



Malynda Wenzl, Mayor

Mariana Valenzuela, Council President
Angel Falconer, Councilor
Donna Gustafson, Councilor

Michael Marshall, Councilor
Karen Martinez, Councilor
Brian Schimmel, Councilor

[TVCTV Livestream](#)

[Zoom Webinar](#) Meeting ID: 850 7572 2488 Passcode: 97116

Americans with Disabilities Act (ADA) Notice: The City is committed to providing equal access to public meetings. Requests for accommodation can be submitted to the City Recorder at least 48 hours before the meeting at: mwoods@forestgrove-or.gov or 503-992-3235

STATE OF THE CITY

5:00 Doors Open
5:30 State of the City

CITY COUNCIL MEETING

A. 7:00 Call to Order

1. Roll Call
2. Land Acknowledgement
3. Pledge of Allegiance

B. Public Comment: Time provided for anyone wishing to speak to City Council on an item not on the agenda or on the agenda but not scheduled for a public hearing. Comments are limited to 2 minutes unless additional time is granted by the Presiding Officer. The public comment period shall not exceed 30 minutes unless a majority of Councilors present vote to extend the time. Zoom attendees may use the "Raise Hand" option to be called on.

1. Written Public Comment

C. Consent Agenda: Items under the Consent Agenda are considered routine and will all be adopted with a single motion, without separate discussion. Councilors who wish to remove an item from the Consent Agenda may do so prior to the motion. Any item(s) removed will be discussed and acted upon following the approval of the remaining item(s).

1. Accept Committee for Community Engagement Resignations
2. Accept Committee for Community Engagement Removal

3. Tourism Event Sponsorship Awards
4. Monthly Building Report February 2025
5. **RESOLUTION 2025-12 CONSENTING TO BOARD AND COMMISSION APPOINTMENTS TO CITY ADVISORY BOARDS, COMMITTEES AND COMMISSIONS**

D. Additions/Deletions

1. City Manager
2. Proposed by Councilors

E. Presentations: The Council will hold questions until the end of each presentation. A two-minute reminder will be given to the presenter to conclude remarks.

1. **7:15 County Commissioner Update**
Jerry Willey, Washington County Commissioner
2. **7:30 Forest Grove Loop Trail Master Plan & Kyle Park Design**
Anne Lane, Parks & Recreation Director
3. **7:45 Annual Audit**
Chris O'Dell, Clear Trails CPA

F. Public Hearings, Ordinances, and Resolutions

1. **8:00 RESOLUTION 2025-13 ESTABLISHING PROCLAMATION POLICY**
Staff: Mariah Woods, City Recorder

G. 8:10 Council Communications:

1. Councilor Reports
2. City Manager's Report
3. Mayor's Report

H. 8:30 Adjournment

URBAN RENEWAL AGENCY WORK SESSION

No public comment will be taken. The Board will take no formal action.

8:30 Building Improvement Grant Program Awards Part Two

Staff: Bryan Pohl, Community Development Director; Miles Glowacki, Economic Development Coordinator

EXECUTIVE SESSION

EXECUTIVE SESSIONS ARE CLOSED TO THE PUBLIC. No formal decisions or actions will be taken. Media may not attend executive sessions on labor negotiations per ORS 192.660(4)

9:00 The Council will convene to hold an executive session: ORS 192.660(2)(d) to conduct deliberations with persons designated by the governing body to carry on labor negotiations.

From: noreply@civicplus.com
Sent: Wednesday, February 26, 2025 11:37 AM
To: City Councilors
Subject: Online Form Submittal: Contact City Council

Contact City Council

First Name	Michelle
Last Name	Odell
City	Forest Grove
State	OR
Zip	97116
Email	
Whom would you like to contact?	Entire Forest Grove City Council (Includes Mayor Wenzl)
Would you like a response?	Yes
Question / Comment	Hello, I am reaching out regarding the proposed increase in field fees. While I understand the need for maintaining and improving our community resources, I have serious concerns about the financial impact this will have on our league and the families we serve. As Taxpayers we already contribute to these fields. FG Youth Baseball also takes on a significant portion of field maintenance reducing the burden on the city. Sports are important for kids' growth and overall health. For many families, local community leagues are the most affordable way for their kids to enjoy these benefits. If fees go up, it could stop kids from joining, which would hurt their health and development. This issue is deeply personal for my family as well. My son underwent open-heart surgery in May 2024, and baseball has played a crucial role in his recovery. Baseball has given him motivation, structure, and a sense of normalcy during a difficult

time, helping him regain both physical strength and emotional resilience. I have seen firsthand how vital these programs are, not just for athletic development but for healing, confidence, and community support.

Please make the well-being of our Forest Grove youth a priority in your decision. We need to come together and ensure that youth sports remain accessible to everyone. Our children deserve a city that supports them and their continued growth in this community.

Thank you,

Michelle Odell



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Mariah Woods

From: noreply@civicplus.com
Sent: Wednesday, February 26, 2025 11:45 AM
To: City Councilors
Subject: Online Form Submittal: Contact City Council

Contact City Council

First Name	Virginia
Last Name	Boone-Heneghan
City	Forest Grove
State	OR
Zip	97116
Email	[REDACTED]
Whom would you like to contact?	Entire Forest Grove City Council (Includes Mayor Wenzl)
Would you like a response?	Yes

Question / Comment

Subject: Concern Over Proposed Fees for Nonprofit Use of Athletic Fields

Dear Mayor Wendi and City Council Members,

I am writing to express my deep concern regarding the proposed changes that would require nonprofit organizations to pay fees for the use of our city's athletic fields. As a concerned parent and an advocate for lower-income families in our community, I fear that this change will place an unnecessary financial burden on local youth sports organizations, forcing them to raise fees for participation.

For many families, especially those already struggling with the rising costs of living, these sports programs provide an invaluable opportunity for their children to stay active, learn teamwork, and engage in positive, structured activities. Increasing fees could make these programs inaccessible to some of our most vulnerable children, ultimately reducing

participation in youth sports and creating a divide between those who can afford to play and those who cannot.

I understand that maintaining and improving our city's parks and athletic fields requires funding, and I believe many in our community would be open to reasonable fees if they directly resulted in better-maintained facilities. However, before implementing this change, I urge the city to provide a clear and transparent breakdown of where these new fees will go and how they will enhance the Parks and Recreation Department's ability to care for and improve these fields.

Additionally, I encourage the city to explore alternative funding solutions that do not disproportionately impact families who rely on affordable access to youth sports. Are there grants, sponsorships, or other revenue sources that could help offset these costs? Could a phased or tiered fee structure be considered to minimize the impact on smaller nonprofit organizations?

I appreciate the work you do to support our community, and I hope you will take into account the concerns of parents, coaches, and organizations that rely on these spaces. I look forward to your response and to understanding how we can work together to ensure that our city's youth sports programs remain accessible to all families.

Sincerely,
Virginia Boone-Heneghan

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Mariah Woods

From: noreply@civicplus.com
Sent: Wednesday, February 26, 2025 5:16 PM
To: City Councilors
Subject: Online Form Submittal: Contact City Council

Contact City Council

First Name	Darcie
Last Name	Stanley
City	Forest Grove
State	oregon
Zip	97116
Email	[REDACTED]
Whom would you like to contact?	Entire Forest Grove City Council (Includes Mayor Wenzl)
Would you like a response?	Yes
Question / Comment	February 26, 2025 Forest Grove City Council City of Forest Grove 1924 Council Street Forest Grove, OR 97116 Dear Forest Grove City Council, I am writing to express my concern and disappointment regarding the proposal to exempt youth non-profit organizations from field usage fees. As a resident of Forest Grove and a parent with children involved in local sports, I believe this decision will have a significantly negative impact on families and children's recreational opportunities in our community. The increased fees will create an undue burden on families, particularly those with multiple children involved in sports. For many households, paying the higher fees for field usage will become a financial hardship, making it difficult or even impossible for children to participate in sports programs. Many families in our area already struggle with the high cost of activities for children. While neighboring towns offer multiple

low-cost options for children, such as ample park space, splash pads, and outdoor movies, Forest Grove seems to be prioritizing revenue generation over the well-being of its residents.

If our town motto is “a place where families and businesses thrive,” why are we making it so difficult for our youth to thrive? It feels as though the decision to increase fees is putting more roadblocks in the way of our youth, rather than creating opportunities for them to engage in affordable recreational activities. This decision will make it nearly impossible for families, especially those with multiple children, to afford a healthy outlet for their kids. Youth sports provide essential physical, mental, and social benefits that contribute to the well-being and development of our children.

Furthermore, I have been informed that the increased field usage fees will not be used to maintain or improve our fields. If this is the case, it raises further questions as to why the fees are being raised in the first place. I believe it's crucial for the council to provide clarity on how the additional revenue will be allocated and whether it will benefit the children and families who will be most affected by this increase.

I urge the council to reconsider this proposal and to explore other solutions that don't place such a heavy financial burden on our community's families. We need to prioritize making sports and recreational opportunities affordable and accessible for all, so that our youth can grow and thrive.

Thank you for your time and consideration. I look forward to your response.

Sincerely,

Darcie Stanley

[REDACTED]

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Mariah Woods

From: noreply@civicplus.com
Sent: Thursday, February 27, 2025 10:47 AM
To: City Councilors
Subject: Online Form Submittal: Contact City Council

Contact City Council

First Name	Thao
Last Name	Tu
City	Portland
State	Oregon
Zip	97266
Email	[REDACTED]
Whom would you like to contact?	Entire Forest Grove City Council (Includes Mayor Wenzl)
Would you like a response?	Yes
Question / Comment	February 27, 2025

Dear City Council:

We wish you, your family and your staff the best during this year 2025.

This late evening we respectfully send you the request of proclamation recognizing the Vietnamese American Heritage and Freedom Flag.

Thank you for your kindly consideration from the bottom of our hearts.

PROCLAMATION

Recognizing the Vietnamese Heritage and Freedom Flag as the official symbol of the Vietnamese-American community in the city of Forest Groove

1. Whereas, 58,000 American servicemen and servicewomen that included 810 soldiers from the state of Oregon and nearly 300,000 South Vietnamese soldiers sacrificed their lives for freedom in Vietnam;

2. Whereas, the former Republic of Vietnam flag design was incorporated in the Vietnam Service Medal created by President Lyndon Johnson;

3. Whereas, the hundreds of thousands of Vietnamese who have resettled in the United States have made positive contributions to the historical, cultural, educational, economic prosperity of their local communities and military service;

4. Whereas, Vietnamese Americans remain vigilant in opposing tyranny of all forms, actively supporting human rights for all people, and celebrating the principles of democracy and justice;

5. Whereas, the flag of the former Republic of Vietnam with three red stripes upon a field of gold, symbolizes resilience, freedom, and democracy of Vietnamese Americans in the United States and the city of Forest Grove;

6. Whereas, Vietnamese Americans in the United States embrace the flag as a uniting symbol; and Whereas the flag of the former Republic of Vietnam has been formally recognized by 20 States, 15 counties, and 108 cities;

The City of Forest Grove hereby recognizes the Vietnamese Heritage and Freedom Flag as the official symbol of the Vietnamese-American Community in the United States.

Approved and Signed this date; February 27, 2025

We again thank you very much for your kindness and consideration.

We are deeply eager to learn of your decision.

We look forward to receiving the response.

Respectfully yours,

Thao Duc Tu / Từ Đức Tháo

- President of Vietnamese Community of Oregon

- Vice President of Legislation Supervisory Council / Federation
of Vietnamese American Communities of the USA



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Mariah Woods

From: noreply@civicplus.com
Sent: Thursday, February 27, 2025 12:52 PM
To: City Councilors
Subject: Online Form Submittal: Contact City Council

Contact City Council

First Name	Rachael
Last Name	Brandt
City	Forest Grove
State	OR
Zip	97113
Email	[REDACTED]
Whom would you like to contact?	Entire Forest Grove City Council (Includes Mayor Wenzl)
Would you like a response?	Yes
Question / Comment	To whom it may concern, I wish to express my disappointment in the Forest Grove City Council for voting NO on the proposal to exempt youth non-profits from field use fees. These proposed fees will be detrimental to the youth of our city yet you move forward with this decision. The additional cost added for players to utilize these tax payer funded properties will be extremely burdensome and will make youth sports inaccessible for many. Non-profit youth sports provides many opportunities for building community and connection for families in this city, why would you vote to take that away? When I contacted the Parks Department in November with these concerns, I asked why more wasn't being done to procure these funds elsewhere. Is the City doing everything possible to seek grants and state / federal funding to support the "Parks & Recreation Cost Recovery Project"? By intentionally going after our local volunteer led programs to fund your needs, you are taking away opportunities from the

most at risk members of our community. In my prior email, I also asked what budgetary need was driving this demand.. Anne Lane's response did not address this. Is it by chance the additional \$100,000 FG Parks Personnel Services (24-25 Proposed Budget) driving this need? What other budgetary increases have been approved on the backs of your constituents?

Collecting the estimated \$40,000 for us FGYB parents and volunteers to continue to maintain these fields out of OUR pocket is absolutely unacceptable. We purchase these tools and supplies out of our collected funds and do more work to maintain these fields than the Parks Department does. So what will these fees be applied to and why is there a sudden need for them? How can you justify growing your department while pushing off the costs to Forest Grove families and NON-PROFIT Youth Programs?

Thank you for your time and consideration,
Brandt Family

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Mariah Woods

From: noreply@civicplus.com
Sent: Thursday, February 27, 2025 8:44 PM
To: City Councilors
Subject: Online Form Submittal: Contact City Council

Contact City Council

First Name	Mercedes
Last Name	Garcia
City	Forest Grove
State	OR
Zip	97116
Email	[REDACTED]
Whom would you like to contact?	Entire Forest Grove City Council (Includes Mayor Wenzl)
Would you like a response?	Yes
Question / Comment	You are invited to attend an event at Pacific University called Poems for Pocket Change which will be held on March 6, 2025, 7-8:30 p.m. at Marsh, 216. Whether you'd like to share poems you've written, poems from published authors, or are just interested in listening, all are welcome! The university is hosting donations for the Longhouse Building Fund which goes toward the construction of the first Longhouse in Washington County to be built right on campus in partnership with Pacific's Indigenous Student Alliance. If you have any questions, please email [REDACTED]

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Mariah Woods

From: Islamic Society of Greater Portland (ISGP) <info@isgponline.com>
Sent: Sunday, March 02, 2025 10:27 PM
To: Mariah Woods
Subject: Invitation to join ISGP for Ramadan Iftar on March 9th, 2025 at 5:30pm

Islamic Society of Greater Portland (ISGP)

16100 SW Blanton St
Beaverton, OR 97007
February 15, 2025

Mayor Malynda Wenzl and City of Forest Grove Council Members,

Peace and blessings be upon you,

On behalf of the Islamic Society of Greater Portland (ISGP), it is with great honor that we extend a warm invitation to you to join us for a special Ramadan Iftar gathering with members of the local Muslim community. This event will take place on March 9, 2025, starting at 5pm, at **Jenkins Estate, located at 8005 SW Grabhorn Rd, Beaverton, OR 97007.**

Ramadan is a time of reflection, unity, and giving, and we would be truly grateful to have you with us as we break our fast together. This event will provide an opportunity to strengthen bonds, engage in meaningful dialogue, and celebrate the spirit of community that defines this holy month.

We look forward to the privilege of your presence, as we share a meal and partake in a moment of fellowship, as well as express our gratitude for your continued service to our community.

Please RSVP by March 7, 2025, at this link: <https://bit.ly/41eZwfg>
or by using QR code:



or contact Sister Roomina at 503-724-5355. Should you have any questions or need further information, feel free to reach out.

We sincerely hope you can join us for this meaningful occasion.
Thank you very much for your attention and support.

