



RIO DELL CITY COUNCIL AGENDA
CLOSED SESSION – 5:00 P.M.
REGULAR MEETING - 6:00 P.M.
TUESDAY, MARCH 18, 2025

City Council Chambers
675 Wildwood Avenue, Rio Dell

Welcome - Copies of this agenda, staff reports and other material available to the City Council are available at the City Clerk's office in City Hall, 675 Wildwood Avenue and available on the City's website at cityofriodell.ca.gov. Your City Government welcomes your interest and hopes you will attend and participate in Rio Dell City Council meetings often.

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 health risks associated with COVID-19 and 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**. Your comments will be read out loud, for up to three minutes. 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.

A. CALL TO ORDER

B. ROLL CALL

C. ANNOUNCEMENT OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

1. 2025/0318.01 - **Conference with Labor Negotiator** – Agency Negotiator: City Manager – Employee Organizations: Rio Dell Employees Association, Rio Dell Police Officers Association and all Contract Employees
2. 2025/0318.02 - **Conference with Legal Counsel – Anticipated Litigation** – Significant Exposure to Litigation Pursuant to §54956.9(b) – 1 Potential Case Facts and Circumstances Unknown

D. PUBLIC COMMENT REGARDING CLOSED SESSION

E. RECESS INTO CLOSED SESSION

F. RECONVENE INTO OPEN SESSION

G. ORAL ANNOUNCEMENTS

H. PLEDGE OF ALLEGIANCE

I. CEREMONIAL MATTERS

J. 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.

K. 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. 2025/0318.03 - Approve Minutes of March 4, 2025 Regular Meeting (**ACTION**) - Pg. #4
2. 2025/0318.04 – Approve the Training MOU Between the City of Rio Dell Police Department and the City of Fortuna Police Department (**ACTION**) - Pg. #9
3. 2025/0318.05 - Approve the Conflict of Interest Disclosure and Waiver as presented by the Mitchell Law Firm, LLP (**ACTION**) - Pg. #13

- [4.](#) 2025/0318.06 - Authorize the Mayor to Execute a Letter of Support for AB 262 (Caloza) the California Individual Assistance Act **(ACTION)** - Pg. #19
- [5.](#) 2025/0318.07 - Receive & File the Check Register for February 2025 **(ACTION)** – Pg. #27

L. ITEMS REMOVED FROM THE CONSENT CALENDAR

M. REPORTS/STAFF COMMUNICATIONS

- [1.](#) 2025/0318.08 - City Manager/Staff Update **(RECEIVE & FILE)** - Pg. #32

N. SPECIAL PRESENTATIONS/STUDY SESSIONS

- [1.](#) 2025/0318.09 - Presentation by JJA, CPA, Inc. on the City's Audited Financial Statements **(RECEIVE & FILE)** - Pg. #35
- [2.](#) 2025/0318.10 - Fiscal Year 2025-2025 Mid-Year Financial Report **(RECEIVE & FILE)** - Pg. #151

O. SPECIAL CALL ITEMS/COMMUNITY AFFAIRS/PUBLIC HEARINGS

P. ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS

Q. COUNCIL REPORTS/COMMUNICATIONS

R. ADJOURNMENT

*The next regular City Council meeting is scheduled for
Tuesday, **April 1, 2025 at 6:00 p.m.***

**RIO DELL CITY COUNCIL
REGULAR MEETING MINUTES
MARCH 4, 2025**

Mayor Garnes called the regular meeting of the Rio Dell City Council to order at 6:00 p.m.

ROLL CALL: Present: Mayor Garnes, Mayor Pro Tem Carter, Councilmembers Orr, Wilson, and Woodall

Others Present: City Manager Knopp, Police Chief Phinney, Community Development Director Caldwell, Water/Roadways Superintendent Jensen, Wastewater Superintendent Kelly, Senior Fiscal Assistant Maciel, and City Clerk Dunham

Absent: Finance Director Sanborn (excused)

PUBLIC PRESENTATIONS

Mayor Garnes invited public comment on non-agenda matters.

Albert Houghton, 940 Curtis Lane thanked everyone who showed up for Saturday's Ribbon Cutting for the Neighborhood Barbershop. He invited everyone to come out and celebrate St. Patrick's Day at the Scotia Lodge on Monday, March 17th from 6-8 p.m.

CONSENT CALENDAR

Mayor Garnes asked if any council member, staff, or member of the public would like to remove any item from the consent calendar for a separate discussion. No items were removed.

A motion was made by Carter/Orr to approve the consent calendar, including the following items:

- 1) Minutes of the February 18, 2025 Regular Meeting; and
- 2) Authorize the City Manager to Execute an Agreement with Wahlund Construction for \$10,027,410 and Authorize the City Manager to Approve all Change Orders in a Total Amount not to exceed \$11,032,410.

Motion carried 5-0.

REPORTS/STAFF COMMUNICATIONS

City Manager/Staff Update

City Manager Knopp highlighted the staff update and reported that the City's grant application with Redwood Region Rise for an ag processing center feasibility study was not awarded however, staff would continue researching other alternative funding sources.

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He noted that CalFire released its local area responsibility Fire Hazards Severity Map for Rio Dell and the region. He said that staff is currently reviewing the map which can be viewed by the public on CalFire's website. The area was categorized into three classifications; moderate, high, and very high with a portion of Rio Dell categorized as high risk which was surprising.

City Manager Knopp said that he and the Mayor would be attending a meeting in Sacramento tomorrow with Senator McGuire and CalFire representatives.

Mayor Pro Tem Carter extended special thanks to Finance Director Sanborn for all his help. She then referred to the Animal Control report with zero dogs and only 2 cats transported to Miranda's Rescue.

ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS**Adopt Resolution No. 1629-2025 Approving Expanding Underground District No. 2 and Authorize the City Manager to Execute Rule 20A General Conditions with PG&E**

City Manager Knopp provided a staff report and said that the City was recently contacted by a representative of PG&E related to Rule 20 and underground utilities, recommending the City expand Underground Utility District 2 to avoid potentially losing the City's allocated work credit of approximately \$504,000. The existing underground District No. 2 along Wildwood Ave. includes six parcels and the recommended expanded district would include an additional 34 parcels from Berkeley Street to Side Street. If the project materializes, it would make Wildwood Avenue overhead-free.

He explained that the Public Utilities Commission (PUC) gathers unused work credits which are then available to other jurisdictions. He said that PG&E pointed out that the proposed project is a competitive program with some minor adjustments.

Community Development Director Caldwell provided supplemental Information including a slightly revised format of the Resolution regarding the expansion of Underground District No. 2.

Councilmember Wilson asked if additional funding would be needed to complete the project as proposed.

Community Development Director Caldwell estimated the undergrounding cost at \$1,000 per linear foot bringing the total to approximately \$800,000. With \$504,000 in available work credits, additional funding would be needed. He said that the adoption of the Resolution and boundary map would allow the City to retain its active status to use PG&E Rule 20A funds.

Councilmember Orr referred to Section 5 of the Resolution related to the property owner's responsibility to have underground electrical entrance facilities installed and inspected.

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Community Development Director Caldwell explained that the City would be financially responsible for those costs.

Councilmember Woodall referred to the Public Notice for the Public Hearing which stated in part “No fees will be levied on any property owners as a result of establishing the District.”

Community Development Director Caldwell commented that staff notified all affected property owners within the proposed expanded District 2 area and there were no comments or questions received.

Mayor Garnes opened the public hearing to receive public comment on the proposed Resolution. There being no public comment, the public hearing was closed.

A motion was made by Carter/Woodall to adopt Resolution No. 1629-2025 Expanding Underground District No. 2 to Include Additional Lands Along Wildwood Avenue and Authorize the City Manager to Execute a Rule 20A General Conditions Agreement with PG&E. Motion carried 5-0.

Second Reading (by title only) and Adoption of Ordinance No. 411-2025 and Resolution No. 1630.2025 Amending the Industrial Commercial (IC) Zoning Regulations and the General Plan Land Use Element

Community Development Director Caldwell provided a staff report recommending amendments to the Industrial Commercial zoning regulations and the General Plan Land Use Element. He said as discussed at the February 18th regular meeting, the purpose of the amendment is to identify all use types for the Industrial Commercial zone under one reference to avoid flipping back and forth between the other commercial zones to determine the various use types.

He said that a number of the use types in the Industrial Commercial zone were expanded and mentioned that the property owner of the former junkyard at 1395 Eeloa Ave. was very pleased with the expanded use types and is considering utilizing the property for RV and boat storage.

He pointed out that at the February 18th meeting when the ordinance was introduced, staff encouraged councilmembers to review the list of use types, identify any uses they thought were unsuitable in the Industrial Commercial zone, and let staff know before this meeting. He said that no changes were recommended.

Mayor Garnes opened the public hearing to receive public comment on the proposed ordinance. There being no public comment, the public hearing was closed.

A motion was made by Carter/Orr to approve the second reading (by title only) and adoption of Ordinance No. 411-2025 and Resolution No. 1630-2025 Amending the Industrial Commercial (IC) Zoning Regulations and the General Plan Land Use Element.

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Motion carried 5-0.

Second Reading (by title only) and Adoption of Ordinance No. 412-2025 Establishing Section 12.30 "Trails" of the Rio Dell Municipal Code (RDMC) Pertaining to Regulations for Trails

City Manager Knopp provided a staff report and said that with the Eel River Trail nearing completion, the staff is recommending the establishment of regulations for the use of the trail. He said that since this is Rio Dell's first official dedicated non-motorized path, the language as proposed only impacts the Eel River Trail. The language specifically prohibits the use of any motor-driven vehicle on the Eel River Trail, with exceptions for personal mobility devices for the disabled, electric-powered baby carriages, or vehicles in service of the City. He noted that electric bicycles may use the trail provided the bike is powered off.

He said that with the introduction of the Ordinance at the February 18th meeting, some questions were raised regarding the use of Segways and remote-control cars. He said that staff reviewed the grant language and found that the intention of the grant was for a non-motorized trail. The grant application also cited planning studies from HCAOG and RCAA calling for a non-motorized regional network to encourage safe physical exercise and recreational opportunities for the community.

Mayor Garnes opened the public hearing to receive public comment on the proposed ordinance.

Albert Houghton asked where the trail was located.

Mayor Garnes explained that the trail extends from Edwards Dr. to Davis St. by way of the river.

Councilmember Orr asked if this Ordinance would affect traffic going to the trail.

City Manager Knopp said that it only pertained to vehicles on the trail.

There being no further public comment, the public hearing was closed.

A motion was made by Carter/Woodall to approve the second reading (by title only) and Adoption of Ordinance No. 412-2025 Establishing Section 12.30 "Trails" of the Rio Dell Municipal Code (RDMC) Pertaining to Regulations for Trails. Motion carried 5-0.

COUNCIL REPORTS/COMMUNICATIONS

Mayor Pro Tem Carter reported on her attendance at the last RREDC meeting and said the board heard from North America's Building Trades Union with a focus on the importance of hiring local contractors. She also noted that she was appointed to the Executive Committee for RREDC.

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She said that she also attended a Community Organization Active in Disasters (COAD) Board meeting and they are working on nailing down the various working groups and solidifying COAD and its ability to respond to local disasters in the most effective way possible.

She commented that she also attended the ribbon cutting for the new barber shop, announced there would be a Chamber of Commerce meeting on Friday in Scotia, followed by a St. Patrick's Day Celebration on March 17th at Scotia Lodge from 6-8 p.m., a Beautification, Walkability, and Pride Committee meeting on Friday at 3:00 p.m. at City Hall, and said she would be attending a Cal Cities Regional meeting in Willits next week.

Councilmember Woodall commented that the ribbon cutting for the barber shop was great and the business is a good fit for Rio Dell. She said that she attended the Annual Fireman's Dinner which was very nice and wished the City Manager and the Mayor good luck with the meeting in Sacramento.

Councilmember Wilson reported that he attended a Redwood Coast Energy Authority (RCEA) meeting last week and the focus was on the budget and getting the reserves on target.

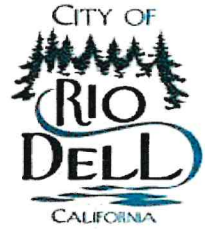
ADJOURNMENT

A motion was made by Carter/Garnes to adjourn the meeting at 6:30 p.m. to the March 18, 2025, regular meeting. Motion carried 5-0.

Debra Garnes, Mayor

Attest:

Karen Dunham, City Clerk



*675 Wildwood Avenue
Rio Dell, CA 95562*

TO: Mayor and Members of the City Council

FROM: Josh Phinney, Chief of Police

THROUGH: Kyle Knopp, City Manager

DATE: March 12, 2025

SUBJECT: Training MOU

RECOMMENDATION

Approve the Training MOU between the City of Rio Dell Police Department and the City of Fortuna Police Department.

BACKGROUND AND DISCUSSION

Rio Dell Police Department currently lacks qualified instructors to keep on ongoing professional and POST required "Perishable skills" training. This need currently is being handled through the College of the Redwoods which results in an additional expense to the city of about \$75 per person per course. Fortuna Police Department has POST certified instructors in these areas already and is will to merge training at no cost per student. Additionally, Fortuna Police Department will offer POST certified training in other specialty areas such as "Red Dot" training for our duty weapons at a discounted rate. A training MOU between the two police departments would not only lower these costs for the City of Rio Dell, but strengthen relationships and improve officer safety and cohesiveness between allied agencies.

Attachments:

Training MOU

MEMORANDUM OF UNDERSTANDING
CITY OF FORTUNA, FORTUNA POLICE DEPARTMENT
AND
CITY OF RIO DELL, RIO DELL POLICE DEPARTMENT
PERISHABLE SKILLS TRAINING AND SPECIALITY TRAINING CONTRACT
(Effective April 1, 2025)

I. PURPOSE

The purpose of this MOU (this “MOU” or this “Agreement”) is entered by and between the City of Rio Dell and the City of Fortuna to outline the roles, responsibilities, and expectations of the Fortuna Police Department (“FOPD”) and the Rio Dell Police Department (“RDPD”) in ensuring that Rio Dell Police Department Police Officers receive POST-mandated perishable skills training. This partnership is intended to enhance officer proficiency, maintain compliance with state training requirements, and improve overall public safety.

II. SCOPE OF TRAINING

Under this Agreement, the Fortuna Police Department agrees to provide perishable skills training to Rio Dell Police Officers in accordance with POST standards. The training will include, but is not limited to:

1. Firearms Training and Qualification.
2. Defensive Tactics (**Arrest & Control, OPN’s, Impact Weapons, Ground Fighting**).
3. Emergency Vehicle Operations (EVOC).
4. Use of Force and De-escalation Techniques.
5. First Aid/CPR and Tactical Medicine.

Training will be conducted at approved training facilities and/or designated locations as determined by FOPD and RDPD.

III. RESPONSIBILITIES

Fortuna Police Department shall:

1. Develop and deliver training consistent with POST guidelines.
2. Provide qualified instructors with appropriate POST certifications.
3. Maintain training records and provide documentation to RDPD upon request.
4. Coordinate training schedules with RDPD to minimize operational disruptions.
5. Ensure training facilities and equipment meet safety and instructional standards.

Rio Dell Police Department shall:

1. Ensure officers attend and participate in scheduled training sessions.
2. Provide necessary equipment and gear for its officers (as required for training).
3. Maintain officer training compliance with POST-mandated requirements.
4. Cover any applicable costs for ammunition, equipment, or facility fees, as agreed upon.
5. Coordinate with FOPD to ensure operational needs do not conflict with scheduled training.

IV. COST & LIABILITY

1. **Training Fees:** FOPD will provide perishable skills training at no cost to RDPD, except where specific expenses (e.g., ammunition, specialized equipment, or facility rental fees) are incurred. The costs associated with any specialty training such as “Red Dot”, “Pepper Ball”, “Taser”, etc., will not exceed \$50.00 per student, per course of instruction unless otherwise agreed upon by the Rio Dell Police Chief and Fortuna Police Chief. Any additional costs will be discussed and agreed upon in advance and memorialized in a side letter or amendment to the MOU.
2. **Liability:** Each agency shall be responsible for its own personnel regarding workers' compensation, injuries, and employee-related liabilities incurred during training.
3. **Mutual Indemnification:** The City of Rio Dell and the City of Fortuna (each a “Party”) shall indemnify, defend and hold the other Party harmless from all liabilities, costs and expenses (including, without limitation, attorneys fees) that such Party may suffer, sustain or become subject to as a result of any negligent act or omission committed by the indemnifying Party or the indemnifying Party’s officers, agents, employees and/or volunteers.

V. DURATION AND TERMINATION

1. This MOU shall be effective upon signing and remain in effect for a period of three (3) years, unless terminated earlier by either party.
2. Either party may terminate this Agreement with thirty (30) days written notice to the other party.

VI. MODIFICATIONS

This MOU may be modified in writing by mutual agreement of both parties.

VII. SIGNATORIES

We, the undersigned, as authorized representatives of the City of Fortuna, City of Fortuna Police Department and the City of Rio Dell and the Rio Dell Police Department, do hereby approve this Memorandum of Understanding.

CITY OF RIO DELL

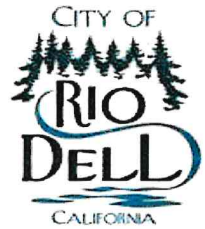
CITY OF FORTUNA

Kyle Knopp Date
Rio Dell City Manager

Amy Nilsen Date
Fortuna City Manager

Joshua Phinney Date
Rio Dell Chief of Police

Casey J. Day Date
Fortuna Chief of Police



*675 Wildwood Avenue
Rio Dell, CA 95562*

TO: Mayor and Members of the City Council
FROM: Josh Phinney, Chief of Police
THROUGH: Kyle Knopp, City Manager
DATE: March 12, 2025
SUBJECT: Conflict Waiver-Mitchell Law Firm

RECOMMENDATION

Approve the Conflict of Interest Disclosure and Waiver as presented by the Mitchell Law Firm, LLP.

BACKGROUND AND DISCUSSION

Rio Dell Police Department currently lacks qualified instructors to keep on ongoing professional and POST required "Perishable skills" training. A training MOU between the City of Fortuna Police Department and the City of Rio Dell Police Department would not only lower these costs for the City of Rio Dell, but strengthen relationships and improve officer safety and cohesiveness between allied agencies.

The mentioned MOU was reviewed by Mitchell Law Firm for its content and structure. As the firm represents both the City of Fortuna and the City of Rio Dell presenting a conflict, they are requesting this waiver be signed as to their involvement in this MOU.

Attachments:

Conflict of Interest Disclosure and Waiver



THE MITCHELL LAW FIRM, LLP
CLIFFORD B. MITCHELL (1927 - 2010)

RUSSELL S. GANS
NICHOLAS R. KLOEPPPEL
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EMERY F. MITCHELL (1896 - 1991)
WALTER J. CARTER (1949 - 1993)
R. C. DEDEKAM (1929 - 2011)
NANCY K. DELANEY (1950 - 2022)

March 12, 2025

Kyle Knopp, City Manager
City of Rio Dell
675 Wildwood Avenue
Rio Dell, CA 95562

Amy Nilsen, City Manager
City of Fortuna
621 11th Street
Fortuna, CA 95540

Re: Conflict of Interest Disclosure and Waiver
City of Rio Dell/City of Fortuna

Dear Mr. Knopp and Ms. Nilsen:

This letter requests the consent of both the City of Rio Dell (“Rio Dell”) and City of Fortuna (“Fortuna”), a California corporation, to The Mitchell Law Firm, LLP’s (“Firm”) continued representation of the Rio Dell and Fortuna, in unrelated matters, and review of the Memorandum of Understanding between Fortuna and the Fortuna Police Department and Rio Dell and the Rio Dell Police Department for Perishable Skills Training and Specialty Training Contract, dated March 1, 2025 (“MOU”) exclusively on behalf of Rio Dell.

Existing Relationships

Both the Rio Dell and Fortuna are existing and valued clients. This Firm, and principally attorney Russell Gans, has historically performed legal services for Rio Dell. This Firm also represents Fortuna, with Ryan Plotz serving as the principal attorney.

Past and Current Representation

Rio Dell has requested that the Firm review the MOU. This Firm has provided no legal advice to Fortuna regarding the MOU. This Firm has historically and currently provides legal counsel to Fortuna and Rio Dell on numerous, unrelated matters. This conflict waiver is sought to facilitate that representation of Rio Dell with respect to the MOU, as well as assisting Rio Dell in unrelated matters, while allowing the Firm to also continue to represent Fortuna in other unrelated matters.

Potential Conflicts of Interest

Our Firm's representation of Rio Dell regarding the MOU, creates a conflict of interest relating to our representation of Fortuna because the interests of Rio Dell and Fortuna are not identical and may, in certain aspects, conflict with one another. Our exclusive representation of Rio Dell in this matter requires that we represent Rio Dell's interests vigorously, even if their interests do not align with Fortuna's interests. The fact that this Firm has a concurrent relationship with Fortuna and is providing unrelated legal services to Fortuna must be disclosed and, if mutually acceptable to both Fortuna and Rio Dell, potential conflicts related to the concurrent relationships must be waived. Providing your mutual consent to this letter will authorize the Firm to exclusively represent Rio Dell regarding the MOU, without regard to what may be in the best interest of Fortuna.

