

CITY COUNCIL MEETING AGENDA
Monday, February 2, 2026
1355 N Barlow Street - Cornelius, Oregon 97113

Zoom Webinar

URL: zoom.com
Meeting ID: 834 7940 8874
Passcode: 215546

TVCTV Live Stream

URL: tvctv.org

Wordly - Live Translation

URL: attend.wordly.ai/join
Session ID: DRSM-2544

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1. EXECUTIVE SESSION – 6:00 PM

Executive sessions are closed to the public. Representatives of the news media and designated City staff may attend. Representatives of the news media are specifically directed not to report on any of the deliberations of the executive session, except to state the general subject of the meeting as previously announced publicly. No executive session may be held for the purpose of taking final action or making any final decision.

2. URBAN RENEWAL AGENCY (See separate agenda) – 7:00 PM

3. REGULAR SESSION – 7:15 PM

A. **Call to Order** – Pledge of Allegiance and Roll Call

4. ANNOUNCEMENTS

A. **Applications Open:** Civic Leadership Academy

B. **Monday, February 16, 2026:** City Offices Closed for Presidents Day

C. **Monday, March 2, 2026, 6:00 PM:** City Council Work Session

D. **Monday, March 2, 2026, 7:00 PM:** City Council Meeting

5. CONSENT AGENDA

The items on the Consent Agenda are considered and adopted by one motion unless a Council Member or community member requests that an item be considered separately

before a vote of the Consent items. The Mayor shall decide when an item is removed from Consent for discussion.

- A. **City Council Meeting Minutes:** December 1, 2025, and January 5, 2026
- B. **Liquor License Renewal Application**
- C. **Administrative Map Update for Ordinance No. 2026-02**
Staff: Barbara Fryer, Community Development Director
- D. **Resolution No. 2026-07:** Public Safety Building Seismic Retrofit Grant Application
Staff: David Morris, Fire Chief

6. PUBLIC COMMENT

Comments are limited to three minutes.

Speaking in Person: Register to speak by filling out a form in the City Council Chamber and provide it to the City Recorder.

Speaking Virtually: Register to speak by contacting the City Recorder via email at cityrecorder@corneliusor.gov no later than 3:00 PM on the day of the City Council meeting. Provide your name, address, and (when possible) the topic of testimony. Those attending virtually will not be able to turn on their camera during the meeting or share their screen; presentation materials may be submitted as written testimony via email or in-person at City Hall.

7. RECOGNITION – NONE

- A. **Erika Martinez – 20 Years**

8. PRESENTATIONS AND APPOINTMENTS

- A. **City Audit Report**
Presenter: Ryan Pasquarella, Principal – Audit and Assurance
- B. **Council Creek Regional Trail Update**
Presenter: Renus Kelfkens, Washington County Land Use and Transportation
- C. **Cornelius Police Report**
Staff: Brian Appel, Deputy
- D. **Elected Official Resources and Trainings**
Staff: Rachael Bateman, City Recorder
- E. **Budget Committee Appointment**
Staff: Ellie Jones, Assistant City Manager – Business Operations
 - Samuel Dalrymple – Position 5, Expires December 2028
- F. **Proclamation:** Black History Month, February 2026

9. PUBLIC HEARINGS - NONE
10. UNFINISHED BUSINESS - NONE
11. NEW BUSINESS - NONE
12. REPORTS
 - A. City Council
 - B. Mayor Dalin
 - C. City Manager
13. ADJOURNMENT

CITY COUNCIL MEETING MINUTES

Monday, December 1, 2025

1355 N Barlow Street - Cornelius, Oregon 97113

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Roll Call: Councilor Edén López, Councilor Citlalli Nuñez-Barragán, Council President Angeles Godinez Valencia, Mayor Jef Dalin

Councilors Absent: Councilor Gregory Vaughn

Staff Present: Peter Brandom, City Manager; Rachael Bateman, City Recorder; Ellie Jones, Assistant City Manager – Business Operations; Susan Rush, Public Works Business Manager; Dave Morris, Fire Chief; Kevin Ritcheson, Fire Captain

1. WORK SESSION 6:00 PM

A. Emergency Funds Process

Peter Brandom, City Manager, discussed follow-up actions related to the recent state of emergency declaration addressing impacts from aggressive federal immigration enforcement. Staff outlined steps already taken, proposed allocating emergency funds to community-based organizations for broad support services, discussed legal constraints on fund use, and emphasized coordination with trusted nonprofits and regional partners. The City Council discussed transparency, reporting, mental health capacity, utility and bill relief resources, and the importance of documentation, personal safety, and accurate public information. Brandom indicated that this would be an ongoing, longer-term effort, with continued updates, potential expansion of partner organizations, and additional resources added to the City's website.

B. Quarterly Strategic Plan Update

Peter Brandom, City Manager, presented a quarterly update on the draft Strategic Plan for 2025–2028, outlining four goals focused on town center economic development, civic and community engagement, staff and volunteer capacity, and community identity. The City Council discussed progress on key development sites, the importance of community-driven initiatives and leadership development, and ways to lower barriers to civic participation through more informal, accessible engagement opportunities. The discussion emphasized building civic pride, expanding partnerships, and moving into implementation of the new plan.

2. URBAN RENEWAL AGENCY BOARD MEETING (See separate minutes) – 7:00 PM

3. REGULAR SESSION – 7:15 PM

A. Call to Order – Pledge of Allegiance and Roll Call

4. ANNOUNCEMENTS

- A. **Now Until December 18** – Annual Toy Drive Donations Accepted at the Cornelius Fire Department
- B. **Friday, December 5, 2025, 5:45 PM** – Annual Tree Lighting Ceremony
- C. **Friday, December 5, 2025, 6:30 PM** – Annual Holiday Music and Activities
- D. **Thursday, December 25, 2025:** Christmas Day City Closure
- E. **Thursday, January 1, 2026:** New Year’s Day City Closure
- F. **Monday, January 5, 2026, 6:00 PM** – City Council Work Session
- G. **Monday, January 5, 2026, 7:00 PM** – City Council Meeting

5. CONSENT AGENDA

- A. **City Council Meeting Minutes:** November 17, 2025, and November 17, 2025 (Special Meeting)
- B. **Fiscal Year 2027 Budget Calendar**
- C. **Resolution No. 2025-62:** Ford Family Foundation Grant Application for 2026 Civic Leadership Academy

A motion was made by Council President Godinez Valencia to adopt the consent agenda. Seconded by Councilor López. There was no further discussion. Motion passed 4-0. Ayes: Councilor López, Councilor Nuñez-Barragán, Council President Godinez Valencia, and Mayor Dalin.

6. PUBLIC COMMENT – NONE

7. RECOGNITION

- A. **Employee Recognition:** Mark Gregoli, 5 Years

Susan Rush, Public Works Business Manager, recognized Mark Gregoli for their behind-the-scenes contributions, reliability, craftsmanship, and problem-solving skills that help keep City facilities and operations running smoothly. The City Council thanked Mark for their dedication and service to the City and congratulated them on this milestone.

- B. **Employee Recognition:** Laura Christy, 30 years

Fire Chief David Morris presented the recognition honoring Laura Christy for 30 years of service to the City. Chief Morris highlighted Laura’s long-standing support of the Police and Fire Departments, noting that their professionalism, institutional knowledge, and consistent support have been integral to public safety operations. Laura was presented with a 30-year service recognition and a commemorative plaque recognizing distinguished and faithful service from November 1995 to November 2025, including police and fire department emblems reflecting their years of service.

Kevin Ritcheson, Fire Captain, spoke in recognition of Laura’s role as a constant presence within the Fire Department over many years. Captain Kevin noted that while many staff rotate in and out, Laura has provided continuity, historical knowledge, and dependable support, particularly

in administrative and payroll matters, and emphasized the many ways Laura supports department staff.

Al Roque, former Cornelius Police Chief, expressed gratitude for their time working with Laura, including during significant organizational transitions. Roque emphasized Laura’s critical role in supporting public safety operations and City functions, describing Laura as indispensable and expressing appreciation for their dedication and impact on the City.

The City Council and staff thanked Laura Christy for three decades of service and congratulated Christy on this milestone.

8. PRESENTATIONS AND APPOINTMENTS

A. Chamber of Commerce Small Business Center Update

Cecilia Giron, Business Development Incubator Director, provided an update on the Small Business Development Incubator on behalf of the Forest Grove–Cornelius Chamber of Commerce. Giron reported that the incubator opened in May 2025 and is located in the Cornelius Public Library. The program provides bilingual (English and Spanish), inclusive support to entrepreneurs, including startups and existing businesses seeking to expand. Giron outlined services provided since opening and reported assisting more than 90 business owners and serving an average of four to five individuals per day. The incubator supports a range of businesses, including cleaning services, consulting, construction, and home-based childcare.

Giron highlighted trainings and workshops offered in both languages, including AI for entrepreneurs, personal and business credit, cash flow management, and government contracting. Giron also described partnerships with local governments, nonprofits, financial institutions, and business organizations, noting a bilingual local business exchange vendor fair held in Cornelius and additional regional events that reached more than 100 participants.

The Mayor and Councilors expressed appreciation for the incubator’s work, noting the importance of culturally responsive, local support for small businesses, particularly during challenging economic conditions. Councilors thanked Giron for providing data on business impacts and for strengthening connections between local businesses, nonprofits, and government agencies.

B. ARPA Expenditure Update

Ellie Jones, Assistant City Manager, provided an update on the City’s American Rescue Plan Act (ARPA) funds, reporting that the City received just over \$2.8 million and has expended approximately \$2.6 million to date, with about \$210,000 remaining. Jones noted that the City has approximately 12 months remaining to expend the funds and highlighted upcoming priorities, including a communications plan that may involve rebranding and new signage, continued support for the Chamber of Commerce, and completion of various planning efforts such as vision and master plans. Jones stated that all remaining funds are expected to be fully expended within the required timeframe.

C. Cornelius 2045 Community Vision and Action Plan Update

Peter Bandom, City Manager, provided an update on the Cornelius 2045 Community Vision and Action Plan, outlining the plan's four goal areas: celebrating culture, community, and diversity; enhancing connectivity and accessibility; enriching parks and recreation opportunities; and facilitating strategic growth and development. Bandom reported that the plan includes 51 actions, and that meaningful progress has already been made. Bandom emphasized that the City's role is to serve as a facilitator, with the community and partner organizations sharing ownership of the plan, and noted the intent to establish an oversight and community engagement framework with periodic updates, including a minimum five-year check-in.

Bandom highlighted progress within each goal area, including installation of a sidewalk mural and development of additional mural opportunities, advancement of the Youth Advisory Council, and steps toward acquisition and future renovation of the former Cornelius Elementary School as a community center. Bandom described improvements in connectivity and safety, such as sidewalk connections, the Laurel Woods bridge, traffic-calming measures, and advocacy for transit services including the Cornelius Link. Updates were provided on parks and recreation initiatives, including the forthcoming Parks Master Plan update incorporating community input. Council discussion focused on the importance of incremental improvements, adaptability to changing community demographics and needs, and appreciation for staff's responsiveness and progress in implementing the Vision Plan.

9. PUBLIC HEARINGS – NONE

10. UNFINISHED BUSINESS – NONE

11. NEW BUSINESS

A. Resolution No. 2025-63: Intergovernmental Agreement (IGA) with Forest Grove for Fire-Related Services

Peter Bandom, City Manager, presented Resolution No. 2025-63, approving an intergovernmental agreement with Forest Grove Fire & Rescue for fire-related services. Bandom provided background on the City's long-standing agreements for fire chief and fire logistics services, noting that the arrangements began as pilot programs and have expanded over time without formal updates or performance measures. Bandom explained that population growth and changing service demands underscore the need to reassess the structure of the agreement, clarify roles, and establish clear performance metrics to evaluate service effectiveness. Bandom emphasized the importance of ongoing collaboration with neighboring jurisdictions, recognizing both the City's reliance on mutual aid and the services Cornelius provides to others, particularly for medical responses. Bandom offered to answer any questions. There were no further questions.

Councilor López made a motion to approve Resolution No. 2025-63, a Resolution of the Cornelius City Council authorizing the City Manager to sign an intergovernmental agreement with the City of Forest Grove for the provision of fire-related services, and this action takes

effect immediately. Seconded by Councilor Nuñez-Barragán. There was no further discussion. Motion passed 4-0. Ayes: Councilor López, Councilor Nuñez-Barragán, Council President Godinez Valencia, and Mayor Dalin.

12. REPORTS

A. City Council

Councilor Nuñez-Barragán announced the Cornelius Public Library’s winter reading challenge has started.

Council President Godinez Valencia reminded community members of available immigration and civil rights resources, including Equity Corps of Oregon (ECoR), and emphasized knowing one’s rights. They also encouraged residents to visit the City’s website for updated resources and to reach out for assistance or connections to local nonprofit support services.

B. Mayor Dalin

Mayor Dalin emphasized community safety, urging residents to prioritize personal safety, avoid direct involvement in enforcement encounters, and document incidents only from a safe distance. The Mayor reminded the public of available mental health resources and provided a legislative update regarding state transportation funding and a potential ballot measure.

C. City Manager

Peter Bandom, City Manager, presented the newly released bilingual (English/Spanish) law enforcement brochure, designed to help residents identify local and regional law enforcement agencies. Bandom provided updates on the Etsby site remediation, noting that most tanks have been removed or filled, with final soil sampling and testing expected soon, bringing the site closer to potential redevelopment. Additionally, the City Manager highlighted improvements to the municipal code website, which now includes a Google Translate feature and a more user-friendly interface for both English and Spanish users. Bandom concluded by discussing Councilor committee assignments and project responsibilities.

13. ADJOURNMENT

A motion was made by Council President Godinez Valencia to adjourn. Seconded by Councilor López. There was no further discussion. Motion passed 4-0. Ayes: Councilor López, Councilor Nuñez-Barragán, Council President Godinez Valencia, and Mayor Dalin. Meeting adjourned at 8:42 PM.

Rachael Bateman, City Recorder

Date

CITY COUNCIL MEETING MINUTES

Monday, January 5, 2026

1355 N Barlow Street - Cornelius, Oregon 97113

TVCTV Live Stream | Zoom Webinar | Wordly Live Translation

Roll Call: Councilor Gregory Vaughn, Council President Angeles Godinez Valencia, Mayor Jef Dalin

Councilors Absent: Councilor Edén López, Councilor Citlalli Nuñez-Barragán

Staff Present: Peter Brandom, City Manager; Rachael Bateman, City Recorder; Itzel Sayago, Communications and Community Engagement Manager; Ellie Jones, Assistant City Manager – Business Operations, Susan Rush, Public Works Business Manager.

1. EXECUTIVE SESSION 6:00 PM

In accordance with Oregon Revised Statutes (ORS) 192.660(2)(o), the City Council met to consider matters relating to the safety of the governing body and of public body staff and volunteers and the security of public body facilities and meeting spaces.

2. URBAN RENEWAL AGENCY BOARD MEETING (See separate minutes) – 7:00 PM

3. REGULAR SESSION – 7:15 PM

A. **Call to Order** – Pledge of Allegiance and Roll Call

4. ANNOUNCEMENTS

A. **Monday, January 19, 2026:** City Offices Closed for Martin Luther King Jr. Day

B. **Monday, February 2, 2026, 6:00 PM** – City Council Work Session

C. **Monday, February 2, 2026, 7:00 PM** – City Council Meeting

5. CONSENT AGENDA - NONE

6. PUBLIC COMMENT – NONE

7. RECOGNITION

A. **Employee Recognition:** Carlos Martinez, 5 Years

Ellie Jones, Assistant City Manager – Business Operations, recognized Carlos Martinez for five years of service and continued commitment to the City. Jones described the type of work Carlos performs for the community and how this work supports City operations, highlighting the broad range of responsibilities handled and the positive impact on both staff and community members.

City Council members acknowledged the important contributions Carlos has made, highlighting the high output and effectiveness of the small Finance Office team and the positive impact on both City operations and community members. The Board congratulated Carlos on this milestone and expressed hope for continued service.

8. PRESENTATIONS AND APPOINTMENTS

A. Portland General Electric (PGE) Update

Representatives from Portland General Electric, including Meredith Armstrong, Larry Bekkedahl, and Tyler Kelly, provided an update to the City Council.

Bekkedahl discussed current and projected energy demands in the community, emphasizing the importance of planning for growth, infrastructure upgrades, and resiliency in response to weather and wildfire risks. The presentation included an overview of strategies to manage energy costs, including operational efficiencies and battery storage systems, as well as efforts to maintain affordability for residential customers, including income-qualified bill assistance programs.

Discussion continued regarding opportunities for partnership with the City on planning, infrastructure coordination, and community engagement. The City Councilors discussed potential areas for collaboration, including emergency preparedness, undergrounding of electrical systems, and alignment with local water and sewer infrastructure.

B. 2026 City-Led Community Events

Itzel Sayago, Communications and Community Engagement Manager, provided an update on city-led community events, reviewing the 2025 season and upcoming plans for 2026. The presentation included a recap of established events and changes and improvements made to events, including partnerships with community organizations and businesses. Upcoming 2026 events were outlined, including a new Emergency Preparedness Fair, Cornelius-led State of the City event, potential changes to the Farmers Market, the 25th anniversary 9/11 Memorial, and the ribbon cutting for the Mariposa Causeway.

City Council members expressed appreciation for staff efforts, emphasized the importance of community engagement and partnerships, and discussed ways to support events and showcase boards and committees

C. Civic Leadership Academy Topic Ideas

Peter Brandom, City Manager, led a discussion on potential topics for the upcoming Civic Leadership Academy cohort, including fostering volunteerism, engaging multigenerational participants, and supporting community organizations such as the Cornelius Boosters. The City Council discussion focused on strategies to increase community awareness and participation, cross-generational engagement, and outreach to newer and diverse neighborhoods, including Laurel Woods and Mariposa Park. Council members expressed support for emphasizing

volunteer recruitment and civic engagement broadly, while encouraging creative approaches to involve a wider range of community members.

D. City Council and Staff Appointments and Alternate Designations to Regional Policy Bodies

Peter Brandom, City Manager, reviewed proposed Councilor appointments, alternative designations, and related updates to regional policy bodies. Brandom noted that the changes were outlined in the council memo and required no formal resolution. Council indicated their approval of the proposed appointments with no objections.

E. Economic Development Commission Appointments and Reappointments

Council President Godinez Valencia made a motion to approve the REAPPOINTMENTS OF ANTHONY MENDOZA (TO POSITION 5, TO SERVE THROUGH 2028), ALMA LOZANO (TO POSITION 6 , TO SERVE THROUGH 2028), ROBERT DIXON (TO POSITION 7, TO SERVE THROUGH 2028), AND THE APPOINTMENTS OF MARIA CABALLERO RUBIO (TO POSITION 8, TO SERVE THROUGH 2028), AND CICILIA GIRON (TO POSITION 14, TO SERVE THROUGH 2028), TO THE CORNELIUS ECONOMIC DEVELOPMENT COMMISSION, and this action takes effect immediately. Motion seconded by Councilor Vaughn. Motion passed 3-0. Ayes: Councilor Vaughn, Council President Godinez Valencia, Mayor Dalin.

F. Budget Committee Appointment and Reappointment

Council President Godinez Valencia made a motion to approve the REAPPOINTMENT OF ANDREW DUDLEY TO POSITION 1, WITH A TERM EXPIRING DECEMBER 2028, AND THE APPOINTMENT OF JANET FLESHMAN TO POSITION 4, WITH A TERM EXPIRING DECEMBER 2027, TO THE BUDGET COMMITTEE, and this action takes effect immediately. Motion seconded by Councilor Vaughn. Motion passed 3-0. Ayes: Councilor Vaughn, Council President Godinez Valencia, Mayor Dalin.

G. Planning Commission Reappointment

Council President Godinez Valencia made a motion to approve the REAPPOINTMENT OF RIE HINZE TO POSITION 1, TO SERVE THROUGH 2029, and this action takes effect immediately. Motion seconded by Councilor Vaughn. Motion passed 3-0. Ayes: Councilor Vaughn, Council President Godinez Valencia, Mayor Dalin.

H. Public Infrastructure Advisory Board Reappointment

Council President Godinez Valencia made a motion to approve the REAPPOINTMENT OF JANET FLESHMAN TO POSITION 5, TO SERVE THROUGH 2028, and this action takes effect immediately. Motion seconded by Councilor Vaughn. Motion passed 3-0. Ayes: Councilor Vaughn, Council President Godinez Valencia, Mayor Dalin.

9. PUBLIC HEARINGS

A. Ordinance No. 2026-01: Park Master Plan

Mayor Dalin read the opening statement and opened the public hearing at 8:30 PM. Mayor Dalin asked if any member of the Council had any actual or potential conflicts of interest or bias. There were none. Mayor Dalin asked if any member of the Council wished to recuse themselves based on their declaration. There were none. Mayor Dalin asked if any member of the audience wished to challenge a member of the Council's impartiality? There were no challenges. Mayor Dalin invited staff to present.

Barbara Fryer, Community Development Director, presented on the proposed Parks Master Plan amendment, explaining that it is a legislative amendment to the Comprehensive Plan that would repeal the 2009 Parks Master Plan and replace it with the 2025 Parks Master Plan. Fryer summarized the planning process, which included a park inventory, condition assessment, gap analysis, and level-of-service comparison with similar jurisdictions. Fryer noted that park acreage in the City increased from 25.3 acres in 2019 to 54.1 acres in 2025, largely due to recent development, and reviewed park typologies, service areas, and special-use park categories. Staff explained that while the City performs well in residents per park, acres of parkland per 1,000 residents remain comparatively low. To maintain current levels of service through 2040, staff indicated that approximately 41.78 additional acres of parkland would be needed over time, as reflected in the Capital Improvement Plan. Fryer reported that the Planning Commission unanimously recommended approval of the proposed amendment and ordinance to repeal the 2009 plan and adopt the 2025 Parks Master Plan. Following a question from Council, Fryer explained significant changes in park acreage, population, and community conditions made a full replacement more appropriate than incremental updates, while retaining and modernizing relevant goals from the earlier plan. Discussion continued on park changes and community needs.

Mayor Dalin asked if any member of the audience or participants online wished to speak for or against the proposal. There were none. Mayor Dalin closed the public hearing at 8:45 PM.

B. Ordinance No. 2026-02: Urban Planning Area Agreement

Mayor Dalin read the opening statement and opened the public hearing at 8:46 PM. Mayor Dalin asked if any member of the Council had any actual or potential conflicts of interest or bias. There were none. Mayor Dalin asked if any member of the Council wished to recuse themselves based on their declaration. There were none. Mayor Dalin asked if any member of the audience wished to challenge a member of the Council's impartiality? There were no challenges. Mayor Dalin invited staff to present.

Barbara Fryer, Community Development Director, presented the proposed amendment to the Urban Planning Area Agreement, explaining that it would repeal the 1988 agreement and replace it with the 2025 Urban Planning Area Agreement. Fryer described the purpose of the agreement as establishing coordination between the City and the County regarding planning, land use, annexation, and infrastructure within the urban growth boundary. Fryer reviewed the proposed map, noting updates to areas north and south of the current urban growth boundary and highlighting key designations, including low-density residential, industrial, and parkland

areas. Fryer emphasized that the amendment meets applicable criteria and reported that the Planning Commission recommended approval of Comprehensive Plan Amendment CPA 2020-503 and Ordinance 2020-602. Fryer also noted that the Board of County Commissioners is scheduled to act on the amendment, and that both agency approvals are required before inclusion in the respective comprehensive plans. Following questions from the Council, Fryer explained historical context for land use designations, including compromises to accommodate existing rural uses, and described criteria for new development and annexation. Discussion continued on future development opportunities, parkland, and continuity with existing neighborhoods.

Mayor Dalin asked if any member of the audience or participants online wished to speak for or against the proposal. There were none. Mayor Dalin closed the public hearing at 8:58 PM.

10. UNFINISHED BUSINESS – NONE

11. NEW BUSINESS

Council President Godinez Valencia made a motion to extend the meeting to 9:30 PM. Motion seconded by Councilor Vaughn. Motion passed, 3-0. Ayes: Councilor Vaughn, Council President Godinez Valencia, Mayor Dalin.

A. Ordinance No. 2026-01: Park Master Plan

Barbara Fryer, Community Development Director, forwent a formal presentation and offered to answer any questions. There were no questions.

Council President Godinez Valencia made a motion to approve Ordinance No. 2026-01, AN ORDINANCE OF THE CORNELIUS CITY COUNCIL REPEALING THE PARKS MASTER PLAN (APPENDIX G OF THE CORNELIUS COMPREHENSIVE PLAN) AND REPLACING IT WITH A NEW PARKS MASTER PLAN, and this action takes effect 30 days from enactment. Motion seconded by Councilor Vaughn. Motion passed by a roll-call vote, 3-0. Ayes: Councilor Vaughn, Council President Godinez Valencia, Mayor Dalin.

B. Ordinance No. 2026-02: Urban Planning Area Agreement

Barbara Fryer, Community Development Director, forwent a formal presentation and offered to answer any questions. There were no questions.

Councilor Vaughn made a motion to approve Ordinance No. 2026-02, AN ORDINANCE OF THE CORNELIUS CITY COUNCIL REPEALING THE URBAN PLANNING AREA AGREEMENT (APPENDIX B OF THE CORNELIUS COMPREHENSIVE PLAN) AND REPLACING IT WITH A NEW URBAN PLANNING AREA AGREEMENT, and this action takes effect 30 days from enactment. Motion seconded by Council President Godinez Valencia. Motion passed by a roll-call vote, 3-0. Ayes: Councilor Vaughn, Council President Godinez Valencia, Mayor Dalin.

C. Resolution No. 2026-01: Pedestrian Bridge Naming

Barbara Fryer, Community Development Director, presented a proposal from the Public Infrastructure Advisory Board (PIAB) regarding a pedestrian bridge in Laurel Woods. Fryer described the bridge location, connecting the pathway on the west side of Laurel Woods to the east side, with a total length of approximately one mile. Staff noted that the bridge is elevated to prevent flooding, with sufficient freeboard to accommodate significant flood events. The PIAB recommended naming the bridge “Mariposa Causeway,” based on previously established naming criteria. Fryer offered to answer any questions. There were no questions.

Council President Godinez Valencia made a motion to approve Resolution No. 2026-01, A RESOLUTION OF THE CORNELIUS CITY COUNCIL NAMING THE CAUSEWAY AT LAUREL WOODS “MARIPOSA CAUSEWAY, and this action takes effect immediately. Motion seconded by Councilor Vaughn. Motion passed 3-0. Ayes: Councilor Vaughn, Council President Godinez Valencia, Mayor Dalin.

D. Resolution No. 2026-02: Water Park Booster Station – Contract Change Orders 11 through 18

Terry Keyes, City Engineer, presented the final set of change orders for the booster station project, noting that the facility is operational with only minor punch list items remaining. Keyes explained that the project management team reviewed all proposed change orders and negotiated with the contractor to reduce the number to a reasonable amount. Staff recommended approval of the eight final change orders, as listed in the attachments. Keyes offered to answer any questions. There were no questions.

Council President Godinez Valencia made a motion to approve Resolution No. 2026-02, A RESOLUTION OF THE CORNELIUS CITY COUNCIL APPROVING CHANGE ORDERS 11-18 FOR THE WATER PARK BOOSTER STATION PROJECT, and this action takes effect immediately. Motion seconded by Councilor Vaughn. Motion passed 3-0. Ayes: Councilor Vaughn, Council President Godinez Valencia, Mayor Dalin.

E. Resolution No. 2026-03: Jacobs Work Order #22

Terry Keyes, City Engineer, presented Jacobs work order number 22 to perform the City’s required risk and resilience analysis under the America’s Water Infrastructure Act of 2018. Keyes explained that the Act requires all water providers to complete a risk and resiliency analysis and an emergency response plan every five years, with the analysis due June 30, 2026, and the emergency response plan due December 31, 2026. Keyes noted that Jacobs will perform the risk and resilience analysis first, with the emergency response plan addressed in the next fiscal year’s budget. Staff emphasized that this is a routine compliance update. Keyes offered to answer any questions. There were no questions.

Councilor Vaughn made a motion to approve the Resolution No. 2026-03, A RESOLUTION OF THE CORNELIUS CITY COUNCIL APPROVING WORK ORDER #22 BETWEEN JACOBS ENGINEERING GROUP, INC. AND THE CITY OF CORNELIUS, and this action takes effect immediately. Motion

seconded by Council President Godinez Valencia. Motion passed 3-0. Ayes: Councilor Vaughn, Council President Godinez Valencia, Mayor Dalin.

F. Resolution No. 2026-04: Parks Reservation Policy and Process

Susan Rush, Public Work Business Manager, presented an overview of park shelter usage trends and proposed updates to the shelter reservation policy. Rush reported that most reservations are by local residents, with approximately 1 in 5 applications from outside the community. The large shelters at Harlem and Mariposa Parks are most popular, with Mariposa accounting for nearly half of all reservations. Birthday parties are the most common events, followed by baby showers, gender reveals, and group events such as business, church, or sports activities.

Rush explained that proposed changes include a four-hour reservation limit, structured weekend shifts with an hour between reservations for setup and cleanup, and priority access for Cornelius residents during the peak season (April 1–September 30). Weekend reservations would be available in two four-hour shifts (10:00 a.m.–2:00 p.m. and 3:00 p.m.–7:00 p.m.), while weekday and off-peak reservations remain flexible within the four-hour limit. Staff noted that reservations can be submitted online or in person, and policy includes provisions for denying future reservations if rules are violated.

Council President Godinez discussed concerns about ensuring priority access for local residents and the potential for misuse of the reservation system.

Rush clarified that the system is intended to encourage equitable use rather than strictly police residency, and that verification methods, such as requiring an address with online reservations, are in place.

The Council agreed that the proposed policy is a reasonable first step and should be monitored for potential adjustments in the future.

Council President Godinez Valencia made a motion to approve Resolution No. 2026-04, A RESOLUTION OF THE CORNELIUS CITY COUNCIL APPROVING THE PARK SHELTER RESERVATION POLICY, and this action takes effect immediately. Motion seconded by Councilor Vaughn. Motion passed 3-0. Ayes: Councilor Vaughn, Council President Godinez Valencia, Mayor Dalin.

G. Resolution No. 2026-05: Artificial Intelligence (AI) Use Policy

Rachael Bateman, City Recorder, presented the proposed Artificial Intelligence (AI) Use Policy, noting that AI tools, particularly generative AI, are increasingly common in everyday work. The policy provides guidance for responsible AI use in city operations, balancing efficiency with protection of public trust, city data, and compliance with state and federal law. Bateman explained the key principles of the policy. The policy was reviewed by the IT Committee and legal counsel, with ongoing review recommended as technology and best practices evolve. Bateman offered to answer any questions. There were no questions.

Councilor Vaughn made a motion to approve Resolution No. 2026-05, A RESOLUTION OF THE CORNELIUS CITY COUNCIL ADOPTING AN ARTIFICIAL INTELLIGENCE (AI) USE POLICY, and this action takes effect immediately. Motion seconded by Council President Godinez Valencia. Motion passed 3-0. Ayes: Councilor Vaughn, Council President Godinez Valencia, Mayor Dalin.