Warm regards,

Salma Ahmad
President
Islamic Society of Greater Portland

503-449-5958
salma.ahmad@comcast.net

Mariah Woods

From: [REDACTED]
Sent: Monday, March 03, 2025 9:36 PM
To: 'Kathryn Harrington'; Jerry Willey; 'Pam Treece'; 'Jason Snider'; 'Nafisa Fai'; Malynda Wenzl; beach.pace@hillsboro-oregon.gov
Cc: 'Tanya Ange'; Washington County Administrative Office; Amber Ames; City Councilors; Therese Bottomly; Lauren Bishop; 'WC CAN Board'; Nicholas LaMora
Subject: Dale Feik, Public comment, Commissioner Snider's comments to Bob Terry; and General Walt's comments about Tyranny, March 4 2025
Attachments: 25 01-15 BCC - Response to public comment from January 7th 2025.pdf; 25 02-18 BCC Response to Constituent Testimony.docx; 25 02-04 BCC Response to Constituent Testimony.docx; 2025 BCC Elections FAQ.docx

To: Kathryn Harrington, Chair of Washington County Commission and Commissioners, Jerry Willey, Pam Treece, Nafisa Fai, Jason Snider

To: Malynda Wenzl, Mayor of Forest Grove, and City Councilors

To: Beach Pace, Mayor of Hillsboro, and City Councilors

RE: Two Public Comments Topics, March 4, 2025

ONE: At the Feb. 25, 2025 Washington County Commission meeting, Commissioner Jason Snider spoke after the 5-minute public comment time. He let everyone know that he had spent over 40 hours studying the public testimony that Bob Terry's group had presented in writing and also about the other public testifiers who spoke about voter irregularities, statute violations, and problems of voting by mail. Commissioner Snider said that he was the one who asked the County staff to write reports that addressed Bob Terry's and Mary Chalkiopoulos's and other public testifiers' written and oral comments. Commissioner Snider asked Bob Terry and his group to spend at least 1/4th of the time that he spent to read and analyze their comments, to read, and to seriously consider County staff's reports and then respond in writing to those reports and his comments. At the end of this email is a transcript of Commissioner Snider's oral comments;

I attached four documents that the county staff wrote to address former County Commissioner Terry's and other commenters' testimony.

TWO: My wife's uncle, Lew W. Walt, a four-star general and former Assistant Commandant of the Marine Corps served as the first commander of the Third Marine Amphibious Force in Vietnam. His area of responsibility, for two years, comprised roughly the northern quarter of the county. In 1970 he wrote the book titled Strange War, Strange Strategy. On page 196 he wrote:

"It is easy to say, "War is bad, peace is good." No one denies that in principle. But there are worse things than war, and one of these is tyranny. I am a professional soldier, but I am also a free man from a free country. I have fought tyranny all my life; the tyranny of militarism; the tyranny of oppression and subjugation; the tyranny of fascism, the tyranny of communism."

"It was an American general who said that "war is hell," and we all subscribe to that judgment. But our armed opposition to tyranny and oppression has been the means of ending inhumanities greater than the armed conflict itself. Without such armed opposition, Hitler would still be stuffing Jews into ovens at Belsen and

Dachau; without it today some 17 million Vietnamese would now be enduring what the population of Hue endured in one murderous month of communist occupation—and we haven't uncovered all the bodies yet. Men willing to fight against tyranny, willing to stand the long watches on the Ben Hai River, have spared millions of other Vietnamese people this horror. They held the tyrants back so that a free nation could be built and, hopefully, they arrested the tide of conquest threatening to engulf all of Southeast Asia."

Now we need to support Volodymyr Zelenskyy and the Ukrainians who are fighting Russia!!! Please do whatever it takes to change the decisions that President Trump (Musk) and Vice President Vance are taking to side with Vladimir Putin and other world dictators.

Jason Snider, Wash County Commissioner (00:23):

I just want to briefly connect on the last four or five months of elections testimony and discussions with many of you, I've spent a lot of time evaluating the information that's been provided over an extended period of time, the last six or eight weeks. Part of why there's a lot of information that will be available that was prepared is because I essentially asked for the answers. I'll be very direct about that. I don't know that all of you know that, but that's essentially what happened. And I think others had those questions, but I had them and I made sure that they got answers. I expect that you review them, that you review them objectively.

(01:20)

I am at a point where I've spent more than probably, actually I added it up more than 40 hours on this topic from a year ago, from attending the sessions that one of you asked me to attend to spending my own time at the elections office asking very rigorous questions. Some of you've heard some of that, and I just look forward to you looking at the information and trying to be objective about it. I would ask that you spend at least 25% of the 40 hours I've spent thinking and considering about the possibility that in the big picture, if you're talking about precision and measurement, that you may actually not be right about the big picture here. That's the conclusion I've made. I've thought about how to try to convey that in a way that makes sense and might be understandable. I considered using actually a clinical medical example tonight to try to take it out of the election space.

(02:28)

I think I'm going to choose to not do that just based on the testimony tonight. But there is, I don't have an expectation, I'll just be honest with how many ballots are distributed that we know to an exact one ballot that everything was accurate. That's not how big numbers work. That's not how survey data works. It's not how when you send 400,000 of anything to somebody or to a group of people, you're not going to get the kind of precision that I feel like most of you think or expect is going to happen. I think it's unrealistic. It's not how the real world works. We don't measure really anything in the real world that way because it's completely impractical. And the example I was going to use clinical example is one that I guess I could go through, but I don't want to bore you with that.

(03:23)

It's just that this is a situation that I just implore you to think about. The bigger picture in my race for county commission last May, I think I got about 81% of the vote. I don't know if I got exactly 81% or 81.2, or was it 80.8? Were there 50 ballots that maybe either got miscounted or missed Whatever? There are recount processes for a reason, and those recount processes are automatically triggered when something is close, and that's why those processes exist. And I just struggle with the level of precision that all of you think is going to happen in the real world. That's the bottom line. And I have lived in a healthcare world where that's just not the reality. We have to make decisions with imperfect information all the time, and frankly, getting the perfect information would oftentimes kill the patient. So, you don't do that because that's not really workable. I view this as a very similar kind of situation. We could spend huge amounts of resources and time and get almost the exact same results, and that's just not practical. So, thank you for listening. I'm probably not going to have a lot more to say

about the elections process given the amount of work and due diligence that I've done and now spending a couple hours reviewing the information.

Respectfully,

Dale Feik

"Justice and freedom; discussion and criticism; intelligence and character--these are the indispensable ingredients of the democratic state. We can be rich and powerful without them but not for long." -Robert M. Hutchins

Cc: Tanya Ange, WCounty Administrator
Diane Taniguchi-Dennis, Clean Water Services Chief Executive Officer
Kevin Moss, WC Clerk
Amber Ames, Hillsboro City Council clerk
Mariah Woods, Recorder/clerk, Forest Grove City Council
Therese Bottomly, The Oregonian reporter
Lauren Bishop, The Forest Grove and Hillsboro NewsTimes
Nick Lamora, a NewsTimes reporter
Washington County Citizen Action Network (WC CAN) Board of Directors

Respectfully,

Dale Feik

"Justice and freedom; discussion and criticism; intelligence and character--these are the indispensable ingredients of the democratic state. We can be rich and powerful without them but not for long." -Robert M. Hutchins

Cc: Tanya Ange, WCounty Administrator

Diane Taniguchi-Dennis, Clean Water Services Chief Executive Officer

Kevin Moss, WC Clerk

Amber Ames, Hillsboro City Council clerk

Mariah Woods, Recorder/clerk, Forest Grove City Council

Therese Bottomly, The Oregonian reporter

Lauren Bishop, The Forest Grove and Hillsboro NewsTimes

Washington County Citizen Action Network (WC CAN) Board of Directors

Mariah Woods

From: [REDACTED]
Sent: Wednesday, March 05, 2025 7:23 AM
To: 'Kathryn Harrington'; Jerry Willey; 'Pam Treece'; Jason Snider; 'Nafisa Fai'; Malynda Wenzl; beach.pace@hillsboro-oregon.gov
Cc: 'Tanya Ange'; Washington County Administrative Office; Amber Ames; City Councilors; 'WC CAN Board'; Diane Taniguchi-Dennis Taniguchi-Dennis
Subject: Modernizing Oregon's recycling system, March 4, 2025

To: Kathryn Harrington, Chair of Washington County Commission and Commissioners, Jerry Willey, Pam Treece, Nafisa Fai, Jason Snider

To: Malynda Wenzl, Mayor of Forest Grove, and City Councilors

To: Beach Pace, Mayor of Hillsboro, and City Councilors

Re: I was not able to attend the March 4, 2025, Washington County Commission Work Session about Modernizing Oregon's Recycling System.

So, I watched it on the County's web page under Washington County Board of Commissioners, March 4, Work Session, the 'Video' active link of the meeting: <https://www.washingtoncountyor.gov/bcc>

I attend the Environmental Quality Commission meetings in which they hear reports from the Department of Environmental Quality. I have been a strong supporter of the DEQ's hard work to get Oregon's Modernization Recycling program going. I have communicated with the specialists that designed the Modernization Recycling program and how they got it passed through the legislature. I appreciated the questions and comments that you as Commissioners made about the Recycling Modernization Act.

After watching the video recording of the Work Session I Googled 'DEQ' and found these active links informative:

<https://www.oregon.gov/deq/recycling/pages/local-government-needs.aspx>

<https://www.oregon.gov/deq/recycling/pages/modernizing-oregons-recycling-system.aspx>

Recycling Modernization Act Information for Local Governments

All Oregon cities and counties, regardless of size, are eligible to receive funding from producer responsibility organizations for new expansion of on-route collection for residents and businesses, depot collection or both for covered recycling products under ORS 459A.890(5). The first step of this process is for local governments to complete the first needs assessment survey, which asks local ...

www.oregon.gov

- Purpose and desired outcome
- Recycling Modernization Act (RMA) overview
- What a modernized recycling system looks like
- How the County is preparing for the RMA
- What happens on July 1, 2025?
- Questions



In Gratitude,

Dale Feik
 [REDACTED]

P.S. I learned a lot by listening at the end of the Work Session to the 5-minute sharing by each of you Commissioners and the 3-minute sharing by the County Administrator and General Counsel and Clean Water's Chief Executive Officer. I look forward to seeing you, Chair Kathryn Harrington and Commissioner Jerry Willey, at Mayor Malynnda Wenzl's State of the City address Monday March 17th at 5:30 pm.

Cc: Tanya Ange, Washington County Administrator
 Diane Taniguchi-Dennis, Clean Water Services Chief Executive Officer
 Kevin Moss, WC Clerk
 Amber Ames, Hillsboro City Council clerk
 Mariah Woods, Recorder/clerk, Forest Grove City Council
 Washington County Citizen Action Network (WC CAN) Board of Directors

Mariah Woods

From: noreply@civicplus.com
Sent: Wednesday, March 05, 2025 7:56 AM
To: City Councilors
Subject: Online Form Submittal: Contact City Council

Contact City Council

First Name	Sam
Last Name	Dixon
City	Forest Grove
State	OR
Zip	97116
Email	[REDACTED]
Whom would you like to contact?	Entire Forest Grove City Council (Includes Mayor Wenzl)
Would you like a response?	No
Question / Comment	Hello, I was unable to attend this morning's meeting regarding the field use fees. Unfortunately, a 7 o'clock meeting is not conducive to my work schedule. It's my hope that the city council will vote to not hold youth sports responsible for the budget issues created by the aquatic center. Charging our families an additional \$40k for mowing the lawn is ridiculous and absurd, especially since we already pay property taxes and care for the fields ourselves. Thank you

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From: noreply@civicplus.com
Sent: Wednesday, March 05, 2025 8:15 AM
To: City Councilors
Subject: Online Form Submittal: Contact City Council

Contact City Council

First Name	Jonathan
Last Name	Hartman
City	Forest Grove
State	OR
Zip	97116
Email	
Whom would you like to contact?	Entire Forest Grove City Council (Includes Mayor Wenzl)
Would you like a response?	Yes
Question / Comment	Subject: Urgent Concern Regarding Fluoridated Water Policy and Public Health Risk

Dear Members of the City Council,

I am writing to bring to your immediate attention a critical public health issue regarding the current policy on fluoridated water in our municipal water supply. Recent findings indicate that a 28-pound child should not consume more than 0.8 cups of fluoridated water at a concentration of 4 parts per million (ppm). Exceeding this limit poses significant health risks, particularly to young children, and raises serious concerns about the safety and responsibility of continuing this policy.

Key Findings:
Health Risks to Children:

Fluoride, while beneficial in small amounts for dental health, becomes toxic at higher concentrations.

A 28-pound child (the weight of my eldest) consuming more than 0.8 cups of water at 4ppm fluoride is at risk of dental fluorosis (permanent tooth discoloration) and, in severe cases, skeletal fluorosis and other systemic health issues.

Children are particularly vulnerable due to their lower body weight and developing systems. They drink bath water. We use the fluoridated water in EVERYTHING we do from swimming pools to garden hoses.

Irresponsible Policy:

The current fluoride concentration in our water supply does not account for the varying weights and consumption patterns of residents, especially children.

This one-size-fits-all approach is dangerous and fails to protect our most vulnerable populations.

Environmental and Ethical Concerns:

Fluoridating the entire water supply unnecessarily exposes all residents to fluoride, regardless of individual needs or consent.

There are safer, more targeted ways to deliver fluoride, such as through dental treatments or supplements, without risking overexposure.

Call to Action:

I urge the City Council to take immediate steps to address this issue, including:

Reevaluating the Fluoride Policy: Conduct an independent review of the current fluoride levels in our water supply and their impact on public health, particularly for children.

Implementing Safer Alternatives: Explore alternative methods of delivering fluoride to those who need it, rather than mass medicating the entire population.

Public Awareness Campaign: Inform residents about the risks of overexposure to fluoride and provide guidance on safe consumption levels for children.

Continuing to fluoridate the water supply at current levels is irresponsible and dangerous, putting our children and community at unnecessary risk. I trust that the City Council will prioritize the health and safety of all residents by taking swift

and decisive action on this matter.

Thank you for your attention to this urgent issue. I look forward to your response and the steps you will take to address this critical public health concern.

Sincerely,
Jonathan Hartman
[REDACTED]
Forest Grove, OR 97116
[REDACTED]
[REDACTED]

Email not displaying correctly? [View it in your browser.](#)

Mariah Woods

From: noreply@civicplus.com
Sent: Wednesday, March 05, 2025 11:49 AM
To: City Councilors
Subject: Online Form Submittal: Contact City Council

Contact City Council

First Name	Jonathan
Last Name	Hartman
City	Forest Grove
State	OR
Zip	97116
Email	[REDACTED]
Whom would you like to contact?	Entire Forest Grove City Council (Includes Mayor Wenzl)
Would you like a response?	Yes
Question / Comment	Addendum to my original message: Its absolutely WILDLY unacceptable that this city is allowing this. Key Research on Fluoride Toxicity Harvard Public Health Review (2012) Study: A meta-analysis published in Environmental Health Perspectives by researchers at Harvard University reviewed 27 studies on fluoride and cognitive development. Findings: The study concluded that children in areas with high fluoride exposure had significantly lower IQ scores compared to children in areas with low fluoride exposure. The authors noted that fluoride is a developmental neurotoxicant and called for further research to assess its impact on brain development. Quote: "Fluoride seems to fit in with lead, mercury, and other poisons that cause chemical brain drain." Source: Environmental Health Perspectives

National Toxicology Program (NTP) Draft Review (2022)

Study: The NTP, a federal agency under the U.S. Department of Health and Human Services, conducted a systematic review of fluoride's neurodevelopmental effects.

Findings: The draft report found consistent evidence that fluoride exposure is associated with reduced IQ in children. The NTP concluded that fluoride is presumed to be a cognitive neurodevelopmental hazard to humans.

Source: National Toxicology Program

Lancet Neurology (2014)

Study: A landmark study published in The Lancet Neurology classified fluoride as one of 12 developmental neurotoxins that contribute to neurodevelopmental disabilities in children, including autism, ADHD, and learning disorders.

Findings: The study emphasized that fluoride can cross the blood-brain barrier and accumulate in brain tissue, potentially causing harm even at low levels of exposure.

Source: The Lancet Neurology

Fluoride Action Network (FAN)

Research Summary: FAN, a nonprofit organization, has compiled extensive research on fluoride's toxicity, including studies linking fluoride to:

Thyroid dysfunction: Fluoride can interfere with thyroid hormone production, leading to hypothyroidism.