Rule 1.7 of the California Rules of Professional Conduct provides in pertinent part:

- (a) A lawyer shall not, without informed written consent from each client and compliance with paragraph (d), represent a client if the representation is directly adverse to another client in the same or a separate matter.
- (b) A lawyer shall not, without informed written consent from each affected client and compliance with paragraph (d), represent a client if there is a significant risk the lawyer's representation of the client will be materially limited by the lawyer's responsibilities to or relationships with another client, a former client or a third person, or by the lawyer's own interests.
- (c) Even when a significant risk requiring a lawyer to comply with paragraph (b) is not present, a lawyer shall not represent a client without written disclosure of the relationship to the client and compliance with paragraph (d) where:

(1) the lawyer has, or knows that another lawyer in the lawyer's firm has, a legal, business, financial, professional, or personal relationship with or responsibility to a party or witness in the same matter; or

(2) the lawyer knows or reasonably should know that another party's lawyer is a spouse, parent, child, or sibling of the lawyer, lives with the lawyer, is a client of the lawyer or another lawyer in the lawyer's firm, or has an intimate personal relationship with the lawyer.

(d) Representation is permitted under this rule only if the lawyer complies with paragraphs (a), (b), and (c), and:

(1) the lawyer reasonably believes that the lawyer will be able to provide competent and diligent representation to each affected client;

(2) the representation is not prohibited by law; and

(3) the representation does not involve the assertion of a claim by one client against another client represented by the lawyer in the same litigation or other proceeding before a tribunal.

(e) For purposes of this rule, "matter" includes any judicial or other proceeding, application, request for a ruling or other determination, contract, transaction, claim, controversy, investigation, charge, accusation, arrest, or other deliberation, decision, or action that is focused on the interests of specific persons, or a discrete and identifiable class of persons.

In accord with the foregoing, written consent to the concurrent representation of the Rio Dell regarding the MOU, while continuing to represent Fortuna in unrelated matters is hereby requested.

Consent

As attorneys where we have a relationship with multiple parties a conflict of interest must be disclosed and informed written consent obtained from both parties. Accordingly, we are seeking the informed written consent of Rio Dell and Fortuna before representing Rio Dell in review of the MOU.

March 12, 2025

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Providing your mutual consent does not, however, obviate our obligation to maintain client confidences or otherwise permit us to disclose any confidential information obtained from Fortuna to Rio Dell. At this time, we believe that we can exclusively represent Rio Dell regarding the MOU and still maintain our duty of loyalty and confidentiality to both Fortuna and Rio Dell in all unrelated matters. We do not believe we have obtained any confidential information from Fortuna which is material to our representation of Rio Dell. Further, we do not believe we have obtained any confidential information from Rio Dell that is material to our representation of Fortuna in unrelated matters.

If additional facts come to our attention which lead us to believe that: (i) we could not maintain our duty of loyalty and confidentiality to Fortuna in unrelated matters, (ii) the issue in dispute is substantially the related to the same issue in an unrelated matter in which we represent Fortuna; or (iii) we have obtained confidential information from the Rio Dell which is material to our representation of Fortuna in unrelated matters, we would require further written consent from Rio Dell and Fortuna before we could continue to represent Rio Dell with regard to the MOU.

Request

If, after considering the foregoing, Fortuna and Rio Dell are willing to consent, please sign and return to us the enclosed copy of this letter (i) acknowledging that we have informed you of our existing relationships with Rio Dell and Fortuna; (ii) acknowledging that Rio Dell and Fortuna have been advised of the conflict of interest associated with our representing Rio Dell with regard to the MOU, while continuing to represent Fortuna in other unrelated matters; and (iii) indicating that Rio Dell and Fortuna consent to our representation as described in this letter.

If Rio Dell and/or Fortuna are not willing to consent, we will declare a conflict and assist Rio Dell in locating alternate counsel for the matter.

If you have any questions regarding this letter or our representation of Rio Dell with regard to the MOU, please call us before signing and returning the enclosed copy of this letter.

Very truly yours,

THE MITCHELL LAW FIRM, LLP



Russell S. Gans

RSG/kb

CONSENT

The Mitchell Law Firm, LLP (“Firm”) has explained the conflict of interest related to Firm’s representation of the City of Rio Dell (“Rio Dell”) for review of the Memorandum of Understanding between Rio Dell and the Fortuna Police Department for Perishable Skills Training and Specialty Training Contract, dated March 1, 2025 (“MOU”).

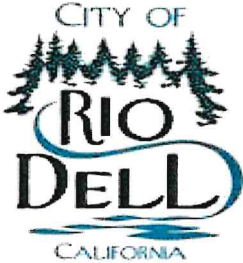
We further acknowledge the disclosure of Firm’s past and continuing representation of Rio Dell and Fortuna in unrelated matters, the conflict arising from such representation, and the consequences of any actual conflicts that may arise. The undersigned nevertheless provides its informed written consent to Firm’s representation of Rio Dell to assist in review of the MOU between Rio Dell and Fortuna, while continuing to represent Fortuna as well as Rio Dell in other unrelated matters.

CITY OF FORTUNA

By: _____
Amy Nilsen, City Manager

CITY OF RIO DELL

By: _____
Kyle Knopp, City Manager



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

March 18, 2025

TO: Rio Dell City Council
FROM: Kyle Knopp, City Manager
SUBJECT: Authorize the Mayor to Execute of Letter of Support for AB 262 (Caloza) the California Individual Assistance Act

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the Mayor to sign the attached letter; or,
Amend and/or take no action.

BACKGROUND AND DISCUSSION

Summary of AB 262:

Existing law, the California Disaster Assistance Act, requires the Director of Emergency Services to provide financial assistance to local agencies for their personnel costs, equipment costs, and the cost of supplies and materials used during disaster response activities, incurred as a result of a state of emergency proclaimed by the Governor, subject to specified criteria. The act continuously appropriates moneys in the Disaster Assistance Fund and its subsidiary account, the Earthquake Emergency Investigations Account, without regard to fiscal year, for purposes of the act. This bill would enact the California Individual Assistance Act to establish a grant program to provide financial assistance to local agencies, community-based organizations, and individuals for specified costs related to a disaster, as prescribed. The bill would require the director to allocate from the fund, subject to specified conditions, funds to meet the cost of expenses for those purposes. By authorizing increased expenditure of moneys from a continuously appropriated fund for a new purpose, the bill would make an appropriation. This bill would require the director to adopt regulations, as determined to be necessary, to govern the administration of the program. This bill contains other related provisions. (Based on text date 1/16/2025)

Attachments: Letter
Text of AB 262 as of 1/16/25

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



March 18, 2025

The Honorable Jessica Caloza
State Capitol – State Assembly
P.O. Box 942849
Sacramento, CA 94249-0052

RE: AB 262 (Caloza) – Letter of Support for California Individual Assistance Act

Dear Assembly Member Caloza,

The City of Rio Dell supports your efforts regarding AB 262, which would establish a grant program to provide financial assistance to local agencies, community-based organizations, and individuals for specified costs related to a disaster. We stand ready to assist you in any way possible to move this important legislation forward.

On December 20, 2022 Rio Dell was struck by a 6.4 magnitude earthquake and a series of aftershocks known as the 2022 Ferndale Earthquake. Ground sensor data shows that the ground acceleration from the earthquake was 1.4g in Rio Dell, which is the third highest level ever recorded during a California earthquake. The damage was severe, impacting one out of every four homes, temporarily interrupting water services and displacing approximately 300 residents. The estimated damages to Rio Dell alone are approximately \$32 million.

This event was not escalated to a federal disaster declaration despite the immense impact. The Federal Emergency Management Agency (FEMA) disaster threshold for California is approximately \$72 million and growing, resulting in Rio Dell's \$32 million in damages being insufficient for a federal declaration. In smaller states such as Tennessee, the threshold is approximately \$9.8 million. We are under no illusion that FEMA, congress or the federal government will remedy this inequity anytime soon, or ever. The federal government played no role in response or recovery from the earthquakes with some exceptions being the Small Business Administration (SBA) and United States Department of Agriculture (USDA). This is a major problem for all of California.

Rio Dell is a severely economically disadvantaged community. Household Income is \$36,648 according to the 2021 American Community Survey conducted by the US Census. Using the same source of data, this compares to \$54,752 for Humboldt County and \$84,907 for California. Under the California Disaster Assistance Act (CDAA) Rio Dell is eligible for a 75 percent cost share with the state and possibly 100 percent covered (not guaranteed) since the City is AB 2140 compliant. The uncertainty of full reimbursement through these state programs creates great difficulty in planning and executing recovery projects, especially for an economically disadvantaged community.

Furthermore, as your important legislation seeks to address, CDAA is silent on one of the more important tools that a federal declaration provides: individual assistance (IA). Federal IA could have helped provide important disaster case management services, financial assistance for housing and for other needs of individuals amongst other support structures. Interestingly, we are learning that some other states already address the absence of federal IA that results from the inequitable threshold system. California leads the nation in so many important ways but it is important that we also address the fundamentals of a state that is subject to earthquakes, fires and floods on a regular basis. Where the federal government fails, we need the state to fill the void. It is time that California address this issue.

We appreciate your leadership on this issue. For these reasons and more, the City of Rio Dell **SUPPORTS AB 262.**

Sincerely,

Debra Garnes
Mayor
City of Rio Dell

Cc: Governor Gavin Newsom
Senator Mike McGuire
Assembly Member Chris Rogers
Humboldt Cty. Board of Supervisors
Humboldt County Mayors
Director Nancy Ward, CalOES
Sara Sanders, CalCities

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ASSEMBLY BILL**No. 262****Introduced by Assembly Member Caloza**

January 16, 2025

An act to add Article 4.5 (commencing with Section 8688) to Chapter 7.5 of Division 1 of Title 2 of the Government Code, relating to disaster assistance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 262, as introduced, Caloza. California Individual Assistance Act.

Existing law, the California Disaster Assistance Act, requires the Director of Emergency Services to provide financial assistance to local agencies for their personnel costs, equipment costs, and the cost of supplies and materials used during disaster response activities, incurred as a result of a state of emergency proclaimed by the Governor, subject to specified criteria. The act continuously appropriates moneys in the Disaster Assistance Fund and its subsidiary account, the Earthquake Emergency Investigations Account, without regard to fiscal year, for purposes of the act.

This bill would enact the California Individual Assistance Act to establish a grant program to provide financial assistance to local agencies, community-based organizations, and individuals for specified costs related to a disaster, as prescribed. The bill would require the director to allocate from the fund, subject to specified conditions, funds to meet the cost of expenses for those purposes. By authorizing increased expenditure of moneys from a continuously appropriated fund for a new purpose, the bill would make an appropriation.

This bill would require the director to adopt regulations, as determined to be necessary, to govern the administration of the program.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares the purpose
2 of this act is to establish in California a program within the Office
3 of Emergency Services to quickly provide assistance to California
4 residents following the declaration of a local or state emergency
5 that may not warrant federal disaster assistance for individuals.

6 SEC. 2. Article 4.5 (commencing with Section 8688) is added
7 to Chapter 7.5 of Division 1 of Title 2 of the Government Code,
8 to read:

9
10 Article 4.5. California Individual Assistance Act

11
12 8688. This article shall be known and may be cited as the
13 California Individual Assistance Act.

14 8688.1. It is the intent of the Legislature to provide local
15 agencies, community-based organizations, and individuals with
16 the assistance they need to quickly recover following a disaster.

17 8688.2. Unless the provision or context otherwise requires, the
18 definitions in this section govern the construction of this article:

19 (a) "Community-based organization" means a public or private
20 nonprofit organization of demonstrated effectiveness that represents
21 a community or significant segments of a community and provides
22 support and services to individuals in the community.

23 (b) "Disaster" means a fire, flood, storm, tidal wave or tsunami,
24 earthquake, act of terrorism, epidemic, extreme heat or cold event,
25 or other similar calamity that the Governor determines presents a
26 threat to public safety.

27 (c) "Housing assistance" means assistance available to
28 homeowners and renters to repair disaster-related damages not
29 covered by insurance or by other governmental financial assistance
30 programs, including, but not limited to, costs that are reasonable

1 and necessary to make the essential living areas of a primary
2 residence safe, sanitary, and functional.

3 (d) “Individual” means a person residing in California.

4 (e) “Individual and family grants” means housing assistance
5 and other needs assistance provided pursuant to this article.

6 (f) “Local emergency” means a condition of extreme peril to
7 persons or property proclaimed as such by the governing body of
8 the local agency affected, in accordance with Section 8630.

9 (g) “Other needs assistance” means assistance to offset expenses
10 and losses in income not covered by insurance or by other financial
11 assistance resources, including, but not limited to, any of the
12 following:

13 (1) Income losses.

14 (2) Costs to clean, repair, or replace essential personal property
15 items.

16 (3) Medical, dental, and funeral expenses resulting from the
17 local emergency.

18 (4) Other potentially eligible expenses authorized by the director.

19 (h) “Unusual circumstances” means unavoidable delays that
20 result from recurrence of a disaster, prolonged severe weather
21 within a one-year period, or other conditions beyond the control
22 of the applicant.

23 8688.3. (a) From the Disaster Assistance Fund, and subject to
24 the conditions specified in this article, the director shall allocate
25 funds to meet the cost of expenses for the purposes described in
26 subdivision (b).

27 (b) Moneys from the Disaster Assistance Fund may be used to
28 provide financial assistance to local agencies, community-based
29 organizations, and individuals for the following purposes:

30 (1) To fund local agency and community-based organization
31 personnel costs, equipment costs, translation services, and the cost
32 of supplies and materials used during disaster response activities,
33 incurred as a result of a state of emergency proclaimed by the
34 Governor, excluding the normal hourly wage costs of employees
35 engaged in emergency work activities.

36 (2) To reimburse local agencies or community-based
37 organizations that provide individual and family grants.

38 (3) To provide direct individual and family grants, including
39 housing assistance and other needs assistance, to individuals.

1 (4) To fund indirect administrative costs and any other assistance
2 deemed necessary by the director.

3 (5) To fund necessary and required site preparation costs for
4 evacuation and local assistance centers as deemed necessary by
5 the director.

6 8688.4. (a) When certified by the director, claims of
7 community-based organizations and local agencies shall be
8 presented to the Controller for payment out of funds made available
9 for that purpose.

10 (b) The director shall adopt regulations, as determined to be
11 necessary, to govern the administration of the program authorized
12 by this article in accordance with the Administrative Procedure
13 Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of
14 Division 3). These regulations shall include specific eligibility
15 requirements, a procedure for local agencies and community-based
16 organizations to request the implementation of this article, and a
17 method for evaluating these requests by the Office of Emergency
18 Services.

19 8688.5. An allocation may be made to a local agency,
20 community-based organization, or an individual, if, within 10 days
21 after the actual occurrence of a disaster, the local agency has
22 proclaimed a local emergency and that proclamation is acceptable
23 to the director, or upon the order of the Governor when a state of
24 emergency proclamation has been issued.

25 8688.6. A local agency, community-based organization, or an
26 individual shall make application to the director for state financial
27 assistance pursuant to this article within 60 days after the date of
28 the proclamation of a local emergency. The director may extend
29 the time for this filing only under unusual circumstances.

30 8688.7. The director shall develop procedures for a local agency
31 or community-based organization to receive an advance of funds
32 to expedite the delivery of individual and family grants following
33 a disaster.

34 SEC. 3. This act is an urgency statute necessary for the
35 immediate preservation of the public peace, health, or safety within
36 the meaning of Article IV of the California Constitution and shall
37 go into immediate effect. The facts constituting the necessity are:

1 In order to mitigate the extent and severe impact of recent
2 disasters on individuals and families, the Legislature finds and
3 declares it is necessary for this act to take effect immediately.

O

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

Ref#	Date	Vendor	Description	Amount
13919	2/05/2025	[5381] ALTERNATIVE BUSINESS CONCEPTS	MONTHLY MAINTENANCE & COPIER CHARGES FOR JANUARY 2025 - City Hall & COPIER CHARGES FOR JANUARY 2025 - PD	534.36
13920	2/05/2025	[3975] AT&T - 5709	FAX LINE EXPENSES FOR JANUARY 2025 - PD	36.28
13921	2/05/2025	[4217] CALPERS	SSA 218 - Annual Fee	110.00
13922	2/05/2025	[4697] AMANDA CARTER	CalCities Policy Committee Meeting	532.26
13923	2/05/2025	[2293] CITY OF FORTUNA	Police Dispatch for February 2025	8,483.33
13924	2/05/2025	[5940] CLARK, MARY	Reimbursement: Clothing Allowance	83.01
13925	2/05/2025	[6879] ELWAY CONSTRUCTION	Front Porch, Concrete Steps and Ramp	2,736.08
13926	2/05/2025	[2405] FORTUNA ACE HARDWARE	Paint and Paint Supplies, Glue and Tape, Wallplates, LED Utility Light	521.31
13927	2/05/2025	[5052] GHD, INC	Professional Services Rnedered Through 1/25/2025: Rio Dell Painter Line Sewer Upsizing, Professional Services Rnedered Through 1/25/2025: PW Rio Dell River Trail	25,049.91
13928	2/05/2025	[6486] GREEN TO GOLD ENTERPRISES LLC	Contractor Bags	42.56
13929	2/05/2025	[7905] HUNTER & SON CONSTRUCTION INC.	Siding and Trim	8,955.00
13930	2/05/2025	[7864] JACKSON LEWIS P.C.	Client: 362719 Matter: 637247	12,082.00
13931	2/05/2025	[3180] JENSEN, RANDY	Reimbursement: Boot Allowance	180.37
13932	2/05/2025	[7699] JOHNSON, KINTAY	CUSTOMER DEPOSIT REFUND	141.48
13933	2/05/2025	[2501] KEENAN SUPPLY	Red Dye Tablets	225.64
13934	2/05/2025	[2521] LEAGUE OF CALIF. CITIES	Membership Dues Calendar Year 2025	2,956.00
13935	2/05/2025	[7792] LOZIER OIL COMPANY	Paratherm NF 55g	3,564.98
13936	2/05/2025	[7195] METER, VALVE & CONTROL, Inc	Security Seal for Sealing PIT ERT to Register Connector	147.53
13937	2/05/2025	[2569] MICROBAC LABORATORIES, INC.	BOD/NFR, ELAP Certification Fee, Coliform Presence/Absense, Coliform Quantity-tray, ELAP Certification Fee, Aqueous Sample Digestion, Dissolved Organic Carbon, ELAP Certification Fee, Haloacetic Acids, ICP-MS Metals, Organochlorine Pesticides and PCBs	1,081.00
13938	2/05/2025	[2551] MIRANDA'S ANIMAL RESCUE	Animal Control for January 2025	1,900.00
13939	2/05/2025	[3006] MISSION LINEN SUPPLY, INC	Maintenance & Cleaning of PW Shirts, Clean Mop Head, Clean Mop Head, Towels, Maintenance & Cleaning of PW Shirts, Clean Mop Head, Maintenance & Cleaning of PW Shirts, Clean Mop Head	243.37
13940	2/05/2025	[6943] PACE SUPPLY CORP	Clean Mop Head, Towels, Maintenance & Cleaning of PW Shirts, Clean Mop Head	
13941	2/05/2025	[6349] RECOLOGY EEL RIVER	Angle Ball Meter Valves	2,875
13942	2/05/2025	[2715] STEWART TELECOMMUNICATION	Trash Bags December 2024, January '25 Trash Bags	256
13943	2/05/2025	[2787] WYCKOFFS	Phone Lines PD - March 2025, Phone Lines City Hall - March 2025 Primer, PVC Glue, Wet 'R' Dry	556
				113

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

Ref#	Date	Vendor	Description	Amount
13944	2/12/2025	[6038] ACCURATE TERMITE & PEST SOLUTIONS	Commercial Pest Control Services - 475 Hilltop	220.00
13945	2/12/2025	[6841] BADGER METER INC.	Sensor, Teflon, Reagent Tubing Kit, Pump Tubing Kit, Tubing, Pump Drive	3,653.34
13946	2/12/2025	[2303] COAST CENTRAL CREDIT UNION	POA Dues for PPE 2/7/2025	90.00
13947	2/12/2025	[5944] COLANTUONO, HIGHSMITH & WHATLEY	Special Counsel Services	140.00
13948	2/12/2025	[2317] COUNTY OF HUMBOLDT ELECTIONS DEPT	General Election - November 2024	1,598.96
13949	2/12/2025	[2315] COUNTY OF HUMBOLDT PLANNING & BUILDING DEPT	CDBG General Admin	1,767.30
13950	2/12/2025	[7888] CRITTERS WITHOUT LITTERS SPAY/NEUTER CLINIC	Maggie Roo (Dog-F), Buddy (Dog-M), Sookie (Dog-F), Kitty #2 (Cat-M), Misha (Dog-F)	675.00
13951	2/12/2025	[6879] ELWAY CONSTRUCTION	French Drain	5,850.00
13952	2/12/2025	[2386] EUREKA RUBBER STAMP CO.	Name Plates - PD	33.07
13953	2/12/2025	[6486] GREEN TO GOLD ENTERPRISES LLC	Pump, Return Pump and Bought New Pump	138.97
13954	2/12/2025	[7475] LEAF CAPITAL FUNDING LLC	Lease of Kyocera TA 308ci Copier System	428.38
13955	2/12/2025	[6998] MAD RIVER COMMUNITY HOSPITAL	Pre Employment Physical	728.75
13956	2/12/2025	[2569] MICROBAC LABORATORIES, INC.	Coliform Quanti-tray, ELAP Certification Fee, Ammonia Nitrogen - Un-ionized (calculation), Ammonia Nitrogen w/o Distillation, Aqueous Sample Digestion, BOD/NFR, Conductivity @ 25C, ELAP Certification Fee, ICP-MS Metal, Nitrate and/or Nitrite, Salinity, Subcontract Metals, THM by EPA 624, Turbidity	1,484.00
13957	2/12/2025	[7882] KEVIN M NASET	Reimbursement: Travel/RCAC Water Class	102.00
13958	2/12/2025	[6943] PACE SUPPLY CORP	Ford Parts	255.87
13959	2/12/2025	[5053] PACIFIC ECORISK	NPDES WET Testing	2,609.14
13960	2/12/2025	[3343] PITNEY BOWES RESERVE ACCOUNT	Postage Purchased for Reserves on 2/11/2025	400.00
13961	2/12/2025	[6349] RECOLOGY EEL RIVER	40yd Debris Box for Christmas Trees	1,488.38
13962	2/12/2025	[4493] REDWOOD GLASS & WINDOWS	Replace Batteries in Push Buttons & Adjust Operators	150.00
13963	2/12/2025	[4525] SHERLOCK RECORDS MGMT	STORAGE SERVICE FOR FEBRUARY 2025	150.00
13964	2/12/2025	[7701] SUPER VACUUM MANUFACTURING CO	Exploer Printed Reflective (per Approved Layout), Replace Decals	912.64
13965	2/12/2025	[4908] THE MITCHELL LAW FIRM, LLP	LEGAL SERVICES FOR JANUARY 2025, LEGAL SERVICES FOR JANUARY 2025	4,902.00
13966	2/20/2025	[3108] ACCUFUND, INC.	Support Plus Maintenance and Enhancements for the Period 4/1/25-3/31/26	5,953.75
13967	2/20/2025	[6038] ACCURATE TERMITE & PEST SOLUTIONS	Commercial Pest & Rodent Control - 675 Wildwood	135.00
13968	2/20/2025	[6949] CALIFORNIA BOILER INC	Preventative Maintenance on Fulton Boiler	12,618.00
13969	2/20/2025	[6879] ELWAY CONSTRUCTION	Siding for House Lift	19,800.00
13970	2/20/2025	[2405] FORTUNA ACE HARDWARE	Batteries	8.00
	2/20/2025	[6486] GREEN TO GOLD ENTERPRISES LLC	Lockset	17.00

Section K, Item 5.

