda may be placed on the next regular agenda for consideration if the Council directs, unless a finding is made by at least 2/3 of the Council that the item came up after the agenda was posted and is of an urgency nature requiring immediate action. Please limit comments to a maximum of 3 minutes.

F. CONSENT CALENDAR

The Consent Calendar adopting the printed recommended Council action will be enacted with one vote. The Mayor will first ask the staff, the public, and the Councilmembers if there is anyone who wishes to address any matter on the Consent Calendar. The matters removed from the Consent Calendar will be considered individually following action on the remaining consent calendar items.

1. 2026/0519.02 - Approve Minutes of the May 4th, 2026, Special Meeting **(ACTION)** Pg.#5
2. 2026/0519.03 - Approve Minutes of the May 5th, 2026, Regular Meeting **(ACTION)** Pg.#11
3. 2026/0519.04 - Receive & File the Check Register for April 2026 **(ACTION)** - Pg. #18
4. 2026/0519.05 - Discussion of Cost Recovery for the Abatement of 185 Douglas St - **(ACTION)** - Pg.#24
5. 2026/0519.06 - Approval of Resolution No. 1667-2026 Adopting a List of Projects for Fiscal Year 2026-27 Funded by SB1 – The Road Repair and Accountability Act of 2017 - **(ACTION)** - Pg.#26
6. 2026/0519.07 - Adoption of Facade Improvement Program Round No. 4 - **(ACTION)** - Pg.#29
7. 2026/0519.08 - Authorization to Transfer General Fund Surplus Cash to the Local Agency Investment Fund (LAIF) - **(ACTION)** - Pg.#39
8. 2025/0519.09 – Adopt List of City Council Priorities for FY 2026-27 **(ACTION)** - Pg#42

G. ITEMS REMOVED FROM THE CONSENT CALENDAR

H. REPORTS/STAFF COMMUNICATIONS

- [1.](#) 2026/0519.10 - City Manager/Staff Update **(RECEIVE & FILE)** - Pg.#44

I. SPECIAL PRESENTATIONS/STUDY SESSIONS

- [1.](#) 2026/0519.11 - Fiscal Year 2024-25 Audited Financial Statements - **(RECEIVE & FILE)** - Pg.#47
- [2.](#) 2026/0519.12 - Discussion and Possible Action Related to City Council Member Compensation - **(DISCUSSION/POSSIBLE ACTION)** - Pg.#175

J. SPECIAL CALL ITEMS/COMMUNITY AFFAIRS/PUBLIC HEARINGS

- [1.](#) 2026/0519.13 - Discussion and Direction on the Chamber of Commerce's Proposed Community Oriented Billboard - **(DISCUSSION/POSSIBLE ACTION)** - Pg.#177

K. ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS

L. COUNCIL REPORTS/COMMUNICATIONS

M. ADJOURNMENT

*The next regular City Council meeting is scheduled for
Tuesday, June 2, 2026 at 6:00 p.m.*

PROCLAMATION RECOGNIZING MAY 2026 AS OLDER AMERICANS MONTH.

WHEREAS, this year's theme, "Champion Your Health," encourages older adults to take an active role in their health and prevention, wellness, access to health care, informed decision-making, and personal responsibility are cornerstones of healthy aging;

WHEREAS, the Area 1 Agency on Aging (A1AA) brings more than \$3 million in state and federal funding to Humboldt and Del Norte counties to support programs and services that promote prevention, wellness, and affordable access to quality health care;

WHEREAS, A1AA provides access to preventative health care through the Volunteer Driver Program; and promotes health and wellness through SAIL (Stay Active and Independent for Life), Bingocize, and Tai Chi classes as well as through Aging in Place services such as Emergency Preparedness, Fall Prevention and Northcoast Homeshare; provides funding for healthy meals through local Meals on Wheels and congregate meal sites, and supports the health and wellbeing of family caregivers;

WHEREAS, the Long-Term Care Ombudsman Program safeguards the rights and dignity of residents in skilled nursing, assisted living, and other long-term care settings by advocating for quality care and respectful treatment; the Health Insurance Counseling and Advocacy Program (HICAP) provides unbiased, accurate information about Medicare and assistance in accessing medical resources, and A1AA funds Senior Legal Services to help protect the right of older adults;

WHEREAS, the Aging and Disability Resource Connection—a partnership with Tri-County Independent Living and the North Coast Health Improvement and Information Network—works to streamline and coordinate services for older adults, people with disabilities, caregivers, and families; and

WHEREAS, changes to federal or state funding that decrease access to quality, affordable health care jeopardize the health, safety, and independence of older adults and people with disabilities —putting them at greater risk of injury, hospitalization, isolation, institutionalization, and homelessness—impacting the ability to proactively Champion Their Health;

NOW, THEREFORE, BE IT PROCLAIMED that the City of Rio Dell recognizes **MAY 2026** to be **OLDER AMERICANS MONTH** and calls upon the community to honor and uplift older adults, advocate for their needs, and join in celebrating this year’s theme “Champion Your Health.”

Dated: May 19, 2026



CHAMPION YOUR HEALTH: MAY 2026



RIO DELL CITY COUNCIL
SPECIAL MEETING – 4:30 P.M.
MONDAY, MAY 4TH, 2026
City Council Chambers
675 Wildwood Avenue, Rio Dell

A. CALL TO ORDER

The special meeting of the Rio Dell City Council was called to order at approximately 4:30 PM.

B. ROLL CALL

Present:

- Mayor Garnes
- Mayor Pro Tem Carter
- Council Member Woodall
- Council Member Wilson

Absent:

- Council Member Orr (Excused)

Staff Present:

- City Manager Knopp
- Finance Director Sanborn
- Community Development Director Caldwell
- City Clerk Hill
- Additional staff present as noted during discussion

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

D. CEREMONIAL MATTERS

None.

E. PUBLIC PRESENTATIONS

Mayor Garnes announced the public presentations portion of the meeting.

No public presentations were made.

F. CONSENT CALENDAR

None.

G. ITEMS REMOVED FROM THE CONSENT CALENDAR

None.

H. REPORTS/STAFF COMMUNICATIONS

None.

I. SPECIAL PRESENTATIONS/STUDY SESSIONS

None.

J. SPECIAL CALL ITEMS/COMMUNITY AFFAIRS/PUBLIC HEARINGS

1. City Council Priority Setting Session for FY 2026-2027 (Item 2026/0505.01)

City Manager Knopp introduced the annual priority-setting discussion, explaining that the purpose of the session was to help inform the City's FY 2026-27 budget, departmental work plans, and grant strategy. He noted several important fiscal and operational conditions facing the City, including:

- Ongoing expenditures related to earthquake recovery projects, with water and sewer capital balances expected to be drawn down while awaiting anticipated State reimbursement through the California Disaster Assistance Act.
- Declining sales tax revenues, consistent with trends being experienced by other jurisdictions, in part due to the way online sales tax is distributed.
- Rising costs for insurance, employee benefits, and operations.
- The City currently being fully staffed across departments, including Police, Public Works, Finance, and administrative positions, which is a positive development but also results in a "full boat" budget without the salary savings that have existed in prior years from vacancies.
- Progress made during the previous year on Council priorities related to public safety, personnel, economic development, and parks/youth.
- Continued work on economic development efforts, including expansion at Northwestern Flower Company, progress on downtown façade efforts, code enforcement activity, and State coordination related to the CAL FIRE property and a recent \$1.5 million earmark for property acquisition in support of future development.

City Manager Knopp encouraged the Council to focus discussion on broad priorities that would guide near-term budget decisions as well as longer-range project preparation.

Council Discussion

Mayor Pro Tem Carter emphasized the importance of developing more shovel-ready projects so that Rio Dell can compete effectively for grants as opportunities arise. She referenced a recent City Leaders Summit presentation describing how a similarly sized city had substantially increased outside funding by investing in predevelopment work for projects that were ready to submit when grant programs opened. She noted possible future opportunities related to Proposition 4, water storage, and parks funding, and suggested that identifying and preparing a handful of viable projects should be a City priority.

Council Member Woodall stated that Second Street should remain a priority, noting that it is often discussed and then deferred. Discussion followed regarding underground infrastructure work already underway in the area, including water line replacements, sewer issues, and storm drainage constraints. City Manager Knopp explained that staff are examining ways to address the remaining underground deficiencies, including possible use of remaining ARPA funds on portions of the corridor so that surface improvements can be pursued later.

Council Member Woodall also stated that code enforcement should remain a priority and commended the Police Department and staff for the work currently being done.

Council Member Wilson stated that economic development should remain a top priority and made a detailed case for the City to proactively pursue major business recruitment opportunities at the Rio Dell Business Park, specifically referencing the public discussion around a possible Amazon distribution facility elsewhere in Humboldt County. He argued that Rio Dell should present itself as a willing and business-friendly alternative location, citing the Business Park’s location, available land, highway access, and improving utility capacity. He stated that successful recruitment of a major employer could generate jobs, increase property values, and expand the City’s revenue base. He also suggested that if the City is serious about economic development, it may need to consider professional consulting assistance or a contractor with expertise in business attraction and negotiations.

In response, other Council members generally agreed that large-scale business recruitment fits under the broader umbrella of economic development, though Mayor Garnes and others emphasized that the City should avoid focusing so narrowly on one prospect that it neglects other economic opportunities. City Manager Knopp noted that being able to demonstrate unified Council support is often helpful when discussing development opportunities with outside entities.

Council Member Woodall and other members also discussed the importance of maintaining positive communication and competitiveness with City personnel, so the City can retain trained employees and avoid becoming a revolving door where staff leave for modestly better pay elsewhere in the region.

Staff Input

During the discussion, City Manager Knopp and staff offered additional context on several topics:

- Finance / Fiscal Stability: Finance staff are under significant pressure managing cash flow for multiple large projects. City Manager Knopp emphasized that the Council should be cautious about overcommitting the City to projects or obligations that cannot be sustained long-term.
- Parks / Amenity Projects: While grants for parks and beautification can be beneficial, staff cautioned that the Council should weigh long-term maintenance costs and operating obligations before expanding facilities.
- Community Development / Shovel-Ready Projects: Some future projects could fall under community development more broadly, especially where grant competitiveness depends on aligning projects with evolving State funding criteria.
- Public Works Long-Range Needs: Staff discussed longer-term infrastructure needs such as additional sewer-related work on the Avenues, system improvements needed to support development, and other expensive projects that may require 10-year planning horizons and grant support.
- Water / Sewer Rates: Finance Director Sanborn noted that the City is nearing the end of its current five-year water and sewer rate schedule, and that a new rate study will likely be needed. He explained that costs are continuing to rise faster than the prior rate projections anticipated, and that maintaining system stability and staff retention will require ongoing financial planning.

Additional Discussion Topics

The Council briefly discussed the Scotia wastewater situation and the possibility that future State-driven discussions could affect Rio Dell. City Manager Knopp noted that the issue is complex, with legal, financial, environmental, and operational implications, and stated that it may warrant a future standalone agenda item. He added that any involvement by Rio Dell would need to protect the City’s interests and ensure reimbursement for staff time and technical work.

Session Outcome

The Council reached a general consensus that the most significant themes emerging from the discussion were:

- Economic Development
- Preparation of Shovel-Ready / Grant-Competitive Projects
- Public Safety
- Personnel Retention / Staff Competitiveness
- Code Enforcement
- Fiscal Stability / Sustainable Long-Term Commitments

City Manager Knopp stated that staff would organize the Council’s comments and bring back a formal item at a future meeting for adoption of the FY 2026-27 priorities.

K. ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS

None.

L. COUNCIL REPORTS/COMMUNICATIONS

None.

M. ANNOUNCEMENT OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

The following items were announced for closed session:

1. Conference with Legal Counsel – Anticipated Litigation
Initiation of Litigation Pursuant to Government Code Section 54956.9(d)(4): One Potential Case (Item 2026/0505.02)
2. Conference with Labor Negotiator
Agency Negotiator: City Manager
Employee Organizations: Rio Dell Employees Association, Rio Dell Police Officers Association, and All Contract Employees (Gov’t Code §54957.6) (Item 2026/0505.03)

Added Urgency Item Discussion

Before recessing, the Council discussed whether to add an urgency item related to the City’s agreement with Miranda’s Rescue. A motion and second were made to add the item in open session, and the vote was unanimous among the members present.

However, after consultation with legal counsel, the Council was advised that the agenda could not be amended in that manner during the special meeting. Legal counsel clarified that the matter could instead be brought up at the following regular meeting under the proper procedure.

As a result, no discussion or action was taken on the Miranda’s Rescue matter during this meeting.

N. PUBLIC COMMENT REGARDING CLOSED SESSION

No public comments regarding closed session were made.

O. RECESS INTO CLOSED SESSION

The Council recessed into closed session.

P. RECONVENE INTO OPEN SESSION

The Council reconvened into open session.

Q. ORAL ANNOUNCEMENTS

Mayor Garnes announced that there was no reportable action from the closed session.

R. ADJOURNMENT

The special meeting was adjourned to the regular City Council meeting scheduled for Tuesday, May 5, 2026, at 6:00 PM.

APPROVED:

Mayor Garnes

ATTEST:

Jessica Hill, City Clerk



RIO DELL CITY COUNCIL
REGULAR MEETING – 6:00 P.M.
TUESDAY, MAY 5, 2026
City Council Chambers
675 Wildwood Avenue, Rio Dell

A. CALL TO ORDER

The regular meeting of the Rio Dell City Council was called to order at approximately 6:00 PM by Mayor Garnes.

B. ROLL CALL

Present:

- Mayor Garnes
- Mayor Pro Tem Carter
- Council Member Woodall
- Council Member Orr
- Council Member Wilson

Staff Present:

- City Manager Kyle Knopp
- Finance Director Travis Sanborn
- Community Development Director Kevin Caldwell
- Chief of Police Josh Phinney
- Wastewater Superintendent Moore
- Water Superintendent Jensen
- City Clerk Jessica Hill
- Sr. Fiscal Assistant Rosa Maciel

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by the Council.

D. CEREMONIAL MATTERS

No ceremonial matters were presented.

Addition to Agenda

Mayor Garnes requested that the Council add an urgency item to the agenda regarding the Miranda’s Rescue agreement for animal care services, stating that the matter arose after posting of the agenda and required immediate attention.

ACTION: Motion by Mayor Pro Tem Carter, seconded by Council Member Woodall, to add the item to the agenda.
Motion carried 5–0.

E. PUBLIC PRESENTATIONS

Mayor Garnes opened the public presentations portion of the meeting, inviting comments on matters not listed on the agenda and within the Council’s jurisdiction.

Mary Clark, Community Service Officer, addressed the Council and requested evaluation of the current classification and bargaining unit placement of the City’s Community Service Officers. She stated that the role of the CSO has evolved significantly and now includes duties such as:

- code enforcement,
- animal control,
- scene support,
- assisting with search warrants,
- coordinating vehicle tows,
- encampment enforcement,
- records and evidence handling, and
- assisting officers in the field when staffing is limited.

Clark explained that CSOs work under the same chain of command as police personnel, are held to the same policies and standards of conduct as members of the Police Officers Association, and often operate in conditions closely aligned with sworn personnel, including completion of the 832 course by many service officers. She stated that both the Rio Dell Police Department and members of the Police Officers Association support evaluation of whether CSOs should be transitioned into that bargaining unit.

No other public comments were received.

F. CONSENT CALENDAR

Items on Consent:

1. Approve Minutes of the April 7, 2026 Regular Meeting
2. Discussion and Ratification of the Letter the Mayor Signed in Opposition Unless Amended of SB 866 Related to the Homeless Housing, Assistance, and Prevention Program: Housing Element
3. Discussion of Cost Recovery for the Abatement of 520 First Avenue
4. Discussion of Cost Recovery for the Abatement of 483 Fourth Avenue
5. Discussion of Cost Recovery for the Abatement of 337 Second Avenue

6. Transportation Development Claim for Fiscal Year 2026–27

No items were removed from the Consent Calendar.

ACTION: Motion by Council Member Carter, seconded by Council Member Woodall, to approve the Consent Calendar.

Motion carried 5–0.

G. ITEMS REMOVED FROM THE CONSENT CALENDAR

No items were removed from the Consent Calendar.

H. REPORTS / STAFF COMMUNICATIONS

1. City Manager / Staff Update (Item 2026/0505.07)

City Manager Knopp reported the following:

- As part of the City’s FY 2024–25 annual audit, the City’s new auditors, Harshwal & Company, requested that each Council member complete two brief questionnaires: a fraud risk questionnaire and a related party questionnaire. These had been circulated on April 27 and were needed in order to conclude the audit.
- Wastewater Superintendent Marshall Moore passed his Wastewater Grade 3 examination on April 27. Council congratulated Moore on the accomplishment.
- Chief Phinney wished to read a special commendation into the record for Officer Liam Burns.

Chief Phinney read a commendation recognizing Officer Burns for his actions on April 18, 2026, during a volatile incident involving an intoxicated juvenile armed with what appeared to be a firearm, later determined to be a BB gun. The commendation stated that Officer Burns demonstrated exceptional judgment, tactical awareness, restraint, and professionalism, and that his calm and disciplined response contributed to a peaceful resolution without injury to the subject, officers, or the public.

Council members expressed appreciation for Officer Burns’ conduct and asked that he be invited to a future meeting so the Council could thank him in person.

Additional brief staff discussion referenced current animal service impacts, including that four dogs and no cats had been transported to Miranda’s prior to May 3.

No public questions for staff were received.

I. SPECIAL PRESENTATIONS / STUDY SESSION

No special presentations or study sessions were held.

J. SPECIAL CALL ITEMS / COMMUNITY AFFAIRS / PUBLIC HEARINGS

1. Discussion and Direction on the Chamber of Commerce’s Proposed Community Oriented Billboard (Item 2026/0505.08)

Community Development Director Kevin Caldwell presented the staff report regarding the Chamber of Commerce’s proposal to install a community-oriented billboard on the City’s wastewater disposal parcel. Caldwell reviewed the proposed sign concepts included in the agenda packet and explained that the sign was intended to attract highway travelers and encourage them to exit into Rio Dell. He noted that the Council had previously amended the sign regulations to allow such a use at the northeast corner of the parcel.

Caldwell summarized the Chamber’s original concept, featuring the Rio Dell logo, redwood and river imagery, “Next Exit,” “River Access,” and “Gateway to the Redwoods,” and also reviewed alternative concepts incorporating local services such as fuel, food, lodging, shopping, river access, and cannabis. He stated that a Conditional Use Permit would be required and that issues such as maintenance, liability, structural engineering, and design refinement would need to be addressed.

Wally Coppini, representing the Rio Dell-Scotia Chamber of Commerce, gave an update on project development. He reported that:

- the Chamber had explored obtaining utility poles from PG&E but was informed PG&E could not donate them;
- PG&E may be able to install poles if obtained elsewhere;
- the proposed sign would likely be 10 feet by 16 feet;
- the Chamber hoped to obtain lumber donations from HRC;
- aluminum panels would cost approximately \$1,000;
- the vinyl decal/sign face was estimated at \$2,085;
- structural engineering was estimated at approximately \$1,500; and
- total costs were estimated at roughly \$4,500, not including any increase due to materials or other unknowns.

Coppini also reported that a grant request to the McLean Foundation had been denied and that the Chamber was continuing to pursue funding opportunities, including through Coast Central.

Council discussion focused on sign readability at highway speed, whether the sign should emphasize Rio Dell’s visual identity or immediate traveler services, and which elements best distinguished Rio Dell from neighboring communities. Several Council members commented favorably on including river access and dispensary/cannabis as unique local draws, while also discussing fuel and other services.

During discussion, Council generally agreed that the sign should remain visually appealing and uncluttered, while adding a limited number of practical items to encourage motorists to exit.

By consensus, the Council directed staff to work with the Chamber to bring back one more revised design iteration, based generally on the concept shown on page 34 of the agenda packet, narrowed to three key items. The consensus direction was for a revised sign including:

- River Access
- Fuel
- Dispensary

Caldwell further advised that the project would still require a Conditional Use Permit and likely permitting through Caltrans under the Outdoor Advertising Act process.

Staff clarified that no formal motion was required, but council had to propose and agree that the revised design would return to the Council for final approval at a future meeting.

K. ORDINANCES / SPECIAL RESOLUTIONS / PUBLIC HEARINGS

1. Approval and Adoption of Ordinance No. 421-2026 Amending the City’s Accessory Dwelling Unit Regulations, Section 17.30.020 of the Rio Dell Municipal Code, to Align the City’s Size Regulations with State Law (Item 2026/0505.09)

Community Development Director Caldwell presented the staff report, reminding the Council that the ordinance had first been introduced on April 7, 2026. He explained that the City’s current ADU regulations did not align with state law because state law requires jurisdictions to allow ADUs of at least:

- 850 square feet for one-bedroom units, and
- 1,000 square feet for units with more than one bedroom.

Caldwell stated that the proposed ordinance would amend the Rio Dell Municipal Code to bring the City into compliance with state law.

Council members had no questions, and no public comments were received.

ACTION: Motion by Mayor Pro Tem Carter, seconded by Council Member Woodall, to approve and adopt Ordinance No. 421-2026.
Motion carried 5–0.

Urgency Item Added to Agenda: Miranda’s Rescue / Animal Care Services

City Manager Knopp introduced the added urgency item and asked that comments remain limited due to the sensitive and active nature of the matter. He then turned the item over to Chief Phinney.

Chief Phinney reported that the Humboldt County Sheriff’s Office was conducting an active investigation into allegations that Miranda’s Rescue had been unjustifiably and cruelly killing

animals for profit. He emphasized that the investigation was active and ongoing and that releasable details were therefore limited.

In response, the City had suspended sending all animals to Miranda’s Rescue effective the prior Friday, when the City became aware of the matter.

Chief Phinney further stated:

- the Police Department was not accepting owner surrenders of animals at that time;
- abandoning animals remained illegal;
- the department would work to connect residents needing to surrender animals with local nonprofit resources; and
- the City was coordinating with allied agencies for temporary sheltering and treatment of animals as needed.

Mayor Pro Tem Carter stated that, over the prior years, the City had shifted its approach away from relying solely on shelter intake and toward prevention strategies, including support for spay and neuter services, education regarding trap-neuter-release, and connecting residents with appropriate resources. She emphasized that the City’s Community Service Officers had done substantial work to help residents address animal issues before they became shelter problems. She reiterated that community members needing assistance should contact the City rather than abandon animals.

Council members thanked Chief Phinney and staff for addressing the difficult situation.

No public comments were received.

The item was received as informational only, and no formal action was taken.

L. COUNCIL REPORTS / COMMUNICATIONS

Mayor Pro Tem Carter reported that she had attended the City Leaders Summit in Sacramento two weeks earlier and found it informative and motivating. She also reported on a RREDC meeting where members heard about Proposition 4 funding being pursued for harbor-related energy improvements. In addition, she shared a report from the Resource Center for March, including:

- 347 households served at commodity distribution,
- 148 student weekend meals provided,
- housing assistance provided to 8 people,
- clothing provided to 341 people,
- 223 participants in the senior exercise class, and
- 58 participants in the First 5 playgroup.

She further noted that a community meal had been provided every other Tuesday and that the Gerald Phelps Southern Humboldt Optometry Van had made its first visit in March, serving 16

clients, and would now be making Rio Dell a monthly stop during the fourth week of each month.

Council Member Woodall announced the upcoming community cleanup day at the school on May 9, noting that it would provide residents with an opportunity to dispose of bulky items such as furniture and green waste at no cost, and that it might be the last such event.

Council Member Orr had no report.

Council Member Wilson had no report.

Mayor Garnes reported that she had attended City’s Week, had an HTA meeting scheduled for the following day, and would be attending a Great Redwood Trail meeting on May 21. She also announced that the Community Garden would hold a start sale on May 16 at the garden on Butcher Street. She described the extensive volunteer work being done there, including planting trees, building a gazebo, constructing a greenhouse, and growing food to share with the community, and encouraged public support for the garden.

M. ADJOURNMENT

ACTION: Motion to adjourn made by Mayor Pro Tem Carter, seconded by Council Member Woodall.
Motion carried 5-0.

The meeting adjourned at approximately 6:50 PM until the next regular City Council meeting on Tuesday, May 19, 2026, at 6:00 PM.

APPROVED:

Debra Garnes, Mayor

ATTEST:

Jessica Hill, City Clerk

City of Rio Dell Check Listing for City Council Meeting

Ref#	Date	Vendor	Description	Amount
15115	4/01/2026	[4109] ACCESS HUMBOLDT	1st Quarter fee Ending 3/31/2026	270.00
15116	4/01/2026	[5750] AERO-MOD	Oil Seal	235.53
15117	4/01/2026	[5381] ALTERNATIVE BUSINESS CONCEPTS	MONTHLY MAINTENANCE & COPIER CHARGES FOR MARCH 2026 - City Hall & COPIER CHARGES FOR MARCH 2026 - PD	746.10
15118	4/01/2026	[2224] AQUA BEN CORPORATION	Hydrofloc	4,231.63
15119	4/01/2026	[2889] EEL RIVER TRANSPORT & SALVAGE	Hauling JohnDeer ATV & Trailer, C&D Materials @ 185 Douglas St	473.60
15120	4/01/2026	[2394] FEDEX	Shipping	594.26
15121	4/01/2026	[5052] GHD, INC	For Professional Services Rendered Through 2/28/2026: Rio Dell On-Call 2025, For Professional Services Rendered Through 2/28/2026: Painter Street Tank Damage Repair Project, For Professional Services Rendered Through 2/28/2026: PW ERT Accessible Ramp Construction Inspection, Management, and Environmental Monitoring Services	42,456.10
15122	4/01/2026	[6662] HILL, EUNICE	CUSTOMER DEPOSIT REFUND	163.67
15123	4/01/2026	[2501] KEENAN SUPPLY	Concrete Utility Box & Lid	207.72
15124	4/01/2026	[6998] MAD RIVER COMMUNITY HOSPITAL	Physical Evaluation & Drug Screening	253.75
15125	4/01/2026	[2569] MICROBAC LABORATORIES, INC.	Ammonia Nitrogen - Un-ionized (calculation), Ammonia Nitrogen w/o Distillation, BOD&NFR, Conductivity @ 25C, ELAP Certification Fee, Hardness, Nirate and/or Nirite, Organic Nitrogen- Water, pH, Salinity, THM by EPA 624, Total Dissolved Solids, Turbidity, Coliform Presence/Absence, ELAP Certificate Fee	1,456.00
15126	4/01/2026	[3006] MISSION LINEN SUPPLY, INC	Clean Mop Head, Towels, Maintenance & Cleaning of PW Shirts, Clean Mop Head, Maintenance & Cleaning of PW Shirts, Clean Mop Head Paper Towels, Clean Mop Head, Towels, Maintenance & Cleaning of PW Shirts, Clean Mop Head, Maintenance & Cleaning of PW Shirts, Clean Mop Head	195.85
15127	4/01/2026	[5376] CUTTERS EDGE	Honda Maintenance	167.07
15128	4/01/2026	[6483] SONOMA CO JR COLLEGE /ACCTG	FTO Training	91.00
15129	4/01/2026	[7185] STAPLES ADVANTAGE	Legal Clipboards, Wireless KeyBoard & Mouse, Letter Clipboards	77.88
15130	4/01/2026	[2779] WILDWOOD SAW	Equipment Maintenance	316.56
15131	4/08/2026	[3975] AT&T - 5709	FAX LINE EXPENSES FOR MARCH 2026 - PD, FAX LINE EXPENSES FOR MARCH 2026 - City Hall	72.24
15132	4/08/2026	[2293] CITY OF FORTUNA	Police Dispatch for April 2026	8,483.33
15133	4/08/2026	[2303] COAST CENTRAL CREDIT UNION	POA Dues for PPE 4/3/26	150.00
15134	4/08/2026	[2385] EUREKA READYMIX	3/4 Base Class 2 PU and Crushed Rock PU for End of Painter St Maintenance	466.42
15135	4/08/2026	[2405] FORTUNA ACE HARDWARE	Cleaning Supplies, Paint, Toilet Seat, Distilled Water	18

