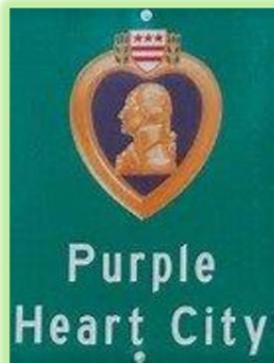


Fiscal Year Ended
June 30, 2025

City of Cornelius, Oregon

Excellence in Action

Popular Annual Financial Report



Oregon's Family Town

Message from the Mayor



Jeffrey C Dalin, Mayor

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Dear Cornelius Community Members,

The City Council and I are pleased to present the 2025 Popular Annual Financial Report (PAFR) to the residents of Cornelius. This report is a shorter version of the Annual Comprehensive Financial Report that is required by the State of Oregon to be produced each year by all municipal corporations. The PAFR report is designed to offer a snapshot of important financial information and is easy to understand for those who are not experts in government finance. We believe this report helps provide transparency, accountability and is paramount to responsible government.

We are proud that our independent, outside auditors again found that our budget received a “clean opinion” when audited. This means that you can be assured that your taxpayer dollars are being spent in a legal manner and are fully accounted for again this past year. It is a big challenge to develop and balance a multi million dollar budget each year. The entire organization contributes to an effective budget outcome. The City Council and I receive monthly reports that update us on specific spending actions and the remaining funds in each department.

The city received the Government Finance Officers (GFOA) Award of Excellence in Financial Reporting award for the 2024 report. In addition, the 2024 PAFR received recognition from the GFOA.

The City Council continues to strongly support having a transparent, efficient, and responsible city government. We believe that you will find this year’s PAFR to be easy to read and understand. It is my pleasure to offer you this review of the city’s financial position and honor to serve as your Mayor.

Sincerely,
Jeffrey C Dalin
Mayor
council@corneliusor.gov

City Council

City Council

Cornelius is governed by a City Council comprised of an elected Mayor and four Councilors. The City Council exercises policy-making and legislative authority and is responsible for City legislation, adopting the budget, appointing committees, and hiring the City Attorney, Municipal Court Judge and the City Manager. The Mayor serves a two-year term. Councilors serve for four years, with two of the four Councilor's terms expiring in each biennial election. The City Manager is responsible for carrying out the day-to-day operations of the City.

Government

The City of Cornelius operates under a home rule charter and has all powers granted to municipal corporations by State statutes, including the power to issue debt, levy taxes on real property within its boundaries, and extend its corporate limits by annexation.

The City provides a full range of services, including police protection, fire protection, library, construction and maintenance of streets, parks, utility infrastructure, recreational activities and cultural events, short and long-range planning and development review, and building permits and inspection.



Mayor

Jeffrey C Dalin
Term expires 12/2026



Councilor

Eden Lopez
Term expires 12/2026



Councilor

John Colgan
Resigned 9/15/2025
Term expires 12/2026



Councilor

Gregory Vaughn
Elected to vacancy 1/1/2025
Term expires 12/2028



Councilor

Angeles Godinez
Term expires 12/2028

Message from City Manager



*Peter Brandom
City Manager*

Dear Cornelius Community Members:

We are pleased to present the Popular Annual Financial Report (PAFR) for the City of Cornelius for Fiscal Year (FY) 2025. This report is the short-and-easier-to-read version of our larger Annual Comprehensive Financial Report. It is required by Oregon Revised Statutes to be published annually after an independent, outside auditor reviews and summarizes City finances for conformity with the law. I am proud to say that the full report received an unmodified “clean opinion” from our auditors. This means that our finances were properly managed and accounted for throughout the year. This is due to the dedicated elected and appointed leaders who oversee the City, and the competent staff who operate the City day-to-day.

Cornelius is in Washington County and has a population of 14,490. It has comparatively low property tax revenue, when looking at the greater County and region, at roughly 60% of the County average. This is due to comparatively low assessed property values. Cornelius also has limited additional general fund revenue sources. Though the community’s population has grown by over 18% since 2018, costs have continued to outpace revenue growth. City leaders and staff continue to carefully consider any spending, and look for ways to improve efficiencies to lower spending.