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

Ref#	Date	Vendor	Description	Amount
13972	2/20/2025	[7905] HUNTER AND SON CONSTRUCTION INC.	Roof Repair; Prep, Prime, and Paint Interior; Engineering; Pellet Stove	21,780.00
13973	2/20/2025	[6998] MAD RIVER COMMUNITY HOSPITAL	Chest X-Ray, Urine Test, EKG Stress Test	2,947.99
13974	2/20/2025	[7195] METER, VALVE & CONTROL, Inc	Meter Body and Antenna Kit for 1275 Northwestern Ave	1,330.79
13975	2/20/2025	[2569] MICROBAC LABORATORIES, INC.	Ammonia Nitrogen w/o Distillation, ELAP Certification Fee, Total + Fecal Coliform 3x5, Coliform Quanti-tray, ELAP Certification Fee	508.00
13976	2/20/2025	[4393] NYLEX.net. Inc.	MONTHLY MAINTENANCE FOR MARCH 2025	3,240.00
13977	2/20/2025	[6943] PACE SUPPLY CORP	Angle Ball Meter Valve	287.62
13978	2/20/2025	[2601] PETERSON	Inspection: Generator - Wells, Fern St, Corp Yard & Painter St	1,913.16
13979	2/20/2025	[2619] PITNEY BOWES, INC.	QUARTERLY LEASING PAYMENT 12/30/2024-3/29/2025	180.59
13980	2/20/2025	[2662] RIO DELL-SCOTIA CHAMBER OF COMMERCE	2025 Annual Membership Dues	1,000.00
13981	2/20/2025	[2750] USA BLUEBOOK	Pump w/ External Speed Control, Returned Sampling Pump	2,547.48
13982	2/26/2025	[7926] BALLISTIC PRECISION INC.	9mm and 9mm Training Rounds	4,904.01
13983	2/26/2025	[7237] BPR CONSULTING GROUP	Covert Commercial Garage to Laundromat	590.00
13984	2/26/2025	[4892] KEVIN T CALDWELL	Reimbursement: Copies for Eel River Regional Food Coalition	13.11
13985	2/26/2025	[2303] COAST CENTRAL CREDIT UNION	POA Dues for PPE 2/21/2025	90.00
13986	2/26/2025	[3461] CRIMESTAR USA, LLC	RMS Annual Product Support	400.00
13987	2/26/2025	[2717] EUREKA TIMES-STANDARD	52 Week Subscription	716.89
13988	2/26/2025	[5052] GHD, INC	Professional Services Rendered Through 2/22/2025: PW-Rio Dell Pedestrian Connectivity Improvements	3,467.00
13989	2/26/2025	[6486] GREEN TO GOLD ENTERPRISES LLC	Re-Issue Check #13440 (Not Cashed within 180 Days), Sealant, Tread Tape	101.27
13990	2/26/2025	[2501] KEENAN SUPPLY	Fernco, Badger Register & Meters w/ Remote Readers	336.66
13991	2/26/2025	[7925] KYLE SHAMP	Animal Gate for Back of CSO Truck	550.00
13992	2/26/2025	[6653] CRYSTAL L LANDRY	Reimbursement: NC3TF	170.10
13993	2/26/2025	[2569] MICROBAC LABORATORIES, INC.	Coliform Presence/Absence, Coliform Quanti-Tray, ELAP Certification Fee, Total Coliform Bacteria 3x5	357.00
13994	2/26/2025	[2570] NILSEN COMPANY	Salt Softner Solar 40#	1,506.00
13995	2/26/2025	[6100] NORTHERN CALIFORNIA GLOVE	Gloves and Goggles & More Gloves	249.45
13996	2/26/2025	[6943] PACE SUPPLY CORP	Steel Water Covers, Clamp	1,379.65
13997	2/26/2025	[7922] PAPE MATERIAL HANDLING	Repairs on John Deere	2,168.40
13998	2/26/2025	[6469] RH CONSTRUCTION	762 Rigby Ave Earthquake Rebuild	26,658.98
13999	2/26/2025	[7828] CADEN L ROCHA	75% Pre-Pay CHP-DUI Training	215.
14000	2/26/2025	[3685] RURAL COMMUNITY ASSISTANCE CORP, dba RCAC	Loan # 1144-CRD-05 Water CIP	339.
14001	2/26/2025	[4570] SHRED AWARE	Shredding	78.
14002	2/26/2025	[7185] STAPLES ADVANTAGE	Toner	165.

Section K, Item 5.

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

Ref#	Date	Vendor	Description	Amount
14003	2/26/2025	[7006] STEBBINS, JACOB & THOMSON, ANNA	DEPOSIT REFUND	169.82
14004	2/26/2025	[7585] SWEAT PANDA FORTUNA, LLC	Unlimited Month to Month Membership (Final)	159.00
14005	2/26/2025	[2772] WENDT CONSTRUCTION, INC	Emergency Water Line Installation on S. Cherry Ln., 24.2 Tons of Base Delivered, Vactor Truck Painter St (Sewer), Repairs to 1st Ave and Sidewalk after Sewer Lateral Work	13,658.38
Total Checks/Deposits				233,899.92

Ref#	Date	Vendor	Description	Amount
5002941	2/03/2025	ELECTRONIC FUNDS TRANSFER	EFT FOR AFLAC DENTAL INSURANCE FOR FEBRUARY 2025	-116.22
982-800	2/03/2025	ELECTRONIC FUNDS TRANSFER	EFT FOR EDD PAYROLL TAXES FOR PPE 01/24/2025	-3797.89
1434062	2/03/2025	ELECTRONIC FUNDS TRANSFER	EFT FOR EFTPS PAYROLL TAXES FOR PPE 01/24/2025.	-17006.78
6636452	2/03/2025	ELECTRONIC FUNDS TRANSFER	EFT: MISSIONSQUARE RETIREMENT PAYMENT FOR PPE 01/24/2025	-10510.24
291	2/05/2025	WITHDRAWAL	DEPOSITED ITEM RETURNED	-7875.00
9837412	2/11/2025	ELECTRONIC FUNDS TRANSFER	EFT: ONLINE FIBER OPTIMUM PAYMENT FOR FEBRUARY 2025.	-877.00
9837411	2/11/2025	ELECTRONIC FUNDS TRANSFER	EFT ONLINE OPTIMUM PUBLIC WORKS PAYMENT FOR FEBRUARY 2025.	-274.11
6868966	2/12/2025	ELECTRONIC FUNDS TRANSFER	EFT: MISSIONSQUARE RETIREMENT PAYMENT FOR PPE 02/07/2025	-11598.28
9837417	2/12/2025	ELECTRONIC FUNDS TRANSFER	EFT FOR PG&E ONLINE PAYMENT FOR JANUARY/FEBRUARY 2025.	-23456.94
6568253	2/14/2025	WITHDRAWALS	EFT: Charge for Bank Deposit Books from Deluxe Small Business	-259.88
JAN/FEB 2025	2/18/2025	ELECTRONIC FUNDS TRANSFER	EFT: BANK OF AMERICA CREDIT CARD PAYMENTS FOR JAN/FEB 2025.	-4748.31
650-781	2/18/2025	ELECTRONIC FUNDS TRANSFER	EFT FOR EDD PAYROLL TAXES FOR PPE 02/07/2025	-4400.04
3387120	2/18/2025	ELECTRONIC FUNDS TRANSFER	EFT FOR EFTPS PAYROLL TAXES FOR PPE 02/07/2025.	-19756.44
E-CHECK	2/18/2025	WITHDRAWAL	DEPOSITED ITEM RETURNED	-315.18
3012025	2/19/2025	ELECTRONIC FUNDS TRANSFER	EFT FOR GUARDIAN DENTAL ONLINE PAYMENT FOR MARCH 2025.	-1986.50
9837414	2/20/2025	ELECTRONIC FUNDS TRANSFER	EFT: BENEFIT BRIDGE/PUBLIC AGENCY PAYMENT FOR MARCH 2025.	-42986.33
9837416	2/20/2025	ELECTRONIC FUNDS TRANSFER	EFT: DEARBORN LIFE INSURANCE ONLINE PAYMENT FOR MARCH 2025.	-428.10
9837415	2/20/2025	ELECTRONIC FUNDS TRANSFER	EFT FOR VSP INSURANCE ONLINE PAYMENT FOR MARCH 2025	-516.91
256974	2/24/2025	ELECTRONIC FUNDS TRANSFER	EFT FOR AFLAC INSURANCE ONLINE PAYMENT FOR FEBRUARY 2025.	-1261.72
9837413	2/24/2025	ELECTRONIC FUNDS TRANSFER	EFT: PG&E ONLINE PAYMENT FOR FEB 2025 for Northwestern Street Lights	-50.71
3082146	2/26/2025	ELECTRONIC FUNDS TRANSFER	EFT: NEW WEX-ONLINE FUEL CARDS FOR JANUARY/FEBRUARY 2025	-3869.47
9837418	2/28/2025	WITHDRAWAL	ANALYSIS SERVICE CHARGE FOR FEBRUARY 2025.	-163.4
Total EFT's/Bank Withdrawals				-156,255.4

Section K, Item 5.

Ref#	Date	Vendor	Description	Amount
TRF TO GF	2/03/2025	TRANSFER FROM CDBG TO GENERAL FUND	TRANSFER TO GEN FUND FOR CDBG PROJECT EXPENDITURES. JAN 2025	12,650.00

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

Ref#	Date	Vendor	Description	Amount
TRX TO PR	2/13/2025	TRANSFER FROM CHECK TO PAYROLL ACCT	TRANSFER TO PAYROLL ACCT FOR PPE 02/07/2025	-48,725.88
TRX TO PR	2/27/2025	TRANSFER FROM CHECK TO PAYROLL ACCT	TRANSFER TO PAYROLL ACCT FOR PPE 02/21/2025	-43,197.86
Total Transfer Between Accounts				-91,923.74

Ref#	Date	Vendor	Description	Amount
2299490	2/20/2025	ELECTRONIC FUNDS TRANSFER	EFT: GUY BROWN LLC - US BANK DEPOSIT BAGS	-34.50
30510	2/10/2025	WITHDRAWALS	DEBIT CARD: Charge for Envelopes for Drop Box from Dollar General	-8.68
11419	2/28/2025	WITHDRAWALS	DEBIT CARD: Charge for Postage for U/B BILLS FOR FEBRUARY 2025	-555.52
Debit Card Withdrawals				-598.70



Staff Highlights – 2025-03-18

City Council

City Manager

The City Manager and Mayor met with Senator McGuire and Joe Tyler, the Director of CalFire in Sacramento on Wednesday, March 5th. We will not be able to get into specifics at this time, but the meeting was a positive exchange and we were pleased to hear that CalFire’s new director has personal familiarity with the unique challenges and opportunities in Humboldt County.

City Clerk

Processed Five (5) Building Permit Applications:

- 149 Cedar St. – New Water Service
- 561 Fourth Ave. – New Water Service
- 95 Davis St. – Replace Existing Roof with Metal Shingles (Canceled)
- 545 Gunnerson Lane – 60,000 BTU Gas Furnace
- 84 Edwards Dr. – Foundation Repair

Processed Two (2) Business License Application:

- Sunstone Home California, LLC – Non-Resident Contractor
- JC & KG Delivery and Repair – Mobile Business – 995 Riverside Space 1

Misc:

- Submitted 2025 California Roster to Secretary of State
- Sent Address Assignment Letters for 45 Davis St./625 Second Ave.
- Submitted Report on Municipal Initiative Measures to Secretary of State for 2023-24
- Attended Beautification, Walkability, and Pride Committee Meeting on March 7, 2025
- Submitted CHF/CIRB Building Permit Report for February
- Submitted Alliant Property Insurance Program (APIP) Renewal Application for FY 2025-26
- Submitted March Employment Statistics to the Department of Labor
- Completed Ordinance Codification/Update of the Rio Dell Municipal Code (RDMC)



City Attorney

Human Resources, Risk & Training

Finance Department

Regulatory Compliance & Financial Oversight

- Secured approval for Invoice #6 of the Rio Dell Water Distribution System Project from the State Waterboards, ensuring continued funding and progress for this critical infrastructure project.
- Conducted a comprehensive financial analysis and compiled key statistical data, providing valuable insights to support Police Department budget planning and decision-making.
- Provided strategic financial guidance to the Water Superintendent, facilitating the completion of the eAR Water Annual Report and ensuring regulatory compliance.
- Coordinated with the City Auditor to schedule the presentation of the Annual Audit Report at the upcoming City Council meeting, reinforcing financial transparency and accountability.
- Authored the Management Discussion and Analysis (MD&A) section of the City's Audit Report, delivering a clear and professional assessment of the City's financial position.
- Worked closely with the City Auditor to finalize the audit by securing City Attorney communication and insurance documentation, streamlining the reporting process.

Grant Management & Infrastructure Development

- Partnered with the County of Humboldt under an MOU agreement, overseeing various CDBG project phases to ensure compliance, funding continuity, and timely project execution.
- Led financial reporting efforts for the Chloramine Compliance Project, collaborating with Wastewater Superintendent to maintain regulatory adherence and transparency in capital project funding.
- Engaged with representatives from Clean California and GHD contract engineers, attending key meetings to provide financial oversight on the Eel River Trail Project, ensuring continued grant compliance and project advancement.

Economic Development & Community Support

- Coordinated with the Community Resource Center to validate the successful launch of the City's Spay and Neuter Program, confirming voucher issuance and ensuring program efficiency.
- Personally engaged with all Dinsmore Plateau cannabis farmers, ensuring clarity on cannabis tax due dates and obligations, strengthening compliance and financial oversight.

Public Works Water

149 Cedar installed a new meter valve and raised meter.

USAs for Water line Project.



795 Pacific Renew residential service line and unburied meter box from mud slide.

561 4th Ave. replace broken meter valve and raised meter box.

Fixed 2" main leak on Monument.

Leak repairs on Willow Lane

Water Plant Equipment maintenance

Cleanup and organize Water Plant Facilities

Public Works Wastewater

Lateral Inspection on 1096 Riverside passed inspection, the old lateral was replaced with ABS, two new cleanouts, a lower cleanout installed in the sidewalk and a backflow device installed.

GHD continued weekly meetings on planning for Painter Up-Sizing project, final plans to come at end of month.

Public Works Streets, Buildings and Grounds

Weed eating along Belleview Ave., Orchard and Pacific hill, Douglas tank, Painter St. over pass.

Clean and maintain drains throughout town

Remove grass from around base of the Gateway trees

Weeds removal along Wildwood Ave.

Public Works City Engineer

Public Works Capital Projects

Police Department

Community Development Department

Intergovernmental

Humboldt-Rio Dell Business Park

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



DATE: March 18, 2025
TO: Mayor and Members of the City Council
FROM: Travis Sanborn, Finance Director
THROUGH: Kyle Knopp, City Manager
SUBJECT: Fiscal Year 2023-24 Audited Financial Statements

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Receive a presentation by JJA CPA, Inc. 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 unqualified opinion and no material weaknesses were identified. An unqualified 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 JJA CPA, Inc. will present to Council the Fiscal Year 2023-24 audited Financial Statements and accompanying information.

ATTACHMENTS

-Annual Financial Report for the Fiscal Year ended June 30, 2024

CITY OF RIO DELLE, CALIFORNIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024



Prepared by:

Travis Sanborn
Finance Director

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City of Rio Dell, California
Basic Financial Statements
For the year ended June 30, 2024

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Basic Financial Statements
For the year ended June 30, 2024

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City of Rio Dell, California
Basic Financial Statements
For the year ended June 30, 2024

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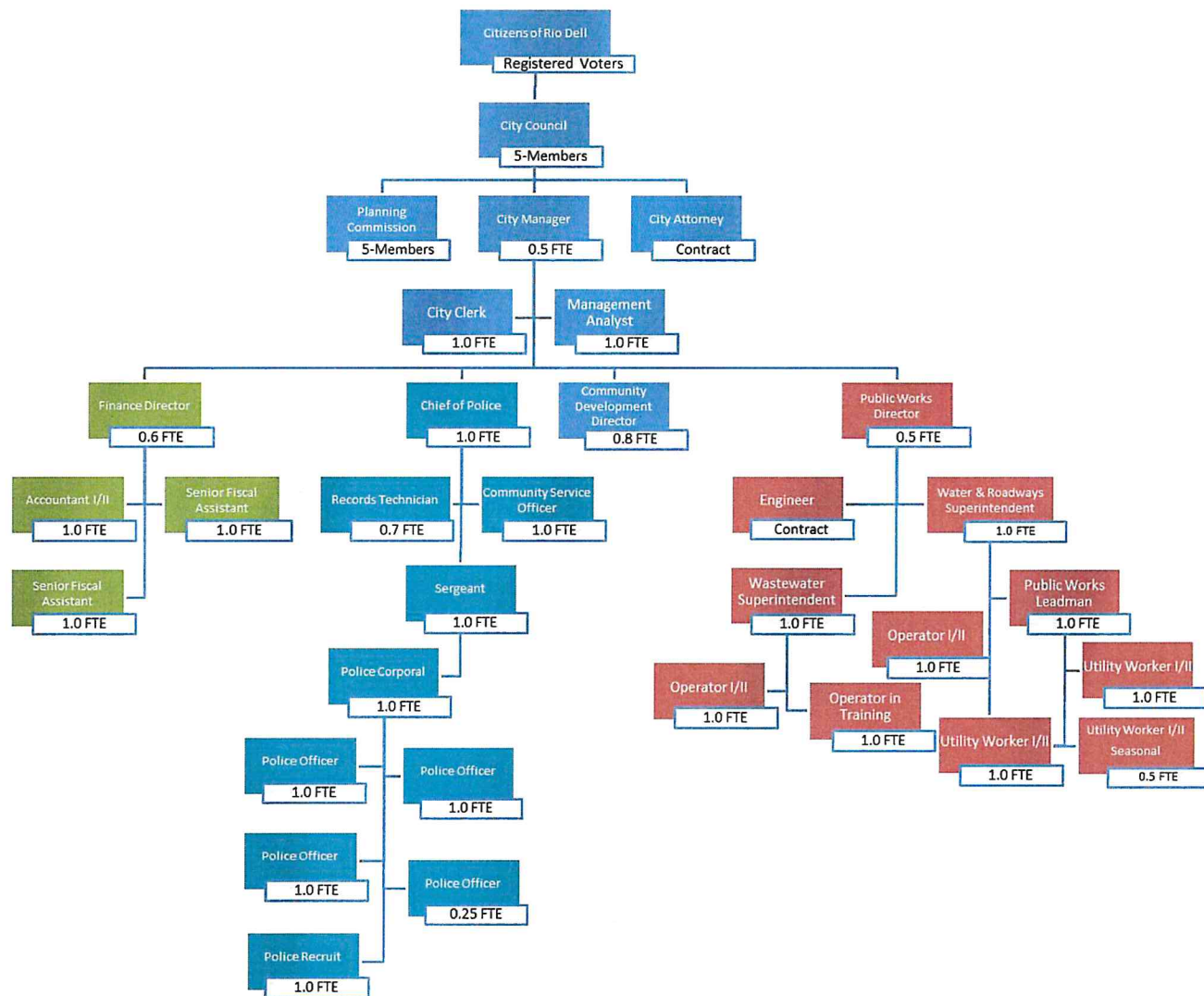
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City of Rio Dell, California

Basic Financial Statements

For the year ended June 30, 2024

Organization Chart



City of Rio Dell, California
Basic Financial Statements
For the year ended June 30, 2024

List of Officials

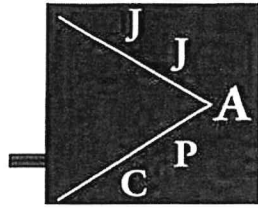
CITY COUNCIL

- 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
- Karen Dunham, City Clerk
- Travis Sanborn, Finance Director
- Kevin Caldwell , Community Development Director
- Greg Allen, Chief of Police

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JJACPA, Inc.