**City of Rio Dell
Check Listing for City Council Meeting**

Ref#	Date	Vendor	Description	Amount
15136	4/08/2026	[5052] GHD, INC	Professional Services Rendered Through 3/28/2026 - Fern Street Lift Station Damage Repair Project, Professional Services Rendered Through 3/28/2026 - Infiltration Gallery Damage Repair Project, Professional Services Rendered Through 3/28/2026 - Rio Dell On-Call 2025, Professional Services Rendered Through 3/28/2026 - Rio Dell Painter Line Sewer Upsizing, Professional Services Rendered Through 3/28/2026 - Chlorine Contact Tank Damage Repair Project	12,885.45
15137	4/08/2026	[4840] HOOVEN & CO., INC	Rio Dell River Trail Accessible Ramp Project - Payment #1	14,418.99
15138	4/08/2026	[2457] H C CLERK-RECORDER	Copies	3.00
15139	4/08/2026	[3943] H C DEPART OF PUBLIC WORKS	Charges for the City's Cost-Share of the Monument Road FEMA Project	178,349.26
15140	4/08/2026	[6410] HUMBOLDT LODGING ALLIANCE	HCTBID TOT Assessment Tax Fee Report Form Jan - March 2026	193.17
15141	4/08/2026	[5909] ICMA MEMBERSHIP RENEWALS	MEMBERSHIP DUES 7/1/26-6/30/27	803.58
15142	4/08/2026	[5416] JAMES WILBEE CO, INC.	CBM Pumps	824.79
15143	4/08/2026	[2569] MICROBAC LABORATORIES, INC.	Coliform Quanti-tray, ELAP Certification Fee, Total Coliform Bacteria 3x5, BOD & NFR, ELAP Certification Fee, Coliform Presence/Absence, ELAP Certification Fee, Coliform Quanti-tray, ELAP Certification Fee, Total Coliform Bacteria 3x5	738.00
15144	4/08/2026	[2551] MIRANDA'S ANIMAL RESCUE	Animal Control for March 2026	1,900.00
15145	4/08/2026	[7635] NAPA AUTO PARTS FORTUNA	Oil and Oil Filter, Lockwashers, Nuts, Cap Screws	131.47
15146	4/08/2026	[6349] RECOLOGY EEL RIVER	Truck, & Car Tires, Rims, and Ewaste @ 185 Douglas St, 40 Yd Debris Box @ 185 Douglas St, 40 Yd Debris Box @ 185 Douglas St	3,102.24
15147	4/08/2026	[2657] RIO DELL EMPLOYEES ASSOC	EMPLOYEE DUES FOR QUARTER ENDING 3/31/26	154.00
15148	4/08/2026	[3685] RURAL COMMUNITY ASSISTANCE CORPORATION dba RCAC	Loan # 1144-CRD-05 Water CIP	7,858.78
15149	4/08/2026	[2693] SHELTON'S AUTO LUBE	Oil Change on '23 Ford Maverick	104.88
15150	4/08/2026	[2682] SMALL CITIES ORGANIZED RISK EFFORT (SCORE)	4th Quarter Premium for Worker's Compensation Insurance	33,605.66
15151	4/08/2026	[4908] THE MITCHELL LAW FIRM, LLP	LEGAL SERVICES FOR MARCH 2026	1,593.00
15152	4/08/2026	[2750] USA BLUEBOOK	Paint	421.61
15153	4/08/2026	[8024] WATT'S CLEANING SERVICES	Weekly Cleaning Services for March 2026	570.00
15154	4/08/2026	[2779] WILDWOOD SAW	Equipment Maintenance, Maintenance	367.82
15155	4/08/2026	[8025] WOODS PEST CONTROL, INC.	General Pest Cycle @ 675 Wildwood Ave, General Pest Cycle @ 475 Hilltop	355.00
15156	4/14/2026	[7852] CSG CONSULTANTS	Rio Dell Franchise Agreement Negotiation	2,500.00
15157	4/14/2026	[7616] DAZEY'S ARCATA	Vinegar	20.00
15158	4/14/2026	[2405] FORTUNA ACE HARDWARE	Wasp&Hornet Killer, Wall Clock	19.00

**City of Rio Dell
Check Listing for City Council Meeting**

Ref#	Date	Vendor	Description	Amount
15159	4/14/2026	[5052] GHD, INC	Professional Services Rendered Through 3/28/2026: PW Rio Dell Water Distribution System Improvement Project, Professional Services Rendered Through 3/28/2026 - PW ERT Accessible Ramp Construction Inspection, Management, and Environmental Monitoring Services	41,582.09
15160	4/14/2026	[7888] HUMBOLDT HUMAN dba: CRITTERS WITHOUT LITTERS	Bubs (Cat-M), Nori (Dog-F), Leo (Dog-M) Not Eligible for Voucher	275.00
15161	4/14/2026	[2569] MICROBAC LABORATORIES, INC.	BOD & NFR, ELAP Certification Fee	316.00
15162	4/14/2026	[8038] MARSHALL C MOORE	Viridian Exam Prep Course [75%]	178.50
15163	4/14/2026	[2619] PITNEY BOWES, INC.	Lease Property Tax Invoice	19.41
15164	4/14/2026	[6469] RH CONSTRUCTION	Alicia Thompson @ 1175 Eeloa Ave	60,750.00
15165	4/14/2026	[4525] SHERLOCK RECORDS MGMT	STORAGE SERVICE FOR APRIL 2026	164.40
15166	4/14/2026	[2715] STEWART TELECOMMUNICATION	Phone Lines PD - May 2026, Phone Lines City Hall - May 2026	566.63
15167	4/14/2026	[7884] STOEL RIVES LLP	Professional Services Rendered Through March 31, 2026 - On-Call Legal Services	429.50
15168	4/14/2026	[2750] USA BLUEBOOK	Fire Hose, Sulfuric Acid, Flags, Tube Assembly, Pumps, Roller Assembly,	1,269.26
15169	4/14/2026	[5547] WAHLUND CONSTRUCTION, INC./SEQUOIA CONSTRUCTION SPECIALTIES	Drinking Water Infrastructure Improvement Project - Payment #11	227,143.75
15170	4/14/2026	[2787] WYCKOFF'S	Valve	205.39
15171	4/27/2026	[4937] CA DEPT OF TRANSPORTATION	SIGNALS & LIGHTING BILLING Jan- Mar 2026	477.82
15172	4/27/2026	[2273] CARURAL WATER ASSOCIATION	Water Treatment Certification Review Grades 1-2	275.00
15173	4/27/2026	[4063] CITY OF FERNDALE	Police Services (Investigations)	414.82
15174	4/27/2026	[2303] COAST CENTRAL CREDIT UNION	POA Dues for PPE 4/17/2026	150.00
15175	4/27/2026	[5376] CUTTERS EDGE	Parts and Labor	386.00
15176	4/27/2026	[2928] DAN COLLINGS TREE SERVICE	Removal and Cleanup of Tree Debris on Monument Rd for Road Slipout Repairs, Prune & Cut Trees on Monument Rd for Road Slipout Repairs	5,000.00
15177	4/27/2026	[8084] DeLONG, MARK	Refund on Overpayment on Permit #042609	68.00
15178	4/27/2026	[8129] FILE OF LIFE FOUNDATION, INC.	File of Life Materials (50% Cost Share)	275.27
15179	4/27/2026	[2405] FORTUNA ACE HARDWARE	Sanding Disk, Painting Brush, Scrubber, Paint Roller, Primer&Sealer, Paint, Scraper, Rags, Refinisher Sanding Disks, Gloves, Hammer, Steelwool, Nail Panel, Drywall Mud, Lighting ,Primer&Sealer, Paint Brushes, Rotor Sprinkler, Trash Can, Caulk	694.28
15180	4/27/2026	[5765] GARNES, DEBRA	Reimbursement: Travel CalCities Division Meeting , Reimbursement: Travel CalCities Policy Committee	476.73
15181	4/27/2026	[7356] GRAINGER, INC.	Tank & Plug	150.13
15182	4/27/2026	[8131] HARSHWAL & COMPANY, LLP	Auditing Services for FY Ending June 30, 2025	19,204.00

City of Rio Dell Check Listing for City Council Meeting

Ref#	Date	Vendor	Description	Amount
15183	4/27/2026	[5957] HAZARDOUS MATERIALS RESPONSE AUTHORITY	Member Agency Annual Contributions 2025-26	1,322.83
15184	4/27/2026	[2447] HILFIKER PIPE CO.	Picnic Table & Park Bench, Park Bench	1,543.50
15185	4/27/2026	[2691] HUMBOLDT SENIOR RESOURCE CENTER/ADULT DAY HEALTH, INC	Senior Home Repair Grant Program	248.38
15186	4/27/2026	[2474] HUMMEL TIRE & WHEEL, INC	Tire Change on '21 Toyota Tacoma	999.78
15187	4/27/2026	[2484] INDEPENDENT BUSINESS FORMS	Laser Business License	245.38
15188	4/27/2026	[7076] JAGIMO CORP INC/ J&G LAWN AND GARDEN	Blue Star Memorial Park Change Order	1,368.17
15189	4/27/2026	[3180] JENSEN, RANDY	Reimbursement: Boot Allowance-Picky Picky Picky	352.78
15190	4/27/2026	[6510] ANDRES TOVAR LOPEZ	Reimbursement: Boot Allowance-Picky Picky Picky	275.60
15191	4/27/2026	[2569] MICROBAC LABORATORIES, INC.	BOD & NFR, ELAP Certification Fee, Coliform Presence/Absence, ELAP Certification Fee, ELAP Certification Fee, Total Coliform Bacteria 3x5, BOD & NFR, ELAP Certification Fee	803.00
15192	4/27/2026	[7635] NAPA AUTO PARTS FORTUNA	Batteries	127.00
15193	4/27/2026	[4717] KEVIN NASET	Reimbursement: Hotel Stay 2 PW for Asbestos Training in Live Oak, CA	197.63
15194	4/27/2026	[2570] NILSEN COMPANY	Solar Salt 40#	1,013.25
15195	4/27/2026	[6100] NORTHERN CALIFORNIA GLOVE	Gloves and Vests	276.93
15196	4/27/2026	[4393] NYLEX.net. Inc.	MONTHLY MAINTENANCE FOR MAY 2026	3,269.75
15197	4/27/2026	[5931] ROBERT COLBURN ELECTRIC, INC.	Checked Out VFD's at 475 Hilltop	495.00
15198	4/27/2026	[3685] RURAL COMMUNITY ASSISTANCE CORPORATION dba RCAC	Loan # 1144-CRD-05 Water CIP	830.15
15199	4/27/2026	[2693] SHELTON'S AUTO LUBE	Oil Change on '21 Toyota Tacoma	106.00
15200	4/27/2026	[4570] SHRED AWARE	Shredding	81.13
15201	4/27/2026	[2719] STATE WATER RESOURCES CONTROL BD	Water Distribution Operator Grade D2 Exam	65.00
15202	4/27/2026	[2757] US POSTMASTER	Permit #1; PI; First-Class Presort	370.00
15203	4/27/2026	[2750] USA BLUEBOOK	Roller Assembly	122.01
15204	4/27/2026	[6173] VACMASTERS	Brass Body, Hose Connection	24.85
15205	4/27/2026	[3917] VERIZON WIRELESS	Safety Phones PD & PW (& Mayor): Mar 17- Apr 16	661.91
15206	4/27/2026	[2787] WYCKOFF'S	Tank Fitting, Plug, Nipple, Union, Pipe	87.80
Total Checks/Deposits				699,655.58

Ref#	Date	Vendor	Description	Amount
6007464	4/01/2026	ELECTRONIC FUNDS TRANSFER	EFT: AFLAC DENTAL INSURANCE FOR APRIL 2026.	21.12

City of Rio Dell Check Listing for City Council Meeting

Ref#	Date	Vendor	Description	Amount
4012026	4/02/2026	WITHDRAWALS	Deposited Item Returned	-250.00
1461615	4/02/2026	ELECTRONIC FUNDS TRANSFER	EFT FOR NEW WEX ONLINE FUEL CARDS FOR FEBRUARY/MARCH 2026	-4,355.93
6427934	4/07/2026	ELECTRONIC FUNDS TRANSFER	EFT: MISSIONSQUARE RETIREMENT PAYMENT FOR PPE 04/03/2026	-13,672.28
735-120	4/13/2026	ELECTRONIC FUNDS TRANSFER	EFT FOR EDD PAYROLL TAXES FOR PPE 04/03/2026	-3,700.12
5111663	4/13/2026	ELECTRONIC FUNDS TRANSFER	EFT FOR EFTPS PAYROLL TAXES FOR PPE 04/03/2026	-18,481.73
1623504	4/15/2026	ELECTRONIC FUNDS TRANSFER	EFT: FIBER OPTIMUM BILL FOR 4/2026. SPLIT /W P.D & ADMIN.	-689.95
9961838	4/15/2026	ELECTRONIC FUNDS TRANSFER	EFT ONLINE OPTIMUM PUBLIC APRIL 2026	-274.02
#3743	4/15/2026	WITHDRAWALS	Deposited Item Returned	-1,093.63
#3743	4/15/2026	WITHDRAWALS	Deposited Item Returned	-129.20
9961840	4/16/2026	ELECTRONIC FUNDS TRANSFER	EFT: BANK OF AMERICA CREDIT CARD PAYMENTS FOR MARCH/APRIL 2026.	-9,127.84
9961841	4/16/2026	ELECTRONIC FUNDS TRANSFER	EFT: BENEFIT BRIDGE/PUBLIC AGENCY PAYMENT FOR MAY 2026.	-45,221.72
MAY 2026	4/16/2026	ELECTRONIC FUNDS TRANSFER	EFT FOR DEARBORN LIFE INSURANCE ONLINE PAYMENT FOR MAY 2026	-500.05
JUNE 2026	4/17/2026	ELECTRONIC FUNDS TRANSFER	EFT: Duplicate - DEARBORN LIFE INSURANCE PAYMENT FOR JUNE 2026	-500.05
9961842	4/20/2026	ELECTRONIC FUNDS TRANSFER	EFT FOR VSP INSURANCE ONLINE PAYMENT FOR MAY 2026	-463.32
6536384	4/21/2026	ELECTRONIC FUNDS TRANSFER	EFT: MISSIONSQUARE RETIREMENT PAYMENT FOR PPE 04/17/2026	-13,672.28
254068	4/22/2026	ELECTRONIC FUNDS TRANSFER	EFT FOR METLIFE ONLINE PAYMENT FOR MAY 2026	-2,116.98
MAR/APRIL	4/22/2026	ELECTRONIC FUNDS TRANSFER	EFT FOR PG&E ONLINE PAYMENT FOR MARCH/APRIL 2026.	-21,451.50
806290	4/24/2026	ELECTRONIC FUNDS TRANSFER	EFT FOR AFLAC INSURANCE ONLINE PAYMENT FOR APRIL 2026.	-1,178.92
220-816	4/27/2026	ELECTRONIC FUNDS TRANSFER	EFT FOR EDD PAYROLL TAXES FOR PPE 04/17/2026	-3,624.74
5562923	4/27/2026	ELECTRONIC FUNDS TRANSFER	EFT FOR EFTPS PAYROLL TAXES FOR PPE 04/17/2026	-18,183.98
2110924	4/27/2026	ELECTRONIC FUNDS TRANSFER	EFT FOR NEW WEX ONLINE FUEL CARDS FOR MARCH/APRIL 2026	-5,179.46
1346	4/27/2026	ELECTRONIC FUNDS TRANSFER	RETURN CHECK #1346, DATE# 04/202/2026	-408.40
9961845	4/28/2026	ELECTRONIC FUNDS TRANSFER	EFT: PG&E PAYMENT for April 2026 - Street Lights @Northwestern Ave.	-49.74
8055	4/30/2026	WITHDRAWALS	Deposited Item Returned	-131.66
Total EFT's/Bank Withdrawals				-164,573.72

Ref#	Date	Vendor	Description	Amount
RepayRCAC	4/02/2026		To Repay Rural Community Assistance Corporation Interest Reserve Balance	-4,904.63
		TRANSFER FROM CHECK TO RCAC LOAN ACCT	for Loan#1144-CRD-05. for Water CIP Project.	
RepayRCAC	4/09/2026		To Repay Rural Community Assistance Corporation bridge loan line of credit	-748,561.01
		TRANSFER FROM CHECK TO RCAC LOAN ACCT	for Loan#1144-CRD-05. Draw# 10 for Water CIP Project.	
TRX TO PR	4/09/2026	TRANSFER FROM CHECK TO PAYROLL ACCOUNT	TRANSFER TO PAYROLL ACCT FOR PPE 04/03/2026	-50,779.70
TRX TO PR	4/23/2026	TRANSFER FROM CHECK TO PAYROLL ACCOUNT	TRANSFER TO PAYROLL ACCT FOR PPE 04/17/2026	-50,097.09
Total Transfer Between Accounts				-854,223

**City of Rio Dell
Check Listing for City Council Meeting**

Ref#	Date	Vendor	Description	Amount
Ref#	Date	Vendor	Description	Amount
9961839	4/16/2026	WITHDRAWALS	US Bank Debit Card to VistaPrint for new P.D. Officer	-24.08
9961844	4/27/2026	WITHDRAWALS	US Bank Debit Card to VistaPrint for Police Department Business Cards.	-27.35
9961843	4/28/2026	WITHDRAWALS	US Bank Debit Card to Dollar General for drop box Envelopes.	-6.02
12692	4/30/2026	WITHDRAWALS	US Bank Debit Card for Postage for April Utility Bills.	-579.55
Total Debit Card Withdrawals				<u>-637.00</u>



*675 Wildwood Avenue
Rio Dell, CA 95562-1597
(707) 764-5642 Hall*

For Meeting of: May 19, 2026
■ Consent Item; □ Public Hearing Item

To: City Council
From: Mary Clark, Community Service Officer
Through: Kyle Knopp, City Manager
Date: May 19, 2026
Subject: Discussion of Cost Recovery for the Abatement of 185 Douglas Street

That the City Council review the cost recovery for the abatement that took place on March 4, 2026 at 185 Douglas Street and approve the placement of a public hearing on the Council’s agenda so that a lien may be placed on the property. The hearing is tentatively scheduled for July 7, 2026. The total cost for the abatement was determined to be \$3,391.06.

Background and Discussion

On March 4, 2026, 4 workers from Redwood Teen Challenge, Chief Phinney, CSO Wolfe and I conducted an abatement at 185 Douglas Street in the City of Rio Dell. During the abatement, solid waste and multiple junk vehicles were removed from the property. Two 40-yard dumpsters were filled with solid waste and 2 junk vehicles were towed from the property. The City’s cost for the abatement were determined to be \$3,391.06.

The cost assessment was sent via certified mail to the property owner on April 10, 2026. The property owner has not made any attempt to pay the City for this debt. Rio Dell Municipal Code (RDMC) Sections 8.10.310 through 8.10.330 cover the cost recovery process. RDMC Section 8.10.330 references the California Government Code Section 38773.5 which spells out the process for establishing taxes and assessments. **This process requires two meetings, a public meeting followed by a public hearing. The public hearing is anticipated to be held on July 7, 2026.**

Attachment(s): Cost recovery assessment

Rio Dell Police Department
675 Wildwood Avenue, Rio Dell, California 95562
[707] 764-5642

COST RECOVERY ASSESSMENT

Name: **The Estate of Helen Elliott**
Address: 185 Douglas Street
Rio Dell, California 95562
A.P.# 053-115-001
File # CE22-179
Location: **185 Douglas Street**
Rio Dell, California

Date	Staff/ Vendor	Staff Time Description	Hours/10ths	Cost
1/15/2026	MC	Draft Notice of Nuisance and Order to Abate	1.00	\$70.53
2/25/2026	MC	Draft of Abatement Warrant	1.00	\$70.53
3/4/2026	MC	Service of Abatement Warrant	4.00	\$282.12
3/4/2026	LW	Service of Abatement Warrant	4.00	\$254.12
3/4/2026	JP	Service of Abatement Warrant	1.00	\$119.97
SUB-TOTAL - Staff Time				\$797.27

Contractors and Other Agencies/Departments

OTHER AGENCIES/DEPARTMENTS			
2/27/2026		Recology- 40 yard dumpster	\$1,490.19
2/27/2026		Redwood Adult Challenge clean up crew	\$630.00
2/27/2026		Eel River Transportation- vehicle removal	\$473.60
SUB- TOTAL			\$2,593.79

TOTAL COST **\$3,391.06**

675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
(707) 764-5480 (fax)



DATE: May 19, 2026
TO: Honorable Mayor and Members of the City Council
FROM: Travis Sanborn, Finance Director
THROUGH: Kyle Knopp, City Manager
SUBJECT: Approval of Resolution No. 1667-2026 Adopting a List of Projects for Fiscal Year 2026-27 Funded by SB1 – The Road Repair and Accountability Act of 2017

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Approve Resolution 1667-2026 Adopting a List of Projects for Fiscal Year (FY) 2026-27 Funded by SB1 – The Road Repair and Accountability Act of 2017.

BACKGROUND AND DISCUSSION

Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017, was signed into law by the Governor in April 2017 to address deferred maintenance on the state highway and local street and road systems. The bill provides that funds shall be used for projects that include the following:

- Road Maintenance and Rehabilitation
- Safety Improvements
- Increasing access and mobility options on streets and trails

The City’s Streets funds reserves have been declining for several years. Gas Tax revenues continue to decrease due to new technologies and better fuel efficiencies. SB 1 funds have added some additional revenues back to the City for street purposes. However, funding is still inadequate to support street improvement projects fully.

This is the tenth year funding will be received, and the City must adopt a project list by resolution annually to remain eligible for SB 1 funding. Each proposed project must include a title, description, location, schedule, and useful life. This step is also meant to allow for full transparency and accountability to ensure the public has full access to information on how their tax dollars are being invested. The guidelines require the list to be submitted to the California Transportation Commission by July 1 each year. The amount estimated from SB1 funds for FY 2026-27 for the City of Rio Dell is \$89,719.

ATTACHMENTS

Resolution 1667-2026



**RESOLUTION NO. 1667-2026
ADOPTING A LIST OF PROJECTS FOR FISCAL YEAR 2026-27 FUNDED BY
SB 1 – THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017**

WHEREAS, Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by the Legislature and Signed into law by the Governor in April 2017 in order to address the significant multi-modal transportation funding shortfalls statewide; and

WHEREAS, SB 1 includes accountability and transparency provisions that will ensure the residents of Rio Dell are aware of the projects proposed for funding in our community and which projects have been completed each fiscal year; and

WHEREAS, the City of Rio Dell must adopt by resolution a list of all projects proposed to receive fiscal year funding from the Road Maintenance and Rehabilitation Account (RMRA), created by SB 1, which must include a description and the location of each proposed project, a proposed schedule for the project’s completion, and the estimated useful life of the improvement; and

WHEREAS, the City of Rio Dell will receive an estimated \$89,719 in RMRA funding in Fiscal Year (FY) 2026-27 from SB 1; and

WHEREAS, this is the tenth year in which Rio Dell is receiving SB 1 funding and will enable Rio Dell to continue essential road maintenance and rehabilitation projects, safety improvements, and increasing access and mobility options for the traveling public that would not have otherwise been possible without SB 1; and

WHEREAS, Rio Dell has undergone a robust public process to ensure public input into our community’s transportation priorities/the project list; and

WHEREAS, the City of Rio Dell used a Pavement Management System to develop the SB 1 project list to ensure revenues are being used on the most high-priority and cost-effective projects that also meet the community’s priorities for transportation investment; and

WHEREAS, the funding from SB 1 will help the City of Rio Dell maintain and rehabilitate City streets and roads throughout Rio Dell this year and similar activities into the future; and

WHEREAS, the 2023 California Statewide Local Streets and Roads Needs Assessment found that Humboldt County’s streets and roads are in “poor” condition and this revenue will help the City of Rio Dell increase the overall quality of our road system and over the next decade assist with bringing our streets and roads into a “good” condition; and

WHEREAS, the SB 1 project list and overall investment in our local streets and roads infrastructure with a focus on basic maintenance and safety, investing in complete streets infrastructure, and using cutting-edge technology, materials, and practices, will have significant positive co-benefits statewide.

NOW, THEREFORE IT IS HEREBY RESOLVED, ORDERED AND FOUND by the City Council of the City of Rio Dell, State of California, as follows:

1. The foregoing recitals are true and correct.
2. The following list of newly proposed projects will be funded in-part or solely with FY 2026-27 Road Maintenance and Rehabilitation Account Revenues:

Project Title: Rio Dell General Road Maintenance and Repairs FY 2026-27
Project Description: Road maintenance and rehabilitation, including procurement of road maintenance and rehab materials, Public Works equipment, Public Works staffing, and repair and servicing of Public Works equipment.
Project Location: Portions of Davis Street, Wildwood Avenue, and various City Streets.

Estimated schedule: Start on July 1, 2026, and completion will be June 30, 2027.

Estimated Useful Life: Three to ten years.

PASSED AND ADOPTED by the City Council of the Rio Dell on this 19th day of May 2026 by the following vote:

Ayes:
 Noes:
 Abstain:
 Absent:

 Debra Garnes, Mayor

ATTEST:

 Jessica Hill, City Clerk

*675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
(707) 764-5480 (fax)*



DATE: May 19, 2026
TO: Mayor and Members of the City Council
FROM: Travis Sanborn, Finance Director
THROUGH: Kyle Knopp, City Manager
SUBJECT: Adoption of Facade Improvement Program Round No. 4

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Approve the Facade Improvement Program Round No. 4 Fiscal Year 2026-2027 for adoption.

BACKGROUND AND DISCUSSION

One of the key objectives outlined in the City's Economic Development Plan is to reduce downtown vacancy rates and improve storefront facades through strategic public-private partnerships. To advance this critical economic development initiative, the City implemented the Facade Improvement Program (FIP) as a targeted action item.

The FIP strategically induces private investment that results in quality improvements and enhancements to business-use properties throughout our commercial corridor. This program serves as a catalyst for significant aesthetic improvements that enhance the overall commercial district, creating a more vibrant and attractive business environment that supports economic growth and community vitality.

Due to increased interest and engagement from commercial property owners downtown, the program has demonstrated measurable success in achieving its intended outcomes. The growing demand from the business community reflects both the program's effectiveness and the entrepreneurial spirit within our downtown commercial district. This momentum aligns perfectly with our broader economic development strategy to create a thriving, sustainable commercial core.

The program will continue to be funded through the City's Economic Development Fund, with \$45,000 allocated for Round 4, providing funding for up to three fully supported projects. This investment represents a strategic commitment to downtown revitalization that leverages public resources to generate substantial private investment returns.

Staff recommends the City Council adopt the Facade Improvement Program Round No. 4 for Fiscal Year 2026-2027, building upon the program's proven track record of success and responding to the demonstrated demand from our commercial property owner community.

Attachments:

Facade Improvement Program Round No. 4 Program Guide and Application



City of Rio Dell

Humboldt County
California

Facade Improvement Program Round No. 4 Fiscal Year 2026-2027

Program Description

The Facade Improvement Program (FIP) is a reimbursement grant program provided to a business and/or property owner for the improvement of existing commercial buildings throughout the City of Rio Dell. The program provides a matching grant of 50% of the facade improvement cost to the business and/or owner up to a maximum dollar amount \$15,000 per approved project.

The purpose of the FIP is to induce private investment that results in quality improvements and enhancements to business-use properties. The City's intention is that the FIP serve public-private incentive for significant aesthetic improvements to the commercial area in which the property is located.

The private investment will need to be equal to or greater than the grant funds awarded.

The Community Development Department will administer the grant program (Project Administrator) in conjunction with the City's Planning Commission and Department of Finance. The Community Development Department will handle project approval, processing and permitting. No commitment of funds will be made until the Planning Division has evaluated the project for code compliance, received a complete project application and received approval from the City's Planning Commission / Design Review that the project is appropriate to proceed.



Project applications must be complete and collateral information must be provided to the Program Administrator before a grant will be processed for funding; no advances will be made of grant funds.

Projects must make an exterior improvement easily visible from public view. Grants will be given only for improvements done in a professional manner and approved through the City's Design Review process. A final inspection will be conducted by the City to confirm the work has been completed and conforms to the approved plans, colors and/or materials.

As part of the approval process, a Letter of Commitment will be issued by the Program Administrator.

Applicants are expected to complete projects in the timeframe outlined in the Letter of Commitment. The City aims to fund as many projects as possible and will not tie up funds with applicants who are not completing their projects. The City will hold stringently to the time frame specified in the Letter of Commitment.

Round No. 4 of the program will focus on commercial areas. Further areas of focus may be added or refined in future rounds if the program is successful.

Definition of Significant Facade Improvements or Renovations

“Improvements or renovations of existing buildings that are ten years of age or older, when a combination of two or more of the following are included: structural facade improvements, paint, awnings, signs, addition of architectural detail to facade, facade tile or stone accents, decorative entry walkway area, outside dining with decorative fencing, outside decorative lighting and new windows. Mural art projects can be considered as a significant façade improvement with or without other improvements.”

Eligibility & Processing

The property must meet the following criteria:

- Be located within Rio Dell city limits.
- Be a retail or commercial project (except for those listed under the section titled "Ineligible for Grants.").



- Proposed project must be in conformance with all applicable City codes and design standards.
- Must submit a completed grant application, with all requested collateral materials, to the Program Administrator.
- Must be a permitted or conditionally permitted use; legal non-conforming uses are not eligible (example: improvements to a legal non-conforming sign, structure, or a structure housing a non-conforming use will not be eligible).
- Must receive all necessary approvals before any work is started for which grant funds are being requested.
- Must submit original invoices stamped paid or accompanied by copies of cancelled checks, or proof of payment for materials, or for work performed by others before receiving the grant.

Grants

All grants are up to 50% of the cost of the approved improvements up to a maximum reimbursement of \$15,000.

At this time, properties having a building with multiple businesses/suites qualify for one grant only. Unoccupied commercial buildings are also eligible for the grant.

Work must be completed within a specified time period stated in the Letter of Commitment; if work is not completed in the time frame, the applicant can still receive a grant only if funds are available when they complete the work.

Applicants will not be compensated for labor they perform themselves. Only materials used, and/or the work of a contractor will be eligible and the work must be done in a professional manner. The property owner assumes all risk. All work must be in conformance with applicable building codes.

Proof of property owner acknowledgement is required as part of the application process.

Design Standards and Requirements

- Applicants requesting grants must propose and complete projects that meet the standards set through the design review process and the Planning



commission. Projects must meet or exceed design standards (where applicable).

- Formulation of color pallets, renderings and building plans will, in most cases, require professional design assistance that may be provided by the City.
- If repainting is involved, the entirety of the building, including portions of the building not visible from the street frontage, must be painted in the same color scheme.
- High quality "before" photos of the property must accompany the application. "After" photos will be required to be submitted with receipts or paid invoices before receiving the grant when the project is complete.