H. **Resolution No. 2026-06:** Bee City USA Program Application

Peter Brandom, City Manager, presented the Bee City USA program, a national initiative to support pollinators through public and private vegetation, education, reduced pesticide use, and incorporation of supportive practices into city policies. The program requires a standing oversight committee, annual reporting, and a \$200 annual fee. The Public Infrastructure Advisory Board recommended participation, and staff has begun the application process. Council discussion noted the program’s benefits and support for local implementation.

Council President Godinez Valencia made a motion to approve Resolution No. 2026-06, A RESOLUTION OF THE CORNELIUS CITY COUNCIL APPROVING THE APPLICATION TO THE BEE CITY USA PROGRAM, and this action takes effect immediately. Motion seconded by Councilor Vaughn. Motion passed 3-0. Ayes: Councilor Vaughn, Council President Godinez Valencia, Mayor Dalin.

12. REPORTS

A. **City Council**

Council President Godinez Valencia provided a reminder regarding immigration resources, noting the City’s website has a page dedicated to share that information.

Councilor Vaughn wished everyone a happy New Year.

B. **Mayor Dalin**

Mayor Dalin reported they are still attending the Metropolitan Mayors Consortium.

C. **City Manager**

Peter Brandom, City Manager, also wished everyone a happy New Year, and expressed excitement for the projects in the upcoming year.

13. ADJOURNMENT

A motion was made by Council President Godinez Valencia to adjourn. Seconded by Councilor Vaughn. There was no further discussion. Motion passed 3-0. Ayes: Councilor Vaughn, Council President Godinez Valencia, and Mayor Dalin. Meeting adjourned at 9:26 PM.

Rachael Bateman, City Recorder

Date

City of Cornelius Agenda Report



To: Peter Brandom, City Manager
From: Rachael Bateman, City Recorder
Date: February 2, 2026
Subject: 2026 Liquor License Application (January 1, 2026 – January 31, 2026)

Requested City Council Action: Consider liquor license renewal application for approval.

Previous City Council Action: Council considers liquor license applications and renewal applications each year. The Council approved the liquor license applications in 2025.

Background: Per ORS 471.166, local governments provide written recommendations on liquor license applications and renewals to the Oregon Liquor and Cannabis Commission (OLCC). The City reviews applications for compliance with local regulations and submits them to the City Council for consideration. A redacted copy of the application is attached as Exhibit A.

Business Name	Site Address	License Type	App Type
Walgreens	115 N 20th Ave	Off-Premise Sales	Renewal

Cost: The City collects a fee for processing liquor license applications. The staff time needed as part of this process is not expected to result in additional costs beyond standard operations.

Advisory Committee Recommendation: No advisory committee action was taken or is required for this item.

Staff Recommendation: Approve the liquor license renewal applicants as provided.

Proposed Motion: I make a motion to approve THE 2026 LIQUOR LICENSES RENEWAL APPLICATION LISTED HEREIN, and this action takes effect immediately.

Exhibit: OLCC Reasons to Deny or Restrict a License, Redacted Liquor License Application

REASONS WE MAY DENY OR RESTRICT A LICENSE
ORS 471.313(4)(5), OAR 845-005-0320, 845-005-0321, 845-005-0322
845-005-0325, 845-005-0326(4)(5) or 845-005-0355

The following is a list of problems relating to the **APPLICANT** or **BUSINESS** that OLCC **can** consider to refuse or restrict a license:

1. Applicant has a habit of using alcohol or drugs to excess
2. Applicant makes a false statement to OLCC (must be related to a refusal basis)
3. Applicant has been convicted of local, state or federal laws that are substantially related to the fitness of holding a liquor license
4. Applicant has demonstrated poor moral character
5. Applicant has a poor record of compliance when previously licensed by OLCC
6. Applicant is not the legitimate owner of the business
7. The business has a history of serious and persistent problems at this location.

The problems can include:

- Obtrusive or excessive noise, music or sound vibrations
- Public drunkenness
- Fights or altercations
- Harassment
- Unlawful drug sales
- Alcohol or related litter

OLCC is **not** able to consider the following issues when deciding to renew a liquor license:

- Lack of parking
- Increase in traffic
- Too many licenses in a specific area (saturation)
- Entertainment type - nude dancing, gambling, live bands, etc.
- Increased noise
- Zoning issues

Visit www.oregon.gov/olcc/ to see the full text of ORS and OAR referenced above. In order for an unfavorable recommendation from a local government to be valid, the grounds must be found in the license refusal bases of ORS 471.313(4), 471.313(5), OAR 845-005-0320, 845-005-0321, 845-005-0322, 845-005-0325 or 845-005-0326(4)(5) or the license restriction bases of OAR 845-005-0355, and must be supported by reliable factual information.

INDICATE TYPE OF APPLICATION:	LICENSE TYPE:
<input type="radio"/> \$100.00 Original Application <input type="radio"/> \$75.00 Change of Ownership <input type="radio"/> \$75.00 Change of Location <input type="radio"/> \$75.00 Change of Privilege <input type="radio"/> \$35.00 Temporary <input checked="" type="radio"/> \$35.00 Renewal	<input type="radio"/> Full on-premises sales <input type="radio"/> Limited on-premises sales <input checked="" type="radio"/> Off-Premises sales <input type="radio"/> Temporary sales licenses <input type="radio"/> Brew Public House <input type="radio"/> Other:

RECEIVED
JAN 12 2026
Administration
City of Cornelius

BUSINESS INFORMATION:

Business Name: Walgreen Co.

DBA Name: Walgreens #09353

Business Address: 115 N 20th Ave Cornelius, OR 97113

Address of Sales Location: _____

Cornelius Business License #: 10222 *Note: Business License business name must match information above.*

APPLICANT INFORMATION:

Full Name (Printed): Walgreen Co. Date of Birth: _____

Home Address: PO Box 901 Deerfield, IL 60015

Driver License or ID Number: _____ State Issued: _____

Telephone: 847-315-7960 Email Address: taxlicenser renewals@walgreens.com

Note: If applicant is a corporation, list name and address of home offices.

CO-APPLICANT INFORMATION:

Full Name (Printed): _____ Date of Birth: _____

Home Address: _____

Driver License or ID Number: _____ State Issued: _____

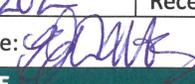
Telephone: _____ Email Address: _____

Note: If there is more than one co-applicant, please provide complete information in an attachment, as necessary.

I hereby attest that the information provided above, and attached, is true and accurate to the best of my knowledge. It is understood that the City may request additional or supplemental information during the course of processing this application.

 **ANIKA ZIMA**
SENIOR LICENSE SPECIALIST 01/07/2026
847-315-7960

Signature _____ Date _____

FOR OFFICE USE	
Date: <u>1/13/26</u>	Application Fee: \$ <u>35</u>
Receipt #: <u>577202</u>	Received By: <u>EMIKA</u>
Admin Signature: 	
FOR POLICE USE	
Comments: _____	
Signature: _____	Date: _____

City of Cornelius Agenda Report



To: Peter Brandom, City Manager
From: Barbara Fryer, Community Development Director
Date: February 2, 2026
Subject: Administrative Map Update for Ordinance No. 2026-02

Requested City Council Action: Acknowledge the administrative, non-substantive correction to the Urban Planning Area map in Comprehensive Plan Appendix B, Urban Planning Area Agreement Map, as documented in the record correction memo, consistent with Ordinance No. 2026-02.

Previous Council Action: On January 5, 2026, City Council adopted Ordinance No. 2026-02.

Background: On January 5, 2026, City Council adopted Ordinance No. 2026-02, repealing the 1988 Urban Planning Area Agreement and replacing it with a new Urban Planning Area Agreement and accompanying map. A map identified as Ordinance No. 2026-02, Exhibit B (Washington County–Cornelius Urban Planning Area Agreement, Exhibit A) was included in the City Council packet; however, that map did not reflect a subsequent update made during the County adoption process due to timing.

The County-adopted map includes the full extent of one parcel that had been shown as bifurcated between the Cornelius and Forest Grove Urban Planning Areas in the City’s draft map. Washington County updated the map for Board of County Commissioners approval based on a request by City staff. Because the change affected the City of Forest Grove’s Urban Planning Area Agreement, approval by both Washington County and the City of Forest Grove was required. At the time of City Council adoption, those approvals had not yet occurred, and it was therefore unclear whether the requested update would be approved.

Following approval by Washington County and the City of Forest Grove, the map was updated administratively to reflect the adopted Urban Planning Area Agreement. The administrative correction includes the full parcel in question and does not constitute a substantive change to the Comprehensive Plan or the agreement adopted by Ordinance No. 2026-02.

Cost: None.

Advisory Committee Recommendation: None.

Staff Recommendation: None.

Proposed Motion: None.

Exhibit: Washington County Engrossed UPAA Exhibit A Map (Exhibit B to Ordinance No. 2026-02)

Cornelius

Oregon's Family Town

MEMORANDUM

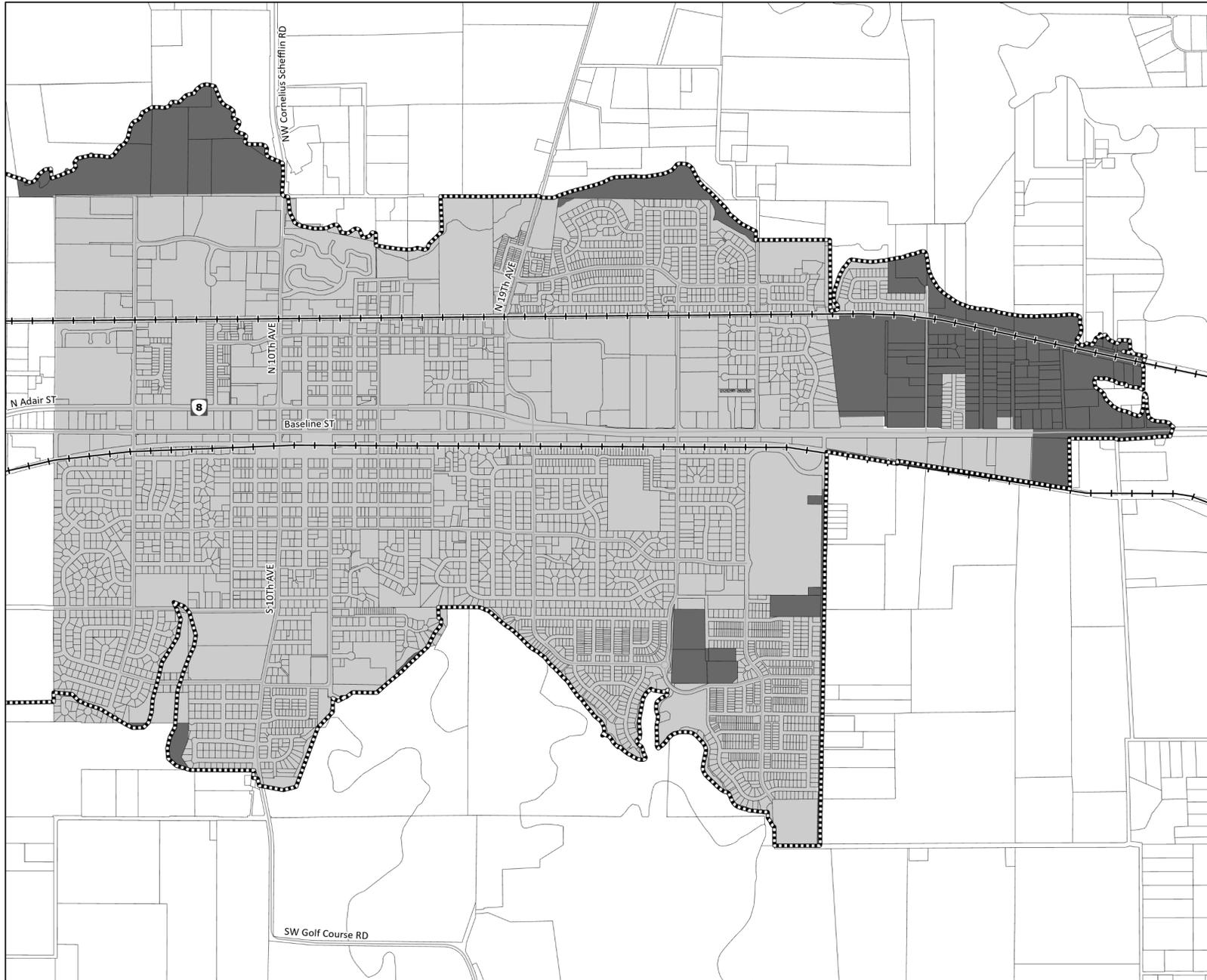
To: City Council
From: Barbara Fryer, Community Development Director
Date: February 2, 2026
Subject: Record Correction Memo: Administrative Map Update for Ordinance No. 2026-02

On January 5, 2026, the City Council adopted Ordinance No. 2026-02, repealing the 1988 Urban Planning Area Agreement and replacing it with a new Urban Planning Area Agreement and accompanying map. A map identified as Ordinance No. 2026-02, Exhibit B (Washington County–Cornelius Urban Planning Area Agreement, Exhibit A) was included in the City Council packet; however, that map did not reflect a subsequent update made during the County adoption process.

The updated County-adopted map includes the full extent of one parcel (Township 1N, Range 3W, Map 33B, Tax Lot 00401), which had been shown as bifurcated between the Forest Grove and Cornelius Urban Planning Areas in the City's draft map. City staff requested that the entire parcel be included within a single jurisdiction due to the presence of significant natural resources at the west end of the parcel, including Council Creek, which extend through the remainder of the property.

Washington County updated the map for Board of County Commissioners approval based on this request. Because the change also affected the City of Forest Grove's Urban Planning Area Agreement, approval by both Washington County and the City of Forest Grove was required. At the time of City Council adoption, those approvals had not yet occurred, and it was therefore unclear whether the requested change would be approved. As a result, the updated map could not be included in the City's adoption materials.

Following approval by Washington County and the City of Forest Grove, the map was updated administratively to reflect the adopted Urban Planning Area Agreement. The administrative correction includes the full parcel (Township 1N, Range 3W, Map 33B, Tax Lot 00401) within a single Urban Planning Area and does not constitute a substantive change to the Comprehensive Plan or the agreement adopted by Ordinance No. 2026-02.



City of Cornelius
Urban Planning Area

Washington County - Cornelius
Urban Planning Area Agreement
EXHIBIT A

-  Urban Planning Area
-  City Limits
-  Urban Growth Boundary
-  Taxlots
-  Railroad Right-of-Way
-  Major Roads


 Scale: 1:15,000

 Feet

Map updated administratively on February 2, 2026, to reflect County approval, consistent with the Urban Planning Area Agreement adopted by Ordinance No. 2026-02.

City of Cornelius Agenda Report



To: City Council
From: David Morris, Fire Chief
Date: February 2, 2026
Subject: Resolution No. 2026-07: Application for Seismic Rehabilitation Grant Program (SRGP) Funding

Requested City Council Action: Approve Resolution No. 2026-07.

Previous Council Action: None.

Background: The Cornelius Public Safety Building, located at 1311 N Barlow Street, houses the City's fire and police departments, including administrative offices, living quarters for firefighters, backup Emergency Operations Center (EOC), police equipment storage, and an attached 7-bay apparatus room that houses the City's fire and rescue vehicles and equipment. Constructed in 1996, the facility is classified as an Essential Facility (Risk Category IV) under current building code standards.

Per a report from structural engineering firm WDY, Inc., the building consists of a combination of reinforced concrete masonry (CMU) construction in the apparatus room and wood-framed office areas, with lateral seismic forces resisted by shear walls and manufactured-wood truss roof systems. Since the building's original construction, seismic design standards have advanced considerably, particularly for essential public safety facilities.

In the fall of 2024, the City contracted with structural engineering firm WDY, Inc. to complete a seismic evaluation of the building. The evaluation focused on identifying deficiencies in the building's seismic force-resisting system, and was based on a review of original construction drawings, visual observation of accessible structural elements, and engineering judgment.

Multiple structural deficiencies typical of buildings designed under mid-1990s seismic codes were identified. These include inadequate connections between CMU and wood-framed portions of the building, insufficient wall and foundation capacity to resist seismic forces, discontinuities in roof and floor elevations that interrupt force transfer, and inadequate anchorage between walls, floors, and roof systems.

The Oregon Seismic Rehabilitation Grant Program (SRGP) provides funding for seismic evaluation and rehabilitation of critical public facilities. The grant is administered by the Business Oregon Infrastructure Finance Authority. The SRGP program may award up to \$2.5 million with no cost share requirements. A successful award would allow the City to address identified seismic vulnerabilities, improve responder safety, and strengthen the City's ability to provide emergency services following a major earthquake.

Approval of this action authorizes staff to apply for grant funding only and does not commit the City to construction or future expenditures without additional City Council approval.

Cost: The total cost associated with preparation of the SRGP application and a preliminary geotechnical study is \$10,500.

Of this amount, \$5,000 will be deferred and is contingent upon a successful grant award. The remaining costs are associated with initial application preparation and required pre-application technical work.

Advisory Committee Recommendation: Not applicable.

Staff Recommendation: Approve Resolution No. 2026-07 as presented.

Proposed Motion: I make a motion to approve Resolution No. 2026-07, A RESOLUTION OF THE CORNELIUS CITY COUNCIL APPROVING AN APPLICATION TO THE SEISMIC REHABILITATION GRANT PROGRAM FOR THE CORNELIUS PUBLIC SAFETY BUILDING, and this action takes effect immediately.

Exhibits: Resolution No. 2026-07

RESOLUTION NO. 2026-07

A RESOLUTION OF THE CORNELIUS CITY COUNCIL AUTHORIZING AN APPLICATION TO THE SEISMIC REHABILITATION GRANT PROGRAM (SRGP) FOR THE CORNELIUS PUBLIC SAFETY BUILDING

WHEREAS, the City of Cornelius owns and operates a Public Safety Building at 1311 N Barlow Street, which houses essential fire and police services that are expected to remain operational following a major seismic event; and

WHEREAS, the Public Safety Building is classified as an Essential Facility (Risk Category IV) under the Oregon Structural Specialty Code and is critical to emergency response and recovery; and

WHEREAS, WDY, Inc., an engineering firm, completed an American Society of Civil Engineers (ASCE) 41-17 Tier 1 and Tier 2 seismic evaluation, as required by Oregon standards; and

WHEREAS, the seismic evaluation found multiple deficiencies in the building's seismic force-resisting system, which could impact performance and functionality during a major earthquake; and

WHEREAS, the State of Oregon offers a grant program, the Seismic Rehabilitation Grant Program (SRGP), through the Business Oregon Infrastructure Finance Authority, to assist essential facilities with bringing existing buildings up to current seismic codes; and

WHEREAS, the Seismic Rehabilitation Grant Program (SRGP) is accepting applications for funding, and the City of Cornelius seeks funding to address building vulnerabilities, improve responder safety, and enhance emergency service resilience after a major earthquake; and

WHEREAS, the preparation of a competitive grant application requires architectural and engineering expertise, including seismic evaluation, cost development, and technical documentation; and

WHEREAS, ZCS, Inc., an engineering and architecture firm, has successfully submitted and received SRGP grant funding to seismically rehabilitate public safety buildings throughout the state of Oregon; and

WHEREAS, the City of Cornelius desires to participate in the Seismic Rehabilitation Grant Program in order to address identified seismic vulnerabilities, improve responder safety, and strengthen the City's ability to provide emergency services following a major earthquake.

NOW, THEREFORE, THE CITY OF CORNELIUS RESOLVES AS FOLLOWS:

Section 1. The Cornelius City Council hereby authorizes City staff to apply for Seismic Rehabilitation Grant Program (SRGP) funding for the Cornelius Public Safety Building and authorizes the Fire Chief to execute the grant application.

Section 2. The Cornelius City Council hereby authorizes City staff to utilize ZCS, Inc. to assist with the preparation of the SRGP application.

Section 3. This resolution is effective immediately upon its enactment by the Cornelius City Council.

INTRODUCED AND APPROVED by the Cornelius City Council at their regular meeting this 2nd day of February, 2026.

City of Cornelius, Oregon

By: _____
Jeffrey C. Dalin, Mayor

Attest: _____
Rachael Bateman, City Recorder

To the Honorable Mayor, Members of the
City Council and the City Manager
City of Cornelius
Cornelius, Oregon

We have audited the financial statements of the City of Cornelius and the Cornelius Urban Renewal Agency (collectively known as the “City”) as of and for the year ended June 30, 2025 and have issued our report thereon dated December 4, 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 Statement of Work dated April 23, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance 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 the system 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 City’s internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of 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 have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the following significant risks:

- The possibility that management could override the system of controls. This risk is always identified and addressed by our planned audit procedures. This is not indicative of any unusual circumstances observed within your organization.
- The possibility that the recording of new debt and capital assets are not complete. This risk was identified due to the purchases of new property during the fiscal year.
- The possibility that sick and other leave balance accruals are not calculated correctly. This risk was identified due to the implementation of a new accounting standard.

Qualitative Aspects of the City'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 the notes to the financial statements. During the year ended June 30, 2025, the City implemented Governmental Accounting Standards Board (GASB) *Statement No. 101, Compensated Absences*. This new standard did not have a material effect on the City's financial statements. No matters have come to our attention that would require us, under professional standards, to inform you about the methods used to account for significant unusual transactions and 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 and Related Disclosures

Accounting estimates and related disclosures 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 depreciation, allowance for uncollectable accounts, lease receivable, net pension liability, OPEB liability (asset), and deferred inflows and outflows related to both. We evaluated the key factors and assumptions used to develop the estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

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 reported expenditures in excess of appropriations.

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. 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. The following material misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management:

- An increase to the general fund capital outlay expenditures of \$3,371,125 and corresponding increase to the general fund loan proceeds. This also resulted in an increase to governmental activities capital assets of \$3,371,125.
- An increase to the general fund lease receivable of \$288,672 and corresponding increase to deferred inflows – leases.

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 December 4, 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 Matters, 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, significant events or transactions that occurred during the year 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 City's auditors.

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

REDW LLC

Salem, Oregon
December 4, 2025

Cornelius

Oregon's Family Town

REDW LLC
475 Cottage Street NE, Suite 200
Salem, OR 97301

This representation letter is provided in connection with your audit of the financial statements of the City of Cornelius and Cornelius Urban Renewal Agency (collectively known as the City) as of June 30, 2025, 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 such that, in the light of surrounding circumstances, 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.

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 December 4, 2025.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the Statements of Work dated April 23, 2025 and July 8, 2025, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- The financial statements referred to above have been fairly presented in accordance with U.S. GAAP and include all properly classified funds, required supplementary information, and notes to the basic financial statements.
- We acknowledge our responsibility for the design, implementation, and maintenance of the system 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.

- The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of the applicable financial reporting framework.
- All 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.
- We are in agreement with the adjusting journal entries you have proposed, and they have been posted to our accounts.
- We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements 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* (FASB Accounting Standards Codification (ASC) 450, *Contingencies*), and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 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.
- With respect to the required supplementary information accompanying the financial statements:
 - We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP.
 - We believe the required supplementary information, including its form and content, is measured and fairly presented.
 - The methods of measurement or presentation have not changed from those used in the prior period.

- We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
- With respect to your preparation of the financial statements and related notes, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the result of the service performed; and
 - Established and maintained controls, including a process to monitor the system of internal control.

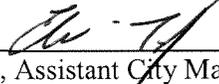
Information Provided

- 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 City and others 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 evaluated the City's ability to meet its obligations as they become due, and have not identified any conditions or events, individually or in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern.
- We have no knowledge of any fraud or suspected fraud that affects the City 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 City's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims or assessments.
- We have disclosed to you the identity of all the City's related parties and the nature of 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.

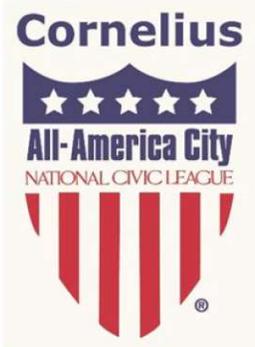
 12/4/25

 Peter Brandom, City Manager

 12/4/25

 Ellie Jones, Assistant City Manager – Business Operations

CITY OF CORNELIUS, OREGON ANNUAL COMPREHENSIVE FINANCIAL REPORT



*FISCAL YEAR ENDED
JUNE 30, 2025*



City of Cornelius

Annual Comprehensive Financial Report
Year Ended June 30, 2025

Prepared by:
City Finance Department

City of Cornelius, Oregon

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Introductory Section

Cornelius

Oregon's Family Town

City of Cornelius, Oregon

Transmittal Letter
June 30, 2025

December 4, 2025

To the Honorable Mayor, City Council, City Manager and Cornelius Community Members:

I am pleased to submit the Annual Comprehensive Financial Report of the City of Cornelius, Oregon for the fiscal year ended June 30, 2025. This report is published to provide the City Council, City staff, community members, and other readers with detailed information concerning the financial position and activities of the City. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. To the best of my knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The State of Oregon requires an annual audit of the fiscal affairs of the City by independent public accountants. The City's financial statements have been audited by REDWLLC, a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements included in this report are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Cornelius' financial statements for the fiscal year ended June 30, 2025, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

The Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis to accompany the basic financial statements. It complements this letter of transmittal and should be read in conjunction with it and the notes to the financial statements.

CITY PROFILE

The City of Cornelius has a population of 14,490 and is located 25 miles west of Portland, Oregon and 10 miles east of the Coast Range in the Tualatin River Valley. Cornelius is surrounded by high-tech industries, vineyards, and farmland in Washington County. Cornelius is a home-rule City Charter community and exercises all powers except those reserved by state statutes, including the power to issue debt, levy taxes on real property within its boundaries, and extend its corporate limits by annexation, where consistent with state law.

The City provides a broad range of services as authorized in its charter, ordinances, and budget. These services include police and fire protection, street infrastructure construction and maintenance, parks, a library, water, sanitary sewer, and storm water services, land use planning and zoning, and economic development.

The City is governed by a City Council comprised of a Mayor and four Councilors. The City Council exercises policy-making and legislative authority and is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, the city attorney, municipal court judge, and city manager. The city manager is responsible for carrying out the day-to-day operations of the City and appointing managers of City departments. All Council members are elected at-large to serve a four-year term. Terms are staggered so that two Councilors are elected at one general election and two at the next general election. The Mayor is a member of the Council elected by the voters for a two-year term.

Police services have been contracted with the Washington County Sheriff's Office since July 2014. Building inspection services, municipal court, and some fire related services are contracted with neighboring City of Forest Grove. The City Council continues to support opportunities for citizens to gather and attend City-sponsored events.

FACTORS AFFECTING THE CITY'S FINANCIAL CONDITION

Local Economy

The City of Cornelius resides in an economic environment connected to local, regional, and state dynamics that have driven growth in recent years. Washington County is recognized as the "economic engine" of the State of Oregon and recent development, employment levels and population have modestly benefited the City's financial condition. Unemployment levels have continued to change this past year, with the current unemployment rate in the county increasing from 3.6% to 5.3% in 2025.

The City's population has increased over 18% since 2020, due in large part to increased housing. Residential development has added around 1,200 new homes. A new 113-unit affordable housing complex was recently completed, as was a 160,000 square foot warehousing/manufacturing building in the City's industrial area. Many other residential and commercial developments are planned or under construction, and there is potential for hundreds of new multifamily housing units in the next few years as well as new businesses in our main corridor.

Our two largest retail stores, Fred Meyer and Walmart, provide citizens with many job opportunities, while other local businesses, including Summit Foods, Higher Taste, Rinchem, and other businesses provide local jobs. Though modest due to dwindling available industrial land, there are further near-term opportunities for commercial and industrial businesses and job creation. However, Cornelius is still predominantly residential, with relatively low property values and meager additional revenue sources.

Interest rates on the City's investment in the Oregon Local Government Investment Pool have continued to change, and staff continues to monitor investments regularly. Additionally, the City has been careful to maintain its financial reserves and reduce costs wherever possible. The City also seeks grant funding for projects whenever possible.

Long-Term Financial Planning

City Council and staff continue to assess current and future operational needs, which has been an ongoing challenge and requires careful planning. Staff has created a 5-year revenue and expenditure projection for major funds, including the General Fund, Stormwater Fund, Water Fund, Sanitary Sewer Fund, and Street Fund. Staff has also continued to update our 20-year Capital Improvement Program (CIP) to assist with long-term financial planning and to ensure that current and future capital needs can be met.

The City has seen continued modest increase in property tax revenue, and remains committed to providing responsive essential services and infrastructure to its residential and commercial population. With major increased costs of public safety, materials, and employee healthcare and retirement benefits, City officials continue to be very careful with spending. While conservative revenue projections have helped the City keep fund balances steady, most costs are kept to minimum operating standards. This has allowed the City to rebuild financial reserves for cash flow purposes and unforeseen expenses. During the upcoming budget cycle City staff will again look closely for new revenue sources and to reduce expenses to help ensure that we have stable fund balances and reserves.

Voters approved a new 5-year Fire Operating Levy in November 2023. The new Levy provides for three new additional full-time Firefighters, for a total of ten, and also provides for the Fire Intern program to continue with paid intern positions. The new levy also provides capital funding. The City hired a Fire Chief in Spring of 2025. Previously this position was contracted with Forest Grove since 2012. Finally, space reallocation and seismic engineering studies of the Public Safety building have been completed to inform needed upgrades to the building.

Comparatively, Cornelius's greatest source of General Fund revenue, from property taxes, is less than 60% of the average across cities in Washington County, which requires City staff to do much more with fewer staff positions, and presents challenges in funding service delivery. The City has had to augment revenue with fees and charges to account for the low tax base for general services. The City implemented a 2¢ per gallon fuel tax that began in 2010, which generates income for the Street and Pathway fund, and a general services fee provides additional revenue for the General Fund. The effort to impose such fees fairly and equitably seems to have met with the approval of community members and the Budget Committee, so they will continue.

The City's Urban Renewal Plan was adopted in 2019, with revenue generating slowly during the first few years. During 2025 the City purchased a former gas station which is slated to be cleaned up and sold. The City also purchased a lot where the former Grande Foods building was. This lot currently has multiple retail tenants and staff will be determining the future use of the site. Staff are evaluating a borrowing proposal that will leverage revenue to being work on the projects in the Plan in 2026.

Oregon started distributing marijuana tax to cities in FY2018. Cornelius has one marijuana retailer located in the City that opened in FY2020 which also generates additional revenue. We anticipate more retailers in the future, so we will continue to monitor this revenue source.

As state and regional governmental agencies continue to look for more revenues for their programs, monies received from those sources by Cornelius could be at risk. The yield from most state-shared revenue has been flat. See the Management's Discussion and Analysis, Economic Factors section for additional details.

FINANCIAL INFORMATION

Internal Controls

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Since the cost of internal controls should not outweigh the benefits, the City's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements.

Internal control training, monitoring and inspections continued to be commonplace among the staff of the city during this past year. Episodes elsewhere in prior years caused a heightened awareness of the need for good internal controls among even the smallest of local government units. Policies and procedures are reviewed and updated on a regular basis. The City uses financial software that has internal auditing capabilities to record and track changes made by staff. In addition to the basic software functions city staff also utilizes software modules for budgeting, capital assets, project/grant accounting, and licenses/permits which will help streamline workflow and reporting.