A Professional Accounting Services Corp.

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the 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 (City), as of and for the year ended June 30, 2024, 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 accompanying financial statements 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, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and CDBG 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.

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

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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 on pages 4-17 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.

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

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 March 7, 2025 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.

March 7, 2025

JJACPA, Inc.
JJACPA, Inc.
Dublin, CA

City of Rio Dell, California
Basic Financial Statements
For the year ended June 30, 2024

Management's Discussion and Analysis

This section provides a narrative overview and analysis of the financial activities of the City of Rio Dell (City) for the fiscal year ended June 30, 2024. 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 of the City of Rio Dell's (City) financial activities for the fiscal year ending June 30, 2024. 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, 2024, the City's net position (excess of assets and deferred outflows of resources of the City over liabilities and deferred inflows of resources) was \$34,359,175, an increase of \$1,183,676 from the prior year. Of the total net position, \$24,424,833 was invested in capital assets (net of related debt), and \$1,085,509 had restrictions in their use, leaving \$8,848,833 as unrestricted.
- ◆ Overall, City-wide revenues from all governmental and business-type activities increased by \$377,461, or 6%, compared to FY 2023-24. The increase is primarily attributed to elevated program and general revenues. The City's total expenses for all FY 2023-24 programs increased by \$464,154, or 8%.
- ◆ Overall, the City's net position increased by \$1,183,676 (\$585,622 and \$598,054 for governmental and business-type activities, respectively). Total city-wide assets increased by \$869,615. This resulted from increased current and noncurrent assets in governmental and business-type activities.
- ◆ The General Fund reported a fund balance of \$1,963,954 at the end of the 2024 fiscal year, an increase of \$364,630. This change reflects the confluence of enhanced cannabis tax collections and the yield optimization realized from the City's strategic LAIF allocations.
- ◆ The City also ended the fiscal year with \$4,965,109 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 \$207,618 from 2023, due to unrestricted water funds increasing by \$479,881 to \$3,369,775 and unrestricted sewer funds decreasing by \$272,263 to \$1,595,334.

City of Rio Dell, California
Basic Financial Statements
For the year ended June 30, 2024

Management's Discussion and Analysis, Continued

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

The Basic Financial Statements

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

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 revenues 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 amounts 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 the 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.

City of Rio Dell, California
Basic Financial Statements
For the year ended June 30, 2024

Management's Discussion and Analysis, Continued

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

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.

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, 2024, the City's major funds are as follows:

GOVERNMENTAL FUNDS:

- ◆ General Fund
- ◆ CDBG Special Revenue Fund

City of Rio Dell, California
Basic Financial Statements
For the year ended June 30, 2024

Management's Discussion and Analysis, Continued

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

Fund Financial Statements, Continued

PROPRIETARY FUNDS:

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

For the fiscal year ending June 30, 2024, 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.

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 45-73 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 78-96 of this report.

City of Rio Dell, California
Basic Financial Statements
For the year ended June 30, 2024

Management's Discussion and Analysis, Continued

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 \$34,359,175 as of June 30, 2024. The Summary of Net position as of June 30, 2024, and 2023, follows:

	Summary of Net Position					
	2024			2023		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
Current and other assets	\$ 5,229,134	\$ 5,609,899	\$ 10,839,033	\$ 4,818,198	\$ 5,425,757	\$ 10,243,955
Noncurrent assets	7,916,862	21,783,046	29,699,908	7,700,728	21,724,643	29,425,371
Total assets	13,145,996	27,392,945	40,538,941	12,518,926	27,150,400	39,669,326
Current and other liabilities	197,502	599,794	797,296	93,369	583,230	676,599
Long-term liabilities	62,399	5,320,071	5,382,470	125,084	5,692,144	5,817,228
Total liabilities	259,901	5,919,865	6,179,766	218,453	6,275,374	6,493,827
Net position:						
Net invested in						
Capital Assets	7,916,862	16,507,971	24,424,833	7,700,728	16,117,535	23,818,263
Restricted	1,085,509	-	1,085,509	1,106,887	-	1,106,887
Unrestricted	3,883,724	4,965,109	8,848,833	3,492,858	4,757,491	8,250,349
Total net position	\$ 12,886,095	\$ 21,473,080	\$ 34,359,175	\$ 12,300,473	\$ 20,875,026	\$ 33,175,499

The City's total net position increased by \$1,183,676 (\$585,622 and \$598,054 for governmental and business-type activities). Total city-wide assets increased by \$869,615, resulting from increased current and noncurrent assets in governmental and business-type activities. Total city-wide liabilities decreased by \$314,061, primarily due to a decrease in long-term liabilities under Business-type activities. Debt service principle (long-term liabilities) for the wastewater treatment plant and the water system infiltration gallery decreased by \$327,813.

About 3.2% or \$1,085,509 of the City-wide net position represents resources subject to external restrictions on their use. The remaining unrestricted net position of \$8.8 million may be used to meet the government's ongoing obligations to citizens and creditors. Of this amount, \$3,883,724 is held by governmental activities, and \$4,965,109 is held by business-type activities.

City of Rio Dell, California
Basic Financial Statements
For the year ended June 30, 2024

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Revenues

The City's total revenues for governmental and business-type activities were \$7,207,378 for the fiscal year that ended June 30, 2024, an increase of \$377,461. The increase is primarily attributed to increases in cannabis tax revenues and both governmental and business-type charges for services. Significant revenues for the City for FY 2023-24 were derived from taxes (19%), operating and capital grants and contributions (26%), and charges for services (42%).

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

- ◆ **Charges for Services** - Annual receipts for business-type activities increased by \$213,048, or 8%. Governmental activities increased by \$87,937, or 82%, 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 \$755,318 increase in annual receipts.
- ◆ **Cannabis Taxes** – Revenues increased by 53,263, or 25% year over year to \$269,956.

Expenses

The City's governmental and business-type activity expenses for the year totaled \$6,023,702. This is an increase of \$464,154 from the prior fiscal year. Governmental activity expenses totaled \$2,706,909, or 45% of total expenses. Business-type activities accounted for \$3,316,793 of expenses during the fiscal year, an increase of \$147,781 due mainly to costs associated with the 2022 Earthquake disaster. Public Safety - Police costs represented 50% of total governmental activities expenses, General Government activities were 14%, and Public Works was 28%. The remaining 8% was spent on Planning and Building and Recycling costs.

City of Rio Dell, California
Basic Financial Statements
For the year ended June 30, 2024

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The change in net position for the fiscal years ended June 30, 2024, and 2023, follows:

	Changes in Net Position			2023		
	2024			2023		
	Govern- mental Activities	Business- type Activities	Total	Govern- mental Activities	Business- type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 195,670	\$ 2,802,268	\$ 2,997,938	\$ 107,733	\$ 2,589,220	\$ 2,696,953
Grants and contributions:						
Operating	822,291	51,052	873,343	946,004	23,005	969,009
Capital	188,525	870,075	1,058,600	207,616	-	207,616
General revenues:						
Property taxes, levied for general purposes	179,003	-	179,003	162,357	-	162,357
Sales taxes	638,134	-	638,134	568,414	-	568,414
Cannabis taxes	269,956	-	269,956	216,693	-	216,693
Transient occupancy tax	20,518	-	20,518	20,428	-	20,428
Gas taxes	186,115	-	186,115	167,551	-	167,551
Franchise taxes	102,836	-	102,836	88,172	-	88,172
Motor vehicle in lieu	508,591	-	508,591	475,280	-	475,280
Use of money and property	172,542	191,033	363,575	58,870	77,466	136,336
Other general	8,350	419	8,769	44,642	1,076,466	1,121,108
Total revenues	<u>3,292,531</u>	<u>3,914,847</u>	<u>7,207,378</u>	<u>3,063,760</u>	<u>3,766,157</u>	<u>6,829,917</u>
Expenses:						
Governmental activities:						
General government	380,037	-	380,037	615,033	-	615,033
Public safety - Police	1,374,394	-	1,374,394	1,259,944	-	1,259,944
Public works	746,169	-	746,169	347,520	-	347,520
Planning and building	175,246	-	175,246	155,752	-	155,752
Housing and community development	10,708	-	10,708	2,715	-	2,715
Recycling	20,355	-	20,355	9,572	-	9,572
Business-type activities:						
Sewer	-	2,057,361	2,057,361	-	1,978,421	1,978,421
Water	-	1,259,432	1,259,432	-	1,190,591	1,190,591
Total expenses	<u>2,706,909</u>	<u>3,316,793</u>	<u>6,023,702</u>	<u>2,390,536</u>	<u>3,169,012</u>	<u>5,559,548</u>
Change in net position	585,622	598,054	1,183,676	673,224	597,145	1,270,369
Net position:						
Beginning of year	12,300,473	20,875,026	33,175,499	11,627,249	20,277,881	31,905,130
End of year	<u>\$ 12,886,095</u>	<u>\$ 21,473,080</u>	<u>\$ 34,359,175</u>	<u>\$ 12,300,473</u>	<u>\$ 20,875,026</u>	<u>\$ 33,175,499</u>

City of Rio Dell, California
Basic Financial Statements
For the year ended June 30, 2024

Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Governmental Activities

The following table shows the cost of each of the City’s major programs and the net cost of the programs. Net 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, 2024, and 2023 are as follows:

	2024		2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 380,037	\$ 351,957	\$ 615,033	\$ 180,889
Public safety - Police	1,374,394	1,185,087	1,259,944	853,216
Public works	746,169	473,808	347,520	137,029
Planning and building	175,246	95,787	155,752	90,955
Housing and community development	10,708	(538,282)	2,715	(108,064)
Recycling	20,355	(67,934)	9,572	(24,842)
Total	\$ 2,706,909	\$ 1,500,423	\$ 2,390,536	\$ 1,129,183

Total expenses for governmental activities were \$2,706,909, \$316,373 or 13% more than the prior year. Increases in the total and net cost of services were attributed to the rise in Public Works costs attributed to the 2022 Earthquake disaster compared to the previous year.

City of Rio Dell, California
Basic Financial Statements
For the year ended June 30, 2024

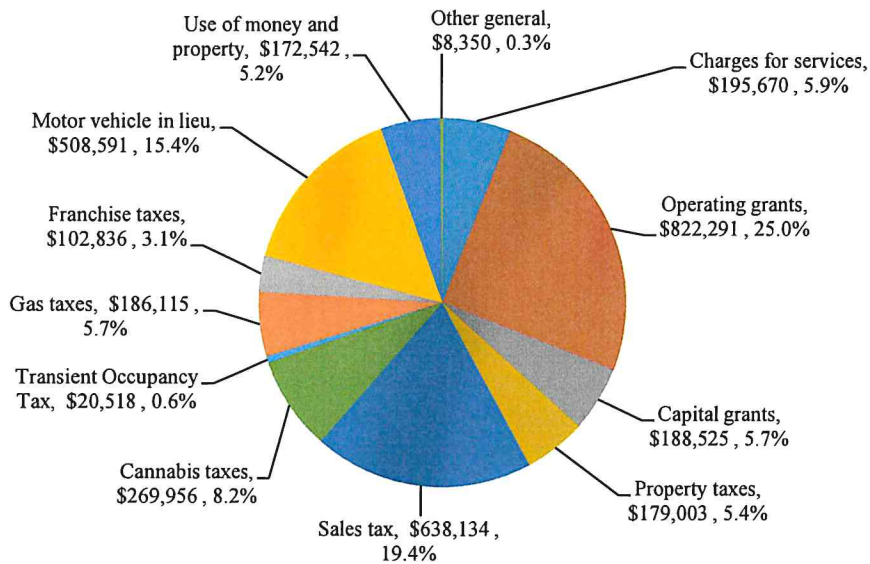
Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

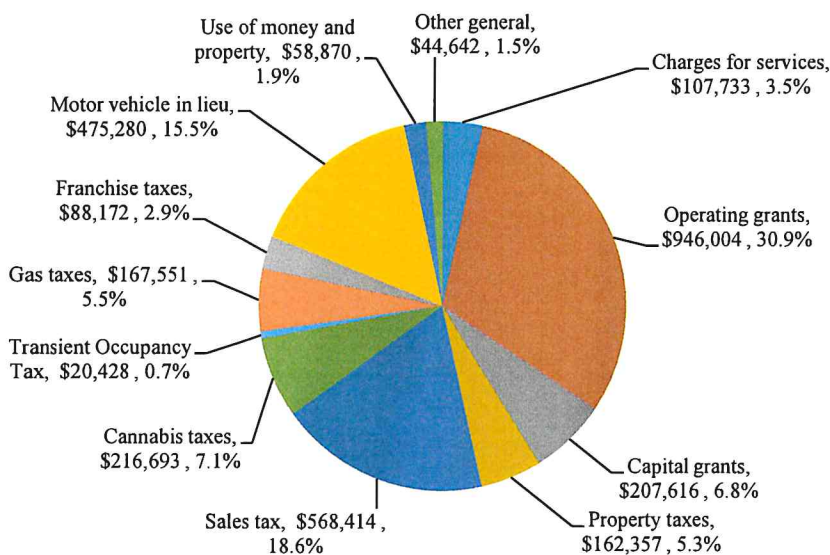
Governmental Activities, continued

Revenues by source for the fiscal years ended June 30, 2024, and 2023, are as follows:

Revenues by Source - Governmental Activities 2024



Revenues by Source - Governmental Activities 2023



City of Rio Dell, California
Basic Financial Statements
For the year ended June 30, 2024

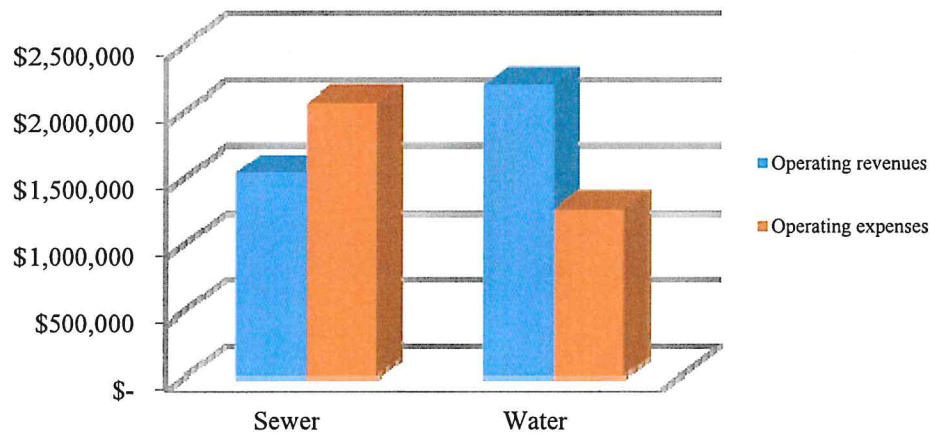
Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

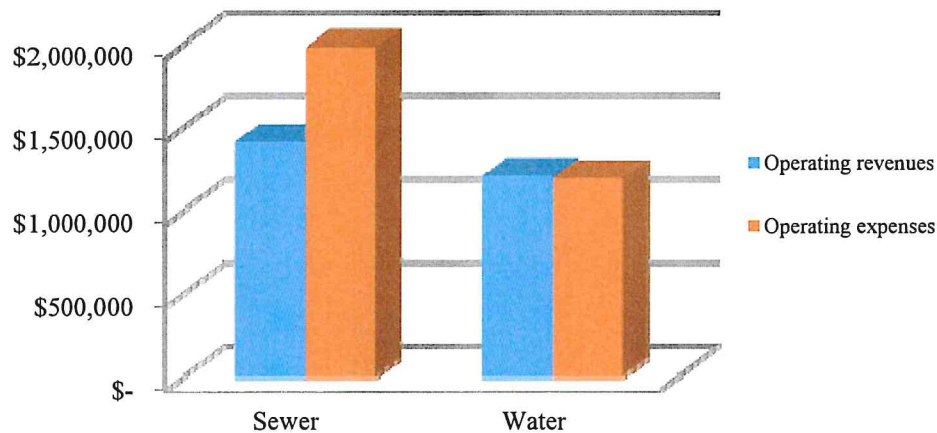
Business-type Activities

Business-type activities have increased the City’s net position by \$598,054. 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, 2024, and 2023, are as follows:

**Operating Revenues and Expenses
Business-type Activities
2024**



**Operating Revenues and Expenses
Business-type Activities
2023**



City of Rio Dell, California
Basic Financial Statements
For the year ended June 30, 2024

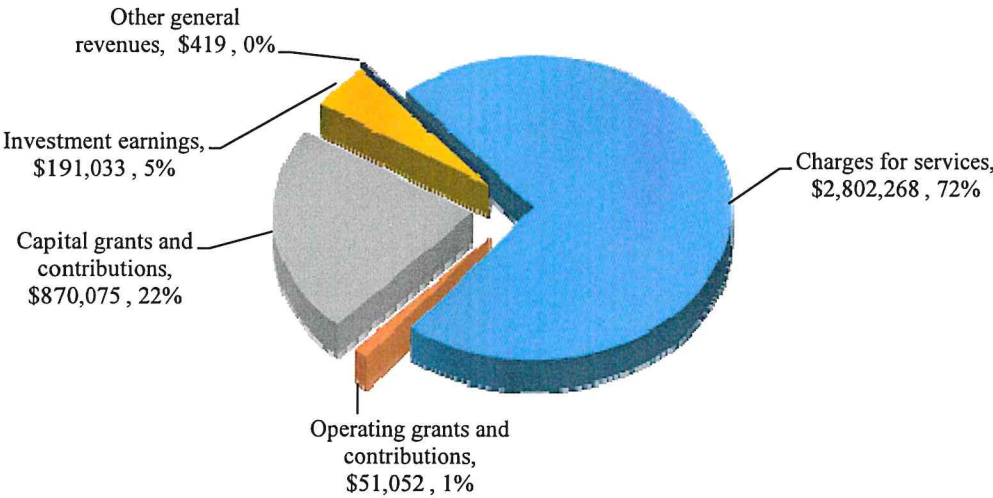
Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

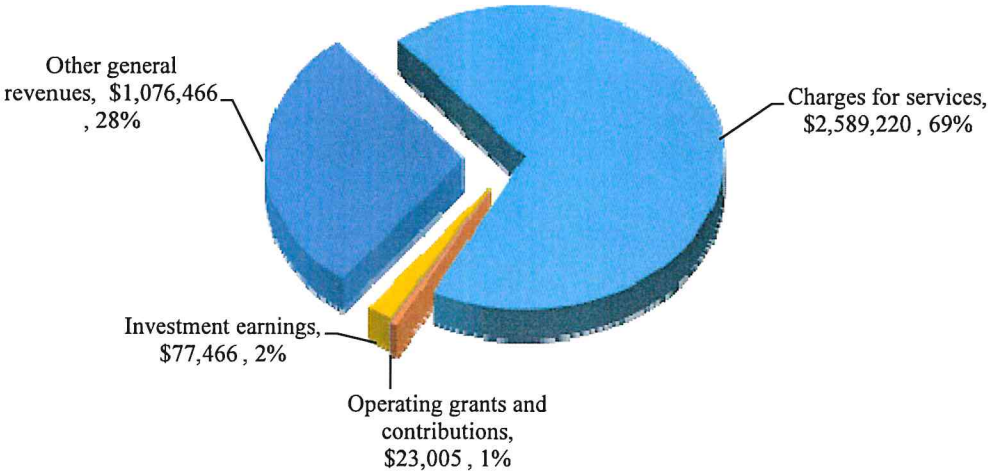
Business-type Activities, continued

The revenues by source for the business-type activities for the fiscal years ended June 30, 2024, and 2023, are as follows:

Revenues by Source - Business-type Activities 2024



Revenues by Source - Business-type Activities 2023



City of Rio Dell, California
Basic Financial Statements
For the year ended June 30, 2024

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Financial Analysis of the Government's Funds

The City of Rio Dell 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, 2024, the City's governmental funds reported combined fund balances of \$4,314,877. This is an increase of \$334,972 or 8% from last year.