Process

1. Applicant contacts the Program Administrator to arrange a pre-application concept meeting. No drawings or plans are required, but the applicant must be able to describe the plan in detail.
2. Upon tentative approval of the project, the Program Administrator will assign the applicant a licensed architect to work with on the development of a cost estimate and visual representation of the design, at no cost to the applicant. The cost of the licensed architect's work is not to exceed \$2,000.00.
3. The applicant completes and submits the formal application with appropriate permits, architect-developed cost estimates, architect-developed visual representation of the final design and if necessary owner approval of the project.
4. Project will be submitted to the Planning Commission for Design Review and approval.
5. Once the application has been approved, a Letter of Commitment & Project Agreement will be sent to the applicant from the Program Administrator. This material will specify the amount of the grant funds to be set aside and a time frame in which the work must be completed to receive a grant. The Program Administrator will hold funds within FIP budget.
6. Once the Project Agreement is signed by the applicant and Program Administrator, the applicant may then begin work on the proposed project. The project **must be completed** by the deadline listed in the Project Agreement to receive funds. Extensions can be approved by the Program Administrator on a case-by-case basis.



7. Upon completion of work on the proposed project, final inspection of the project is performed by the City.
8. The Building Inspector and/or Program Administrator will review the work for compliance with the Planning Commission approved application. If approved by the Program Administrator, the applicant will submit invoices to the City's Department of Finance to receive payment in accordance to the grant agreement within 30 days of submittal. If the Building Inspector and/or Program Administrator deems the final work to be in non-compliance with the approved design, or not in compliance with applicable building code, the matter will be automatically referred to the Planning Commission for review and ratification, within 60 days, at no cost to the applicant. Work performed, or modifications made that do not conform to the approved project plans, will not receive funds.

Projects Eligible for Grants

- Areas of eligibility: Must be commercially zoned. Must be on or visible from the following streets: Wildwood, Eeloa & Northwestern.
- Significant facade improvements and renovations (see above, “**Definition of Significant Facade Improvements or Renovations**”).
- Building additions, when the entire building is improved, that is, the addition does not appear to be an add-on but integrates with the building (ex: building addition of compatible architecture and repainting of entire building to match the addition).
- Security features integrated with a façade improvement (example: shatter resistant windows, door locks, lighting) only if part of an approved façade improvement or renovation and adds a visible improvement.
- New roof material only if part of a significant facade improvement or renovation and adds a visible improvement.
- Upgraded and uniform facade improvements in older commercial buildings with multiple spaces that enhance the entire building (if the facility has more than one individual property ownership, there must be a comprehensive signage plan, color pallet and/or architectural facade plan in place; improvements made must conform to the plans or color pallet).
- Front facing landscaping.
- Block walls and fencing only if part of a comprehensive landscaping project and approved by the Planning Commission.
- Signs, awnings and painting of structures if they meet City design requirements.



- Murals, if they have the appropriate approvals (Design Review).
- Screening of roof-top equipment only in conjunction with other exterior property improvements.
- Creation of fixed outdoor patio areas (non-fixed assets are not eligible. Example: removable patio furniture, mobile heaters, etc.).
- Creation of customer entrances from the alley, especially when parking is available in the rear of a building or the alley side is visible from a public street; this must be done in conjunction with an approved facade improvement.
- Other improvements can be considered on a case-by-case basis, but must make a significant improvement to the property appearance and not be one of the excluded items.

Ineligible for Grants:

- New buildings. Buildings ten (10) years of age or more recently constructed.
- Motion detected lighting.
- Internally illuminated "can" signs or otherwise non-permitted signs.
- Land clearing or tree removal costs.
- Parking area paving, resurfacing, repair or striping.
- Chain link fencing with or without slats.
- City permits or processing fees.
- Residential projects, apartments, day care facilities located in residential neighborhoods.
- Religious facilities (ex: churches), unless they have street frontage in a business area.
- Non-profit facilities, unless they have street frontage in a business area.
- Projects that are receiving any other public funds.





675 Wildwood Avenue
 Rio Dell, CA 95562
 (707) 764-3532
 cityofriodell.ca.gov

CITY OF RIO DELL
 HUMBOLDT COUNTY
 CALIFORNIA



Rio Dell Bluffs

**FACADE IMPROVEMENT PROGRAM
 GRANT APPLICATION**

APPLICANT INFORMATION					
Applicant:	_____			<input type="checkbox"/> Building Owner	<input type="checkbox"/> Tenant
Property Address:	_____				
Mailing Address:	_____				
Name of Business:	_____				
Daytime Phone Number:	_____	Email Address:	_____		
OWNER INFORMATION					
Property Owner:	_____				
Mailing Address:	_____				
Daytime Phone Number:	_____	Email Address:	_____		
CONTRACTOR INFORMATION					
Contractor:	_____				
Mailing Address:	_____				
Daytime Phone Number:	_____	Email Address:	_____		
License Number:	_____	License Class:	_____	Exp. Date:	_____

TYPE OF IMPROVEMENTS BEING PROPOSED

- Building Addition/Alteration
 Creation of Outdoor Patio Area
 Painting/Mural
 Awnings
 New Entrance
 Landscaping
 Signage
 Other: _____

Briefly Describe the Improvements:

APPLICATION SUBMITTAL REQUIREMENTS

1. Photographs clearly showing existing conditions of the building/facilities to be improved; and
2. A complete written description of the proposed work; and
3. Drawings/renderings (with color scheme) that adequately and comprehensively show the proposed project; and
4. List of proposed materials, including material specifications; and
5. A detailed cost estimate for all aspects of the proposed improvements prepared by the Contractor or Design Professional; and
6. A project construction timeframe, including start date, milestones and completion date.

PROJECT COSTS

1. MATERIALS	\$ _____
2. LABOR	\$ _____
TOTAL COSTS:	\$ _____
GRANT AMOUNT REQUESTED:	\$ _____

Grants up to 50% of the project cost, not to exceed \$15,000.

I/we have read the description of the Facade Improvement Program (pages 1-6) and commit to following the procedures/guidelines set forth if I/we choose to participate in the Program. I/we understand that I/we cannot start work on any improvement until the application is approved and I/we have signed a Letter of Commitment from the City of Rio Dell.

Applicant

Date

Owner

Date

675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
(707) 764-5480 (fax)



DATE: May 19, 2026
TO: Mayor and Members of the City Council
FROM: Travis Sanborn, Finance Director
THROUGH: Kyle Knopp, City Manager
SUBJECT: Authorization to Transfer General Fund Surplus Cash to the Local Agency Investment Fund (LAIF)

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the Finance Director to transfer \$1,500,000 from the City’s General Fund checking account to the City’s Local Agency Investment Fund (LAIF) account to maximize the return on idle surplus cash balances in accordance with the City’s Investment Policy and California Government Code §§53601 et seq.

BACKGROUND AND DISCUSSION

Overview of LAIF

The Local Agency Investment Fund (LAIF) is a voluntary investment program administered by the California State Treasurer’s Office under California Government Code §53601(a). LAIF enables local governmental agencies to invest surplus funds alongside State monies in the Pooled Money Investment Account (PMIA), a portfolio of approximately \$165 billion. The program’s primary investment objectives are safety, liquidity, and yield. Participating agencies may deposit and withdraw funds on a same-day basis with no fees or penalties, making LAIF one of the most accessible and low-risk investment options available to California local governments.

The City of Rio Dell has maintained an active LAIF account and has historically used LAIF as the primary vehicle for investing surplus operating balances. The LAIF account earned \$71,822.40 in interest during the first quarter of calendar year 2026, reflecting an approximate annualized yield of 3.9 percent on the City’s invested balance. As of April 30, 2026, the City’s LAIF balance stands at \$7,400,947.78.

LAIF Account Summary	Current (April 30, 2026)	Projected Post-Transfer
LAIF Balance	\$7,400,947.78	\$8,900,947.78
Transfer Amount	---	\$1,500,000.00
Q1 2026 Interest Earned	\$71,822.40	---
Approx. Annual Yield	~3.9%	~3.9%

Basis for the Transfer

The City regularly evaluates its cash position to identify balances that exceed near-term operational requirements and are appropriate for short-term investment. Finance staff has determined that \$1,500,000 currently held in the General Fund is available for investment and is not needed to meet immediate obligations. This determination accounts for projected expenditures, outstanding commitments, and the City2019s ongoing capital improvement program activities.

Transferring these funds to LAIF accomplishes three objectives consistent with the City’s fiduciary responsibilities: (1) it maximizes the return on idle public funds; (2) it maintains full liquidity, as LAIF funds may be withdrawn at any time with same-day availability; and (3) it complies with the City’s Investment Policy and applicable state law governing the investment of local agency funds.

At a yield of approximately 3.9 percent, the \$1,500,000 transfer is projected to generate roughly \$58,500 in additional annual interest income for the City at current rates. LAIF funds remain fully accessible and can be recalled to the operating account on short notice should the need arise.

Legal and Policy Authority

The investment of City funds in LAIF is authorized under California Government Code §§53601 et seq., which permits local agencies to invest surplus funds in the State Treasurer’s LAIF program. This action is consistent with the City’s adopted Investment Policy, which identifies LAIF as an authorized investment vehicle and directs Finance staff to prioritize safety, liquidity, and yield in that order.

FISCAL IMPACT

The proposed transfer of \$1,500,000 from the General Fund checking account to LAIF has no net negative fiscal impact. General Fund cash is being repositioned from a lower-yield demand deposit account to LAIF, where it will earn a higher rate of return while remaining fully liquid. At the current approximate LAIF yield of 3.9 percent, the transfer is projected to generate approximately \$58,500 in additional annual interest income. Interest earnings are apportioned quarterly by the State Controller and credited directly to the City’s LAIF account.

ATTACHMENTS

- City of Rio Dell LAIF April 2026 Monthly Statement (Account No. 98-12-728)



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

May 12, 2026

[LAIF Home](#)
[PMIA Average Monthly Yields](#)

CITY OF RIO DELL

CITY CLERK
675 WILDWOOD AVENUE
RIO DELL, CA 95562

[Tran Type Definitions](#)



Account Number: 98-12-728

April 2026 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
4/15/2026	4/14/2026	QRD	1798392	N/A	SYSTEM	71,822.40

Account Summary

Total Deposit:	71,822.40	Beginning Balance:	7,329,125.38
Total Withdrawal:	0.00	Ending Balance:	7,400,947.78



*Rio Dell City Hall
675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
cityofriodell.ca.gov*

May 19, 2026

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Discussion and Possible Action Establishing Priorities for FY 2026-27

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Approve the final 2026 Prioritization.

BACKGROUND AND DISCUSSION

The Rio Dell City Council held a priority-setting session on May 4th to guide the FY 2026-27 budget, with staff highlighting fiscal pressures including earthquake recovery costs, declining sales tax revenues, and rising operational costs. Council members discussed key initiatives including economic development — particularly attracting major employers to the Rio Dell Business Park — as well as advancing shovel-ready projects to compete more effectively for grants. Other topics included keeping Second Street improvements and code enforcement as ongoing priorities, and the need to retain staff through competitive compensation. The Council discussion reached consensus on six priorities: economic development, shovel-ready/grant-competitive projects, public safety, personnel retention, code enforcement, and long-term fiscal stability.

Each Councilmember submitted five written priorities summarized into the following subject areas:

Community & Economic Development: Hiring a professional economic development consultant - Amazon Recruitment (4). Develop Shovel Ready Projects for Grant Opportunities (3). General Economic Development (1). Total: 8

Finance: Conduct the 5-year water and wastewater rate analysis (3). Total: 3

Organizational Development and Administration: Establish a \$200 monthly stipend for members of the City Council starting with the new term. (1) Total: 1

Personnel: Strengthen relations with city staff (2). Total: 2

Public Safety: Code enforcement (2) Rental Housing Inspection Program (1) Total: 3

Public Works: Collection System (1) Scotia interties (2) Total: 3

Priorities				
2022	2023	2024	2025	2026
Economic Development Plan Implementation	Economic Development Implementation	Public Works	Public Safety	Professional ED Recruiter
Measure U/J Extension	Community Development	Public Safety Staffing	Economic Development	Develop Shovel Ready Projects
Personnel	Public Works - Underground Infrastructure	Economic Development	Public Works	Rate Analysis
Todd Property Infrastructure	Personnel	Street Planning & Work	PD Personnel	Code Enforcement
	Public Safety	Parks & Youth	Parks & Youth	Collection Intertie

///



Staff Highlights – 2026-05-19

City Council

City Manager

Susie Townsend has announced her retirement and the City is currently recruiting for a Fiscal Assistant Position.

The City's application for a Land Water Conservation Fund grant for the Davis Street Park acquisition was denied.

Staff is still waiting on Recology for final numbers needed in order to proceed with the next steps for the Solid Waste Franchise agreement.

Staff submitted documentation for a possible Zero Emission Vehicle Grant.

Met with the Regional Senior Manager and Government Liaison with PG&E to discuss City and regional issues.

City Clerk

City Attorney

Human Resources, Risk & Training

Finance Department

Coordinated with Finance staff and the Community Development Director to process the HCD Local Early Action Planning (LEAP) grant.

Submitted Invoice No. 1 to the State Water Resources Control Board for the Painter Street Sewer Line Replacement Project (Agreement No. D2404000, Project No. C-06-8403-210).

Contacted RCAC to explore financing options for the Painter Street upsizing project and remaining CalOES earthquake recovery infrastructure projects.

Met with the City's engineering consultants to review current budgets and project scopes for active CalOES earthquake recovery projects.

Discussed reimbursement strategies with CalOES representatives for upcoming project phases.

Submitted invoices to Caltrans to maintain active status on earthquake-related road recovery projects.



Processed approval of Invoice No. 16 for the Water Distribution System Improvement Capital Improvement Project.

Coordinated with the CIP water project contractor to obtain and verify current insurance documentation.

Reviewed final payment terms and evaluated eligible ARPA expenditure options for the Monument Road Repair project.

Worked with County of Humboldt representatives on HCD Community Development Block Grant (CDBG) home repair programs.

Engaged cannabis business operators regarding outstanding tax obligations owed to the City.

Responded to inquiries from the City's auditor in support of the ongoing FY 2024-25 Annual Financial Audit.

Submitted final documents to the Transportation Development Act (TDA) auditor.

Compiled current staffing data and provided updated position counts to the City's insurance group, SCORE, for coverage purposes.

Distributed FY 2026-27 budget packets to all department heads, including line-item budget request worksheets, capital project request forms, and budget narrative instructions.

Developed a proposed staffing plan and updated organizational chart in support of the FY 2026-27 budget process.

Prepared salary and benefit cost projections based on the proposed FY 2026-27 staffing plan.

Conducted revenue forecasting in preparation for the FY 2026-27 budget.

Public Works Water

Public Works Wastewater

Public Works Streets, Buildings and Grounds

Public Works City Engineer

Public Works Capital Projects

Police Department

Patrol Statistics:



During May 6th – May. 14th 2026, the Rio Dell Police Department handled 152 incidents. 3 arrests were made. A total of 2 citations were issued for traffic offenses or other miscellaneous criminal violations. 7 total cases requiring investigation were taken.

Staffing:

- Officer Alexander Lewallen is progressing through the Field Training Program and continues to demonstrate strong performance and steady progress.

Community Events / Notable Cases:

- Kindergarten students from the Eagle Prairie Elementary School visited the Police Department for a tour and educational purposes. Students were introduced to department operations, police equipment, and public safety topics, providing an opportunity for positive community engagement and interaction with law enforcement personnel.

Abatement Projects:

March 31, 2026 and May 15, 2026

Total calls for service: 145

Residential Abatement:

- Completed Abatements and cost recoveries in the process
 - 520 First Avenue- three 40-yard dumpsters filled
 - 337 Second Avenue- two 40-yard dumpsters filled
 - 483 Fourth Avenue- one 30-yard dumpster filled
 - 185 Douglas Street- one 40-yard dumpster filled
 - 530 Third Avenue- one 40-yard dumpster filled
- Inspection Warrant scheduled for 23 Center Street- Abatement to follow shortly after

Vehicular Abatement:

- 11 total cases
- 2 vehicles towed

Animals transported to Miranda's **Prior to May 3rd**

- 3 dogs
- 1 bunny

Community Development Department

Intergovernmental

675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
(707) 764-5480 (fax)



DATE: May 19, 2026
TO: Mayor and Members of the City Council
FROM: Travis Sanborn, Finance Director
THROUGH: Kyle Knopp, City Manager
SUBJECT: Fiscal Year 2024-25 Audited Financial Statements

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Receive a presentation by Harshwal & Company LLP on the City's audited financial statements and accompanying information.

BACKGROUND AND DISCUSSION

Each year an independent auditing firm audits and prepares financial statements for the City of Rio Dell in accordance with Generally Accepted Accounting Principles (GAAP) and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that an audit be performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

The City received an unmodified opinion and no material weaknesses were identified. An unmodified opinion means that the auditor has concluded the financial statements present fairly the results of the City's operations and its financial position according to generally accepted accounting principles. A material weakness is one or more deficiencies in internal control where a reasonable possibility exists that a material misstatement will not be prevented, detected, or corrected in a timely manner. The auditor found no such weaknesses.

The auditing firm Harshwal & Company LLP will present to Council the Fiscal Year 2024-25 audited Financial Statements and accompanying information.

ATTACHMENTS

-Annual Financial Report for the Fiscal Year ended June 30, 2025

CITY OF RIO DELL, CALIFORNIA
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2025



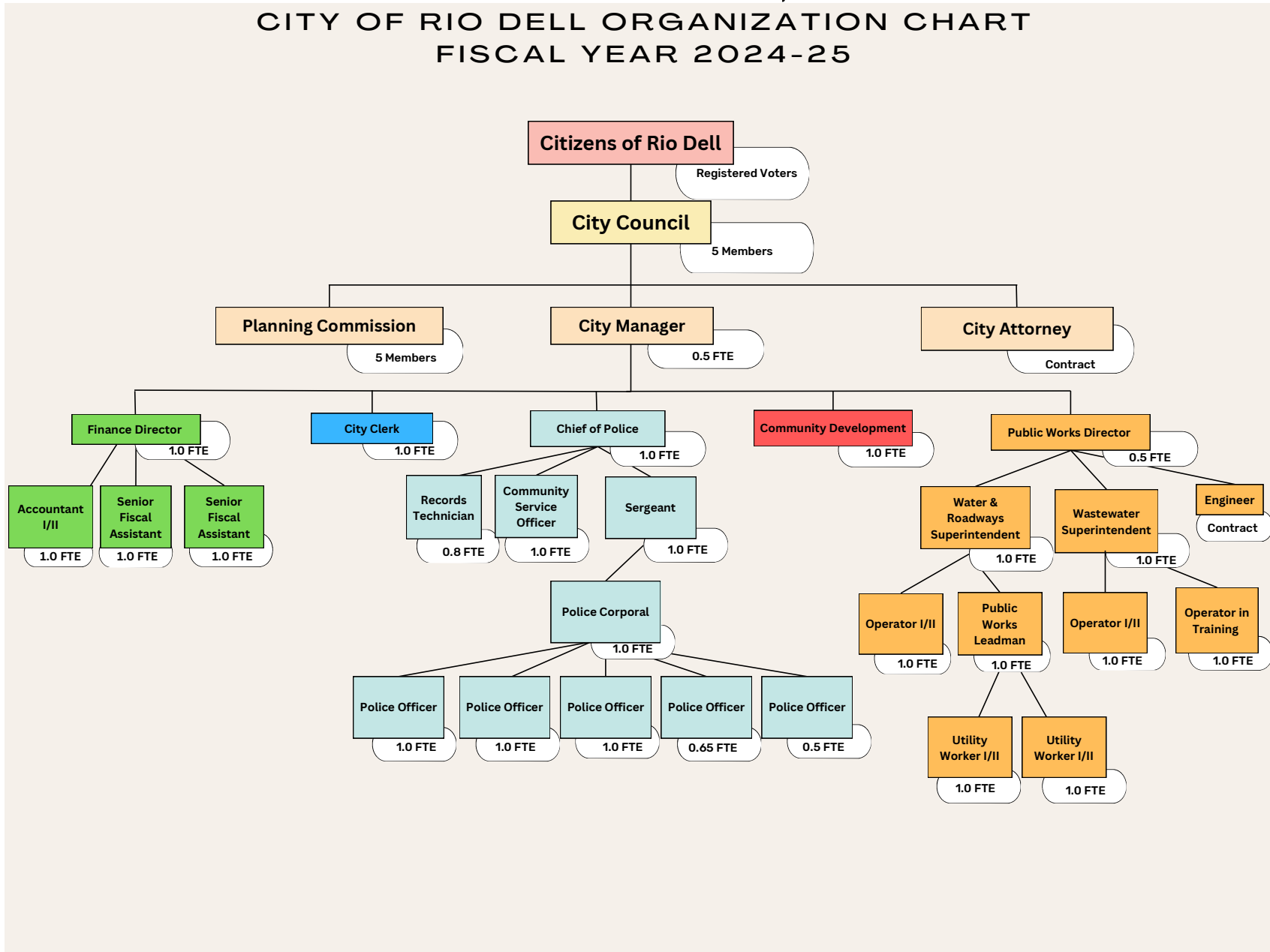
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**CITY OF RIO DELL, CALIFORNIA
ORGANIZATION CHART
FOR THE YEAR ENDED JUNE 30, 2025
CITY OF RIO DELL ORGANIZATION CHART
FISCAL YEAR 2024-25**



**CITY OF RIO DELL, CALIFORNIA
LIST OF OFFICIALS
FOR THE YEAR ENDED JUNE 30, 2025**

CITY COUNCIL

- Debra Garnes, Mayor
- Amanda Carter, Mayor Pro Tem
- Robert Orr, Council Member
- Frank Wilson, Council Member
- Julie Woodall, Council Member

CITY OFFICIALS

- Kyle Knopp, City Manager/Public Works Director
- Karen Dunham, City Clerk
- Travis Sanborn, Finance Director
- Kevin Caldwell, Community Development Director
- Joshua Phinney, Chief of Police

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Rio Dell, California
Rio Dell, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rio Dell, California (the "City"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, CDBG Housing Special Revenue Fund, and Clean CA Grant ER Trails Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (Unaudited) on pages 4 through 16 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2026, on our consideration of the City's internal control over financial reporting and on our 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 our 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 the City'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 City's internal control over financial reporting and compliance.

Harshmal & Company LLP

San Diego, California
May 13, 2026

**CITY OF RIO DELL, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

INTRODUCTION

This section provides a narrative overview and analysis of the financial activities of the City of Rio Dell, California (the "City") for the fiscal year ended June 30, 2025. It should be read in conjunction with the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

This section of the annual financial report provides a narrative overview and analysis the City's financial activities for the fiscal year ended June 30, 2025. It should be read with the accompanying transmittal letter and basic financial statements.

The following outlines the financial highlights for the year:

- On June 30, 2025, the City's net position (excess of assets and deferred outflows of resources of the City over liabilities and deferred inflows of resources) was \$38,082,248, an increase of \$3,723,073 from the prior year. Of the total net position, \$27,807,690 was invested in capital assets (net of related debt) and \$1,535,830 had restricted in their use, leaving \$8,738,728 as unrestricted.
- Overall, City-wide revenues from all governmental and business-type activities increased by \$2,306,618, or 32.00%, compared to FY 2023-24, primarily due to higher program revenue. The City's total expenses for all FY 2024-25 programs decreased by \$232,779, or 3.86%.
- Overall, the City's net position increased by \$3,723,073 (\$1,317,033 and \$2,406,040 for governmental and business-type activities, respectively). Total city-wide assets increased by \$3,658,573, primarily due to growth in both current and noncurrent assets.
- The General Fund reported a fund balance of \$2,041,367 at the end of the 2025 fiscal year, an increase of \$77,413. This change reflects the continued contribution of cannabis tax collections and the yield optimization realized from the City's strategic LAIF allocations.
- The City also ended the fiscal year with \$5,678,043 reported in the proprietary enterprise funds (the amount of net position available for use, including unrestricted net position but excluding the investment in capital assets net of related debt). This is an increase of \$712,934 from 2024, due to unrestricted water funds increasing by \$340,957 to \$3,710,732 and unrestricted sewer funds increasing by \$371,977 to \$1,967,311.

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

The Basic Financial Statements

The Basic Financial Statements are comprised of the Government-wide Financial Statement and the Fund Financial Statements; these two sets of financial statements provide two different views of the City's financial activities and financial position.

**CITY OF RIO DELL, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

OVERVIEW OF THE ANNUAL FINANCIAL REPORT - CONT'D

Government-Wide Financial Statements

The Government-wide Financial Statements provide a broad overview of the City's activities and comprise the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the City's financial position as a whole, including all its capital assets and long-term liabilities on the full accrual basis, similar to that used by private sector entities. The Statement of Activities provides information about all the City's revenue and expenses on a full accrual basis, emphasizing measuring net revenues or expenses of each of the City's programs. The Statement of Activities explains the change in Net position for the year.

The City's activities are grouped into Governmental and Business-type activities, as explained below. All the amount in the Statement of Net Position and the Statement of Activities are separated into Governmental Activities and Business-type Activities to summarize these two activities of the City as a whole.

Government-wide financial statements, prepared on an accrual basis, measure the flow of all economic resources of the City. Two basic statements are presented here: The Statement of Net Position and Statement of Activities. These statements present information about the following activities.

- **Governmental activities** – The City's basic services are considered governmental activities, including general government, community development, parks and recreation, public safety, animal control, engineering, community events, public improvements, planning and zoning, building inspections, and general administration. These services are supported by general City revenues such as taxes and specific program revenues such as developer fees.
- **Business-type activities** – All the City's enterprise activities, including water and sewer, are reported here. Unlike governmental services, these services are supported by charges paid by users based on the amount of the service they use.

Fund Financial Statements

A fund is a grouping of related accounts used to control resources segregated for specific activities or objectives. Like other state and local governments, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City's funds can be divided into two categories: governmental funds and proprietary funds.

Governmental funds - Governmental funds account for the same functions reported as governmental activities in the Government-wide Financial Statements. However, unlike Government-wide Financial Statements, Governmental Fund Financial Statements focus on near-term inflows and outflows of spendable resources and balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

**CITY OF RIO DELL, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

OVERVIEW OF THE ANNUAL FINANCIAL REPORT - CONT'D

Fund Financial Statements - Cont'd

Because the focus of the Governmental Fund Financial Statements is narrower than that of the Government-wide Financial Statements, comparing the information presented for governmental funds with similar information presented for governmental activities in the Government-wide Financial Statement is useful. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. The governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The Governmental Fund Financial Statements provide detailed information about each City's most significant funds, called major funds. The concept of major funds, and the determination of which are major funds, was established by GASB Statement No. 34 and replaces the concept of combining like funds and presenting them as one total. Instead, each major fund is presented individually, with all nonmajor funds summarized and presented only in a single column. Subordinate schedules present the details of these nonmajor funds. Major funds represent the major activities of the city for the year and may change from year to year due to changes in the pattern of the city's activities.

For the fiscal year ended June 30, 2025, the City's major fund are as follows:

GOVERNMENTAL FUNDS:

- General Fund
- CDBG Special Revenue Fund
- Clean CA Grant ER Trails Fund

PROPRIETARY FUNDS:

- Water Enterprise Fund
- Sewer Enterprise Fund
- Internal Service Fund

For the fiscal year ending June 30, 2025, the City adopted annual appropriated budgets for all governmental funds.

Proprietary funds - The City maintains Enterprise-type funds. Enterprise funds report the same functions as business-type activities in the Government-wide Financial Statements. The City uses enterprise funds to account for Water and Sewer activities. The proprietary fund financial statements provide separate information for all of these operations.

Fiduciary Statements

The City's fiduciary activities are reported in the Statement of Fiduciary Net Position. These activities are excluded from the City's other financial statements because it cannot use these assets to finance its operations. The fiduciary statements provide financial information about the activities of special deposits for which the City acts solely as an agent. They provide information about the cash balances and activities of these funds.

**CITY OF RIO DELL, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

OVERVIEW OF THE ANNUAL FINANCIAL REPORT - CONT'D

Notes to the Basic Financial Statements

The notes provide additional information essential to fully understanding the data provided in the Government-wide and Fund Financial Statements. The notes to the basic financial statements can be found on pages 39-62 of this report.