In the past year, commercial and industrial development in neighboring areas has driven modest economic growth in Washington County. In Cornelius, several commercial projects have recently completed, and several more are in the planning stages. The City has made two significant acquisitions this year, with long term economic development potential, the former Estby gas station at 10th & Baseline, and the former Hanks grocery and shopping center. Given constraints in buildable land, residential and commercial development is expected to slow, but there is continued opportunity for infill development. The City’s new 3-year Strategic Plan emphasizes economic development, including advocating for more land for the Cornelius urban growth boundary.

The City organization saw major staff turnover in the last few years, with the retirement of long-serving department managers in Public Works, Library, and the City Recorder. In 2025, the City hired a Fire Chief, which had been contracted with the City of Forest Grove since 2012. With the replacement of the local option fire levy in 2023, three additional firefighters were hired in 2025 under the levy, and the City plans for needed improvements to the Public Safety building.

This is the 15th year that the city has produced a PAFR. We also produce a PAFR in Spanish for our Latinx residents who comprise the majority of our population. We will continue to focus on transparency, fiscal accountability, and understanding of how a municipal government operates.

Peter Brandom, City Manager

503-357-9112

peter.brandom@corneliusor.gov

Strategic Performance Plan

Organizational Vision Statement:
Cornelius is welcoming, inclusive, and collaborative; strives to build trust and community for all; and honors our past while embracing a shared future, built on equity and sustainability.

GOAL 1: Drive intentional, opportunistic economic development in the Cornelius Town Center through public/private partnerships to create jobs, expand revenue, and establish local destinations.

GOAL 2: Increase community engagement in the civic process and provide opportunities for community members to advocate for Cornelius.

GOAL 3: Extend staff capacity through volunteers and improved staff recruitment, training, and management to increase participation, build future leaders, and enhance services.

GOAL 4: Determine community identity by unifying the public behind a common theme to instill civic pride.

A Look Back at 2025

Financial Highlights

In early FY2025, the City was working on completing its Fiscal Year 2024 Annual Comprehensive Financial Report. Unemployment rates in the county increased this last year, with our current unemployment rate at 5.3%, compared to 3.6% in 2024. Together with our external auditor, we worked on and reviewed our financial performance for the previous year, while closely watching the changing economic indicators. There are indications of economic slowdown and uncertainty. City staff continue to look for additional revenues and work to keep current and future expenses to a minimum.

In 2014, the City contracted with Washington County for police services. The Washington County Sheriff's Office continues to provide these services under contract with the City, operating as the Cornelius Police Department. The police services contract was renewed in July 2022 for an additional ten years, and the contract value is reviewed, and typically increased, annually to account for cost increases. Increases in personnel costs continue to drive up the cost of the contract. We have also contracted with neighboring City of Forest Grove since 2012 for a shared Fire Chief and Logistics Technician, and after evaluating the Cornelius Fire Department staffing and operations, we hired a full time Fire Chief in Spring of 2025. Five firefighter positions and multiple student interns are currently funded through a Levy that was approved by voters in 2023. A new agreement with City of Forest Grove was approved in November, 2025, for fire prevention and inspection services, which replaces the two agreements that were in place.

The City's population has increased over 18% since 2018, due in large part to increased housing, which is winding down. This residential development has added around 1,200 new homes. Some additional residential dwellings are expected in the next few years. Many other small to medium scale commercial developments are planned or under construction.

The FY2024 Annual Comprehensive Financial Report earned the Government Finance Officers Association's Certificate of Achievement in Financial Reporting, and the 2025 Budget earned the Government Finance Officers Association's Award for Distinguished Budget Presentation. Both awards have been earned the past 17 years. The Government Finance Officers Award for Outstanding Achievement in Popular Annual Finance Reporting (PAFR) for FY2024 was earned for the 14th year in a row. All of these awards illustrate our continued pursuit to provide transparent and easy-to-understand information for our residents.