Budget Process

The annual budget is the basis for the City's financial planning and control. The budget process begins with the appointment of the budget officer and Budget Committee. The Budget Committee consists of the five City Council members and an equal number of citizen representatives. Budget recommendations are developed through late winter. The Committee approves the budget in early spring after public hearings are held and citizen input is considered. The Council adopts the budget prior to June 30th. Once the budget is established, expenditures can only exceed the legal level of budgetary control, the department level, after approval from the City Council (within restrictions established in state statutes).

Relevant Financial Policies

The City maintains a general checking account to fund daily operations. Cash in excess of daily operating needs is typically pooled and invested in the Local Government Investment Pool (LGIP). However, with banking fees continuing to increase on the general checking account and interest at the LGIP continuing to stay low, city staff maintained a higher balance in the general checking account during the last few fiscal years to help offset bank fees.

The City has risk management policies and a formal safety committee to address issues of employee safety, health, and injury. The committee implements policies and procedures that include employee and employer accountability for safety and employee accident prevention training. The City participates in an insurance trust pool of Oregon cities and county governments for property, automobile, liability, and worker's compensation insurance coverage. The city also uses the services of The Partners Group Ltd. as its agent of record to provide additional risk management oversight.

Further details on the City's budget process, cash and cash equivalents, risk management, and retirement program can be found in the notes to the financial statements.

Major Initiatives

The City has continued to establish and work toward clearly defined goals and objectives. During the budget review process, goals and objectives are developed and prioritized by the City Council and staff. The process is a continuing cycle of setting goals and objectives, reviewing short and long-term goals, evaluating results, and reassessing goals and their priorities.

To prepare for the budget, the City Council adopted a Strategic Plan for 2025-2028. The Strategic Plan includes an updated Organizational Vision Statement, Values, Mission, and Goals and Actions. The following list of goals were updated and included these major policy areas: Drive intentional, opportunistic economic development in the Cornelius Town Center through public/private partnership to expand revenue, create jobs, and establish local destinations; Increase community engagement in the civic process and provide opportunities for community members to advocate for Cornelius; Extend staff capacity through volunteers and improved staff recruitment, training, and management to increase participation, build future leaders, and enhance services; and Determine and articulate our collective identity and develop a theme or brand that unifies the community and instills civic pride. The City Council typically reviews the goals during the spring budget process.

AWARDS AND ACKNOWLEDGEMENTS

The City of Cornelius received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for FY2024. The city has received this award for 17 years in a row. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

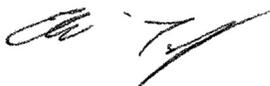
A Certificate of Achievement is valid for a period of one year only. We believe our current Annual Comprehensive Financial Report will once again meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for a certificate.

The City of Cornelius also received the Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) from GFOA for FY2024. This is the 15th year in a row that the city has received this award. There are only a small number of government entities in the State of Oregon that received this award. Cornelius has a 52% Latino population, so to increase our outreach to the Latino community this is the 14th year the PAFR has also been printed in Spanish.

The city has also been awarded the GFOA "Distinguished Budget Presentation" award for the last 18 budget cycles.

The preparation of this report would not have been possible without the dedicated services of staff within the City Managers Office, as well as other City staff. I sincerely appreciate their efforts. I also extend appreciation to the Mayor, City Council, and the City Manager, whose continuing support is vital to the financial health of the City of Cornelius, Oregon.

Respectfully submitted,



Ellie T. Jones
Assistant City Manager – Business Operations

City of Cornelius, Oregon
Certificate of Achievement
June 30, 2025



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Cornelius
Oregon**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

City of Cornelius, Oregon
Officials of the City of Cornelius, Oregon
June 30, 2025

Mayor and Council Members

<u>Name</u>	<u>Term Expires</u>
Mayor	
Jeffrey Dalin	December 31, 2026
Council Members	
John Colgan (resigned September 15, 2025)	December 31, 2026
Angeles Godinez	December 31, 2028
Eden Lopez	December 31, 2026
Gregory Vaughn (took office January 1, 2025)	December 31, 2028

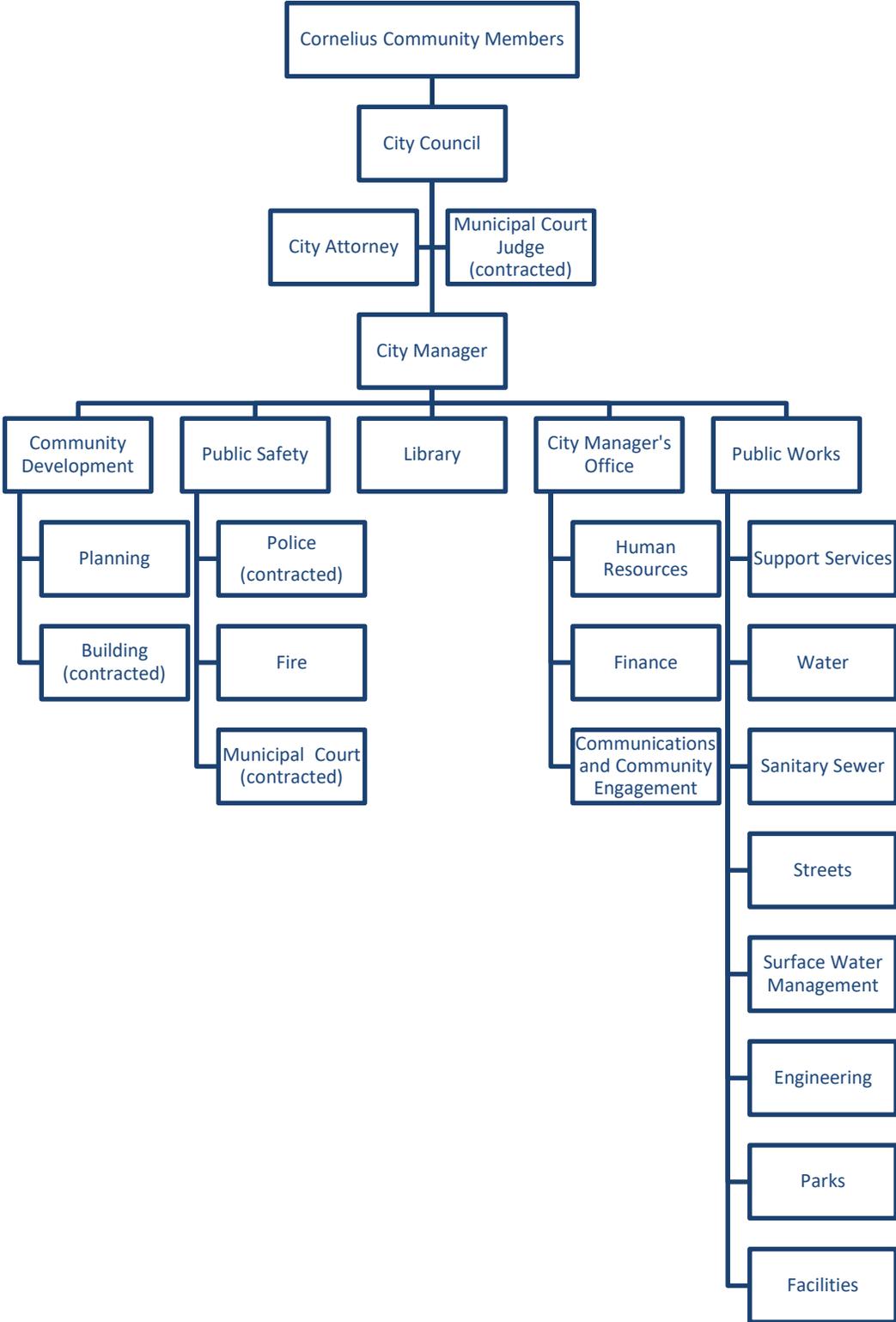
The above individuals may be contacted at the address below:

City Administration

Peter Brandom, City Manager
Ellie Jones, Assistant City Manager – Business Operations

City of Cornelius, Oregon
1355 N Barlow St
Cornelius, Oregon 97113

City of Cornelius, Oregon
Organizational Chart
June 30, 2025



Financial Section

Independent Auditor's Report

Honorable Mayor and Council Members
City of Cornelius
Cornelius, Oregon

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 Cornelius, Oregon, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the 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 of Cornelius, Oregon, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof 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). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 (MD&A) and required supplementary information, as listed in the table of contents, 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 (except as mentioned in the following paragraph) because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison information presented as required supplementary information, is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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, budgetary schedules, and other financial schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information 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. The 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information included in the ACFR. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Minimum Standards for Audits of Oregon Municipal Corporations

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated December 4, 2025, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

A handwritten signature in black ink, appearing to read 'RTP', with a long horizontal line extending to the right.

Ryan T. Pasquarella, Principal
For REDW LLC
Salem, Oregon
December 4, 2025

City of Cornelius, Oregon
Management's Discussion and Analysis
June 30, 2025

The management of the City of Cornelius, Oregon, offers readers of the Annual Comprehensive Financial Report, this narrative overview and analysis of the financial activities of the City of Cornelius for the fiscal year ended June 30, 2025. This analysis focuses on significant financial issues, major financial activities, and resulting changes in financial position, budget variances, and specific issues related to funds and the economic factors affecting the City. Readers are encouraged to consider the information here in conjunction with additional information provided in the transmittal letter.

FINANCIAL HIGHLIGHTS

Assets totaled \$113,946,898 at June 30, 2025, and consisted of \$35,959,334 in cash and investments; \$2,395,319 in accounts and interest receivable and other assets; and \$75,592,245 in capital assets.

Deferred outflows related to pensions and other postemployment benefits totaled \$2,905,716.

Net position (assets and deferred outflows minus liabilities and deferred inflows) was \$101,646,057 at June 30, 2025, compared to \$95,638,227 at June 30, 2024.

Deferred inflows related to pensions, other postemployment benefits, and leases totaled \$817,564.

As of June 30, 2025, the City had \$5,081,774 in outstanding bonds and notes payable.

The City's net position increased by \$6,007,830 from June 2024, primarily due to increases in property taxes, interest revenues, and SDC revenues due to increased development in the area. Capital assets increased by \$8,561,046 in fiscal year 2025 mainly due to the purchase of a building, continuation of infrastructure projects and purchase of equipment.

REPORT FORMAT

This Management's Discussion and Analysis (MD&A) section provides users of the basic financial statements a narrative introduction, overview, and analysis of the statements. The report also includes government-wide financial statements, fund financial statements, notes to the financial statements and required supplementary information. The first several statements are highly condensed and present a government-wide view of the City's finances. Within this view all City operations are categorized and reported as either governmental or business-type activities.

Governmental activities include basic services such as public safety, transportation, culture and recreation, community development, and general governmental administration. Business-type activities are water, sewer, and storm water services.

City of Cornelius, Oregon
Management's Discussion and Analysis
June 30, 2025

Taken together the sections provide a comprehensive financial look at the City. The individual components of the report include the following:

- **Management Discussion and Analysis.** This section of the report provides financial highlights, overview, and economic factors affecting the City.
- **Basic Financial Statements.** Includes the Statement of Net Position, Statement of Activities, fund financial statements, and the notes to the basic financial statements. Statements of Net Position and Activities focus on government-wide presentation using the accrual basis of accounting. They are designed to be more corporate-like in that all activities are consolidated into a total for the City.
 - The Statement of Net Position focuses on resources available for future operations. This statement presents a snapshot view of the assets the community owns, the liabilities it owes, and the net difference. The net differences are further separated into amounts invested in capital assets, restricted for special purposes, and unrestricted amounts.
 - The Statement of Activities focuses on gross and net costs of the City programs and the extent to which such programs rely upon general tax and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenue.
 - Fund financial statements focus separately on major governmental funds and proprietary funds. Governmental fund statements follow the more traditional presentation of governmental financial statements. The City's major governmental funds are presented in their own column, and the remaining funds are combined into a column titled "Other Governmental.". Budgetary comparison statements are presented for the General Fund and Street and Pathway fund as Required Supplementary Information. Statements for the City's proprietary funds follow the governmental funds and include the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Fund Net Position and Statement of Cash Flow.
 - The notes to the basic financial statements provide additional information to assist the reader in understanding the City's financial condition.
- **Required Supplementary Information.** Includes the Schedule of Revenues, Expenditures, and Changes in Fund Balance (Budget and Actual) for the General Fund and Street and Pathway Fund. This section also includes the Schedule of the Proportionate Share of the Net Pension Liability and Schedule of Contributions, and the Schedule of Changes in Total Other Postemployment Benefits Liability and Related Ratios – Implicit Rate Subsidy, Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset) and Schedule of Contributions.

City of Cornelius, Oregon
Management's Discussion and Analysis
June 30, 2025

- **Other Supplementary Information.** Readers desiring additional information on major funds that are not a part of Required Supplementary Information and nonmajor funds can find it in the Combining Schedules of Nonmajor Funds and the budgetary comparison sections of this report. Components within this section include:
 - Combining schedules. Major funds are included within the Basic Financial Statements, whereas nonmajor funds are presented here. These statements include combining balance sheets and combining schedule of revenues, expenditures, and changes in fund balance.
 - Budgetary Comparisons. Includes budgetary information for major governmental funds budgetary comparison schedules not included in the Required Supplemental Information for all nonmajor funds and business type activities.
- **Compliance Section.** Report and related comments and disclosures required by Oregon State Statutes.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds. As of the end of the current fiscal year, the City of Cornelius' governmental funds reported combined ending fund balances of \$18,640,015, an increase of \$947,937 in comparison with the prior year. The General fund shows a negative change due to an increase in capital outlay. The Street and Pathway fund shows a relatively small positive change. The Traffic Development fund shows a positive change due to an increase in licenses, permits, and fees related to new development. Other governmental funds show a negative change due to an increase in capital outlay for the URA.

Proprietary Funds. As of the end of the current fiscal year, the City of Cornelius' proprietary funds reported a total net position of \$35,175,490, an increase of \$2,667,372 in comparison with the prior year. Utility fees were increased in all funds during the fiscal year to ensure funds are available for future capital projects. There was also a continued rise in new development, which resulted in an increase in System Development Charges.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City Council approved several changes to the 2024-2025 adopted budget including three supplemental budgets.

The General Fund's budgeted appropriations between the original and final budget increased by \$182,639. Some of the significant changes were due to new grants being received during the fiscal year. There was also an increase to Fire Department Personnel Services related to Conflagration expenses.

City of Cornelius, Oregon
Management's Discussion and Analysis
June 30, 2025

The actual revenues and expenditures were fairly consistent with the final adopted budget. Revenue from permits and fees was lower than anticipated, and property taxes were higher than anticipated mainly due to new construction. Some of the permits and fees collected are pass-through expenses, so the change in revenue also caused a change in expenditures. Grant revenue was higher than anticipated, which also caused expenditures to be higher so that the funds could be spent. Interest revenues were also higher than anticipated as interest earning rates have steadily increased over the years. There was also a delay in capital projects which caused the actual Parks department expenditures to be less than budgeted. Capital outlay was much higher than anticipated due to an unexpected land purchase being made late in the fiscal year.

STATEMENT OF NET POSITION

The following table reflects the condensed Statement of Net Position compared to the prior year:

	2025			2024		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Cash and investments	\$ 19,389,080	\$ 16,570,254	\$ 35,959,334	\$ 19,003,500	\$ 16,858,534	\$ 35,862,034
Other assets	1,335,844	1,059,475	2,395,319	1,072,980	996,074	2,069,054
Capital assets	54,976,000	20,616,245	75,592,245	48,968,675	18,062,524	67,031,199
Total assets	75,700,924	38,245,974	113,946,898	69,045,155	35,917,132	104,962,287
Deferred outflows	2,618,479	287,237	2,905,716	1,913,549	200,049	2,113,598
Other liabilities	7,822,000	1,485,219	9,307,219	7,156,175	1,699,654	8,855,829
Long-term debt	3,454,306	1,627,468	5,081,774	114,833	1,712,423	1,827,256
Total liabilities	11,276,306	3,112,687	14,388,993	7,271,008	3,412,077	10,683,085
Deferred inflows	765,282	52,282	817,564	683,153	71,420	754,573
Net position						
Net investment in capital assets	51,521,694	18,988,777	70,510,471	48,853,842	16,350,101	65,203,943
Restricted	13,704,432	8,845,401	22,549,833	12,276,178	8,605,620	20,881,798
Unrestricted	1,051,689	7,534,064	8,585,753	1,874,523	7,677,963	9,552,486
Total net position	\$ 66,277,815	\$ 35,368,242	\$ 101,646,057	\$ 63,004,543	\$ 32,633,684	\$ 95,638,227

The net position for governmental activities increased by \$3,273,272 and business-type activities increased by \$2,734,558 mainly due to an increase in charges for services and completion of capital projects.

City of Cornelius, Oregon
Management's Discussion and Analysis
June 30, 2025

STATEMENT OF ACTIVITIES

The following table reflects the condensed Statement of Activities compared to the prior year:

	2025			2024		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues						
Program revenues						
Charges for service	\$ 2,581,226	\$ 10,379,173	\$ 12,960,399	\$ 2,542,420	\$ 10,007,692	\$ 12,550,112
Operating grants and contributions	465,721	-	465,721	89,554	-	89,554
Capital grants and contributions	1,119,392	662,191	1,781,583	2,980,601	774,927	3,755,528
Total program revenues	4,166,339	11,041,364	15,207,703	5,612,575	10,782,619	16,395,194
General revenues						
Property taxes	6,176,808	-	6,176,808	4,757,166	-	4,757,166
Local motor vehicle fuel tax	227,094	-	227,094	229,507	-	229,507
Franchise taxes	636,134	-	636,134	626,891	-	626,891
Other	3,829,355	854,423	4,683,778	3,622,934	773,303	4,396,237
Total general revenues	10,869,391	854,423	11,723,814	9,236,498	773,303	10,009,801
Total revenues	15,035,730	11,895,787	26,931,517	14,849,073	11,555,922	26,404,995
Expenses						
General government	2,444,534	-	2,444,534	1,935,966	-	1,935,966
Public safety	5,888,263	-	5,888,263	5,150,648	-	5,150,648
Highways and streets	1,494,977	-	1,494,977	1,351,703	-	1,351,703
Culture and recreation	1,884,698	-	1,884,698	1,930,936	-	1,930,936
Interest on long-term debt	33,515	-	33,515	3,236	-	3,236
Water operations	-	3,439,307	3,439,307	-	3,421,676	3,421,676
Sewer operations	-	4,533,932	4,533,932	-	4,158,062	4,158,062
Surface water management operations	-	1,204,461	1,204,461	-	1,175,810	1,175,810
Total expenses	11,745,987	9,177,700	20,923,687	10,372,489	8,755,548	19,128,037
Changes in net position before transfers	3,289,743	2,718,087	6,007,830	4,476,584	2,800,374	7,276,958
Transfers	(16,471)	16,471	-	(20,832)	20,832	-
Change in net position	3,273,272	2,734,558	6,007,830	4,455,752	2,821,206	7,276,958
Beginning net position	63,004,543	32,633,684	95,638,227	58,548,791	29,812,478	88,361,269
Ending net position	\$ 66,277,815	\$ 35,368,242	\$ 101,646,057	\$ 63,004,543	\$ 32,633,684	\$ 95,638,227

Governmental activities increased by \$3,273,272 from 2024 mainly due to an increase in property tax revenues. Business-type activities increased by \$2,734,558 from 2024 primarily due to an increase in charges for services and other miscellaneous revenues.

City of Cornelius, Oregon
Management's Discussion and Analysis
June 30, 2025

CAPITAL ASSETS

At June 30, 2025, the City has \$75,592,245, net of accumulated depreciation, invested in a broad range of capital assets, including land, buildings and improvements, equipment, roads, and water, sewer, and storm water lines.

The following is a comparison of capital assets as of June 30:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 4,288,455	\$ 1,884,067	\$ 20,000	\$ 20,000	\$ 4,308,455	\$ 1,904,067
Intangibles	16,088,232	16,088,232	2,978,358	2,978,358	19,066,590	19,066,590
Construction in progress	2,024,250	2,029,914	2,964,147	1,357,166	4,988,397	3,387,080
Buildings	11,760,694	8,890,957	2,032,770	2,032,770	13,793,464	10,923,727
Improvements	5,873,486	5,224,704	403,438	403,438	6,276,924	5,628,142
Equipment	1,459,107	1,437,682	1,043,545	924,159	2,502,652	2,361,841
Vehicles	1,581,667	1,529,902	1,993,817	1,773,514	3,575,484	3,303,416
Infrastructure	22,897,356	22,039,694	15,311,113	14,466,170	38,208,469	36,505,864
Accumulated depreciation	(10,997,247)	(10,156,477)	(6,130,943)	(5,893,051)	(17,128,190)	(16,049,528)
Net capital assets	\$ 54,976,000	\$ 48,968,675	\$ 20,616,245	\$ 18,062,524	\$ 75,592,245	\$ 67,031,199

For more detailed information regarding capital assets please refer to Note 6 in Notes to the Financial Statements.

DEBT

As of June 30, 2025, the City had \$5,393,431 in long-term debt and compensated absences, compared to \$2,063,622 at June 30, 2024. The major increase in debt is due to a note payable for a new land purchase.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Notes payable	\$ 3,454,306	\$ 114,833	\$ 1,627,468	\$ 1,712,423	\$ 5,081,774	\$ 1,827,256
Accrued compensated absences	276,399	206,258	35,258	30,108	311,657	236,366
	\$ 3,730,705	\$ 321,091	\$ 1,662,726	\$ 1,742,531	\$ 5,393,431	\$ 2,063,622

For more detailed information regarding debt please refer to Note 5 in the Notes to Basic Financial Statements.

City of Cornelius, Oregon

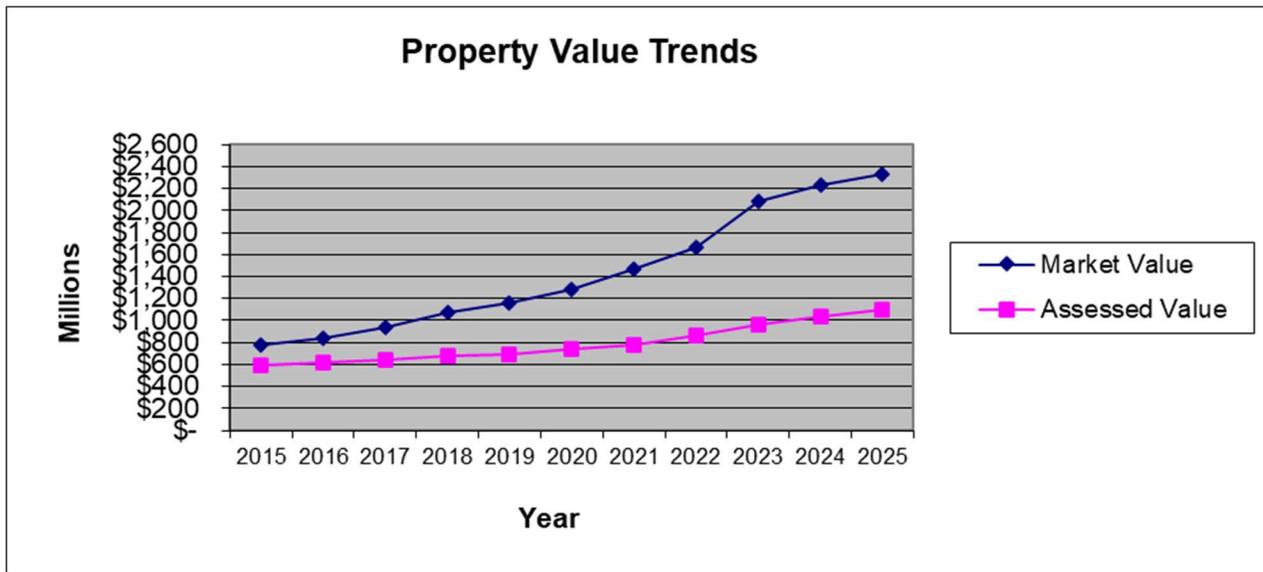
Management's Discussion and Analysis

June 30, 2025

ECONOMIC FACTORS

The governmental funds largest revenue sources are property taxes, franchise fees, fees for charges and services and state shared revenues. The State of Oregon does not have a sales tax; resulting in local government's heavy reliance on property taxes and other self-generated revenues including franchise fees, business licenses, etc. In 1997, constituents in the State of Oregon passed a tax reform moving local governments from a tax base system to a tax rate system. The maximum tax rate allowed under Oregon statute is 3 percent.

In 2025, the City's assessed value increased 5.94 %, while the market value increased 4.32 %. The following graph depicts the change of both the real market value of property and the artificially restrained trend line of assessed valuation for taxation purposes.



Cornelius is known for its affordable housing stock. The market values of these homes started steadily decreasing in 2009, but we have seen a consistent rise since 2014. The historic decrease caused many foreclosures and bankruptcies of residents unable to sell their home or refinance. Property owners can choose to pay their taxes in installments or take advantage of the 3% discount by paying in full. The majority of property tax revenue is received in November, with installment and delinquent revenues being received throughout the fiscal year.

Personnel costs continue to rise due to increasing healthcare and retirement costs. Currently the City pays 90% of an employee's healthcare plan, with the employee paying the other 10%. Some employees cover only themselves, with other employees covering an entire family. The high rate of "healthcare inflation" has affected all employers and employees and has been mitigated by the increased effectiveness of various wellness programs. The Public Employee Retirement System (PERS) increased for the City of Cornelius for the biennium beginning July 1, 2023, with additional increases anticipated every two years. Staff is working diligently to try and absorb these costs but may have to increase City fees or look at other funding options.

City of Cornelius, Oregon
Management's Discussion and Analysis
June 30, 2025

The City of Cornelius purchases its water from the City of Hillsboro as a wholesale customer, with rates increasing annually. Clean Water Services also adjusted the rates paid for sanitary sewer and system development charges on a pass-through basis.

FINANCIAL INFORMATION CONTACT

The City's financial statements are designed to present users, including the taxpayers, citizens, customers, investors, and creditors with a general overview of the City's finances and overall accountability. If you have questions about the contents of this report or would like additional financial information please contact Ellie Jones, Assistant City Manager – Business Operations at 503-357-9112, 1355 N Barlow Street, Cornelius, Oregon 97113, email info@corneliusor.gov, or visit our website at www.corneliusor.gov.

Basic Financial Statements

City of Cornelius, Oregon
Section Summary –
Basic Financial Statements
June 30, 2025

The basic financial statements include interrelated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements
 - Governmental Funds
 - Proprietary Funds

In addition, the notes to the basic financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

City of Cornelius, Oregon
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-Type Activities	Totals
Assets			
Current Assets			
Cash and investments	\$ 19,389,080	\$ 16,570,254	\$ 35,959,334
Property taxes receivable	108,012	-	108,012
Accounts receivable, net	711,202	904,112	1,615,314
Inventories	-	146,133	146,133
Total current assets	20,208,294	17,620,499	37,828,793
Noncurrent Assets			
Assessments receivable	143,817	-	143,817
OPEB asset	84,141	9,230	93,371
Lease receivable	288,672	-	288,672
Capital assets			
Nondepreciable	22,400,937	5,962,505	28,363,442
Depreciable, net	32,575,063	14,653,740	47,228,803
Total noncurrent assets	55,492,630	20,625,475	76,118,105
Total Assets	75,700,924	38,245,974	113,946,898
Deferred Outflows of Resources			
Deferred outflows related to pensions	2,605,185	285,778	2,890,963
Deferred outflows related to OPEB	13,294	1,459	14,753
Total deferred outflows of resources	2,618,479	287,237	2,905,716
Total assets and deferred outflows of resources	<u>\$ 78,319,403</u>	<u>\$ 38,533,211</u>	<u>\$ 116,852,614</u>
Liabilities			
Current Liabilities			
Accounts payable and accrued expenses	\$ 1,164,095	\$ 719,083	\$ 1,883,178
Deposits	17,053	6,000	23,053
Current portion of accrued compensated absences	55,280	7,052	62,332
Interest payable	15,984	28,481	44,465
Current portion of long-term debt	120,193	87,503	207,696
Total current liabilities	1,372,605	848,119	2,220,724
Noncurrent Liabilities			
Noncurrent portion of accrued compensated absences	221,119	28,204	249,323
Net pension liability	6,236,268	684,091	6,920,359
OPEB liability	112,201	12,308	124,509
Noncurrent portion of long-term debt	3,334,113	1,539,965	4,874,078
Total noncurrent liabilities	9,903,701	2,264,568	12,168,269
Total liabilities	11,276,306	3,112,687	14,388,993
Deferred Inflows of Resources			
Deferred inflows related to pensions	376,503	41,301	417,804
Deferred inflows related to OPEB	100,107	10,981	111,088
Deferred inflows related to leases	288,672	-	288,672
Total deferred inflows of resources	765,282	52,282	817,564
Net Position			
Net investment in capital assets	51,521,694	18,988,777	70,510,471
Restricted for			
Highways and streets	1,643,474	-	1,643,474
Community development	1,075,922	-	1,075,922
Capital projects	10,900,895	8,836,171	19,737,066
OPEB	84,141	9,230	93,371
Unrestricted	1,051,689	7,534,064	8,585,753
Total net position	66,277,815	35,368,242	101,646,057
Total liabilities, deferred inflows of resources, and net position	<u>\$ 78,319,403</u>	<u>\$ 38,533,211</u>	<u>\$ 116,852,614</u>

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

City of Cornelius, Oregon
Statement of Activities
Year Ended June 30, 2025

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
Functions/Programs							
Governmental Activities							
General government	\$ 2,444,534	\$ 2,205,938	\$ 433,893	\$ -	\$ 195,297	\$ -	\$ 195,297
Public safety	5,888,263	368,189	1,269	-	(5,518,805)	-	(5,518,805)
Highways and streets	1,494,977	1,560	-	1,116,950	(376,467)	-	(376,467)
Culture and recreation	1,884,698	5,539	30,559	2,442	(1,846,158)	-	(1,846,158)
Interest on long-term debt	33,515	-	-	-	(33,515)	-	(33,515)
Total governmental activities	11,745,987	2,581,226	465,721	1,119,392	(7,579,648)	-	(7,579,648)
Business-Type Activities							
Water	3,439,307	3,963,205	-	431,120	-	955,018	955,018
Sanitary sewer	4,533,932	5,020,931	-	26,912	-	513,911	513,911
Surface water management	1,204,461	1,395,037	-	204,159	-	394,735	394,735
Total business-type activities	9,177,700	10,379,173	-	662,191	-	1,863,664	1,863,664
Total activities	\$ 20,923,687	\$ 12,960,399	\$ 465,721	\$ 1,781,583	(7,579,648)	1,863,664	(5,715,984)
General Revenues							
Taxes							
Property taxes					6,176,808	-	6,176,808
Local motor vehicle fuel tax					227,094	-	227,094
Franchise taxes					636,134	-	636,134
Intergovernmental					2,518,603	-	2,518,603
Interest earnings					971,944	792,968	1,764,912
Gain on sale of assets					12,436	60,978	73,414
Miscellaneous					326,372	477	326,849
Total general revenues					10,869,391	854,423	11,723,814
Transfers							
					(16,471)	16,471	-
Change in net position					3,273,272	2,734,558	6,007,830
Net position, beginning of year					63,004,543	32,633,684	95,638,227
Net position, end of year					\$ 66,277,815	\$ 35,368,242	\$ 101,646,057

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

City of Cornelius, Oregon
Section Summary –
Fund Financial Statements –
Major Governmental Funds
June 30, 2025

General Fund

The General Fund accounts for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as general government, public safety, library operations, parks, and recreations.