Combining and Individual Fund Financial Statements and Schedules

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements can be found on pages 64-85 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may be a useful indicator of a government's financial position over time. In the case of the City, assets exceeded liabilities by \$38,082,248 as of June 30, 2025. The Summary of Net position as of June 30, 2025, and 2024, follows:

Table 1: Summary of Net Position

	2025			2024			Amount Change	% Change
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total		
Assets:								
Current and other assets	\$ 4,899,108	\$ 6,215,641	\$ 11,114,749	\$ 5,229,134	\$ 5,609,899	\$ 10,839,033	\$ 275,716	2.54%
Noncurrent assets	<u>9,606,613</u>	<u>23,476,152</u>	<u>33,082,765</u>	<u>7,916,862</u>	<u>21,783,046</u>	<u>29,699,908</u>	<u>3,382,857</u>	<u>11.39%</u>
Total assets	<u>14,505,721</u>	<u>29,691,793</u>	<u>44,197,514</u>	<u>13,145,996</u>	<u>27,392,945</u>	<u>40,538,941</u>	<u>3,658,573</u>	<u>9.02%</u>
Liabilities:								
Current and other liabilities	239,466	831,465	1,070,931	197,502	599,794	797,296	273,635	34.32%
Noncurrent liabilities	<u>63,127</u>	<u>4,981,208</u>	<u>5,044,335</u>	<u>62,399</u>	<u>5,320,071</u>	<u>5,382,470</u>	<u>(338,135)</u>	<u>(6.28)%</u>
Total liabilities	<u>302,593</u>	<u>5,812,673</u>	<u>6,115,266</u>	<u>259,901</u>	<u>5,919,865</u>	<u>6,179,766</u>	<u>(64,500)</u>	<u>(1.04)%</u>
Net position:								
Net investment in capital assets	9,606,613	18,201,077	27,807,690	7,916,862	16,507,971	24,424,833	3,382,857	13.85%
Restricted	1,535,830	-	1,535,830	1,085,509	-	1,085,509	450,321	41.48%
Unrestricted	<u>3,060,685</u>	<u>5,678,043</u>	<u>8,738,728</u>	<u>3,883,724</u>	<u>4,965,109</u>	<u>8,848,833</u>	<u>(110,105)</u>	<u>(1.24)%</u>
Total net position	<u>\$ 14,203,128</u>	<u>\$ 23,879,120</u>	<u>\$ 38,082,248</u>	<u>\$ 12,886,095</u>	<u>\$ 21,473,080</u>	<u>\$ 34,359,175</u>	<u>\$ 3,723,073</u>	<u>10.84%</u>

**CITY OF RIO DELL, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

GOVERNMENT-WIDE FINANCIAL ANALYSIS - CONT'D

The City's total net position increased by \$3,723,073 (\$1,317,033 and \$2,406,040 for governmental and business-type activities). Total city-wide assets increased by \$3,658,573, resulting from increased current and noncurrent assets in governmental and business-type activities. Total city-wide liabilities decreased by \$64,500, primarily due to a decrease in long-term liabilities under Business-type activities. Debt service principal (long-term liabilities) for the wastewater treatment plant and the water system infiltration gallery decreased by \$332,033.

About 4.03% or \$1,535,830 of the City-wide net position represents resources subject to external restrictions on their use. The remaining unrestricted net position of \$8.7 million may be used to meet the government's ongoing obligations to citizens and creditors. Of this amount, \$3,060,685 is held by governmental activities, and \$5,678,043 is held by business-type activities.

Revenues

The City's total revenues for governmental and business-type activities were \$9,513,996 for the fiscal year that ended June 30, 2025, an increase of \$2,306,618. The increase is primarily attributed to increases in operating and capital grants and contributions and business-type charges for services. Significant revenues for the City for FY 2024-25 were derived from taxes (12.71%), operating and capital grants and contributions (44.06%), and charges for services (33.87%).

The following discusses variances in key revenues from the prior fiscal year:

- **Charges for Services** - Annual receipts for business-type activities increased by \$276,387, or 9.86%. Governmental activities decreased by \$52,370, or 26.76%, primarily due to reclassifying reimbursements for projects associated with the 2022 Earthquake Disaster.
- **Grants and Contributions** - Through their advancement, the Eel River Trail, Gateway Beautification, Rio Dell Dog Park, and Water Distribution System Project produced a \$2,259,594 increase in annual receipts.
- **Cannabis Taxes** – Revenues decreased by \$8,735, or 3.24% year over year to \$261,221.

Expenses

The City's governmental and business-type activity expenses for the year totaled \$5,790,923. This is a decrease of \$232,779 from the prior fiscal year. Governmental activity expenses totaled \$2,987,255, or 51.59% of total expenses. Business-type activities accounted for \$2,803,668 of expenses during the fiscal year, a decrease of \$513,125 due mainly to costs associated with the 2022 Earthquake disaster. Public Safety - Police costs represented 45.13% of total governmental activities expenses, General Government activities were 20.10%, Housing and Community Development was 14.08%, and Public Works was 13.78%. The remaining 6.91% was spent on Planning and Building, and Recycling costs.

**CITY OF RIO DELL, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

GOVERNMENT-WIDE FINANCIAL ANALYSIS - CONT'D

Table 2: Changes in Net Position

	2025			2024			Amount Change	% Change
	Governmental Activities	Business type Activities	Total	Governmental activities	Business type Activities	Total		
REVENUES:								
Program revenues:								
Charges for services	\$ 143,300	\$ 3,078,655	\$ 3,221,955	\$ 195,670	\$ 2,802,268	\$ 2,997,938	\$ 224,017	7.47%
Grants and Contribution	2,023,945	307,302	2,331,247	822,291	51,052	873,343	1,457,904	166.93%
Capital Contributions	227,358	1,632,932	1,860,290	188,525	870,075	1,058,600	801,690	75.73%
General revenues:								
Property taxes, levied for general purpose	175,040	-	175,040	179,003	-	179,003	(3,963)	(2.21)%
Sales taxes	453,614	-	453,614	638,134	-	638,134	(184,520)	(28.92)%
Cannabis taxes	261,221	-	261,221	269,956	-	269,956	(8,735)	(3.24)%
Transient occupancy taxes	19,154	-	19,154	20,518	-	20,518	(1,364)	(6.65)%
Gas taxes	193,830	-	193,830	186,115	-	186,115	7,715	4.15%
Franchise taxes	106,806	-	106,806	102,836	-	102,836	3,970	3.86%
Motor vehicle in lieu	526,746	-	526,746	508,591	-	508,591	18,155	3.57%
Use of money and property	116,576	169,156	285,732	172,542	191,033	363,575	(77,843)	(21.41)%
Other general	56,698	21,663	78,361	8,350	419	8,769	69,592	793.61%
Total revenues	4,304,288	5,209,708	9,513,996	3,292,531	3,914,847	7,207,378	2,306,618	32.00%
EXPENSES:								
Governmental activities:								
General government	600,451	-	600,451	380,037	-	380,037	220,414	58.00%
Public safety - Police	1,348,144	-	1,348,144	1,374,394	-	1,374,394	(26,250)	(1.91)%
Public works	411,724	-	411,724	746,169	-	746,169	(334,445)	(44.82)%
Planning and building	174,707	-	174,707	175,246	-	175,246	(539)	(0.31)%
Housing and community development	420,631	-	420,631	10,708	-	10,708	409,923	3,828.19%
Recycling	31,598	-	31,598	20,355	-	20,355	11,243	55.23%
Business-type activities								
Sewer	-	1,920,777	1,920,777	-	2,057,361	2,057,361	(136,584)	(6.64)%
Water	-	882,891	882,891	-	1,259,432	1,259,432	(376,541)	(29.90)%
Total expenses	2,987,255	2,803,668	5,790,923	2,706,909	3,316,793	6,023,702	(232,779)	(3.86)%
Change in net position	1,317,033	2,406,040	3,723,073	585,622	598,054	1,183,676	2,539,397	214.53%
Net position beginning of year	12,886,095	21,473,080	34,359,175	12,300,473	20,875,026	33,175,499	1,183,676	3.57%
Net position end of year	\$ 14,203,128	\$ 23,879,120	\$ 38,082,248	\$ 12,886,095	\$ 21,473,080	\$ 34,359,175	\$ 3,723,073	10.84%

**CITY OF RIO DELL, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

GOVERNMENT-WIDE FINANCIAL ANALYSIS - CONT'D

Governmental Activities

The following table shows the cost of each of the City's major programs and the net cost Services cost is the total cost minus fees and other direct revenue the activities generate. The net cost reflects the financial burden placed on the City's taxpayers by each program. The total cost of services and the net cost of services for the fiscal years ended June 30, 2025, and 2024 are as follows:

	2025		2024	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 600,451	\$ 538,400	\$ 380,037	\$ 351,957
Public safety - Police	1,348,144	1,147,405	1,374,394	1,185,087
Public Works	411,724	236,295	746,169	473,808
Planning and building	174,707	(121,973)	175,246	95,787
Housing and community development	420,631	(1,238,397)	10,708	(538,282)
Recycling	31,598	30,922	20,355	(67,934)
Total	<u>\$ 2,987,255</u>	<u>\$ 592,652</u>	<u>\$ 2,706,909</u>	<u>\$ 1,500,423</u>

Total expenses for governmental activities were \$2,987,255, \$280,346 or 10.36% more than the prior year. Increases in the total and net cost of services were attributed to the rise in General government costs attributed to the 2022 Earthquake disaster compared to the previous year.

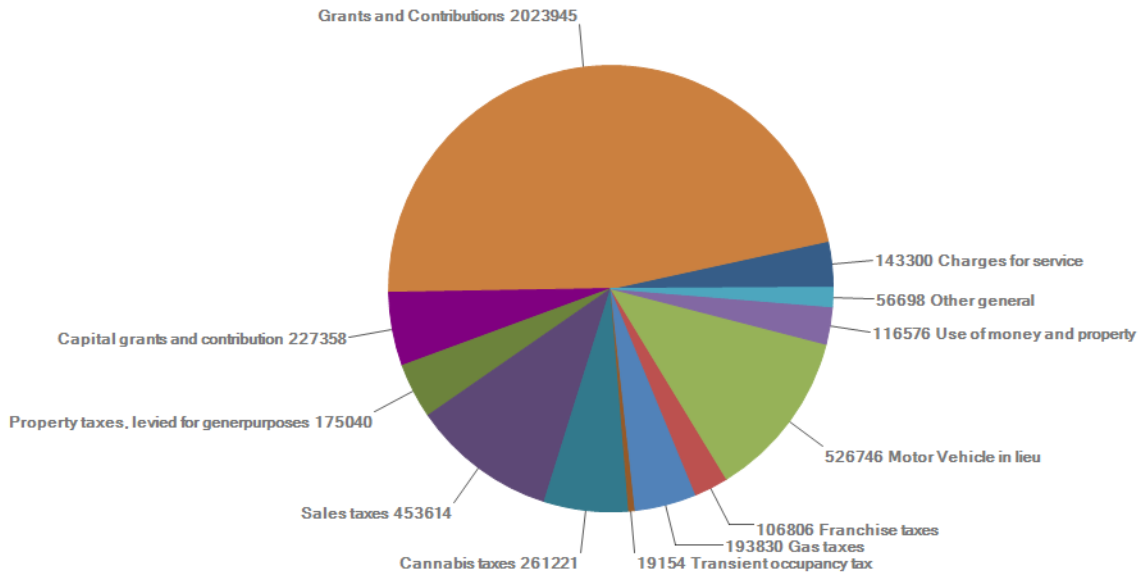
**CITY OF RIO DELL, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

GOVERNMENT-WIDE FINANCIAL ANALYSIS - CONT'D

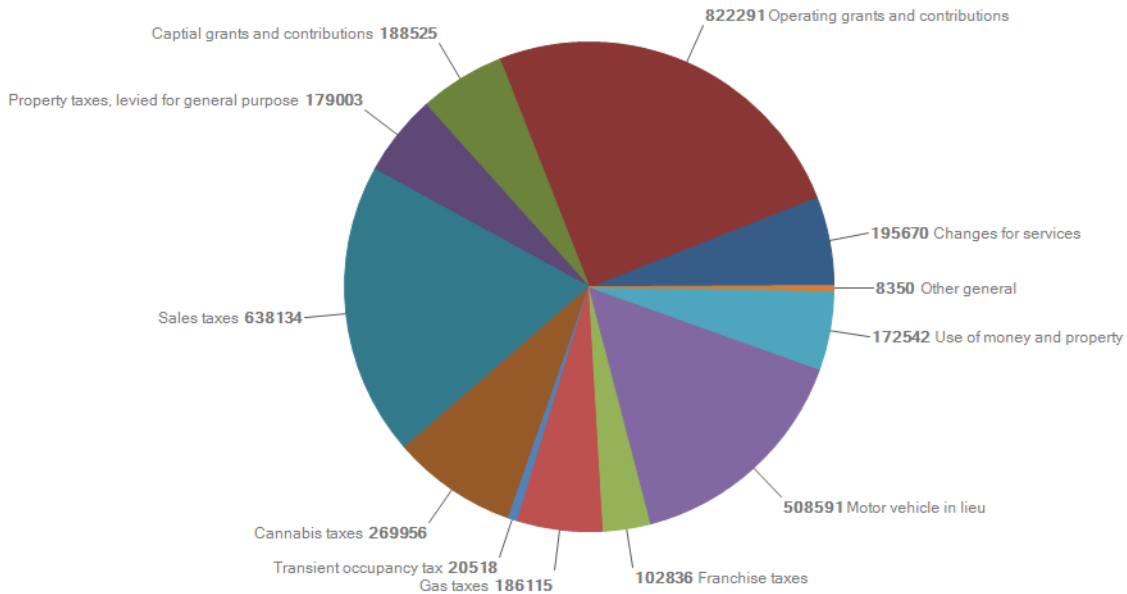
Governmental Activities - Cont'd

Revenues by source for the fiscal years ended June 30, 2025, and 2024 are as follows:

**Revenue by Source-Governmental Activities
2025**



**Revenues by Source-Governmental Activities
2024**

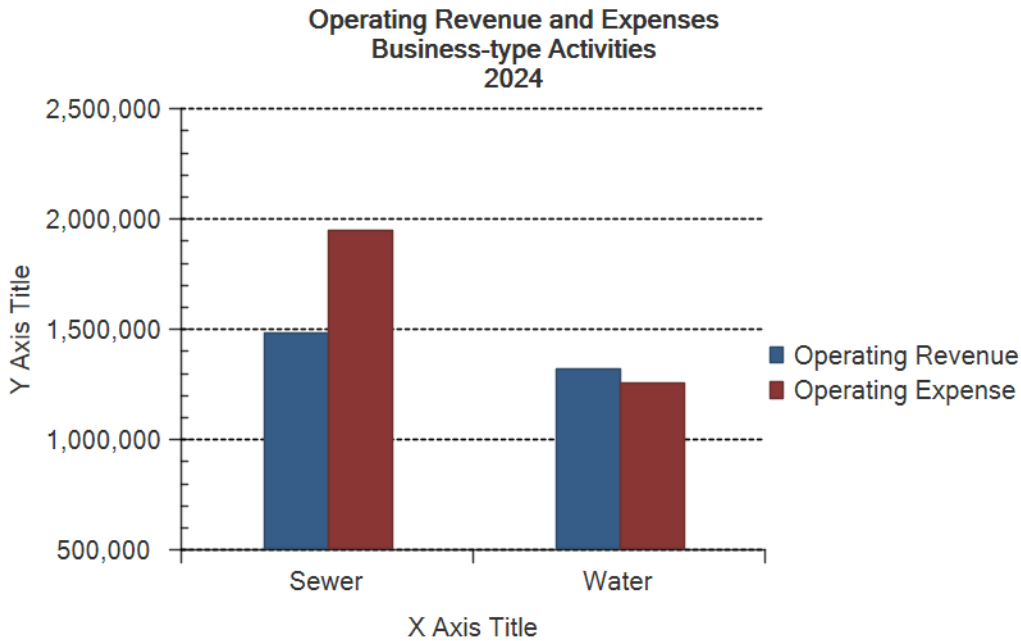
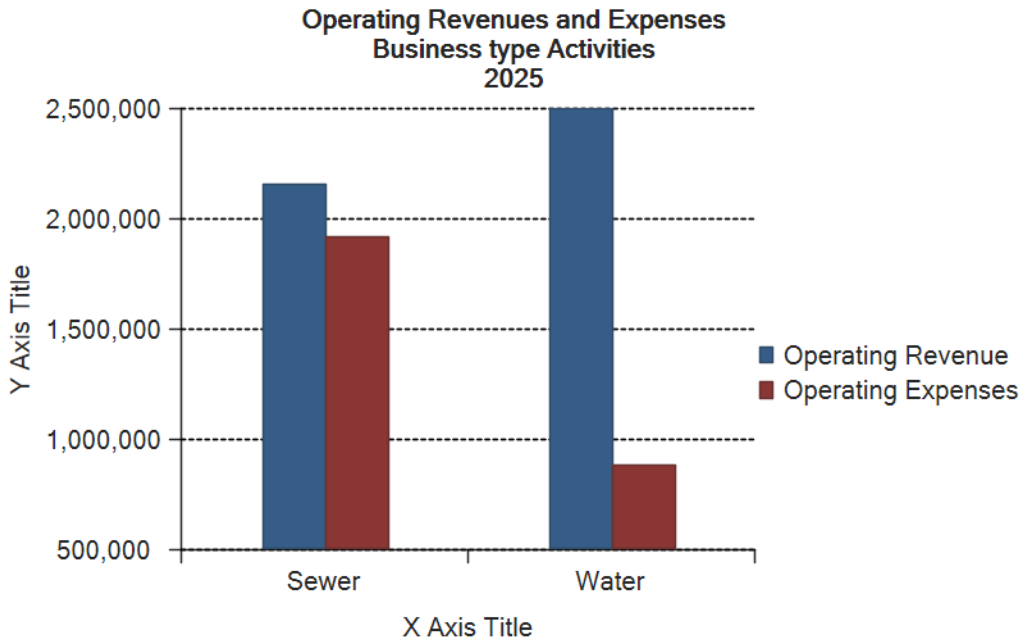


CITY OF RIO DELL, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS - CONT'D

Business-type Activities

Business-type activities have increased the City's net position by \$2,406,040. The City has two business-type activities: Sewer and Water Operations. The operating revenues and expenses for the business-type activities for the fiscal years ended June 30, 2025, and 2024, are as follows:



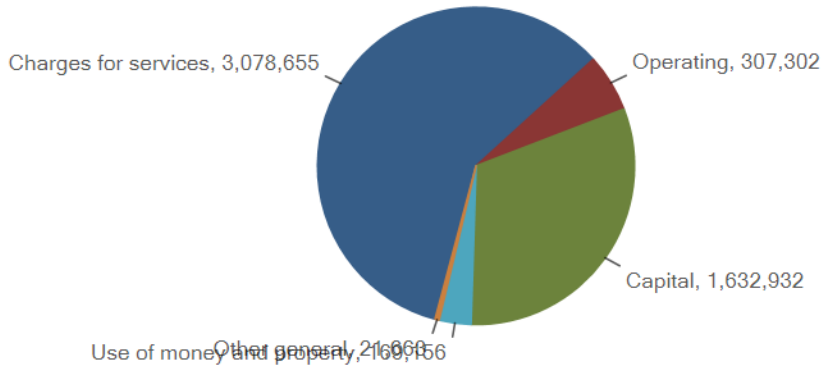
CITY OF RIO DELL, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS - CONT'D

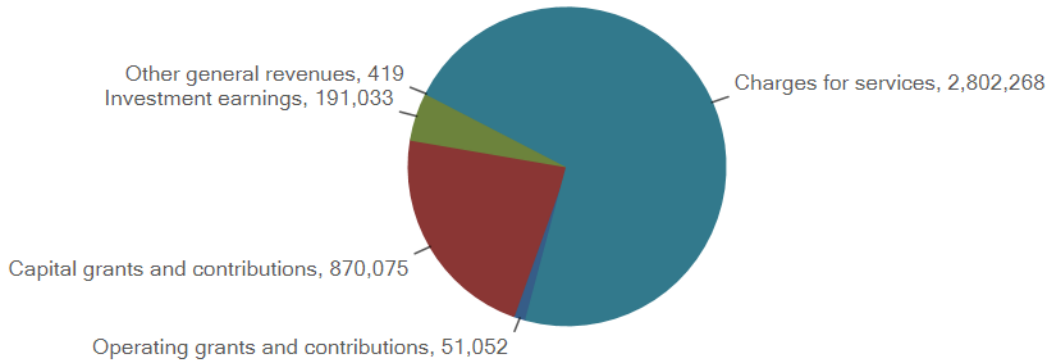
Business-type Activities - Cont'd

The revenues by source for the business-type activities for the fiscal years ended June 30, 2025, and 2024, are as follows:

Revenue by Source - Business-type Activities
2025



Revenue by Source - Business-type Activities
2024



**CITY OF RIO DELL, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

GOVERNMENT-WIDE FINANCIAL ANALYSIS - CONT'D

Financial Analysis of the Government's Funds

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide financial statements.

Governmental funds - The City's governmental funds provide information on near-term inflows, outflows, and balances of spending resources. At the fiscal year ending June 30, 2025, the City's governmental funds reported combined fund balances of \$3,906,352. This is a decrease of \$408,525 or 9.47% from last year.

The General Fund is the City's chief operating fund. In the fiscal year ending June 30, 2025, the General Fund's fund balance totaled \$2,041,367, an increase of \$77,413 or 3.94% from the prior year. This change reflects the confluence of enhanced cannabis tax collections and the yield optimization realized from the City's strategic LAIF allocations.

In fiscal year 2024-25, governmental allocations facilitated the City's execution of diverse capital and specialized undertakings. The municipality perpetuated the Facade Enhancement Program, granting qualifying properties reciprocal financial instruments for aesthetic building amelioration. Historically, the General Fund underwrites infrastructural roadwork, municipal beautification initiatives, and enhancements to City Hall and police department facilities.

- **Proprietary funds** - The City ended the fiscal year with \$5,678,043 reported in the proprietary enterprise funds (the amount of net position available for use, including unrestricted net position but excluding the investment in capital assets net of related debt). This is an increase of \$712,934 from 2024 due to unrestricted water funds increasing by \$340,957 to \$3,710,732 and unrestricted sewer funds increasing by \$371,977 to \$1,967,311.

General Fund Budgetary Highlights

The variance between the adopted budget and realized revenues was \$23,164, representing a 1.35% deviation. This change reflects the continued contribution of cannabis tax collections and the yield optimization realized from the City's strategic Local Agency Investment Fund (LAIF) placements. At \$436,104, actual expenditures were 20.77% below the final budgetary allocation, primarily reflecting the deferral of capital projects, non-utilization of contingency reserves, and unfilled departmental positions. A \$100,000 amendment between the original and final expenditure budgets resulted from earthquake disbursements.

**CITY OF RIO DELL, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

GOVERNMENT-WIDE FINANCIAL ANALYSIS - CONT'D

Capital Assets

As of June 30, 2025, the City's investment in capital assets for its governmental and business-type activities amounts to \$33,082,765. This investment includes land, construction in progress, streets, medians, sidewalks, buildings, water and sewer infrastructure, machinery, equipment, and vehicles.

	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Totals</u>		<u>Amount Change</u>	<u>% Change</u>
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>		
Land	\$ 627,945	\$ 627,945	\$ 507,859	\$ 507,859	\$ 1,135,804	\$ 1,135,804	\$ -	0.00%
Construction in progress	2,013,109	364,926	3,240,668	811,495	5,253,777	1,176,421	4,077,356	346.59%
Building and structures	839,000	636,426	12,847	13,524	851,847	649,950	201,897	31.06%
Equipment	60,132	82,887	437,260	415,380	497,392	498,267	(875)	(0.18)%
Vehicles	117,237	158,815	80,751	108,058	197,988	266,873	(68,885)	(25.81)%
Streets and roads	2,976,194	2,974,111	-	-	2,976,194	2,974,111	2,083	0.07%
Infrastructures	<u>2,972,996</u>	<u>3,071,752</u>	<u>19,196,767</u>	<u>19,926,730</u>	<u>22,169,763</u>	<u>22,998,482</u>	<u>(828,719)</u>	<u>(3.60)%</u>
Total	<u>\$ 9,606,613</u>	<u>\$ 7,916,862</u>	<u>\$ 23,476,152</u>	<u>\$ 21,783,046</u>	<u>\$ 33,082,765</u>	<u>\$ 29,699,908</u>	<u>\$ 3,382,857</u>	<u>11.39%</u>

More detail of the capital assets and current activity can be found in the notes to the financial statements on page 44 for significant accounting policies and Note 5 on pages 52 - 54 for other capital asset information.

Long-Term Debt

On June 30, 2025, the City had \$5,380,681 in long-term liabilities. Note 7 to the basic financial statements provides additional information about the city's long-term debt.

	<u>Governmental Activities</u>		<u>Business type Activities</u>		<u>Total</u>		<u>Amount Change</u>	<u>% Change</u>
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>		
Compensated absences	\$ 63,127	\$ 62,399	\$ 42,479	\$ 44,996	\$ 105,606	\$ 107,395	\$ (1,789)	(1.67)%
Safe Drinking Water Loan	-	-	612,000	748,000	612,000	748,000	(136,000)	(18.18)%
State of California Water Resources Control Board	-	-	4,663,075	4,859,108	4,663,075	4,859,108	(196,033)	(4.03)%
Total	<u>\$ 63,127</u>	<u>\$ 62,399</u>	<u>\$ 5,317,554</u>	<u>\$ 5,652,104</u>	<u>\$ 5,380,681</u>	<u>\$ 5,714,503</u>	<u>\$ (333,822)</u>	<u>(5.84)%</u>

Economic Outlook and Next Year's Budget and Rates

The City of Rio Dell, California's adopted Fiscal Year 2025-26 budget is structured to achieve a balanced fiscal position. While the near-term economic forecast exhibits relative stability, underpinned by a diversified tax portfolio—enhanced by Measures O and X—prudent fiscal management dictates a cautious approach. The absence of substantial pension liabilities and utility rate structures designed to cover operational and capital expenditures further bolsters this stability. Nonetheless, the long-term financial implications of the December 2022 seismic event and the recent adjustment to the sales tax rate via Measure O introduce uncertainty.

**CITY OF RIO DELL, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

Economic Outlook and Next Year's Budget and Rates - Cont'd

Historically, the City has benefited from the cyclical resilience of property and sales tax revenues. However, FY 2024-25 revealed a notable deviation from this trend, with sales tax collections falling below projected benchmarks, thereby underscoring the inherent volatility of these revenue streams. Furthermore, as mandated by Measure O, the November 2024 local sales tax rate reduction presents a significant prospective challenge to revenue stability.

Measure X, the City's cannabis business tax, is projected to stabilize within the FY 2025-26 budget. However, it is imperative to recognize the inherent volatility of this revenue source, which is subject to market fluctuations and competitive pressures. Therefore, strategic diversification and expansion of the City's revenue base remain paramount.

The 2022 seismic event resulted in an estimated \$36 million in infrastructure damages. The City is actively engaged with the California Office of Emergency Services (CalOES) to secure reimbursement for eligible expenditures, anticipated to range from 75% to 100% on a per-project basis.

The City faces challenges in maintaining revenue parity with escalating operational costs. Salary and benefit expenditures, the most significant component of our budget, necessitate competitive compensation packages to attract and retain qualified personnel. Moreover, the costs associated with essential services, including dispatch, information technology, and animal control, are experiencing sustained upward pressure.

While the City enters FY 2025-26 with a balanced budget, underlying vulnerabilities persist. Prior fiscal strategies have strengthened our financial position. However, the residual financial impact of the earthquake and the effects of Measure O contribute to a degree of uncertainty. The adopted budget prioritizes strategic reinvestment in infrastructure, maintenance of service levels and reserves, and the pursuit of long-term financial sustainability. Despite these acknowledged vulnerabilities, management remains confident in the efficacy of implemented and planned strategies to ensure the City's enduring financial health.

Requests for Information

This Annual Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. If you have any questions about this report or need additional financial information, contact the City of Rio Dell Finance Department, 675, Rio Dell, CA 95562.