The General Fund is the city's chief operating fund. In the fiscal year ending June 30, 2024, the General Fund's fund balance totaled \$1,963,954, an increase of \$364,630 or 23% 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 2023-24, governmental allocations facilitated the City's execution of diverse capital and specialized undertakings. The municipality perpetuated the Façade 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 \$4,965,109 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 \$207,618 from 2023 due to unrestricted water funds increasing by \$479,881 to \$3,369,775 and unrestricted sewer funds decreasing by \$272,263 to \$1,595,334.

General Fund Budgetary Highlights

The variance between the adopted budget and realized revenues was \$154,978, representing a 9% deviation, attributable chiefly to augmented cannabis excise tax receipts and optimized returns from the City's strategic Local Agency Investment Fund (LAIF) placements. At \$659,860, actual expenditures were 29% below the final budgetary allocation, primarily reflecting the deferral of capital projects, non-utilization of contingency reserves, and unfilled departmental positions. A \$20,000 amendment between the original and final expenditure budgets resulted from code enforcement and abatement disbursements.

City of Rio Dell, California
Basic Financial Statements
For the year ended June 30, 2024

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Capital Assets

As of June 30, 2024, the city's investment in capital assets for its governmental and business-type activities amounts to \$29,699,908. This investment includes land, construction in progress, streets, medians, sidewalks, buildings, water and sewer infrastructure, machinery, equipment, and vehicles.

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Land	\$ 627,945	\$ 627,945	\$ 507,859	\$ 507,859	\$ 1,135,804	\$ 1,135,804
Construction in progress	364,926	100,150	811,495	117,864	1,176,421	218,014
Buildings and structures	636,426	450,386	13,524	14,200	649,950	464,586
Equipment	82,887	75,137	415,380	261,909	498,267	337,046
Vehicles	158,815	209,471	108,058	135,364	266,873	344,835
Streets and roads	2,974,111	3,067,131	-	-	2,974,111	3,067,131
Infrastructures	3,071,752	3,170,508	19,926,730	20,687,447	22,998,482	23,857,955
Total	\$ 7,916,862	\$ 7,700,728	\$ 21,783,046	\$ 21,724,643	\$ 29,699,908	\$ 29,425,371

More detail of the capital assets and current activity can be found in the notes to the financial statements on page 51 for significant accounting policies and Note 5 on pages 61 – 62 for other capital asset information.

Long-Term Debt

On June 30, 2024, the City had \$5,714,503 in long-term liabilities. Note 7 to the basic financial statements provides additional information about the city's long-term debt.

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Compensated absences	62,399	125,084	44,996	85,036	\$ 107,395	\$ 210,120
Safe Drinking Water Loan	-	-	748,000	884,000	748,000	884,000
State of California Water Resources Control Board	-	-	4,859,108	5,050,921	4,859,108	5,050,921
Total	\$ 62,399	\$ 125,084	\$ 5,652,104	\$ 6,019,957	\$ 5,714,503	\$ 6,145,041

Economic Outlook and Next Year's Budget and Rates

The City of Rio Dell's adopted Fiscal Year 2024-25 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
Basic Financial Statements
For the year ended June 30, 2024

Management's Discussion and Analysis, Continued

Economic Outlook and Next Year's Budget and Rates, Continued

Historically, the City has benefited from the cyclical resilience of property and sales tax revenues. However, FY 2023-24 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 2024-25 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 2024-25 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.

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BASIC FINANCIAL STATEMENTS

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City of Rio Dell, California
Statement of Net Position
June 30, 2024

ASSETS	Governmental Activities	Business-type Activities	Total
Current assets:			
Cash and investments	\$ 3,844,668	\$ 4,843,817	\$ 8,688,485
Receivables:			
Accounts	449,667	301,452	751,119
Intergovernmental	264,936	343,958	608,894
Interest	28,869	52,672	81,541
Loans/Notes receivable	602,448	-	602,448
Prepaid items	38,546	68,000	106,546
Total current assets	<u>5,229,134</u>	<u>5,609,899</u>	<u>10,839,033</u>
Noncurrent assets:			
Capital assets:			
Nondepreciable	992,871	1,319,354	2,312,225
Depreciable	6,923,991	20,463,692	27,387,683
Total noncurrent assets	<u>7,916,862</u>	<u>21,783,046</u>	<u>29,699,908</u>
Total assets	<u>\$ 13,145,996</u>	<u>\$ 27,392,945</u>	<u>\$ 40,538,941</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 197,502	\$ 105,345	\$ 302,847
Interest payable	-	71,267	71,267
Deposits payable	-	91,149	91,149
Due within one year	-	332,033	332,033
Total current liabilities	<u>197,502</u>	<u>599,794</u>	<u>797,296</u>
Noncurrent liabilities:			
Long-term liabilities:			
Compensated absences	62,399	44,996	107,395
Due after one year	-	5,275,075	5,275,075
Total noncurrent liabilities	<u>62,399</u>	<u>5,320,071</u>	<u>5,382,470</u>
Total liabilities	<u>259,901</u>	<u>5,919,865</u>	<u>6,179,766</u>
NET POSITION			
Net investment in capital assets	7,916,862	16,507,971	24,424,833
Restricted	1,085,509	-	1,085,509
Unrestricted	3,883,724	4,965,109	8,848,833
Total net position	<u>12,886,095</u>	<u>21,473,080</u>	<u>34,359,175</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 13,145,996</u>	<u>\$ 27,392,945</u>	<u>\$ 40,538,941</u>

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

City of Rio Dell, California
Statement of Activities
For the year ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 380,037	\$ 28,080	\$ -	\$ -
Public safety - Police	1,374,394	-	189,307	-
Public works	746,169	83,836	-	188,525
Planning and building	175,246	79,459	-	-
Housing and community development	10,708	-	548,990	-
Recycling	20,355	4,295	83,994	-
Total governmental activities	2,706,909	195,670	822,291	188,525
Business-type activities:				
Sewer	2,057,361	1,482,091	51,052	-
Water	1,259,432	1,320,177	-	870,075
Total business-type activities	3,316,793	2,802,268	51,052	870,075
Total primary government	\$ 6,023,702	\$ 2,997,938	\$ 873,343	\$ 1,058,600

General revenues:

Taxes:

- Property taxes, levied for general purposes
- Sales taxes
- Cannabis taxes
- Transient occupancy taxes
- Gas taxes
- Franchise taxes

Intergovernmental:

- State motor vehicle in-lieu tax (MVLFF)

Use of money and property

Other general revenues

- Total general revenues

Change in net position

Net position:

- Beginning of year
- End of year

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

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Totals
\$ (351,957)	\$ -	\$ (351,957)
(1,185,087)	-	(1,185,087)
(473,808)	-	(473,808)
(95,787)	-	(95,787)
538,282	-	538,282
67,934	-	67,934
(1,500,423)	-	(1,500,423)
-	(524,218)	(524,218)
-	930,820	930,820
-	406,602	406,602
(1,500,423)	406,602	(1,093,821)
179,003	-	179,003
638,134	-	638,134
269,956	-	269,956
20,518	-	20,518
186,115	-	186,115
102,836	-	102,836
508,591	-	508,591
172,542	191,033	363,575
8,350	419	8,769
2,086,045	191,452	2,277,497
585,622	598,054	1,183,676
12,300,473	20,875,026	33,175,499
\$ 12,886,095	\$ 21,473,080	\$ 34,359,175

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FUND FINANCIAL STATEMENTS
MAJOR FUNDS

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.

City of Rio Dell, California
Balance Sheet
Governmental Funds
June 30, 2024

	<u>Major Funds</u>			<u>Totals</u>
	<u>General Fund</u>	<u>CDBG Special Revenue</u>	<u>Nonmajor Governmental Funds</u>	
ASSETS				
Cash and investments	\$ 1,343,861	\$ 666,238	\$ 1,721,714	\$ 3,731,813
Receivables:				
Interest	19,700	-	7,717	27,417
Intergovernmental	-	-	264,936	264,936
Loans/Notes receivable	-	602,448	-	602,448
Other receivable	382,747	-	66,920	449,667
Due from other funds	289,614	-	-	289,614
Prepaid items	38,546	-	-	38,546
Total assets	\$ 2,074,468	\$ 1,268,686	\$ 2,061,287	\$ 5,404,441
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 110,514	\$ 55	\$ 86,933	\$ 197,502
Due to other funds	-	-	289,614	289,614
Total liabilities	110,514	55	376,547	487,116
Deferred inflows of resources:				
Unavailable revenue	-	602,448	-	602,448
Total deferred inflows of resources:	-	602,448	-	602,448
Total Liabilities and deferred inflows	110,514	602,503	376,547	1,089,564
Fund balances:				
Nonspendable	38,546	-	-	38,546
Restricted	-	666,183	419,326	1,085,509
Assigned	-	-	1,321,310	1,321,310
Unassigned (Deficit)	1,925,408	-	(55,896)	1,869,512
Total fund balances	1,963,954	666,183	1,684,740	4,314,877
Total liabilities, deferred inflows and fund balances	\$ 2,074,468	\$ 1,268,686	\$ 2,061,287	\$ 5,404,441

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

City of Rio Dell, California
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2024

Total fund balances - total governmental funds \$ 4,314,877

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. 7,916,862

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.

Compensated absences (62,399)

Governmental funds notes receivable from various loan programs are deferred under the current financial resources measurement focus. The notes receivable are recognized in the government-wide Statement of Net Position under the accrual basis of accounting. 602,448

Net Position of governmental activities \$ 12,886,095

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

City of Rio Dell, California

Reconciliation of Fund Basis Balance Sheet to Government-wide Statement of Net Position

Governmental Activities

June 30, 2024

	Governmental Funds Balance Sheet	Reclassifications	Changes in GAAP	Internal Services Balances	Statement of Net Position
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Current assets:					
Cash and investments	\$ 3,731,813	\$ -	\$ -	\$ 112,855	\$ 3,844,668
Receivables:					
Interest	27,417	-	-	1,452	28,869
Loans/Notes receivable	602,448	-	-	-	602,448
Other receivable	449,667	-	-	-	449,667
Due from other funds	289,614	(289,614)	-	-	-
Prepaid items	38,546	-	-	-	38,546
Total current assets	5,404,441	(289,614)	-	114,307	5,229,134
Noncurrent assets:					
Capital assets, net	-	-	7,916,862	-	7,916,862
Total noncurrent assets	-	-	7,916,862	-	7,916,862
Total assets and deferred outflows of resources	\$ 5,404,441	\$ (289,614)	\$ 7,916,862	\$ 114,307	\$ 13,145,996
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 197,502	\$ -	\$ -	\$ -	\$ 197,502
Due to other funds	289,614	(289,614)	-	-	-
Total current liabilities	487,116	(289,614)	-	-	197,502
Noncurrent liabilities:					
Long-term liabilities:					
Compensated absences	-	-	62,399	-	62,399
Total noncurrent liabilities	-	-	62,399	-	62,399
Total liabilities	487,116	(289,614)	62,399	-	259,901
Deferred inflows of resources					
Unavailable revenue	602,448	-	(602,448)	-	-
Total liabilities and deferred inflows of resources:	1,089,564	(289,614)	(540,049)	-	259,901
FUND BALANCES/NET POSITION					
Fund balances:					
Nonspendable	38,546	(38,546)	-	-	-
Restricted	1,085,509	(1,085,509)	-	-	-
Assigned	1,321,310	(1,321,310)	-	-	-
Unassigned (deficit)	1,869,512	(1,869,512)	-	-	-
Net position:					
Net investment in capital assets	-	-	7,916,862	-	7,916,862
Restricted	-	-	1,085,509	-	1,085,509
Unrestricted	-	4,314,877	(545,460)	114,307	3,883,724
Total fund balances/net position	4,314,877	-	8,456,911	114,307	12,886,095
Total liabilities, deferred inflows and net position	\$ 5,404,441	\$ (289,614)	\$ 7,916,862	\$ 114,307	\$ 13,145,996

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

City of Rio Dell, California
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2024

	Major Funds			Totals
	General Fund	CDBG Special Revenue	Other Governmental Funds	
REVENUES:				
Property taxes	\$ 179,003	\$ -	\$ -	\$ 179,003
Sales taxes	638,134	-	-	638,134
Cannabis taxes	269,956	-	-	269,956
Occupancy taxes	20,518	-	-	20,518
Gas tax	-	-	186,115	186,115
Intergovernmental	520,468	75,770	998,939	1,595,177
Licenses, permits, and franchise fees	131,300	-	106,578	237,878
Interest and use of property	110,112	36,838	25,592	172,542
Miscellaneous	68,039	-	939	68,978
Total revenues	1,937,530	112,608	1,318,163	3,368,301
EXPENDITURES:				
Current:				
General government	307,981	-	42,275	350,256
Public safety - Police	1,142,000	-	187,002	1,329,002
Public works	64,129	-	503,438	567,567
Planning and building	53,253	-	121,993	175,246
Housing and Community Development	-	10,708	-	10,708
Recycling	-	-	20,355	20,355
Capital outlay	45,358	-	563,947	609,305
Total expenditures	1,612,721	10,708	1,439,010	3,062,439
REVENUES OVER (UNDER) EXPENDITURES	324,809	101,900	(120,847)	305,862
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	29,110	-	-	29,110
Transfers in	10,711	-	-	10,711
Transfers out	-	(3,585)	(7,126)	(10,711)
Total other financing sources (uses)	39,821	(3,585)	(7,126)	29,110
Net change in fund balances	364,630	98,315	(127,973)	334,972
FUND BALANCES:				
Beginning of year	1,599,324	567,868	1,812,713	3,979,905
End of year	\$ 1,963,954	\$ 666,183	\$ 1,684,740	\$ 4,314,877

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

City of Rio Dell, California

Reconciliation of Fund Basis Statements to Government-wide Statement of Activities

For the year ended June 30, 2024

Functions/Programs	Fund Based Totals	Compensated Absences/ Debt		Internal Service	Depreciation	Capital Asset (Additions)/ Retirements		Government- wide Totals
		Service						
Governmental activities:								
General government	\$ 350,256	\$ (62,685)	\$ (47,601)	\$ 140,067	\$ -	\$ -	\$ 380,037	
Public safety - Police	1,329,002	-	-	45,392	-	-	1,374,394	
Public works	567,567	-	-	105,455	73,147	-	746,169	
Planning and building	175,246	-	-	-	-	-	175,246	
Housing and Community Development	10,708	-	-	-	-	-	10,708	
Recycling	20,355	-	-	-	-	-	20,355	
Capital outlay	609,305	-	-	-	(609,305)	-	-	
Total governmental activities	\$ 3,062,439	\$ (62,685)	\$ (47,601)	\$ 290,914	\$ (536,158)	\$ -	\$ 2,706,909	

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

City of Rio Dell, California

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the year ended June 30, 2024

Net change in fund balances - total governmental funds \$ 334,972

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	\$ 609,305	
Disposal of capital assets	(102,257)	
Depreciation expense	<u>(290,914)</u>	216,134

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. (75,770)

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 62,685

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.

47,601

Change in Net Position of governmental activities \$ 585,622

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

City of Rio Dell, California

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual - Major Funds For the year ended June 30, 2024

	General Fund			Variance w/Final Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Property taxes	\$ 160,400	\$ 160,400	\$ 179,003	\$ 18,603
Sales taxes	643,500	643,500	638,134	(5,366)
Cannabis taxes	186,000	186,000	269,956	83,956
Occupancy taxes	20,000	20,000	20,518	518
Intergovernmental	637,702	637,702	520,468	(117,234)
Licenses, permits, and franchise fees	110,400	110,400	131,300	20,900
Interest and use of property	24,550	24,550	110,112	85,562
Miscellaneous	-	-	68,039	68,039
Total revenues	1,782,552	1,782,552	1,937,530	154,978
EXPENDITURES:				
Current:				
General government	422,463	422,463	307,981	114,482
Public safety - Police	1,214,259	1,234,259	1,142,000	92,259
Planning and public works	64,204	64,204	64,129	75
Building	53,655	53,655	53,253	402
Housing and Community Development	-	-	-	-
Capital outlay	498,000	498,000	45,358	452,642
Total expenditures	2,252,581	2,272,581	1,612,721	659,860
REVENUES OVER (UNDER) EXPENDITURES	(470,029)	(490,029)	324,809	814,838
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	10,000	10,000	29,110	19,110
Transfers in	-	-	10,711	10,711
Transfers out	-	-	-	-
Total other financing sources (uses)	10,000	10,000	39,821	29,821
Net change in fund balances	(460,029)	(480,029)	364,630	844,659
FUND BALANCES:				
Beginning of year	1,599,324	1,599,324	1,599,324	-
End of year	\$ 1,139,295	\$ 1,119,295	\$ 1,963,954	\$ 844,659

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

CDBG Special Revenue Fund			
<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance w/Final Positive (Negative)</u>
<u>Original</u>	<u>Final</u>		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
5,000	5,000	75,770	70,770
-	-	-	-
-	-	36,838	36,838
-	-	-	-
<u>5,000</u>	<u>5,000</u>	<u>112,608</u>	<u>107,608</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
100	100	10,708	(10,608)
-	-	-	-
<u>100</u>	<u>100</u>	<u>10,708</u>	<u>(10,608)</u>
-	-	-	-
4,900	4,900	101,900	97,000
-	-	-	-
-	-	-	-
-	-	(3,585)	(3,585)
-	-	(3,585)	(3,585)
<u>4,900</u>	<u>4,900</u>	<u>98,315</u>	<u>93,415</u>
567,868	567,868	567,868	-
<u>\$ 572,768</u>	<u>\$ 572,768</u>	<u>\$ 666,183</u>	<u>\$ 93,415</u>

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PROPRIETARY FUNDS

Fund	Description
Major Funds:	
Sewer Enterprise Fund	Accounts for the operation and maintenance of the City's wastewater treatment plant and collection facilities.
Water Entprrise 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, 2024

	Business-type Activities - Enterprise Funds			Governmental
	Sewer	Water	Totals	Internal
	Fund	Fund		Service Fund
ASSETS				
Current assets:				
Cash and investments	\$ 1,827,047	\$ 3,016,770	\$ 4,843,817	\$ 112,855
Receivables:				
Accounts	165,672	135,780	301,452	-
Intergovernmental	8,076	335,882	343,958	
Interest	15,766	36,906	52,672	1,452
Prepaid	-	68,000	68,000	-
Total current assets	2,016,561	3,593,338	5,609,899	114,307
Noncurrent assets:				
Assessments receivable, net of current portion			-	-
Capital assets, net	11,727,627	10,055,419	21,783,046	-
Total noncurrent assets	11,727,627	10,055,419	21,783,046	-
Total Assets	\$ 13,744,188	\$ 13,648,757	\$ 27,392,945	\$ 114,307
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 60,398	\$ 6,824	\$ 67,222	\$ -
Accrued liabilities	20,759	17,364	38,123	-
Due to other funds	-	-	-	-
Interest payable	71,267	-	71,267	-
Unearned revenue	-	-	-	-
Deposits payable	54,428	36,721	91,149	-
Compensated absences - current portion	-	-	-	-
Due within one year	196,033	136,000	332,033	-
Total current liabilities	402,885	196,909	599,794	-
Noncurrent liabilities:				
Compensated absences	18,342	26,654	44,996	-
Due after one year	4,663,075	612,000	5,275,075	-
Total noncurrent liabilities	4,681,417	638,654	5,320,071	-
Total liabilities	5,084,302	835,563	5,919,865	-
Net Position:				
Net investment in capital assets	7,064,552	9,443,419	16,507,971	-
Unrestricted	1,595,334	3,369,775	4,965,109	114,307
Total net position	8,659,886	12,813,194	21,473,080	114,307
Total liabilities and net position	\$ 13,744,188	\$ 13,648,757	\$ 27,392,945	\$ 114,307

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

City of Rio Dell, California
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the year ended June 30, 2024

	Business-type Activities - Enterprise Funds			Governmental
	Sewer Fund	Water Fund	Totals	Activities Internal Service Fund
OPERATING REVENUES:				
Charges for service	\$ 1,449,914	\$ 1,283,990	\$ 2,733,904	\$ -
Connection fees	1,827	945	2,772	-
Late fees	30,350	35,242	65,592	-
Interdepartmental charges	-	-	-	44,116
Total operating revenues	1,482,091	1,320,177	2,802,268	44,116
OPERATING EXPENSES:				
Current operations:				
General government	249,084	257,402	506,486	-
Public works	1,070,439	720,185	1,790,624	26,137
Depreciation	629,531	281,845	911,376	-
Total operating expenses	1,949,054	1,259,432	3,208,486	26,137
OPERATING INCOME	(466,963)	60,745	(406,218)	17,979
NONOPERATING REVENUES (EXPENSES):				
Gain (Loss) from the sale of capital assets	100	100	200	-
Intergovernmental revenues (expenses)	51,052	870,075	921,127	-
Capital contribution	-	-	-	-
Bad debt recovery (expense)	102	117	219	-
Interest revenue	61,059	129,974	191,033	4,376
Interest expense	(108,307)	-	(108,307)	-
Total non-operating revenues, net	4,006	1,000,266	1,004,272	4,376
NET INCOME BEFORE TRANSFERS	(462,957)	1,061,011	598,054	22,355
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total transfers	-	-	-	-
CHANGE IN NET POSITION	(462,957)	1,061,011	598,054	22,355
NET POSITION:				
Beginning of year	9,122,843	11,752,183	20,875,026	91,952
Beginning of year, as adjusted	9,122,843	11,752,183	20,875,026	91,952
End of year	\$ 8,659,886	\$ 12,813,194	\$ 21,473,080	\$ 114,307

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

City of Rio Dell, California
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2024

	Business-type Activities - Enterprise Funds			Governmental Activities
	Sewer Fund	Water Fund	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers/users for services provided	\$ 1,476,248	\$ 997,341	\$ 2,473,589	\$ -
Cash received from interfund services provided	-	-	-	44,116
Cash payments to suppliers for goods and services	(934,662)	(867,741)	(1,802,403)	(26,137)
Cash payments to employees for services	(355,326)	(164,264)	(519,590)	-
Net cash provided by operating activities	186,260	(34,664)	151,596	17,979
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers received	-	-	-	-
Other non-operating payments	102	870,192	870,294	25,246
Net cash used by noncapital financing activities	102	870,192	870,294	25,246
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital grants received	51,052	-	51,052	-
Acquisition and construction of capital assets	(242,704)	(726,875)	(969,579)	-
Principal paid on long term debt	(191,813)	(136,000)	(327,813)	-
Interest paid on long term debt	(111,120)	-	(111,120)	-
Net cash (used) by capital and related financing activities	(494,585)	(862,875)	(1,357,460)	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income received	52,189	109,845	162,034	3,305
Net cash provided by investing activities	52,189	109,845	162,034	3,305
Net increase (decrease) in cash and cash equivalents	(256,034)	82,498	(173,536)	46,530
CASH AND CASH EQUIVALENTS:				
Beginning of year	2,083,081	2,934,272	5,017,353	66,325
End of year	<u>\$ 1,827,047</u>	<u>\$ 3,016,770</u>	<u>\$ 4,843,817</u>	<u>\$ 112,855</u>
Reconciliation of income from operations to net cash provided by operating activities:				
Operating income	\$ (466,963)	\$ 60,745	\$ (406,218)	\$ 17,979
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	629,531	281,845	911,376	-
(Increase) decrease in current assets:				
Accounts receivable	2,233	13,046	15,279	-
Intergovernmental receivables	(8,076)	(335,882)	(343,958)	-
Increase (decrease) in liabilities:				
Accounts payable	35,791	(25,191)	10,600	-
Accrued liabilities	2,716	2,536	5,252	-
Deposits payable	2,159	(2,854)	(695)	-
Compensated absences	(11,131)	(28,909)	(40,040)	-
Net cash provided by operating activities	\$ 186,260	\$ (34,664)	\$ 151,596	\$ 17,979

There were no noncash investing, capital, or financing activities affecting recognized assets and liabilities for the year ended June 30, 2024.