Revenues and Expenditures

The City's largest revenue sources are property taxes, franchise fees, fees for charges and services, and state shared revenues. Cornelius is known for its relatively affordable housing stock. However, the market values of homes have steadily increased, making the community relatively less affordable than it has been historically. With relatively high borrowing rates, the housing market has slowed in recent months, and other economic indicators show relative uncertainty in the market. The overall assessed value continued a modest increase due to some new construction and the 3% increase allowed by law.

The City's interest income has been increasing since the COVID-19 pandemic. Personnel costs continue to rise due to increasing healthcare and retirement costs. Currently the City pays 90% of an employee's healthcare plan. Some employees cover only themselves, while others cover their entire family. The City's cost of employee retirement continues to increase every two years.

We anticipate revenue from new residential and commercial development to slow compared to the past several years, as available developable land is much more limited, and construction activity will slow. However, both new residential and commercial development will continue near term.

A Look Back at 2025

The City received approximately \$2.8 million in American Rescue Plan Act (ARPA) grant funds and allocated a majority to community-based uses and capital needs of the city, which helped offset expenses within the General Fund. The remaining ARPA grant funds must be fully expended by December 31, 2026.

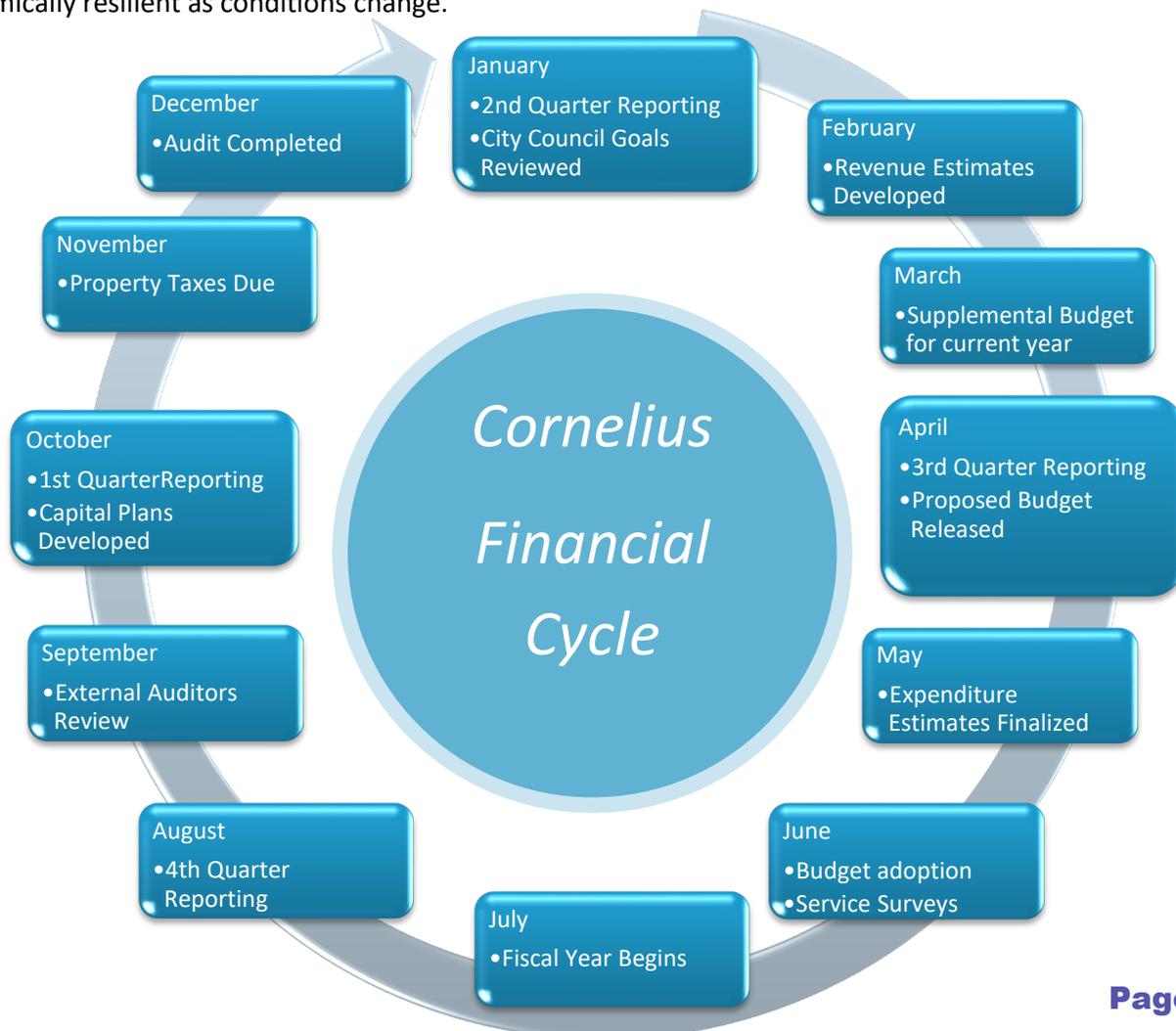
Internally, City departments will continue to monitor revenues and expenses closely and work together to keep our bottom line stable.