BASIC FINANCIAL STATEMENTS

GOVERNMENT - WIDE FINANCIAL STATEMENTS

CITY OF RIO DELL, CALIFORNIA
STATEMENT OF NET POSITION
JUNE 30, 2025

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Current assets			
Cash and investment	\$ 3,768,982	\$ 4,549,096	\$ 8,318,078
Receivable			
Accounts	459,807	341,584	801,391
Intergovernmental	-	1,202,167	1,202,167
Interest	22,619	54,794	77,413
Loans/Notes receivable	601,989	-	601,989
Prepaid items	<u>45,711</u>	<u>68,000</u>	<u>113,711</u>
Total current assets	<u>4,899,108</u>	<u>6,215,641</u>	<u>11,114,749</u>
Noncurrent assets			
Nondepreciable capital assets	2,641,054	3,748,527	6,389,581
Depreciable capital assets	<u>6,965,559</u>	<u>19,727,625</u>	<u>26,693,184</u>
Total noncurrent assets	<u>9,606,613</u>	<u>23,476,152</u>	<u>33,082,765</u>
Total assets	<u>\$ 14,505,721</u>	<u>\$ 29,691,793</u>	<u>\$ 44,197,514</u>
LIABILITIES AND NET POSITION			
LIABILITIES			
Current liabilities			
Accounts payable	\$ 149,191	\$ 284,758	\$ 433,949
Accrued payroll	58,027	43,915	101,942
Accrued liabilities	32,248	-	32,248
Interest payable	-	68,392	68,392
Deposits payable	-	98,054	98,054
Loan payable - due within one year	<u>-</u>	<u>336,346</u>	<u>336,346</u>
Total current liabilities	<u>239,466</u>	<u>831,465</u>	<u>1,070,931</u>
Noncurrent liabilities			
Compensated absences	63,127	42,479	105,606
Loan payable - due after one year	<u>-</u>	<u>4,938,729</u>	<u>4,938,729</u>
Total noncurrent liabilities	<u>63,127</u>	<u>4,981,208</u>	<u>5,044,335</u>
Total liabilities	<u>302,593</u>	<u>5,812,673</u>	<u>6,115,266</u>
NET POSITION			
Net investment in capital assets	9,606,613	18,201,077	27,807,690
Restricted	1,535,830	-	1,535,830
Unrestricted	<u>3,060,685</u>	<u>5,678,043</u>	<u>8,738,728</u>
Total net position	<u>14,203,128</u>	<u>23,879,120</u>	<u>38,082,248</u>
Total liabilities, and net position	<u>\$ 14,505,721</u>	<u>\$ 29,691,793</u>	<u>\$ 44,197,514</u>

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

**CITY OF RIO DELL, CALIFORNIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

Functions/Programs	Expenses	Program Revenues			Net (Expenses)/Revenues, and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Contributions and Grants	Governmental Activities	Business- Type Activities	Total
Governmental activities:							
General government	\$ 600,451	\$ 59,127	\$ 2,924	\$ -	\$ (538,400)	\$ -	\$ (538,400)
Public safety - Police	1,348,144	-	200,739	-	(1,147,405)	-	(1,147,405)
Public works	411,724	14,851	160,578	-	(236,295)	-	(236,295)
Planning and building	174,707	69,322	-	227,358	121,973	-	121,973
Housing and community development	420,631	-	1,659,028	-	1,238,397	-	1,238,397
Recycling	31,598	-	676	-	(30,922)	-	(30,922)
Total governmental activities	<u>2,987,255</u>	<u>143,300</u>	<u>2,023,945</u>	<u>227,358</u>	<u>(592,652)</u>	<u>-</u>	<u>(592,652)</u>
Business-type activities:							
Sewer	1,920,777	1,785,235	307,302	-	-	171,760	171,760
Water	882,891	1,293,420	-	1,632,932	-	2,043,461	2,043,461
Total business-type activities	<u>2,803,668</u>	<u>3,078,655</u>	<u>307,302</u>	<u>1,632,932</u>	<u>-</u>	<u>2,215,221</u>	<u>2,215,221</u>
Total primary government	<u>\$ 5,790,923</u>	<u>\$ 3,221,955</u>	<u>\$ 2,331,247</u>	<u>\$ 1,860,290</u>	<u>(592,652)</u>	<u>2,215,221</u>	<u>1,622,569</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					175,040	-	175,040
Sales taxes					453,614	-	453,614
Cannabis taxes					261,221	-	261,221
Transient occupancy taxes					19,154	-	19,154
Gas taxes					193,830	-	193,830
Franchise Tax					106,806	-	106,806
Intergovernmental:							
State motor vehicle in lieu tax (MVLFF)					526,746	-	526,746
Use of money and property					116,576	169,156	285,732
Other revenues					56,698	21,663	78,361
Total general revenues					<u>1,909,685</u>	<u>190,819</u>	<u>2,100,504</u>
Change in net position					1,317,033	2,406,040	3,723,073
Net position - beginning of year					<u>12,886,095</u>	<u>21,473,080</u>	<u>34,359,175</u>
Net position - end of year					<u>\$ 14,203,128</u>	<u>\$ 23,879,120</u>	<u>\$ 38,082,248</u>

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

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS - FINANCIAL STATEMENTS

CITY OF RIO DELL, CALIFORNIA
FUND FINANCIAL STATEMENTS
MAJOR FUNDS
JUNE 30, 2025

Fund	Description
Governmental Funds:	Governmental funds are used for taxes and grants.
General	Primary operating fund of the City; accounts for all activities except those legally or administratively required to be accounted for in other funds.
CDBG Housing Special Revenue	Accounts for activities related to housing and the related CDBG funding.
Clean CA Grant ER Trails	Accounts for funds received and expended for Clean California Eel River Trail Project.

CITY OF RIO DELL, CALIFORNIA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

	<u>General Fund</u>	<u>CDBG Special Revenue</u>	<u>Clean CA Grant ER Trails</u>	<u>Other Nonmajor Governmental Fund</u>
ASSETS				
Cash and investment	\$ 1,335,052	\$ 254,630	\$ 65,478	\$ 1,964,087
Receivables:				
Interest	15,814	-	-	5,239
Intergovernmental	-	-	-	-
Loans/Notes receivable	-	601,989	-	-
Other receivable	399,674	-	-	60,133
Prepaid expenditures	45,711	-	-	-
Due from other funds	<u>346,926</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>2,143,177</u>	<u>856,619</u>	<u>65,478</u>	<u>2,029,459</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	21,629	4,828	3,268	119,466
Accrued payroll	47,933	42	-	10,052
Accrued liabilities	32,248	-	-	-
Due to other funds	<u>-</u>	<u>-</u>	<u>197,509</u>	<u>149,417</u>
Total liabilities	<u>101,810</u>	<u>4,870</u>	<u>200,777</u>	<u>278,935</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	<u>-</u>	<u>601,989</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>601,989</u>	<u>-</u>	<u>-</u>
Total liabilities, and deferred inflows of resources	<u>101,810</u>	<u>606,859</u>	<u>200,777</u>	<u>278,935</u>
FUND BALANCES				
Nonspendable	45,711	-	-	-
Restricted	-	249,760	-	1,286,070
Assigned	-	-	-	580,703
Unassigned (Deficit)	<u>1,995,656</u>	<u>-</u>	<u>(135,299)</u>	<u>(116,249)</u>
Total fund balances	<u>2,041,367</u>	<u>249,760</u>	<u>(135,299)</u>	<u>1,750,524</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,143,177</u>	<u>\$ 856,619</u>	<u>\$ 65,478</u>	<u>\$ 2,029,459</u>

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

CITY OF RIO DELL, CALIFORNIA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

	Total Governmental Funds
ASSETS	
Cash and investment	\$ 3,619,247
Receivables:	
Interest	21,053
Intergovernmental	-
Loans/Notes receivable	601,989
Other receivable	459,807
Prepaid expenditures	45,711
Due from other funds	<u>346,926</u>
Total assets	<u>5,094,733</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	
LIABILITIES	
Accounts payable	149,191
Accrued payroll	58,027
Accrued liabilities	32,248
Due to other funds	<u>346,926</u>
Total liabilities	<u>586,392</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenues	<u>601,989</u>
Total deferred inflows of resources	<u>601,989</u>
Total liabilities, and deferred inflows of resources	<u>1,188,381</u>
FUND BALANCES	
Nonspendable	45,711
Restricted	1,535,830
Assigned	580,703
Unassigned (Deficit)	<u>1,744,108</u>
Total fund balances	<u>3,906,352</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,094,733</u>

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

CITY OF RIO DELL, CALIFORNIA
RECONCILIATION OF FUND BASIS BALANCE SHEET TO GOVERNMENT-WIDE STATEMENT OF
NET POSITION
JUNE 30, 2025

Total fund balances - governmental funds	\$ 3,906,352
Amounts reported for governmental activities in the Statement of Net Position are different because:	
In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	9,606,613
Governmental funds notes receivable from various loan programs are deferred under the current financial resource measurement focus. The notes receivable are recognized in the government-wide Statement of Net Position under the accrual basis of accounting.	601,989
In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities are reported. Long-term liabilities relating to governmental activities consist of:	
Compensated absence payable	(63,127)
Internal services funds are used by management to charge the costs of certain activities, such as central garage, to individual funds. The assets and liabilities of the Internal Service Fund are included in the governmental activities in the Statement of Net Position.	<u>151,301</u>
Total net position - governmental activities	<u>\$ 14,203,128</u>

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

CITY OF RIO DELL, CALIFORNIA
RECONCILIATION OF FUND BASIS BALANCE SHEET TO GOVERNMENT-WIDE STATEMENT OF
NET POSITION
JUNE 30, 2025

	Governmental Funds Balance Sheet	Reclassification	Changes in GAAP	Internal Services Balances	Statement of Net Position
Assets and Deferred Outflows of Resources					
Current assets					
Cash and investment	\$ 3,619,247	\$ -	\$ -	\$ 149,735	\$ 3,768,982
Receivables:					
Interest	21,053	-	-	1,566	22,619
Loans/Notes receivable	601,989	-	-	-	601,989
Other receivable	459,807	-	-	-	459,807
Prepaid expenditures	45,711	-	-	-	45,711
Due from other funds	346,926	(346,926)	-	-	-
Total current assets	5,094,733	(346,926)	-	151,301	4,899,108
Noncurrent assets					
Capital assets, net	-	-	9,606,613	-	9,606,613
Total noncurrent assets	-	-	9,606,613	-	9,606,613
Total assets and deferred outflows of resources	5,094,733	(346,926)	9,606,613	151,301	14,505,721
Liabilities and Deferred Inflows of Resources					
Current liabilities					
Accounts payable	149,191	-	-	-	149,191
Accrued payroll	58,027	-	-	-	58,027
Accrued liabilities	32,248	-	-	-	32,248
Due to other funds	346,926	(346,926)	-	-	-
Total current liabilities	586,392	(346,926)	-	-	239,466
Noncurrent liabilities					
Compensated absences	-	-	63,127	-	63,127
Total noncurrent liabilities	-	-	63,127	-	63,127
Total liabilities	586,392	(346,926)	63,127	-	302,593
Deferred inflows of resources					
Unavailable revenues	601,989	-	(601,989)	-	-
Total deferred inflows of resources	601,989	-	(601,989)	-	-
Total liabilities, deferred inflows of resources and fund balances	\$ 1,188,381	\$ (346,926)	\$ (538,862)	\$ -	\$ 302,593

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

CITY OF RIO DELL, CALIFORNIA
RECONCILIATION OF FUND BASIS BALANCE SHEET TO GOVERNMENT-WIDE STATEMENT OF
NET POSITION
JUNE 30, 2025

	Governmental Funds Balance Sheet	Reclassification	Changes in GAAP	Internal Services Balances	Statement of Net Position
Fund Balances					
Nonspendable	\$ 45,711	\$ (45,711)	\$ -	\$ -	\$ -
Restricted	1,535,830	(1,535,830)	-	-	-
Assigned	580,703	(580,703)	-	-	-
Unassigned (Deficit)	1,744,108	(1,744,108)	-	-	-
Net position					
Net investment in capital assets	-	-	9,606,613	-	9,606,613
Restricted	-	-	1,535,830	-	1,535,830
Unrestricted	-	3,906,352	(996,968)	151,301	3,060,685
Total fund balances / net position	<u>3,906,352</u>	<u>-</u>	<u>10,145,475</u>	<u>151,301</u>	<u>14,203,128</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,094,733</u>	<u>\$ (346,926)</u>	<u>\$ 9,606,613</u>	<u>\$ 151,301</u>	<u>\$ 14,505,721</u>

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

CITY OF RIO DELL, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>General Fund</u>	<u>CDBG Special Revenue</u>	<u>Clean CA Grant ER Trails</u>	<u>Other Governmental Funds</u>
REVENUES				
Property taxes	\$ 175,040	\$ -	\$ -	\$ -
Sales taxes	453,614	-	-	-
Cannabis taxes	261,221	-	-	-
Transient occupancy taxes	19,154	-	-	-
Gas taxes	-	-	-	193,830
Intergovernmental	556,220	459	1,444,770	777,059
Licenses, permits, and franchise fees	133,366	-	-	84,173
Interest and use of property	89,538	398	-	21,900
Miscellaneous revenues	<u>52,736</u>	<u>-</u>	<u>-</u>	<u>3,962</u>
Total revenues	<u>1,740,889</u>	<u>857</u>	<u>1,444,770</u>	<u>1,080,924</u>
EXPENDITURES				
Current:				
General government	411,797	-	-	47,537
Public safety - Police	1,164,993	-	-	146,837
Public works	32,157	-	-	274,112
Planning and building	52,589	-	-	122,118
Housing and community development	-	417,280	1,867	1,484
Recycling	-	-	-	31,598
Capital outlay	<u>1,940</u>	<u>-</u>	<u>1,583,002</u>	<u>386,654</u>
Total expenditures	<u>1,663,476</u>	<u>417,280</u>	<u>1,584,869</u>	<u>1,010,340</u>
<i>Revenues over (under) expenditures</i>	<u>77,413</u>	<u>(416,423)</u>	<u>(140,099)</u>	<u>70,584</u>
Net change in fund balances	<u>77,413</u>	<u>(416,423)</u>	<u>(140,099)</u>	<u>70,584</u>
Fund balances - beginning of year, as previously presented	1,963,954	666,183	-	1,684,740
Change within financial reporting entity (nonmajor to major fund)	<u>-</u>	<u>-</u>	<u>4,800</u>	<u>(4,800)</u>
Fund balances - beginning of year, as adjusted	<u>1,963,954</u>	<u>666,183</u>	<u>4,800</u>	<u>1,679,940</u>
Fund balances - end of year	<u>\$ 2,041,367</u>	<u>\$ 249,760</u>	<u>\$ (135,299)</u>	<u>\$ 1,750,524</u>

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

CITY OF RIO DELL, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Total Governmental Funds
REVENUES	
Property taxes	\$ 175,040
Sales taxes	453,614
Cannabis taxes	261,221
Transient occupancy taxes	19,154
Gas taxes	193,830
Intergovernmental	2,778,508
Licenses, permits, and franchise fees	217,539
Interest and use of property	111,836
Miscellaneous revenues	<u>56,698</u>
Total revenues	<u>4,267,440</u>
EXPENDITURES	
Current:	
General government	459,334
Public safety - Police	1,311,830
Public works	306,269
Planning and building	174,707
Housing and community development	420,631
Recycling	31,598
Capital outlay	<u>1,971,596</u>
Total expenditures	<u>4,675,965</u>
<i>Revenues over (under) expenditures</i>	<u>(408,525)</u>
Net change in fund balances	<u>(408,525)</u>
Fund balances - beginning of year, as previously presented	4,314,877
Change within financial reporting entity (nonmajor to major fund)	<u>-</u>
Fund balances - beginning of year, as adjusted	<u>4,314,877</u>
Fund balances - end of year	<u><u>\$ 3,906,352</u></u>

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

CITY OF RIO DELL, CALIFORNIA
RECONCILIATION OF FUND BASIS STATEMENTS TO GOVERNMENT-WIDE STATEMENT OF
ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs	Fund Balance Totals	Compensated Absences	Internal Service	Depreciation	Capital Asset (Additions/ Retirements)	Government- wide Totals
Governmental Activities:						
General government	\$ 459,334	\$ 728	\$ 313	\$ 140,076	\$ -	\$ 600,451
Public safety - police	1,311,830	-	-	36,314	-	1,348,144
Public works	306,269	-	-	105,455	-	411,724
Planning and building	174,707	-	-	-	-	174,707
Housing and community development	420,631	-	-	-	-	420,631
Recycling	31,598	-	-	-	-	31,598
Capital Outlay	<u>1,971,596</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,971,596)</u>	<u>-</u>
Total governmental activities	<u>\$ 4,675,965</u>	<u>\$ 728</u>	<u>\$ 313</u>	<u>\$ 281,845</u>	<u>\$ (1,971,596)</u>	<u>\$ 2,987,255</u>

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

**CITY OF RIO DELL, CALIFORNIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

Total net changes in fund balances - governmental funds		\$ (408,525)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital asset purchases capitalized	1,971,596	
Depreciation expense	<u>(281,845)</u>	1,689,751
Certain notes receivable are reported in the governmental funds as expenditures and then offset by a deferred revenue as they are not available to pay current expenditures. Likewise, when the note is collected it is reflected in revenue. This is the net change between notes receivable collected and issued.		(459)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Change in compensated absences		(728)
Internal services funds are used by management to charge the costs of certain activities, such as central garage, to individual funds. The change in Net Position of the Internal Service Funds is included in the governmental activities in the government wide Statement of Net Position less transfers.		<u>36,994</u>
Change in net position of governmental activities		<u>\$ 1,317,033</u>

CITY OF RIO DELL, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 163,400	\$ 163,400	\$ 175,040	\$ 11,640
Sales taxes	600,500	600,500	453,614	(146,886)
Cannabis taxes	294,000	294,000	261,221	(32,779)
Transient occupancy taxes	20,000	20,000	19,154	(846)
Intergovernmental	465,375	465,375	556,220	90,845
Licenses, permits, and franchise fees	131,350	131,350	133,366	2,016
Interest and use of property	33,050	33,050	89,538	56,488
Miscellaneous	10,050	10,050	52,736	42,686
Total revenues	1,717,725	1,717,725	1,740,889	23,164
Expenditures:				
Current:				
General government	466,871	466,871	411,797	55,074
Public safety - Police	1,358,153	1,458,153	1,164,993	293,160
Public works	113,063	113,063	32,157	80,906
Planning and building	61,493	61,493	52,589	8,904
Capital outlay	-	-	1,940	(1,940)
Total expenditures	1,999,580	2,099,580	1,663,476	436,104
Excess (deficiency) of revenues over (under) expenditures	(281,855)	(381,855)	77,413	459,268
Net changes in fund balances	(281,855)	(381,855)	77,413	459,268
Fund balance - beginning of year	1,963,954	1,963,954	1,963,954	-
Fund balance - end of year	\$ 1,682,099	\$ 1,582,099	\$ 2,041,367	\$ 459,268

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

CITY OF RIO DELL, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CDBG SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,000	\$ 5,000	\$ 459	\$ (4,541)
Interest and use of property	-	-	398	398
Total revenues	5,000	5,000	857	(4,143)
Expenditures:				
Current:				
Housing and Community Development	550,100	550,100	417,280	132,820
Total expenditures	550,100	550,100	417,280	132,820
Excess (deficiency) of revenues over (under) expenditures	(545,100)	(545,100)	(416,423)	128,677
Net changes in fund balances	(545,100)	(545,100)	(416,423)	128,677
Fund balance - beginning of year	666,183	666,183	666,183	-
Fund balance - end of year	\$ 121,083	\$ 121,083	\$ 249,760	\$ 128,677

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

CITY OF RIO DELL, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CLEAN CA GRANT ER TRAILS
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,750,000	\$ 1,750,000	\$ 1,444,770	\$ (305,230)
Total revenues	1,750,000	1,750,000	1,444,770	(305,230)
Expenditures:				
Current:				
Housing and Community Development	-	-	1,867	(1,867)
Capital outlay	1,750,000	1,750,000	1,583,002	166,998
Total expenditures	1,750,000	1,750,000	1,584,869	165,131
Excess (deficiency) of revenues over (under) expenditures	-	-	(140,099)	(140,099)
Net changes in fund balances	-	-	(140,099)	(140,099)
Fund balance - beginning of year	4,800	4,800	4,800	-
Fund balance - end of year	\$ 4,800	\$ 4,800	\$ (135,299)	\$ (140,099)

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

PROPRIETARY FUNDS - FINANCIAL STATEMENTS

CITY OF RIO DELL, CALIFORNIA
FUND FINANCIAL STATEMENTS
PROPRIETARY FUNDS
JUNE 30, 2025

Fund	Description
Major Funds:	
Sewer Enterprise Fund	Accounts for the operation and maintenance of the City's wastewater treatment plant and collection facilities.
Water Enterprise Fund	Accounts for the operation and maintenance of the City's water treatment and distribution system.
Internal Service Fund	Accounts for departmental use of the City's vehicle. The monies in this fund are committed to purchasing a replacement vehicle.

CITY OF RIO DELL, CALIFORNIA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2025

	Business-type Activities - Enterprise Funds			Governmental Activities
	Sewer Fund	Water Fund	Total	Internal Service Fund
ASSETS				
Current assets				
Cash and investment	\$ 1,927,256	\$ 2,621,840	\$ 4,549,096	\$ 149,735
Receivable				
Accounts	198,301	143,283	341,584	-
Intergovernmental	8,076	1,194,091	1,202,167	-
Interest	15,078	39,716	54,794	1,566
Prepaid expenses	<u>-</u>	<u>68,000</u>	<u>68,000</u>	<u>-</u>
Total current assets	<u>2,148,711</u>	<u>4,066,930</u>	<u>6,215,641</u>	<u>151,301</u>
Noncurrent assets				
Capital assets, net	<u>11,594,404</u>	<u>11,881,748</u>	<u>23,476,152</u>	<u>-</u>
Total noncurrent assets	<u>11,594,404</u>	<u>11,881,748</u>	<u>23,476,152</u>	<u>-</u>
Total assets	<u>13,743,115</u>	<u>15,948,678</u>	<u>29,691,793</u>	<u>151,301</u>
LIABILITIES				
Current liabilities				
Accounts payable	21,881	262,877	284,758	-
Accrued payroll	19,260	24,655	43,915	-
Interest payable	68,392	-	68,392	-
Deposits payable	55,053	43,001	98,054	-
Loan payable - due within one year	<u>200,346</u>	<u>136,000</u>	<u>336,346</u>	<u>-</u>
Total current liabilities	<u>364,932</u>	<u>466,533</u>	<u>831,465</u>	<u>-</u>
Noncurrent liabilities				
Compensated absences	16,814	25,665	42,479	-
Loan payable - due after one year	<u>4,462,729</u>	<u>476,000</u>	<u>4,938,729</u>	<u>-</u>
Total noncurrent liabilities	<u>4,479,543</u>	<u>501,665</u>	<u>4,981,208</u>	<u>-</u>
Total liabilities	<u>4,844,475</u>	<u>968,198</u>	<u>5,812,673</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	6,931,329	11,269,748	18,201,077	-
Unrestricted	<u>1,967,311</u>	<u>3,710,732</u>	<u>5,678,043</u>	<u>151,301</u>
Total net position	<u>8,898,640</u>	<u>14,980,480</u>	<u>23,879,120</u>	<u>151,301</u>
Total liabilities and net position	<u>\$ 13,743,115</u>	<u>\$ 15,948,678</u>	<u>\$ 29,691,793</u>	<u>\$ 151,301</u>

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

CITY OF RIO DELL, CALIFORNIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities</u>
	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>	<u>Internal Service Fund</u>
OPERATING REVENUE				
Charges for services	\$ 1,742,261	\$ 1,252,438	\$ 2,994,699	\$ -
Connection fees	5,220	2,700	7,920	-
Late fees	37,754	38,282	76,036	-
Other operating revenue	20,736	-	20,736	-
Interdepartmental charges	-	-	-	32,567
Total operating revenue	<u>1,805,971</u>	<u>1,293,420</u>	<u>3,099,391</u>	<u>32,567</u>
OPERATING EXPENSES				
Current operations:				
General government	611,366	310,137	921,503	313
Public works	579,219	289,982	869,201	-
Depreciation	<u>626,167</u>	<u>282,772</u>	<u>908,939</u>	-
Total operating expenses	<u>1,816,752</u>	<u>882,891</u>	<u>2,699,643</u>	<u>313</u>
Operating income (loss)	<u>(10,781)</u>	<u>410,529</u>	<u>399,748</u>	<u>32,254</u>
NONOPERATING REVENUE (EXPENSES)				
Intergovernmental revenues (expense)	307,302	1,632,932	1,940,234	-
Bad debt recovery (expense)	231	696	927	-
Interest revenue	46,027	123,129	169,156	4,740
Interest expense	<u>(104,025)</u>	-	<u>(104,025)</u>	-
Total nonoperating revenues	<u>249,535</u>	<u>1,756,757</u>	<u>2,006,292</u>	<u>4,740</u>
Change in net position	238,754	2,167,286	2,406,040	36,994
Net position - beginning of year	<u>8,659,886</u>	<u>12,813,194</u>	<u>21,473,080</u>	<u>114,307</u>
Net position - end of year	<u>\$ 8,898,640</u>	<u>\$ 14,980,480</u>	<u>\$ 23,879,120</u>	<u>\$ 151,301</u>

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

CITY OF RIO DELL, CALIFORNIA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Business-type Activities		Enterprise Funds	Governmental Activities
	Sewer Fund	Water Fund	Total	Internal Service Fund
Cash flows from operating activities:				
Receipts from customers/users for service provided	\$ 1,774,198	\$ 1,292,893	\$ 3,067,091	\$ 32,567
Payments to suppliers	(832,648)	(96,752)	(929,400)	(313)
Payments to employees	(399,481)	(241,012)	(640,493)	
Net cash provided by (used in) for operating activities	<u>542,069</u>	<u>955,129</u>	<u>1,497,198</u>	<u>32,254</u>
Cash flows from capital and related financing activities:				
Capital grants received	307,302	774,723	1,082,025	-
Acquisition of capital assets	(492,944)	(2,109,101)	(2,602,045)	-
Principal payments on long term debt	(196,033)	(136,000)	(332,033)	-
Interest paid on long-term debt	(106,900)	-	(106,900)	-
Net cash provided by (used in) for capital and related financing activities	<u>(488,575)</u>	<u>(1,470,378)</u>	<u>(1,958,953)</u>	<u>-</u>
Cash flows from investing activities:				
Investment income	46,715	120,319	167,034	4,626
Net cash provided by (used in) for investing activities	<u>46,715</u>	<u>120,319</u>	<u>167,034</u>	<u>4,626</u>
Net increase (decrease) in cash and cash equivalents	100,209	(394,930)	(294,721)	36,880
Cash and cash equivalents, beginning of year	<u>1,827,047</u>	<u>3,016,770</u>	<u>4,843,817</u>	<u>112,855</u>
Cash and cash equivalents, end of year	<u>\$ 1,927,256</u>	<u>\$ 2,621,840</u>	<u>\$ 4,549,096</u>	<u>\$ 149,735</u>
Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities				
Operating income/loss	\$ (10,781)	\$ 410,529	\$ 399,748	\$ 32,254
Adjustments to reconcile operating income/loss to net cash provided by (used in) for operating activities:				
Depreciation expenses	626,167	282,772	908,939	-
Changes in current assets and liabilities				
Accounts receivables	(32,398)	(6,807)	(39,205)	-
Accounts payable	(38,517)	256,053	217,536	-
Accrued liabilities	(1,499)	7,291	5,792	-
Deposits payable	625	6,280	6,905	-
Compensated absences	(1,528)	(989)	(2,517)	-
Net cash provided by (used in) for operating activities	<u>\$ 542,069</u>	<u>\$ 955,129</u>	<u>\$ 1,497,198</u>	<u>\$ 32,254</u>

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

CITY OF RIO DELL, CALIFORNIA
FUND FINANCIAL STATEMENTS
FIDUCIARY FUNDS
JUNE 30, 2025

<u>Fund</u>	<u>Description</u>
Custodial Fund	Used to account for assets held for distribution by the City as an agent for another entity.

CITY OF RIO DELL, CALIFORNIA
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025

	<u>Custodial Fund</u>
ASSETS	
Cash and investments	\$ 32,059
Interest receivable	<u>335</u>
Total assets	<u>32,394</u>
LIABILITIES	
Accounts payable	<u>-</u>
Total liabilities	<u>-</u>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	<u>32,394</u>
Total net position	<u>\$ 32,394</u>

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

CITY OF RIO DELL, CALIFORNIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Custodial Fund</u>
ADDITIONS	
Fines and penalties	\$ 750
Interest earned	<u>1,237</u>
Total additions	<u>1,987</u>
DEDUCTIONS	
Administrative expense	<u>3,095</u>
Total deductions	<u>3,095</u>
Change in net position	(1,108)
Net position, beginning of year	<u>33,502</u>
Net position, end of year	<u>\$ 32,394</u>

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

CITY OF RIO DELL, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Rio Dell, California (the "City") have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting principles are described below.

A. Financial Reporting Entity

The City is a general law City incorporated in the State of California on February 26, 1965. The City is governed by an elected, five-member City Council. The following services are provided by the City to its citizens: public safety (police); highways and streets; drinking water; wastewater collection, treatment and disposal; public improvements; parks and recreation; planning and zoning; and general administrative services.

The City operates as a self-governing local government unit within the State. It has limited authority to levy taxes and has the authority to determine user fees for the services that it provides. The City's main funding sources include sales taxes, other intergovernmental revenue from state and federal sources, user fees, and federal and state financial assistance.

The financial reporting entity consists of (a) the primary government, the City, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (a) the City has the ability to impose its will on the organization, or (b) there is a potential for the organization to provide a financial benefit to or impose a financial burden on the City.

As required by GAAP, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. These component units are reported on a blended basis. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. The financial statements of the individual component units, if applicable as indicated below, may be obtained by writing to the City of Rio Dell, California, Finance Department, 675 Wildwood Ave., Rio Dell, CA 95562. The City has no component units to include in the reporting entity.

Description of Joint Powers Agreements

The City participates in several joint power agreements (JPAs) as described in Note 11. The financial activities of the JPAs are not included in the accompanying basic financial statements because JPAs are administered by governing boards that are separate from and independent of the City.

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

CITY OF RIO DELL, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

B. Basis of Presentation - Cont'd

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided by a given function or segment, 2) operating grants and contributions, and 3) capital grants and contributions restricted to the operating or capital requirements of a specific function or segment. All taxes and internally dedicated resources are reported as *general revenues* rather than program revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least ten percent of the corresponding total for all funds of that category or type; and
- Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least five percent of the corresponding total for all governmental funds combined.

The City reports the following major funds:

- General Fund
- CDBG Special Revenue Fund
- Clean CA Grant ER Trails

Descriptions of these funds are included on the divider page preceding the Governmental Funds Balance Sheet.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is used to account for resources traditionally associated with the City which are not required legally or by sound financial management to be accounted for in another fund. From this fund are paid the City's general operating expenditures, the fixed charges, and the capital costs that are not paid through other funds.

Special Revenue Funds

The Special Revenue Funds are used to account for specific revenues that are legally or otherwise restricted to expenditures for particular purposes.

CITY OF RIO DELL, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

B. Basis of Presentation - Cont'd

Capital Project Funds

The Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

Proprietary Funds

Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. Costs are financed or recovered primarily through user charges.

Internal Service Funds

Internal service funds are used to report any activity that provides goods or services to other funds or departments of the City on a cost-reimbursement basis.