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

FIDUCIARY ACTIVITIES

Fund	Description
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
Fiduciary Funds
June 30, 2024

	<u>Custodial Fund</u>
ASSETS	
Cash and investments	\$ 33,077
Interest receivable	425
Total assets	<u>33,502</u>
LIABILITIES	
Accounts payable	-
Total Liabilities	<u>-</u>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	33,502
Total net position	<u>\$ 33,502</u>

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

City of Rio Dell, California
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	<u>Custodial Fund</u>
ADDITIONS	
Intergovernmental revenue	\$ 18,900
Interest earned	1,461
Total additions	<u>20,361</u>
DEDUCTIONS	
Administrative expense	-
Total deductions	<u>-</u>
Net increase (decrease) in fiduciary net position	20,361
Net position - beginning	13,141
Net position - ending	<u>\$ 33,502</u>

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

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NOTES TO BASIC FINANCIAL STATEMENTS

City of Rio Dell, California
Basic Financial Statements
For the year ended June 30, 2024

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City of Rio Dell, California
Notes to Basic Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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, Finance Department, 675 Wildwood Ave., Rio Dell, CA 95562.

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.

City of Rio Dell, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

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.

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:

- a. 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
- b. 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

City of Rio Dell, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

Basis of Presentation, Continued

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.

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.

City of Rio Dell, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

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. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as Net position, which serves as an indicator of financial position.

In the fund financial statements, the “current financial resources” measurement focus is used for governmental funds. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

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.

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.

City of Rio Dell, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

Basis of Accounting, Continued

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.

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.

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.

City of Rio Dell, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

Assets, Liabilities, and Equity, Continued

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.

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.

City of Rio Dell, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

Assets, Liabilities, and Equity, Continued

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, Continued
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

Assets, Liabilities, and Equity, Continued

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.

City of Rio Dell, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

Assets, Liabilities, and Equity, Continued

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).

Equity Classification

Government-Wide 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 bylaws 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).

City of Rio Dell, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

Equity Classification, Continued

Fund Financial Statements, continued

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

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).

City of Rio Dell, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

Revenues, Expenditures, and 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.

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.

City of Rio Dell, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

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.

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, 2024. 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.

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.

Reclassifications

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

City of Rio Dell, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

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, 2024, 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
	<1	1 to 3	3 to 5		
<u>Cash equivalents and investments pooled</u>					
Pooled cash, at fair value					
Cash in bank	\$ -	\$ -	\$ -	\$ 1,455,610	\$ 1,455,610
Petty cash	-	-	-	1,250	1,250
Total pooled items	-	-	-	1,456,860	1,456,860
<u>Pooled investments, at fair value</u>					
State of California Local Agency Investment Fund	7,264,702	-	-	-	7,264,702
Total pooled investments - interest obligations	7,264,702	-	-	-	7,264,702
Total cash equivalents and investments pooled	\$ 7,264,702	\$ -	\$ -	\$ 1,456,860	\$ 8,721,562
Amounts reported in:					
Governmental activities					\$ 3,844,668
Business-type activities					4,843,817
Fiduciary activities					33,077
Total					\$ 8,721,562

Investment Type	Fair Value	Maturity (Years)
State of California Local Agency Investment Fund	\$ 7,264,702	-
Total fair value	\$ 7,264,702	
Portfolio weighted average maturity		-

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.

City of Rio Dell, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

2. CASH AND INVESTMENTS, *continued*

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, 2024, the carrying amount of the City’s deposits was \$1,455,610 and the balances in financial institutions were \$1,546,599. Of the balance in financial institutions, \$250,000 was covered by federal depository insurance and \$1,296,599 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, 2024, 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, Continued
For the year ended June 30, 2024

2. CASH AND INVESTMENTS, *continued*

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, 2024 was \$21.974 billion of which the City had a balance of \$7,264,702. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2024 has a portfolio with market valuation of \$179.0 billion. Of the total invested, 97% was invested in non-derivative financial products and 3% 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.

3. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30, 2024:

	<u>Receivables</u>
Governmental activities	
Accounts receivable	\$ 449,667
Intergovernmental	264,936
Interest	28,869
	<u>\$ 743,472</u>
Business-type activities	
Accounts receivable	\$ 301,452
Intergovernmental	343,958
Interest	52,672
	<u>\$ 698,082</u>
Fiduciary activities	
Interest	425
	<u>\$ 425</u>

These amounts resulted in the following concentrations in receivables:

Other governments	42.2%
Individuals/Business	90.2 %
Financial Institutions	9.8 %

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

City of Rio Dell, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

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.

Loans and notes receivable for the year ended June 30, 2024, consisted of the following:

	Beginning July 1, 2023	Additions	Deletions	Ending June 30, 2024
Housing Rehabilitation and Affordable Housing Notes	\$ 678,218	\$ -	\$ (75,770)	\$ 602,448
Total loans receivable	<u>\$ 678,218</u>	<u>\$ -</u>	<u>\$ (75,770)</u>	<u>\$ 602,448</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.

City of Rio Dell, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

5. CAPITAL ASSETS

Governmental capital asset activity for the year ended June 30, 2024, was as follows:

	Balance 6/30/2023	Additions	Retirements Transfers	Balance 6/30/2024
Capital assets (Not Depreciated)				
Land	\$ 627,945	\$ -	\$ -	\$ 627,945
Construction in progress	100,150	364,926	(100,150)	364,926
Total capital assets (not depreciated)	728,095	364,926	(100,150)	992,871
Capital assets (being depreciated)				
Buildings and improvements	556,889	211,776		768,665
Equipment	638,706	30,504	-	669,210
Vehicles	413,177	-	(56,060)	357,117
Streets and roads	3,602,086	-	-	3,602,086
Infrastructures	3,925,220	-	-	3,925,220
Total capital assets (being depreciated)	9,136,078	242,280	(56,060)	9,322,298
Less accumulated depreciation:				
Buildings and improvements	106,503	25,736	-	132,239
Equipment	563,569	22,751	3	586,323
Vehicles	203,706	50,655	(56,059)	198,302
Streets and roads	534,955	93,020	-	627,975
Infrastructure	754,712	98,752	4	853,468
Total accumulated depreciation	2,163,445	290,914	(56,052)	2,398,307
Governmental activities capital assets, net	\$ 7,700,728	\$ 316,292	\$ (100,158)	\$ 7,916,862

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

<u>Governmental-Type Activities</u>	
General Government	\$ 140,067
Public Safety	45,392
Planning and public works	105,455
Total Governmental Activities	\$ 290,914

City of Rio Dell, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

5. CAPITAL ASSETS, *continued*

Business-type capital asset activity for the year ended June 30, 2024, was as follows:

	Balance 6/30/2023	Additions	Retirements/ Adjustments	Balance 6/30/2024
Capital assets (Not Depreciated)				
Land	\$ 507,859	\$ -	\$ -	\$ 507,859
Construction in progress	117,864	784,425	(90,794)	811,495
Total capital assets (not depreciated)	<u>625,723</u>	<u>784,425</u>	<u>(90,794)</u>	<u>1,319,354</u>
Capital assets (being depreciated)				
Infrastructure	27,680,316	13,561	-	27,693,877
Buildings and Improvements	206,508	-	-	206,508
Equipments	1,464,739	262,584	-	1,727,323
Vehicles	240,970	-	-	240,970
Total capital assets (being depreciated)	<u>29,592,533</u>	<u>276,145</u>	<u>-</u>	<u>29,868,678</u>
Less accumulated depreciation:				
Infrastructure	6,992,869	774,278	-	7,767,147
Buildings and Improvements	192,308	676	-	192,984
Equipments	1,202,830	109,113	-	1,311,943
Vehicles	105,606	27,306	-	132,912
Total accumulated depreciation	<u>8,493,613</u>	<u>911,373</u>	<u>-</u>	<u>9,404,986</u>
Net depreciable assets	<u>21,098,920</u>	<u>(635,228)</u>	<u>-</u>	<u>20,463,692</u>
Total net capital assets	<u>\$ 21,724,643</u>	<u>\$ 149,197</u>	<u>\$ (90,794)</u>	<u>\$ 21,783,046</u>

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 on program are as follows:

<u>Business-Type Activities</u>	
Sewer	\$ 629,530
Water	281,843
Total Business-Type Activities	<u>\$ 911,373</u>

City of Rio Dell, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following at June 30, 2024:

	Governmental Activities	Business-type Activities	Total
Accounts payable	\$ 100,206	\$ 67,222	\$ 167,428
Accrued payroll and related liabilities	97,296	38,123	135,419
Total	\$ 197,502	\$ 105,345	\$ 302,847

These amounts resulted in the following concentrations in payables:

Vendors	55%
Employees	45%

Amounts do not indicate a significant concentration (greater than 25%) with any single vendor or employee.

7. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2024:

	Original Issue Amount	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024	Due Within One Year
Governmental Activities:						
Compensated absences	\$ -	\$ 125,084		\$ (62,685)	\$ 62,399	\$ -
Total governmental activities	\$ -	\$ 125,084	\$ -	\$ (62,685)	\$ 62,399	\$ -
Business-type activities						
Safe Drinking Water Loan	\$ 2,720,000	\$ 884,000	\$ -	\$ (136,000)	\$ 748,000	\$ 136,000
State of California Water Resources Control Board	6,980,359	5,050,921	-	(191,813)	4,859,108	196,033
Total business-type activity debt	10,236,159	5,934,921	-	(327,813)	5,607,108	332,033
Compensated absences	-	85,036	-	(40,040)	44,996	-
Total business-type activities	\$ -	\$ 6,019,957	\$ -	\$ (367,853)	\$ 5,652,104	\$ 332,033

City of Rio Dell, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

7. LONG-TERM LIABILITIES, *continued*

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 \$62,399 at June 30, 2024. The net changes of the compensated absences are allocated to the public safety 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, 2024, the balance of the note was \$748,000.

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 \$302,933 and continue through the fiscal year 2044. At June 30, 2024, the balance of the note was \$4,859,108.

City of Rio Dell, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

7. LONG-TERM LIABILITIES, continued

Debt Service

Future debt service for Business-Type Activities at June 30, 2024, 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 Control Board		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 136,000	\$ -	\$ 196,033	\$ 106,900	\$ 332,033	\$ 106,900
2026	136,000	-	200,346	102,588	336,346	102,588
2027	136,000	-	204,753	98,180	340,753	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 - 2034	68,000	-	1,141,986	372,813	1,209,986	372,813
2035 - 2039	-	-	1,273,256	241,411	1,273,256	241,411
2040 - 2044	-	-	1,419,614	95,054	1,419,614	95,054
2045 - 2049	-	-	-	-	-	-
Total	\$ 748,000	\$ -	\$ 4,859,108	\$ 1,199,693	\$ 5,607,108	\$ 1,199,693
Due within one year	\$ 136,000	\$ -	\$ 196,033	\$ 106,900	\$ 332,033	\$ 106,900
Due after one year	612,000	-	4,663,075	1,092,793	5,275,075	1,092,793
Total	\$ 748,000	\$ -	\$ 4,859,108	\$ 1,199,693	\$ 5,607,108	\$ 1,199,693

City of Rio Dell, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

8. NET POSITION/ FUND BALANCES

Net position

	Governmental Activities	Business-type Activities	Total
Net investment in capital assets	\$ 7,916,862	\$ 16,507,971	\$ 24,424,833
Restricted	1,085,509	-	1,085,509
Unrestricted	3,883,724	4,965,109	8,848,833
Total	<u>\$ 12,886,095</u>	<u>\$ 21,473,080</u>	<u>\$ 34,359,175</u>

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

Fund Balance

Nonspendable and Restricted fund balance consisted of the following at June 30, 2024:

Nonspendable:	
Prepaid items	\$ 38,546
Total Nonspendable	<u>\$ 38,546</u>
Restricted:	
Governmental Funds:	
CDBG	\$ 666,183
Gas Tax	354,235
RSTP	52,035
STIP	8,256
Clean CA Grant ER Trails	4,800
Total Restricted	<u>\$ 1,085,509</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.
- **STIP** – represents amounts restricted in accordance with the State Transportation Improvement Program.
- **Clean CA Grant ER Trails** – represents amounts restricted for the Clean California Eel River Trail Project.

City of Rio Dell, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

8. NET POSITION/ FUND BALANCES, continued

Fund Balance Deficits

Deficit fund balances consisted of the following:

	As of June 30, 2024
Nonmajor Special Revenue Funds:	
Building	\$ 35,565
Park Per Capita Grant	10,903
Earthquake Disaster Fund	9,428
Total Nonmajor Funds	\$ 55,896

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 and transfers exceeded appropriations for the year ended June 30, 2024, for the following funds:

Fund	Final Appropriations	Expenditures and Transfers	Excess
<u>Major Fund</u>			
CDBG Special Revenue Fund	\$ 100	\$ 14,293	\$ (14,193)
<u>Non-Major Funds</u>			
<u>Special Revenue Funds</u>			
Gas Tax	\$ 172,636	\$ 185,997	\$ (13,361)
TDA	127,089	140,578	(13,489)
Solid Waste	6,820	14,298	(7,478)
SLESF	155,667	187,002	(31,335)
STIP	-	17,170	(17,170)
Earthquake Disaster	-	177,931	(177,931)

City of Rio Dell, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

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, 2024:

	Due from Other Funds	Due to Other Funds
<u>Governmental Funds</u>		
Major Funds:		
General Fund	\$ 289,614	\$ -
Total Major Funds	289,614	-
Nonmajor Funds:		
TDA	-	11,243
Measure Z	-	791
STIP	-	22,335
Building	-	34,198
Traffic Safety	-	3,207
Park Per Capita Grant	-	10,903
Clean CA Grant ER Trails	-	197,509
Earthquake Disaster Fund	-	9,428
Total Nonmajor Funds	-	289,614
Total Governmental Funds	289,614	289,614
Total	\$ 289,614	\$ 289,614

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.

City of Rio Dell, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

9. INTERFUND TRANSACTIONS, CONTINUED

Transfers consisted of the following at June 30, 2024:

	Transfers In	Transfers Out
<u>Governmental Funds</u>		
Major Funds:		
General Fund	\$ 10,711	\$ -
CDBG Special Revenue	-	3,585
Total Major Funds	10,711	3,585
Nonmajor Funds:		
Special Revenue Funds		
Solid Waste	-	3,054
Building	-	4,072
Total Nonmajor Funds	-	7,126
Total Governmental Funds	10,711	10,711

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, 2024, 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.

City of Rio Dell, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

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 percent. During the year ended June 30, 2024, the City paid HTA \$49,937. 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.

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.

City of Rio Dell, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

11. JOINT POWERS AGREEMENTS, CONTINUED

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 percent, based on population. During the year ended June 30, 2024, 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 520 E Street, Eureka, California 95001.

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, Continued
For the year ended June 30, 2024

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, 2024, the City made contributions totaling \$245,706 to the plan.

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.

Commitments

The City had no significant unexpended contractual commitments as of June 30, 2024.

14. NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 99, "*Omnibus 2022*." The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to leases, PPPs, and SBITAs will take effect for financial statements starting with the fiscal year that ends June 30, 2024. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 will take effect for financial statements starting with the fiscal year that ends June 30, 2024. The implementation of this statement did not have an effect on the financial statements.

City of Rio Dell, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

14. NEW ACCOUNTING PRONOUNCEMENTS, CONTINUED

The GASB has issued Statement No. 100, "*Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62.*" The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2024. The implementation of this statement did not have an effect on the financial statements.

The GASB has issued Statement No. 101, "*Compensated Absences.*" The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2025.

The GASB has issued Statement No. 102, "*Certain Risk Disclosures.*" The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2025.

The GASB has issued Statement No. 103, "*Financial Reporting Model Improvements.*" The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2026.