Street and Pathway Fund

The Street and Pathway Fund accounts for revenue derived from state, county, and local fuel tax that is used for repair, maintenance, and construction of streets and pathways.

Traffic Development Fund

The purpose of this fund is to build new, reconstruct, and increase the safe capacity of streets, sidewalks, signals, and bridges within the City of Cornelius.

City of Cornelius, Oregon
Balance Sheet – Governmental Funds
June 30, 2025

	General	Special Revenue	Capital Projects	Other Governmental Funds	Total
		Street and Pathway Fund	Traffic Development		
Assets					
Cash and investments	\$ 5,390,377	\$ 1,659,917	\$ 9,692,132	\$ 2,284,015	\$ 19,026,441
Property taxes receivable	98,630	-	-	9,382	108,012
Accounts receivable, net	534,019	170,826	-	-	704,845
Assessments receivable	143,817	-	-	-	143,817
Lease receivable	288,672	-	-	-	288,672
Total assets	\$ 6,455,515	\$ 1,830,743	\$ 9,692,132	\$ 2,293,397	\$ 20,271,787
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts payable	\$ 845,636	\$ 187,269	\$ 5	\$ 2,341	\$ 1,035,251
Accrued payroll and payroll liabilities	88,403	-	-	-	88,403
Total liabilities	934,039	187,269	5	2,341	1,123,654
Deferred Inflows of Resources					
Unavailable revenue - property taxes	69,263	-	-	6,366	75,629
Unavailable revenue - assessments	143,817	-	-	-	143,817
Unavailable revenue - leases	288,672	-	-	-	288,672
Total deferred inflows of resources	501,752	-	-	6,366	508,118
Fund Balances					
Restricted for					
Highways and streets	-	1,643,474	-	-	1,643,474
Community development	-	-	-	1,075,922	1,075,922
Capital projects	-	-	9,692,127	1,208,768	10,900,895
Unassigned	5,019,724	-	-	-	5,019,724
Total fund balances	5,019,724	1,643,474	9,692,127	2,284,690	18,640,015
Total liabilities, deferred Inflows of resources, and fund balances	\$ 6,455,515	\$ 1,830,743	\$ 9,692,132	\$ 2,293,397	\$ 20,271,787

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

City of Cornelius, Oregon
Reconciliation of Balance Sheet Governmental Funds
to the Statement of Net Position
June 30, 2025

Fund balances	\$ 18,640,015
Capital assets are not financial resources in governmental funds, but are reported in the Statement of Net Position at their net depreciable value.	54,976,000
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	219,446
Internal service funds are proprietary-type funds and not reported with governmental funds. However, because a portion of the internal service funds benefit governmental activities, a portion of their assets, liabilities, and net position are reported along with governmental activities in the Statement of Net Position.	311,502
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Long-term debt	(3,454,306)
Pension and OPEB and related deferred outflows and inflows	(4,122,459)
Compensated absences	(276,399)
Interest payable	(15,984)
	(12,870,154)
Net position of governmental activities	\$ 66,277,815

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

City of Cornelius, Oregon
Statement of Revenues, Expenditures, and Changes
in Fund Balances – Governmental Funds
Year Ended June 30, 2025

	General Fund	Special Revenue	Capital Projects	Other	Total
		Street and Pathway Fund	Traffic Development	Governmental Funds	
Revenues					
Taxes and assessments	\$ 5,551,423	\$ -	\$ -	\$ 610,937	\$ 6,162,360
Franchise fees	1,077,929	-	-	-	1,077,929
License, permits, and fees	1,739,007	228,654	1,089,952	2,442	3,060,055
Intergovernmental	1,356,396	1,459,466	-	-	2,815,862
Grants	432,288	25,435	-	-	457,723
Fines and forfeitures	37,335	-	-	-	37,335
Interest revenue	315,810	76,604	435,473	122,298	950,185
Miscellaneous revenue	316,308	3,285	-	-	319,593
Total revenues	10,826,496	1,793,444	1,525,425	735,677	14,881,042
Expenditures					
Current					
General government	2,102,302	-	-	-	2,102,302
Community development	-	-	-	53,628	53,628
Public safety	5,733,732	-	-	-	5,733,732
Highways and streets	-	1,036,672	-	-	1,036,672
Culture and recreation	1,530,591	-	-	-	1,530,591
Capital outlay	5,620,880	846,241	-	324,073	6,791,194
Debt service					
Principal	31,652	-	-	-	31,652
Interest	18,099	-	-	-	18,099
Total expenditures	15,037,256	1,882,913	-	377,701	17,297,870
Revenues Over (Under) Expenditures	(4,210,760)	(89,469)	1,525,425	357,976	(2,416,828)
Other Financing Sources (Uses)					
Transfers in	362,176	91,491	-	-	453,667
Transfers out	(21,961)	-	(86,001)	(362,176)	(470,138)
Gain (loss) on sale of assets	10,111	-	-	-	10,111
Proceeds from issuance of debt	3,371,125	-	-	-	3,371,125
Total other financing sources (uses)	3,721,451	91,491	(86,001)	(362,176)	3,364,765
Net change in fund balances	(489,309)	2,022	1,439,424	(4,200)	947,937
Fund balances, beginning of year	5,509,033	1,641,452	8,252,703	2,288,890	17,692,078
Fund balances, end of year	\$ 5,019,724	\$ 1,643,474	\$ 9,692,127	\$ 2,284,690	\$ 18,640,015

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

City of Cornelius, Oregon
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances – Governmental Funds to the Statement of Activities
Year Ended June 30, 2025

Net change in fund balances - total governmental funds \$ 947,937

Governmental funds report pension and OPEB contributions as expenditures. However, in the statements of activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as an expense.

Pension expense	(313,786)
OPEB expense	13,811

The statement of revenues, expenditures, and changes in fund balances report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Current year depreciation	(865,890)
Capital asset additions	6,873,215

Some revenues reported in the statement of activities do not provide current financial resources in the governmental funds. (11,867)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

Issuance of long-term debt	(3,371,125)
Debt service principal payments	31,652
Changes in compensated absences	(70,141)
Accrued interest expense	(15,267)

Internal service funds are used by management to charge the costs of the administrative services department to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. 54,733

Change in net position of governmental activities \$ 3,273,272

City of Cornelius, Oregon
Section Summary –
Fund Financial Statements –
Enterprise Funds
June 30, 2025

These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing the services to the general public on a continuing basis be financed primarily through user charges. These funds represent three segments of operations – Water, Sanitary Sewer, and Surface Water Management. Included in these segments are:

Water Operations

Water Fund

The Water Fund accounts for water services for residents of the City. The principal revenue source is from user fees. The primary expenditure is for system operations.

Fixed Assets Water Fund

The Fixed Assets Water Fund is used to implement the Water System Master Plan, provided sufficient revenue is generated from the water rate.

Sanitary Sewer Operations

Sanitary Sewer Fund

The Sanitary Sewer Fund accounts for sewer services for residents of the City. The principal revenue source is from user fees. The primary expenditure is for system operations.

Fixed Assets Sanitary Sewer Fund

The Fixed Assets Sanitary Sewer Fund accounts for expenditures on major construction projects or equipment acquisition. The principal resources are system development charges.

Surface Water Management Operations

Surface Water Management Fund

The Surface Water Management Fund accounts for storm drain services for residents of the City. The principal revenue source is from user fees. The primary expenditure is for system operations.

Fixed Assets Surface Water Management Fund

The Fixed Assets Surface Water Management Fund is used to implement the Storm Sewer System Master Plan provided there are sufficient revenues from operating rates and system development charges.

For Generally Accepted Accounting Principles purposes, these aforementioned funds are consolidated and included as three separate Enterprise funds.

City of Cornelius, Oregon
Section Summary –
Fund Financial Statements –
Internal Service Fund
June 30, 2025

This fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Internal Service Fund

This fund accounts for services provided to other departments or agencies within the City on a cost reimbursement basis.

City of Cornelius, Oregon
Statement of Fund Net Position – Proprietary Funds
June 30, 2025

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities
	Water Operations	Sanitary Sewer Operations	Surface Water Management Operations		Internal Service
Assets					
Current assets					
Cash and investments	\$ 7,783,641	\$ 4,093,347	\$ 4,468,870	\$ 16,345,858	\$ 587,034
Accounts receivable, net	355,479	398,649	146,051	900,179	10,289
Inventories	140,430	4,957	746	146,133	-
Total current assets	8,279,550	4,496,953	4,615,667	17,392,170	597,323
Noncurrent assets					
Capital assets, net	14,124,812	4,499,231	1,992,202	20,616,245	-
OPEB asset	1,733	4,588	2,909	9,230	-
Total noncurrent assets	14,126,545	4,503,819	1,995,111	20,625,475	-
Total assets	22,406,095	9,000,772	6,610,778	38,017,645	597,323
Deferred Outflows of Resources					
Deferred outflows related to pensions	53,654	142,042	90,082	285,778	-
Deferred outflows related to OPEB	274	725	460	1,459	-
Total deferred outflows of resources	53,928	142,767	90,542	287,237	-
Total assets and deferred outflows of resources	<u>\$ 22,460,023</u>	<u>\$ 9,143,539</u>	<u>\$ 6,701,320</u>	<u>\$ 38,304,882</u>	<u>\$ 597,323</u>
Liabilities, Deferred Inflows of Resources, and Net Position					
Current liabilities					
Accounts payable	\$ 326,680	\$ 327,601	\$ 29,225	\$ 683,506	\$ 93,068
Deposits	6,000	-	-	6,000	-
Accrued interest	28,481	-	-	28,481	-
Current accrued compensated absences	2,351	2,351	2,351	7,053	-
Current portion of long-term debt	87,503	-	-	87,503	-
Total current liabilities	451,015	329,952	31,576	812,543	93,068
Noncurrent liabilities					
Noncurrent accrued compensated absences	9,401	9,401	9,401	28,203	-
Noncurrent portion of long-term debt	1,539,965	-	-	1,539,965	-
Net pension liability	128,436	340,018	215,637	684,091	-
OPEB Liability	2,311	6,117	3,880	12,308	-
Total noncurrent liabilities	1,680,113	355,536	228,918	2,264,567	-
Total liabilities	2,131,128	685,488	260,494	3,077,110	93,068
Deferred Inflows of Resources					
Deferred inflows related to pensions	7,754	20,528	13,019	41,301	-
Deferred inflows related to OPEB	2,062	5,458	3,461	10,981	-
Total deferred inflows of resources	9,816	25,986	16,480	52,282	-
Fund Net Position					
Net investment in capital assets	12,497,344	4,499,231	1,992,202	18,988,777	-
Restricted for					
Capital projects	4,729,542	1,760,843	2,345,786	8,836,171	-
OPEB	1,733	4,588	2,909	9,230	-
Unrestricted	3,090,460	2,167,403	2,083,449	7,341,312	504,255
Total fund net position	20,319,079	8,432,065	6,424,346	35,175,490	504,255
Total liabilities, deferred inflows of resources, and fund net position	<u>\$ 22,460,023</u>	<u>\$ 9,143,539</u>	<u>\$ 6,701,320</u>	<u>\$ 38,304,882</u>	<u>\$ 597,323</u>
Total net position				\$ 35,175,490	
Internal balances resulting from transactions between the governmental activities, business-type activities, and internal service funds				192,752	
Net position of business-type activities				<u>\$ 35,368,242</u>	

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

City of Cornelius, Oregon
Statement of Revenues, Expenses, and Changes in Fund
Net Position – Proprietary Funds
Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds			Total	Governmental
	Water Operations	Sanitary Sewer Operations	Surface Water Management Operations		Internal Service
Operating Revenues					
Charges for services	\$ 3,386,509	\$ 4,213,252	\$ 1,395,037	\$ 8,994,798	\$ 2,758,526
Licenses, permits, and fees	576,696	807,679	-	1,384,375	8,650
Intergovernmental	-	-	-	-	53,017
Miscellaneous income	-	477	-	477	19,855
Total operating revenues	3,963,205	5,021,408	1,395,037	10,379,650	2,840,048
Operating Expenses					
Materials and services	3,096,654	4,177,511	947,365	8,221,530	1,312,542
Personnel services	128,454	257,511	174,822	560,787	1,334,034
Depreciation expense	190,443	118,919	103,320	412,682	93,311
Total operating expenses	3,415,551	4,553,941	1,225,507	9,194,999	2,739,887
Operating Income	547,654	467,467	169,530	1,184,651	100,161
Nonoperating Revenues (Expenses)					
Interest income	402,535	188,807	201,626	792,968	21,759
Interest expense	(49,887)	-	-	(49,887)	-
Gain (loss) on sale of assets	25,326	30,426	5,226	60,978	-
Total nonoperating revenues (expenses)	377,974	219,233	206,852	804,059	21,759
Net Income Before Contributions and Transfers	925,628	686,700	376,382	1,988,710	121,920
Capital contributions	431,120	26,912	204,159	662,191	-
Transfers in	-	-	16,471	16,471	-
Change in fund net position	1,356,748	713,612	597,012	2,667,372	121,920
Fund net position, beginning of year	18,962,331	7,718,453	5,827,334	32,508,118	382,335
Fund net position, end of year	\$ 20,319,079	\$ 8,432,065	\$ 6,424,346	\$ 35,175,490	\$ 504,255

Some amounts reported for business-type activities in the statement of activities are different because:

Change in net position, enterprise funds	\$ 2,667,372
A portion of the net revenue (expenses) of internal service funds is allocated to business-type activities	67,186
Total change in net position of business-type activities	\$ 2,734,558

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

City of Cornelius, Oregon
Statement of Cash Flows – Proprietary Funds
Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities	
	Water	Sanitary Sewer	Surface Water	Totals	Internal Service
	Operations	Operations	Management Operations		
Cash flows from operating activities					
Cash received from customers	\$ 3,927,039	\$ 5,002,492	\$ 1,398,048	\$ 10,327,579	\$ 2,830,925
Cash paid to employees for salaries and benefits	(118,237)	(215,678)	(171,320)	(505,235)	(1,427,345)
Cash paid to suppliers	(3,029,670)	(4,363,395)	(1,216,835)	(8,609,900)	(1,310,264)
<i>Net cash provided by (used in) operating activities</i>	779,132	423,419	9,893	1,212,444	93,316
Cash flows from noncapital financing activities					
Transfers in	-	-	16,471	16,471	-
Cash flows from capital and related financing activities					
Purchase of capital assets	(2,390,239)	(458,412)	(117,750)	(2,966,401)	-
Proceeds on sale of assets	25,326	30,426	5,226	60,978	-
Principal paid on long-term debt	(84,955)	-	-	(84,955)	-
Interest paid	(51,373)	-	-	(51,373)	-
System development receipts	431,120	26,912	204,159	662,191	-
<i>Net cash provided by (used in) capital and related financing activities</i>	(2,070,121)	(401,074)	91,635	(2,379,560)	-
Cash flows from investing activities					
Interest received	402,535	188,807	201,626	792,968	21,759
<i>Increase (decrease) in cash and investments</i>	(888,454)	211,152	319,625	(357,677)	115,075
Cash and investments, beginning of year	8,672,095	3,882,195	4,149,245	16,703,535	471,959
Cash and investments, end of year	\$ 7,783,641	\$ 4,093,347	\$ 4,468,870	\$ 16,345,858	\$ 587,034
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities					
Operating income	\$ 547,654	\$ 467,467	\$ 169,530	\$ 1,184,651	\$ 100,161
Adjustments					
Depreciation	190,443	118,919	103,320	412,682	-
Decrease (increase) in					
Accounts receivable	(36,166)	(18,916)	3,011	(52,071)	(9,123)
Inventories	(6,098)	(2,195)	7	(8,286)	-
OPEB asset	128	(143)	521	506	-
Deferred outflows	(15,682)	(51,430)	(20,076)	(87,188)	-
Increase (decrease) in					
Accounts payable	73,082	(185,888)	(269,478)	(382,284)	2,278
Deposits	-	-	-	-	-
Net pension liability	27,861	99,831	30,335	158,027	-
OPEB liability	33	676	(317)	392	-
Deferred inflows	(3,839)	(6,622)	(8,677)	(19,138)	-
Accrued compensated absences	1,716	1,720	1,717	5,153	-
<i>Net cash provided by (used in) operating activities</i>	\$ 779,132	\$ 423,419	\$ 9,893	\$ 1,212,444	\$ 93,316

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

City of Cornelius, Oregon
Notes to Basic Financial Statements
June 30, 2025

1) Summary of Significant Accounting Policies

Description of Reporting Entity

The City is an Oregon municipal corporation founded in 1893. The City is governed by an elected mayor and four-member council. Administration functions are delegated to individuals who reports to and are responsible to the mayor and council. The chief administrative officer is the City Manager.

The financial statements of the City of Cornelius, Oregon, have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

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. 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. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. The City's financial statements include the Cornelius Urban Renewal Agency as a blended component unit. The City Council and the Directors of the Cornelius Urban Renewal Agency are composed of the same individuals.

Basic Financial Statements

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Government-wide statements display information about the City as a whole. These statements include all the financial activities of the City. Generally, the effect of interfund activity has been eliminated to minimize the double-counting of internal activities. Exceptions to this include interfund services provided and/or used. Interfund services provided and/or used are accounted for as revenues and expenses since the elimination of such revenues and expenses would distort the direct costs and program revenues reported for the various functions. The aggregated statements consist of the Statement of Net Position and the Statement of Activities.

City of Cornelius, Oregon
Notes to Basic Financial Statements
June 30, 2025

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. *Direct expenses* are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. *Program revenues* include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund financial statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental and proprietary. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are consolidated into a single column in the financial section of the basic financial statements and are detailed in the supplemental information.

Basis of Presentation

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund balance, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The GASB 34 model sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and proprietary combined) for the determination of major funds. Nonmajor funds are combined in a column in the fund financial statements and detailed in the combining section.

The City reports the following major governmental funds:

General Fund: Accounts for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds.

Street and Pathway Fund: A special revenue fund whose major revenues as highway gas taxes and major expenditures are related to maintenance of City streets.

Traffic Development Fund: A capital projects fund whose primary sources of revenue are system development charges and primary expenditures are transfers out to the Street and Pathway fund.

City of Cornelius, Oregon
Notes to Basic Financial Statements
June 30, 2025

The City reports each of its three proprietary funds as major funds. These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing the services to the general public on a continuing basis be financed primarily through user charges. The City reports the following proprietary funds:

Water Operations

Sanitary Sewer Operations

Surface Water Management Operations

Additionally, the government reports the following fund types:

Internal Service Fund accounts for administration services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

Administrative and occupancy costs for city hall and other facilities are paid through charges allocated to the Internal Services Fund for the following services based upon the cost to the department for using these services; administrative and financial services, risk management, utilities, computer, and phone services, and building usage. The costs of these services are at full cost, including replacement cost of equipment, thereby providing more accurate costs of providing services. These appear as “allocated” costs in the respective funds. The basis for allocation is determined on a number of factors depending upon the individual charge to be allocated. Some of the factors used are amount of department budget, number of staff and time spent.

Activity for the administration, human resources, financial services, and information technology are accounted for in this fund. Revenues are generated through user charges for the cost of providing the services. Expenditures are for personnel services, material and services, and transfers.

The Internal Service Fund includes the following departments: Administrative, Information Technology, Facilities, and Public Works – Support.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded with the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus.

The government-wide financial statements and the proprietary funds financial statements are reported using the *economic resources measurement focus* and the *full accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

City of Cornelius, Oregon
Notes to Basic Financial Statements
June 30, 2025

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, long-term compensated absences are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Unavailable revenues arise in the Governmental Funds Balance Sheet when potential revenue does not meet both the measurable and available criteria for recognition in the current period. This unavailable revenue consists of uncollected property taxes, assessments, and leases not deemed available to financial operation of the current period. In the government-wide Statement of Net Position, with a full accrual basis of accounting, revenue must be recognized as soon as it is earned regardless of its availability. Thus, the liability created on the Governmental Fund Balance Sheet for unavailable revenue is eliminated. Note that unavailable revenues also arise outside the scope of measurement focus and basis of accounting, such as when the City receives resources before it has a legal claim to them. For instance, when grant monies are received prior to the incurrence of qualifying expenditures.

Similar to the way its revenues are recorded, governmental funds only record those expenditures that affect current financial resources. Principal and interest on general long-term debt are recorded as fund liabilities only when due, or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Vested compensated absences are recorded as expenditures when they mature. In the government-wide financial statements, however, with a full accrual basis of accounting, all expenditures affecting the economic resource status of the government must be recognized, thus, the expense and related accrued liability for long-term portions of debt and compensated absences must be included.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the governmental column of the government-wide presentation. This reconciliation is part of the financial statements.

City of Cornelius, Oregon
Notes to Basic Financial Statements
June 30, 2025

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principle ongoing operations. The principle operating revenues of the City's enterprise funds are charges to customers for sales and services. These funds also recognize fees intended to recover the cost of connecting new customers to the City's utility systems as operating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and overhead, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The financial statements have incorporated all applicable GASB pronouncements.

Cash and Investments

For the purposes of the statement of cash flows the City considers all highly liquid investments with an original maturity of three months or less when purchased, to be cash equivalents.

Investments included in cash and investments are reported at fair value. The City invests in the State of Oregon Local Government Investment Pool, which is authorized by Oregon Revised Statutes. Interest earned from pooled investments is allocated based on a fund's portion of the total investment balance. The City maintains depository insurance under federal depository insurance funds and state and financial institution collateral pools for its cash deposits and investments, except the Local Government Investment Pool, which is exempt from statutes requiring such insurance.

Receivables

Uncollected property taxes receivable collected within sixty days following year-end are considered measurable and available and are recognized as revenues. All other uncollected property taxes receivable are offset by unavailable revenue and, accordingly, have not been recorded as revenue. Property taxes are assessed and become a lien against the property as of July 1 each year and are payable in three installments on November 15, February 15, and May 15 following the lien date. Taxes unpaid and outstanding on May 16 are considered delinquent.

Assessments receivable are recognized at the time property owners are assessed for property improvements. Assessments receivable expected to be collected within sixty days following year-end and are considered measurable and available and are recognized as revenue. All other assessments receivable are offset by unavailable revenue and, accordingly, have not been recorded as revenue.

City of Cornelius, Oregon
Notes to Basic Financial Statements
June 30, 2025

Receivables for grants and state shared revenues, included in accounts receivable are recorded as revenues in governmental fund types as earned. Receivables of the proprietary fund types are recorded as revenues as earned, including services earned but not billed.

Interfund Loans Receivables/Payables

Interfund loans are classified as “Due to and due from other funds.”

Inventories

Inventories in the proprietary funds consist of expendable supplies held for maintenance and improvements. Inventories are stated at cost using the consumption method.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, streetlights, etc.), are reported in the applicable governmental or business-type activities column in the governmental-wide financial statements. Capital assets are charged to expenditures as purchased in the governmental fund statements and capitalized in the proprietary fund statements. Capital assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service organization are reported at acquisition value rather than fair value.

Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more, and having useful lives extending beyond a single reporting period. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest costs were capitalized during the year ended June 30, 2025.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position and is provided on the straight-line basis over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings and improvements	20 to 50
Infrastructure	20 to 75
Equipment and vehicles	5 to 15

Monthly depreciation is taken in the year the assets are acquired or retired. Gains or losses from sales or retirements of capital assets are included in nonoperating revenues or expenses of the current period.

City of Cornelius, Oregon
Notes to Basic Financial Statements
June 30, 2025

Intangible Capital Assets

Intangible capital assets, which include easements, water rights, timber rights, patents, trademarks, and computer software, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Intangible capital assets are charged to expenditures as purchased in the governmental fund statements and capitalized in the proprietary fund statements. Intangible capital assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated intangible capital assets are recorded at acquisition value rather than fair value.

Intangible capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more, and having useful lives extending beyond a single reporting period. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Amortization on exhaustible intangible assets is recorded as an allocated expense in the Statement of Activities with accumulated amortization reflected in the Statement of Net Position and is provided on the straight-line basis over the estimated useful life of the asset.

Monthly amortization is taken in the year the assets are acquired or retired. Gains or losses from sales or retirements of intangible capital assets are included in operations of the current period.

Compensated Absences

The City accrues liabilities for compensated absences (such as vacation, sick leave, paid time off, holidays, parental leave, bereavement leave, and certain types of sabbatical leave) in accordance with GASB Statement No. 101, *Compensated Absences*. Under GASB 101, a liability is recognized for leave that has not been used if the leave is attributable to services already rendered, accumulates, and is more likely than not (greater than 50% likelihood) to be used for time off or otherwise paid in cash or settled through noncash means. The liability for compensated absences is measured using the pay or salary rates in effect at the reporting date, and includes salary-related payments such as the employer's share of social security and medicare taxes that are directly and incrementally associated with the leave. For leave that has been used but not yet paid or settled, the liability is measured at the amount of the cash payment or noncash settlement to be made for the use of the leave. Certain types of leave, such as parental leave, military leave, and jury duty leave, are recognized as liabilities only when the leave commences. Unlimited leave or holiday leave taken on a specific date is recognized only when used.

Funds used to liquidate accrued compensated absences included the general fund, street and pathway fund, water fund, sanitary sewer fund, surface water management fund, and the internal service fund.

City of Cornelius, Oregon
Notes to Basic Financial Statements
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Long-Term Debt

Long-term debt directly related and expected to be paid from the proprietary funds is recorded in these funds. All other unmatured long-term debt is recorded in the statement of net position. Repayment of general bonded debt will be made from debt service funds.

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. Deferred outflows of resources represent a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expenditure/expense) until then. The City has three items that qualify for reporting in this category. They are the deferred amounts relating to pensions and other postemployment benefits. These amounts are deferred and recognized as outflows of resources in the period when the City recognizes the expense/expenditures. Deferred outflows are included in the government-wide Statement of Net Position and the proprietary funds Statement of Net Position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has five items that qualify for reporting in this category. The governmental funds report unavailable revenues from three sources: property taxes, assessments, and leases. These amounts will be recognized as revenue when available. The government-wide Statement of Net Position and the proprietary funds Statement of Net Position also reports deferred amounts related to pensions, other postemployment benefits, and leases. These amounts are deferred and will be recognized as a reduction of pension or other postemployment benefit expense in future years. For leases the deferred inflows are subsequently recognized as inflows (revenues) in the period in which they are earned, as the underlying lease obligations are satisfied and the right to use the leased asset is provided to the lessee. The recognition of deferred inflows ensures that lease revenue is recognized in the proper periods and reflects the economic substance of the lease arrangements.

Pension

The City reports its proportionate share of the Net Pension Liability of the Oregon Public Employees Retirement System (OPERS). A negative Net Pension Liability is reported as a Net Pension Asset. For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

City of Cornelius, Oregon
Notes to Basic Financial Statements
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Postemployment Benefits Other than Pensions (OPEB)

The City reports two components of postemployment benefits other than pensions (OPEB) - Oregon Public Employees Retirement System Retiree Health Insurance Account (OPERS RHIA) and a single-employer defined benefit postemployment health plan administered by Citycounty Insurance Services (CIS).

The City reports its proportionate share of the Oregon Public Employees Retirement System Retiree Health Insurance Account (OPERS RHIA). A negative OPEB liability is reported as an OPEB asset. For purposes of measuring the City's OPEB liability or asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of OPERS RHIA and additions to/deductions from OPERS RHIA's fiduciary net position have been determined on the same basis as they are reported by OPERS RHIA. For this purpose, the benefit payments are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The City reports an OPEB liability or asset, deferred outflows of resources and deferred inflows of resources related to the implicit subsidy arising from the City's single employer defined benefit postemployment health plan administered by CIS. For the purpose of measuring the City's OPEB liability or asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information has been determined based on an actuarial valuation provided by CIS. Benefit payments are recognized when due and payable in accordance with benefit terms.

Net Position

In the government-wide financial statements and proprietary funds financial statements, net position is reported in three categories: net investment in capital assets; restricted net position; and unrestricted net position. Net investment in capital assets represents capital assets less accumulated depreciation less outstanding principal of related debt, net of the unspent proceeds of capital debt. Restricted net position represents net position restricted by parties outside of the City (such as creditors, grantors, contributors, laws, and regulations of other governments). The nonexpendable portion of permanent funds is reported as a component of restricted net position. The City's other restricted net position is temporarily restricted (ultimately expendable) assets. All other net position is considered unrestricted.

Fund Balance

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

Nonspendable - Includes amounts not immediately converted to cash, such as prepaid items and inventory.

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Restricted – Includes amounts that are restricted by external creditors, grantors, or contributors, or restricted by legal constitutional provisions.

Committed – Includes amounts that can be used only for the specific purposes determined by resolution by the City Council, the City’s highest level of decision-making authority. Committed amounts may not be used for any other purpose unless the City Council removes the constraint by similar council action. Commitments of fund balance must be made prior to the end of the fiscal year.

Assigned – Includes amounts assigned for specific purposes by council action who authorizes, by resolution, the Budget Officer, or City Manager to assign fund balance. Assigned fund balance is also established by the Council through adoption or amendment of the budget as intended for specific purpose. Assignments of fund balance can be done at any time, including after the fiscal year-end date.

Unassigned – This is the residual classification used for those balances not assigned to another category. The General fund is the only fund that reports a positive unassigned fund balance. However, due to expenditures incurred for specific purposes exceeding amounts that are restricted, committed or assigned to those purposes, it may be necessary to report negative unassigned fund balance in governmental funds.

Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources, as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use it is the City’s policy to use committed resources first, then assigned, and then unassigned as they are needed.

Leases

The City leases property to third-party tenants under lease agreements accounted for in accordance with GASB Statement No. 87. Agreements include both fixed-term and short-term (12 months or less) leases. For leases exceeding 12 months, the City recognizes a lease receivable and a deferred inflow of resources at the lease commencement date. The use of premises is restricted to the permitted uses specified in each lease (such as retail, food services, or event uses), and tenants must comply with all relevant laws and regulations. Leases generally require the tenant to maintain insurance, comply with maintenance obligations, and prohibit assignment or sublease without landlord approval. Variable payments not included in the measurement of the lease receivable (such as utilities reimbursements) are recognized in the period in which they are earned. The City may terminate short-term leases with at least 30 days’ notice, and longer-term agreements may be terminated upon default, casualty, condemnation, or according to other specified contractual provisions

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted requires that management make estimates and assumptions which affect the reporting amounts of assets and liabilities, disclosure of contingent assets

City of Cornelius, Oregon
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and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

2) Cash and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type’s portion of this pool is displayed on the Statement of Net Position as part of “cash and investments.”

	Carrying/Fair Value
Cash	
Deposits with financial institutions	\$ 435,121
Cash on hand	950
Investments	
Local government investment pool	35,523,263
	\$ 35,959,334

Deposits

The book balance of the City’s bank deposits was \$435,121 and the bank balance was \$876,639 at year-end. The difference is due to transactions in process. Bank deposits are secured to legal limits by federal deposit insurance. The remaining amount is secured in accordance with ORS 295 under a collateral program administered by the Oregon State Treasurer.