Skeletal fluorosis: Chronic exposure to high fluoride levels can cause bone and joint damage.

Kidney damage: Fluoride is excreted through the kidneys, and high levels can impair kidney function.

Source: Fluoride Action Network

Bassin et al. (2006) - Osteosarcoma Study

Study: A study by Dr. Elise Bassin at Harvard School of Dental Medicine found a strong association between fluoride exposure

in young boys and an increased risk of osteosarcoma, a rare but serious bone cancer.

Findings: Boys exposed to fluoridated water during their mid-childhood growth spurt (ages 6–8) had a significantly higher risk of developing osteosarcoma.

Source: Cancer Causes & Control

European Commission's Scientific Committee on Health and Environmental Risks (SCHER) (2011)

Review: SCHER evaluated the risks of fluoride in drinking water and concluded that long-term exposure to fluoride at levels above 1.5 ppm (the WHO guideline) could lead to skeletal fluorosis and other adverse health effects.

Source: European Commission

Government Guidelines and Controversy

The U.S. Public Health Service (PHS) recommends fluoride levels of 0.7 ppm in drinking water for dental health. However, critics argue that this level does not account for:

Cumulative exposure from other sources (e.g., toothpaste, food, beverages).

Individual susceptibility (e.g., children, pregnant women, and people with kidney impairments).

The Environmental Protection Agency (EPA) has set a maximum contaminant level (MCL) of 4 ppm for fluoride in drinking water, but this is intended to prevent severe skeletal fluorosis, not to address potential neurotoxic or developmental effects.

Conclusion

The research suggests that fluoride, even at government-recommended levels, may pose significant health risks, particularly to vulnerable populations like children. The evidence of neurotoxicity, thyroid dysfunction, and other adverse effects calls into question the safety of mass fluoridation policies.

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Mariah Woods

From: noreply@civicplus.com
Sent: Wednesday, March 05, 2025 12:41 PM
To: City Councilors
Subject: Online Form Submittal: Contact City Council

Contact City Council

First Name	Brenda
Last Name	Way
City	Forest Grove
State	OR
Zip	97116
Email	[REDACTED]
Whom would you like to contact?	Entire Forest Grove City Council (Includes Mayor Wenzl)
Would you like a response?	Yes
Question / Comment	Please get fluoride out of our tap water! Second, please end the city's policy on street trees in our boulevards! I am retired and can't afford the damage they cause! I am looking at a huge bill to remove the trees and replacing my sidewalk for the second time! I've had enough! We have 2 Section 8 homes opposite of me which have ironically never had street trees! My next door neighbors street trees are huge and are breaking up my driveway! Stop this madness for the love of God!

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From: noreply@civicplus.com
Sent: Thursday, March 06, 2025 12:04 PM
To: City Councilors
Subject: Online Form Submittal: Contact City Council

Contact City Council

First Name	Michelle
Last Name	Nelson
City	Forest Grove
State	Oregon
Zip	97116
Email	
Whom would you like to contact?	Entire Forest Grove City Council (Includes Mayor Wenzl)
Would you like a response?	Yes
Question / Comment	Subject: Urgent Concern Regarding Fluoridated Water Policy and Public Health Risk

Dear Members of the City Council,

I am writing to bring to your immediate attention a critical public health issue regarding the current policy on fluoridated water in our municipal water supply. Recent findings indicate that a 28-pound child should not consume more than 0.8 cups of fluoridated water at a concentration of 4 parts per million (ppm). Exceeding this limit poses significant health risks, particularly to young children, and raises serious concerns about the safety and responsibility of continuing this policy.

Key Findings:
Health Risks to Children:

Fluoride, while beneficial in small amounts for dental health, becomes toxic at higher concentrations.

A 28-pound child consuming more than 4 cups of water at 1ppm fluoride is at risk of dental fluorosis (permanent tooth discoloration) and, in severe cases, skeletal fluorosis and other systemic health issues.

Children are particularly vulnerable due to their lower body weight and developing systems.

Irresponsible Policy:

The current fluoride concentration in our water supply does not account for the varying weights and consumption patterns of residents, especially children.

This one-size-fits-all approach is dangerous and fails to protect our most vulnerable populations.

Environmental and Ethical Concerns:

Fluoridating the entire water supply unnecessarily exposes all residents to fluoride, regardless of individual needs or consent.

There are safer, more targeted ways to deliver fluoride, such as through dental treatments or supplements, without risking overexposure.

Call to Action:

I urge the City Council to take immediate steps to address this issue, including:

Reevaluating the Fluoride Policy: Conduct an independent review of the current fluoride levels in our water supply and their impact on public health, particularly for children.

Implementing Safer Alternatives: Explore alternative methods of delivering fluoride to those who need it, rather than mass medicating the entire population.

Public Awareness Campaign: Inform residents about the risks of overexposure to fluoride and provide guidance on safe consumption levels for children.

Continuing to fluoridate the water supply at current levels is irresponsible and dangerous, putting our children and community at unnecessary risk. I trust that the City Council will prioritize the health and safety of all residents by taking swift and decisive action on this matter.

Thank you for your attention to this urgent issue. I look forward to your response and the steps you will take to address this critical public health concern.

Sincerely,
Dr. Michelle Nelson
[REDACTED]
Forest Grove, OR 97116
[REDACTED]

Email not displaying correctly? [View it in your browser.](#)

Mariah Woods

From: noreply@civicplus.com
Sent: Thursday, March 06, 2025 12:58 PM
To: City Councilors
Subject: Online Form Submittal: Contact City Council

Contact City Council

First Name	Christopher
Last Name	Bockstahler
City	Hillsboro
State	OR
Zip	97124
Email	[REDACTED]
Whom would you like to contact?	Entire Forest Grove City Council (Includes Mayor Wenzl)
Would you like a response?	Yes
Question / Comment	Dear Members of the City Council, I am writing to bring to your immediate attention a critical public health issue regarding the current policy on fluoridated water in our municipal water supply. Recent findings indicate that a 28-pound child should not consume more than 0.8 cups of fluoridated water at a concentration of 4 parts per million (ppm). Exceeding this limit poses significant health risks, particularly to young children, and raises serious concerns about the safety and responsibility of continuing this policy. Key Findings: Health Risks to Children: Fluoride, while beneficial in small amounts for dental health, becomes toxic at higher concentrations. A 28-pound child consuming more than 4 cups of water at 1ppm fluoride is at risk of dental fluorosis (permanent tooth discoloration) and, in severe cases, skeletal fluorosis and other

systemic health issues.

Children are particularly vulnerable due to their lower body weight and developing systems.

Irresponsible Policy:

The current fluoride concentration in our water supply does not account for the varying weights and consumption patterns of residents, especially children.

This one-size-fits-all approach is dangerous and fails to protect our most vulnerable populations.

Environmental and Ethical Concerns:

Fluoridating the entire water supply unnecessarily exposes all residents to fluoride, regardless of individual needs or consent.

There are safer, more targeted ways to deliver fluoride, such as through dental treatments or supplements, without risking overexposure.

Call to Action:

I urge the City Council to take immediate steps to address this issue, including:

Reevaluating the Fluoride Policy: Conduct an independent review of the current fluoride levels in our water supply and their impact on public health, particularly for children.

Implementing Safer Alternatives: Explore alternative methods of delivering fluoride to those who need it, rather than mass medicating the entire population.

Public Awareness Campaign: Inform residents about the risks of overexposure to fluoride and provide guidance on safe consumption levels for children.

Continuing to fluoridate the water supply at current levels is irresponsible and dangerous, putting our children and community at unnecessary risk. I trust that the City Council will prioritize the health and safety of all residents by taking swift and decisive action on this matter.

Thank you for your attention to this urgent issue. I look forward to your response and the steps you will take to address this critical public health concern.

Sincerely,
Christopher Bockstahler

Email not displaying correctly? [View it in your browser.](#)

Mariah Woods

From: noreply@civicplus.com
Sent: Tuesday, March 11, 2025 6:14 PM
To: City Councilors
Subject: Online Form Submittal: Contact City Council

Contact City Council

First Name	Riley
Last Name	Hamilton
City	Forest grove
State	Oregon
Zip	97116
Email	[REDACTED]
Whom would you like to contact?	Entire Forest Grove City Council (Includes Mayor Wenzl)
Would you like a response?	Yes

Question / Comment

Dear Forest Grove City Council,

I am writing to express my concern regarding the proposed increase in field use fees for youth sports organizations in our community. As a representative of Forest grove youth baseball I want to make it clear that we strongly oppose any increase in our registration fees simply to cover the new city-imposed field use fees.

The introduction of these fees, without any corresponding increase in services or benefits, is unfair and will place an undue financial burden on our youth sports programs. We ask that you reconsider this approach and explore other solutions that do not require raising registration fees for our players.

I respectfully request that you do not approve these new fees, as they will only hurt the families and young athletes who depend on these programs.

Thank you for your time and consideration. I look forward to hearing from you.

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Mariah Woods

From: noreply@civicplus.com
Sent: Wednesday, March 12, 2025 9:35 AM
To: City Councilors
Subject: Online Form Submittal: Contact City Council

Contact City Council

First Name	Clarence
Last Name	Callahan
City	Forest Grove
State	OR
Zip	97116
Email	[REDACTED]
Whom would you like to contact?	Entire Forest Grove City Council (Includes Mayor Wenzl)
Would you like a response?	Yes
Question / Comment	I am concerned about the cost of the new construction for a Police facility based on the information shown in the pamphlet, "What's Growing on Forest Grove" Spring 2025 Vol 3 issue 1. The article provides basic and limited information about the planned facility including the cost of a Bond issue. The cost was described in terms of the additional cost to a F.G. average assessed household, which equates to a \$263 per year of \$22 per month. That increase doesn't seem to be very much, but when I look at my "Real Property Tax Statementf" under the category of Bonds and Misc Taxes I see \$1,190.54 or \$99.21/month. This is approximately a 22% increase in the category for Bonds and Misc. Taxes. I plan to come to the open house tour on March 29, 2025. Perhaps someone will be present to address some questions? For Example: Who in the city administration can talk about the information used to arrive at the decision to build rather than to remodel? Was there any consideration for a combination of remodel and build? What is going to happen to the old building?

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A place where families and businesses thrive.

CITY RECORDER USE ONLY:

AGENDA ITEM #: _____

MEETING DATE: _____

FINAL ACTION: _____

CITY COUNCIL STAFF REPORT

TO: *City Council*

FROM: *Jesse VanderZanden, City Manager*

PROJECT TEAM: *Mariah Woods, City Recorder*

MEETING DATE: *March 17, 2025*

SUBJECT TITLE: *Accept Committee for Community Engagement Resignation*

ACTION REQUESTED:

☐ Ordinance

☐ Order

☐ Resolution

☐ Motion

☒ X

☐ Informational

X all that apply

ISSUE STATEMENT

Accept Resignation on the Committee for Community Engagement (David Andersen, Appointed 2/15, Term Expiring 1/31/28)

STAFF RECOMMENDATION

Staff recommend City Council accept the above-noted resignation and deem the seat vacant.

ATTACHMENTS

Resignation email

Mariah Woods

From: Stephanie Fleischer
Sent: Wednesday, February 26, 2025 10:47 AM
To: Mariah Woods; Joyce Phillips
Subject: FW: Resignation

Resignation for Dave Anderson from CCE.

From: David Andersen [REDACTED]
Sent: Wednesday, February 26, 2025 10:31 AM
To: Stephanie Fleischer <sfleischer@forestgrove-or.gov>; Heather Westfall <heatherlynnwestfall@gmail.com>
Subject: Resignation

Stephanie, Heather -

I understand that I have been selected to serve on the Planning Commision and will be formally appointed at the next city council meeting. This being the case, it is necessary for me to resign from CCE and I am doing so via this email correspondence. I have greatly enjoyed my service on the committee and am confident that I leave it in good hands.

Warm regards,
Dave Andersen



A place where families and businesses thrive.

CITY RECORDER USE ONLY:

AGENDA ITEM #: _____

MEETING DATE: _____

FINAL ACTION: _____

CITY COUNCIL STAFF REPORT

TO: *City Council*

FROM: *Jesse VanderZanden, City Manager*

PROJECT TEAM: *Mariah Woods, City Recorder*

MEETING DATE: *March 17, 2025*

SUBJECT TITLE: *Accept Committee for Community Engagement Removal*

ACTION REQUESTED:	☐ Ordinance	☐ Order	☐ Resolution	☐ Motion	☒ X	☐ Informational
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X all that apply

ISSUE STATEMENT

The Committee for Community Engagement has voted to remove Zach Fransen from the committee due to failure to meet the attendance requirements established by CCE bylaws.

Accept Removal from Committee for Community Engagement (Zach Fransen, Appointed 6/24, Term Expiring 1/31/28)

STAFF RECOMMENDATION

Staff recommend City Council accept the above-noted removal and deem the seat vacant.

ATTACHMENTS

Draft CCE Minutes

1. Called to Order

The Meeting was called to order at 5:29 PM.

Present: Heather Finnigan (Chair), David Andersen/Jennifer Thomas (Vice Chair), Eva Conway McGuire, Madigan Shepard, Katy Cannon, William Clark, Stephanie Fleischer (Staff Liaison), Biran Schimmel (Council Liaison)

Absent: Zach Fransen

2. Public Comment:

None

3. Consent Agenda:

- a. Jennifer approved minutes, and Eva seconded.

4. Additions/Deletions:

None.

5. Discussion Items:

- a. New Board Member & Council Liaison:
 - i. William (Bill) is the new board member & Brian is the new council liaison.
- b. Election of New Board Positions:
 - i. Heather – remains chair.
 - ii. Madigan – vice chair.
 - iii. Katy – secretary.
- c. Trader Joe's:
 - i. Looking into the Grocery Story Study
 - ii. Bill will email Trader Joe's
 - iii. Should we cast a wider net of grocery stores to contact after hearing back from TJ?
 - iv. How should we communicate out the information gathered to the community?
- d. Board Buddies:
 - i. Heather (History Landmarks)
 - 1. Window repair workshop in May
 - 2. Steward Award (possibly renaming the Richard Kidd Lifetime Award)
- e. Future ATM:
 - i. Waiting to see what comes out of 2040.

6. Reports:

- a. Staff Liaison:
 - i. Went over Bylaws, ATM, and not giving Stephanie work
 - ii. Joyce & Stephanie do the communications & split the workload.
 - iii. New recycling rules.
- b. Council Liaison:
 - i. Refining the goals of the council

- ii. Transient lodging tax (under review)
 - iii. New police building will be on the ballot
 - iv. Washington County services update
- 7. Future Agenda Items:
 - a.
- 8. Adjournment:
 - a. The meeting adjourned at 6:53 PM by Chair Heather Finnigan. The next CCE meeting will be held on Tuesday March 4th, 2025 at 5:30 PM in the Community Auditorium & via Zoom.

Respectfully submitted,
Katy Cannon



A place where families and businesses thrive.

CITY RECORDER USE ONLY:

AGENDA ITEM #: _____

MEETING DATE: _____

FINAL ACTION: _____

CITY COUNCIL STAFF MEMORANDUM

TO: *City Council*

FROM: *Jesse VanderZanden, City Manager*

PROJECT TEAM: *Miles Glowacki, Economic Development Coordinator
Bryan Pohl, Community Development Director*

MEETING DATE: *March 17, 2025*

SUBJECT TITLE: *Tourism Event Sponsorship Awards*

ACTION REQUESTED:

☐ Ordinance

☐ Order

☐ Resolution

☒ X

☐ Motion

☐ Informational

X all that apply

BACKGROUND

In the fall of 2023, the City Council established the Tourism Event Sponsorship Program with the approval of Resolution 2023-52. The Program is funded through the city's Transient Lodging Tax (TLT). The TLT is a tax collected from lodging guests, defined as daily or weekly renters at hotels, motels, and other lodging establishments within the city limits.

The Tourism Events Sponsorship Program allows groups to apply for up to \$5,000 in sponsorship funding. In exchange for funding, the event organizer must publicize the event and ensure the city receives recognition as a sponsor in marketing materials including social media, the website, flyers, and announcements. Sponsorship awards are placed on the Consent Agenda for approval by the City Council. The Program is currently funded at \$40,000 for FY 24-25.