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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NON-MAJOR SPECIAL REVENUE FUNDS

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 Capital Grant	Accounts for funds received and expended for Park Per Capita Grant.
Clean CA Grant ER Trails	Accounts for funds received and expended for Clean California Eel River Trail Project.
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, 2024

	Gas Tax	TDA	RSTP	Solid Waste	SLESF	Measure Z	STIP
ASSETS							
Cash and investments	\$ 336,275	\$ 67,177	\$ 15,917	\$ 6,791	\$ 121,302	\$ 791	\$ 30,591
Receivables:							
Interest	1,722	860	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Other receivable	23,690	4,745	37,296	1,189	-	-	-
Total assets	\$ 361,687	\$ 72,782	\$ 53,213	\$ 7,980	\$ 121,302	\$ 791	\$ 30,591
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 7,452	\$ 1,730	\$ 1,178	\$ 2,968	\$ 7,598	\$ -	\$ -
Due to other funds	-	11,243	-	-	-	791	22,335
Total liabilities:	7,452	12,973	1,178	2,968	7,598	791	22,335
Fund Balances:							
Restricted	354,235	-	52,035	-	-	-	8,256
Assigned	-	59,809	-	5,012	113,704	-	-
Unassigned (deficit)	-	-	-	-	-	-	-
Total fund balances	354,235	59,809	52,035	5,012	113,704	-	8,256
Total liabilities deferred inflows and fund balances	\$ 361,687	\$ 72,782	\$ 53,213	\$ 7,980	\$ 121,302	\$ 791	\$ 30,591

Building	Recycling	Economic Development	ARPA	Traffic Safety	Park Per Capita Grant	Clean CA Grant ER Trails	Eathquake Disaster Fund	Totals
\$ -	\$ 137,703	\$ 261,828	\$ 740,132	\$ 3,207	\$ -	\$ -	\$ -	\$ 1,721,714
-	1,770	3,365	-	-	-	-	-	7,717
-	-	-	-	-	-	264,936	-	264,936
-	-	-	-	-	-	-	-	66,920
<u>\$ -</u>	<u>\$ 139,473</u>	<u>\$ 265,193</u>	<u>\$ 740,132</u>	<u>\$ 3,207</u>	<u>\$ -</u>	<u>\$ 264,936</u>	<u>\$ -</u>	<u>\$ 2,061,287</u>
\$ 1,367	\$ -	\$ 2,013	\$ -	\$ -	\$ -	62,627	\$ -	\$ 86,933
34,198	-	-	-	3,207	10,903	197,509	9,428	289,614
<u>35,565</u>	<u>-</u>	<u>2,013</u>	<u>-</u>	<u>3,207</u>	<u>10,903</u>	<u>260,136</u>	<u>9,428</u>	<u>376,547</u>
-	-	-	-	-	-	4,800	-	419,326
-	139,473	263,180	740,132	-	-	-	-	1,321,310
(35,565)	-	-	-	-	(10,903)	-	(9,428)	(55,896)
<u>(35,565)</u>	<u>139,473</u>	<u>263,180</u>	<u>740,132</u>	<u>-</u>	<u>(10,903)</u>	<u>4,800</u>	<u>(9,428)</u>	<u>1,684,740</u>
<u>\$ -</u>	<u>\$ 139,473</u>	<u>\$ 265,193</u>	<u>\$ 740,132</u>	<u>\$ 3,207</u>	<u>\$ -</u>	<u>\$ 264,936</u>	<u>\$ -</u>	<u>\$ 2,061,287</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, 2024

	Gas Tax	TDA	RSTP	Solid Waste	SLESF	Measure Z	STIP
REVENUES:							
Gas tax	\$ 186,115	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	125,803	37,296	-	177,430	-	25,426
Licenses, permits, and franchise taxes	2,000	-	-	4,295	-	-	-
Interest and use of property	6,765	3,383	-	-	-	-	-
Miscellaneous	361	361	-	-	-	-	-
Total revenues	195,241	129,547	37,296	4,295	177,430	-	25,426
EXPENDITURES:							
Current:							
General government	13,405	9,684	-	-	-	-	-
Public safety - Police	-	-	-	-	187,002	-	-
Public works	172,592	130,894	20,786	-	-	-	-
Planning and building	-	-	-	-	-	-	-
Housing and Community Development	-	-	-	-	-	-	-
Recycling	-	-	-	11,244	-	-	-
Capital outlay	-	-	-	-	-	-	17,170
Total expenditures	185,997	140,578	20,786	11,244	187,002	-	17,170
REVENUES OVER (UNDER) EXPENDITURES	9,244	(11,031)	16,510	(6,949)	(9,572)	-	8,256
OTHER FINANCING SOURCES (USES):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	(3,054)	-	-	-
Total other financing sources and uses	-	-	-	(3,054)	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	9,244	(11,031)	16,510	(10,003)	(9,572)	-	8,256
FUND BALANCES (DEFICITS):							
Beginning of year	344,991	70,840	35,525	15,015	123,276	-	-
End of year	\$ 354,235	\$ 59,809	\$ 52,035	\$ 5,012	\$ 113,704	\$ -	\$ 8,256

Building	Recycling	Economic Development	Park Per Capita Grant	Clean CA Grant ER Trails	Eathquake Disaster Fund	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 186,115
-	83,994	-	-	548,990	-	998,939
90,283	-	-	-	-	10,000	106,578
-	3,736	11,708	-	-	-	25,592
217	-	-	-	-	-	939
<u>90,500</u>	<u>87,730</u>	<u>11,708</u>	<u>-</u>	<u>548,990</u>	<u>10,000</u>	<u>1,318,163</u>
-	-	19,186	-	-	-	42,275
-	-	-	-	-	-	187,002
-	-	-	1,235	-	177,931	503,438
121,993	-	-	-	-	-	121,993
-	-	-	-	-	-	-
-	9,111	-	-	-	-	20,355
-	-	-	2,800	543,977	-	563,947
<u>121,993</u>	<u>9,111</u>	<u>19,186</u>	<u>4,035</u>	<u>543,977</u>	<u>177,931</u>	<u>1,439,010</u>
<u>(31,493)</u>	<u>78,619</u>	<u>(7,478)</u>	<u>(4,035)</u>	<u>5,013</u>	<u>(167,931)</u>	<u>(120,847)</u>
-	-	-	-	-	-	-
<u>(4,072)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,126)</u>
(4,072)	-	-	-	-	-	(7,126)
(35,565)	78,619	(7,478)	(4,035)	5,013	(167,931)	(127,973)
-	60,854	270,658	(6,868)	(213)	158,503	1,812,713
<u>\$ (35,565)</u>	<u>\$ 139,473</u>	<u>\$ 263,180</u>	<u>\$ (10,903)</u>	<u>\$ 4,800</u>	<u>\$ (9,428)</u>	<u>\$ 1,684,740</u>

City of Rio Dell, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Gas Tax Special Revenue Fund

For the year ended June 30, 2024

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Gas Tax	\$ 186,244	\$ 186,244	\$ 186,115	\$ (129)
Licenses, permits, and franchise taxes	2,000	2,000	2,000	-
Use of money and property	-	-	6,765	6,765
Total revenues	188,244	188,244	195,241	6,997
EXPENDITURES:				
Current:				
General government	17,759	17,759	13,405	4,354
Public works	154,877	154,877	172,592	(17,715)
Capital outlay	-	-	-	-
Total expenditures	172,636	172,636	185,997	(13,361)
REVENUES OVER (UNDER) EXPENDITURES	15,608	15,608	9,244	(6,364)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	15,608	15,608	9,244	(6,364)
FUND BALANCES (DEFICIT):				
Beginning of year	344,991	344,991	344,991	-
End of year	\$ 360,599	\$ 360,599	\$ 354,235	\$ (6,364)

City of Rio Dell, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

TDA Special Revenue Fund

For the year ended June 30, 2024

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 125,803	\$ 125,803	\$ 125,803	\$ -
Interest and use of property	-	-	3,383	3,383
Miscellaneous	-	-	361	361
Total revenues	125,803	125,803	129,547	3,744
EXPENDITURES:				
Current:				
General government	13,459	13,459	9,684	3,775
Public works	113,630	113,630	130,894	(17,264)
Capital outlay	-	-	-	-
Total expenditures	127,089	127,089	140,578	(13,489)
REVENUES OVER (UNDER) EXPENDITURES	(1,286)	(1,286)	(11,031)	(9,745)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(1,286)	(1,286)	(11,031)	(9,745)
FUND BALANCES (DEFICIT):				
Beginning of year	70,840	70,840	70,840	-
End of year	\$ 69,554	\$ 69,554	\$ 59,809	\$ (9,745)

City of Rio Dell, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

RSTP Special Revenue Fund

For the year ended June 30, 2024

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 27,000	\$ 27,000	\$ 37,296	\$ 10,296
Interest and use of property	-	-	-	-
Total revenues	27,000	27,000	37,296	10,296
EXPENDITURES:				
Current:				
Public works	24,102	24,102	20,786	3,316
Capital outlay	-	-	-	-
Total expenditures	24,102	24,102	20,786	3,316
REVENUES OVER (UNDER) EXPENDITURES	2,898	2,898	16,510	13,612
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	2,898	2,898	16,510	13,612
FUND BALANCES (DEFICIT):				
Beginning of year	35,525	35,525	35,525	-
End of year	\$ 38,423	\$ 38,423	\$ 52,035	\$ 13,612

City of Rio Dell, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Solid Waste Special Revenue Fund

For the year ended June 30, 2024

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Licenses, permits, and franchise taxes	\$ 5,000	\$ 5,000	\$ 4,295	\$ (705)
Use of money and property	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	5,000	5,000	4,295	(705)
EXPENDITURES:				
Current:				
Recycling	6,820	6,820	11,244	(4,424)
Total expenditures	6,820	6,820	11,244	(4,424)
REVENUES OVER (UNDER) EXPENDITURES	(1,820)	(1,820)	(6,949)	(5,129)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	(3,054)	(3,054)
Total other financing sources (uses)	-	-	(3,054)	(3,054)
Net change in fund balances	(1,820)	(1,820)	(10,003)	(8,183)
FUND BALANCES (DEFICIT):				
Beginning of year	15,015	15,015	15,015	-
End of year	\$ 13,195	\$ 13,195	\$ 5,012	\$ (8,183)

City of Rio Dell, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

SLESF Special Revenue Fund

For the year ended June 30, 2024

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
REVENUES:				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 177,430	\$ 27,430
Use of money and property	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	150,000	150,000	177,430	27,430
EXPENDITURES:				
Current:				
Public safety - Police	155,667	155,667	187,002	(31,335)
Total expenditures	155,667	155,667	187,002	(31,335)
REVENUES OVER (UNDER)				
EXPENDITURES	(5,667)	(5,667)	(9,572)	(3,905)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(5,667)	(5,667)	(9,572)	(3,905)
FUND BALANCES (DEFICIT):				
Beginning of year	123,276	123,276	123,276	-
End of year	\$ 117,609	\$ 117,609	\$ 113,704	\$ (3,905)

City of Rio Dell, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Measure Z Special Revenue Fund

For the year ended June 30, 2024

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
Public safety - Police	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
FUND BALANCES (DEFICIT):				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

City of Rio Dell, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

STIP Special Revenue Fund

For the year ended June 30, 2024

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 25,426	\$ 25,426
Total revenues	-	-	25,426	25,426
EXPENDITURES:				
Current:				
Public works	-	-	-	-
Capital outlay	-	-	17,170	(17,170)
Total expenditures	-	-	17,170	(17,170)
REVENUES OVER (UNDER) EXPENDITURES	-	-	8,256	8,256
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	8,256	8,256
FUND BALANCES (DEFICIT):				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ 8,256	\$ 8,256

City of Rio Dell, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Building Special Revenue Fund Budget

For the year ended June 30, 2024

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Licenses, permits, and franchise taxes	\$ 56,150	\$ 56,150	\$ 90,283	\$ 34,133
Miscellaneous	-	-	217	217
Total revenues	56,150	56,150	90,500	34,350
EXPENDITURES:				
Current:				
Planning and building	125,936	125,936	121,993	3,943
Total expenditures	125,936	125,936	121,993	3,943
REVENUES OVER (UNDER) EXPENDITURES	(69,786)	(69,786)	(31,493)	38,293
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	(4,072)	(4,072)
Total other financing sources (uses)	-	-	(4,072)	(4,072)
Net change in fund balances	(69,786)	(69,786)	(35,565)	34,221
FUND BALANCES (DEFICIT):				
Beginning of year	-	-	-	-
End of year	\$ (69,786)	\$ (69,786)	\$ (35,565)	\$ 34,221

City of Rio Dell, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Recycling Special Revenue Fund

For the year ended June 30, 2024

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 5,000	\$ 5,000	\$ 83,994	\$ 78,994
Interest and use of property	-	-	3,736	3,736
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>87,730</u>	<u>82,730</u>
EXPENDITURES:				
Current:				
Recycling	<u>12,000</u>	<u>12,000</u>	<u>9,111</u>	<u>2,889</u>
Total expenditures	<u>12,000</u>	<u>12,000</u>	<u>9,111</u>	<u>2,889</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(7,000)</u>	<u>(7,000)</u>	<u>78,619</u>	<u>85,619</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(7,000)</u>	<u>(7,000)</u>	<u>78,619</u>	<u>85,619</u>
FUND BALANCES (DEFICIT):				
Beginning of year	<u>60,854</u>	<u>60,854</u>	<u>60,854</u>	<u>-</u>
End of year	<u>\$ 53,854</u>	<u>\$ 53,854</u>	<u>\$ 139,473</u>	<u>\$ 85,619</u>

City of Rio Dell, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Economic Development Special Revenue Fund

For the year ended June 30, 2024

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest and use of property	-	-	11,708	11,708
Total revenues	-	-	11,708	11,708
EXPENDITURES:				
Current:				
General government	77,000	77,000	19,186	57,814
Total expenditures	77,000	77,000	19,186	57,814
REVENUES OVER (UNDER)				
EXPENDITURES	(77,000)	(77,000)	(7,478)	69,522
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(77,000)	(77,000)	(7,478)	69,522
FUND BALANCES (DEFICIT):				
Beginning of year	270,658	270,658	270,658	-
End of year	\$ 193,658	\$ 193,658	\$ 263,180	\$ 69,522

City of Rio Dell, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

ARPA Special Revenue Fund

For the year ended June 30, 2024

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest and use of property	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES:				
Capital outlay	140,000	140,000	-	140,000
Total expenditures	140,000	140,000	-	140,000
REVENUES OVER (UNDER) EXPENDITURES	(140,000)	(140,000)	-	140,000
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(140,000)	(140,000)	-	140,000
FUND BALANCES (DEFICIT):				
Beginning of year	740,132	740,132	740,132	-
End of year	\$ 600,132	\$ 600,132	\$ 740,132	\$ 140,000

City of Rio Dell, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Traffic Safety Special Revenue Fund

For the year ended June 30, 2024

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest and use of property	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
Public works	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
FUND BALANCES (DEFICIT):				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

City of Rio Dell, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Park Per Capita Grant

For the year ended June 30, 2024

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 40,508	\$ -	\$ (40,508)
Interest and use of property	-	-	-	-
Total revenues	-	40,508	-	(40,508)
EXPENDITURES:				
Current:				
Public works	0	0	1,235	(1,235)
Total expenditures	-	-	1,235	(1,235)
REVENUES OVER (UNDER) EXPENDITURES				
	-	40,508	(1,235)	(41,743)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	40,508	(1,235)	(41,743)
FUND BALANCES (DEFICIT):				
Beginning of year	(6,868)	(6,868)	(6,868)	-
End of year	\$ (6,868)	\$ 33,640	\$ (8,103)	\$ (41,743)

City of Rio Dell, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Clean CA Grant ER Trails

For the year ended June 30, 2024

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
REVENUES:				
Intergovernmental	\$ 2,412,799	\$ 2,374,799	\$ 548,990	\$ (1,825,809)
Interest and use of property	-	-	-	-
Total revenues	<u>2,412,799</u>	<u>2,374,799</u>	<u>548,990</u>	<u>(1,825,809)</u>
EXPENDITURES:				
Current:				
Public works	2,412,799	2,412,799	-	2,412,799
Total expenditures	<u>2,412,799</u>	<u>2,412,799</u>	<u>-</u>	<u>2,412,799</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>-</u>	<u>(38,000)</u>	<u>548,990</u>	<u>586,990</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>(38,000)</u>	<u>548,990</u>	<u>586,990</u>
FUND BALANCES (DEFICIT):				
Beginning of year	(213)	(213)	(213)	-
End of year	<u>\$ (213)</u>	<u>\$ (38,213)</u>	<u>\$ 548,777</u>	<u>\$ 586,990</u>

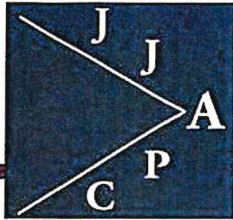
Section N, Item 1.

City of Rio Dell, California**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual****Earthquake Disaster Fund****For the year ended June 30, 2024**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	10,000	10,000
Total revenues	-	-	10,000	10,000
EXPENDITURES:				
Current:				
Public works	-	-	177,931	(177,931)
Total expenditures	-	-	177,931	(177,931)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(167,931)	(167,931)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	(167,931)	(167,931)
FUND BALANCES (DEFICIT):				
Beginning of year	158,503	158,503	158,503	-
End of year	<u>\$ 158,503</u>	<u>\$ 158,503</u>	<u>\$ (9,428)</u>	<u>\$ (167,931)</u>

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JJACPA, Inc.

A Professional Accounting Services Corp.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Independent Auditor’s Report

The Honorable City Council
City of Rio Dell
Rio Dell, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison information of the City of Rio Dell (City) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated March 7, 2025.

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 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*.

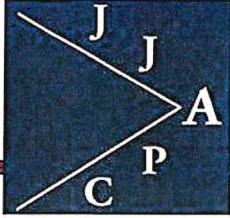
Purpose of this Report

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.

March 7, 2025

JJACPA, Inc.
JJACPA, Inc.
Dublin, CA

CITY OF RIO DELL
COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE AND
COMMUNICATION OF INTERNAL CONTROL RELATED MATTERS
JUNE 30, 2024



JJACPA, Inc.

A Professional Accounting Services Corp.

March 7, 2025

City Council
City of Rio Dell
Rio Dell, California

We have audited the financial statements of City of Rio Dell (City) as of and for the year ended June 30, 2024 and have issued our report thereon dated March 7, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter May 22, 2024, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2023-24. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are useful lives of capital assets ("useful lives").

Management's estimate of the useful lives is based on experience with and observation of capital assets, by category (e.g. infrastructure) as well as industry standards, when applicable (i.e. buildings). We evaluated the key factors and assumptions used to develop the useful lives and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City's financial statements relate to commitments and contingencies.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also

communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated March 7, 2025.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Findings or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the City, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the entity's auditors.

Communication of Internal Control Related Matters

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the 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 may exist that have not been identified.

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

Very truly yours,

Joseph J. Arch, CPA

JOSEPH J ARCH, CPA
President/CEO
JJACPA, INC



March 7, 2025

JJACPA, Inc.
7080 Donlon Way, Suite #204
Dublin, CA 94568

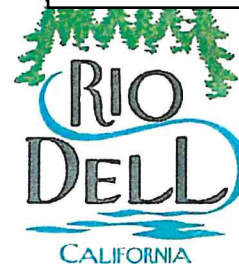
This representation letter is provided in connection with your audit of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information and the budgetary comparison information of the City of Rio Dell (City) as of June 30, 2024 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the City in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of March 7, 2025:

Financial Statements

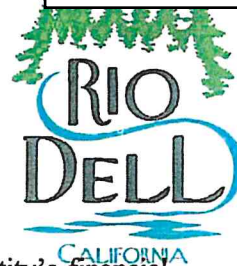
- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated May 22, 2024, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.




- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;



- Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
 - We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
 - We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
 - There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
 - The City has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
 - We have disclosed to you all guarantees, whether written or oral, under which the City is contingently liable.
 - We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
 - We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
 - There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
 - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
 - The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
 - We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.



 Kyle Knopp, City Manager



 Travis Sanborn, Finance Director

City of Rio Dell, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

ARPA Special Revenue Fund

For the year ended June 30, 2024

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest and use of property	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES:				
Capital outlay	140,000	140,000	-	140,000
Total expenditures	140,000	140,000	-	140,000
REVENUES OVER (UNDER) EXPENDITURES	(140,000)	(140,000)	-	140,000
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(140,000)	(140,000)	-	140,000
FUND BALANCES (DEFICIT):				
Beginning of year	740,132	740,132	740,132	-
End of year	\$ 600,132	\$ 600,132	\$ 740,132	\$ 140,000

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



DATE: March 18, 2025

TO: Rio Dell City Council

FROM: Travis Sanborn, Finance Director

THROUGH: Kyle Knopp, City Manager

SUBJECT: Fiscal Year 2024-25 Mid-Year Financial Report

IT IS RECOMMENDED THAT THE CITY COUNCIL:

In furtherance of its commitment to diligent financial oversight and strategic planning, the Council will formally receive and file the Fiscal Year (FY) 2024-25 Mid-Year Financial Report. This action will document the Council's acknowledgment of the report's findings and facilitate informed deliberations regarding the City's financial trajectory.

BACKGROUND

This report presents the Fiscal Year (FY) 2024-25 Mid-Year Financial Report, a critical instrument for ensuring fiscal transparency and responsible governance. As of December 31, 2024, it provides a detailed analysis of budgeted versus actual expenditures and revenues, enabling the City Council to make informed decisions. This data-driven approach underscores our commitment to proactive financial management, allowing for timely adjustments and strategic resource allocation.

DISCUSSION

The attached report meticulously dissects the City's financial performance, highlighting key variances and their strategic implications. Beyond mere numerical representation, it contextualizes the data within the broader economic landscape and the City's objectives. Key focus areas include rigorous variance analysis, revenue optimization, expenditure control, and refined strategic financial forecasting. This mid-year review is a retrospective analysis and a crucial tool for forward-looking planning, ensuring Rio Dell's sustainable economic stability and growth. We are prepared to provide further insights and address questions, demonstrating our commitment to transparent and accountable governance.

ATTACHMENTS

Accompanying this report is the comprehensive Fiscal Year (FY) 2024-25 Mid-Year Financial Report, a detailed analytical document designed to provide the City Council with a clear and insightful understanding of the City's financial performance as of December 31, 2024. This report is a critical resource for strategic decision-making and proactive financial management.

MID-YEAR FINANCIAL REPORT

Mid-Year FY 2024-25

This Mid-Year Financial Report reviews the City’s financial condition for fiscal year (FY) 2024-25 as of December 31, 2024. The report describes the revenues received and expenditures incurred and explains any significant budget variances at mid-year or projected to occur at the end of the fiscal year.

SUMMARY

The FY 2024-25 adopted budget for the City of Rio Dell was \$19.45 million, with estimated revenues of \$18.24 million. Total City revenues received at mid-year were \$3.80 million; expenditures totaled \$4.60 million. This difference is primarily due to expenses incurred on capital projects, grants, and Earthquake repairs yet to be reimbursed by the granting or State agency.

Revenues: As of mid-year, the city’s major funds had received 47% of revenues, compared to 43% for the same period last year. There was a slight decrease in the percentage of General Fund revenues received at mid-year; 22% was collected compared to 29% in the previous mid-year report. Due to the current uncertainties in the economic climate at the local and State levels, the City budgeted revenues lower, most notably in Sales Tax and Cannabis revenue projections.