Reserves

Over the next few years, it will be critical for the City Council and staff to continue to address current and future operational needs, which will be an ongoing challenge and will require continued careful planning. City staff remain committed to providing quality essential services and infrastructure to its residents, businesses, and visitors. The City has established a minimum reserve balance, and will plan to ensure that balance is maintained, and that reserve funds are available when needed. While revenue again came in above what was projected, due to a conservative approach to projections, costs were kept to minimum operating standards.

Conclusion

This has been a year of continued improvements for the City. The City of Cornelius is excited about the new construction coming to our city, potential new revenue, and boosting our economy. The City's history of fiscally responsible decision-making and regular monitoring of our financial position has put the City in a position to weather the latest economic changes and uncertainty. Responsible proactive decreases in expenditures have been used to address slowing revenues; these reductions have been designed in a way that we believe will make Cornelius economically resilient as conditions change.



2025 Achievements

Reporting

The City of Cornelius achieved the Government Finance Officers Association Popular Annual Financial Reporting Awards Program award. The GFOA established the Popular Annual Financial Reporting Awards Program (PAFR Program) in 1991 to encourage and assist state and local governments to extract information from their annual comprehensive financial report to produce high quality popular annual financial reports specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance and then to recognize individual governments that are successful in achieving that goal.



Popular annual financial reports submitted to the PAFR Program are reviewed by selected members of the GFOA professional staff and by outside reviewers with experience in governmental accounting and financial reporting.

Financial Reporting

The City of Cornelius received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting Program. The GFOA established the Certificate of Achievement for Excellence in Financial Reporting Program in 1945 to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare annual comprehensive financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal.

Budget



Cornelius also received recognition for our budget. The document earned the Government Finance Officers Association Distinguished Budget Presentation Award Program (Budget Awards Program) Award. The GFOA established the Distinguished Budget Presentation Awards Program (Budget Awards Program) in 1984 to encourage and assist state and local governments to prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's recommended practices on budgeting and then to recognize individual governments that succeed in achieving that goal.

All-America City

Cornelius was selected as an All-America City in June 2019. We began promoting our achievement in early FY2020 with local businesses sponsoring banners that appear on our main fairway. The theme for 2019 was "Creating Healthy Communities Through Inclusive City Engagement". Since 1949, the National Civic League has recognized and celebrated the best in American civic innovation with the prestigious All-America City Award. The Award, bestowed yearly on 10 communities, recognizes the work of communities in using inclusive civic engagement to address critical issues and create stronger connections among residents, businesses and nonprofit and government leaders.