Investments

The State Treasurer of the State of Oregon maintains the Oregon Short-Term Fund, of which the Local Government Investment Pool is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, these investment funds are invested as a prudent investor would do, exercising reasonable care, skill, and caution. The Oregon Short-Term Fund is the LGIP for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS294.805 to 294.895). At June 30, 2025, the fair value of the position in the Oregon Short Term Investment Pool was approximately equal to the value of the pool shares. The investment in the Oregon Short-Term Fund is not subject to classification. Separate financial statements for the Oregon Short-Term Fund are available from the Oregon State Treasurer.

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Interest Rate Risk

The City does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City's deposits up to \$250,000 each for the aggregate of all demand deposits and the aggregate of all-time deposit and savings accounts at each financial institution.

Deposits in excess of FDIC coverage are with institutions covered by the Public Funds Collateralization program (PFCP). The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public funds if they are adequately capitalized or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all Oregon public funds bank depositories is available to repay deposits of public funds of governmental entities. As of June 30, 2025, \$626,639 of the City's bank balances were exposed to custodial credit risk as they were collateralized under PFCP.

Custodial Risk – Investments

For an investment, this is the risk that, in the event of a failure of the counterparty, the City will not be able to recover the value of its investments or collateralized securities that are in possession of an outside party. The City's investment policy, in accordance with Oregon Revised Statutes, limits the types of investments that may be held and does not allow securities to be held by the counterparty.

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Council. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made a custodian of or has control of any fund. The LGIP is comingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short Term Fund Board, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. These investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill, and caution. Professional standards indicate that the investments in external investment pools are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe there are any substantial custodial risks related to investment in the LGIP. The LGIP is not rated for credit quality.

City of Cornelius, Oregon
Notes to Basic Financial Statements
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3) Leases Receivable and Revenues

In May 2025 the City of Cornelius purchased a commercial building and has entered into lease agreements accounted for in accordance with GASB Statement No. 87 as lessor that includes retail, restaurant, and storage spaces. The terms of these leases vary and include both fixed-term and month-to-month agreements, with certain leases extending through July 2030. The applicable interest rate used for the present value measurement of lease receivables is 4.6%. Total lease revenue recognized for the fiscal year ended June 30, 2025 was \$53,014.

4) Capital Assets

The summary of capital assets for governmental activities for the year ended June 30, 2025, is as follows:

	Balances July 1, 2024	Additions	Retirements	Transfers	Balances June 30, 2025
Nondepreciable assets					
Land	\$ 1,884,067	\$ 2,404,388	\$ -	\$ -	\$ 4,288,455
Intangibles	16,088,232	-	-	-	16,088,232
Construction in progress	2,029,914	879,846	-	(885,510)	2,024,250
Subtotal, nondepreciable assets	20,002,213	3,284,234	-	(885,510)	22,400,937
Depreciable assets					
Buildings	8,890,957	2,869,737	-	-	11,760,694
Improvements	5,224,704	29,082	-	619,700	5,873,486
Equipment	1,437,682	21,425	-	-	1,459,107
Vehicles	1,529,902	76,885	(25,120)	-	1,581,667
Infrastructure	22,039,694	591,852	-	265,810	22,897,356
Subtotal, depreciable assets	39,122,939	3,588,981	(25,120)	885,510	43,572,310
Accumulated depreciation					
Buildings	(2,649,489)	(172,759)	-	-	(2,822,248)
Improvements	(2,060,903)	(188,389)	-	-	(2,249,292)
Equipment	(833,841)	(55,343)	-	-	(889,184)
Vehicles	(1,060,991)	(104,850)	25,120	-	(1,140,721)
Infrastructure	(3,551,253)	(344,549)	-	-	(3,895,802)
Total accumulated depreciation	(10,156,477)	(865,890)	25,120	-	(10,997,247)
Total depreciable assets, net	28,966,462	2,723,091	-	885,510	32,575,063
Net capital assets	\$ 48,968,675	\$ 6,007,325	\$ -	\$ -	\$ 54,976,000

City of Cornelius, Oregon
Notes to Basic Financial Statements
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Depreciation expense for governmental activities was charged as follows:

General government	\$	180,982
Public safety		175,939
Highways and streets		433,244
Culture and recreation		75,725
	<u>\$</u>	<u>865,890</u>

The summary of capital assets for business-type activities for the year ended June 30, 2025, is as follows:

	Balances July 1, 2024	Additions	Retirements	Transfers	Balances June 30, 2025
Nondepreciable assets					
Land	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
Intangibles	2,978,358	-	-	-	2,978,358
Construction in progress	1,357,166	1,997,656	-	(390,675)	2,964,147
Subtotal, nondepreciable assets	<u>4,355,524</u>	<u>1,997,656</u>	<u>-</u>	<u>(390,675)</u>	<u>5,962,505</u>
Depreciable assets					
Buildings	2,032,770	-	-		2,032,770
Improvements	403,438	-	-		403,438
Equipment	924,159	199,386	(80,000)	-	1,043,545
Vehicles	1,773,514	315,093	(94,790)	-	1,993,817
Infrastructure	14,466,170	454,268	-	390,675	15,311,113
Subtotal, depreciable assets	<u>19,600,051</u>	<u>968,747</u>	<u>(174,790)</u>	<u>390,675</u>	<u>20,784,683</u>
Accumulated depreciation					
Buildings	(941,349)	(39,751)	-	-	(981,100)
Improvements	(165,903)	(11,578)	-	-	(177,481)
Equipment	(505,452)	(47,803)	80,000	-	(473,255)
Vehicles	(824,154)	(126,594)	94,790	-	(855,958)
Infrastructure	(3,456,193)	(186,956)	-	-	(3,643,149)
Total accumulated depreciation	<u>(5,893,051)</u>	<u>(412,682)</u>	<u>174,790</u>	<u>-</u>	<u>(6,130,943)</u>
Total depreciable assets, net	<u>13,707,000</u>	<u>556,065</u>	<u>-</u>	<u>390,675</u>	<u>14,653,740</u>
Net capital assets	<u>\$ 18,062,524</u>	<u>\$ 2,553,721</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,616,245</u>

City of Cornelius, Oregon
Notes to Basic Financial Statements
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Depreciation expense for business-type activities was charged as follows:

Water	\$	190,443
Sanitary sewer		118,919
Surface water management		103,320
	\$	412,682

5) Interfund Transfers

Transfers From	Transfers To				Total
	Governmental Activities		Business-Type Activities		
	General	Street and Pathway	Surface Water Management	Internal Service	
Governmental activities					
General	\$ -	\$ 5,490	\$ 16,471	\$ 924,419	\$ 946,380
Street and pathway	239,689	-	-	290,151	529,840
Traffic development	-	86,001	-	-	86,001
Nonmajor governmental funds	362,176	-	-	-	362,176
Business-type activities					
Water	178,996	-	-	579,877	758,873
Sanitary sewer	14,436	-	-	444,024	458,460
Surface water management	5,703	-	-	467,041	472,744
Total	\$ 801,000	\$ 91,491	\$ 16,471	\$ 2,705,512	\$ 3,614,474

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect from them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting receipts to the debt service fund as debt service payments become due, (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (4) to provide operational resources to funds providing services.

City of Cornelius, Oregon
Notes to Basic Financial Statements
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6) Long-Term Debt

Long-term debt transactions for the year were as follows:

	Outstanding July 1, 2024	Additions	Reductions	Outstanding June 30, 2025	Due Within One Year
Governmental activities					
Notes/loans from direct borrowings	\$ 114,833	\$ 3,371,125	\$ 31,652	\$ 3,454,306	\$ 120,193
Compensated absences	206,258	276,399	206,258	276,399	55,280
Total governmental activities	\$ 321,091	\$ 3,647,524	\$ 237,910	\$ 3,730,705	\$ 175,473
Business-type activities					
Notes from direct borrowings	\$ 1,712,423	\$ -	\$ 84,955	\$ 1,627,468	\$ 87,503
Compensated absences	30,108	35,258	30,108	35,258	7,052
Total business-type activities	\$ 1,742,531	\$ 35,258	\$ 115,063	\$ 1,662,726	\$ 94,555

Notes from Direct Borrowings – Governmental Activities

Cornelius Rural Protection Fire District Loan Payable: In March 2014, the City entered into an agreement with the Cornelius Rural Fire Protection District to fund the City’s portion (\$331,387) of the jointly owned Fire Engine. The City will repay this amount in quarterly payments over 15 years with 2.5% interest.

The loan is secured by equipment. In the event of default, the loan becomes immediately due and payable.

Grande Foods Property Seller Financing: In May 2025, the City of Cornelius acquired the property at 1655 N Adair Street through a Purchase and Sale Agreement with seller financing in the amount of \$3,371,125. The seller-financed amount is amortized over 20 years with monthly payments of \$23,190, including interest at 5.50% per annum, with a balloon payment due at year 10.

Annual debt service requirements to maturity for notes payable are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 120,193	\$ 184,642	\$ 304,835
2027	126,209	178,627	304,836
2028	132,544	172,291	304,835
2029	128,294	165,644	293,938
2030	119,160	159,114	278,274
2031-2035	2,827,906	677,043	3,504,949
	\$ 3,454,306	\$ 1,537,361	\$ 4,991,667

City of Cornelius, Oregon
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Notes from Direct Borrowings – Business Type Activities

Business Oregon Aquifer Storage and Recovery Loan: In November 2013, the City entered into an agreement with the Business Oregon Infrastructure Finance Authority under which the City received \$2,778,208, of which \$750,000 was forgiven in 2020. The remaining balance is due in annual payments beginning in December 2020, including 3.0% interest.

The note is secured by the full faith and credit of the City. In addition, net revenues of the system have been pledged as payment for the obligation. In the event of default, the note becomes immediately due and payable.

Annual debt service requirements to maturity for notes payable are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 87,503	\$ 48,824	\$ 136,327
2027	90,129	46,199	136,328
2028	92,832	43,495	136,327
2029	95,617	40,710	136,327
2030	98,486	37,842	136,328
2031-2035	538,561	143,076	681,637
2036-2040	624,340	53,327	677,667
	\$ 1,627,468	\$ 413,473	\$ 2,040,941

7) Pension Plan

Plan Description

Employees of the City are provided with pensions through the Oregon Public Employees Retirement System (OPERS) a cost-sharing multiple-employer defined benefit pension plan, the Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Annual Comprehensive Financial Report and Actuarial Valuation that can be obtained at <http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

City of Cornelius, Oregon
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Benefits Provided

Tier One/Tier Two Retirement Benefit

Pension Benefits. The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for fire members). General service employees may retire after reaching age 55. Fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits. Upon the death of a nonretired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- The member was employed by a PERS employer at the time of death,
- The member died within 120 days after termination of PERS-covered employment,
- The member died as a result of injury sustained while employed in a PERS covered job, or
- The member was on an official leave of absence from a PERS-covered job at the time of death.

Disability Benefits. A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for fire members) when determining the monthly benefit.

Benefit Changes. After Retirement Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit

City of Cornelius, Oregon
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fluctuations due to changes in the fair value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living (COLA) changes. The COLA is capped at 2.0 percent.

OPSRP Pension Program

Pension Benefits. The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age. For general service members, 1.5% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit. For police and fire members, 1.8% is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 55 (effective January 1, 2025), or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits. Upon the death of a nonretired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits. A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes After Retirement. Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

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Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits. Upon the death of a nonretired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Recordkeeping. OPERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2022, actuarial valuation as subsequently modified by 2013 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2023. The City's contribution rates for the period were 24.86% for Tier One/Tier Two members, 20.85% OPSRP General Service members and 25.64% for OPSRP Fire members. The City's total contributions were \$885,202. Covered employees are required to contribute 6% of their salary to the Plan. The General Fund is the governmental fund that will be primarily used to liquidate the net PERS pension liability based on the high level of staffing that is funded from this fund.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the City reported a liability of \$6,920,359 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to June 30, 2024. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2024, the City's proportion was 0.0311%, compared to 0.0297% from its proportion measured as of June 30, 2023.

City of Cornelius, Oregon
Notes to Basic Financial Statements
June 30, 2025

For the year ended June 30, 2025, the City's recognized pension expense of \$367,241. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 409,967	\$ 16,517
Changes of assumptions	695,775	891
Net difference between projected and actual earnings on investments	439,636	-
Changes in proportionate share	424,705	24,964
Differences between employer contributions and proportionate share of contributions	35,677	375,432
Contributions subsequent to measurement date	885,203	-
Total	\$ 2,890,963	\$ 417,804

Deferred outflows of resources related to pensions of \$885,203 resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or an increase in the net pension asset in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as an addition and as follows:

Fiscal Year Ending June 30,		
2026	\$	43,534
2027		805,154
2028		430,629
2029		250,410
2030		58,227
Total	\$	1,587,956

City of Cornelius, Oregon
Notes to Basic Financial Statements
June 30, 2025

Actuarial Methods and Assumptions

The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset Valuation Method	Fair value of assets
Actuarial Assumptions:	
Inflation Rate	2.40%
Investment Rate of Return	6.90%
Projected Salary Increases/Cost of Living Adjustments	3.40% overall payroll growth; salaries for individuals are assumed to grow at a blend of 2.00% COLA and graded COLA (1.25%/ .015%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p><i>Healthy retirees and beneficiaries:</i> Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><i>Active members:</i> Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><i>Disabled retirees:</i> Pub-2010 Disable Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2022 experience study which reviewed experience for the four-year period ending on December 31, 2022.

City of Cornelius, Oregon
Notes to Basic Financial Statements
June 30, 2025

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target	20-Year Annualized Geometric Mean
Global Equity	27.50 %	7.07 %
Private Equity	25.50	8.83
Core Fixed Income	25.00	4.50
Real Estate	12.25	5.83
Master Limited Partnerships	0.75	6.02
Infrastructure	1.50	6.51
Hedge Fund of Funds - Multistrategy	1.25	6.27
Hedge Fund Equity - Hedge	0.63	6.48
Hedge Fund - Macro	5.62	4.83
Assumed Inflation - Mean		2.35

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

City of Cornelius, Oregon
Notes to Basic Financial Statements
June 30, 2025

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net pension liability	\$ 10,916,585	\$ 6,920,359	\$ 3,573,324

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued OPERS financial report.

8) Postemployment Benefits Other than Pensions

The other postemployment benefits (OPEB) for the City combines two separate plans. The City provides an implicit rate subsidy for retiree health insurance premiums, and a contribution to the State of Oregon’s PERS cost-sharing multiple-employer defined health insurance benefit plan.

Financial Statement Presentation

The City’s two OPEB plans are presented in the aggregate on the Statement of Net Position. The amounts on the financial statements relate to the plans as follows:

	Implicit Rate Subsidy Plan	PERS RHIA Plan	Total OPEB on Financials
Total OPEB asset	\$ -	\$ 93,371	\$ 93,371
Deferred outflows of resources			
Contributions after measurement date	983	17	1,000
Differences between projected and actual earnings	-	11,866	11,866
Change in assumptions	1,887	-	1,887
Total deferred outflows of resources	2,870	11,883	14,753
Total OPEB liability	(124,509)	-	(124,509)
Deferred inflows of resources			
Differences between expected and actual experience	(58,759)	(1,826)	(60,585)
Change in assumptions	(48,122)	(1,181)	(49,303)
Changes in proportionate share	-	(1,200)	(1,200)
Total deferred inflows of resources	(106,881)	(4,207)	(111,088)
OPEB expense/(income)	(7,105)	3,418	(3,687)

City of Cornelius, Oregon
Notes to Basic Financial Statements
June 30, 2025

Implicit Rate Subsidy

Plan Description

The City's single employer defined benefit postemployment healthcare plan is administered by Citycounty Insurance Services (CIS). Benefit provisions are established through negotiations between the City and representatives of City or through resolutions passed by City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

The City's postemployment healthcare plan administrator issues a publicly available financial report that includes financial statements and required supplementary information for CIS. This report may be obtained by writing to the CIS Main Office, 1212 Court Street NE, Salem, OR 97301.

Benefits Provided

The plan provides eligible retirees and their dependents under age 65 the same health care coverage at the same premium rates as offered to active employees. The retiree is responsible for the premiums. As of the valuation date of July 1, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	0
Active employees	42
	42

Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The City's total OPEB liability of \$124,509 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2024. For the fiscal year ended June 30, 2025, the City recognized an OPEB income from this plan of \$7,105. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (58,759)
Changes of assumptions	1,887	(48,122)
Contributions subsequent to the MD	983	-
	\$ 2,870	\$ (106,881)
Net deferred outflow/(inflow) of resources		

City of Cornelius, Oregon
Notes to Basic Financial Statements
June 30, 2025

Deferred outflows of resources related to OPEB of \$983 resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30,		
2026	\$	(23,486)
2027		(21,482)
2028		(14,949)
2029		(13,250)
2030		(13,274)
Thereafter		(18,553)
Total	\$	(104,994)

Actuarial Assumptions and Other Inputs

The total OPEB liability for the July 1, 2024, valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified: a general inflation rate of 2.40%, projected salary increases of 3.40%, a discount rate of 3.93%, healthcare cost trend rates for pre-65 medical benefits starting at 6.90% in 2024 and gradually decreasing to 3.75% for 2072 and later, and mortality rates based on the Pub-2010 Employee and Healthy Retiree tables with generational projection using the unisex Social Security data scale. Dental and vision benefits are not included in the liability calculation per updated actuarial guidance.

The discount rate was based on Bond Buyer 20-Year General Obligation Bond Index.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2024	\$ 125,903
Changes for the year	
Service cost	15,404
Interest on total OPEB liability	5,080
Effect on economic/demographic gains or losses	(2,981)
Effect of assumptions changes or inputs	(14,582)
Benefit payments	(4,315)
Balance as of June 30, 2025	\$ 124,509

The effect of changes in assumptions is the result of the change in the discount rate from 3.65 to 3.93.

City of Cornelius, Oregon
Notes to Basic Financial Statements
June 30, 2025

Sensitivity of the Total OPEB Liability

The following presents the City's total OPEB liability, as well as what the liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.93 percent) or 1 percentage point higher (4.93 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

Discount Rate:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB liability	\$ 136,162	\$ 124,509	\$ 113,812

Healthcare Cost Trend:

	1% Decrease (5.00%)	Healthcare Trend Rate (6.50%) decreasing to 6.00%	1% Increase (7.00%)
Total OPEB liability	\$ 108,736	\$ 124,509	\$ 143,531

PERS Retirement Health Insurance Account

Plan Description

The City contributes to the PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums for eligible retirees. ORS 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants hired after August 29, 2003. PERS issues publicly available financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700, or online at: <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

Benefits Provided

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost, the member must: (1) have eight years or more of qualifying service in

City of Cornelius, Oregon
Notes to Basic Financial Statements
June 30, 2025

PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan.

A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Contributions

PERS funding policy provides for employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2022, actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2023. The City's contribution rates for the period were 0.02% for Tier One/Tier Two members. The City's total contributions for the year ended June 30, 2025, was \$756. The General Fund is the governmental fund that will be primarily used to liquidate the net OPEB liability based on high level of staffing that is funded from this fund.

OPEB Assets, Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2025, the City reported an asset of \$93,371 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2024, and was determined by an actuarial valuation as of December 31, 2022, rolled forward to June 30, 2024. The City's proportion of the net OPEB asset was based on the City's contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At June 30, 2024, the City's proportionate share was 0.0231%, which is a decrease from its proportion of 0.0281% as of June 30, 2023.

City of Cornelius, Oregon
Notes to Basic Financial Statements
June 30, 2025

For the year ended June 30, 2025, the City recognized an OPEB expense from this plan of \$3,418. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual experience	\$ -	\$ 1,826
Changes of assumptions	-	1,181
Net difference between projected and actual earnings on investments	2,636	-
Change in proportionate share	9,230	1,200
Contributions subsequent to the MD	17	-
	\$ 11,883	\$ 4,207
Total	\$ 11,883	\$ 4,207

Deferred outflows of resources related to OPEB of \$17 resulting from the City's contributions subsequent to the measurement date will be recognized as either a reduction of the net OPEB liability or an increase in the net OPEB asset in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,			
2026		\$	1,898
2027			4,030
2028			1,426
2029			305
			305
Total		\$	7,659

Actuarial Methods and Assumptions

See OPERS Pension Plan footnote Table 28 for additional information on actuarial assumptions and methods, the long-term expected rate of return, and the discount rate.

City of Cornelius, Oregon
Notes to Basic Financial Statements
June 30, 2025

Sensitivity of the Total OPEB Liability (Asset)

The following presents the City’s proportionate share of the net OPEB liability (asset) calculated using the discount rate of 6.90%, as well as what the City’s proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.90%) or 1 percentage point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Net OPEB liability (asset)	\$ (86,433)	\$ (93,371)	\$ (99,344)

OPEB Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued OPERS financial report.

9) Property Tax Calendar

Real and personal property taxes are levied in July of each fiscal year. Property taxes attach as an enforceable lien on property as of July 1, and are payable in three installments on November 15, February 15, and May 15. All property taxes are billed and collected by Washington County and remitted to the City. Uncollected taxes, including delinquent amounts, are considered substantially collectible or recoverable through liens, and accordingly no allowance for uncollected taxes has been established.

10) Risk Management

The City is exposed to various risks of loss related to errors and omissions; automobile; damage to or destruction of assets; bodily injury; and worker’s compensation for which the City carries commercial insurance. There has been no significant reduction in insurance coverage from the prior year and settled claims have not reached the level of commercial coverage in any of the past three fiscal years.

The City Council adopted Risk Management Policies (Resolution No. 1712) outlining its approach to minimizing or transferring the risks of municipal operations. The City Manager is permitted to designate a Risk Manager.

City of Cornelius, Oregon
Notes to Basic Financial Statements
June 30, 2025

11) Commitments

As of June 30, 2025 the City has contract commitments of approximately \$1.5 million for three construction contracts. The City plans to finance these projects using existing resources.

12) Over-Expenditures of Appropriations

Oregon law prohibits expenditures of a fund in excess of Council approved appropriations. The City Council approves appropriations by department for all funds.

Expenditures in excess of appropriations in individual funds for the year ended June 30, 2025, occurred as follows:

Fund / Category	Appropriation	Actual	Variance
General			
Materials and services	\$ 240,253	\$ 271,833	\$ 31,580
URA			
Materials and services	10,000	53,628	43,628

Required Supplementary Information

City of Cornelius, Oregon
Section Summary –
Required Supplementary Information
June 30, 2025

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements.

- Budgetary Comparison Schedule
 - General Fund
 - Street and Pathway Fund
- Schedule of the City’s Proportionate Share of the Net Pension Liability (Asset) - Oregon Public Employees Retirement System
- Schedule of the City’s Contributions - Oregon Public Employees Retirement System
- Schedule of the Changes in Total Other Postemployment Benefits Liability and Related Ratios - Implicit Rate Subsidy
- Schedule of the City’s Proportionate Share of the Net OPEB Liability (Asset) - Oregon Public Employees Retirement System Retiree Health Insurance Account
- Schedule of the City’s Contributions - Oregon Public Employees Retirement System Retiree Health Insurance Account

City of Cornelius, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – General Fund
Year Ended June 30, 2025

	Budget Amounts		Actual	Variance
	Original	Final		
Revenues				
Property taxes	\$ 5,315,000	\$ 5,315,000	\$ 5,551,423	\$ 236,423
Franchise fees	992,043	992,043	1,077,929	85,886
License, permits, and fees	3,434,267	3,467,967	1,739,007	(1,728,960)
Intergovernmental	1,434,357	1,452,279	1,356,396	(95,883)
Grants	288,317	323,317	432,288	108,971
Fines and forfeitures	37,000	37,000	37,335	335
Interest revenue	150,000	150,000	315,810	165,810
Miscellaneous revenue	13,000	110,955	316,308	205,353
Total revenues	11,663,984	11,848,561	10,826,496	(1,022,065)
Expenditures				
City council	46,846	46,846	23,127	23,719
Community development	1,837,864	1,837,864	861,940	975,924
Engineering	454,396	475,396	469,602	5,794
Public safety - police	3,337,577	3,337,577	3,321,941	15,636
Public safety - court	5,700	5,700	537	5,163
Public safety - fire	1,386,751	1,742,706	1,722,582	20,124
Public safety - fire levy	1,142,056	1,124,056	702,192	421,864
Public services - parks	2,088,860	2,088,860	852,433	1,236,427
Public services - library	1,302,601	1,320,523	1,060,028	260,495
Materials and services	440,253	240,253	271,833	(31,580)
Capital outlay	150,000	2,350,000	5,215,695	(2,865,695) *
Debt service	26,562	49,862	49,751	111
Contingency	5,603,144	3,385,606	-	3,385,606
Total expenditures	17,822,610	18,005,249	14,551,661	3,453,588
Revenues Over (Under) Expenditures	(6,158,626)	(6,156,688)	(3,725,165)	2,431,523
Other Financing Sources (Uses)				
Transfers in	1,938,824	1,938,824	801,000	(1,137,824)
Transfers out	(954,419)	(1,291,169)	(946,380)	344,789
Gain (loss) on sale of assets	-	-	10,111	10,111
Proceeds from issuance of debt	-	-	3,371,125	3,371,125
Total other financing sources (uses)	984,405	647,655	3,235,856	2,588,201
Net change in fund balance	(5,174,221)	(5,509,033)	(489,309)	5,019,724
Fund balance, beginning of year	5,174,221	5,509,033	5,509,033	-
Fund balance, end of year	\$ -	\$ -	\$ 5,019,724	\$ 5,019,724

* Capital outlay budget overage is not a violation of Oregon local budget law due to exemption for issuance of new debt.

See notes to the required supplementary information.

City of Cornelius, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Street and Pathway Fund
Year Ended June 30, 2025

	Budget Amounts		Actual	Variance
	Original	Final		
Revenues				
License, permits, and fees	\$ 223,560	\$ 223,560	\$ 228,654	\$ 5,094
Intergovernmental	1,314,000	1,314,000	1,459,466	145,466
Grants	300,000	300,000	25,435	(274,565)
Interest revenue	30,000	30,000	76,604	46,604
Miscellaneous revenue	-	-	3,285	3,285
Total revenues	1,867,560	1,867,560	1,793,444	(74,116)
Expenditures				
Streets				
Personnel services	769,398	769,398	570,791	198,607
Materials and services	336,250	336,250	331,491	4,759
Capital outlay	2,877,700	2,877,700	846,241	2,031,459
Total streets	3,983,348	3,983,348	1,748,523	2,234,825
Contingency	915,653	1,209,274	-	1,209,274
Total expenditures	4,899,001	5,192,622	1,748,523	3,444,099
Revenues Over (Under) Expenditures	(3,031,441)	(3,325,062)	44,921	3,369,983
Other Financing Sources (Uses)				
Transfers in	2,213,450	2,213,450	486,941	(1,726,509)
Transfers out	(529,840)	(529,840)	(529,840)	-
Total other financing sources (uses)	1,683,610	1,683,610	(42,899)	(1,726,509)
Net change in fund balance	(1,347,831)	(1,641,452)	2,022	1,643,474
Fund balance, beginning of year	1,347,831	1,641,452	1,641,452	-
Fund balance, end of year	\$ -	\$ -	1,643,474	\$ 1,643,474

See notes to the required supplementary information.

City of Cornelius, Oregon
Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) –
Oregon Public Employees Retirement System
Last Ten Fiscal Years

	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability	City's Covered Payroll (1)	City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.0297%	\$ 1,704,596	\$ 2,091,115	81.5%	91.9%
2017	0.0241%	3,616,700	2,214,870	163.3%	80.5%
2018	0.0217%	2,920,774	2,416,383	120.9%	83.1%
2019	0.0227%	3,436,586	2,481,820	138.5%	82.1%
2020	0.0251%	4,342,191	2,663,677	163.0%	80.2%
2021	0.0274%	5,989,360	2,768,647	216.3%	75.8%
2022	0.0269%	3,217,031	2,803,222	114.8%	87.6%
2023	0.0294%	4,504,434	2,837,611	158.7%	84.5%
2024	0.0297%	5,558,089	3,118,467	178.2%	81.7%
2025	0.0311%	6,920,359	3,585,514	193.0%	79.3%

(1) Amounts for covered payroll use the prior-year's data to match the measurement date used by the pension plan for each fiscal year.

City of Cornelius, Oregon
Schedule of the City's Contributions –
Oregon Public Employees Retirement System
Last Ten Fiscal Years

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 231,899	\$ (231,899)	\$ -	\$ 2,214,870	10.47%
2017	247,778	(247,778)	-	2,416,383	10.25%
2018	335,067	(335,067)	-	2,481,820	13.50%
2019	359,097	(359,097)	-	2,663,677	13.48%
2020	451,192	(451,192)	-	2,768,647	16.30%
2021	496,166	(496,166)	-	2,803,222	17.70%
2022	569,706	(569,706)	-	2,837,611	20.08%
2023	602,619	(602,619)	-	3,118,467	19.32%
2024	845,089	(845,089)	-	3,585,514	23.57%
2025	885,202	(885,202)	-	3,684,740	24.02%

See notes to the required supplementary information.

City of Cornelius, Oregon
Schedule of Changes in Total Other Postemployment Benefits
Liability and Related Ratios – Implicit Rate Subsidy
Last Eight Fiscal Years¹

	Service Cost	Interest on Total OPEB Liability	Effect of Economic/Demographic Gains or (Losses)	Effect of Assumption Change or Inputs	Benefit Payments	Net Change in Total OPEB Liability	Net OPEB Liability, Beginning	Net OPEB Liability, Ending	Covered Employee Payroll	Total OPEB Liability as a % of Covered-Employee Payroll
2018	\$ 15,715	\$ 7,151	\$ -	\$ (14,889)	\$ (16,580)	\$ (8,603)	\$ 243,440	\$ 234,837	\$ 2,481,820	9.5%
2019	14,729	8,545	(5,215)	(22,678)	(21,961)	(26,580)	234,837	208,257	2,663,677	7.8%
2020	12,221	8,260	-	7,368	(14,197)	13,652	208,257	221,909	2,768,647	8.0%
2021	13,723	8,154	(27,787)	(36,263)	(5,394)	(47,567)	221,909	174,342	2,803,222	6.2%
2022	17,450	4,217	-	745	(2,000)	20,412	174,342	194,754	2,837,611	6.9%
2023	17,961	4,532	(70,760)	(31,573)	(5,831)	(85,671)	194,754	109,083	2,600,015	4.2%
2024	15,119	4,370	-	(1,171)	(1,498)	16,820	109,083	125,903	2,984,284	4.2%
2025	15,404	5,080	(2,981)	(14,582)	(4,315)	(1,394)	125,903	124,509	3,062,107	4.1%

¹ 10-year trend information required by GASB Statement 75 will be presented prospectively

No assets accumulated in a trust that meets the criteria of GASB to pay related benefits for the OPEB plan

See notes to the required supplementary information.

City of Cornelius, Oregon
Schedule of the City's Proportionate Share of the Net OPEB
Liability (Asset) – Oregon Public Employees' Retirement System Retiree
Health Insurance Account
Last Nine Fiscal Years¹

	City's Proportion of the Net OPEB Liability (Asset)	City's Proportionate Share of the Net OPEB Liability (Asset)	City's Covered Payroll (2)	City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	1.6700%	\$ 6,354	\$ 2,214,870	0.3%	94.2%
2018	0.0236%	(9,861)	2,416,383	-0.4%	108.9%
2019	0.0237%	(26,496)	2,481,820	-1.1%	124.0%
2020	0.0247%	(47,711)	2,663,677	-1.8%	144.4%
2021	0.0167%	(33,938)	2,768,647	-1.2%	150.1%
2022	0.0235%	(80,842)	2,803,222	-2.9%	183.9%
2023	0.0251%	(89,264)	2,837,611	-3.1%	194.7%
2024	0.0281%	(102,869)	3,118,467	-3.3%	201.6%
2025	0.0231%	(93,371)	3,585,514	-2.6%	220.6%

¹ 10-year trend information required by GASB Statement 75 will be presented prospectively

² Amounts for covered payroll use the prior year's data to match the measurement date used by the pension plan for each fiscal year.