The purpose of the Tourism Event Sponsorship Program is to provide financial assistance to events that directly contribute to the growth, development, and promotion of tourism to increase overnight lodging stays in the City of Forest Grove. The program is open to all businesses and non-profits located in Forest Grove. Staff have reviewed the applications to ensure they meet the goals and criteria of the program.

SUMMARY

Event:	Organizer:	Staff Recommendation:	Amount
Indian Ed Pow-wow	Pacific University – Indigenous Student Alliance	Approve	\$5,000
Bite by Bite: Discover Forest Grove	Chamber of Commerce	Approve	\$5,000
Spring Sips Wine Walk	Chamber of Commerce	Approve	\$5,000

Indian Ed Pow-wow

The Pacific University – Indian Student Alliance has applied for a sponsorship award for a pow-wow. The event is scheduled for May 3, 2025. Staff recommends funding the sponsorship at \$5,000. The event is expected to draw attendees from outside Forest Grove. Expected attendance is 500+.

Bite by Bite: Discover Forest Grove

The Chamber of Commerce has applied for a sponsorship award for a Restaurant Month event. The event is scheduled to run in March 2025. Staff recommends funding the sponsorship at \$5,000. The events will run the entire month.

Spring Sips Wine Walk

The Chamber of Commerce has applied for a Spring Sips Wine Walk sponsorship award. Past events have drawn over 300 attendees to downtown Forest Grove. A survey of past attendees demonstrated that over 80% traveled from outside of the City to participate.

STAFF RECOMMENDATION

Approve sponsorship for the Pow-wow for \$5,000.

Approve sponsorship for the Bite by Bite for \$5,000.

Approve sponsorship for the Spring Sips Wine Walk for \$5,000

FISCAL IMPACT

\$15,000 from the TLT fund.

ATTACHMENTS

- Indian Ed Pow-wow Sponsorship Application
- Bite by Bite Discover Forest Grove Sponsorship Application
- Spring Sips Wine Walk Sponsorship Application

Tourism Sponsorship Applications: March 17, 2025

Event Name: Indian Ed Powwow

Event Date(s): May 3, 2025

Event Location: Stoller Center

Organization: Pacific University's Indigenous Student Alliance

Event Website: <https://www.pacificu.edu/clubs-organizations/multi-cultural-religious/indigenous-student-alliance>

Requested Funding Amount: \$2,000

Event Hours: Noon – 10:00 p.m.

Expected Number of Attendees: 500

Describe the Event:

Pacific University & Beaverton/Hillsboro School Districts Indian Education Title VI programs will hold a powwow in honor of missing and murdered Indigenous women and persons across the United States. Our powwow will also honor Indigenous students graduating from our local high schools and Pacific University. This multicultural event is a collaborative endeavor that will bring indigenous people from Washington and Oregon to Forest Grove. The powwow will be hosted on the Pacific University campus in Forest Grove and is free for all community members to attend. A Pow Wow is a traditional gathering where Native American people come together to celebrate, meet old friends, and make new ones. It is a time to share tradition, culture, and talent. All are welcome; the event is free and open to the public. "There are no spectators at a pow-wow. Everyone is considered a participant, even if you don't do anything but lend your presence. Everyone has a place in the circle of people." - Murton McCluskey, EdD

Describe your marketing plan including anticipated reach:

Sponsors will be listed on our website, printed on posters and flyers, included in social media (Facebook and Instagram), printed on our t-shirts, and verbally thanked during the event. We are partnering with the Confederated Tribes of Grand Ronde and they will distribute our posters and flyers to their patrons at the Spirit Mountain Hotel and Casino. Followers of the powwow drums and singers will also follow participants to the powwow. It's called the "powwow circuit" and participants usually come with an entourage. Last year our powwow drew people from as far away as Oklahoma.

Questions:

Is the event open to the public?	Yes
Are patron admission, entry or participation fees charged?	No
Will food be served or sold?	Yes
Will alcohol be served or sold?	No
Will there be product, merchandise or service sales?	Yes
Will there be canopies or tents?	No
Will there be amplified sound?	Yes
Are you seeking other sponsorships?	Yes
Sponsorship levels if applicable:	Yes

Tourism Sponsorship Applications: March 17, 2025

Event Name: Bite by Bite: Discover Forest Grove

Event Date(s): March 1 - 31, 2025

Event Location: Stoller Cente

Organization: Forest Grove / Cornelius Chamber of Commerce

Event Website: <https://fgcchamber.org/>

Requested Funding Amount: \$5,000

Event Hours: Vary by location

Expected Number of Attendees: 3,000

Describe the Event:

Forest Grove's Restaurant Month is a celebration of our vibrant and diverse culinary scene, running throughout the entire month of March. This is our second year hosting this event, and we are building on the success of last year to create an even greater impact. The event highlights local eateries, from cozy cafes to family-owned restaurants and fine dining establishments, each offering unique specials, limited-time dishes, and promotions designed to entice visitors and locals alike. By featuring the talents of our local chefs and showcasing the wide array of cuisines available, we aim to position Forest Grove as a destination for food lovers while driving traffic to our restaurants during the first quarter, a traditionally challenging time for the industry.

Our goal is to provide a much-needed economic boost to our local restaurant community by increasing visibility, foot traffic, and customer engagement throughout March. We also aim to raise awareness of Forest Grove as a culinary destination, fostering pride within our community while attracting visitors from neighboring towns and cities to experience what we have to offer.

Through targeted marketing efforts, social media campaigns, and community outreach, we anticipate increased dining activity across participating restaurants. We expect this to result in a measurable uptick in sales for our local businesses, helping them recover from the post-holiday slowdown. Additionally, by creating an engaging and positive experience for diners, we hope to establish lasting relationships between our local restaurants and their customers, encouraging repeat visits beyond Restaurant Month. Ultimately, this event will strengthen the economic vitality of Forest Grove while showcasing the rich diversity and talent in our culinary scene.

Describe your marketing plan including anticipated reach:

To ensure the success of Forest Grove's Restaurant Month, we will implement a robust and targeted marketing plan designed to maximize participation, awareness, and impact for both the community and visitors. Our strategy includes:

1. Digital Campaigns:

- Social Media: We will create engaging and shareable content across platforms like Facebook, Instagram, and Twitter, highlighting participating restaurants, special menus, and promotions. This includes daily features of local restaurants, chef spotlights, and testimonials from last year's event.

- Website Promotion: A dedicated page on the Chamber's and Discover Forest Grove's websites will serve as a hub for event details, a full list of participating restaurants, and their offerings.

2. Community Outreach:

- Local Partnerships: Collaboration with local organizations, Pacific University, and Explore Tualatin Valley, to extend our reach and engage with diverse audiences.

- Flyers and Posters: Printed materials will be distributed to community centers, local businesses, and high-traffic areas.

3. Advertising:

- Local Media: To promote the event, ads will be placed in local newspapers (both print and digital) and outreach will be conducted to bloggers and influencers in the Pacific Northwest food and travel sectors.

Tourism Sponsorship Applications: March 17, 2025

- Email Campaigns: Newsletters sent to local residents, Chamber members, and visitors from last year's event, showcasing the highlights and driving participation.

4. Engagement Incentives:

- Launch of a "Dine & Win" Passport Program encouraging diners to visit multiple locations for the chance to win prizes, with an option for diners to collect stamps from participating restaurants.

- A social media contest where visitors can share their dining experiences with the hashtag #FGRestaurantMonth, boosting event visibility.

Through this multi-channel approach, we anticipate reaching an audience of approximately 10,000 individuals within Forest Grove, neighboring cities, and the wider Tualatin Valley area. The online campaign alone is expected to generate over 30,000 impressions, while printed materials and partnerships will extend our reach to thousands of residents and visitors.

City Recognition:

The City of Forest Grove will be prominently recognized as a key partner and supporter of Restaurant Month across all promotional efforts:

- The City's logo will appear on all marketing materials, including posters, flyers, the event website, and social media posts.

Digital campaigns, email newsletters, and media announcements will include a "Proudly Sponsored by the City of Forest Grove" acknowledgment.

- At participating restaurants, table tents or posters will be displayed to recognize the City's support.

- A public thank-you to the City of Forest Grove will be shared during post-event recaps and at any in-person events during Restaurant Month.

This collaboration will help our restaurants thrive and reinforce the City's commitment to supporting local businesses and fostering a thriving community.

Questions:

Is the event open to the public?	Yes
Are patron admission, entry or participation fees charged?	No
Will food be served or sold?	Yes
Will alcohol be served or sold?	Yes
Will there be product, merchandise or service sales?	Yes
Will there be canopies or tents?	No
Will there be amplified sound?	Yes
Are you seeking other sponsorships?	Yes
Sponsorship levels if applicable:	Yes

Tourism Sponsorship Applications: March 17, 2025

Event Name: Spring Sips Wine Walk

Event Date(s): May 3, 2025

Event Location: Downtown Forest Grove – Various spaces

Organization: Forest Grove / Cornelius Chamber of Commerce

Event Website: <https://fgcchamber.org/>

Requested Funding Amount: \$5,000

Event Hours: Noon – 4:30 PM

Expected Number of Attendees: 3,000

Describe the Event:

Forest Grove's Spring Sips Wine Walk

The Forest Grove Wine Walk is a signature event designed to showcase local wineries, downtown businesses, and Forest Grove's vibrant culture while attracting visitors from across the region. Held in the heart of downtown, this walkable wine-tasting experience provides attendees with the opportunity to sample a curated selection of locally produced wines while exploring and supporting local businesses.

Participants receive a wine glass, a punch card for 12 wine tastings, and a map highlighting the participating wineries and businesses. Each stop offers a unique tasting experience, encouraging guests to **discover new wines, engage with winemakers, and shop at local establishments. The event is strategically designed to increase foot traffic to downtown businesses, generate economic impact, and strengthen Forest Grove's reputation as a premier wine and craft beverage destination within Tualatin Valley.

Past Wine Walks have attracted over 300 participants, 80% of whom travel from outside the area, making the event a valuable tourism driver. Attendees extend their visit by dining at local restaurants, shopping at boutique stores, and exploring nearby attractions, creating a lasting economic benefit for the community.

Beyond wine tasting, the event features a welcoming and festive atmosphere** with event signage, decorations, and a dedicated photo opportunity space to enhance the experience. Local businesses and community partners play a key role in creating a warm, inviting environment that encourages return visits.

By bringing together local wineries, businesses, and visitors, the Forest Grove Wine Walk celebrates the region's growing wine industry while supporting economic development and tourism growth in the city.

Describe your marketing plan including anticipated reach:

The marketing strategy for the Forest Grove Wine Walk is designed to maximize event visibility, attract visitors from beyond the local area, and drive engagement with local businesses and wineries. Our approach includes a combination of digital, print, media outreach, and community partnerships to ensure broad and effective promotion.

1. Digital Marketing & Social Media Advertising*

- Paid social media ads on Facebook and Instagram, targeting wine enthusiasts and regional tourists.
- Organic social media promotion across Chamber and partner pages, including wineries, local businesses, and tourism organizations.
- Create an event landing page and engagement campaigns to encourage shares, RSVPs, and word-of-mouth marketing.
- Email marketing campaign sent to Chamber members, past attendees, and tourism networks to generate awareness and ticket sales.

Tourism Sponsorship Applications: March 17, 2025

Traditional & Print Advertising

- News-Times advertising, including email blasts, social media posts, and online event ads.
- Feature article placement in local newspapers and regional publications to highlight the event's impact.
- Printed event posters and flyers distributed to local businesses, wineries, and high-traffic community locations.

3. Tourism & Community Partnerships

- Event listing on multiple tourism platforms, including Explore Tualatin Valley (ETV), Travel Oregon, and regional event calendars.
- Cross-promotion with participating wineries and downtown businesses, ensuring they promote the event to their audiences.
- Leverage ETV resources to extend reach beyond the local market.
- Inclusion in Chamber newsletters and business networks to engage local stakeholders and increase community involvement.

4. Grassroots Outreach & Event Visibility

- Flyer distribution at community events leading up to the Wine Walk.
- Banners and signage in key downtown locations to attract walk-in participation.
- On-site promotional opportunities, including branded signage, a photo opportunity space, and engaging event-day content for social media.

This marketing plan ensures that the Forest Grove Wine Walk reaches both residents and out-of-town visitors, positioning it as a premier event that drives tourism, supports small businesses, and strengthens Forest Grove's reputation as a wine and craft beverage destination.

Questions:

Is the event open to the public?	Yes
Are patron admission, entry or participation fees charged?	Yes
Will food be served or sold?	No
Will alcohol be served or sold?	Yes
Will there be product, merchandise or service sales?	No
Will there be canopies or tents?	No
Will there be amplified sound?	No
Are you seeking other sponsorships?	No
Sponsorship levels if applicable:	Yes

Monthly Building Activity Report

February-25

2024-2025

Category	Period: February-24		Period: February-25	
	# of Permits	Value	# of Permits	Value
Man. Home Setup				
Accessory Dwelling Unit				
Res 1 & 2 Family New	4	\$2,210,787	13	\$4,671,345
SFR Addition & Alt/Repair			3	\$15,749
Mult. Fam. New	1	\$959,630		
Multi Family Alterations/Repair/Additions				
Group Care Facility				
Commercial New			2	\$26,101,644
Commerical Addition			2	\$37,575,000
Commercial Alt/Repair	3	\$758,740	2	\$212,699
Industrial New				
Industrial Addition				
Industrial Alt/Repair				
Gov/Pub/Inst (new/add)				
Signs	1	\$10,000		
Grading	1			
Demolitions	1			
Total	11	\$3,939,157	22	\$68,576,437

Fiscal Year-to-Date

2023-2024		2024-2025	
Permits	Value	Permits	Value
160	\$27,691,415	206	\$126,532,450



A place where families and businesses thrive.

CITY RECORDER USE ONLY:

AGENDA ITEM #: _____

MEETING DATE: 03.17.2025

FINAL ACTION: RESO 2025-12

CITY COUNCIL STAFF REPORT

TO: City Council

FROM: Jesse VanderZanden, City Manager

PROJECT TEAM: Joyce Phillips, Communications and Programs Assistant
Mariah Woods, City Recorder

MEETING DATE: March 17, 2025

SUBJECT TITLE: RESOLUTION 2025-12 CONSENTING TO BOARD AND COMMISSION APPOINTMENTS
TO CITY ADVISORY BOARDS, COMMITTEES AND COMMISSIONS

ACTION REQUESTED:

☐	☐	☐	☒	☐	☐	☐	☐		
	Ordinance		Order	X	Resolution		Motion		Informational

BACKGROUND

At a work session on September 9, 2024, the City Council updated its Board and Commission (B/C) recruitment and appointment process. Staff and Council Liaisons interview applicants and make recommendations to the Mayor. Per City Charter, Section 8, and Council Rules, Sections 4.1 and 14.1, the Mayor appoints members of boards, commissions, and committees with consent of Council. The following candidates have been appointed by the Mayor, subject to Council consent:

David Andersen	Planning Commission
Luke Miller	Economic Development Commission

Once appointed, the Staff Liaison will reach out to the appointees to ensure they are oriented to the relevant bylaws, rules and regulations.

STAFF RECOMMENDATION

Consider approving Resolution 2025-12.

ATTACHMENTS

Resolution No. 2025-12

RESOLUTION NO. 2025-12

**RESOLUTION CONSENTING TO BOARD AND COMMISSION
APPOINTMENTS TO CITY ADVISORY BOARDS,
COMMITTEES AND COMMISSIONS**

WHEREAS, City Charter, Section 8, and Council Rules, Sections 4.1 and 14.1, state the Mayor, with the consent of Council, appoints members of boards, commissions, and committees established by ordinance or resolution; and

WHEREAS, the Mayor has appointed the individuals in the table below at the recommendation of the respective Council and Staff Liaisons.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1. The City Council consents to the following appointments to the associated Boards and Commissions as outlined below, terms expiring December 31st, 2028:

David Andersen	Planning Commission
Luke Miller	Economic Development Commission

Section 2. This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 17th day of March, 2025.

Mariah S. Woods, City Recorder

APPROVED by the Mayor this 17th day of March, 2025.