Service

Connecting with more residents

The sharing of information continues to propel us to higher levels of involvement and communication while opening the window on government and improving access to our services and information.

City Staff prepare a monthly bilingual newsletter that informs citizens of happenings within the City, provides information on upcoming meetings, events and activities as well as statistical information from various departments. The newsletter is mailed to all City addresses, posted on the City website, and e-mailed to those who sign up for our e-newsletter.

City staff recently redesigned the City website, which provides ongoing, up to date, community news and event information. The new website also has the ability to be translated into multiple languages using a Google translate button on our main page. Information regarding City events is also posted on our Facebook page.

The City continues to sponsor many community events which have been well attended. Some of the events include Flicks In the Park, the Farmers Market, National Night Out, Holiday Tree Lighting, the Veterans Day celebration and the annual Community Thanksgiving Dinner.

Online services 24/7

Residents can view their utility billing history and pay their bills from anywhere they can access the internet. Not only is this system convenient, it also instantly reflects payments minimizing the amount of processing required by staff. Online services have proven to be very popular.

Community Education

Each year Cornelius hosts a National Night Out Against Crime picnic where residents can get an up-close look at the equipment used to keep their community safe. This includes police cars, fire engines and even some of the street maintenance equipment. This event also offers City staff a chance to provide information on how to keep their homes and neighborhoods safe.

The Cornelius Fire department involves citizens in Fire Prevention Week with a safety fair. Fire prevention information is distributed and citizens can get information about how to test fire alarms, how to use a fire extinguisher and meet the Firefighters and EMT's of our community.



Financial Highlights

Financial Trend Summary

The financial data below is intended to provide a big picture overview of key financial metrics over the past three years. The information below is from selected funds and does not represent all of the City's component units. For ease of reading, this data is summarized in ways that are not in accordance with Generally Accepted Accounting Principles (GAAP) and the notes to the financial statements are not provided. The City of Cornelius is audited annually and prepares a full GAAP-based Annual Comprehensive Financial Report. The latest report is available on the City of Cornelius web site at <https://www.corneliusor.gov/258/financial-reporting> For more information contact City Hall at 503-357-9112.

Government Wide		2023	2024	2025
Assets and Deferred Outflows of Resources		98,593,842	107,075,885	116,852,614
Liabilities and Deferred Inflows of Resources		10,232,573	11,437,658	15,206,557
Total Net Position		\$88,361,269	\$95,638,227	\$101,646,057
Total Liabilities and Net Position		\$98,593,842	\$107,075,885	\$116,852,614
Revenues				
Governmental Activities	Program Revenues	4,806,462	5,612,575	4,166,339
	General Revenues	8,309,082	9,236,498	10,869,391
Business Activities	Program Revenues	10,507,926	10,782,619	11,041,364
	General Revenues	403,575	773,303	854,423
Total Revenues		\$24,027,045	\$26,404,995	\$26,931,517
Expenses				
Governmental Activities	General Government	1,448,434	1,935,966	2,444,534
	Public Safety	4,823,745	5,150,648	5,888,263
	Highways and Streets	1,124,905	1,351,703	1,494,977
	Culture and Recreation	1,699,112	1,930,936	1,884,698
	Interest on Long-Term Debt	0	3,236	33,515
Business Activities	Water Operations	3,249,662	3,421,676	3,439,307
	Sewer Operations	4,479,257	4,158,062	4,533,932
	Surface Water Management Operations	1,012,076	1,175,810	1,204,461
Total Expenses		\$17,837,191	\$19,128,037	\$20,923,687
Capital Assets, net of depreciation				
Governmental Activities		43,809,108	48,968,675	54,976,000
Business Activities		16,686,076	18,062,524	20,616,245
Total Capital Assets, net of depreciation		\$60,495,184	\$67,031,199	\$75,592,245
Net Position				
Governmental Funds				
	Restricted	11,747,190	12,276,178	13,704,432
	Unassigned	3,130,651	1,874,523	1,051,689
	Debt Service	0	0	0
Long Term Debt				
Governmental Activities		334,636	321,091	3,730,705
Business Activities		1,827,666	1,742,531	1,662,726
TOTAL		\$2,162,302	\$2,063,622	\$5,393,431

Net position has been increasing the past few years. Revenue is not increasing at the same rate as expenses, so staff is conservative when it comes to spending. Debt is also kept to a minimum.