City of Cornelius, Oregon
Schedule of the City's Contributions – Oregon Public Employees' Retirement System
Retiree Health Insurance Account
Last Nine Fiscal Years¹

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2017	\$ 10,433	\$ (10,433)	\$ -	\$ 2,214,870	0.43%
2018	11,764	(11,764)	-	2,416,383	0.49%
2019	12,237	(12,237)	-	2,481,820	0.49%
2020	12,251	(12,251)	-	2,663,677	0.46%
2021	1,689	(1,689)	-	2,768,647	0.06%
2022	1,317	(1,317)	-	2,803,222	0.05%
2023	1,172	(1,172)	-	2,837,611	0.04%
2024	623	(623)	-	3,118,467	0.02%
2025	756	(756)	-	3,585,514	0.02%

¹ 10-year trend information required by GASB Statement 75 will be presented prospectively

City of Cornelius, Oregon
Notes to the Required Supplementary Information
June 30, 2025

1) Stewardship, Compliance, and Accountability

Budgetary Information

On or before June 30 of each year, the City enacts a resolution approving the budget, appropriating the expenditures, and levying the property taxes. The City's budget is presented on the modified accrual basis of accounting which is the same basis as GAAP with the exception of interfund loans, which are not reported on the budgetary basis.

Prior to enacting this resolution, the proposed budget is presented to a budget committee consisting of members of the City Council and a like number of interested citizens. The budget committee presents the budget to the City Council for budget hearings prior to enactment of the resolution. The City budgets all funds as required by Oregon Local Budget Law.

The resolution authorizing appropriations for each fund sets the legal level of control by which expenditures cannot legally exceed appropriations. Total expenditures by department as established by the resolution are the legal level of control for the General Fund. Expenditure categories of personal services, materials and services, capital outlay, debt service, transfers, and contingency are the legal level of control for all other funds. The detail budget document, however, is required to contain more specific information for the above-mentioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers, and adoption by the City Council. Management may modify original and supplemental budgets by the use of appropriation transfers between the legal levels of control within a fund. Such transfers require approval by the City Council. Management may not amend the budget without seeking the approval of the Council. The City had three supplemental budgets during the year-ended June 30, 2025. Appropriations lapse as of year-end.

Changes in Benefit Terms

The Oregon Supreme Court on April 30, 2015, ruled that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law was unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. OPERS will make restoration payments to those benefit recipients. Senate Bill 822 lowered the COLA from 2% to 1.5% for recipients who do not pay Oregon income tax because they are not residents of Oregon.

OPERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire.

This is a change in benefit terms was not included in the net pension liability (asset) proportionate shares provided by OPERS for the years ending June 30, 2015, and June 30, 2014.

City of Cornelius, Oregon
Notes to the Required Supplementary Information
June 30, 2025

Changes of Assumptions

Details and a comprehensive list of changes in methods and assumptions can be found in the 2012, 2014, 2016, and 2018 experience study for the System, which were published on September 18, 2013, September 23, 2015, July 26, 2017, and July 25, 2019, respectively. These reports can be found at:

<http://www.oregon.gov/PERS/Pages/Financials/Actuarial-Presentations-and-Reports.aspx>.

Other Postemployment Benefits

The tables on pages 62-64 present the activities, changes in the proportionate share and contributions related to the City's postemployment health insurance benefit plans (implicit rate subsidy and retiree's health insurance account) based on the most recent actuarial valuations for the City.

There are no assets accumulated in a trust that meet the criteria of GASB Codification P22.101 or P52.101 to pay related benefits for the implicit rate subsidy other postemployment benefit plan.

Supplementary Information

City of Cornelius, Oregon
Section Summary –
Supplementary Information
June 30, 2025

Supplementary information includes financial schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such schedules include:

- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Governmental Funds (Non-RSI)
- Budgetary Comparison Schedules – Enterprise Funds
- Budgetary Comparison Schedules – Internal Service Funds

City of Cornelius, Oregon
Section Summary – Combining Statements –
Nonmajor Governmental Funds
June 30, 2025

Special Revenue Funds

These funds account for revenue derived from specific taxes or other earmarked revenue sources, which are legally restricted to expenditures for specified purposes. Funds included in this category are:

Urban Renewal Fund

The Urban Renewal Fund is used to account for revenues from property taxes levied specifically for urban renewal and development. These revenues are to be used to fund grants and project related to new development and revitalization of the City's urban renewal area.

Parks SDC Fund

The Parks SDC Fund is used to account for revenues from the Parks System Development Charges. These funds are to be used to provide new and upgraded play equipment, picnic tables, lighting, irrigation, and land purchases for new parks to accommodate growth.

City of Cornelius, Oregon
Combining Balance Sheet – Nonmajor Special Revenue Funds
June 30, 2025

	Special Revenue		
	Urban Renewal	Parks SDC	Total
Assets			
Cash and investments	\$ 1,075,247	\$ 1,208,768	\$ 2,284,015
Property taxes receivable	9,382	-	9,382
Total assets	\$ 1,084,629	\$ 1,208,768	\$ 2,293,397
Liabilities, Deferred Inflows or Resources, and Fund Balance			
Liabilities			
Accounts payable	\$ 2,341	\$ -	\$ 2,341
Deferred Inflows of Resources			
Unavailable revenue	6,366	-	6,366
Fund Balance			
Restricted for			
Community development	1,075,922	-	1,075,922
Capital outlay	-	1,208,768	1,208,768
Total fund balance	1,075,922	1,208,768	2,284,690
Total liabilities, deferred inflows of resources, and fund balance	\$ 1,084,629	\$ 1,208,768	\$ 2,293,397

City of Cornelius, Oregon
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances – Nonmajor Funds
Year Ended June 30, 2025

	Special Revenue		
	Urban Renewal	Parks SDC	Total
Revenues			
Taxes and assessments	\$ 610,937	\$ -	\$ 610,937
Licenses, permits, and fees	-	2,442	2,442
Interest revenue	48,771	73,527	122,298
Total revenues	659,708	75,969	735,677
Expenditures			
Current			
Community development	53,628	-	53,628
Capital outlay	324,073	-	324,073
Total expenditures	377,701	-	377,701
Revenues Over (Under) Expenditures	282,007	75,969	357,976
Other Financing Sources (Uses)			
Transfers out	-	(362,176)	(362,176)
Net change in fund balance	282,007	(286,207)	(4,200)
Fund balance, beginning of year	793,915	1,494,975	2,288,890
Fund balance, end of year	\$ 1,075,922	\$ 1,208,768	\$ 2,284,690

City of Cornelius, Oregon
Section Summary –
Budgetary Comparison Schedules –
Governmental Funds (Non-RSI)
June 30, 2025

Pursuant to the provisions of Oregon Revised Statutes, an individual schedule of revenues, expenditures, and changes in fund balances – budget and actual be displayed for each fund where legally adopted budgets are required.

Major Governmental Budgetary Comparison schedules not included in required supplemental information include the following:

- General Fund Schedule of Expenditures – Budgetary Basis
- Traffic Development Fund

Nonmajor Governmental Budgetary Comparison schedules included the following:

- Special Revenue Funds
 - Urban Renewal Fund
 - Parks SDC Fund

City of Cornelius, Oregon
Schedule of Expenditures Budget and Actual –
General Fund
Year Ended June 30, 2025

	Budget Amounts		Actual	Variance
	Original	Final		
City council				
Personnel services	\$ 16,546	\$ 16,546	\$ 16,333	\$ 213
Materials and services	30,300	30,300	6,794	23,506
Subtotal	46,846	46,846	23,127	23,719
Community development				
Personnel services	350,000	350,000	304,401	45,599
Materials and services	1,475,864	1,475,864	547,744	928,120
Capital outlay	12,000	12,000	9,795	2,205
Subtotal	1,837,864	1,837,864	861,940	975,924
Engineering				
Personnel services	436,691	457,691	456,795	896
Materials and services	17,705	17,705	12,807	4,898
Subtotal	454,396	475,396	469,602	5,794
Public safety				
Police operations				
Personnel services	74,296	74,296	74,271	25
Materials and services	3,263,281	3,263,281	3,247,670	15,611
Subtotal	3,337,577	3,337,577	3,321,941	15,636
Court				
Materials and services	5,700	5,700	537	5,163
Fire				
Personnel services	955,437	1,240,437	1,232,958	7,479
Materials and services	417,314	488,269	476,104	12,165
Capital outlay	14,000	14,000	13,520	480
Subtotal	1,386,751	1,742,706	1,722,582	20,124
Fire levy				
Personnel services	1,000,691	982,691	643,286	339,405
Materials and services	111,365	111,365	58,906	52,459
Capital outlay	30,000	30,000	-	30,000
Subtotal	1,142,056	1,124,056	702,192	421,864
Total public safety	5,872,084	6,210,039	5,747,252	462,787

City of Cornelius, Oregon
Schedule of Expenditures Budget and Actual –
General Fund – continued
Year Ended June 30, 2025

	Budget Amounts		Actual	Variance
	Original	Final		
Public services				
Parks				
Personnel services	\$ 323,310	\$ 323,310	\$ 301,910	\$ 21,400
Materials and services	239,050	239,050	175,202	63,848
Capital outlay	1,526,500	1,526,500	375,321	1,151,179
Subtotal	2,088,860	2,088,860	852,433	1,236,427
Library				
Personnel services	1,223,019	1,192,019	932,777	259,242
Materials and services	79,582	121,904	120,702	1,202
Capital outlay	-	6,600	6,549	51
Subtotal	1,302,601	1,320,523	1,060,028	260,495
Total public services	3,391,461	3,409,383	1,912,461	1,496,922
Nondepartmental				
Materials and services	440,253	240,253	271,833	(31,580)
Capital outlay	150,000	2,350,000	5,215,695	(2,865,695)
Subtotal	590,253	2,590,253	5,487,528	(2,897,275)
Debt service				
Principal	23,914	39,414	31,652	7,762
Interest	2,648	10,448	18,099	(7,651)
Subtotal	26,562	49,862	49,751	111
Total expenditures	\$ 12,219,466	\$ 14,619,643	\$ 14,551,661	\$ 67,982

City of Cornelius, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Traffic Development Fund
Year Ended June 30, 2025

	Budget Amounts		Actual	Variance
	Original	Final		
Revenues				
Licenses, permits, and fees	\$ 7,202,980	\$ 7,202,980	\$ 1,089,952	\$ (6,113,028)
Interest revenue	100,000	100,000	435,473	335,473
Total revenues	7,302,980	7,302,980	1,525,425	(5,777,555)
Expenditures				
Contingency	12,994,040	13,747,683	-	13,747,683
Revenues Over (Under) Expenditures	(5,691,060)	(6,444,703)	1,525,425	7,970,128
Other Financing Sources (Uses)				
Transfers out	(1,808,000)	(1,808,000)	(86,001)	1,721,999
Net change in fund balance	(7,499,060)	(8,252,703)	1,439,424	9,692,127
Fund balance, beginning of year	7,499,060	8,252,703	8,252,703	-
Fund balance, end of year	\$ -	\$ -	\$ 9,692,127	\$ 9,692,127

City of Cornelius, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Urban Renewal Fund
Year Ended June 30, 2025

	Budget Amounts		Actual	Variance
	Original	Final		
Revenues				
Taxes and assessments	\$ 222,000	\$ 222,000	\$ 610,937	\$ 388,937
Interest revenue	15,000	15,000	48,771	33,771
Total revenues	237,000	237,000	659,708	422,708
Expenditures				
Materials and services	10,000	10,000	53,628	(43,628)
Capital outlay	500,000	500,000	324,073	175,927
Contingency	209,998	209,998	-	209,998
Total expenditures	719,998	719,998	377,701	342,297
Net change in fund balance	(482,998)	(482,998)	282,007	765,005
Fund balance, beginning of year	482,998	482,998	793,915	310,917
Fund balance, end of year	\$ -	\$ -	\$ 1,075,922	\$ 1,075,922

City of Cornelius, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Parks SDC Fund
Year Ended June 30, 2025

	Budget Amounts		Actual	Variance
	Original	Final		
Revenues				
Licenses, permits, and fees	\$ 1,691,222	\$ 1,691,222	\$ 2,442	\$ (1,688,780)
Interest revenue	30,000	30,000	73,527	43,527
Total revenues	1,721,222	1,721,222	75,969	(1,645,253)
Expenditures				
Contingency	1,712,615	1,716,197	-	1,716,197
Revenues Over (Under) Expenditures	8,607	5,025	75,969	70,944
Other Financing Sources (Uses)				
Transfers out	(1,500,000)	(1,500,000)	(362,176)	1,137,824
Net change in fund balance	(1,491,393)	(1,494,975)	(286,207)	1,208,768
Fund balance, beginning of year	1,491,393	1,494,975	1,494,975	-
Fund balance, end of year	\$ -	\$ -	\$ 1,208,768	\$ 1,208,768

City of Cornelius, Oregon
Section Summary –
Budgetary Comparison Schedule –
Enterprise Funds
June 30, 2025

Pursuant to the provisions of Oregon Revised Statutes, an individual schedule of revenues, expenditures, and changes in fund balances – budget and actual be displayed for each fund where legally adopted budgets are required.

Enterprise Budgetary Comparison schedules include the following:

- Water Operations
 - Water Fund
 - Fixed Assets – Water Fund
- Sanitary Sewer Operations
 - Sanitary Sewer Fund
 - Fixed Assets – Sanitary Sewer Fund
- Surface Water Management Operations
 - Surface Water Management Fund
 - Fixed Assets – Surface Water Management Fund

City of Cornelius, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Water Operations Combined
Year Ended June 30, 2025

	Water	Fixed Asset - Water	Total Water Operations
Revenues			
Charges for services	\$ 3,386,509	\$ -	\$ 3,386,509
Licenses, permits, and fees	576,696	431,120	1,007,816
Interest revenue	153,604	248,931	402,535
Miscellaneous revenue	25,326	-	25,326
Total revenues	4,142,135	680,051	4,822,186
Expenditures			
Personnel services	120,044	-	120,044
Materials and services	2,065,937	-	2,065,937
Capital outlay	2,390,150	-	2,390,150
Debt service			
Principal	84,955	-	84,955
Interest	51,373	-	51,373
Total expenditures	4,712,459	-	4,712,459
Revenues Over (Under) Expenditures	(570,324)	680,051	109,727
Other Financing Sources (Uses)			
Transfers in	798,823	-	798,823
Transfers out	(1,036,815)	(798,823)	(1,835,638)
Total other financing sources (uses)	(237,992)	(798,823)	(1,036,815)
Net change in fund balance	(808,316)	(118,772)	(927,088)
Fund balance, beginning of year	3,873,460	4,848,316	8,721,776
Fund balance, end of year	\$ 3,065,144	\$ 4,729,544	\$ 7,794,688
Reconciliation to Fund Net Position - GAAP Basis			
Inventories			140,430
Capital assets, net			14,124,812
OPEB asset			1,733
Deferred outflows related to pensions			53,654
Deferred outflows related to OPEB			274
Long-term debt			(1,627,468)
Interest on long-term debt			(28,481)
Deferred inflows related to pensions			(7,754)
Deferred inflows related to OPEB			(2,062)
OPEB liability			(2,311)
Net pension liability			(128,436)
Fund net position			\$ 20,319,079

City of Cornelius, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Water Fund
Year Ended June 30, 2025

	Budget Amounts		Actual	Variance
	Original	Final		
Revenues				
Charges for services	\$ 3,485,250	\$ 3,485,250	\$ 3,386,509	\$ (98,741)
Licenses, permits, and fees	2,130,374	2,130,374	576,696	(1,553,678)
Interest revenue	80,000	80,000	153,604	73,604
Miscellaneous revenue	-	-	25,326	25,326
Total revenues	5,695,624	5,695,624	4,142,135	(1,553,489)
Expenditures				
Water				
Personnel services	127,569	127,569	120,044	7,525
Materials and services	3,649,374	3,649,374	2,065,937	1,583,437
Capital outlay	2,472,498	2,472,498	2,390,150	82,348
Total water	6,249,441	6,249,441	4,576,131	1,673,310
Debt service				
Principal	84,955	84,955	84,955	-
Interest	51,373	51,373	51,373	-
Contingency	3,386,048	2,963,999	-	2,963,999
Total expenditures	9,771,817	9,349,768	4,712,459	4,637,309
Revenues Over (Under) Expenditures	(4,076,193)	(3,654,144)	(570,324)	3,083,820
Other Financing Sources (Uses)				
Transfers in	817,499	817,499	798,823	(18,676)
Transfers out	(1,036,815)	(1,036,815)	(1,036,815)	-
Total other financing sources (uses)	(219,316)	(219,316)	(237,992)	(18,676)
Net change in fund balance	(4,295,509)	(3,873,460)	(808,316)	3,065,144
Fund balance, beginning of year	4,295,509	3,873,460	3,873,460	-
Fund balance, end of year	\$ -	\$ -	\$ 3,065,144	\$ 3,065,144

City of Cornelius, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Fixed Assets – Water Fund
Year Ended June 30, 2025

	Budget Amounts		Actual	Variance
	Original	Final		
Revenues				
Licenses, permits, and fees	\$ 1,044,750	\$ 1,044,750	\$ 431,120	\$ (613,630)
Interest revenue	80,000	80,000	248,931	168,931
Total revenues	1,124,750	1,124,750	680,051	(444,699)
Expenditures				
Contingency	5,061,137	5,155,567	-	5,155,567
Other Financing Sources (Uses)				
Transfers out	(817,499)	(817,499)	(798,823)	18,676
Net change in fund balance	(4,753,886)	(4,848,316)	(118,772)	4,729,544
Fund balance, beginning of year	4,753,886	4,848,316	4,848,316	-
Fund balance, end of year	\$ -	\$ -	\$ 4,729,544	\$ 4,729,544

City of Cornelius, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Sanitary Sewer Operations Combined
Year Ended June 30, 2025

	Sanitary Sewer	Fixed Asset - Sanitary Sewer	Total Sanitary Sewer Operations
Revenues			
Charges for services	\$ 4,213,252	\$ -	\$ 4,213,252
Licenses, permits, and fees	807,679	26,912	834,591
Interest revenue	104,009	84,798	188,807
Miscellaneous revenue	30,903	-	30,903
	5,155,843	111,710	5,267,553
Expenditures			
Personnel services	215,199	-	215,199
Materials and services	3,696,138	-	3,696,138
Capital outlay	458,412	-	458,412
	4,369,749	-	4,369,749
Revenues Over (Under) Expenditures	786,094	111,710	897,804
Other Financing Sources (Uses)			
Transfers in	141,924	-	141,924
Transfers out	(562,992)	(62,500)	(625,492)
	(421,068)	(62,500)	(483,568)
Net change in fund balance	365,026	49,210	414,236
Fund balance, beginning of year	2,026,772	1,711,635	3,738,407
Fund balance, end of year	\$ 2,391,798	\$ 1,760,845	\$ 4,152,643
Reconciliation to Fund Net Position - GAAP Basis			
Inventories			4,957
Capital assets, net			4,499,231
OPEB asset			4,588
Deferred outflows related to pensions			142,042
Deferred outflows related to OPEB			725
Deferred inflows related to pensions			(20,528)
Deferred inflows related to OPEB			(5,458)
Net pension liability			(340,018)
OPEB liability			(6,117)
Fund net position			\$ 8,432,065

City of Cornelius, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Sanitary Sewer Fund
Year Ended June 30, 2025

	Budget Amounts		Actual	Variance
	Original	Final		
Revenues				
Charges for services	\$ 4,082,400	\$ 4,082,400	\$ 4,213,252	\$ 130,852
Licenses, permits, and fees	251,750	251,750	807,679	555,929
Interest revenue	40,000	40,000	104,009	64,009
Miscellaneous revenue	-	-	30,903	30,903
Total revenues	4,374,150	4,374,150	5,155,843	781,693
Expenditures				
Sanitary sewer				
Personnel services	282,564	282,564	215,199	67,365
Materials and services	3,456,005	3,456,005	3,696,138	(240,133)
Capital outlay	323,500	498,500	458,412	40,088
Total sanitary sewer	4,062,069	4,237,069	4,369,749	(132,680)
Contingency	2,011,802	1,742,785	-	1,742,785
Total expenditures	6,073,871	5,979,854	4,369,749	1,610,105
Revenues Over (Under) Expenditures	(1,699,721)	(1,605,704)	786,094	2,391,798
Other Financing Sources (Uses)				
Transfers in	141,924	141,924	141,924	-
Transfers out	(562,992)	(562,992)	(562,992)	-
Total other financing sources (uses)	(421,068)	(421,068)	(421,068)	-
Net change in fund balance	(2,120,789)	(2,026,772)	365,026	2,391,798
Fund balance, beginning of year	2,120,789	2,026,772	2,026,772	-
Fund balance, end of year	\$ -	\$ -	\$ 2,391,798	\$ 2,391,798

City of Cornelius, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Fixed Assets – Sanitary Sewer Fund
Year Ended June 30, 2025

	Budget Amounts		Actual	Variance
	Original	Final		
Revenues				
Licenses, permits, and fees	\$ 119,944	\$ 119,944	\$ 26,912	\$ (93,032)
Interest revenue	30,000	30,000	84,798	54,798
Total revenues	149,944	149,944	111,710	(38,234)
Expenditures				
Contingency	1,790,027	1,799,079	-	1,799,079
Other Financing Sources (Uses)				
Transfers out	(62,500)	(62,500)	(62,500)	-
Net change in fund balance	(1,702,583)	(1,711,635)	49,210	1,760,845
Fund balance, beginning of year	1,702,583	1,711,635	1,711,635	-
Fund balance, end of year	\$ -	\$ -	\$ 1,760,845	\$ 1,760,845

City of Cornelius, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Surface Water Management Operations Combined
Year Ended June 30, 2025

	Surface Water Management	Fixed Asset - Surface Water Management	Total Surface Water Operations
Revenues			
Charges for services	\$ 1,395,037	\$ -	\$ 1,395,037
Licenses, permits, and fees	-	204,159	204,159
Interest revenue	95,936	105,690	201,626
Miscellaneous revenue	5,226	-	5,226
	1,496,199	309,849	1,806,048
Expenditures			
Personnel services	173,034	-	173,034
Materials and services	382,214	-	382,214
Capital outlay	117,752	-	117,752
	673,000	-	673,000
Revenues Over (Under) Expenditures	823,199	309,849	1,133,048
Other Financing Sources (Uses)			
Transfers in	62,028	-	62,028
Transfers out	(610,701)	-	(610,701)
	(548,673)	-	(548,673)
Net change in fund balance	274,526	309,849	584,375
Fund balance, beginning of year	1,953,625	2,035,944	3,989,569
Fund balance, end of year	\$ 2,228,151	\$ 2,345,793	4,573,944
Reconciliation to Fund Net Position - GAAP Basis			
Inventories			746
Capital assets, net			1,992,202
OPEB asset			2,909
Deferred outflows related to pensions			90,082
Deferred outflows related to OPEB			460
Deferred inflows related to pensions			(13,019)
Deferred inflows related to OPEB			(3,461)
Net pension liability			(215,637)
OPEB liability			(3,880)
Fund net position			\$ 6,424,346

City of Cornelius, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Surface Water Management Fund
Year Ended June 30, 2025

	Budget Amounts		Actual	Variance
	Original	Final		
Revenues				
Charges for services	\$ 1,324,860	\$ 1,324,860	\$ 1,395,037	\$ 70,177
Interest revenue	40,000	40,000	95,936	55,936
Miscellaneous	-	-	5,226	5,226
Total revenues	1,364,860	1,364,860	1,496,199	131,339
Expenditures				
Surface water management				
Personnel services	183,226	183,226	173,034	10,192
Materials and services	485,408	485,408	382,214	103,194
Capital outlay	88,500	128,500	117,752	10,748
Total surface water management	757,134	797,134	673,000	124,134
Contingency	2,008,409	1,976,207	-	1,976,207
Total expenditures	2,765,543	2,773,341	673,000	2,100,341
Revenues Over (Under) Expenditures	(1,400,683)	(1,408,481)	823,199	2,231,680
Other Financing Sources (Uses)				
Transfers in	65,557	65,557	62,028	(3,529)
Transfers out	(610,701)	(610,701)	(610,701)	-
Total other financing sources (uses)	(545,144)	(545,144)	(548,673)	(3,529)
Net change in fund balance	(1,945,827)	(1,953,625)	274,526	2,228,151
Fund balance, beginning of year	1,945,827	1,953,625	1,953,625	-
Fund balance, end of year	\$ -	\$ -	\$ 2,228,151	\$ 2,228,151

City of Cornelius, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Fixed Assets – Surface Water Management Fund
Year Ended June 30, 2025

	Budget Amounts		Actual	Variance
	Original	Final		
Revenues				
Licenses, permits, and fees	\$ 267,374	\$ 267,374	\$ 204,159	\$ (63,215)
Interest revenue	30,000	30,000	105,690	75,690
Total revenues	297,374	297,374	309,849	12,475
Expenditures				
Contingency	2,051,897	2,333,318	-	2,333,318
Net change in fund balance	(1,754,523)	(2,035,944)	309,849	2,345,793
Fund balance, beginning of year	1,754,523	2,035,944	2,035,944	-
Fund balance, end of year	\$ -	\$ -	\$ 2,345,793	\$ 2,345,793

City of Cornelius, Oregon
Section Summary –
Budgetary Comparison Schedule –
Internal Service Fund
June 30, 2025

Pursuant to the provisions of Oregon Revised Statutes, an individual schedule of revenues, expenditures, and changes in fund balances – budget and actual be displayed for each fund where legally adopted budgets are required.

- Internal Service
 - Schedule of Revenues, expenditures, and changes in fund balance

City of Cornelius, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Internal Service Fund
Year Ended June 30, 2025

	Budget Amounts		Actual	Variance
	Original	Final		
Revenues				
Licenses, permits, and fees	\$ 15,000	\$ 15,000	\$ 61,664	\$ 46,664
Intergovernmental	34,759	34,759	53,017	18,258
Interest revenue	5,000	5,000	21,759	16,759
Miscellaneous revenue	20,000	20,000	19,855	(145)
Total revenues	74,759	74,759	156,295	81,536
Expenditures				
Support services				
Administration	1,785,430	1,785,430	1,644,490	140,940
Public works - support	289,646	289,646	263,351	26,295
IT	75,425	75,425	63,261	12,164
Facilities	725,010	1,136,652	767,795	368,857
Total support services	2,875,511	3,287,153	2,738,897	548,256
Materials and services - nondepartmental	4,000	4,000	990	3,010
Contingency	25,353	208,202	-	208,202
Total expenditures	2,904,864	3,499,355	2,739,887	759,468
Revenues Over (Under) Expenditures	(2,830,105)	(3,424,596)	(2,583,592)	841,004
Other Financing Sources (Uses)				
Transfers in	2,705,512	3,042,262	2,705,512	(336,750)
Net change in fund balance	(124,593)	(382,334)	121,920	504,254
Fund balance, beginning of year	124,593	382,334	382,335	1
Fund balance, end of year	\$ -	\$ -	\$ 504,255	\$ 504,255

Statistical Section

City of Cornelius, Oregon

Section Summary – Statistical Section June 30, 2025

This part of the City of Cornelius' comprehensive annual financial report presents detailed information as a context for understanding the information in the financial statements, note disclosures, required supplementary information, and other supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	91
These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	
Revenue Capacity	97
These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.	
Debt Capacity	105
These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	110
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	113
These schedules contain service and infrastructure data to help the reader understand how the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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Financial Trends

City of Cornelius, Oregon
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	\$ 34,766,088	\$ 34,694,739	\$ 36,732,532	\$ 40,949,025	\$ 41,822,406	\$ 42,742,441	\$ 43,142,070	\$ 43,670,950	\$ 48,853,842	\$ 51,521,694
Restricted	4,107,126	4,745,290	4,795,499	3,273,727	4,828,285	7,811,755	10,436,333	11,747,190	12,276,178	13,704,432
Unrestricted	385,034	345,556	106,272	127,900	(57,939)	(233,391)	980,095	3,130,651	1,874,523	1,051,689
Total governmental activities net position	\$ 39,258,248	\$ 39,785,585	\$ 41,634,303	\$ 44,350,652	\$ 46,592,752	\$ 50,320,805	\$ 54,558,498	\$ 58,548,791	\$ 63,004,543	\$ 66,277,815
Business-type activities										
Net investment in capital assets	\$ 6,283,538	\$ 7,336,978	\$ 7,596,120	\$ 8,396,847	\$ 11,308,799	\$ 14,255,011	\$ 14,831,335	\$ 14,891,173	\$ 16,350,101	\$ 18,988,777
Restricted*	2,042,263	2,074,586	2,045,615	2,632,356	3,500,247	5,609,048	6,909,581	7,439,162	8,605,620	8,845,401
Unrestricted*	4,966,457	5,017,001	5,912,476	6,980,795	7,164,160	5,018,429	5,872,001	7,482,143	7,677,963	7,534,064
Total business-type activities net position	\$ 13,292,258	\$ 14,428,565	\$ 15,554,211	\$ 18,009,998	\$ 21,973,206	\$ 24,882,488	\$ 27,612,917	\$ 29,812,478	\$ 32,633,684	\$ 35,368,242
Primary government										
Net investment in capital assets	\$ 41,049,626	\$ 42,031,717	\$ 44,328,652	\$ 49,345,872	\$ 53,171,205	\$ 56,997,452	\$ 57,973,405	\$ 58,562,123	\$ 65,203,943	\$ 70,510,471
Restricted	6,149,389	6,819,876	6,841,114	5,906,083	8,328,532	13,420,803	17,345,914	19,186,352	20,881,798	22,549,833
Unrestricted	5,351,491	5,362,557	6,018,748	7,108,695	7,106,221	4,785,038	6,852,096	10,612,794	9,552,486	8,585,753
Total primary government net position	\$ 52,550,506	\$ 54,214,150	\$ 57,188,514	\$ 62,360,650	\$ 68,605,958	\$ 75,203,293	\$ 82,171,415	\$ 88,361,269	\$ 95,638,227	\$ 101,646,057

Note: *Business-Type Activities was reclassified from prior years.