Malynda H. Wenzl, Mayor



A place where families and businesses thrive.

CITY RECORDER USE ONLY:

AGENDA ITEM #: _____

MEETING DATE: _____

FINAL ACTION: _____

CITY COUNCIL STAFF REPORT

TO: *City Council*

FROM: *Jesse VanderZanden, City Manager*

PROJECT TEAM: *Anne Lane, Parks & Recreation Director*

MEETING DATE: *Monday, March 17, 2025*

SUBJECT TITLE: *Presentation: Forest Grove Loop Trail Master Plan & Kyle Park Design*

ACTION REQUESTED:

☐ Ordinance

☐ Order

☐ Resolution

☐ Motion

☒ X

☐ Informational

X all that apply

ISSUE STATEMENT:

The Forest Grove Loop Trail and Kyle Park were both identified future projects in the 2016 Parks, Recreation & Open Space Master Plan. The projects are also listed on the Capital Improvement Project list for fiscal year 2023-2024 and 2024-2025, as well as City Council Goals & Objectives for 2023, 2024 and 2025. The project is being paid for by a Metro Trails Grant and Parks Systems Development Charges (SDC).

BACKGROUND:

The initial phase of the Forest Grove Loop Trail is the development of a project master plan. A Request for Proposals (RFP) was posted on January 4, 2023, and closed on February 17, 2023. We received 3 qualified proposals. Through a committee review and scoring process it was determined that Alta Planning + Design was the preferred consultant for the project.

The design of Kyle Park was included as a deliverable of the Forest Grove Loop Trail Master Plan due to the proximity and intended bicycle programming elements of Kyle Park.

Since the contract was finalized on September 18, 2023, City staff have been meeting regularly with the Alta Planning + Design team and their subcontractor, PLACE. Both the Forest Grove Loop Trail Master Plan and Kyle Park design are expected to be completed this summer.



CITY COUNCIL MEETING | MARCH 17TH 2025

KYLE PARK & FOREST GROVE LOOP TRAIL

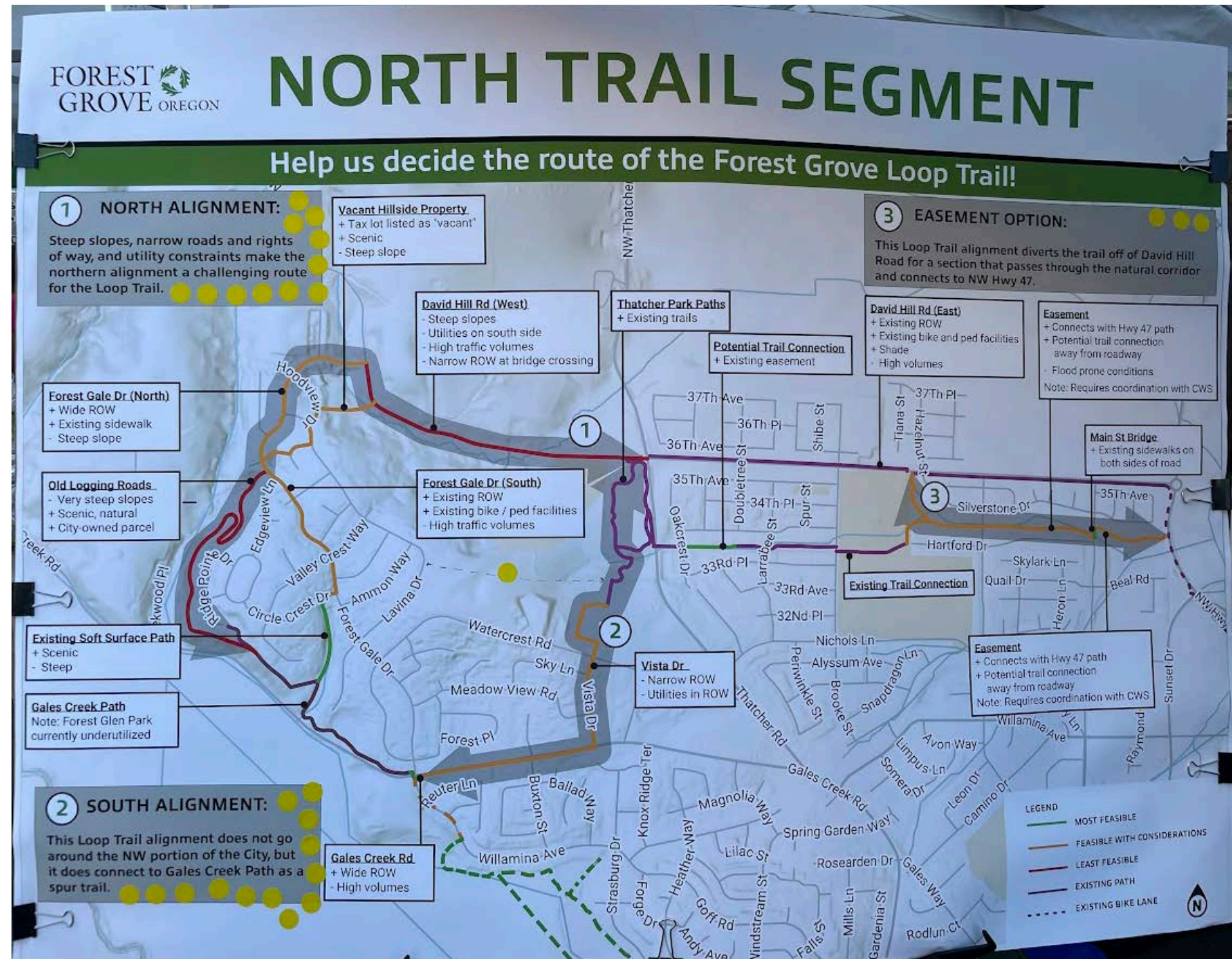
FOREST GROVE LOOP TRAIL

UPDATES

COMMUNITY FEEDBACK - THE LOOP TRAIL (NORTH ALIGNMENT)

WHAT WE HEARD:

- PEOPLE ARE EXCITED ABOUT A LOOP TRAIL (MORE SAFE PATHWAYS AND CONNECTIVITY FOR BICYCLISTS AND PEDESTRIANS)
- ALIGNMENT OPTION 2 IS MORE ACCESSIBLE FOR EVERYONE
- ALIGNMENT OPTION 1 WAS POPULAR FOR PEDESTRIANS - SCENIC BUT VERY HILLY
- MOST PEOPLE LIKED ALIGNMENT OPTION 3 TO HAVE AN PATHWAY AWAY FROM THE ROAD



COMMUNITY FEEDBACK - THE LOOP TRAIL (SOUTH ALIGNMENT)

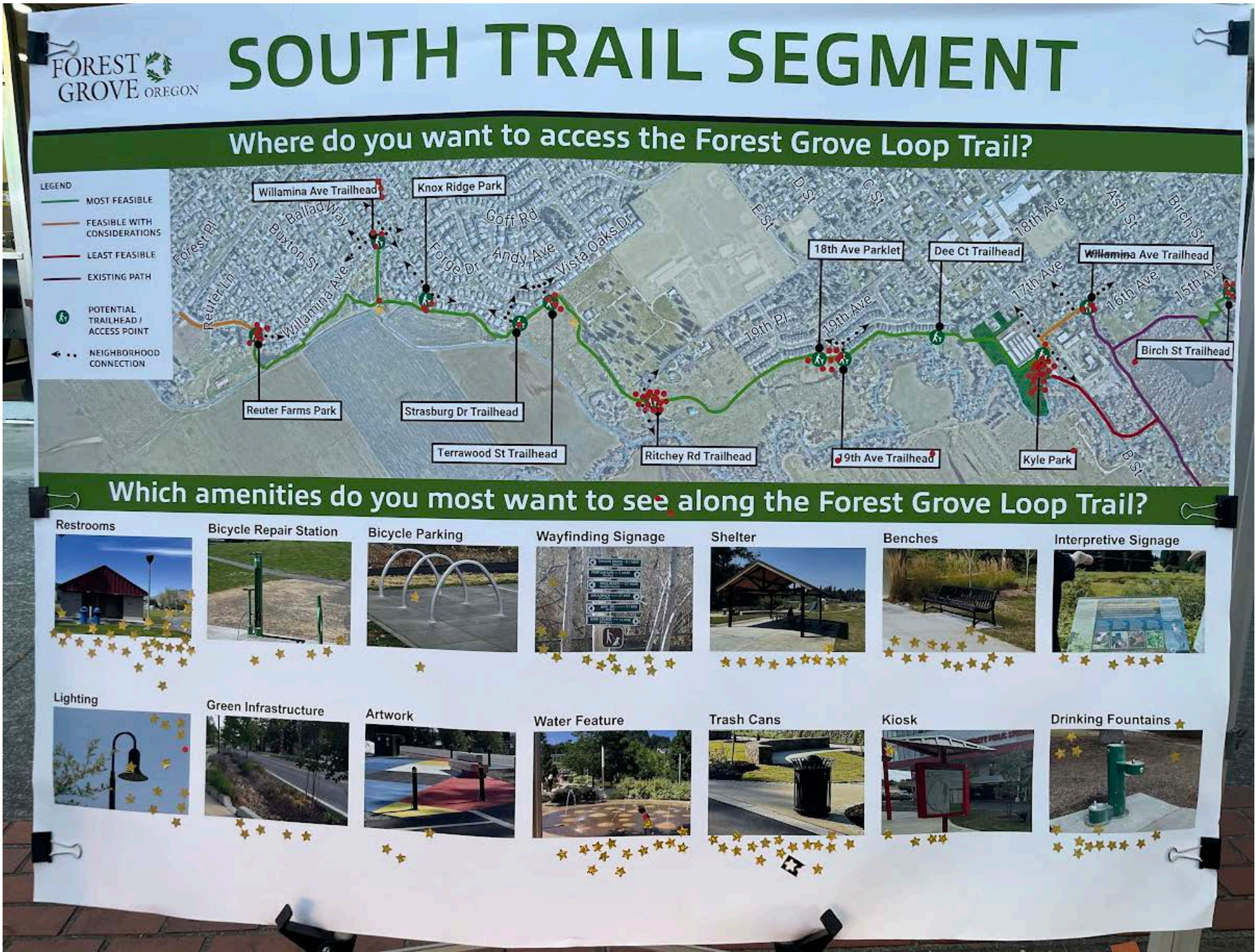
WHAT WE HEARD:

- MOST POPULAR TRAILHEAD SITES:

- KYLE PARK (20)
- RITCHEY ROAD (17)
- 18TH AVE PARKLET / 19TH AVE (10)
- REUTER FARMS PARK / WILLAMINA AVE (7/7)

- MOST POPULAR AMENITIES:

- RESTROOMS (32)
- BENCHES (16)
- DRINKING FOUNTAIN (16)
- TRASH CANS (16)



FOREST GROVE LOOP TRAIL PROPOSED ALIGNMENT MAP

Proposed Loop Trail Alignment

★

Proposed Trailhead

Bike Lane

Shared Use Path

Community Center

Library

School

Kyle Park

Park and/or Natural Area

Natural Resource Areas*

Streams

Forest Grove City Limits

alta

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0.25

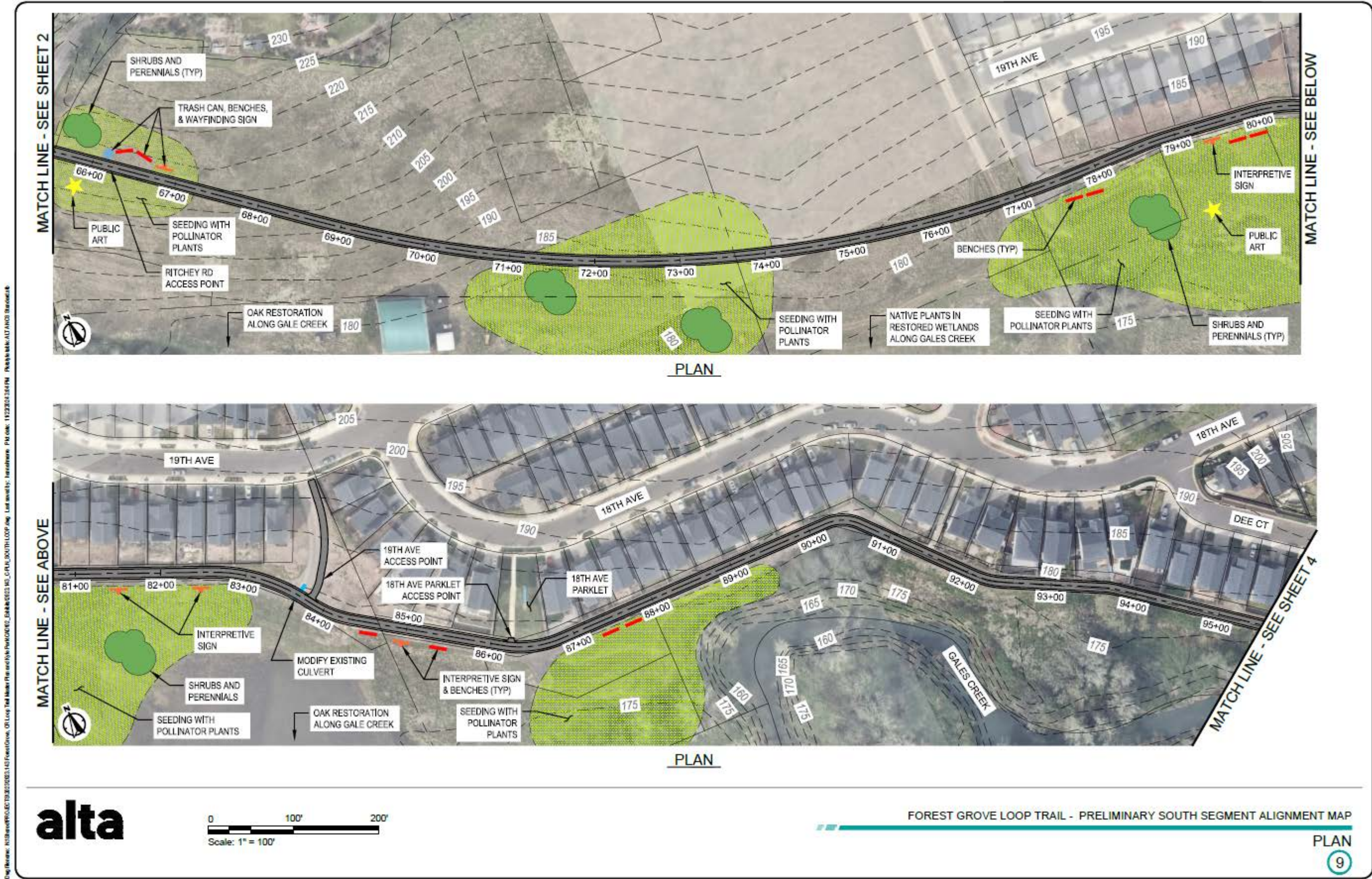
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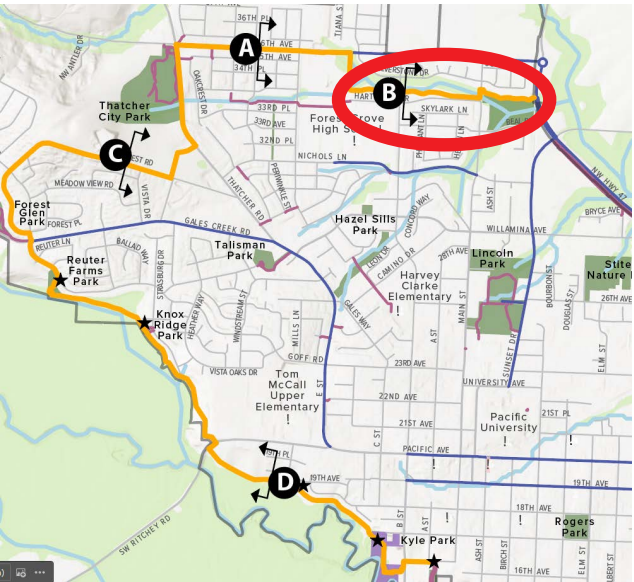
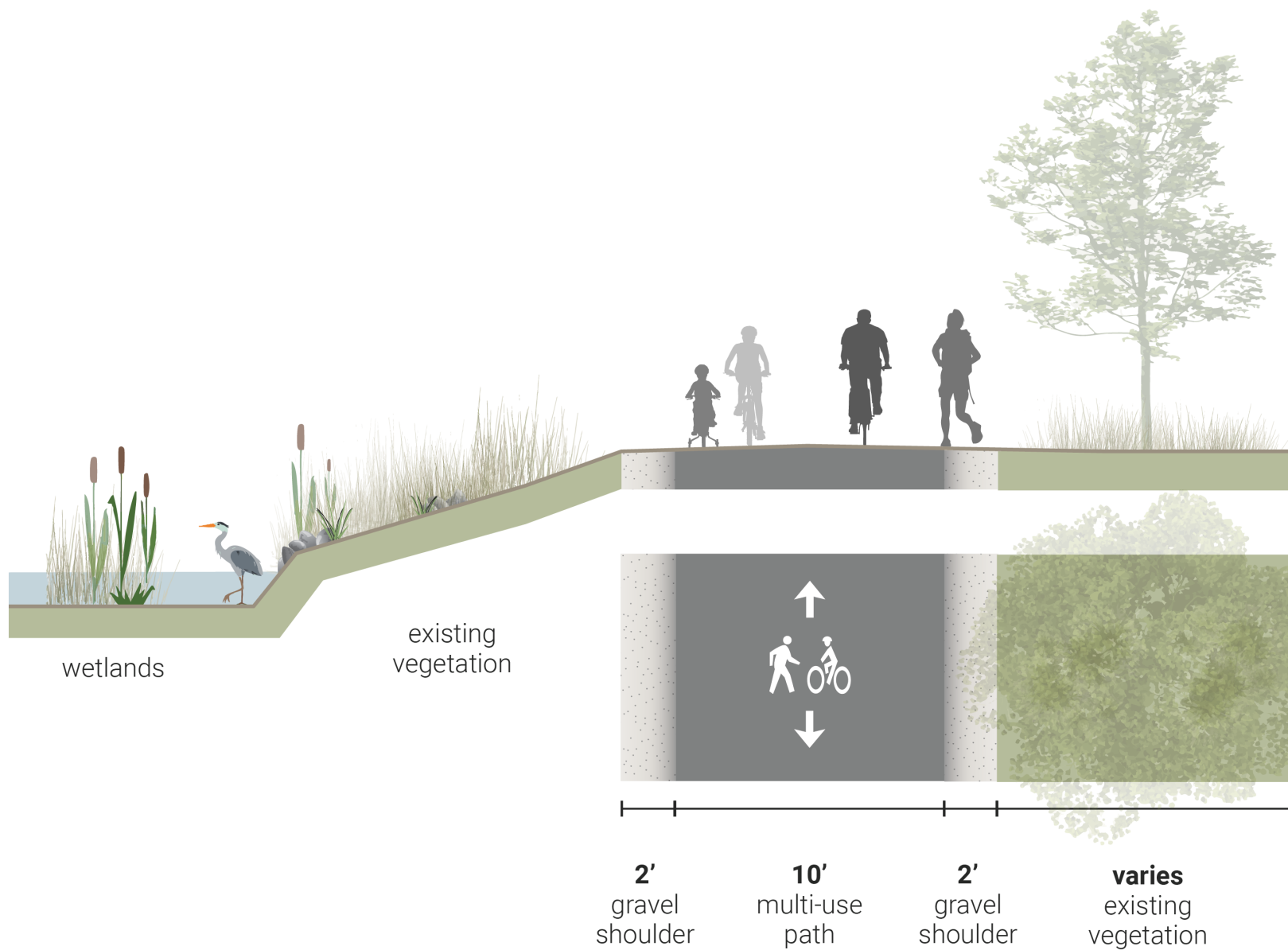
*These areas support fish and wildlife habitat and must implement standards through Natural Resource Areas (NRA), complying with Title 13 of Metro's Urban Growth Management Functional Plan.