Financial Highlights

Accounting Terminology

Business Activities

Water, Sewer and Storm Water Utility funded by fees charged to users

Capital Outlay

Funds spent to purchase or construct buildings, machinery, vehicles, etc.

Fund Balance

The difference between revenue and expenses of a fund

Government-wide

The City as a whole

Governmental Activities

The City's basic services such as Police, Fire, and Parks which are mostly funded by property tax, and franchise fees

Infrastructure Assets

Stationary assets of the City that include streets, sidewalks, water, sewer and drainage systems

Net Position

The difference between assets and liabilities for the City by fund

PERS

Public Employee Retirement System

Deferred Outflows & Inflows

Consumption of Net Assets that are applicable to a future reporting period

Major Employers

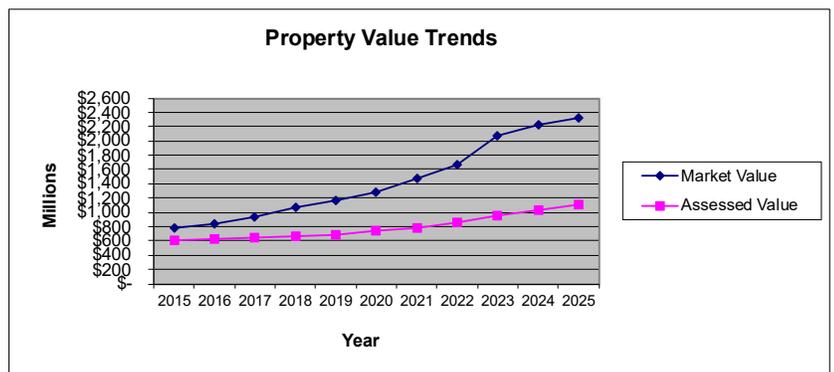
- Wal-Mart
- Fred Meyer
- Sheldon Manufacturing
- Forest Grove School District
- Virginia Garcia

Major Tax payers

- Wal-Mart
- Laurel Wood Development
- Tom Moyer Theaters
- Portland General Electric
- NW Natural
- 495 LLC

Trend Variances

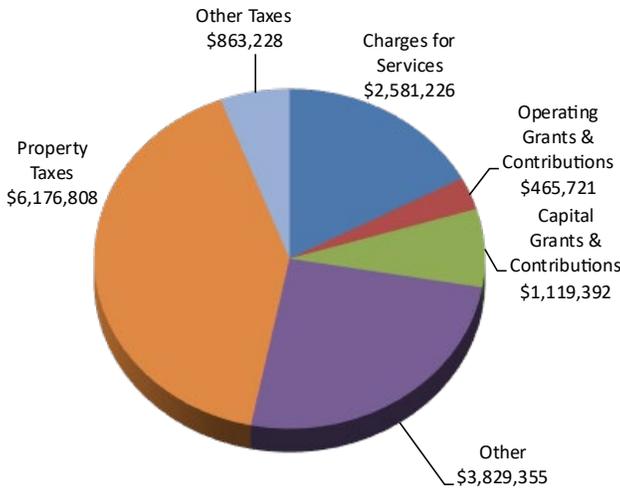
In 2025 the City's assessed value increased 5.94%; while the market value increased 4.32%. The following graph depicts the growth of both the real market value of property and the artificially restrained trend line of assessed valuation for taxation purposes.