Fiduciary Funds

Custodial Funds

Custodial Funds are clearing type funds for the collection of taxes or deposits held in trust, on behalf of individuals, private organizations and other governments. The funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. Measurement Focus

Measurement focus is a term used to describe which transactions are recorded within the various financial statements.

On the government-wide Statement of Net position and the Statement of Activities, governmental and business-type activities are presented using the economic resources measurement focus. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

The enterprise funds and private purpose trust funds utilize an economic resources measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. Enterprise fund and private purpose trust funds equity is classified as net position.

Custodial funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

CITY OF RIO DELL, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

D. Basis of Accounting

The government-wide, proprietary and fiduciary funds financial statements required by GASB Statement No. 34 are reported using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which the liability is incurred.

The governmental fund financial statements are accounted for on a spending or "current financial resources" measurement focus, and the modified accrual basis of accounting. Accordingly, only current assets and liabilities (except for long-term advances from the City) are included in the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after fiscal year end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes, sales taxes, intergovernmental revenues, other taxes and investment earnings. Fines, licenses and permits, and charges for services are not susceptible to accrual because they are not measurable until received in cash. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving value in exchange, include taxes, grants, entitlements and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

E. Assets, Liabilities, and Equity

Cash Deposits and Investments

The City pools cash from all sources and all funds, except certain specific investments within funds and cash with fiscal agents, so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time.

CITY OF RIO DELL, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

E. Assets, Liabilities, and Equity - Cont'd

Cash Deposits and Investments - Cont'd

The City's investment policy and section 53601 of the California Government Code allow the following investments:

- a) Certificates of Deposit;
- b) Obligations of the State of California.

The City does not enter into reverse repurchase agreements.

The City's investments are carried at fair value instead of cost, as required by U.S. generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end if material, and it includes the effects of these adjustments in income for that fiscal year.

The City places certain funds with the State of California's Local Agency Investment Fund (LAIF). The City is a voluntary participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California and the Pooled Money Investment Board. The State Treasurer's office pools these funds with those of other governmental agencies in the state and invests the cash. The fair value of the City's investment in this pool is reported in the accompanying financial statements based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio).

The monies held in the pooled investment funds are not subject to categorization by risk category. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on the amortized cost basis. Funds are accessible and transferable to the master account with twenty-four hours' notice. Included in LAIF's investments are collateralized mortgage obligations, mortgage backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. Financial statements for LAIF can be obtained from the California State Treasurer's Office: State Treasurer's Office, 915 Capitol Mall, Suite 110, Sacramento, CA 95814.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net position. See Note 9 for details of interfund transactions, including receivables and payables at year-end.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include property taxes, sales and use taxes, utility user taxes, intergovernmental subventions, interest earnings, and expense reimbursements.

CITY OF RIO DELL, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

E. Assets, Liabilities, and Equity - Cont'd

Receivables - Cont'd

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property tax, sales tax, utility user tax, and intergovernmental subventions since they are usually both measurable and available. Non-exchange transactions collectible but not available, such as property tax, are deferred in the fund financial statements in accordance with the modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis.

Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. The loans receivable are recorded in the fund statements, but are deferred to indicate they do not represent current financial resources. The loans are recognized when advanced in the government-wide statements. The City's experience is that all accounts receivable are collectible; therefore, an allowance for doubtful accounts is unnecessary.

Inventory

The City does not record and maintain inventory records of unused materials and supplies for the various funds. Inventories are considered immaterial and materials and supplies are currently expensed.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. In the governmental fund financial statements, prepaid items are offset with a reservation of fund balance for long-term assets to indicate they do not constitute current resources available for appropriation.

Capital Assets

The City's assets are capitalized at historical cost or estimated historical cost, if actual is unavailable, except for donated Capital Assets which are recorded at their estimated fair value at the date of donation. Policy has set the capitalization threshold for reporting at \$5,000 for non-infrastructure capital assets and \$25,000 for infrastructure capital assets.

Government-Wide Statements

Public domain (infrastructure) capital assets include roads, bridges, curbs and gutters, streets, sidewalks, drainage systems, and lighting systems.

The accounting treatment of property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. No depreciation is recorded in the year of acquisition or in the year of disposition.

CITY OF RIO DELL, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

E. Assets, Liabilities, and Equity - Cont'd

Capital Assets - Cont'd

The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	5-50 years	Landscaping	30 years
Roadway improvements	50 years	Signage	25 years
Sidewalks, curbs, and gutters	50 years	Leasehold improvements	5 years
Storm drain pipes/structures	50 years	Machinery and equipment	3-5 years
Traffic signal devices	5-40 years	Vehicles	3 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, deferred inflows on the City's CDBG loans reported in the governmental funds balance sheet.

Compensated Absences

Full time employees accumulate earned vacation, holiday and compensated leave of varying amounts dependent upon length of service with the City. These amounts are deemed fully vested with the employee when earned. The City also provides full time employees with sick leave that generally must be used for sickness and injury-related leave time.

The City does not currently provide post-employment benefits.

Unearned Revenues

Unearned revenues in governmental funds arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues in enterprise funds and the statement of net position arise when resources are received by the City before it has legal claim to them, (i.e., when grant monies are received prior to the incurrence of qualifying expenses).

CITY OF RIO DELL, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

F. Equity Classification

Government-Wide Financial Statements

Equity is classified as net position and is displayed in three components:

- a. *Invested in capital assets, net of related debt* – consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net position* – consists of net position with constraints placed on the use by external groups such as creditors, grantors, contributors, or by laws or regulations of other governments or law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* – all other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is classified as nonspendable, restricted, committed, assigned, or unassigned. Proprietary fund equity is classified the same as in the government-wide statements. The classifications for governmental funds are defined as follows for the City:

Nonspendable Fund Balance –

- Assets that will never convert to cash (prepaid items, inventory).
- Assets that will not convert to cash soon enough to affect the current period (long-term notes or loans receivable).
- Resources that must be maintained intact pursuant to legal or contractual requirements (the principal of an endowment).

Restricted Fund Balance –

- Resources that are subject to externally enforceable legal restrictions imposed by parties altogether outside the government (creditors, grantors, contributors and other governments).
- Resources that are subject to limitations imposed by law through constitutional provisions or enabling legislation (Gas Tax).

Committed Fund Balance –

- Self imposed limitations set in place prior to the end of the period (encumbrances, economic contingencies and uncertainties).
- Limitation at the highest level of decision-making (Council) that requires formal action at the same level to remove.
- Council resolution is required to be taken to establish, modify or rescind a fund balance commitment.

CITY OF RIO DELL, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

F. Equity Classification - Cont'd

Assigned Fund Balance –

- Amounts in excess of nonspendable, restricted and committed fund balance in funds other than the general fund automatically are reported as assigned fund balance.
- Assigned amounts for a specific purpose are as authorized by the City's Finance Director through its fund balance policy.

Unassigned Fund Balance –

- Residual net resources
- Total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance (surplus).
- Excess of nonspendable, restricted, and committed fund balance over total fund balance (deficit).

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

G. Revenues, Expenditures / Expenses

Property Tax

The County of Humboldt (the County) assesses properties, bills for, collects, and distributes property taxes for the City per the following schedule:

	<u>Secured</u>	<u>Unsecured</u>
Valuation dates	March 1	March 1
Lien/Levy dates	July 1	July 1
Due dates	50% on November 1 50% on February 1	July 1
Delinquent as of	December 10, April 10	August 31

The term "unsecured" refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized by the City in the fiscal year they are assessed provided they become available as defined above.

Since the passage of California Proposition 13, beginning with fiscal year 1978-79, taxes are based either on a 1% rate applied to the 1975-76 assessed value of the property, or on 1% of the sales price of the property on sales transactions and construction which occur after the 1975-76 assessment. Assessed values on properties (exclusive of increases related to sales transactions and improvements) can rise at a maximum of 2% per year. The amount collected by the County is distributed in accordance with State law to the various public agencies. Therefore, the City does not levy a specific tax rate but receives a share of the property tax revenue based on a state formula. The City's tax rate is \$1.00/\$100 of assessed value, the maximum allowable under Proposition 13.

CITY OF RIO DELL, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

G. Revenues, Expenditures / Expenses - Cont'd

During fiscal year 1993-94, the State passed legislation which permanently shifted an additional amount of property taxes from cities to schools. This amount was partially offset by one-time payments by the State to cities from the State "Transportation Planning and Development" allocation. Also, during 1993-94, an alternate method of property tax allocation (the "Teeter Plan") was adopted. Under this plan, the City receives 100 percent of the secured property tax levied to which it is entitled, whether or not collected.

Unsecured delinquent taxes are considered fully collectible and no allowance for uncollectible taxes is provided. Property tax revenues are recognized when they become available. "Available" means due, or past due, and receivable within the current period and collected or expected to be collected soon enough thereafter to be used to pay liabilities for the current period. This period is 60 days from the end of the fiscal year

Interfund Transfers

Resources are reallocated between funds by reporting them as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

H. Budgetary Accounting

The City Council establishes budgets for the General Fund and all Special Revenue Funds, except for certain Special Revenue Funds for which expenditures are controlled by grant funding or by assessments received. Budgetary control is legally maintained at the fund level for these funds. Department heads submit budget requests to the City Manager. The City Manager prepares an estimate of revenues and prepares recommendations for the next year's budget. The preliminary budget may or may not be amended by the City Council and is adopted by resolution by the City Council on or before June 30 in accordance with the municipal code.

The City Council may amend the budget by motion during the fiscal year. Only the Council can authorize transfers between funds and approve inter-fund loans. The City Manager is authorized to transfer budgeted amounts within a fund without formal council action or approval. The City Manager is authorized to increase expenditures in relation to revenues in funds receiving assigned revenues without approval by the City Council.

Expenditures may not legally exceed appropriations at the fund level, which is the legal level of control. Supplemental appropriations, which increase appropriations, may be made during the fiscal year. There were no material supplemental appropriations made for the fiscal year ended June 30, 2025. Budget information is presented for the General and budgeted Special Revenue Funds in the fund financial statements. The budget information is presented on a basis consistent with generally accepted accounting principles. Appropriations, except open project appropriations, and unexpended grant appropriations, lapse at the end of each fiscal year.

I. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

**CITY OF RIO DELL, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

J. Reclassifications

Certain amounts have been reclassified to provide for comparable results on a year to year basis.

NOTE 2. CASH AND INVESTMENTS

Pooled Cash and Investments

The City pools cash from all sources and funds, except certain specific investments within funds and cash with fiscal agents, so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time.

Categorization of Credit Risk of Securities Instruments

The City and its fiscal agents invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. Individual investments are generally made by the City's fiscal agents as required under its debt issues. In order to maximize security, the City employs the Trust Department of a bank as custodian of all City managed investments, regardless of their form.

At June 30, 2025, the City's pooled cash and investments, classified by maturity, consisted of the following stated at fair value

	Maturities (in years)			Deposits	Fair market value
	Less than 1 year	1 to 3 years	3 to 5 years		
<u>Cash equivalents and investments pooled</u>					
Pooled cash, at fair value					
Cash in bank	\$ -	\$ -	\$ -	\$ 1,252,562	\$ 1,252,562
Petty cash	-	-	-	1,250	1,250
Total pooled items	-	-	-	1,253,812	1,253,812
<u>Pooled investments, at fair value</u>					
State of California Local Agency Investment Fund	7,096,325	-	-	-	7,096,325
Total pooled investments - interest obligations	7,096,325	-	-	-	7,096,325
Total cash equivalents and investments pooled	<u>\$ 7,096,325</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,253,812</u>	<u>\$ 8,350,137</u>
Amounts reported in:					
Governmental activities					\$ 3,768,982
Business- type activities					4,549,096
Fiduciary activities					32,059
Total					<u>\$ 8,350,137</u>

Investment Type	Fair Value	Maturity (Years)
State of California Local Agency Investment Fund	<u>\$ 7,096,325</u>	-
Total fair value	<u>\$ 7,096,325</u>	-
Portfolio weighted average maturity		-

CITY OF RIO DELL, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 - CASH AND INVESTMENTS - CONT'D

Interest rate risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Credit risk – Custodial credit risk for investments is the risk that in the event of the failure of a counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All investments in LAIF and the fiscal agent money market funds are not evidenced by specific securities and, therefore, are not subject to custodial credit risk.

Concentration of credit risk – The City's investment policy does not allow for an investment in any one issuer that is in excess of five percent of the government's total investments. The investments made by the City Treasurer are limited to those allowable under State statutes as incorporated into the City's Investment Policy, which is accepted annually by the City Council. There were no concentrations in any one issuer for the year.

The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which has invested 3% of the pool funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to changes in interest rates.

Custodial credit risk – deposits. For deposits, this is the risk that, in the event of a bank failure, the City's deposits may not be returned. The City's Investment Policy addresses custodial credit risk, which follows the Government Code.

At June 30, 2025, the carrying amount of the City's deposits was \$1,252,562 and the balances in financial institutions were \$1,343,343. Of the balance in financial institutions, \$250,000 was covered by federal depository insurance and \$1,093,343 was collateralized as required by State law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the City and other governmental agencies, but not in the name of the City. As of June 30, 2025, the City's investments were held by the City's custodial agent, but not in the City's name, and were insured up to specified limits by the Securities Investor Protection Corporation (SIPC) and supplemental private insurance up to a limit of \$150 million.

California Law requires banks and savings and loan associations to pledge government securities with a market value of 110% of the City's cash on deposit or first trust deed mortgage notes with a value of 150% of the deposit as collateral for these deposits. Under California Law, this collateral is held in the City's name and places the City ahead of general creditors of the institution.

Custodial credit risk – investments. For investments, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside counterparty. For the investments maintained by the City, no security was uninsured or unregistered or held by a brokerage firm which is also the counterparty for the security.

**CITY OF RIO DELL, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 - CASH AND INVESTMENTS - CONT'D

Investment in LAIF

The City is a voluntary participant in California Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section under the oversight of the Local Investment Advisory Board (Board). The Board consists of five members as designated by state statute and is chaired by the State Treasurer who is responsible for day to day administration of LAIF. The total amount invested by all public agencies as of June 30, 2025 was \$24.49 billion of which the City had a balance of \$7,096,325. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2025 has a portfolio with market valuation of \$178.13 billion. Of the total invested, 96.19% was invested in non-derivative financial products and 3.81% in structured notes and asset-backed securities. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30, 2025:

Governmental activities		
Accounts receivable	\$	459,807
Interest		22,619
		482,426
	\$	482,426
Business-type activities		
Accounts receivable	\$	341,584
Intergovernmental		1,202,167
Interest		54,794
		1,598,545
	\$	1,598,545
Fiduciary activities		
Interest	\$	335
		335
	\$	335

These amounts resulted in the following concentrations in receivables:

Other governments	57.8 %
Individuals/Business	38.5 %
Financial Institutions	3.7 %

Amounts do not indicate a significant concentration (greater than 25%) with any single individual, business or agency.

NOTE 4 - LOANS AND NOTES RECEIVABLE

The City engages in programs designed to encourage business enterprises, construction or improvement in low-to-moderate income housing, or other projects. Under these programs, grants or loans are provided with favorable terms to businesses, homeowners or developers who agree to spend these funds in accordance with the City's terms.

CITY OF RIO DELL, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 - LOANS AND NOTES RECEIVABLE - CONT'D

Loans and notes receivable for the year ended June 30, 2025, consisted of the following:

	Balance July 1, 2024	Deletions	Balance June 30, 2025
Housing Rehabilitation and Affordable Housing Notes	\$ 602,448	\$ (459)	\$ 601,989
Total loans receivable	<u>\$ 602,448</u>	<u>\$ (459)</u>	<u>\$ 601,989</u>

Housing Rehabilitation, Business Enterprise and Affordable Housing

The City has provided loans to various homeowners and businesses for rehabilitation. The maximum loan amount is \$100,000, carrying various interest rates and payment dates. Although these notes are expected to be repaid in full, their balance has been offset by deferred revenue. Governmental funds report a deferred inflow of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

NOTE 5 - CAPITAL ASSETS

Governmental capital assets activity for the fiscal year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Additions	Transfers	Balance June 30, 2025
Governmental activities				
Nondepreciable capital assets:				
Land	\$ 627,945	\$ -	\$ -	\$ 627,945
Construction in progress	364,926	1,650,983	(2,800)	2,013,109
Total nondepreciable capital assets	<u>992,871</u>	<u>1,650,983</u>	<u>(2,800)</u>	<u>2,641,054</u>
Depreciable capital assets:				
Buildings and improvements	768,665	225,510	2,800	996,975
Equipment	669,210	-	-	669,210
Vehicles	357,117	-	-	357,117
Streets and roads	3,602,086	95,103	-	3,697,189
Infrastructure	3,925,220	-	-	3,925,220
Total depreciable capital asset	<u>9,322,298</u>	<u>320,613</u>	<u>2,800</u>	<u>9,645,711</u>
Less: accumulated depreciation				
Buildings and improvements	(132,239)	(25,736)	-	(157,975)
Equipment	(586,323)	(22,755)	-	(609,078)
Vehicles	(198,302)	(41,578)	-	(239,880)
Streets and roads	(627,975)	(93,020)	-	(720,995)
Infrastructure	(853,468)	(98,756)	-	(952,224)
Total accumulated depreciation	<u>(2,398,307)</u>	<u>(281,845)</u>	<u>-</u>	<u>(2,680,152)</u>
Net depreciable assets	<u>6,923,991</u>	<u>38,768</u>	<u>2,800</u>	<u>6,965,559</u>
Net capital assets	<u>\$ 7,916,862</u>	<u>\$ 1,689,751</u>	<u>\$ -</u>	<u>\$ 9,606,613</u>

CITY OF RIO DELL, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5 - CAPITAL ASSETS - CONT'D

Depreciation expense for capital assets was charged to functions as follows:

<u>Governmental-Type Activities</u>		
General Government	\$	140,076
Public Safety		36,314
Public Works		105,455
Total Governmental Activities	<u>\$</u>	<u>281,845</u>

Business-type capital asset activity for the year ended June 30, 2025, was as follows:

	<u>Balance</u> <u>July 1, 2024</u>	<u>Additions</u>	<u>Balance</u> <u>June 30, 2025</u>
Business-type activities			
Nondepreciable capital assets:			
Land	\$ 507,859	\$ -	\$ 507,859
Construction in progress	<u>811,495</u>	<u>2,429,173</u>	<u>3,240,668</u>
Total nondepreciable capital assets	<u>1,319,354</u>	<u>2,429,173</u>	<u>3,748,527</u>
Depreciable capital assets:			
Infrastructure	27,693,877	45,843	27,739,720
Building and Improvements	206,508	-	206,508
Equipment	1,727,323	127,029	1,854,352
Vehicles	<u>240,970</u>	<u>-</u>	<u>240,970</u>
Total depreciable capital asset	<u>29,868,678</u>	<u>172,872</u>	<u>30,041,550</u>
Less: accumulated depreciation			
Infrastructure	(7,767,147)	(775,806)	(8,542,953)
Building and improvements	(192,984)	(677)	(193,661)
Equipment	(1,311,943)	(105,149)	(1,417,092)
Vehicles	<u>(132,912)</u>	<u>(27,307)</u>	<u>(160,219)</u>
Total accumulated depreciation	<u>(9,404,986)</u>	<u>(908,939)</u>	<u>(10,313,925)</u>
Net depreciable assets	<u>20,463,692</u>	<u>(736,067)</u>	<u>19,727,625</u>
Net capital assets	<u>\$21,783,046</u>	<u>\$ 1,693,106</u>	<u>\$ 23,476,152</u>

CITY OF RIO DELL, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5 - CAPITAL ASSETS - CONT'D

Depreciation expense for Business-type capital assets was charged to functions and programs based on their usage of related assets. The amount allocated to each function or program are as follows:

<u>Business-Type Activities</u>	
Sewer	\$ 626,167
Water	<u>282,772</u>
Total Business-Type Activities	<u><u>\$ 908,939</u></u>

NOTE 6 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following at June 30, 2025:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts payable	\$ 149,191	\$ 284,758	\$ 433,949
Accrued payroll and related liabilities	<u>90,275</u>	<u>43,915</u>	<u>134,190</u>
Total	<u><u>\$ 239,466</u></u>	<u><u>\$ 328,673</u></u>	<u><u>\$ 568,139</u></u>

These amounts resulted in the following concentrations in payables:

Vendors	76.38 %
Employees	23.62 %

At June 30, 2025, the City had a significant concentration with one vendor. The accounts payable balance due to Wahlund Construction, Inc./ Sequoia Construction Specialties represented approximately 46.95% of the total accounts payable balance at year-end.

CITY OF RIO DELL, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 – LONG-TERM LIABILITIES

A. Loans Payable

The following is a summary of changes in long-term liabilities for the year ended June 30, 2025:

	Original Issue Amount	Balance July 1, 2024	Additions	Retirements	Balance June 30, 2025	Due Within One Year
Governmental Activities:						
Compensated absences	\$ -	\$ 62,399	\$ 728	\$ -	\$ 63,127	\$ -
Total governmental activities	\$ -	\$ 62,399	\$ 728	\$ -	\$ 63,127	\$ -
Business-type activities						
Safe Drinking Water Loan	\$ 2,720,000	\$ 748,000	\$ -	\$ (136,000)	\$ 612,000	\$ 136,000
State of California Water Resources Control Board	6,980,359	4,859,108	-	(196,033)	4,663,075	200,346
Total business-type activity debt	9,700,359	5,607,108	-	(332,033)	5,275,075	336,346
Compensated absences	-	44,996	-	(2,517)	42,479	-
Total business-type activities	\$ 9,700,359	\$ 5,652,104	\$ -	\$ (334,550)	\$ 5,317,554	\$ 336,346

Governmental Activities

Compensated Absences

The City records employee absences, such as vacation, illness, and holidays, for which it is expected that employees will be paid as compensated absences. Compensated absences had a balance of \$63,127 at June 30, 2025. The net changes of the compensated absences are allocated to the general government department on the Statement of Activities.

Business-type Activities

Safe Drinking Water State Revolving Fund Loan

In August 2005, the City entered into a loan agreement with the California Department of Health Services, Drinking Water and Environmental Services Division, for a loan in an amount up to \$2,720,000. The loan was subsequently funded by the Safe Drinking Water State Revolving Fund. The proceeds from the loan were used to assist in financing construction of a project that will enable the City to meet safe drinking water standards established under the Health and Safety Code and California Code of Regulations. The non-interest-bearing loan calls for 50 equal semiannual payments due in July and January of each year, beginning in July 2009. At June 30, 2025, the balance of the note was \$612,000.

State of California Water Resources Control Board

The City has obtained a loan from the California Department of Water Resources to finance an upgrade of the wastewater treatment plant to comply with State wastewater standards. The debt is required to be serviced through wastewater system user charges. The maximum loan amount is \$6,980,359. Principal and interest are payable annually on October 31. The rate of interest is 2.20%. The annual principal and interest payments are \$106,900 and continue through the fiscal year 2044. At June 30, 2025, the balance of the note was \$4,663,075.

CITY OF RIO DELL, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 - LONG-TERM DEBT - CONT'D**B. Debt Service**

Future debt service for Business-Type Activities at June 30, 2025, is as follows for all debt except compensated absences and claims liabilities:

Year Ending June 30,	Business-type Activities					
	Safe Drinking Water Loan		State of California Water Resources		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 136,000	\$ -	\$ 200,346	\$ 102,588	\$ 336,346	\$ 102,588
2027	136,000	-	204,754	98,180	340,754	98,180
2028	136,000	-	209,258	93,675	345,258	93,675
2029	136,000	-	213,862	89,072	349,862	89,072
2030	68,000	-	218,567	84,366	286,567	84,366
2031-2035	-	-	1,167,110	347,556	1,167,110	347,556
2036-2040	-	-	1,301,267	213,400	1,301,267	213,400
2041-2044	-	-	1,147,911	63,822	1,147,911	63,822
Total	\$ 612,000	\$ -	\$ 4,663,075	\$ 1,092,659	\$ 5,275,075	\$ 1,092,659
Due within one year	\$ 136,000	\$ -	\$ 200,346	\$ 102,588	\$ 336,346	\$ 102,588
Due After one year	476,000	-	4,462,729	990,071	4,938,729	990,071
Total	\$ 612,000	\$ -	\$ 4,663,075	\$ 1,092,659	\$ 5,275,075	\$ 1,092,659

Compensated Absences

The City records employee absences, such as vacation, illness, and holidays, for which it is expected that employees will be paid as compensated absences. Compensated absences had a balance of \$42,479 at June 30, 2025.

NOTE 8 - NET POSITION/ FUND BALANCE**Net Position**

	Governmental Activities	Business-type Activities	Total
Net investment in capital assets	\$ 9,606,613	\$ 18,201,077	\$ 27,807,690
Restricted	1,535,830	-	1,535,830
Unrestricted	3,060,685	5,678,043	8,738,728
Total	\$ 14,203,128	\$ 23,879,120	\$ 38,082,248

- Restricted balances are for the same purposes as fund balance restrictions because external restriction requirements are the same. See descriptions of the restrictions below.

**CITY OF RIO DELL, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 - NET POSITION/ FUND BALANCE - CONT'D

Fund Balance

Nonspendable and Restricted fund balance consisted of the following at June 30, 2025:

Nonspendable:	
Prepaid items	\$ <u>45,711</u>
Total Nonspendable	\$ <u><u>45,711</u></u>
Restricted:	
Governmental Funds:	
CDBG	\$ 249,760
Gas Tax	343,888
RSTP	35,333
ARPA	677,443
Earthquake Disaster Fund	<u>229,406</u>
Total Restricted	\$ <u><u>1,535,830</u></u>

The following describe the purpose of each nonspendable, restricted, and committed category used by the City:

Nonspendable

- **Prepaid Items** – represents nonspendable amounts classified as prepaid items

Restricted

- **CDBG** – represents amounts restricted for the City's CDBG housing activities as these programs are supported by specific grants requiring the restriction.
- **Gas Tax** – represents amounts restricted for street maintenance purposes as defined in Sections 2105, 2106, 2107 and 2107.5 of the Streets and Highway Code.
- **RSTP** – represents amounts restricted in accordance with the Regional Surface Transportation Act.
- **ARPA** – represents amounts restricted in accordance with the coronavirus State and Local Fiscal Recovery Funds (SLFRF) program authorized by the American Rescue Plan Act.
- **Earthquake Disaster** – represents amounts restricted in accordance with 2022 Earthquake disaster event.

Fund Balance Deficits

Deficit fund balances consisted of the following as of June 30, 2025:

Major Special Revenue Funds:	
Clean CA Grant ER Trails	\$ <u><u>135,299</u></u>
Nonmajor Special Revenue Funds:	
Measure Z	\$ 491
STIP	27,397
Building	<u>88,361</u>
Total Nonmajor Funds	<u>116,249</u>
Total Governmental Funds	\$ <u><u>251,548</u></u>

CITY OF RIO DELL, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 - NET POSITION/ FUND BALANCE - CONT'D

The above deficit fund balances have occurred due to the spending of funds prior to the receipt of revenues (cost reimbursements). The Fund balances will be restored in the near future as revenues are received.

Excess of Expenditures and Transfers over Appropriations:

Expenditures exceeded appropriations for the year ended June 30, 2025, for the following funds:

<u>Fund</u>	<u>Final Appropriations</u>	<u>Expenditures</u>	<u>Excess</u>
<u>Nonmajor Funds</u>			
TDA	\$ 124,322	\$ 137,997	\$ (13,675)
RSTP	24,775	51,963	(27,188)
Solid Waste	6,830	7,911	(1,081)
Measure Z	-	491	(491)
STIP	-	60,877	(60,877)
Recycling	9,000	23,687	(14,687)

NOTE 9 – INTERFUND TRANSACTIONS

Due to and from balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Due to and due from other funds consisted of the following as of June 30, 2025:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
<u>Governmental Funds</u>		
Major Funds:		
General Fund	\$ 346,926	\$ -
Clean CA Grant ER Trails	-	197,509
Total Major Funds	346,926	197,509
Nonmajor Funds:		
TDA	-	11,243
Measure Z	-	791
STIP	-	22,335
Building	-	91,510
Traffic Safety	-	3,207
Park Per Capita Grant	-	10,903
Earthquake Disaster Fund	-	9,428
Total Nonmajor Funds	-	149,417
Total Governmental Funds	\$ 346,926	\$ 346,926

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. There were no transfers in and out for the year ended June 30, 2025.

CITY OF RIO DELL, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a member of the Small Cities Organized Risk Effort Joint Powers Authority (SCORE). SCORE provides insurance coverage for general liability, property, and workers' compensation claims under the terms of a joint-powers agreement with the City and several other governmental municipalities.

SCORE is insured up to \$500,000 per general liability and \$1,000,000 per property claim and has purchased excess of loss insurance policies providing coverage above the self-insurance limit to a maximum of \$25,000,000. The City has a \$2,500 - \$50,000 deductible per claim for general liability, property and workers' compensation cases. When the deductible is met, SCORE becomes responsible for payment of the excess claim.

Payments for insurance claims are recorded as expenditures in the funds in which the liabilities were incurred. In accordance with GASB Statement No. 10, if the third party administrator, SCORE, does not insure the loss occurrence then the City shall accrue a loss, if probable and reasonably estimable. As of June 30, 2025, the City has no uninsured occurrences. The City has not used an actuary in determining the liability reserve if needed. Because the actual claim liabilities depend on such complex factors as inflation and changes in legal doctrines and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claims are evaluated periodically to take into account recently settled claims, the frequency of claims and other economic and social factors.