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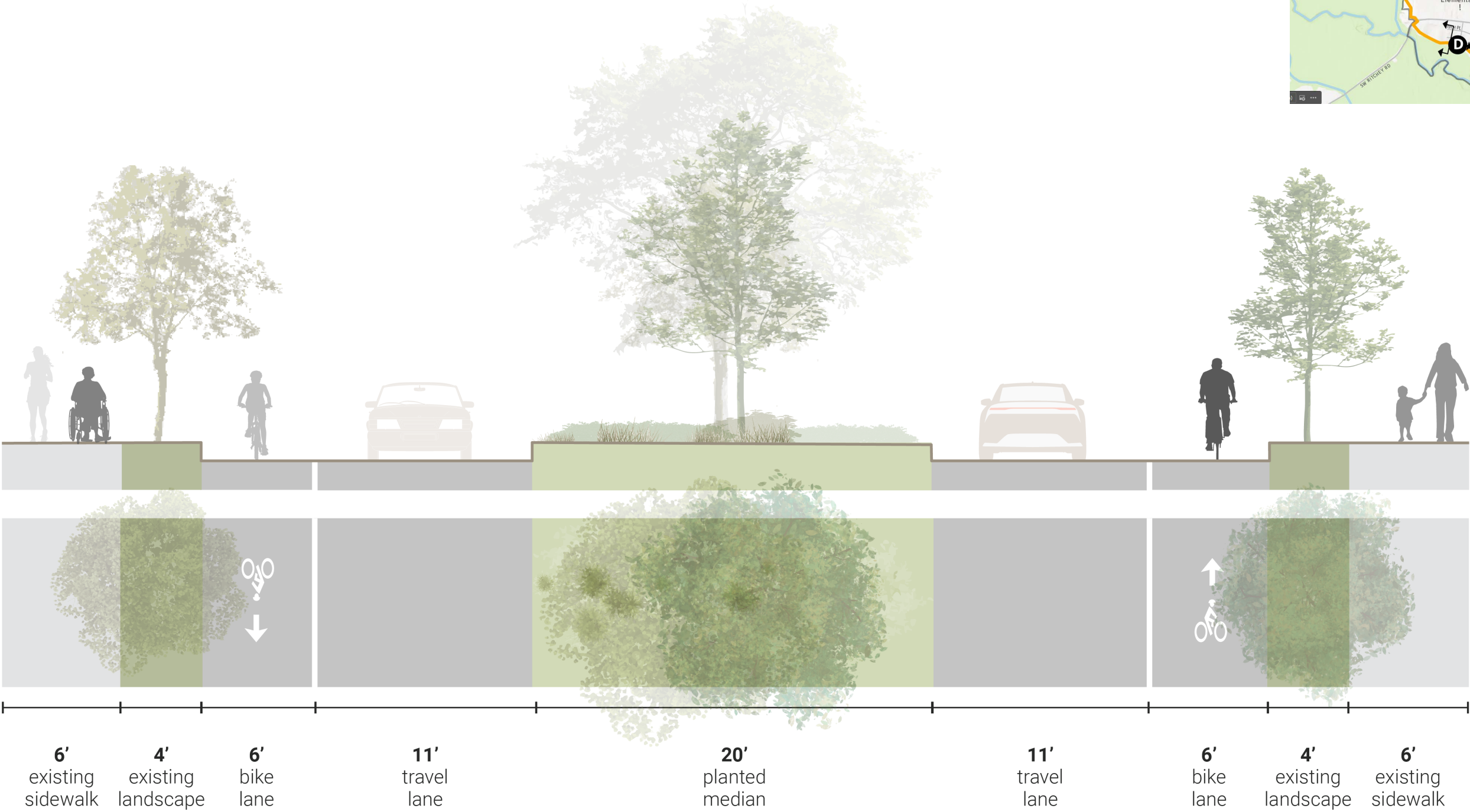
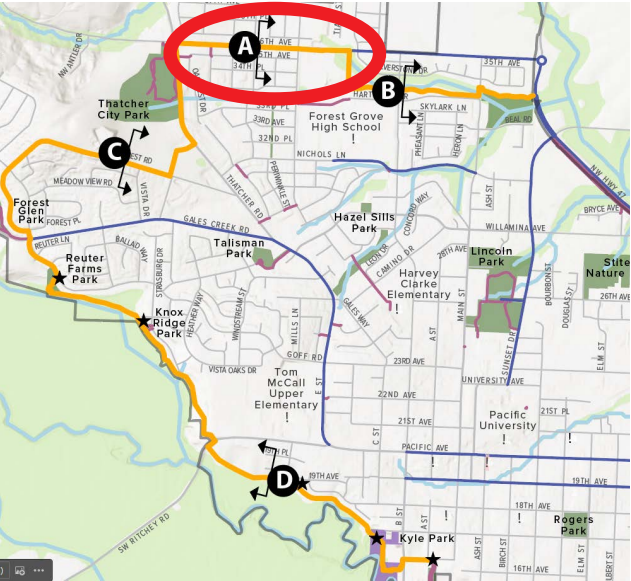
TYPICAL PLAN GRAPHICS



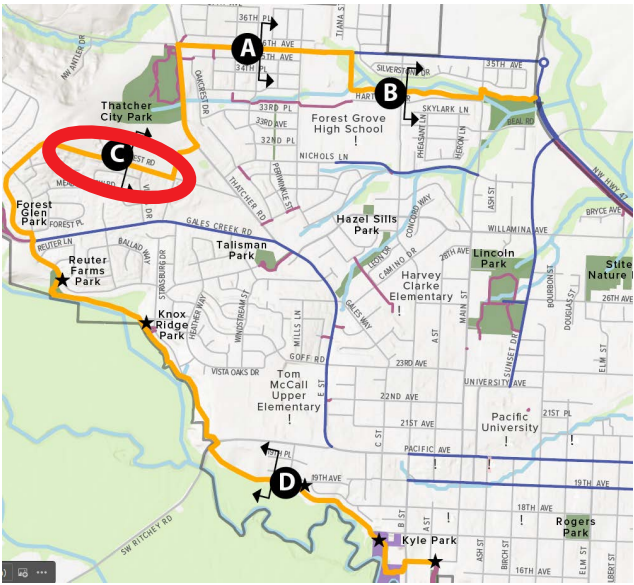
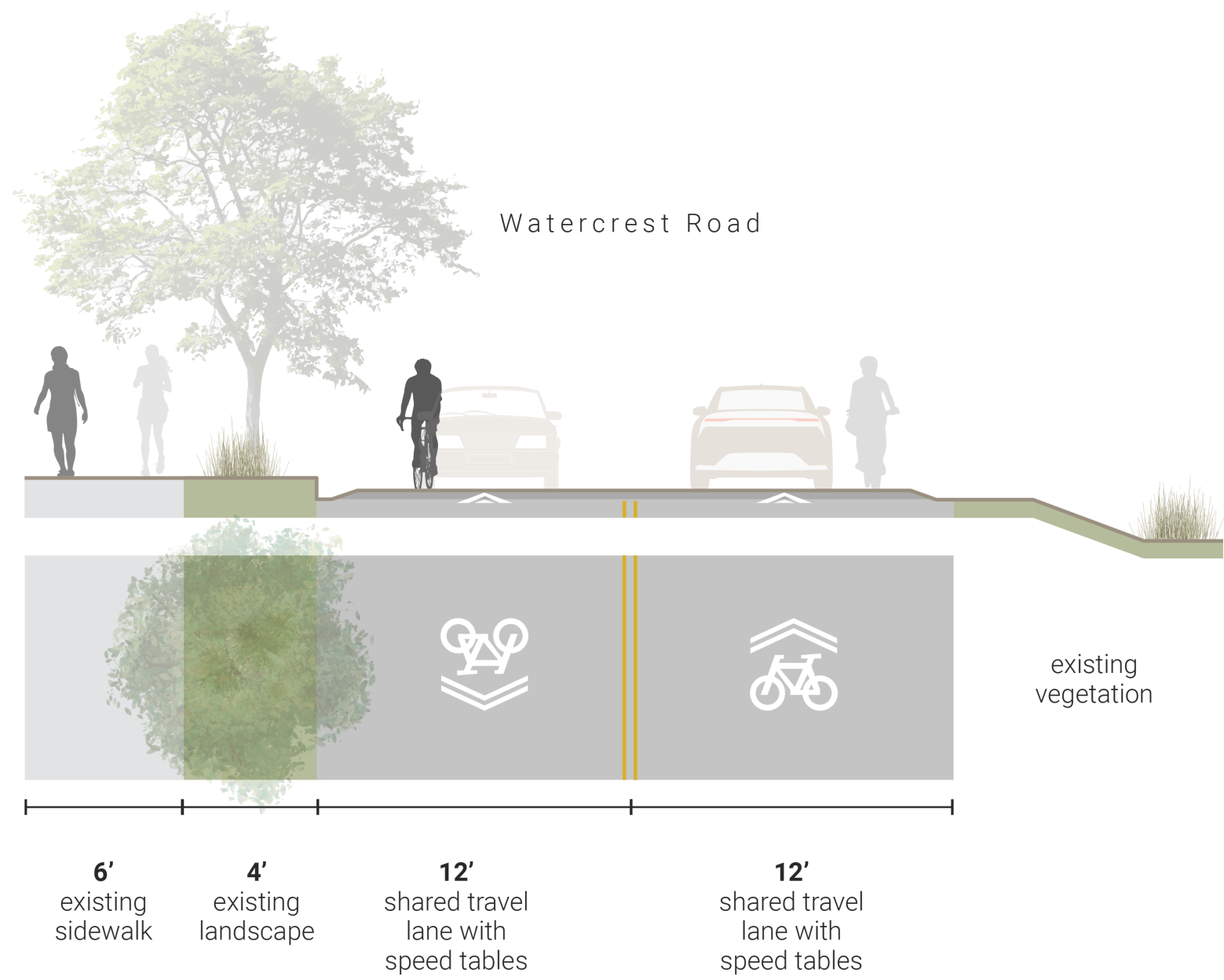
TYPICAL CROSS SECTION - NATURAL EASEMENT AREA