City of Cornelius, Oregon
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities										
General government	\$ 1,619,638	\$ 1,693,384	\$ 1,156,314	\$ 1,634,729	\$ 1,860,333	\$ 2,927,362	\$ 1,908,630	\$ 1,448,434	\$ 1,935,966	\$ 2,444,534
Public safety	4,145,025	3,736,012	3,879,121	3,990,024	4,089,750	4,083,790	4,403,695	4,823,745	5,150,648	5,888,263
Highways and streets	1,064,969	1,070,906	1,121,774	1,489,598	1,327,153	1,358,872	1,106,411	1,124,905	1,351,703	1,494,977
Culture and recreation	855,833	714,733	950,082	983,770	1,188,569	1,241,746	2,272,333	1,699,112	1,930,936	1,884,698
Interest on long-term debt	62,141	66,422	23,750	34,721	35,233	28,888	5,782	-	3,236	33,515
Total governmental activities expenses	7,747,606	7,281,457	7,131,041	8,132,842	8,501,038	9,640,658	9,696,851	9,096,196	10,372,489	11,745,987
Business-type activities										
Water	1,423,348	1,457,059	1,893,797	2,752,516	4,175,870	5,076,155	4,152,516	3,249,662	3,421,676	3,439,307
Sewer	2,296,952	2,200,744	2,476,676	3,362,073	3,098,937	4,244,252	4,494,733	4,479,257	4,158,062	4,533,932
Storm drain	733,401	724,646	821,348	845,612	947,019	996,172	844,922	1,012,076	1,175,810	1,204,461
Total business-type activities expenses	4,453,701	4,382,449	5,191,821	6,960,201	8,221,826	10,316,579	9,492,171	8,740,995	8,755,548	9,177,700
Total primary government expenses	12,201,307	11,663,906	12,322,862	15,093,043	16,722,864	19,957,237	19,189,022	17,837,191	19,128,037	20,923,687
Program Revenues										
Governmental activities										
Charges for services										
General government	781,537	1,017,062	1,039,607	1,680,490	1,848,554	2,839,399	2,570,328	1,914,118	2,148,048	2,205,938
Culture and recreation	36,286	11,838	7,751	6,858	5,941	2,848	2,744	3,866	4,575	5,539
Public safety	76,367	74,410	283,807	263,428	272,761	270,919	292,512	270,505	388,237	368,189
Highways and streets	211,149	1,560	1,560	1,560	1,300	1,560	1,560	1,560	1,560	1,560
Operating grants and contributions	268,672	274,051	248,841	348,426	209,473	529,954	1,508,315	1,529,743	89,554	465,721
Capital grants and contributions	716,391	699,500	1,418,652	1,695,899	1,988,439	3,176,132	2,515,050	1,086,670	2,980,601	1,119,392
Total governmental activities program revenues	2,090,402	2,078,421	3,000,218	3,996,661	4,326,468	6,820,812	6,890,509	4,806,462	5,612,575	4,166,339
Business-type activities										
Charges for services										
Water	2,467,815	2,635,554	2,709,059	3,848,979	3,904,729	5,543,214	4,822,224	4,149,284	4,099,385	3,963,205
Sewer	2,308,193	2,325,145	2,446,662	3,623,252	3,156,943	4,351,787	4,711,903	4,659,053	4,589,994	5,020,931
Storm drain	913,831	961,531	966,323	1,010,731	1,072,681	1,108,948	1,207,726	1,241,068	1,318,313	1,395,037
Operating grants and contributions	74,895	7,479	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	79,056	655,667	3,802,181	2,079,320	1,371,412	458,521	774,927	662,191
Total business-type activities program revenues	5,764,734	5,929,709	6,201,100	9,138,629	11,936,534	13,083,269	12,113,265	10,507,926	10,782,619	11,041,364
Total primary government program revenues	7,855,136	8,008,130	9,201,318	13,135,290	16,263,002	19,904,081	19,003,774	15,314,388	16,395,194	15,207,703
Net (expense)/revenue										
Governmental activities	(5,657,204)	(5,203,036)	(4,130,823)	(4,136,181)	(4,174,570)	(2,819,846)	(2,806,342)	(4,289,734)	(4,759,914)	(7,579,648)
Business-type activities	1,311,033	1,547,260	1,009,279	2,178,428	3,714,708	2,766,690	2,621,094	1,766,931	2,027,071	1,863,664
Total primary government net expense	(4,346,171)	(3,655,776)	(3,121,544)	(1,957,753)	(459,862)	(53,156)	(185,248)	(2,522,803)	(2,732,843)	(5,715,984)

City of Cornelius, Oregon
Changes in Net Position – continued
Last Ten Fiscal Years
(Accrual Basis of Accounting)

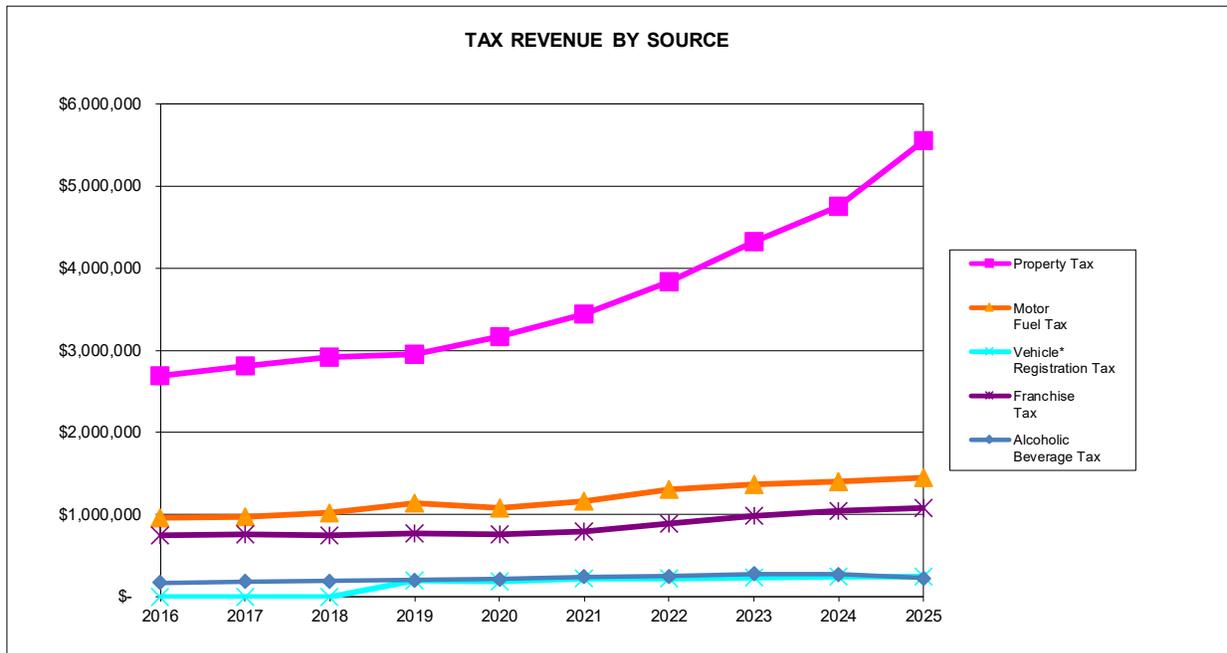
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	\$ 2,694,055	\$ 2,814,006	\$ 2,915,750	\$ 2,950,213	\$ 3,167,024	\$ 3,447,650	\$ 3,833,005	\$ 4,319,132	\$ 4,757,166	\$ 6,176,808
Local motor fuel tax	209,589	210,808	209,118	220,499	211,990	197,446	206,320	221,766	229,507	227,094
Franchise taxes	742,384	762,605	462,889	476,314	461,428	468,263	510,801	587,483	626,891	636,134
Intergovernmental	1,202,058	1,251,724	1,436,876	1,918,445	2,041,782	2,225,558	2,378,178	2,494,768	2,543,108	2,518,603
Investment earnings	39,938	76,103	114,689	143,366	159,282	103,643	78,018	535,939	930,600	971,944
Miscellaneous	160,730	120,118	273,855	182,749	451,025	123,339	72,431	120,468	174,677	326,372
Gain (loss) on disposal of capital assets	-	-	3,640	22,278	6,318	-	6,082	29,526	(25,451)	12,436
Transfers	519,220	495,009	453,604	938,666	(82,179)	(18,000)	(40,800)	(29,055)	(20,832)	(16,471)
Total governmental activities	5,567,974	5,730,373	5,870,421	6,852,530	6,416,670	6,547,899	7,044,035	8,280,027	9,215,666	10,852,920
Business-type activities										
Investment earnings	36,439	75,407	116,759	207,467	206,321	84,292	64,458	393,067	770,074	792,968
Miscellaneous	14,703	8,649	334,901	253,545	-	300	204	10,039	850	477
Gain (loss) on disposal of capital assets	-	-	25,321	5,013	-	-	3,873	469	2,379	60,978
Loan forgiveness	-	-	-	750,000	-	-	-	-	-	-
Transfers	(519,220)	(495,009)	(453,604)	(938,666)	82,179	18,000	40,800	29,055	20,832	16,471
Total business-type activities	(468,078)	(410,953)	23,377	277,359	288,500	102,592	109,335	432,630	794,135	870,894
Total primary government	5,099,896	5,319,420	5,893,798	7,129,889	6,705,170	6,650,491	7,153,370	8,712,657	10,009,801	11,723,814
Change in Net Position										
Governmental activities	(89,230)	527,337	1,739,598	2,716,349	2,242,100	3,728,053	4,237,693	3,990,293	4,455,752	3,273,272
Business-type activities	842,955	1,136,307	1,032,656	2,455,787	4,003,208	2,869,282	2,730,429	2,199,561	2,821,206	2,734,558
Total primary government	\$ 753,725	\$ 1,663,644	\$ 2,772,254	\$ 5,172,136	\$ 6,245,308	\$ 6,597,335	\$ 6,968,122	\$ 6,189,854	\$ 7,276,958	\$ 6,007,830

City of Cornelius, Oregon

Governmental Activities Tax Revenues by Source Last Ten Fiscal Years (Accrual Basis of Accounting)

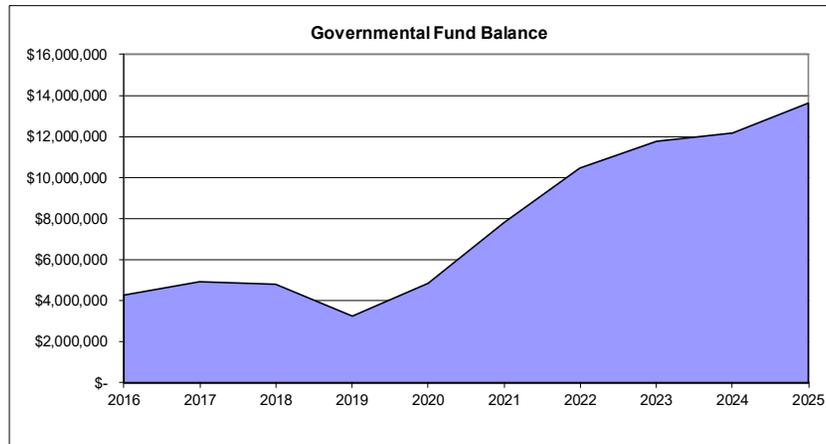
Fiscal Year	Property Tax	Motor Fuel Tax	Vehicle* Registration Tax	Franchise Tax	Alcoholic Beverage Tax	Total
2016	\$ 2,694,055	\$ 958,274	\$ -	\$ 742,384	\$ 170,980	\$ 4,565,693
2017	2,814,006	968,002	-	762,605	182,467	4,727,080
2018	2,915,750	1,021,405	-	744,266	189,963	4,871,384
2019	2,950,213	1,138,580	199,703	772,235	198,725	5,259,456
2020	3,167,024	1,078,780	179,835	753,180	211,770	5,390,589
2021	3,447,650	1,161,773	218,076	796,865	240,895	5,865,259
2022	3,833,005	1,301,416	225,157	888,099	246,346	6,494,023
2023	4,319,132	1,363,417	235,990	984,584	275,261	7,178,384
2024	4,757,166	1,403,141	249,527	1,049,582	271,288	7,730,704
2025	5,551,424	1,445,220	241,340	1,077,929	224,269	8,540,182

*Vehicle Registration Tax is a newly implemented tax that is collected by Washington County and distributed to Cities.



City of Cornelius, Oregon
Fund Balance of Governmental Funds
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General fund										
Committed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	1,078,219	1,425,297	1,612,529	1,792,509	2,124,757	3,001,015	4,376,519	6,629,453	5,509,033	5,019,724
Total general fund	\$ 1,078,219	\$ 1,425,297	\$ 1,612,529	\$ 1,792,509	\$ 2,124,757	\$ 3,001,015	\$ 4,376,519	\$ 6,629,453	\$ 5,509,033	\$ 5,019,724
All other governmental funds										
Restricted										
Street and roadside maintenance	\$ 833,342	\$ 923,926	\$ 1,377,375	\$ 2,001,283	\$ 1,529,069	\$ 1,451,689	\$ 1,834,779	\$ 2,203,065	\$ 1,641,452	\$ 1,643,474
Community development	-	-	-	-	-	52,136	175,090	391,327	793,915	1,075,922
Library capital projects	2,885,668	3,431,630	2,671,845	-	-	-	-	-	-	-
Debt service payments	388,116	389,734	514,046	429,444	314,294	247,561	-	-	-	-
Capital projects	182,378	184,303	232,233	843,000	2,984,922	6,060,369	8,426,464	9,152,798	9,747,678	10,900,895
Assigned										
Building and engineering	1,137	1,149	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	26,928	-	-	-
Total all other governmental funds	\$ 4,290,641	\$ 4,930,742	\$ 4,795,499	\$ 3,273,727	\$ 4,828,285	\$ 7,811,755	\$ 10,463,261	\$ 11,747,190	\$ 12,183,045	\$ 13,620,291
Total all funds	\$ 5,368,860	\$ 6,356,039	\$ 6,408,028	\$ 5,066,236	\$ 6,953,042	\$ 10,812,770	\$ 14,839,780	\$ 18,376,643	\$ 17,692,078	\$ 18,640,015



City of Cornelius, Oregon
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes and assessments	\$ 2,847,947	\$ 2,962,564	\$ 3,013,524	\$ 3,128,666	\$ 3,250,345	\$ 3,570,689	\$ 3,886,815	\$ 4,309,995	\$ 4,747,745	\$ 6,162,360
Licenses and permits, fees	998,077	987,622	1,050,261	2,997,784	3,358,033	5,949,531	4,938,571	2,876,969	3,679,490	3,060,055
Intergovernmental	1,403,241	1,455,098	1,612,614	2,099,265	2,238,535	2,407,909	2,561,473	2,689,067	2,860,920	2,815,862
Franchise fees	742,384	762,605	744,266	772,235	770,938	796,865	888,099	984,584	1,049,582	1,077,929
Fines	76,367	86,248	82,127	54,286	48,975	46,981	66,939	43,862	34,652	37,335
Investment earnings	39,341	74,641	108,715	128,770	120,555	79,078	75,974	530,309	914,455	950,185
Grants	942,321	870,686	1,168,626	409,236	101,185	507,277	1,476,289	1,499,112	1,347,570	457,723
Miscellaneous	182,082	209,278	661,262	388,388	552,292	148,832	82,310	113,979	167,341	319,593
Total revenues	7,231,760	7,408,742	8,441,395	9,978,630	10,440,858	13,507,162	13,976,470	13,047,877	14,801,755	14,881,042
Expenditures										
General government	622,413	1,431,030	771,170	1,071,243	1,178,917	1,846,024	2,643,748	1,314,023	1,942,390	2,102,302
Materials and services	-	-	-	-	-	-	-	20	76	53,628
Public safety	3,337,535	3,402,258	3,742,096	3,848,252	3,922,532	3,887,188	4,216,387	4,625,970	4,973,029	5,733,732
Highways and streets	664,771	899,992	788,298	1,072,082	876,406	887,885	808,940	794,819	948,731	1,036,672
Culture and recreation	567,292	651,945	897,038	927,621	1,121,275	1,157,786	1,371,942	1,473,255	1,655,317	1,530,591
Capital outlay	438,633	213,828	2,303,188	4,007,447	596,871	918,498	558,979	1,236,228	5,924,976	6,791,194
Debt service										
Principal	264,814	262,591	270,085	276,592	498,112	709,540	297,190	22,751	23,325	31,652
Interest	63,031	54,928	46,836	37,949	37,148	50,059	12,765	3,811	3,236	18,099
Total expenditures	5,958,489	6,916,572	8,818,711	11,241,186	8,231,261	9,456,980	9,909,951	9,470,877	15,471,080	17,297,870
Excess of revenues over (under) expenditures	1,273,271	492,170	(377,316)	(1,262,556)	2,209,597	4,050,182	4,066,519	3,577,000	(669,325)	(2,416,828)
Other financing sources (uses)										
Transfers in	3,158,288	725,581	1,190,089	935,974	833,073	843,020	197,031	303,125	1,572,170	453,667
Transfers out	(3,307,376)	(230,572)	(943,534)	(1,324,972)	(1,162,032)	(1,033,474)	(237,831)	(372,142)	(1,593,002)	(470,138)
Proceeds from issuance of debt	-	-	-	309,769	-	-	-	-	-	3,371,125
Gain (loss) on sale of assets	-	-	-	-	6,168	-	1,291	28,881	5,592	10,111
Total other financing sources (uses)	(149,088)	495,009	246,555	(79,229)	(322,791)	(190,454)	(39,509)	(40,136)	(15,240)	3,364,765
Net change in fund balances	\$ 1,124,183	\$ 987,179	\$ (130,761)	\$ (1,341,785)	\$ 1,886,806	\$ 3,859,728	\$ 4,027,010	\$ 3,536,864	\$ (684,565)	\$ 947,937
Capital asset additions (from reconciliation of governmental funds)	\$ 464,954	\$ 213,003	\$ 2,295,347	\$ 5,128,444	\$ 826,083	\$ 916,644	\$ 838,488	\$ 1,281,142	\$ 5,989,465	\$ 6,873,215
Debt service as a percentage of noncapital expenditures ((debt/other exp)-capital additions)	6.0%	4.7%	4.9%	5.1%	7.2%	8.9%	3.4%	0.3%	0.3%	0.5%

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Revenue Capacity

City of Cornelius, Oregon
Market and Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property			Personal Property			Manufactured Homes		
	Market Value	Measure 5	Assessed Value	Market Value	Measure 5	Assessed Value	Market Value	Measure 5	Assessed Value
2016	\$ 784,717,850	\$ 779,800,310	\$ 574,512,280	\$ 17,692,884	\$ 17,692,884	\$ 17,692,884	\$ 9,395,410	\$ 9,395,410	\$ 6,022,040
2017	890,735,470	886,135,980	599,799,590	20,280,741	20,280,741	20,280,741	11,067,760	11,067,760	6,887,590
2018	1,015,740,430	999,674,280	624,644,350	21,501,595	21,501,595	21,501,595	12,457,130	12,457,130	4,842,950
2019	1,107,172,870	1,087,860,350	642,405,080	21,580,904	21,580,904	21,580,904	15,779,350	15,779,350	4,705,650
2020	1,228,363,220	1,201,196,940	688,984,250	18,396,771	18,396,771	18,396,771	16,019,580	16,019,580	4,722,900
2021	1,409,700,480	1,290,006,940	732,189,860	22,335,397	21,114,337	20,678,711	16,326,710	15,995,430	4,947,350
2022	1,604,319,590	1,476,089,430	812,183,370	23,541,400	21,490,096	20,988,957	19,431,230	19,108,700	5,289,370
2023	2,009,748,840	1,871,995,150	906,703,850	22,641,720	20,758,468	20,245,409	20,630,580	20,274,220	5,475,430
2024	2,149,621,850	2,000,271,400	979,241,920	25,610,446	24,219,136	23,688,797	26,434,740	26,067,700	6,029,410
2025	2,242,305,950	2,088,974,370	1,037,337,610	25,964,727	24,841,494	24,389,917	27,729,010	27,483,820	6,613,680

Source: Washington County Assessment and Taxation

Note: In May, 1997, Oregon voters approved Measure 50 that revised the property tax system state-wide effective July 1, 1997. For property tax purposes, the measure changed a property's assessed valuation from real market value to a value for tax purposes. For FY 97-98, a property's assessed value for tax purposes will equal the property's market value as of July 1, 1995, less 10%. In addition, the maximum assessed value of a property was limited to a maximum of 3% growth per year.

Definition: Measure 5 value is the value used to calculate the Measure 5 limits. This value differs from Real Market Value for property that is assessed under a Special Assessment program (such as Farm and Forest property). For nonspecially assessed property, Measure 5 Value is equal to Real Market Value (RMV). For specially assessed property, Measure 5 Value is the sum of the Real Market Value of the market portion of the account plus the Specially Assessed Value (SAV) of the specially assessed portion of the account.

City of Cornelius, Oregon
Market and Assessed Value of Taxable Property – continued
Last Ten Fiscal Years

Fiscal Year Ended June 30	Public Utilities			Total			Total Assessed Value to Total Market Value	Total Direct Tax Rate	Assessed Value Change
	Market Value	Measure 5	Assessed Value	Market Value	Measure 5	Assessed Value			
2016	\$ 22,178,690	\$ 22,178,690	\$ 19,534,900	\$ 833,984,834	\$ 829,067,294	\$ 617,762,104	74.1%	3.98	1.034
2017	20,427,673	20,427,673	20,163,300	942,511,644	937,912,154	647,131,221	68.7%	4.47	1.048
2018	23,053,441	23,053,441	22,646,200	1,072,752,596	1,056,686,446	673,635,095	62.8%	4.47	1.041
2019	21,002,277	21,002,277	20,997,100	1,165,535,401	1,146,222,881	689,688,734	59.2%	4.47	1.024
2020	22,700,206	22,700,206	22,691,900	1,285,479,777	1,258,313,497	734,795,821	57.2%	4.47	1.065
2021	23,428,408	23,428,408	23,419,300	1,471,790,995	1,350,545,115	781,235,221	53.1%	4.47	1.063
2022	22,677,559	22,677,559	22,666,900	1,669,969,779	1,539,365,785	861,128,597	51.6%	4.47	1.102
2023	24,682,734	24,682,734	24,669,200	2,077,703,874	1,937,710,572	957,093,889	46.1%	4.47	1.111
2024	29,563,220	29,563,220	27,594,030	2,231,230,256	2,080,121,456	1,036,554,157	46.5%	4.47	1.083
2025	31,527,906	31,527,906	29,757,970	2,327,527,593	2,172,827,590	1,098,099,177	47.2%	4.47	1.059

City of Cornelius, Oregon

Overlapping Debt Schedule

June 30, 2025

Overlapping Issuer Name	Real Market Valuation	Percent Overlapping	Overlapping	
			Gross Property-Tax Backed Debt	Net Property-Tax Backed Debt
METRO	\$ 435,071,818,652	0.47%	\$ 4,305,199	4,274,490
NORTHWEST REGIONAL ESD	195,484,032,202	1.11%	137,014	137,014
PORT OF PORTLAND	479,489,971,175	0.45%	108,910	-
PORTLAND COMMUNITY COLLEGE	344,763,411,776	0.63%	3,722,097	3,566,393
TUALATIN VALLEY FIRE & RESCUE DISTRICT	142,691,838,128	0.01%	4,231	3,866
WASHINGTON COUNTY	154,031,375,412	1.40%	1,580,102	1,580,102
WASHINGTON CTY SD 15 (FOREST GROVE)	7,005,785,543	19.56%	33,473,109	33,473,109
WASHINGTON CTY SD 1J (HILLSBORO)	38,590,218,526	2.05%	8,764,938	8,764,938
Totals: Overlapping Issuer Count: 11			\$ 52,095,600	\$ 51,799,912

Net Property-Tax Backed Debt of Subject Issuer is:	\$ 1,726,835	Ratio of Net Property-Tax Backed Debt to Real Market Value is:	0.08%
Net Property-Tax Backed Debt of Overlapping Issuers is:	<u>51,799,912</u>	Per Capita Net Property-Tax Backed Debt is:	\$ 119
Total Net Property-Tax Backed Debt of Subject Issuer and Overlapping Issuers is:	<u>\$ 53,526,747</u>	Ratio of Total Net Property-Tax Backed Debt to Real Market Value is:	2.48%
Cornelius Population	14,490	As of :	7/1/2024
Real Market Value of Subject Issuer is:	\$ 2,160,782,968	As of :	7/1/2024
		Per Capita Total Net Property-Tax Backed Debt is:	\$ 3,694

Definition: "Gross Property-Tax Backed Debt" includes all General Obligation (GO) bonds and Full Faith & Credit bonds.

Definition: "Net Property-Tax Backed Debt" is Gross Property-tax Backed Debt less Self-supporting Unlimited-tax GO and less Self-supporting Full Faith & Credit debt.

Appropriation Credits, Conduit Revenue Bonds, Dedicated Niche Obligations, Other, Revenue Bonds, and any other obligations issued for less than 13 months (E.g. Bond Anticipation Notes, Tax Anticipation Notes), lease purchase agreements and loans are NOT included in Property-Tax backed calculations.

Source: State of Oregon, Debt Management Division

City of Cornelius, Oregon
Property Tax Rates
Last Ten Fiscal Years

Overlapping Rates

Fiscal Year	City of Cornelius			County			School District Forest Grove			School District Hillsboro			Special Districts	Total Direct and Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total City Millage		
2016	3.9836	-	3.984	2.2484	0.5900	2.8384	4.9142	2.8601	7.7743	4.9749	0.9640	5.939	-	20.535
2017	4.4706	-	4.471	2.2484	0.0709	2.3193	4.9142	1.6921	6.6063	4.9749	0.8856	5.861	-	19.257
2018	4.4706	-	4.471	2.2484	0.0700	2.3184	4.9142	1.6736	6.5878	4.9749	0.8647	5.840	-	19.216
2019	4.4706	-	4.471	2.2484	0.0699	2.3183	4.9142	1.617	6.5312	4.9749	1.2417	6.217	-	19.537
2020	4.4706	-	4.471	2.2484	0.0691	2.3175	4.9142	1.3138	6.2280	4.9749	1.2930	6.268	-	19.284
2021	4.4706	-	4.471	2.2484	0.0674	2.3158	4.9142	1.2983	6.2125	4.9749	1.3646	6.340	-	19.338
2022	4.4706	-	4.471	2.9384	0.0675	3.0059	4.9142	2.1725	7.0867	4.9749	2.1321	7.107	-	21.670
2023	4.4706	-	4.471	2.9384	0.0665	3.0049	4.9142	1.9075	6.8217	4.9749	1.9920	6.967	-	21.264
2024	4.4706	-	4.471	2.9384	0.0663	3.0047	4.9142	3.4366	8.3508	4.9749	1.9707	6.946	1	22.772
2025	5.4446	-	5.445	2.9384	0.0643	3.0027	4.9142	3.5267	8.4409	4.9749	1.9290	6.904	1	23.792

Source: Washington County Assessment and Taxation Department

City of Cornelius, Oregon

Principal Property Taxpayers

Last Ten Fiscal Years

Taxpayer	2015-2016		2016-2017*		2017-2018		2018-2019		2019-2020						
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value			
WAL-MART STORES INC	\$ 20,930,826	1	3.62%	\$ 20,930,826	1	3.62%	\$ 21,601,535	1	3.21%	\$ 22,112,664	1	3.21%	\$ 22,433,823	1	3.05%
TOM MOYER THEATERS	17,860,390	2	3.09%	17,860,390	2	3.09%	16,196,640	2	2.40%	16,682,520	2	2.42%	17,182,970	2	2.34%
LAURELWOOD DEVELOPMENT LLC							5,443,380	6	0.81%	6,756,530	5	0.98%	9,516,350	4	1.30%
PORTLAND GENERAL ELECTRIC	6,708,000	4	1.16%	6,708,000	4	1.16%	10,111,000	3	1.50%	10,700,000	3	1.55%	11,643,000	3	1.58%
NORTHWEST NATURAL GAS CO 495 LLC	3,599,600	9	0.62%	3,599,600	9	0.62%	4,044,000	12	0.60%	4,343,000	8	0.63%	4,838,000	7	0.66%
SHELDON MANUFACTURING INC	4,583,020	5	0.79%	4,583,020	5	0.79%	5,747,510	5	0.85%	4,658,750	7	0.68%	4,471,700	9	0.61%
CPI FOREST HILLS OWNER LLC	3,998,260	6	0.69%	3,998,260	6	0.69%	4,364,810	10	0.65%	4,491,240	6	0.65%	4,625,640	8	0.63%
CORNELIUS SELF STORAGE LLC													2,399,160	19	0.33%
CRP/ALTABIRD MEADOWLARK OWNER LLC															
CORNELIUS CINEMAS 2 LLC	2,504,110	15	0.43%	2,504,110	15	0.43%	5,388,966	7	0.80%	3,456,861	11	0.50%	3,539,661	12	0.48%
ALL CROP INC	3,354,430	11	0.58%	3,354,430	11	0.58%	3,665,470	14	0.54%	3,775,430	10	0.55%	3,888,690	11	0.53%
COASTAL FARM REAL ESTATE INC	3,489,870	10	0.60%	3,489,870	10	0.60%	3,883,883	13	0.58%	3,964,637	9	0.57%	4,048,882	10	0.55%
COMCAST CORPORATION	3,864,600	7	0.67%	3,864,600	7	0.67%	4,515,000	8	0.67%						
CORNELIUS GATEWAY LLC	2,343,020	18	0.41%	2,343,020	18	0.41%	2,867,970	18	0.43%	2,954,000	13	0.43%	3,110,480	14	0.42%
SMOKETREE MHC LLC	2,697,280	13	0.47%	2,697,280	13	0.47%	2,921,210	16	0.43%	3,008,840	12	0.44%	3,099,100	15	0.42%
FRED MEYER STORES INC	2,582,476	14	0.45%	2,582,476	14	0.45%				2,461,688	19	0.36%	2,464,685	20	0.34%
COUNTRY MEADOW ESTATES APARTMENTS LLC															
HANK'S PROPERTIES LLC	2,984,580	12	0.52%	2,984,580	12	0.52%	3,166,330	15	0.47%	2,691,970	17	0.39%	2,772,720	17	0.38%
JBK PROPERTIES MGMT	2,371,870	17	0.41%	2,371,870	17	0.41%	2,591,760	20	0.38%	2,669,500	18	0.39%	2,749,570	18	0.37%
LENNAR NORTHWEST INC										2,904,786	14	0.42%	2,904,786		0.40%
KEN LEAHY CONSTRUCTION INC LW THA LLC															
LW HOFII LLC													10,865,330	5	1.48%
JSTT INC	8,538,240	3	1.48%	8,538,240	3	1.48%	8,473,870	4	1.26%	8,424,430	4	1.22%	8,033,070	6	1.09%
RICHMOND AMERICAN HOMES													3,346,420	13	0.46%
ROBERT MOREY	2,029,370	20	0.35%	2,029,370	20	0.35%	2,651,400	19	0.39%	2,730,940	16	0.40%	2,812,860	16	0.38%
FARM CREDIT LEASING							3,123,794	17	0.46%	2,966,055	15	0.43%	2,966,055		0.40%
SCHRAGER LIVING TRUST										2,333,450	20	0.34%	2,333,450		0.32%
MAG LLC							1,491,183	9	0.22%						
HAZELNUT GROWERS OF OREGON	3,881,550	8	0.67%	3,881,550	8	0.67%	4,500,790	11	0.67%						
FRONTIER COMMUNICATIONS	2,479,000	16	0.43%	2,479,000	16	0.43%									
CAPLACO TWELVE INC	2,073,260	19	0.36%	2,073,260	19	0.36%									
Totals	\$ 102,873,752		17.80%	\$ 102,873,752		17.80%	\$ 116,750,501		17.33%	\$ 114,087,291		16.54%	\$ 136,046,402		18.51%

Source: Washington County Assessment and Taxation

*Note: 2015-2016 data (current data not available from the County at time of printing ACFR)