NOTE 11 - JOINT POWERS AGREEMENTS

The City is a member of various joint powers authorities, which provide goods or services to the City and other authority members. Under the criteria established by GASB Statement No. 61, the City does not have sufficient authority, influence or accountability over these entities to incorporate them in this annual report. Additionally, the City has determined that it has no ongoing financial interest in or responsibility for any of these organizations as defined by GASB Statement No. 61. The names and general functions of these joint powers are as follows:

Humboldt Transit Authority

Humboldt Transit Authority (HTA) was created as a separate legal entity by a joint powers agreement between Humboldt County and the Cities of Fortuna, Eureka, Arcata, Trinidad, and Rio Dell. The governing board consists of a city council member and an alternate member appointed from each participating city, as well as two board members and up to two alternate members appointed by the Humboldt County Board of Supervisors. HTA is responsible for adopting its own budget and has the power to incur debts, liabilities, or other obligations. On commencement of operations of HTA, the County contributed 50 percent of the initial equity, and the participating cities jointly contributed 50 percent based upon population data. The participants do not have an ongoing equity interest in HTA.

However, the participants do share operating costs of HTA, and the current share of the City of Rio Dell is 2.8%. During the year ended June 30, 2025, the City paid HTA \$54,932. At termination of the agreement, all surplus monies will be returned to the participants in proportion to the amounts received and property shall be divided in a manner agreed upon by the parties. Complete financial statements for Humboldt Transit Authority may be obtained at the offices of the Authority at 133 V Street, Eureka, California 95501.

CITY OF RIO DELL, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 - JOINT POWERS AGREEMENTS - CONT'D

Hazardous Materials Response Authority

Hazardous Materials Response Authority (HMRA) was created as a separate legal entity by a joint powers agreement between the County of Humboldt, the County of Del Norte, and Cities of Eureka, Crescent City, Arcata, Blue Lake, Fortuna, Trinidad, and Rio Dell. (The City of Ferndale withdrew from the agreement during 1994-1995). The purpose of this joint venture is to pool resources of the participants to provide a united, coordinated, orderly, positive, and more effective means of aiding and assisting in the formulation, administration, implementation and maintenance of an area-wide hazardous materials response team.

HMRA is governed by a board of directors comprised of one member and an alternate appointed by each participant. It adopts its own budget and has the powers to incur debts, liabilities, or obligations. The City of Eureka is responsible for directing the operations of Hazardous Materials Response Teams and for the accounting of HMRA, and in return HMRA reimburses the City of Eureka for the costs of operation and accounting services.

Upon commencement of HMRA, the participants agreed to contribute a proportionate share of the cost of operations based on population. The participants do not have an ongoing equity interest in HMRA. However, the participants do share the operating costs of HMRA, and the current share of the City of Rio Dell is 2.21%, based on population. During the year ended June 30, 2025, the City paid HMRA \$1,323. At termination of the agreement, all surplus monies will be returned to the participants in proportion of the amounts received by HMRA; property shall be divided in a manner agreed upon by the participants. Complete financial statements of HMRA are on file at the offices of the City of Eureka at 531 K Street, Eureka, California 95501.

Redwood Region Economic Development Commission

Redwood Region Economic Development Commission (RREDC) was established on November 1, 1977, under a Joint Exercise of Powers Agreement among the nineteen public agencies within Humboldt County, including the City of Rio Dell. RREDC is a separate public entity created to aid, assist, and coordinate the formulation, administration, and implementation of the Economic Development Action Plan and Strategy for Humboldt County, and to assist in the implementation of economic development projects and programs to improve the quality of life in the area. RREDC is governed by one member and an alternate appointed by each participant. Complete financial statements for RREDC are on file at the offices of RREDC at 325 Second Street, Suite 203, Eureka, California 95501.

Humboldt Waste Management Authority (HWMA)

A JPA formed to administer solid waste, recycling and other material diversion programs and services. Formed in 1999 and comprised of the County of Humboldt, Arcata, Blue Lake, Eureka, Ferndale and Rio Dell.

Humboldt County Association of Governments (HCAOG)

A local JPA formed for regional transportation planning, responsible for programming State highway, local street and road improvements and public transportation resources. All seven cities and the County are participants.

Redwood Coast Energy Authority (RCEA):

A JPA formed to develop and implement regional measures that reduce energy demand, increase energy efficiency and advance the use of clean efficient renewable resources. Members include the County of Humboldt; the Cities of Arcata, Blue Lake, Eureka, Ferndale, Fortuna, Rio Dell, and Trinidad; and the Humboldt Bay Municipal Water District.

CITY OF RIO DELL, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 - DEFERRED COMPENSATION PLAN

The City offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all City employees, permit employees to defer a portion of their salary until future years. Participation in the plans is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. As explained previously, the City has adopted the provisions of GASB Statement No. 32 and, therefore, assets and liabilities of these plans have been excluded from the accompanying financial statements. For the fiscal year ended June 30, 2025, the City made contributions totaling \$289,153 to the plan.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Litigation

The City is involved in litigation incurred in the normal course of conducting City business. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Grants and Allocations

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

NOTE 14 - NEW ACCOUNTING PRONOUNCEMENTS

The City adopted the following new accounting pronouncements issued by the GASB during the current fiscal year ended June 30, 2025.

GASB has issued Statement No. 101, *Compensated Absences*, effective for the year ending June 30, 2025. This Statement amends the existing requirements related to compensated absences by updating the recognition and measurement guidance.

GASB has issued Statement No. 102, *Certain Risk Disclosures*, effective for the year ending June 30, 2025. This Statement's objective is to provide users of governmental financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

Future Accounting Pronouncement

The City has implemented all applicable GASB pronouncements currently in effect. The following new standards issued by GASB are effective in Fiscal Year 2026 and beyond.

GASB has issued Statement No. 103, *Financial Reporting Model Improvements*, effective for the year ending June 30, 2026. This Statement improves key components of the financial reporting model to enhance the relevance and usefulness of information for decision-making and assessing accountability.

CITY OF RIO DELL, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 - NEW ACCOUNTING PRONOUNCEMENTS - CONT'D

Future Accounting Pronouncement - Cont'd

GASB has issued Statement No. 104, *Disclosures of Certain Capital Assets*, effective for the year ending June 30, 2026. which requires capital assets held for sale, intangible assets, lease assets, and subscription assets to be disclosed separately in the notes to the financial statements.

The Governmental Accounting Standards Board (GASB) issued Statement No. 105, *Subsequent Events*, which establishes accounting and financial reporting standards for events that occur after the financial statement date but before issuance of the financial statements. This Statement requires governments to evaluate subsequent events to determine whether they should be recognized in the financial statements or disclosed in the notes. GASB Statement No. 105 is effective for fiscal years beginning after June 15, 2026.

The City is currently evaluating the impact of these statements on its financial statements and will implement them as applicable.

NOTE 15 -SUBSEQUENT EVENTS

Management evaluated subsequent events through May 13, 2026, which represents the date the financial statements were available for issuance, for events requiring recording or disclosure in the financial statements, and concluded that no subsequent event has occurred that requires disclosure in the notes to the financial statements.

SUPPLEMENTARY INFORMATION

**CITY OF RIO DELL, CALIFORNIA
FUND FINANCIAL STATEMENTS
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2025**

Fund	Description
Gas Tax	Accounts for funds received and expended for street maintenance purposes as defined in Sections 2103, 2105, 2106, 2107, 2107.5 and 2032 (SB1) of the Streets and Highway Code.
TDA	Accounts for funds received and expended for transit, street, pedestrian and bike purposes in Accordance with the Transportation Development Act.
RSTP	Accounts for funds received and expended in accordance with the Regional Surface Transportation Act.
Solid Waste	Accounts for the City's portion of the Humboldt Waste Management Authority's tipping fees.
SLESF	Accounts for funds received to be used for public safety purposes.
Measure Z	Accounts for funds received and expended for Measure Z.
STIP	Accounts for funds received and expended in accordance with the State Transportation Improvement Program, a multi-year capital improvement program of transportation projects on and off the State Highway System.
Building	Accounts for funds received and expended for building maintenance inspection and permitting purposes.
Recycling	Accounts for funds received and expended for recycling purposes.
Economic Development	Accounts for funds received or designated by the City Council and expended for economic development purposes.
ARPA	Accounts for funds received as part of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program authorized by the American Rescue Plan Act to support the communities response to and recovery from the COVID-19 public health emergency.
Traffic Safety	Accounts for funds received and expended for the City to create a Local Road Safety Program (LRSP).
Park Per Capita Grant	Accounts for funds received and expended for Park Per Capita Grant.
Earthquake Disaster Fund	Accounts for funds received and expended as a result of the 2022 Earthquake disaster event.

CITY OF RIO DELL, CALIFORNIA
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2025

	<u>Gas Tax</u>	<u>TDA</u>	<u>RSTP</u>	<u>Solid waste</u>
ASSETS				
Cash and investment	\$ 382,817	\$ 61,983	\$ 36,054	\$ 497
Accounts receivables:				
Interest	558	633	-	-
Other receivable	<u>24,872</u>	<u>-</u>	<u>35,261</u>	<u>-</u>
Total assets	<u>408,247</u>	<u>62,616</u>	<u>71,315</u>	<u>497</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	60,531	508	35,410	21
Accrued payroll	3,828	1,790	572	-
Due to other funds	<u>-</u>	<u>11,243</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>64,359</u>	<u>13,541</u>	<u>35,982</u>	<u>21</u>
FUND BALANCES				
Restricted	343,888	-	35,333	-
Assigned	-	49,075	-	476
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>343,888</u>	<u>49,075</u>	<u>35,333</u>	<u>476</u>
Total liabilities and fund balances	<u>\$ 408,247</u>	<u>\$ 62,616</u>	<u>\$ 71,315</u>	<u>\$ 497</u>

CITY OF RIO DELL, CALIFORNIA
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2025

	<u>SLESF</u>	<u>Measure Z</u>	<u>STIP</u>	<u>Building</u>
ASSETS				
Cash and investment	\$ 159,303	\$ 791	\$ 16,189	\$ -
Accounts receivables:				
Interest	-	-	-	-
Other receivable	-	-	-	-
Total assets	<u>159,303</u>	<u>791</u>	<u>16,189</u>	<u>-</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	-	-	21,251	645
Accrued payroll	7,165	491	-	(3,794)
Due to other funds	-	791	22,335	91,510
Total liabilities	<u>7,165</u>	<u>1,282</u>	<u>43,586</u>	<u>88,361</u>
FUND BALANCES				
Restricted	-	-	-	-
Assigned	152,138	-	-	-
Unassigned (deficit)	-	(491)	(27,397)	(88,361)
Total fund balances	<u>152,138</u>	<u>(491)</u>	<u>(27,397)</u>	<u>(88,361)</u>
Total liabilities and fund balances	<u>\$ 159,303</u>	<u>\$ 791</u>	<u>\$ 16,189</u>	<u>\$ -</u>

CITY OF RIO DELL, CALIFORNIA
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2025

	<u>Recycling</u>	<u>Economic Development</u>	<u>ARPA</u>	<u>Traffic Safety</u>
ASSETS				
Cash and investment	\$ 121,393	\$ 254,786	\$ 677,443	\$ 3,207
Accounts receivables:				
Interest	1,270	2,665	-	-
Other receivable	-	-	-	-
Total assets	<u>122,663</u>	<u>257,451</u>	<u>677,443</u>	<u>3,207</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	1,100	-	-	-
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	3,207
Total liabilities	<u>1,100</u>	<u>-</u>	<u>-</u>	<u>3,207</u>
FUND BALANCES				
Restricted	-	-	677,443	-
Assigned	121,563	257,451	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	<u>121,563</u>	<u>257,451</u>	<u>677,443</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 122,663</u>	<u>\$ 257,451</u>	<u>\$ 677,443</u>	<u>\$ 3,207</u>

CITY OF RIO DELL, CALIFORNIA
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2025

	<u>Park Per Capita Grant</u>	<u>Earthquake Disaster Fund</u>	<u>Totals</u>
ASSETS			
Cash and investment	\$ 10,790	\$ 238,834	\$ 1,964,087
Accounts receivables:			
Interest	113	-	5,239
Other receivable	-	-	60,133
Total assets	<u>10,903</u>	<u>238,834</u>	<u>2,029,459</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	-	-	119,466
Accrued payroll	-	-	10,052
Due to other funds	<u>10,903</u>	<u>9,428</u>	<u>149,417</u>
Total liabilities	<u>10,903</u>	<u>9,428</u>	<u>278,935</u>
FUND BALANCES			
Restricted	-	229,406	1,286,070
Assigned	-	-	580,703
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>(116,249)</u>
Total fund balances	<u>-</u>	<u>229,406</u>	<u>1,750,524</u>
Total liabilities and fund balances	<u>\$ 10,903</u>	<u>\$ 238,834</u>	<u>\$ 2,029,459</u>

CITY OF RIO DELL, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
- NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Gas Tax</u>	<u>TDA</u>	<u>RSTP</u>	<u>Solid Waste</u>
REVENUES				
Gas Tax	\$ 193,830	\$ -	\$ -	\$ -
Intergovernmental	-	125,317	35,261	-
Licenses, permits, and franchise taxes	3,375	-	-	-
Interest and use of property	5,265	1,585	-	134
Miscellaneous revenues	360	361	-	3,241
Total revenues	<u>202,830</u>	<u>127,263</u>	<u>35,261</u>	<u>3,375</u>
EXPENDITURES				
Current:				
General government	12,523	9,751	-	-
Public safety - Police	-	-	-	-
Public work	129,251	128,246	16,615	-
Planning and building	-	-	-	-
Housing and community development	-	-	-	-
Recycling	-	-	-	7,911
Capital outlay	71,403	-	35,348	-
Total expenditures	<u>213,177</u>	<u>137,997</u>	<u>51,963</u>	<u>7,911</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(10,347)</u>	<u>(10,734)</u>	<u>(16,702)</u>	<u>(4,536)</u>
Net change in fund balances	<u>(10,347)</u>	<u>(10,734)</u>	<u>(16,702)</u>	<u>(4,536)</u>
Fund balances - beginning of year, as previously presented	354,235	59,809	52,035	5,012
Change within financial reporting entity (nonmajor to major fund)	-	-	-	-
Fund balances - beginning of year, as adjusted	<u>354,235</u>	<u>59,809</u>	<u>52,035</u>	<u>5,012</u>
Fund balances - end of year	<u>\$ 343,888</u>	<u>\$ 49,075</u>	<u>\$ 35,333</u>	<u>\$ 476</u>

CITY OF RIO DELL, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
- NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>SLESF</u>	<u>Measure Z</u>	<u>STIP</u>	<u>Building</u>
REVENUES				
Gas Tax	\$ -	\$ -	\$ -	\$ -
Intergovernmental	185,271	-	25,224	-
Licenses, permits, and franchise taxes	-	-	-	69,322
Interest and use of property	-	-	-	-
Miscellaneous revenues	-	-	-	-
Total revenues	<u>185,271</u>	<u>-</u>	<u>25,224</u>	<u>69,322</u>
EXPENDITURES				
Current:				
General government	-	491	-	-
Public safety - Police	146,837	-	-	-
Public work	-	-	-	-
Planning and building	-	-	-	122,118
Housing and community development	-	-	4,544	-
Recycling	-	-	-	-
Capital outlay	-	-	56,333	-
Total expenditures	<u>146,837</u>	<u>491</u>	<u>60,877</u>	<u>122,118</u>
Excess (deficiency) of revenue over (under) expenditures	<u>38,434</u>	<u>(491)</u>	<u>(35,653)</u>	<u>(52,796)</u>
Net change in fund balances	<u>38,434</u>	<u>(491)</u>	<u>(35,653)</u>	<u>(52,796)</u>
Fund balances - beginning of year, as previously presented	113,704	-	8,256	(35,565)
Change within financial reporting entity (nonmajor to major fund)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - beginning of year, as adjusted	<u>113,704</u>	<u>-</u>	<u>8,256</u>	<u>(35,565)</u>
Fund balances - end of year	<u>\$ 152,138</u>	<u>\$ (491)</u>	<u>\$ (27,397)</u>	<u>\$ (88,361)</u>

CITY OF RIO DELL, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
- NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Recycling</u>	<u>Economic Development</u>	<u>ARPA</u>	<u>Traffic Safety</u>
REVENUES				
Gas Tax	\$ -	\$ -	\$ -	\$ -
Intergovernmental	676	-	-	-
Licenses, permits, and franchise taxes	-	-	-	-
Interest and use of property	5,101	9,815	-	-
Miscellaneous revenues	-	-	-	-
Total revenues	<u>5,777</u>	<u>9,815</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	-	15,544	9,228	-
Public safety - Police	-	-	-	-
Public work	-	-	-	-
Planning and building	-	-	-	-
Housing and community development	-	-	-	-
Recycling	23,687	-	-	-
Capital outlay	-	-	53,461	-
Total expenditures	<u>23,687</u>	<u>15,544</u>	<u>62,689</u>	<u>-</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(17,910)</u>	<u>(5,729)</u>	<u>(62,689)</u>	<u>-</u>
Net change in fund balances	<u>(17,910)</u>	<u>(5,729)</u>	<u>(62,689)</u>	<u>-</u>
Fund balances - beginning of year, as previously presented	139,473	263,180	740,132	-
Change within financial reporting entity (nonmajor to major fund)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - beginning of year, as adjusted	<u>139,473</u>	<u>263,180</u>	<u>740,132</u>	<u>-</u>
Fund balances - end of year	<u>\$ 121,563</u>	<u>\$ 257,451</u>	<u>\$ 677,443</u>	<u>\$ -</u>

CITY OF RIO DELL, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
- NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Park Per Capita Grant	Clean CA Grant ER Trails	Earthquake Disaster Fund	Total
REVENUES				
Gas Tax	\$ -	\$ -	\$ -	\$ 193,830
Intergovernmental	177,952	-	227,358	777,059
Licenses, permits, and franchise taxes	-	-	11,476	84,173
Interest and use of property	-	-	-	21,900
Miscellaneous revenues	-	-	-	3,962
Total revenues	<u>177,952</u>	<u>-</u>	<u>238,834</u>	<u>1,080,924</u>
EXPENDITURES				
Current:				
General government	-	-	-	47,537
Public safety - Police	-	-	-	146,837
Public work	-	-	-	274,112
Planning and building	-	-	-	122,118
Housing and community development	(3,060)	-	-	1,484
Recycling	-	-	-	31,598
Capital outlay	<u>170,109</u>	<u>-</u>	<u>-</u>	<u>386,654</u>
Total expenditures	<u>167,049</u>	<u>-</u>	<u>-</u>	<u>1,010,340</u>
Excess (deficiency) of revenue over (under) expenditures	<u>10,903</u>	<u>-</u>	<u>238,834</u>	<u>70,584</u>
Net change in fund balances	<u>10,903</u>	<u>-</u>	<u>238,834</u>	<u>70,584</u>
Fund balances - beginning of year, as previously presented	(10,903)	4,800	(9,428)	1,684,740
Change within financial reporting entity (nonmajor to major fund)	<u>-</u>	<u>(4,800)</u>	<u>-</u>	<u>(4,800)</u>
Fund balances - beginning of year, as adjusted	<u>(10,903)</u>	<u>-</u>	<u>(9,428)</u>	<u>1,679,940</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 229,406</u>	<u>\$ 1,750,524</u>

CITY OF RIO DELL, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GAS TAX SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Gas Tax	\$ 186,401	\$ 186,401	\$ 193,830	\$ 7,429
Licenses, permits, and franchise taxes	2,000	2,000	3,375	1,375
Interest and use of property	-	-	5,265	5,265
Miscellaneous revenues	-	-	360	360
Total revenues	188,401	188,401	202,830	14,429
Expenditures:				
Current:				
General government	13,769	13,769	12,523	1,246
Public works	181,672	181,672	129,251	52,421
Capital outlay	130,000	157,289	71,403	85,886
Total expenditures	325,441	352,730	213,177	139,553
Excess (deficiency) of revenues over (under) expenditures	(137,040)	(164,329)	(10,347)	153,982
Net changes in fund balances	(137,040)	(164,329)	(10,347)	153,982
Fund balance - beginning of year	354,235	354,235	354,235	-
Fund balance - end of year	\$ 217,195	\$ 189,906	\$ 343,888	\$ 153,982

CITY OF RIO DELL, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
TDA SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 125,317	\$ 125,317	\$ 125,317	\$ -
Interest and use of property	-	-	1,585	1,585
Miscellaneous revenues	-	-	361	361
Total revenues	<u>125,317</u>	<u>125,317</u>	<u>127,263</u>	<u>1,946</u>
Expenditures:				
Current:				
General government	10,903	10,903	9,751	1,152
Public works	<u>113,419</u>	<u>113,419</u>	<u>128,246</u>	<u>(14,827)</u>
Total expenditures	<u>124,322</u>	<u>124,322</u>	<u>137,997</u>	<u>(13,675)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>995</u>	<u>995</u>	<u>(10,734)</u>	<u>(11,729)</u>
Net changes in fund balances	995	995	(10,734)	(11,729)
Fund balance - beginning of year	<u>59,809</u>	<u>59,809</u>	<u>59,809</u>	<u>-</u>
Fund balance - end of year	<u><u>\$ 60,804</u></u>	<u><u>\$ 60,804</u></u>	<u><u>\$ 49,075</u></u>	<u><u>\$ (11,729)</u></u>

CITY OF RIO DELL, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
RSTP SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 27,000	\$ 27,000	\$ 35,261	\$ 8,261
Total revenues	27,000	27,000	35,261	8,261
Expenditures:				
Current:				
Public works	24,775	24,775	16,615	8,160
Capital outlay	-	-	35,348	(35,348)
Total expenditures	24,775	24,775	51,963	(27,188)
Excess (deficiency) of revenues over (under) expenditures	2,225	2,225	(16,702)	(18,927)
Net changes in fund balances	2,225	2,225	(16,702)	(18,927)
Fund balance - beginning of year	52,035	52,035	52,035	-
Fund balance - end of year	\$ 54,260	\$ 54,260	\$ 35,333	\$ (18,927)

CITY OF RIO DELL, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SOLID WASTE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest and use of property	\$ -	\$ -	\$ 134	\$ 134
Miscellaneous revenues	5,000	5,000	3,241	(1,759)
Total revenues	5,000	5,000	3,375	(1,625)
Expenditures:				
Current:				
Recycling	6,830	6,830	7,911	(1,081)
Total expenditures	6,830	6,830	7,911	(1,081)
Excess (deficiency) of revenues over (under) expenditures	(1,830)	(1,830)	(4,536)	(2,706)
Net change in fund balance	(1,830)	(1,830)	(4,536)	(2,706)
Fund balance - beginning of year	5,012	5,012	5,012	-
Fund balance - end of year	\$ 3,182	\$ 3,182	\$ 476	\$ (2,706)

CITY OF RIO DELL, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SLESF SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 160,000	\$ 160,000	\$ 185,271	\$ 25,271
Total revenues	160,000	160,000	185,271	25,271
Expenditures:				
Current:				
Public safety - Police	155,667	155,667	146,837	8,830
Total expenditures	155,667	155,667	146,837	8,830
Excess (deficiency) of revenues over (under) expenditures	4,333	4,333	38,434	34,101
Net change in fund balance	4,333	4,333	38,434	34,101
Fund balance - beginning of year	113,704	113,704	113,704	-
Fund balance - end of year	\$ 118,037	\$ 118,037	\$ 152,138	\$ 34,101

CITY OF RIO DELL, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MEASURE Z SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Total revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
General government	-	-	491	(491)
Total expenditures	-	-	491	(491)
Excess (deficiency) of revenues over (under) expenditures	-	-	(491)	(491)
Net change in fund balance	-	-	(491)	(491)
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ (491)	\$ (491)

CITY OF RIO DELL, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
STIP SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 25,224	\$ 25,224
Total revenues	<u>-</u>	<u>-</u>	<u>25,224</u>	<u>25,224</u>
Expenditures:				
Current:				
Housing and community development	-	-	4,544	(4,544)
Capital outlay	<u>-</u>	<u>-</u>	<u>56,333</u>	<u>(56,333)</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>60,877</u>	<u>(60,877)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(35,653)</u>	<u>(35,653)</u>
Net change in fund balance	-	-	(35,653)	(35,653)
Fund balance - beginning of year	<u>8,256</u>	<u>8,256</u>	<u>8,256</u>	<u>-</u>
Fund balance - end of year	<u>\$ 8,256</u>	<u>\$ 8,256</u>	<u>\$ (27,397)</u>	<u>\$ (35,653)</u>

CITY OF RIO DELL, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
BUILDING SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses, permits, and franchise taxes	\$ 67,350	\$ 67,350	\$ 69,322	\$ 1,972
Total revenues	<u>67,350</u>	<u>67,350</u>	<u>69,322</u>	<u>1,972</u>
Expenditures:				
Current:				
Planning and building	<u>142,363</u>	<u>142,363</u>	<u>122,118</u>	<u>20,245</u>
Total expenditures	<u>142,363</u>	<u>142,363</u>	<u>122,118</u>	<u>20,245</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(75,013)</u>	<u>(75,013)</u>	<u>(52,796)</u>	<u>22,217</u>
Net change in fund balance	(75,013)	(75,013)	(52,796)	22,217
Fund balance - beginning of year	<u>(35,565)</u>	<u>(35,565)</u>	<u>(35,565)</u>	<u>-</u>
Fund balance - end of year	<u><u>\$ (110,578)</u></u>	<u><u>\$ (110,578)</u></u>	<u><u>\$ (88,361)</u></u>	<u><u>\$ 22,217</u></u>

CITY OF RIO DELL, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
RECYCLING SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Intergovernmental	\$ 5,000	\$ 5,000	\$ 676	\$ (4,324)
Interest and use of property	-	-	5,101	5,101
Total revenues	5,000	5,000	5,777	777
Expenditures:				
Current:				
Recycling	9,000	9,000	23,687	(14,687)
Total expenditures	9,000	9,000	23,687	(14,687)
Excess (deficiency) of revenues over (under) expenditures	(4,000)	(4,000)	(17,910)	(13,910)
Net change in fund balance	(4,000)	(4,000)	(17,910)	(13,910)
Fund balance - beginning of year	139,473	139,473	139,473	-
Fund balance - end of year	\$ 135,473	\$ 135,473	\$ 121,563	\$ (13,910)

CITY OF RIO DELL, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest and use of property	\$ -	\$ -	\$ 9,815	\$ 9,815
Total revenues	-	-	9,815	9,815
Expenditures:				
Current:				
General government	47,000	47,000	15,544	31,456
Total expenditures	47,000	47,000	15,544	31,456
Excess (deficiency) of revenues over (under) expenditures	(47,000)	(47,000)	(5,729)	41,271
Net change in fund balance	(47,000)	(47,000)	(5,729)	41,271
Fund balance - beginning of year	263,180	263,180	263,180	-
Fund balance - end of year	\$ 216,180	\$ 216,180	\$ 257,451	\$ 41,271

CITY OF RIO DELL, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ARPA SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Total revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
General government	340,000	340,000	9,228	330,772
Capital outlay	-	-	53,461	(53,461)
Total expenditures	340,000	340,000	62,689	277,311
Excess (deficiency) of revenues over (under) expenditures	(340,000)	(340,000)	(62,689)	277,311
Net change in fund balance	(340,000)	(340,000)	(62,689)	277,311
Fund balance - beginning of year	740,132	740,132	740,132	-
Fund balance - end of year	\$ 400,132	\$ 400,132	\$ 677,443	\$ 277,311

CITY OF RIO DELL, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
TRAFFIC SAFETY SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Total revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -

CITY OF RIO DELL, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
PARK PER CAPITA GRANT
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 177,952	\$ 177,952	\$ 177,952	\$ -
Total revenues	<u>177,952</u>	<u>177,952</u>	<u>177,952</u>	<u>-</u>
Expenditures:				
Current:				
Housing and community Development	-	-	(3,060)	3,060
Capital outlay	<u>177,952</u>	<u>190,905</u>	<u>170,109</u>	<u>20,796</u>
Total expenditures	<u>177,952</u>	<u>190,905</u>	<u>167,049</u>	<u>23,856</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(12,953)</u>	<u>10,903</u>	<u>23,856</u>
Net change in fund balance	-	(12,953)	10,903	23,856
Fund balance - beginning of year	<u>(10,903)</u>	<u>(10,903)</u>	<u>(10,903)</u>	<u>-</u>
Fund balance - end of year	<u>\$ (10,903)</u>	<u>\$ (23,856)</u>	<u>\$ -</u>	<u>\$ 23,856</u>

CITY OF RIO DELL, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EARTHQUAKE DISASTER FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 227,358	\$ 227,358
Licenses, permits, and franchise taxes	-	-	11,476	11,476
Total revenues	-	-	238,834	238,834
Expenditures:				
Current:				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	238,834	238,834
Net change in fund balance	-	-	238,834	238,834
Fund balance - beginning of year	(9,428)	(9,428)	(9,428)	-
Fund balance - end of year	\$ (9,428)	\$ (9,428)	\$ 229,406	\$ 238,834

COMPLIANCE SECTION



**INDEPENDENT AUDITOR'S 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***

To the Honorable Mayor and City Council
City of Rio Dell, California
Rio Dell, California

We have audited, in accordance with the 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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, and the budgetary comparison information of the City of Rio Dell, California (the "City"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 13, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a 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.