Expenditures: As of mid-year, City-wide expenditures were \$4.60 million or 24% of the \$19.45 million adjusted budget. Operating expenses were 29% of the budget, 23% less than last year. The decrease is directly attributed to the increased Capital Projects performed in the current fiscal year. Capital project expenditures are increased due to continued work on large grant-funded projects such as the state-funded water distribution system project, the Eel River Trail.

The following table shows budget versus actual amounts by the department and current and prior year variances by percentage at mid-year.

REVENUES BY MAJOR FUND			
	BUDGET	MID-YEAR ACTUAL	% RECEIVED
GENERAL FUND	1,717,725	376,748	22%
STREETS	340,718	138,442	41%
SLESF	160,000	139,984	87%
BUILDING FUND	67,350	50,399	75%
SEWER	1,628,934	1,021,897	63%
WATER	1,295,000	719,644	56%
TOTAL	5,209,727	2,447,114	47%

EXPENDITURES BY DEPT.				
OPERATING	BUDGET	MID-YEAR ACTUAL	% EXPENDED	% PRIOR YEAR
Admin Car	1,600	105	7%	22%
Building	142,363	57,192	40%	48%
City Council	27,725	23,149	83%	41%
City Manager	361,576	192,821	53%	32%
Finance	516,693	245,551	48%	45%
Planning	61,493	24,850	40%	47%
Police	1,613,817	686,353	43%	52%
General Government	758,114	273,797	36%	35%
Recycling	15,830	5,250	33%	43%
Sewer	1,014,390	525,437	52%	62%
Water	629,076	266,258	42%	61%
Streets	279,885	162,038	58%	67%
Facilities & Grounds	126,416	56,500	45%	43%
Total Operating	5,548,978	2,519,301	45%	52%
Debt Service/Payments	494,863	275,396	56%	55%
Capital Projects	14,206,074	1,977,294	14%	15%
TOTAL	20,249,915	4,771,991	24%	37%

Expenditures in the city’s major funds were 43% of the budget as of mid-year.

EXPENDITURES BY MAJOR FUND			
	BUDGET	ACTUAL	% EXPENDED
GENERAL FUND	1,999,670	834,701	42%
STREETS	447,245	180,172	40%
SLESF	155,666	93,513	60%
BUILDING FUND	142,363	60,222	42%
SEWER	1,970,085	868,793	44%
WATER	1,359,183	562,374	41%
TOTAL	6,074,212	2,599,775	43%

MID-YEAR FINANCIAL REPORT

Mid-Year FY 2024-25

GENERAL FUND

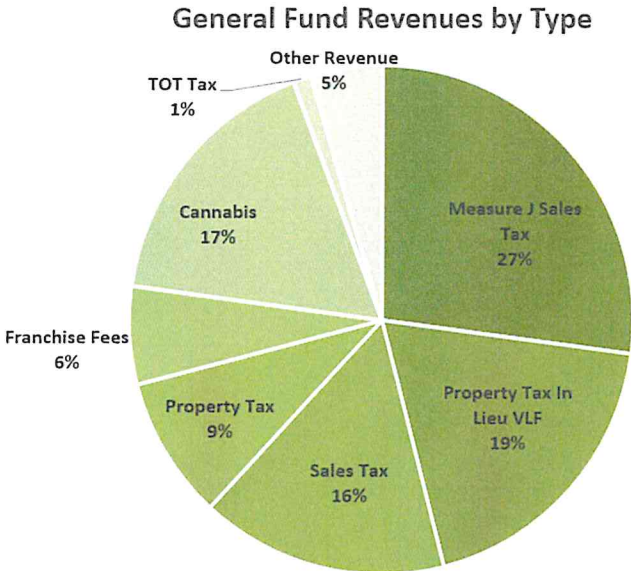
As of December 31, 2024, the General Fund's revenues were \$376,748, and expenditures were \$834,701.

Revenues: At mid-year, 22% of budgeted revenues had been received, compared to 29% for the same period last year. Property tax and In Lieu VLF funds are typically received from the County in the second half of the fiscal year, which is the primary reason revenues are below estimates at mid-year.

28% of budgeted cannabis revenues were received at mid-year compared to 40% last year. This is due to Ordinance 397-2023, a local ordinance that allowed cultivators on the Dinsmore Plateau to make a one-time tax payment by March 15 as an alternative to quarterly payments during the fiscal year.

GENERAL FUND	BUDGET	MID-YEAR ACTUAL	%
Property Tax In Lieu VLF	465,375	-	0%
Local Sales Tax Measure J	325,000	116,532	36%
Sales Tax	272,000	69,798	26%
Property Tax	155,875	-	0%
Franchise Fees	107,000	20,296	19%
Cannabis	294,000	83,388	28%
Transient Occupancy Tax	20,000	6,631	33%
Other Revenues	78,475	80,103	102%
TOTAL	1,717,725	376,748	22%

The top three revenue sources in the General Fund are Property Tax In Lieu of Vehicle License Fees, Local Sales Tax Measure J, and Retail Sales Tax. Cannabis revenues exceeded property tax revenues despite the industrywide downturn and are anticipated to do so again in the current fiscal year. 'Other Revenues' include Police Services Fees, rental revenues for cell towers, gains on disposal of assets, and interest accrued from City reserves held in the Local Agency Investment Fund (LAIF).



Expenditures: The budgeted appropriations for the General Fund for FY 2024-25 total \$1.99 million. This includes \$62,290 for capital and special projects. Total appropriations spent at mid-year were \$834,701, or 42%.

STREETS FUNDS

Revenues: Projected street revenues decreased by less than 1% or \$329 for the current fiscal year. 41% of those revenues were received by mid-year compared to 59% last year. The most notable decreases were in the TDA and Gas Tax funds. Gas tax revenues were budgeted 2% lower year over year.

STREETS REVENUES	BUDGET	ACTUAL	% RECEIVED
020 GAS TAX	101,720	50,640	50%
021 SB1 RMRA	86,681	30,903	36%
024 TDA	125,317	56,899	45%
026 RSTP	27,000	-	0%
TOTAL	340,718	138,442	41%

MID-YEAR FINANCIAL REPORT

Mid-Year FY 2024-25

Expenditures: At mid-year, Actual Streets funds expenditures were 40% of adopted budgeted appropriations, compared to 67% last year. This decrease is primarily due to budgeted capital expenditures not completed.

STREETS EXPENDITURES	BUDGET	MID-YEAR ACTUAL	% EXPENDED
020 GAS TAX	96,215	51,744	54%
021 SB1 RMRA	201,937	20,228	10%
024 TDA	124,318	99,488	80%
026 RSTP	24,775	8,712	35%
TOTAL	447,245	180,172	40%

ENTERPRISE FUNDS

SEWER FUNDS

Revenues: The Sewer fund’s total budgeted revenues for FY 2024-25 are estimated at \$1.63 million. This includes all fees, charges, penalties, and new connections for sewer service. Actual revenues received at mid-year were \$1,021,897, or 63% of the budget. Last year, at this time, revenues were \$749,436. The increase in the current year is primarily due to reimbursements from CalOES for sewer capital projects paid for in prior fiscal years and reimbursed in the current. Revenues are estimated to be on target at the end of the year.

SEWER REVENUES	BUDGET	MID-YEAR ACTUAL	% RECEIVED
050 SEWER OPERATIONS	1,221,000	554,301	45%
052 SEWER CAPITAL	105,000	258,406	246%
054 SEWER DEBT SVC.	302,934	209,190	69%
TOTAL	1,628,934	1,021,897	63%

Expenditures: Total sewer expenditures at mid-year were \$868,793, 44% of the budgeted amount. Expenditures in the Sewer Operating fund were at 53%. The treatment plant loan of \$6.6 million with the California State Waterboard will be paid off in 2043.

SEWER EXPENDITURES	BUDGET	MID-YEAR ACTUAL	% EXPENDED
050 SEWER OPERATIONS	1,287,151	686,184	53%
052 SEWER CAPITAL	380,000	31,142	8%
054 SEWER DEBT SVC.	302,934	151,467	50%
TOTAL	1,970,085	868,793	44%

WATER FUNDS

Revenues: The Water Fund’s total budgeted FY 2024-25 revenues are estimated at \$1.29 million. This includes all fees, charges, and penalties. Actual revenues received at mid-year were \$719,644, or 56% of the budget. Water revenues are divided between Operations, Debt Service, Capital Projects, Metro Wells, and Dinsmore Zone.

WATER REVENUES	BUDGET	MID-YEAR ACTUAL	% RECEIVED
060 WATER OPERATION	827,125	443,035	54%
061 WATER DEBT SVC.	136,000	72,256	53%
062 WATER CAPITAL	290,000	180,933	62%
063 METRO WELLS	18,375	9,532	52%
064 DINSMORE ZONE	23,500	13,888	59%
TOTAL	1,295,000	719,644	56%

Expenditures: Total water expenditures at mid-year were \$562,374, or 41% of the budgeted amount. Expenditures in the Water Operating Fund were at 46%. The water plant loan of \$2.7 million with the California State Waterboard will be paid off in 2029.

WATER EXPENDITURES	BUDGET	MID-YEAR ACTUAL	% EXPENDED
060 WATER OPERATION	907,298	419,251	46%
061 WATER DEBT SVC.	136,000	68,000	50%
062 WATER CAPITAL	178,000	52,537	30%
063 METRO WELLS	27,785	18,516	67%
064 DINSMORE ZONE	110,100	4,070	4%
TOTAL	1,359,183	562,374	41%

MID-YEAR FINANCIAL REPORT

Mid-Year FY 2024-25

BUDGET OUTLOOK

The mid-year review indicates that revenues are largely tracked at budgeted levels, and expenditures are generally on course to remain within budget. However, several factors are anticipated to impact the budget outlook, as outlined below.

Earthquake

The December 20, 2022, and January 1st seismic events presented significant infrastructure challenges to the City of Rio Dell. They resulted in prolonged utility disruptions and widespread structural damage, rendering numerous residences uninhabitable. The financial implications of this disaster are substantial, extending beyond immediate response efforts and impacting long-term fiscal planning. Furthermore, inflationary pressures and rising service costs create financial uncertainties for essential infrastructure projects necessitated by the earthquake.

While adherence to CalOES guidelines allows for potential reimbursement of up to 75% of approved project costs, the remaining 25% represents a considerable financial burden for the City. Recognizing this fiscal challenge, Rio Dell has actively engaged with CalOES to explore strategies for securing funding to cover this remaining portion, understanding that eligibility for complete coverage will require detailed, case-by-case assessments. A critical component of this collaboration involves strategizing how to secure funds to finance these large, expensive, and lengthy recovery projects.

Rio Dell's experience underscores the complex financial interplay between natural disasters and municipal budgets. The city's proactive engagement with CalOES and its diligent pursuit of funding solutions are essential for a sustainable recovery. Securing adequate financial resources to support the comprehensive reconstruction of vital infrastructure is paramount to ensuring the city's long-term resilience and stability.

Cannabis

The City of Rio Dell has observed a recent decline in cannabis market activity and pricing, which has correspondingly impacted municipal revenue streams. This volatility, previously communicated to the Council, represents a potential challenge to long-term fiscal stability. While the City recognizes the potential of the cannabis sector, its long-term reliability as a consistent revenue source remains undetermined, given the current market fluctuations in Humboldt County.

Despite these challenges, the City maintains a strategic approach to cannabis industry development, leveraging several key advantages: a comprehensive and stable regulatory framework, the absence of legacy cultivation issues, robust municipal infrastructure, and a demonstrated attractiveness to professional, legal cannabis operators. These factors foster a predictable and sustainable environment for compliant cannabis businesses. However, the City acknowledges the inherent market volatility within the cannabis industry and is actively monitoring economic trends to inform future fiscal planning.

MID-YEAR FINANCIAL REPORT

Mid-Year FY 2024-25

Streets Funds

The City of Rio Dell's Street Fund is experiencing increasing fiscal strain due to evolving transportation trends and existing state funding models. Current state-based formulas are insufficient to fully cover street maintenance costs, compounded by pandemic-related economic impacts. The accelerating adoption of electric vehicles (EVs) and the corresponding decline in gasoline tax revenue present a significant long-term challenge.

California's commitment to greenhouse gas reduction through EV mandates is directly impacting gasoline and diesel consumption, resulting in a measurable decrease in gas tax revenue. Gas tax revenue is a critical funding source for state, county, and municipal street maintenance. The Legislative Analyst's Office projects a \$6 billion reduction in gas tax revenue over the next decade, highlighting the severity of this trend.

The city has utilized substantial general fund investments to mitigate immediate funding shortfalls. However, the long-term viability of this approach is uncertain and unsustainable.

The State of California faces a critical imperative to reform street funding mechanisms to address declining gas tax revenue and the increasing prevalence of EVs. Identifying and implementing sustainable funding solutions is essential to maintaining and improving vital infrastructure within Rio Dell and across the state.



City of Rio Dell Fiscal Year 2024-25 Mid-Year Financial Report



Fiscal Year 2024-25 Revenues and Expenditures by Major Fund

	REVENUES BY MAJOR FUND		
	BUDGET	MID-YEAR ACTUAL	% RECEIVED
GENERAL FUND	1,717,725	376,748	22%
STREETS	340,718	138,442	41%
SLESF	160,000	139,984	87%
BUILDING FUND	67,350	50,399	75%
SEWER	1,628,934	1,021,897	63%
WATER	1,295,000	719,644	56%
TOTAL	5,209,727	2,447,114	47%

	EXPENDITURES BY MAJOR FUND		
	BUDGET	ACTUAL	% EXPENDED
GENERAL FUND	1,999,670	834,701	42%
STREETS	447,245	180,172	40%
SLESF	155,666	93,513	60%
BUILDING FUND	142,363	60,222	42%
SEWER	1,970,085	868,793	44%
WATER	1,359,183	562,374	41%
TOTAL	6,074,212	2,599,775	43%



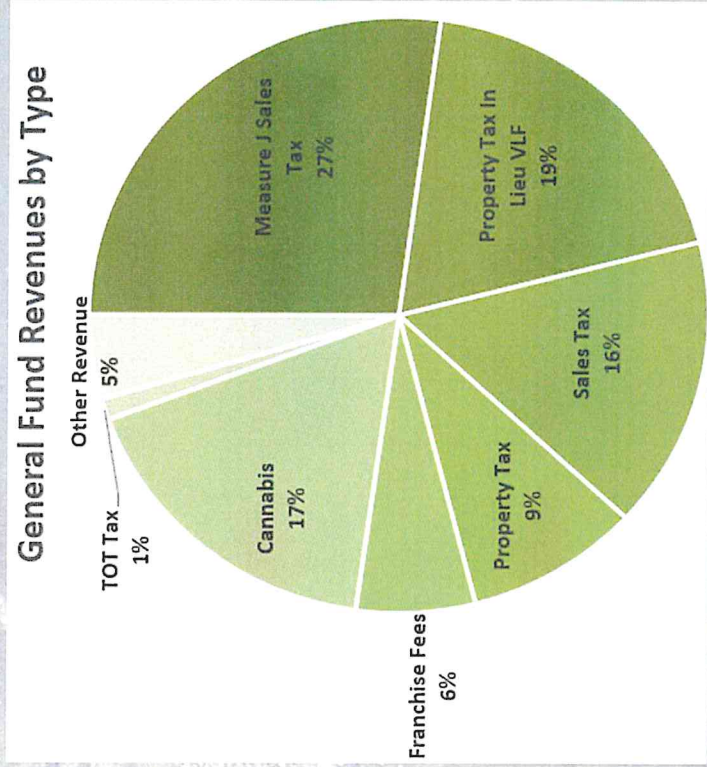
Fiscal Year 2024-25 Expenditures

By Department

EXPENDITURES BY DEPT.				
OPERATING	BUDGET	MID-YEAR ACTUAL	% EXPENDED	% PRIOR YEAR
Admin Car	1,600	105	7%	22%
Building	142,363	57,192	40%	48%
City Council	27,725	23,149	83%	41%
City Manager	361,576	192,821	53%	32%
Finance	516,693	245,551	48%	45%
Planning	61,493	24,850	40%	47%
Police	1,613,817	686,353	43%	52%
General Government	758,114	273,797	36%	35%
Recycling	15,830	5,250	33%	43%
Sewer	1,014,390	525,437	52%	62%
Water	629,076	266,258	42%	61%
Streets	279,885	162,038	58%	67%
Facilities & Grounds	126,416	56,500	45%	43%
Total Operating	5,548,978	2,519,301	45%	52%
Debt Service/Payments	494,863	275,396	56%	55%
Capital Projects	14,206,074	1,977,294	14%	15%
TOTAL	20,249,915	4,771,991	24%	37%



General Fund - Revenues



GENERAL FUND	BUDGET	MID-YEAR		%
		ACTUAL		
Property Tax In Lieu VLF	465,375	-		0%
Local Sales Tax Measure J	325,000	116,532		36%
Sales Tax	272,000	69,798		26%
Property Tax	155,875	-		0%
Franchise Fees	107,000	20,296		19%
Cannabis	294,000	83,388		28%
Transient Occupancy Tax	20,000	6,631		33%
Other Revenues	78,475	80,103		102%
TOTAL	1,717,725	376,748		22%



Streets Funds

020 Gas Tax, 021 SB1, 024 TDA, 026 RSTP

STREETS REVENUES	BUDGET	ACTUAL	% RECEIVED
020 GAS TAX	101,720	50,640	50%
021 SB1 RMRA	86,681	30,903	36%
024 TDA	125,317	56,899	45%
026 RSTP	27,000	-	0%
TOTAL	340,718	138,442	41%

STREETS EXPENDITURES	BUDGET	MID-YEAR ACTUAL	% EXPENDED
020 GAS TAX	96,215	51,744	54%
021 SB1 RMRA	201,937	20,228	10%
024 TDA	124,318	99,488	80%
026 RSTP	24,775	8,712	35%
TOTAL	447,245	180,172	40%



Enterprise Funds - Sewer

SEWER REVENUES	BUDGET	MID-YEAR ACTUAL	% RECEIVED
050 SEWER OPERATIONS	1,221,000	554,301	45%
052 SEWER CAPITAL	105,000	258,406	246%
054 SEWER DEBT SVC.	302,934	209,190	69%
TOTAL	1,628,934	1,021,897	63%

SEWER EXPENDITURES	BUDGET	MID-YEAR ACTUAL	% EXPENDED
050 SEWER OPERATIONS	1,287,151	686,184	53%
052 SEWER CAPITAL	380,000	31,142	8%
054 SEWER DEBT SVC.	302,934	151,467	50%
TOTAL	1,970,085	868,793	44%



Enterprise Funds- Water

WATER REVENUES	BUDGET	MID-YEAR ACTUAL	% RECEIVED
060 WATER OPERATION:	827,125	443,035	54%
061 WATER DEBT SVC.	136,000	72,256	53%
062 WATER CAPITAL	290,000	180,933	62%
063 METRO WELLS	18,375	9,532	52%
064 DINSMORE ZONE	23,500	13,888	59%
TOTAL	1,295,000	719,644	56%

WATER EXPENDITURES	BUDGET	MID-YEAR ACTUAL	% EXPENDED
060 WATER OPERATION:	907,298	419,251	46%
061 WATER DEBT SVC.	136,000	68,000	50%
062 WATER CAPITAL	178,000	52,537	30%
063 METRO WELLS	27,785	18,516	67%
064 DINSMORE ZONE	110,100	4,070	4%
TOTAL	1,359,183	562,374	41%



Budget Outlook

- Earthquake
- Cannabis
- Streets Funds

EARTHQUAKE LIST OF PROJECTS

PROJECT	COST ESTIMATE	25% CITY COST SHARE	FUND
DEBRIS REMOVAL	75,000	18,750	GENERAL
DISTRIBUTE AID / LAC	10,000	2,500	GENERAL
BUILDING INSPECTION	2,500	625	GENERAL
EMERGENCY SANITATION	130,000	32,500	WATER
EMERGENCY SEWER	10,000	2,500	SEWER
DONATED MATERIALS	25,000	6,250	GENERAL
METRO WELLS #1	1,000,000	250,000	WATER
EMERGENCY WATER REPAIR	300,000	75,000	WATER
PAINTER STREET TANK	1,600,000	400,000	WATER
PAINTER STREET SIDEWALK	50,000	12,500	GENERAL
HYPOCHLORITE GENERATOR	250,000	62,500	SEWER
CONTACT BASIN	6,000,000	1,500,000	SEWER
HWY101 SEWER PIPES	10,202,272	2,550,568	SEWER
FERN LIFT STATION	50,000	12,500	SEWER
HWY 101 WATER PIPES	5,835,364	1,458,841	WATER
DAMAGED COLLECTION SYSTEM	5,000,000	1,250,000	SEWER
DAMAGED DISTRIBUTION SYSTEM	5,000,000	1,250,000	WATER
DAMAGED ROAD REPAIR- PAINTER LIFT	15,750	3,938	GENERAL
DAMAGED ROAD REPAIR 1285 EELOA	6,000	1,500	GENERAL
DAMAGED ROAD REPAIR 1267 EELOA	13,500	3,375	GENERAL
DAMAGED ROAD REPAIR 1111 EELOA	9,750	2,438	GENERAL
INFILTRATION GALLERY	400,000	100,000	WATER
TOTAL	35,985,136	8,996,284	

Questions?