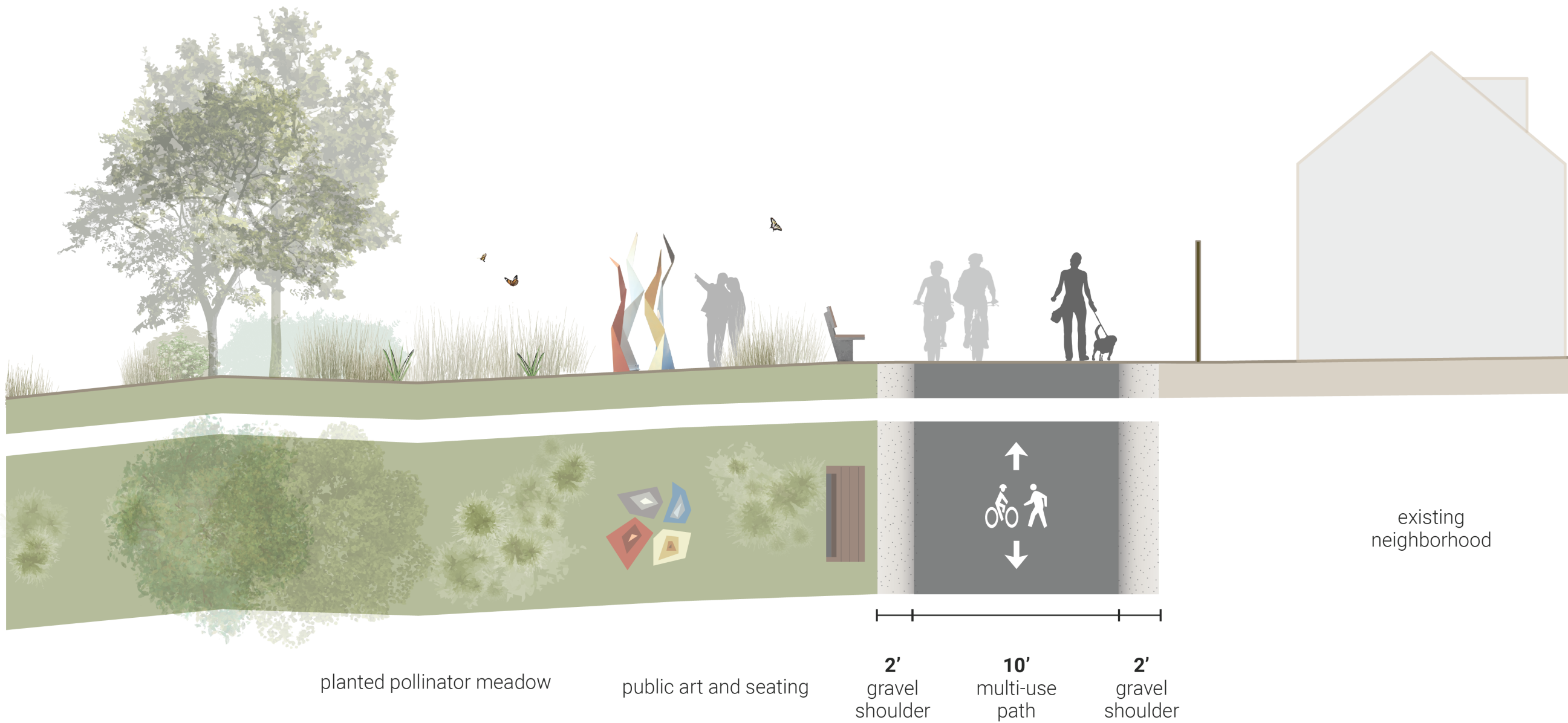
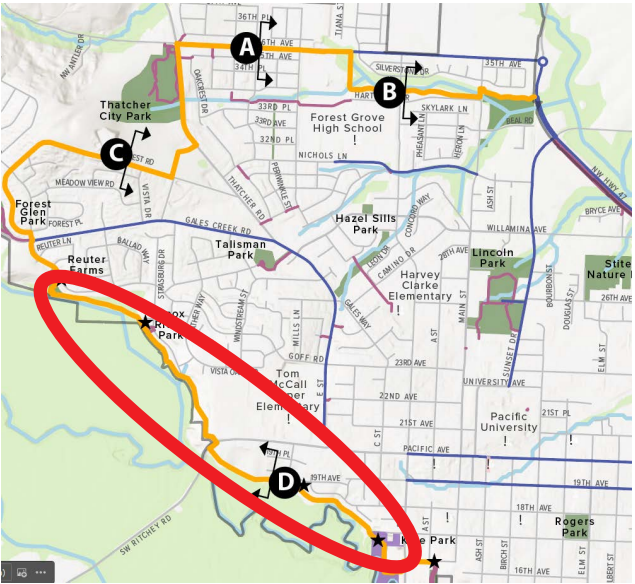
TYPICAL CROSS SECTION - BIKE LANES AND SIDEWALK



TYPICAL CROSS SECTION - NEIGHBORHOOD GREENWAY



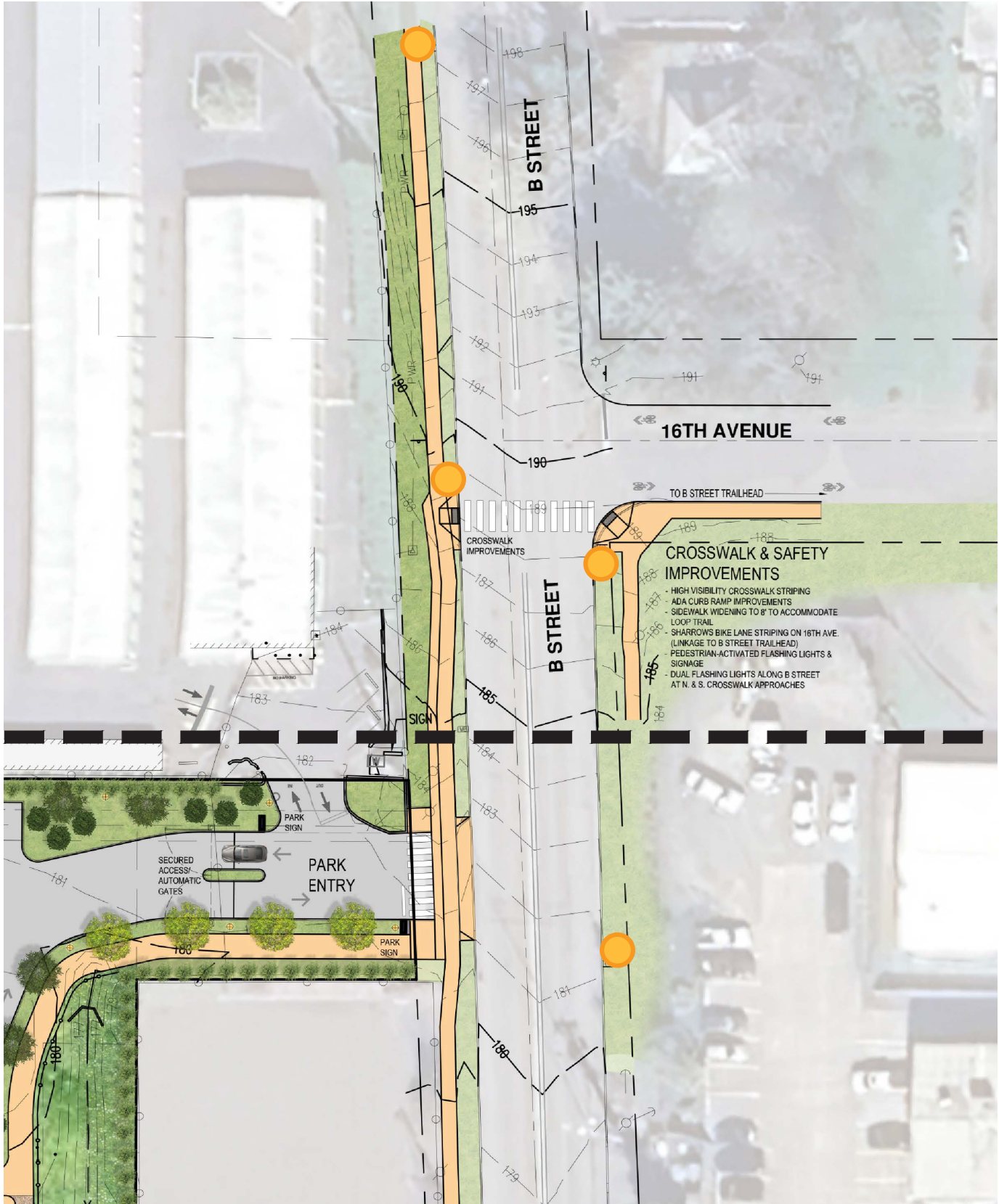
TYPICAL CROSS SECTION - SEPARATED MULTI-USE PATH



LOOP TRAIL

B STREET CROSSWALK SAFETY IMPROVEMENTS

B STREET CROSSWALK & PEDESTRIAN SAFETY IMPROVEMENTS CONCEPT:



HIGH VISIBILITY CROSSWALK STRIPING

ADA CURB RAMP IMPROVEMENTS

SIDEWALK WIDENING TO 8' TO ACCOMMODATE LOOP TRAIL

SHARROWS BIKE LANE STRIPING ON 16TH AVE. (LINKAGE TO B STREET TRAILHEAD)

PEDESTRIAN-ACTIVATED FLASHING LIGHTS & SIGNAGE

 DUAL FLASHING LIGHTS ALONG B STREET AT N & S CROSSWALK APPROACHES



KYLE PARK

SCHEMATIC DESIGN

LANDSCAPE SITE PLAN



PARK DESIGN IS SCHEMATIC & SUBJECT TO CHANGE. UPON COMPLETION OF ROM COSTING, THERE MAY BE NEED TO MODIFY THE PARK PROGRAM AREAS TO MEET CLEAN WATER SERVICES (CWS) REQUIREMENTS & CITY BUDGETARY REQUIREMENTS.

ENLARGED SITE PLAN - SOUTH



PARK DESIGN IS SCHEMATIC & SUBJECT TO CHANGE. UPON COMPLETION OF ROM COSTING, THERE MAY BE NEED TO MODIFY THE PARK PROGRAM AREAS TO MEET CLEAN WATER SERVICES (CWS) REQUIREMENTS & CITY BUDGETARY REQUIREMENTS.

ENLARGED SITE PLAN - NORTH



PARK DESIGN IS SCHEMATIC & SUBJECT TO CHANGE. UPON COMPLETION OF ROM COSTING, THERE MAY BE NEED TO MODIFY THE PARK PROGRAM AREAS TO MEET CLEAN WATER SERVICES (CWS) REQUIREMENTS & CITY BUDGETARY REQUIREMENTS.

PARK VIEWS



BIRDSEYE VIEW OF PARK ENTRY, TRAILHEAD PLAZA & BIKE SKILLS AREA

PARK VIEWS



BIRDSEYE VIEW OF NORTH MEADOW, PLAYGROUND & DOG RUN

PARK VIEWS



BIRDSEYE VIEW OF PICNIC MEADOW & INCLUSIVE PLAYGROUND

PARK VIEWS



BIRDSEYE VIEW OF DOG RUN & NORTH MEADOW

PARK VIEWS



VIEW OF DROP-OFF, RESTROOM, SHELTER & BREEZEWAY

PARK VIEWS



VIEW OF TRAILHEAD ENTY PLAZA - LOOKING NORTH

PARK VIEWS



VIEW OF LOOP TRAIL & PICNIC PAVILION - LOOKING SOUTH

PARK VIEWS



CREEK VIEW BOARDWALK, BIRD BLIND & INCLUSIVE PLAYGROUND

PARK VIEWS



INCLUSIVE PLAYGROUND - LOOKING NORTH

PARK VIEWS



VIEW OF PICNIC PAVILION & INCLUSIVE PLAYGROUND - LOOKING SOUTH

PARK VIEWS



VIEW OF PICNIC MEADOW - LOOKING NORTHWEST

PARK VIEWS



VIEW OF PICNIC PAVILION, LOOP TRAIL & NATURE PLAY - LOOKING NORTHWEST

PARK VIEWS



VIEW OF FENCED DOG RUN & LOOP TRAIL

PARK VIEWS



VIEW OF NATURE PLAY, LOOP TRAIL & PICNIC MEADOW - LOOKING SOUTH

PARK VIEWS



VIEW OF PICNIC MEADOW & WETLAND RESTORATION MEADOW

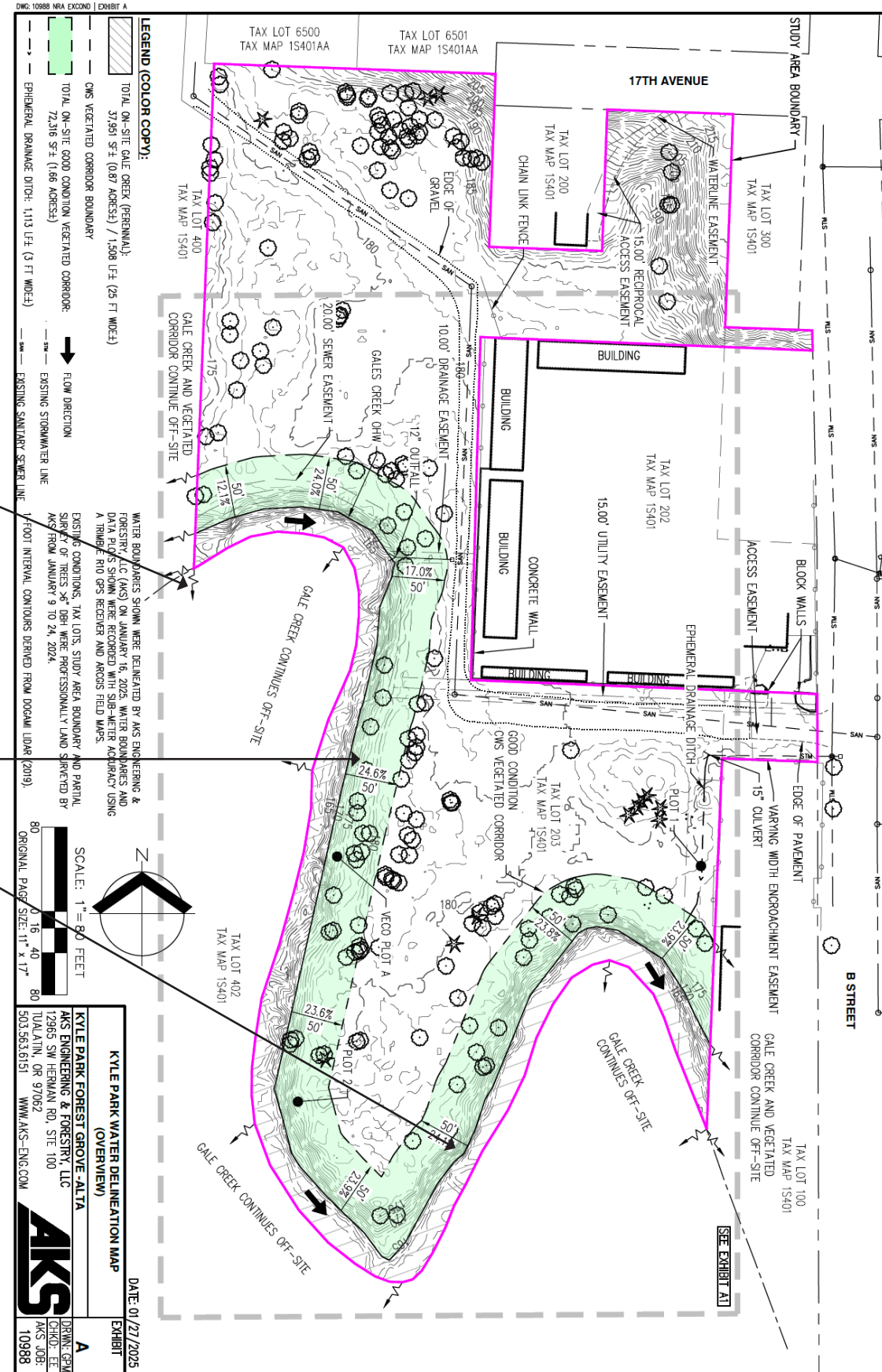
CWS VEGETATED CORRIDOR & WATER DELINEATION MAPPING

Notes:

1. Park is in CWS's 'Pre-Screen' stage of environmental review.
2. Corridor encroachments & mitigation requirements are being defined
3. CWS will provide a Service Provider Letter (SPL) as part of the project's Land Use Permitting.

Gales Creek, Typ.

Extents of Creek's Vegetated Corridor 50' Buffer Zone



KYLE PARK

PUBLIC SAFETY, EV ACCESS & PARK LIGHTING

PUBLIC SAFETY, E.V. ACCESS



MARCH 5TH, 2025 BIKE PARK WORKSHOP

(W/ PROGRESSIVE TRAIL DESIGN, NW TRIALS ALLIANCE & DESIGN TEAM)



KEY TAKEAWAYS:

- THE KYLE PARK SOUTH MEADOW AREA IS BIG ENOUGH TO DESIGN AN INTERESTING & EXCITING BIKE SKILLS PARK FOR ALL AGES
- FAMILY-FOCUSED FACILITY TO COMPLEMENT INCLUSIVE PLAYGROUND
- BEGINNER & INTERMEDIATE SKILLS & TRAILS FOCUS
- TERRAIN WILL BE CREATED WITH A NEW ‘TREE HOUSE’ / ‘LAUNCH PLATFORM’ STRUCTURE (6’ -12’ HEIGHT)
- BIKE PARK PROGRAM COMPONENTS:
 - LAUNCH STRUCTURE
 - SKILLS COURSE WITH 4 ‘PROGRESSIVE SKILLS’ TRAILS WITH 4 JUMPS EACH:
 - DUAL PUMP TRACKS (1 FOR YOUNG KIDS; 1 FOR MORE ADVANCED RIDERS)



NEXT STEPS

- SD R.O.M. COSTING (MARCH 2025)
- 100% SCHEMATIC DESIGN FOR KYLE PARK (APRIL 2025)
- DEVELOP FINAL LOOP TRAIL PLAN DOCUMENTS AND TRAIL CROSS SECTIONS (APRIL 2025)
- DESIGN DEVELOPMENT & CONSTRUCTION DOCUMENTS FOR KYLE PARK (AUGUST 2025)

THANK YOU !