City of Cornelius, Oregon

Principal Property Taxpayers – continued

Last Ten Fiscal Years

Taxpayer	2020-2021			2021-2022			2022-2023			2023-2024			2024-2025		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
WAL-MART STORES INC	\$ 23,588,612	1	3.02%	\$ 24,096,326	1	2.80%	\$ 21,857,846	1	2.54%	\$ 22,166,059	1	2.14%	\$ 22,582,816	1	2.16%
TOM MOYER THEATERS	17,698,430	2	2.27%	17,559,820	3	2.04%	10,810,390	3	1.26%	17,817,370	2	1.72%	16,786,490	2	1.61%
LAURELWOOD DEVELOPMENT LLC	8,721,670	4	1.12%	18,265,310	2	2.12%	17,321,240	2	2.01%	11,957,890	3	1.15%	11,709,970	3	1.12%
PORTLAND GENERAL ELECTRIC	11,218,000	3	1.44%	9,600,000	4	1.11%	10,141,000	4	1.18%	10,207,000	4	0.98%	9,351,970	4	0.90%
NORTHWEST NATURAL GAS CO	5,871,000	6	0.75%	6,730,000	6	0.78%	7,553,520	6	0.88%	8,439,000	5	0.81%	9,012,630	5	0.86%
495 LLC	7,119,960	5	0.91%	7,333,540	5	0.85%	1,928,710	5	0.22%	7,780,100	6	0.75%	7,969,590	6	0.76%
SHELDON MANUFACTURING INC	4,657,890	8	0.60%	4,496,860	8	0.52%	6,124,350	8	0.71%	6,945,380	7	0.67%	8,013,490	7	0.77%
CPI FOREST HILLS OWNER LLC	4,765,500	7	0.61%	4,984,340	7	0.58%	7,505,000	7	0.87%	5,562,870	8	0.54%	8,276,090	8	0.79%
CORNELIUS SELF STORAGE LLC	3,867,650	11	0.50%	3,983,670	11	0.46%	4,249,270	11	0.49%	5,721,410	9	0.55%	6,764,220	9	0.65%
CRP/ALTBIRD MEADOWLARK OWNER LLC										1,077,090	10	0.10%	5,579,110	10	0.53%
CORNELIUS CINEMAS 2 LLC	3,390,050	15	0.43%	3,457,850	14	0.40%	3,734,480	14	0.43%	4,969,410	11	0.48%	5,893,050	11	0.56%
ALL CROP INC	4,005,350	9	0.51%	4,125,510	10	0.48%	5,161,600	10	0.60%	4,394,200	12	0.42%	4,526,020	12	0.43%
COASTAL FARM REAL ESTATE INC	3,779,520	12	0.48%	3,892,900	12	0.45%	4,009,680	12	0.47%	4,129,970	13	0.40%	4,508,000	13	0.43%
COMCAST CORPORATION										3,746,370	14	0.36%	4,253,860	14	0.41%
CORNELIUS GATEWAY LLC	3,203,790	17	0.41%	3,299,900	15	0.38%	3,398,890	15	0.39%	3,500,850	15	0.34%	3,788,370	15	0.36%
SMOKETREE MHC LLC	3,192,060	18	0.41%	3,287,820	16	0.38%	3,386,440	16	0.39%	3,488,020	16	0.34%	3,592,650	16	0.34%
FRED MEYER STORES INC	3,567,950	13	0.46%	3,642,027	13	0.42%	3,577,224	13	0.42%	3,386,395	17	0.33%	3,540,150	17	0.34%
COUNTRY MEADOW ESTATES APARTMENTS LLC	2,897,240	19	0.37%	2,984,140	17	0.35%	3,073,660	17	0.36%	3,165,860	18	0.31%	3,301,943	18	0.32%
HANK'S PROPERTIES LLC	2,855,900	20	0.37%	2,941,570	18	0.34%	3,029,810	18	0.35%	3,120,700	19	0.30%	3,260,820	19	0.31%
JBK PROPERTIES MGMT				2,916,980	19	0.34%	3,004,480	19	0.35%	3,094,600	20	0.30%	3,214,320	20	0.31%
LENNAR NORTHWEST INC	3,469,320	14	0.44%	4,254,440	9	0.49%	5,522,050	9	0.64%						
KEN LEAHY CONSTRUCTION INC				2,623,779	20	0.30%	2,670,500	20	0.31%						
LW THA LLC	3,827,630	10	0.49%												
LW HOFII LLC	3,228,500	16	0.41%												
JSTT INC															
RICHMOND AMERICAN HOMES															
ROBERT MOREY															
FARM CREDIT LEASING															
SCHRAGER LIVING TRUST															
MAG LLC															
HAZELNUT GROWERS OF OREGON															
FRONTIER COMMUNICATIONS															
CAPLACO TWELVE INC															
Totals	\$ 124,926,022		15.99%	\$ 134,476,782		15.62%	\$ 128,060,140		14.87%	\$ 134,670,544		12.99%	\$ 145,925,559		13.96%

City of Cornelius, Oregon
Property Tax Levies and Collections
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Balance										
Current	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prior	101,481	117,228	129,455	131,538	49,373	53,888	53,767	52,844	59,336	68,482
	<u>101,481</u>	<u>117,228</u>	<u>129,455</u>	<u>131,538</u>	<u>49,373</u>	<u>53,888</u>	<u>53,767</u>	<u>52,844</u>	<u>59,336</u>	<u>68,482</u>
Levy										
Current	2,764,901	2,895,815	3,020,663	3,084,656	3,292,775	3,492,556	3,806,980	4,237,726	4,520,331	5,769,597
Prior	(28)	54	365	(401)	-	-	-	-	-	-
	<u>2,764,873</u>	<u>2,895,869</u>	<u>3,021,028</u>	<u>3,084,255</u>	<u>3,292,775</u>	<u>3,492,556</u>	<u>3,806,980</u>	<u>4,237,726</u>	<u>4,520,331</u>	<u>5,769,597</u>
Adjustments										
Current	(2,691)	(7,049)	(22,997)	(8,663)	(10,926)	(8,966)	(7,509)	(22,193)	(13,432)	(6,011)
Prior	(1,075)	(4,200)	(2,837)	(38,991)	(1,545)	(246)	5,112	2,539	(5,939)	(9,638)
	<u>(3,766)</u>	<u>(11,249)</u>	<u>(25,834)</u>	<u>(47,654)</u>	<u>(12,471)</u>	<u>(9,212)</u>	<u>(2,397)</u>	<u>(19,654)</u>	<u>(19,371)</u>	<u>(15,649)</u>
Net interest (discounts)										
Current	(74,234)	(77,178)	(81,918)	(83,884)	(88,561)	(94,044)	(104,503)	(115,162)	(123,230)	(155,444)
Prior	5,265	3,958	3,830	2,494	3,340	2,836	2,966	2,633	(183)	26
	<u>(68,969)</u>	<u>(73,220)</u>	<u>(78,088)</u>	<u>(81,390)</u>	<u>(85,221)</u>	<u>(91,208)</u>	<u>(101,537)</u>	<u>(112,529)</u>	<u>(123,413)</u>	<u>(155,418)</u>
Collections										
Current	2,642,372	2,764,443	2,884,152	2,961,045	3,159,047	3,355,386	3,661,477	4,061,878	4,339,578	5,549,557
Prior	34,019	34,730	30,870	76,331	31,520	36,870	42,493	37,173	28,823	31,068
	<u>2,676,391</u>	<u>2,799,173</u>	<u>2,915,022</u>	<u>3,037,376</u>	<u>3,190,567</u>	<u>3,392,256</u>	<u>3,703,970</u>	<u>4,099,051</u>	<u>4,368,401</u>	<u>5,580,625</u>
Balances, end of fy										
Current	45,604	47,145	31,596	31,064	34,241	34,160	33,491	38,493	44,091	58,585
Prior	71,624	82,310	99,943	18,309	19,648	19,608	19,352	20,843	24,391	27,803
	<u>\$ 117,228</u>	<u>\$ 129,455</u>	<u>\$ 131,539</u>	<u>\$ 49,373</u>	<u>\$ 53,889</u>	<u>\$ 53,768</u>	<u>\$ 52,843</u>	<u>\$ 59,336</u>	<u>\$ 68,482</u>	<u>\$ 86,388</u>

Notes: Fiscal year runs from July 1st to June 30

Source: Washington County Assessment and Taxation

City of Cornelius, Oregon
Property Tax Levies and Collections to Date
Last Ten Fiscal Years

Tax Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy			Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy	Percentage of Levy		Amount	Percentage of Levy
2016	\$ 2,764,901	\$ 2,642,372	95.6%	\$ 37,299	\$ 2,679,671	96.9%	
2017	2,895,815	2,764,443	95.5%	35,872	2,800,315	96.7%	
2018	3,020,663	2,884,152	95.5%	39,828	2,923,980	96.8%	
2019	3,084,656	2,961,045	96.0%	35,937	2,996,982	97.2%	
2020	3,292,775	3,159,047	95.9%	37,528	3,196,575	97.1%	
2021	3,492,556	3,355,386	96.1%	35,199	3,390,585	97.1%	
2022	3,806,980	3,661,477	96.2%	27,268	3,688,745	96.9%	
2023	4,237,726	4,061,878	95.9%	20,439	4,082,317	96.3%	
2024	4,520,331	4,339,578	96.0%	22,818	4,362,396	96.5%	
2025	5,769,597	5,580,624	96.7%	-	5,580,624	96.7%	

Source: Washington County Assessment and Taxation

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Debt Capacity

City of Cornelius, Oregon
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business - Type Activities				Total			
	General Obligation Bonds	Special Assessment Bonds	Capital Leases	Other Notes	Revenue Bonds Series 2000	Special Assessment Bonds	Capital Leases	Other Notes*	Total Primary Government	Percentage of Personal Income	Per Capita	Population
2016	\$ -	\$ 1,555,000	\$ 286,125	\$ -	\$ -	\$ -	\$ -	\$ 1,153,818	\$ 2,994,943	N/A	246	12,161
2017	-	1,312,000	266,534	-	-	-	-	1,824,369	3,402,903	N/A	280	12,161
2018	-	1,062,000	246,449	-	-	-	-	2,753,957	4,062,406	N/A	334	12,161
2019	-	806,000	225,857	633,896	-	-	-	2,028,208	3,693,961	N/A	304	12,161
2020	-	544,000	204,745	418,896	-	-	-	2,028,208	3,195,849	N/A	261	12,225
2021	-	275,000	183,100	-	-	-	-	1,952,727	2,410,827	N/A	191	12,635
2022	-	-	160,909	-	-	-	-	1,874,981	2,035,890	N/A	151	13,498
2023	-	-	138,158	-	-	-	-	1,794,902	1,933,060	N/A	134	14,389
2024	-	-	114,833	-	-	-	-	1,712,423	1,827,256	N/A	127	14,389
2025	-	-	90,920	3,363,386	-	-	-	1,627,468	5,081,774	N/A	351	14,490

Note:

Details regarding the Cities outstanding debt can be found in the Notes to the Basic Financial Statements

*Business Type Activities Notes - Business Oregon Aquifer Storage and Recovery Loan

N/A - Not Available

City of Cornelius, Oregon
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less Amounts Available in Debt Service Fund	Total	Percentage of Actual Taxable Value of Property	Per Capita	Population (1)	Assessed Value (2)
2016	-	-	-	0.00%	-	12,161	617,762,104
2017	-	-	-	0.00%	-	12,161	647,131,221
2018	-	-	-	0.00%	-	12,161	673,635,095
2019	-	-	-	0.00%	-	12,161	689,688,734
2020	-	-	-	0.00%	-	12,225	734,795,821
2021	-	-	-	0.00%	-	12,635	781,235,221
2022	-	-	-	0.00%	-	13,498	861,128,597
2023	-	-	-	0.00%	-	14,389	957,093,889
2024	-	-	-	0.00%	-	14,389	1,036,554,157
2025	-	-	-	0.00%	-	14,490	1,098,099,177

Sources:

(1) United States Census

(2) Washington County Assessment and Taxation

N/A - Not Available

City of Cornelius, Oregon
Revenue Backed Debt
Last Ten Fiscal Years

Fiscal Year	Aquifer Storage and Recovery Loan			Debt Service		
	Utility (Water) Charges	Less Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2017	\$ 6,412,648	\$ 2,806,652	\$ 3,605,996	\$ -	\$ -	\$ -
2018	7,607,659	3,165,458	4,442,202	-	-	-
2019	9,042,976	3,759,631	5,283,345	-	-	-
2020	8,277,204	3,098,161	5,179,042	-	145,663	35.55
2021	8,344,128	5,533,523	2,810,605	75,481	60,846	20.62
2022	6,172,962	3,301,104	2,871,858	77,746	58,582	21.07
2023	7,250,612	3,452,239	3,798,373	80,078	56,249	27.86
2024	7,401,461	3,391,675	4,009,787	82,480	53,847	29.41
2025	8,362,306	5,160,833	3,201,472	84,955	51,373	23.48

Note:

Details regarding the Cities outstanding debt can be found in the Notes to the Basic Financial Statements
Utility charges include all revenue from the Water, Sewer, Storm, and Street funds.

Operating expenses do not include depreciation.

FY2016 - A new Capital project began - Aquifer Storage and Recovery. Debt repayment started in FY2020.

City of Cornelius, Oregon
Direct and Overlapping Governmental Activities Debt
June 30, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Metro	\$ 910,575,000	0.47%	\$ 4,305,199
Portland Community College	593,920,000	0.63%	3,722,097
Tualatin Valley Fire & Rescue District	45,990,000	0.01%	4,231
Washington County	112,639,172	1.40%	1,580,102
Washington County SD 15 (Forest Grove)	171,091,925	19.56%	33,473,109
Washington County SD 1J (Hillsboro)	428,080,000	2.05%	8,764,938
Other debt			
Metro	\$ -		\$ -
Northwest Regional ESD	12,395,000	1.11%	137,014
Port of Portland	24,170,000	0.45%	108,910
Subtotal, overlapping debt	<u>\$ 2,298,861,097</u>		<u>52,095,600</u>
City direct debt			<u>3,454,306</u>
Total direct and overlapping debt			<u>\$ 55,549,906</u>

Source: State of Oregon, Debt Management Division

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. The State of Oregon provided overlapping debt data on real market valuation of properties for each jurisdiction.

City of Cornelius, Oregon
Legal Debt Margin Information
Last Ten Fiscal Years

True Cash Value (1)	\$	2,327,527,593
		<u> x 3%</u>
General Obligation Debt Limit (2)		69,825,828
Gross bonded debt subject to limitation		-
Legal debt margin available for future indebtedness	\$	69,825,828
Total net debt applicable to the limit as a percentage of debt limit		0.00%

Fiscal Year	True Cash Value	Debt Limit	Total Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of the Debt Limit
2016	\$ 833,984,834	\$ 25,019,545	\$ -	\$ 25,019,545	0.00%
2017	942,511,644	28,275,349	-	28,275,349	0.00%
2018	1,072,752,596	32,182,578	-	32,182,578	0.00%
2019	1,165,535,401	34,966,062	-	34,966,062	0.00%
2020	1,285,479,777	38,564,393	-	38,564,393	0.00%
2021	1,471,790,995	44,153,730	-	44,153,730	0.00%
2022	1,669,969,779	50,099,093	-	50,099,093	0.00%
2023	2,077,703,874	62,331,116	-	62,331,116	0.00%
2024	2,231,230,256	66,936,908	-	66,936,908	0.00%
2025	2,327,527,593	69,825,828	-	69,825,828	0.00%

Sources:

(1) From Washington County Assessment and Taxation

(2) ORS 257.004 provides a debt limit of 3% of the true cash value of all taxable property within the City boundaries

Demographic and Economic Information

City of Cornelius, Oregon
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Median Household Income (1)	Persons Below Poverty Level (1)	Unemployment Rate Washington County (2)
2016	12,161	\$ 55,203	12.6%	5.2%
2017	12,161	54,390	9.9%	3.7%
2018	12,161	58,420	10.0%	3.5%
2019	12,161	60,766	10.0%	3.3%
2020	12,225	62,786	10.1%	6.7%
2021	12,635	67,207	6.7%	4.1%
2022	13,498	72,788	9.8%	3.3%
2023	14,389	72,917	10.4%	3.1%
2024	14,389	83,051	9.5%	3.6%
2025	14,490	94,030	9.5%	5.3%

Notes:

N/A - Not Available

Sources:

- (1) United States Census Bureau
- (2) Oregon State Employment Division

City of Cornelius, Oregon

Principal Employers

Current Year and Nine Years Ago

Employer	2016			2025		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Walmart Superstore	294	1	15.20%	308	1	12.29%
Fred Meyer	268	2	13.86%	263	2	10.49%
Sheldon Manufacturing	120	3	6.20%	111	3	4.43%
Forest Grove School District	94	4	4.86%	94	4	3.75%
Virginia Garcia	64	5	3.31%	79	5	3.15%
Pavement Maintenance Inc				67	6	2.67%
Edwards Vacuum LLC				62	7	2.47%
City of Cornelius	38	6	1.96%	51	9	2.03%
Coastal Farm and Ranch				46	8	1.83%
Truss Components				41	10	1.64%
Burger King	35	9	1.81%			
Hazelnut Growers of Oregon	45	7	2.33%			
Summit Foods	45	8	2.33%			
Squires Electronics	33	10	1.71%			
Totals	1,036		53.57%	1122		44.75%
Total FT Employees 2016	1295			Total FT Employees 2025		1843
Total Part Time Employees	639			Total Part Time Employees		664
Total Employees	1934			Total Employees		2507

Source:

City Business licenses

City of Cornelius, Oregon
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Full-time Equivalent Employees as of December 31

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government	12	12	12	12	12.5	12.5	13.5	12.5	13.5	13.5
Public safety										
Fire										
Firefighters and officers	7	7	7	7	6	6	6	7	7	10
Highways and streets										
Engineering	3	3	3	3	3	3	3	3	3	3
Maintenance	5	5	5	5	6	6	6	6	6	6
Sanitation	-	-	-	-	-	-	-	-	-	-
Culture and recreation	7	7	7	7	10	10.5	10.5	13.5	13.5	13.5
Water	1	1	1	1	1	1	1	1	1	1
Sewer	1	1	1	2	2	2	2	2	2	2
Surface water	2	2	2	2	2	2	2	2	2	2
Electric	-	-	-	-	-	-	-	-	-	-
Total	38	38	38	39	42.5	43	44	47	48	51

Source: City Administration Department

Operating Information

City of Cornelius, Oregon

Operating Indicators by Function

Last Ten Fiscal Years

Function	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police*										
Physical arrests	473	429	654	562	427	449	492	444	384	351
Parking violations	59	16	160	93	168	142	99	66	14	88
Traffic violations	1,001	1,390	968	859	645	385	609	630	319	188
Fire										
Number of calls answered	1,916	1,984	1,960	1,875	1,983	2,127	2,399	2,568	2,463	2,625
Inspections	91	60	73	64	29	8	5	5	3	9
Highways and streets										
Street resurfacing (square yards)	12,680	11,572	9,467	20,821	1,098	3,742	93,800	6,400	6,880	7,927
Sewer										
Sewer mains cleaned (lineal feet)	189,993	135,304	134,934	170,269	105,939	55,556	51,628	101,047	168,690	64,764
Storm										
Storm catch basins cleaned	1,075	1,095	1,065	1,138	1,145	1,389	1,242	1,242	1,454	1,261
Sanitation**										
Refuse collected (tons/day)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Recyclables collected (tons/day)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Culture and recreation										
Parks use permits	206	130	152	135	37	77	226	241	262	270
Athletic field permits issued	5	5	7	9	2	4	5	10	6	13
Library circulation	87,600	79,267	76,231	79,759	89,254	59,513	114,253	120,614	120,348	118,730
Library visitors	60,248	57,418	55,513	65,382	84,980	28,296	69,386	78,379	84,624	83,348
Library programs	144	214	271	260	517	231	513	447	472	565
Water										
New connections	7	1	28	115	142	370	373	65	84	100
Water main breaks repaired	26	17	20	27	19	43	20	10	12	9
City code violations										
Overgrown vegetation	49	62	70	25	38	12	42	46	37	27
Abandoned vehicles	189	222	337	299	168	286	195	286	125	152
Other	87	96	104	154	97	63	45	78	70	64

N/A - Not Available

Notes:

*Police Services are contracted beginning FY2015

**Private collection company

Source: City Administration, Court, Police, and Development and Operations Departments

City of Cornelius, Oregon

Capital Asset Statistics by Function

Last Ten Fiscal Years

Function	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units*	-	-	-	-	-	-	-	-	-	-
Fire stations	1	1	1	1	1	1	1	1	1	1
Fire apparatus	6	6	6	6	6	6	6	6	6	6
Sanitation										
Collection trucks	-	-	-	-	-	-	-	-	-	-
Highways and streets										
Streets (miles)	36	36	36	37.65	37.65	39.43	41.28	41.81	42.44	42.71
Streetlights	857	923	923	1052	1126	1126	1153	1173	1221	1237
Traffic signals	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Culture and recreation										
Parks acreage	25.7	25.91	25.91	26.73	24.8	31.58	31.58	31.58	31.9	31.9
Parks	14	14	14	19	21	23	23	23	25	25
Swimming pools	-	-	-	-	-	-	-	-	-	-
Tennis courts	1	1	1	1	1	1	1	1	1	1
Community centers	-	-	-	-	-	-	-	-	-	-
Water										
Water mains (miles)	32	32	32	36	41.7	43.5	44.3	44.9	45.6	45.8
Fire hydrants	402	431	449	480	431	448	456	462	472	475
Maximum daily capacity (thousands of gallons)										
Sewer										
Sanitary sewers (miles)	24	24	24	28	35.3	36.9	37.62	38.09	38.65	38.83
Storm sewers (miles)	19	19	19	23	30	32.87	34.57	34.97	36.38	36.57
Maximum daily treatment capacity (millions of gallons)										

***Notes:**

Patrol units are now owned by Washington County Sheriffs Office.

Parks acreage decreased in FY2020 - a new facility was built on existing park space.

Source: City Administration, Court, Police, and Development and Operations Departments

City of Cornelius, Oregon
Miscellaneous Statistical Data
July 30, 2025

Date of Incorporation	1893
Form of Government	City Council/City Manager
Area in Miles	2.34
Fire protection	
Number of stations	1
Number of firefighters, officers, and other personnel (exclusive of volunteer firefighters)	11
Police protection	
Number of stations	1
Number of sworn officers budgeted**	-
Recreation and culture	
Number of parks and open spaces	33
Total number of park and open space acreage	31.9
Tennis courts	1
Pools	-
Number of libraries	1
Total library circulation	118,730
Total library cardholders	5,915
Total library volumes (Includes nonbook material)	45,879
Transportation	
Designated bike routes	8
Bus stops	24
Freight lines	2
Airports	-
Miles of streets	42.71
Number of street lights*	1,237
Full time employees	
Union employees	34.50
Non-union employees	16.50

Notes:

N/A = not available

* Some lights are owned and maintained by Portland General Electric

**Police Services are contracted beginning FY2015

Sources:

City:

- Administration Department
- Police Department
- Engineering Department
- Fire Department
- Library Department
- Development and Operations Department

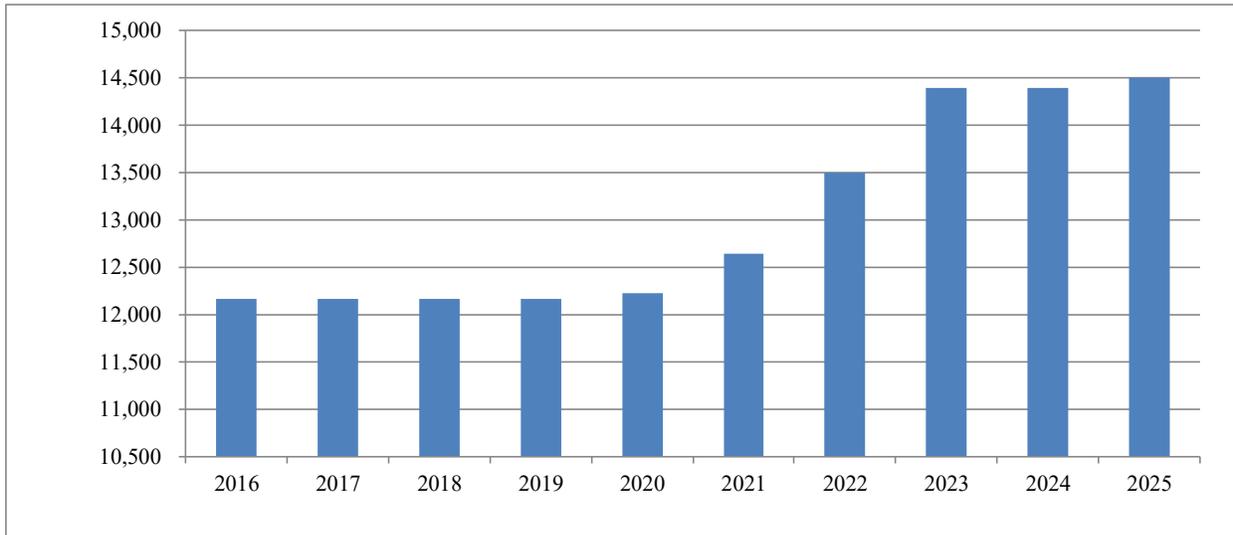
City of Cornelius, Oregon

Population Growth Last Ten Fiscal Years

Year	Population	Percent Change
2016	12,161	0.00%
2017	12,161	0.00%
2018	12,161	0.00%
2019	12,161	0.00%
2020	12,225	0.53%
2021	12,635	3.35%
2022	13,498	6.83%
2023	14,389	6.60%
2024	14,389	0.00%
2025	14,490	0.70%

Cumulative population growth

19.37%



Compliance Section

**Independent Auditor's Report
Required by Oregon State Regulations**

Honorable Mayor and Council Members
City of Cornelius
Cornelius, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America the basic financial statements of the City of Cornelius as of and for the year ended June 30, 2025, and have issued our report thereon dated December 4, 2025.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Cornelius's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. 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.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions, and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Highway revenues used for public highways, roads, and streets.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).
- Accountability for collecting or receiving money by elected officials – no money was collected or received by elected officials.

In connection with our testing nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations except there were expenditures in excess of appropriations as detailed in the notes to the financial statement.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 over financial reporting.

Restriction on Use

This report is intended solely for the information and use of the council members and management of the City of Cornelius and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

A handwritten signature in black ink, appearing to read 'R. Pasquarella', with a long horizontal line extending to the right.

Ryan T. Pasquarella, Principal
For REDW LLC
Salem, Oregon
December 4, 2025

City of Cornelius Agenda Report



To: Peter Brandom, City Manager
From: Ellie Jones, Assistant City Manager – Business Operations
Date: February 2, 2026
Subject: Cornelius Budget Committee Appointment

Requested City Council Action: Appoint Samuel Dalrymple to the Cornelius Budget Committee.

Previous City Council Action: None.

Background: The Budget Committee has five positions and two vacancies. An application for appointment was received by Samuel Dalrymple. Samuel has been a resident of Cornelius for 30 years and is a registered voter.

Cost: None.

Advisory Committee Recommendation: No advisory committee action was taken or is required for this item.

Staff Recommendation: Staff recommends that the City Council appoint Samuel Dalrymple to the Cornelius Budget Committee.

Proposed Motion: I make a motion to approve the APPOINTMENT OF SAMUEL DALRYMPLE TO POSITION 5, WITH A TERM EXPIRING DECEMBER 2028, TO THE BUDGET COMMITTEE, and this action takes effect immediately.

Exhibit: Redacted Budget Committee Application for Samuel Dalrymple

Please check the group(s) you would like to serve. If interested in more than one, please note the order of preference.

- | | |
|--|---|
| <input checked="" type="checkbox"/> Budget Committee | <input type="checkbox"/> Police Advisory Board (Inactive) |
| <input type="checkbox"/> Economic Development Commission | <input type="checkbox"/> Public Infrastructure Advisory Board |
| <input type="checkbox"/> Library Advisory Board | <input type="checkbox"/> Civic Leadership Academy |
| <input checked="" type="checkbox"/> Planning Commission | |

RECEIVED

DEC 30 2025

After _____ years served, I am seeking reappointment to:

Administration
City of Cornelius

APPLICANT INFORMATION:

Full Name (Printed): Samuel C Dalrymple

Occupation Engineering Manager

Years Lived in Cornelius: 30

Home Address:

Mailing Address:

Telephone:

Are you in City Limits? Yes

Meeting Availability: Evenings

Note: Most groups require members to be a City of Cornelius resident. If you are not a resident, check with the City Recorder to see which group you may apply for. cityrecorder@corneliusor.gov

Why are you interested in serving?

I have lived in Cornelius for 30 years, there has been rapid growth in the past few years, and I would like to play a role in shaping the City's growth in the future.

What contributions do you believe you can bring to the group(s)?

I have over 35+ years of management experiences spanning large and small teams across multiple geographies, where I was successful in managing multi-million dollar projects, and co-managed outsourced supplier contracts. I believe my expertise and knowledge would be considered valuable to the groups.

What qualifications or experience do you have that will help you serve?

I have over 35+ years of management experiences, managing multi-million dollar projects, co-managed outsourced suppliers contracts, and successfully managed large and small teams across multiple geographies. I believe my expertise and knowledge would be considered valuable to the groups.

Advisory Board, Committee, & Commission Application

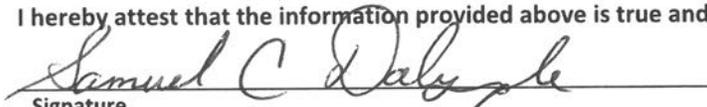
Describe any past or current involvement in community organizations or activities.

None at this time.

Have you previously held any appointed or elected governmental positions? If so, please specify.

None at this time

I hereby attest that the information provided above is true and accurate to the best of my knowledge.


Signature

12-29-2025

Date

City of Cornelius, Oregon Proclamation

February is National Black History Month, 2026

WHEREAS, each February, National Black History Month serves as both a celebration and a powerful reminder that Black history is American history, Black culture is American culture, and Black stories are essential to the ongoing story of America – our faults, our struggles, our progress, and our aspirations; and,

WHEREAS, our Nation was founded on the idea that all of us are created equal and deserve to be treated with equal dignity throughout our lives; and,

WHEREAS, across the generations, countless Black Americans have demonstrated profound moral courage and resilience to help shape our Nation for the better; and,

WHEREAS, as a City we are deeply committed to advancing equity, racial justice, inclusion and opportunity for Black Americans, and all Americans, as we continue striving to realize America’s founding promise; and,

WHEREAS, Black history also reflects ongoing struggles for fairness within systems of law, migration, and public safety, reminding us that the pursuit of justice and equal protection under the law remains a present-day responsibility; and,

WHEREAS, we call upon public officials, educators, librarians, and all the people of the Cornelius community to observe this month with appropriate programs, ceremonies, activities and remembrances to honor Black Americans.

NOW, THEREFORE, we the City Council of Cornelius, Oregon do hereby proclaim the month of February 2026 as **National Black History Month**. We encourage all residents to learn more about Black History and support equity, racial justice, inclusion and opportunity for all members of our community!



Dated this 2nd day of February, 2026

Jeffrey C. Dalin, Mayor