Our 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 our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Harskmal & Company LLP

San Diego, California
May 13, 2026

CITY OF RIO DELL, CALIFORNIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2025

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness?	None Reported
Noncompliance material to financial statements noted?	No

**CITY OF RIO DELL, CALIFORNIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2025**

SECTION II - AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS

There are no findings related to the financial statements as of June 30, 2025.

**CITY OF RIO DELL, CALIFORNIA
STATUS OF PRIOR YEAR'S AUDIT FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2025**

There were no findings reported in prior year.



Communication with Those Charged with Governance at the Conclusion of the Audit

May 13, 2026

To the Honorable Mayor and City Council
City of Rio Dell, California
Rio Dell, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Rio Dell, California (the "City"), for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 17, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 01 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the 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 sensitive estimates affecting the financial statements were the certain types of assets and liabilities.

Management's estimate of depreciable assets is based on the historical cost and estimated useful lives. We evaluated the methods, assumptions, and data used to develop the liability for such obligation in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The misstatements identified and presented in Schedule 1, were detected as a result of audit procedures. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the City's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, 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 course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 13, 2026.

Management Consultations with Other Independent Accountants

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

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 retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the budgetary comparison schedule-Major funds, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the Chapter's officials and management of City of Rio Dell and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Harshmal & Company LLP

San Diego, California

May 13, 2026

Client Name: City of Rio Dell
 Year End: June 30, 2025
 Workpaper: Adjusting journal entries
 Date: 7/1/2024 To 6/30/2025

Number	Date	Name	Account No	Reference	Debit	Credit	
1	6/30/2025	Salaries and Benefits Payable	2120 00 000 0000 0000 000	CC-1		-7,008.66	
	6/30/2025	Salaries and Benefits Payable	2120 00 020 0000 0000 020	CC-1		-372.33	
	6/30/2025	Salaries and Benefits Payable	2120 00 021 0000 0000 021	CC-1		-204.63	
	6/30/2025	Salaries and Benefits Payable	2120 00 024 0000 0000 024	CC-1		-275.43	
	6/30/2025	Salaries and Benefits Payable	2120 00 026 0000 0000 026	CC-1		-83.12	
	6/30/2025	Salaries and Benefits Payable	2120 00 039 0000 0000 039	CC-1		-7.36	
	6/30/2025	Salaries and Benefits Payable	2120 00 040 0000 0000 040	CC-1		-1,815.63	
	6/30/2025	Salaries and Benefits Payable	2120 00 044 0000 0000 044	CC-1		-491.41	
	6/30/2025	Salaries and Benefits Payable	2120 00 050 0000 0000 050	CC-1		-3,339.80	
	6/30/2025	Salaries and Benefits Payable	2120 00 060 0000 0000 060	CC-1		-3,616.52	
	6/30/2025	Salaries and Benefits Payable	2120 00 063 0000 0000 063	CC-1		-81.67	
	6/30/2025	Full Time Salaries	5000 00 044 0000 0000 044	CC-1	395.82		
	6/30/2025	Full Time Salaries	5000 02 000 0000 0000 000	CC-1	5,326.86		
	6/30/2025	Full Time Salaries	5000 02 020 0000 0000 020	CC-1	275.73		
	6/30/2025	Full Time Salaries	5000 02 024 0000 0000 024	CC-1	204.22		
	6/30/2025	Full Time Salaries	5000 02 050 0000 0000 050	CC-1	2,557.26		
	6/30/2025	Full Time Salaries	5000 02 060 0000 0000 060	CC-1	2,743.90		
	6/30/2025	Full Time Salaries	5000 06 039 0000 0000 039	CC-1	5.95		
	6/30/2025	Full Time Salaries	5000 07 040 0000 0000 040	CC-1	1,411.12		
	6/30/2025	Full Time Salaries - Metro Wells	5000 09 063 0000 0000 063	CC-1	58.62		
	6/30/2025	Full Time Salaries	5000 18 021 0000 0000 021	CC-1	149.51		
	6/30/2025	Full Time Salaries	5000 18 026 0000 0000 026	CC-1	59.80		
	6/30/2025	Benefit - MISSIONSQUARE 457B	5035 00 044 0000 0000 044	CC-1	55.15		
	6/30/2025	Benefit - MISSIONSQUARE 457B	5035 02 000 0000 0000 000	CC-1	843.98		
	6/30/2025	Benefit - MISSIONSQUARE 457B	5035 02 020 0000 0000 020	CC-1	36.77		
	6/30/2025	Benefit - MISSIONSQUARE 457B	5035 02 024 0000 0000 024	CC-1	27.32		
	6/30/2025	Benefit - MISSIONSQUARE 457B	5035 02 050 0000 0000 050	CC-1	344.43		
	6/30/2025	Benefit - MISSIONSQUARE 457B	5035 02 060 0000 0000 060	CC-1	373.66		
	6/30/2025	Benefit - MISSIONSQUARE 457B	5035 06 039 0000 0000 039	CC-1	0.84		
	6/30/2025	Benefit - MISSIONSQUARE 457B	5035 07 040 0000 0000 040	CC-1	191.26		
	6/30/2025	Benefit - MISSIONSQUARE 457B Metro Wells	5035 09 063 0000 0000 063	CC-1	7.51		
	6/30/2025	Benefit - MISSIONSQUARE 457B	5035 18 021 0000 0000 021	CC-1	19.46		
	6/30/2025	Benefit - MISSIONSQUARE 457B	5035 18 026 0000 0000 026	CC-1	7.78		
	6/30/2025	Benefit - Health Insurance	5040 00 000 0000 0000 000	CC-1	58.93		
	6/30/2025	Worker Compensation Insurance	5045 00 044 0000 0000 044	CC-1	6.24		
	6/30/2025	Worker Compensation Insurance	5045 02 000 0000 0000 000	CC-1	225.19		
	6/30/2025	Worker Compensation Insurance	5045 02 020 0000 0000 020	CC-1	36.25		
	6/30/2025	Worker Compensation Insurance	5045 02 024 0000 0000 024	CC-1	26.39		
	6/30/2025	Worker Compensation Insurance	5045 02 050 0000 0000 050	CC-1	220.32		
	6/30/2025	Worker Compensation Insurance	5045 02 060 0000 0000 060	CC-1	247.78		
	6/30/2025	Worker Compensation Insurance	5045 06 039 0000 0000 039	CC-1	0.03		
	6/30/2025	Worker Compensation Insurance	5045 07 040 0000 0000 040	CC-1	95.32		
	6/30/2025	Worker Compensation Insurance - Metro Wells	5045 09 063 0000 0000 063	CC-1	10.56		
	6/30/2025	Worker Compensation Insurance	5045 18 021 0000 0000 021	CC-1	26.29		
	6/30/2025	Worker Compensation Insurance	5045 18 026 0000 0000 026	CC-1	10.51		
	6/30/2025	FICA	5050 00 000 0000 0000 000	CC-1	456.87		
	6/30/2025	FICA	5050 00 044 0000 0000 044	CC-1	27.27		
	6/30/2025	FICA	5050 02 020 0000 0000 020	CC-1	23.58		
	6/30/2025	FICA	5050 02 024 0000 0000 024	CC-1	17.50		
	6/30/2025	FICA	5050 02 050 0000 0000 050	CC-1	215.32		
	6/30/2025	FICA	5050 02 060 0000 0000 060	CC-1	238.82		
	6/30/2025	FICA	5050 06 039 0000 0000 039	CC-1	0.54		
	6/30/2025	FICA	5050 07 040 0000 0000 040	CC-1	117.93		
	6/30/2025	FICA - Metro Wells	5050 09 063 0000 0000 063	CC-1	4.98		
	6/30/2025	FICA	5050 18 021 0000 0000 021	CC-1	9.37		
	6/30/2025	FICA	5050 18 026 0000 0000 026	CC-1	5.03		
	6/30/2025	Unemployment Insurance	5055 00 044 0000 0000 044	CC-1	6.63		
	6/30/2025	Unemployment Insurance	5055 02 000 0000 0000 000	CC-1	0.39		
	6/30/2025	Employment Training Tax	5056 00 000 0000 0000 000	CC-1	0.02		
	6/30/2025	Employment Training Tax	5056 00 044 0000 0000 044	CC-1	0.30		
	6/30/2025	Cell Phones	5120 00 000 0000 0000 000	CC-1	46.97		
	6/30/2025	Cell Phones	5120 02 050 0000 0000 050	CC-1	2.47		
	6/30/2025	Cell Phones	5120 02 060 0000 0000 060	CC-1	12.36		
	6/30/2025	Automobile - Transportation	5123 02 000 0000 0000 000	CC-1	49.45		
		To record the accrued payroll for the period 6/28/2025 to 6/30/2025.					

2	6/30/2025	Accum Depr - Mach & Equip	1710 00 052 0000 0000 052	F-4		
	6/30/2025	Accum Depr - Bldg & Imprv	1750 00 998 0000 0000 998	F-4	7,610.00	
	6/30/2025	Investment in Fixed Assets	3020 00 998 0000 0000 998	F-4		-7,610.00
	6/30/2025	Depreciation - Mach & Equip	5705 14 052 0000 0000 052	F-4		
To reverse the depreciation on the addition for buildings and improvements.						
3	6/30/2025	Accounts Payable	2010 00 065 0000 0000 065	BB-2		-203,746.50
	6/30/2025	Infrastructure: SWRCB - Replace Water Lines In Dis	6500 14 065 1050 1029 065	BB-2	203,746.50	
To record the adjustment for exception noted in Search for unrecorded liability TW.						
4	6/30/2025	Due From Other Funds	1300 00 000 0000 0000 000		57,312.11	
	6/30/2025	Claims on Cash	1430 00 000 0000 0000 000			-57,312.11
	6/30/2025	Claims on Cash - Administrative Fees	1430 00 008 0000 0000 008		57,312.11	
	6/30/2025	Deferred Inflow of Resources	2700 00 008 0000 0000 008			-57,312.11
To correct negative cash balance.						
5	6/30/2025	Contract/Professional Services	5115 00 076 0000 9080 076	F-1-5		-53,460.50
	6/30/2025	Contract/Professional Services	5115 02 000 0000 0000 000	F-1-5		-1,940.22
	6/30/2025	Building and Improvements: DOG PARK	6525 14 000 0000 9071 000	F-1-5	1,940.22	
	6/30/2025	Building and Improvements: DOG PARK	6525 14 076 0000 9071 076	F-1-5	53,460.50	
To correct the Capital Outlay.						
6	6/30/2025	Compensated Absenses Payable	5081 00 GASB 0000 0000 GASB			-728.00
	6/30/2025	Net position	GASB 00 GASB 0000 0000 GASB		728.00	
To record compensated absence for governmental activities.						
7	6/30/2025	Building and Improvements	1701 00 998 0000 0000 998			-2,800.00
	6/30/2025	Building and Improvements	1701 00 998 0000 0000 998		2,800.00	
	6/30/2025	Construction in Progress	1708 00 998 0000 0000 998			-2,800.00
	6/30/2025	Investment in Fixed Assets	3020 00 998 0000 0000 998		2,800.00	
To correct the capital assets.						

A Presentation of the 2025 Audit Report of Financial Statements

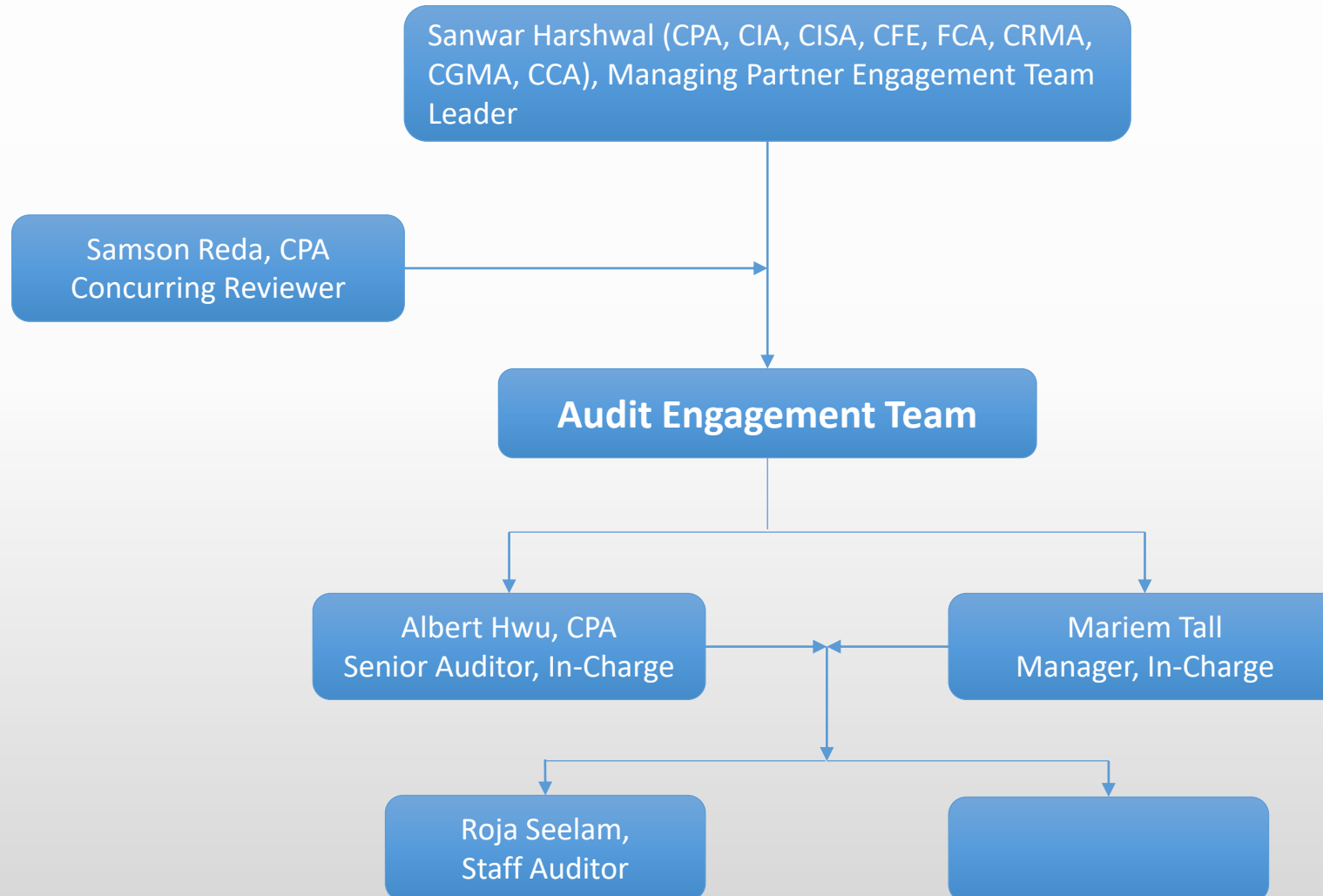
City of Rio Dell

5/19/2026

Presentation Overview

- ❖ Our Engagement Team
- ❖ Audit Results and Our Opinion
- ❖ Internal Control over Financial Reporting
- ❖ Discussion of the Financial Statements
- ❖ Status of Any Findings and Questioned Costs
- ❖ Required Communication with Those Charged with Governance
- ❖ Overview of the Consideration of Fraud

The Engagement Team



Audit Results and Our Opinion

- A financial statement audit was performed.
- Cooperation was received from members of management.
- An unmodified opinion was issued. This means the financial statements are fairly presented as of 6/30/2025, in accordance with accounting principles generally accepted in the U.S. (GAAP)
- All appropriate disclosures have been properly reflected in the financial statements and footnotes to the financial statements.

Audit Results and Our Opinion

ACCOUNTING PRACTICES, POLICIES, and ESTIMATES

The following summarizes the more significant required communications related to our audit concerning the city's accounting practices, policies, and estimates:

The city's significant accounting practices and policies are those included in note 1 to the financial statements. These accounting practices and policies are appropriate, comply with generally accepted accounting principles and industry practice, were consistently applied, and are adequately described within note 1 to the financial statements.

Significant estimates are those that require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain.

Internal Control over Financial Reporting

- We are required to communicate, in writing, to those charged with governance all material weaknesses and significant deficiencies that have been identified in the city's internal controls over financial reporting. The definitions of control deficiency, material weakness, and significant deficiency are as follows:

Control Deficiency

- 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.

Material Weakness

- A deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the city's financial statements will not be prevented, or detected and corrected on a timely basis.

Significant Deficiency

- 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.

Financial Statements - Overall

- Government wide financial statements present information which focuses on a long-term view of the city's financial condition. They include the statement of net position and the statement of activities. Each of these financial statements shows governmental activities and business type activities.
- Governmental activities are activities which are supported by taxes and intergovernmental revenues (grants). The city's governmental activities include general government, public safety - police, public works, planning and building, housing and community development, and recycling. Although governmental activities may benefit from charges for services, these charges are not designed to cover all program costs.
- Business type activities are activities which rely to a significant extent on fees and charges for services. The city's business type activities include sewer and water.
- Governmental fund financial statements present information on the activity within funds. This set of financial statements is geared towards the near future so their focus is on the short-term.

Government Wide Financial Statements - Statement of Net Position

Total assets - \$44,197,514 The biggest components of assets consisted of cash and investments (\$8,318,078) and depreciable capital assets (\$26,693,184).

Total liabilities - \$6,115,266 The biggest components of liabilities consisted of loan payable - due after one year (\$4,938,729).

Total net position - \$38,082,248 Net position is a measure of the city's equity.

What is the purpose of the statement of net position? Over time, increases or decreases in net position serve as a useful indicator of whether the city's overall financial position is improving or deteriorating.

Government Wide Financial Statements - Statement of Activities

Total governmental activities' expenses - \$2,987,255

Total governmental activities' program revenue - \$2,394,603

Total business type activities' expenses - \$2,803,668

Total business type activities' program revenue - \$5,018,889

Total general revenues for governmental activities - \$1,909,685

Total general revenues for business type activities - \$190,819

General revenues consists of tax revenue and intergovernmental revenue.

Government Wide Financial Statements - Statement of Activities

What is the purpose of the statement of activities? The statement of activities is an income statement, allowing readers of the report to see the costs of services being provided by each function or program and the extent to which they are offset by program revenues. A function or program is a service being provided by the city. Program revenues are charges for services, operating grants and contributions, and capital grants and capital grants and contributions.

Governmental Fund Financial Statements - Balance Sheet

The balance sheet for governmental funds presents assets and liabilities by major fund. A fund is considered major if 1) its total assets, liabilities, revenues, or expenditures are at least 10% of the total for all funds in its category and 2) its total assets, liabilities, revenues, or expenditures are at least 5% of the total of all governmental funds and enterprise funds.

The city's major funds are the general fund, CDBG special revenue, and clean CA grant ER trails.

Total assets for all governmental funds - \$5,094,733

Total liabilities for all governmental funds - \$586,392

Total fund balance for all governmental funds - \$3,906,352

Statement of Net Position - Proprietary Funds

The statement of net position presents information for the sewer enterprise fund, water enterprise fund, and internal service fund.

Total assets for enterprise funds - \$29,691,793

Total assets for internal service fund - \$151,301

Total liabilities for enterprise funds - \$5,812,673

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds

The statement of revenues, expenses, and changes in net position presents information for the sewer enterprise fund, water enterprise fund, and internal service fund.

Total operating revenue for enterprise funds - \$3,099,391

Total operating revenue for internal service fund - \$32,567

Total operating expenses for enterprise funds- \$2,699,643

Total operating expenses for internal service fund - \$313

Statement of Cash Flows - Proprietary Funds

- What is the purpose of the statement of cash flows? The statement of cash flows measures how well the city generates cash to pay its debt obligations or to pay its bills.
- Cash and cash equivalents at the end of the year is \$4,549,096.

Calculated as: cash and cash equivalents at the beginning of year \$4,843,817

cash used during the year \$(294,721)

- Cash used during the year is the sum of cash flows from operating activities, capital and related financing activities, and investing activities.
- Since cash and cash equivalents at the end of the year is a positive amount (in the black), this indicates the city generated more cash than it spent for the year. If cash and cash equivalents at the end of the year had been a negative amount (in the red), this would have indicated the city spent more money than it took in for the year.

Fund Financial Statements - Fiduciary Funds

The statement of fiduciary net position and the statement of changes in fiduciary net position presents information for a custodial fund. This fund is used by the city to hold assets that are being held in trust or in an agency capacity for another entity. Because these assets do not belong to the city, they cannot be used to support the city's own programs.

Total assets - \$32,394

Status of Findings and Questioned Costs

- There were no audit findings or questioned costs.

Required Communication with Those Charged with Governance

- We conducted our audit in accordance with Generally Accepted Auditing Standards
- An audit does not relieve management or the Board of their responsibilities
- An audit provides reasonable, but not absolute, assurance that the financial statements are free of material misstatement
- An audit is not designed to provide assurance on internal control or to identify deficiencies in internal controls
- Our audit was conducted as planned and previously communicated
- No significant and unusual transactions were identified
- No other services were performed
- We believe we are independent in all respects
- No significant difficulties were encountered during the audit

Overview of the Consideration of Fraud

Auditing standards (statement on auditing standards 99) require that each year in connection with an audit and our risk assessment procedures, we make inquiries of those charged with governance, management and other employees about the risk of fraud within the organization. Fraud is an intentional act that results in a material misstatement of financial statements that are being audited, or intentionally misappropriating assets that belong to the organization. While fraud is difficult to detect, identifying risk factors assist the auditors in determining if fraud may be occurring or whether there is a heightened risk for fraud. No risks for the audit were identified as a result of our fraud inquiries. These are the fraud questionnaires that were filled out by various staff members.



*Rio Dell City Hall
675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
cityofriodell.ca.gov*



May 19, 2026

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Discussion and Possible Action Related to City Council Member Compensation

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Provide direction to staff regarding the establishment of a monthly stipend for members of the Rio Dell City Council, to take effect January 1, 2027.

Staff recommends that the City Council discuss and provide direction on the following questions:

- Does the Council wish to establish a monthly stipend for Council members?
- If so, what is the preferred monthly stipend amount?
- Should any additional benefits or reimbursement changes be considered in conjunction with a new stipend?

Upon receiving direction, staff will return with a draft ordinance for introduction at a subsequent Council meeting. Alternatively, the Council may direct that no ordinance be drafted.

BACKGROUND AND DISCUSSION

This item is brought forward for discussion by the City Manager. Service on the Rio Dell City Council requires a substantial commitment of time and personal resources. Council members regularly attend scheduled meetings, study sessions, and special meetings, as well as conduct individual preparation on agenda items, meet with constituents, participate in regional forums, and represent the City at various public events.

Currently, Rio Dell Council members receive no monthly stipend and are reimbursed only for actual representational, travel and training expenses for official City business. As the City continues to prioritize economic development, fiscal sustainability, and long-term planning, it is appropriate to consider whether the current compensation structure adequately supports the Council’s capacity to serve and reflects community expectations for local governance.

Staff surveyed stipend practices among comparable cities in the region. The following table summarizes current Council member compensation across Humboldt County jurisdictions:

City	Monthly Stipend	Additional Benefits
Crescent City	\$610/month	Medical, Dental & Retirement (since 2009)
Eureka	\$500/month	\$350/month vehicle allowance
Fortuna	\$300/month	Actual expense reimbursement
Trinidad	\$50/month	None
Blue Lake	\$50/month	None
Ferndale	\$0	No reimbursements
Rio Dell (Current)	\$0	Travel/training reimbursement only

As illustrated above, Rio Dell is among only two jurisdictions in the region that offer no monthly stipend. Most area cities provide stipends ranging from \$50 to \$610 per month, with some also offering additional benefits or allowances. A number of special districts also provide district board members with stipends.

State law governs the compensation of City Council members in general law cities. Under Government Code Section 36516, cities with a population under 35,000 may establish Council member compensation by ordinance. Any increase in compensation may not exceed five percent per calendar year and must be adopted by ordinance.

Should the Council wish to establish a stipend effective January 1, 2027, staff would need direction no later than late summer 2026 in order to prepare and introduce the necessary ordinance, allow the referendum period to run, and complete adoption in advance of the proposed effective date.

Establishing a monthly stipend would acknowledge the significant time commitment required of Council members and bring Rio Dell into alignment with regional peers. It may also support the Council's capacity to engage in the expanded economic development and grant-readiness efforts identified as priorities for FY 2026–27.

Possible stipend amounts for Council consideration, based on the regional comparison, include:

- \$100 per month – A modest entry-level stipend that acknowledges service without significant budget impact (total annual cost: approximately \$6,000 for a five-member Council).
- \$200 per month – A mid-range option consistent with smaller comparable jurisdictions (total annual cost: approximately \$12,000).
- \$300 per month – Aligns with Fortuna (total annual cost: approximately \$18,000).

The above estimates are exclusive of any associated payroll taxes or administrative costs if the stipend is classified as taxable compensation.

///



Community Development Department
675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532

For Meeting of: May 19, 2026
 Consent Item; Public Hearing Item

To: City Council
From: Kevin Caldwell, Community Development Director
Through: Kyle Knopp, City Manager
Date: May 12, 2026
Subject: Discussion and Direction on the Chamber of Commerce’s proposed Community Oriented Billboard.



Recommendation:

That the City Council:

1. Receive a brief presentation regarding the Chamber of Commerce’s revised proposed Community Oriented Billboard on the City’s Wastewater Disposal parcel; and
2. Open the public hearing, receive public comment and deliberate; and
3. Provide direction to staff.

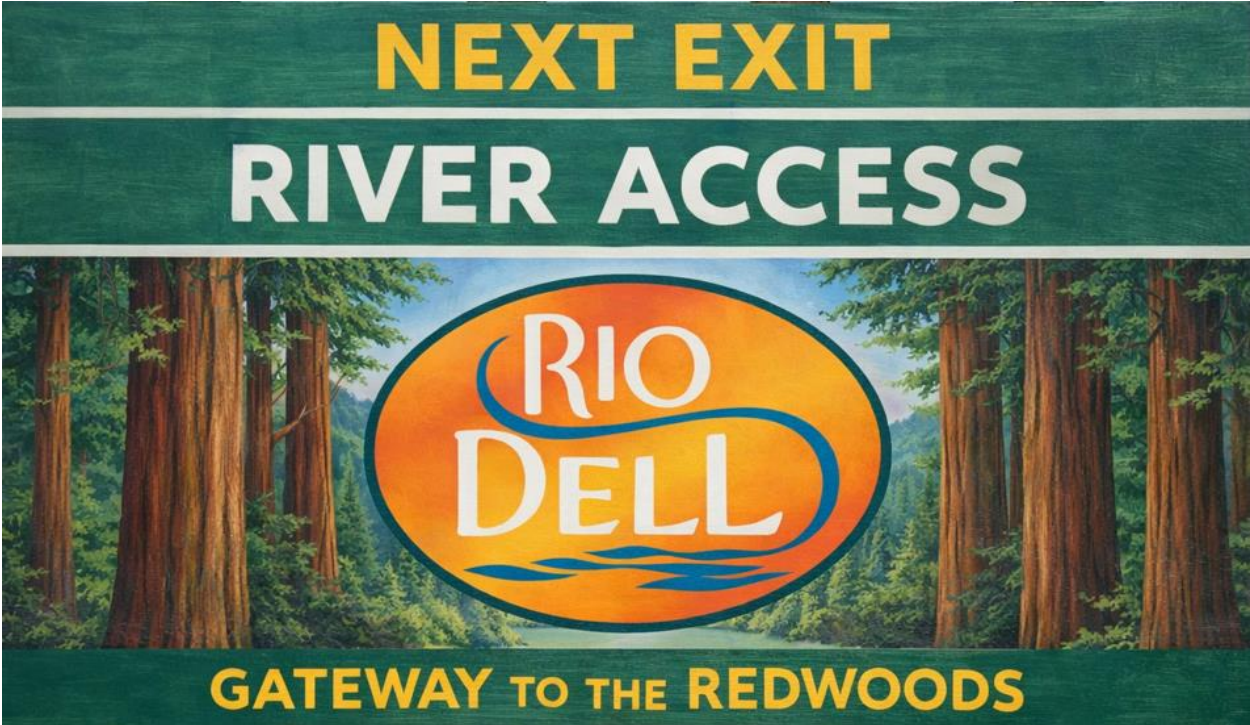
Discussion:

At the meeting of May 5th, the City Council received a presentation from staff regarding the Rio Dell-Scotia Chamber of Commerce’s proposed community-oriented billboard to be located on the City’s wastewater disposal parcel adjacent to Highway 101. The proposed sign is intended to attract highway travelers and encourage visitors to exit into Rio Dell by highlighting local attractions and services.

Staff reviewed several conceptual sign designs, including themes emphasizing Rio Dell's identity, river access, tourism, lodging, fuel, shopping, and cannabis-related businesses. Chamber representative Wally Coppini provided an update on project development, including preliminary cost estimates, funding challenges, and efforts to secure donated materials and grant funding.

Council discussion focused on balancing visual appeal with readability and ensuring the sign effectively promoted features unique to Rio Dell. Councilmembers generally supported maintaining a clean and uncluttered design while incorporating a limited number of practical traveler-oriented features.

By consensus, the Council directed staff and the Chamber to return with one revised design concept based generally on the preferred concept presented in the agenda packet, narrowed to three primary features: River Access, Fuel, and Dispensary.



Chamber's Original Proposal



Staff's Original Alternative Proposal



Chamber's Council Preferred Alternative 1



Chamber's Alternative 2



Chamber's Alternative 3



Staff Alternative 1



Staff Alternative 2