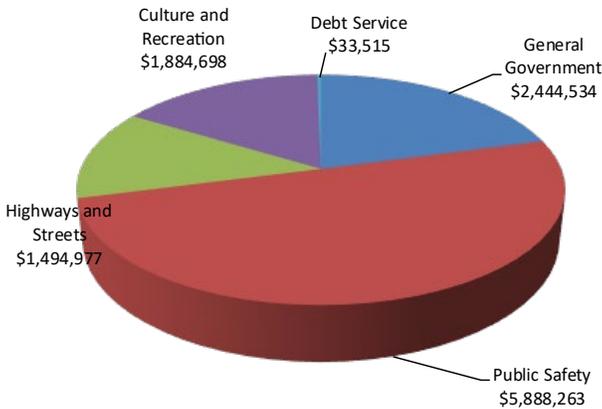
Financial Highlights

Cornelius has effectively managed its financial condition by remaining conservative. City leaders are prepared to continue to take steps necessary to manage city finances in a way that preserves the city's ability to serve the public. The graphs below show the major revenues and expenses of the city.

Governmental Revenue

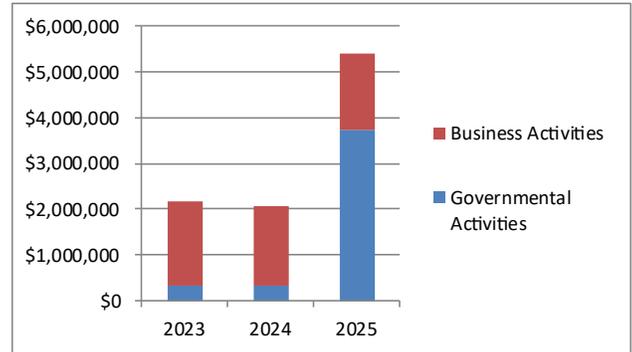


Governmental Activity Expenses



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

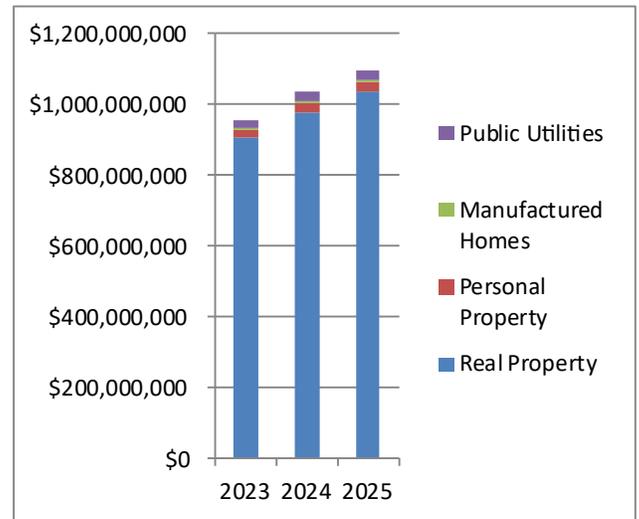
Long Term Debt



	2023	2024	2025
Governmental Activities	334,636	321,091	3,730,705
Business Activities	1,827,666	1,742,531	1,662,726
TOTAL	\$2,162,302	\$2,063,622	\$5,393,431

The City of Cornelius does not currently have a bond rating. City staff hopes to attain one in the future.

Assessed Property Tax Base



	2023	2024	2025
Real Property	906,703,850	979,241,920	1,037,337,610
Personal Property	20,245,409	23,688,797	24,389,917
Manufactured Homes	5,475,430	6,029,410	6,613,680
Public Utilities	24,669,200	27,594,030	29,757,970
TOTAL	\$ 957,093,889	\$ 1,036,554,157	\$ 1,098,099,177

Cornelius, Oregon Community Profile

Cornelius Oregon was established as a rural farming community along the banks of the Tualatin River in 1893. Today Cornelius has 14,490 residents within the 2.34 square miles of land that the city covers.

Cornelius is a city with a rich culture and history. The municipal government of Cornelius is dedicated to promoting community involvement, and building a safe, livable and sustainable community by providing fair, efficient and effective public services.

The City offers a full range of public services including public safety, street maintenance, a library, water, parks, sewer, permits, licenses, inspections, and zoning.

Certain services are provided by or in cooperation with regional organizations. The City owns portions of its water utility and purchases water from the City of Hillsboro for distribution. Cornelius owns and operates sanitary sewer and storm water collection facilities; treatment is by Clean Water Services, a regional authority. Electricity, telephone service, and trash disposal are provided by private businesses. Cornelius is part of two school districts, Hillsboro School District and Forest Grove School Districts.

Quick Facts

CITY TAX RATE

\$3.9836 per \$1,000 assessed valuation (FY2025)
\$1.4610 per \$1,000 5-year local option levy(FY2025)

SCHOOLS SERVING CORNELIUS (Public)

Elementary Schools – Cornelius..... 2
Elementary Schools – Hillsboro 1
Middle Schools –Forest Grove 2
Middle Schools – Hillsboro 1
High Schools – Forest Grove 1
High Schools – Hillsboro..... 1

CENSUS DATA

Median Household Income..... \$90,071
Median Age35.4 years
Median Household Value..... \$419,000
Owner occupied homes72.1%
Poverty Rate.....9.3%



WORKFORCE BY INDUSTRY

Manufacturing..... 22.9%
Trade (retail/wholesale)..... 13.9%
Agriculture..... 4.1%
Services(including educational) 59.1%

LAND AREA & ZONING

Total Area 2.34 square miles
Vacant Industrial 89 acres
Developed industrial 103 acres
Vacant Commercial 51 acres
Developed Commercial 181 acres

A Look Forward

Cornelius community members enjoy our safe community and believe it is an outstanding place to live, work and play. Our Mayor and City Councilors are committed to a transparent, efficient and responsive city government. With so much working well for our community, we are equally dedicated to creating a great workplace that attracts the best employees to deliver services. At the same time, economic and social challenges have presented a significant challenge for our community, and we are committed to supporting our community through those challenges.

Cornelius is on the western edge of the Portland metropolitan region, which is known for innovation, high technology industry, and a great quality of life. Many of our community members work in the high technology and retail/service industries. The majority of the Cornelius community are Latinx, and many other cultures are resident here, which makes Cornelius rich in cultural diversity.

The City is bordered on the north and south side by preserved natural areas, and the City is intent on keeping those areas natural, and introducing new ways for community members to experience nature there. Beyond those areas is relatively vast productive and active farmland, which is protected by state law by an urban growth boundary. We continue to look for ways to grow our local industry, jobs and to increase overall assessed property values. Our new 3-year Strategic Plan emphasizes work to advocate for modest land to expand the industrial area of Cornelius, which is largely built out.

The City's Urban Renewal Area continues to generate funding that will benefit the area, including through redevelopment of blighted and underutilized properties in the City's town center. We have started in earnest our work to envision the future of two recently acquired properties, the former Hanks grocery/shopping center, and the former Estby gas station at 10th/Baseline. Cornelius continues to partner with other government agencies for service efficiency, including a revised agreement with Forest Grove for fire-related services, and a contract for municipal court services. We also continue to contract with the City of Forest Grove for Building review and inspection services. Cornelius continues to be an active partner with the Cooperative Agencies of Washington County for public works related partnering, and we cooperate and share with our neighboring jurisdictions on a regular basis.

To provide for transparency in City decision making, the Metropolitan Area Communications Commission (MACC) televises our City Council meetings. Community members can learn more about their City and stay involved through Tualatin Valley Cable Television (TVCTV) or via Zoom online webinar.

The City continues to build new ways to engage with community members, through many City-led community events, enhanced citywide newsletter and social media. We produce messages and materials in English and Spanish. In 2025, we introduced an online real-time language translation tool, Wordly, to allow meeting attendees to follow the meeting in their language of choice. In 2025, the City launched the inaugural Cornelius Civic Leadership Academy, a 6-week program to introduce community members to civic process and leadership. We plan to continue this program in 2026 and beyond and funding allows

Cornelius has a bright future as a well-managed, transparent, and service-oriented public agency.