**FINANCIAL REPORT
YEAR ENDED JUNE 30, 2024**

CITY OF FOREST GROVE
OFFICERS AND MEMBERS OF THE GOVERNING BODY

MAYOR

Malynda Wenzl, term expires 11/26

CITY COUNCIL

Donna Gustafson, term expires 11/24

Michael Marshall, term expires 11/26

Karen Martinez, term expires 11/26

Timothy Rippe, term expires 11/24

Elena Uhing, term expires 11/24

Mariana Valenzuela, term expires 11/26

The Mayor and Councilors receive mail at the City address

CITY MANAGER

Jesse VanderZanden

CITY ADDRESS

1924 Council Street
P.O. Box 326
Forest Grove, OR 97116

CITY OF FOREST GROVE

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March 5, 2025

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Forest Grove

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Forest Grove, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Forest Grove, as of June 30, 2024, 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.

We did not audit the financial statements of the Joint Water Commission and Barney Reservoir Joint Ownership Commission, which represents 34% and 5% of the assets respectively, and 13% and 1% of the revenues, respectively, as of June 30, 2024, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion insofar as it relates to the amounts included for the City is based on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Forest Grove 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

Management is responsible for the preparation and fair presentation of these 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 City of Forest Grove'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.

Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 of Forest Grove'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 of Forest Grove'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, 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 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 was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information

directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the other information, as listed in the table of contents, and the listing of board members containing their term expiration dates, located before the table of contents, but does not include the basic financial statements and our auditors' 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.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated March 5, 2025 on our consideration of 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 blue ink, appearing to read "Kenny Allen", is positioned above the printed name and title.

Kenny Allen, CPA
Municipal Auditor
CLEAR TRAIL CPAs, LLC

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MANAGEMENT'S DISCUSSION AND ANALYSIS

**CITY OF FOREST GROVE, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

This discussion and analysis present the highlights of financial activities and financial position for the City of Forest Grove. Management discussion and analysis focuses on current year activities and resulting changes. Please read it in conjunction with the City's financial statements and notes, which follow this section.

FINANCIAL HIGHLIGHTS

- Total assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflow of resources by \$163.0 million on June 30, 2024. Of this amount, \$15.9 million is reported as unrestricted net position which may be used to meet the City's obligations.
- During the year, the City's net position decreased by \$0.8 million in governmental activities and increased by \$5.1 million in business-type activities for a total increase of \$4.3 million.
- The General Fund reported an ending fund balance on June 30, 2024, of \$9,430,393 which is an increase of \$854,945 from the prior fiscal year. Ending fund balance on June 30, 2024, was 37.5% of the General Fund expenditures for the fiscal year ending June 30, 2024.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: *management's discussion and analysis* (this section), the *basic financial statements*, and *supplementary information*. The basic financial statements include two types of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the City's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short-term* and *long-term* financial information about the activities the government operates *like businesses*.
- *Fiduciary fund* statements provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by *supplementary information* that further explains and supports the information in the financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the City's net position and how it has changed. Net position - the difference between the City's assets and liabilities - is one way to measure financial health or *position*.

- Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City, one needs to consider additional non-financial factors such as changes in the City's tax base.

The government-wide financial statements of the City includes the *governmental activities*. Most of the City's basic services are included here, such as general government, public safety, planning and building and safety, streets and storm drainage, economic development, culture and recreation, and interest on long-term debt. Property taxes, franchise taxes, permits and fees, and intergovernmental revenues finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant *funds*. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

The City has the following types of funds:

- *Governmental funds* - Most of the City's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Enterprise funds* - Services for which the City charges customers a fee are generally reported in enterprise funds. Enterprise funds, like the government-wide statements, provide both long-term and short-term financial information.
- *Internal service funds* are used to report activities that provide supplies and services for the City's other programs and activities.
- *Fiduciary funds* - The City is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that - because of a trust arrangement - can be used only for the trust beneficiaries. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

NET POSITION – As of JUNE 30, 2024 and 2023 (In thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
ASSETS						
Current and other assets	\$ 45,162	\$ 47,111	\$ 57,096	\$ 51,234	\$ 102,258	\$ 98,345
Capital assets, net	49,979	46,611	60,795	59,215	110,774	105,826
Total assets	95,141	93,722	117,891	110,449	213,032	204,171
DEFERRED OUTFLOWS OF RESOURCES						
Refunded debt charges	-	-	-	-	-	-
Pension related items	4,782	4,519	1,770	1,653	6,552	6,172
OPEB Items	173	213	58	67	231	280
Total Deferred Outflows of Resources	4,955	4,732	1,828	1,720	6,783	6,452
LIABILITIES						
Current and other liabilities	4,084	2,686	3,882	2,040	7,966	4,726
Long-term obligations	36,307	30,509	19,513	14,774	55,820	45,283
Total liabilities	40,391	33,195	23,395	16,814	63,786	50,009
DEFERRED INFLOW OF RESOURCES						
Pension related items	112	623	41	228	153	851
OPEB Items	652	789	220	248	872	1,037
Total Deferred Inflows of Resources	764	1,412	261	476	1,025	1,888
NET POSITION						
Net investment in capital assets	49,979	46,611	60,091	55,478	110,070	102,089
Restricted	25,017	27,028	12,028	10,233	37,045	37,261
Unrestricted	(11,909)	(9,793)	27,825	29,168	15,916	19,375
Total net position	\$ 63,087	\$ 63,846	\$ 99,944	\$ 94,879	\$ 163,031	\$ 158,725

Total governmental assets are up about \$1.4 million or 1.5% from the previous fiscal year. An addition to City Hall completed in April 2024 represented a significant portion of the increase with funds received from Parks and transportation system development charges again representing a portion of the increase. Other smaller increases in many of the funds contributed to the increase.

Business-type capital assets represent 51.6% of the total business-type assets and increased by \$1.6 million from the prior year. Business-Type Activities current and other assets increased by \$5.9 million from the prior year. Most of that increase is due to an increase in capital assets, increase in water and sewer system development charges collected, increased timber harvest net revenue, and increased capital contributions.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE (continued)

STATEMENT OF ACTIVITIES for FISCAL YEARS ENDING JUNE 30, 2024 and 2023

(In thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
REVENUES:						
Program revenues:						
Charges for services	\$ 9,312	\$ 8,888	\$ 34,225	\$ 32,859	\$ 43,537	\$ 41,747
Operating grants	5,622	5,154	-	-	5,622	5,154
Capital grants	2,296	4,797	(286)	833	2,010	5,630
General revenues:					-	-
Taxes	14,824	12,813	-	-	14,824	12,813
Other	3,143	2,681	4,779	10,283	7,922	12,964
Total revenues	35,197	34,333	38,718	43,975	73,915	78,308
EXPENSES:						
General government	13,924	10,669	-	-	13,924	10,669
Public safety	15,967	15,058	-	-	15,967	15,058
Highways and streets	2,905	3,404	-	-	2,905	3,404
Culture and recreation	5,031	4,095	-	-	5,031	4,095
Power services	-	-	22,791	26,290	22,791	26,290
Sewer services	-	-	1,782	1,693	1,782	1,693
Water services	-	-	5,662	5,520	5,662	5,520
Surface water management	-	-	1,534	1,199	1,534	1,199
Interest on long-term debt	14	23	-	-	14	23
Total expenses	37,841	33,249	31,769	34,702	69,610	67,951
Change in net position before transfers	(2,644)	1,084	6,949	9,273	4,305	10,357
Transfers	1,883	2,973	(1,883)	(2,973)	-	-
Change in net position	(761)	4,057	5,066	6,300	4,305	10,357
Net position at beginning of year	63,846	59,789	94,880	88,580	158,726	148,369
Prior period adjustment	-	-	-	-	-	-
Net position at end of year	\$ 63,085	\$ 63,846	\$ 99,946	\$ 94,880	\$ 163,031	\$ 158,726

The City's total revenues were \$73.9 million which is a decrease of 5.7% from 2023. The major sources of revenues are business-type activity charges for services and governmental activities taxes, which account for 46.3% and 20.0% of total revenues, respectively. The total cost of all programs was \$69.6 million which is a 2.4% decrease from 2023. Net position increased by \$4.3 million or 2.7% from 2023 indicating an increase in the City's overall financial position.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental fund balances totaled \$38,159,736 on June 30, 2024, for a decrease of \$1,941,268. Proprietary net position totaled \$99,944,160 on June 30, 2024, for an overall increase of \$5,065,139. The principal reasons for the changes are explained in the preceding sections. A summary of changes in governmental and proprietary fund balances is as follows:

CHANGE IN GOVERNMENTAL FUND BALANCES

<u>Fund</u>	Balance at June 30, 2024	Balance at June 30, 2023	Change
General	\$ 9,430,393	\$ 8,575,448	\$ 854,945
Street	3,476,306	2,988,245	488,061
Urban Renewal Agency	642,060	(79,249)	721,309
American Rescue Plan	1,486,235	2,132,429	(646,194)
Transportation Development Tax	12,939,486	15,918,782	(2,979,296)
Non-major governmental	10,185,256	10,565,349	(380,093)
Totals	\$ 38,159,736	\$ 40,101,004	\$ (1,941,268)

CHANGE IN PROPRIETARY NET POSITION

<u>Fund</u>	Balance at June 30, 2024	Balance at June 30, 2023	Change
Light	\$ 29,954,849	\$ 27,992,123	\$ 1,962,726
Sewer	16,438,524	16,824,971	(386,447)
Water	43,880,923	40,469,438	3,411,485
Surface Water Management	9,669,864	9,592,489	77,375
Totals	\$ 99,944,160	\$ 94,879,021	\$ 5,065,139

City Fund's Highlights

The fund balance in the General Fund increased by \$854,945 which is more than the amount expected according to the adopted budget for the fiscal year ending June 30, 2024. Revenues from property taxes and miscellaneous items were higher than expected due to increased interest revenue and additional opioid settlement payments. Expenditures, particularly public safety personnel costs due to vacancies, were lower than anticipated. Other significant changes in governmental fund balances were due to American Rescue Plan funds being expended and decrease in system development funds for parks and transportation due to the development of parks and a collector street.

The overall increase in proprietary net position is due to revenue from system development charges in the Water Fund and revenue from user rates being held for future capital purchases.

CAPITAL ASSETS

On June 30, 2024, the City had \$110,069,386 invested in a broad range of capital assets, including land, buildings, equipment, utility systems, and intangible water rights. The City's capital assets, net of accumulated depreciation increased by \$4,243,897. More detailed information about the City's capital assets is presented in the notes to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

LONG TERM DEBT

On June 30, 2024, the City had \$4,324,074 in outstanding notes and contracts payable. The City has had no change in its credit rating of Aa3 from Moody's. Moody's last credit review was of the June 30, 2017, financial statements. More detailed information about the City's long-term debt is presented in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Factors considered in preparing the City's General Fund budget for the 2024-25 fiscal year were, but not limited to the following:

- Forest Grove's assessed value was projected to grow by 4.2% to a total of \$2.255 billion for FY 2024-25 compared to the actual increase in assessed value of 6.27% in FY 2023-24. All property tax revenue goes into the General Fund and is projected to account for 48.0% of the General Fund's operating revenue in FY 2024-25. The City will be preparing its first biennial budget for the period of July 1, 2025, through June 30, 2027.
- The City submitted a five-year replacement levy of \$1.95 per \$1,000 of assessed value to the voters which they approved. The increased rate will commence on July 1, 2023, and should allow the City to increase services in public safety, library, and parks and recreation. The City will be evaluating actual cost increases versus the projected costs increases for the levy to determine what additional services can be offered.
- The cost of the City's own Defined Benefit Retirement Plan (DB Plan) has leveled off after many years of increases due to changing actuarial assumptions used to calculate contributions. The City has decreased its assumed rate of return to 5.25% and has implemented other changes in actuarial assumptions. The City has also reserved \$900,000 in the General Fund's Fund Balance to help smooth the effect of contribution increases to the General Fund due to potential lower investment performance.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our taxpayers, ratepayers, investors and creditors with an overview of the City's finances. If you have any questions about this report or need any clarification of information, please contact the Administrative Services Department at the City of Forest Grove. Our address is: PO Box 326, Forest Grove, Oregon 97116.

BASIC FINANCIAL STATEMENTS

CITY OF FOREST GROVE
STATEMENT OF NET POSITION
June 30, 2024

	Governmental	Business-type	
	Activities	Activities	Totals
Assets			
Cash and cash equivalents	\$ 16,599,544	\$ 17,399,565	\$ 33,999,109
Investments	27,049,525	28,072,680	55,122,205
Accrued interest receivable	186,052	184,354	370,406
Receivables, net	1,030,053	4,148,023	5,178,076
Inventory	-	1,408,992	1,408,992
Prepaid items	117,088	24,935	142,023
Investment in joint ventures	-	5,857,194	5,857,194
Subscription asset, net	179,436	-	179,436
Capital assets:			
Land and construction in progress	9,648,454	2,367,138	12,015,592
Other capital assets, net	40,330,031	58,427,224	98,757,255
Total assets	95,140,183	117,890,105	213,030,288
Deferred outflows of resources			
Pension related items	4,781,722	1,769,953	6,551,675
Other postemployment benefit related items	173,000	58,307	231,307
Total deferred outflows of resources	4,954,722	1,828,260	6,782,982
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	2,181,816	2,870,272	5,052,088
Accrued interest payable	-	24,422	24,422
Accrued compensated absences	1,196,882	424,951	1,621,833
Deposits	643,681	60,097	703,778
Long-term obligations due within one year	61,963	502,167	564,130
Total current liabilities	4,084,342	3,881,909	7,966,251
Noncurrent liabilities			
Subscription liability	34,888	-	34,888
Proportionate share of net pension liability	30,976,092	11,465,796	42,441,888
OPEB liability	1,149,303	387,346	1,536,649
Notes payable	-	3,777,944	3,777,944
Total liabilities	36,244,625	19,512,995	55,757,620
Deferred inflows of resources			
Pension related items	111,729	41,357	153,086
Other postemployment benefit related items	652,329	219,853	872,182
Total deferred inflows of resources	764,058	261,210	1,025,268
Net position			
Net investment in capital assets	49,978,485	60,090,901	110,069,386
Restricted for:			
Highways and streets	3,476,306	-	3,476,306
Building operations	3,358,801	-	3,358,801
Community enhancement	104,292	-	104,292
Tourism	343,945	-	343,945
Capital projects	17,729,648	12,028,002	29,757,650
Other	3,628	-	3,628
Unrestricted	(11,908,883)	27,825,257	15,916,374
Total net position	\$ 63,086,222	\$ 99,944,160	\$ 163,030,382

See notes to financial statements

CITY OF FOREST GROVE
STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Totals
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities							
General government	\$ 13,924,251	\$ 7,424,987	\$ 485,660	\$ -	\$ (6,013,604)		\$ (6,013,604)
Public safety	15,966,981	540,729	1,045,803	-	(14,380,449)		(14,380,449)
Highways and streets	2,904,684	185,989	2,974,005	876,280	1,131,590		1,131,590
Culture and recreation	5,030,926	1,159,935	1,116,688	1,420,103	(1,334,200)		(1,334,200)
Interest	13,787	-	-	-	(13,787)		(13,787)
Total governmental activities	37,840,629	9,311,640	5,622,156	2,296,383	(20,610,450)		(20,610,450)
Business-type activities							
Light	22,791,159	23,488,930	-	-		697,771	697,771
Sewer	1,782,133	2,058,497	-	(873,607)		(597,243)	(597,243)
Water	5,662,036	7,092,995	-	587,544		2,018,503	2,018,503
Stormwater	1,533,898	1,584,659	-	-		50,761	50,761
Total business-type activities	31,769,226	34,225,081	-	(286,063)		2,169,792	2,169,792
Totals	\$ 69,609,855	\$ 43,536,721	\$ 5,622,156	\$ 2,010,320	(20,610,450)	2,169,792	(18,440,658)
General revenues:							
Property taxes levied for:							
General purposes					12,749,309	-	12,749,309
Specific purposes					835,438	-	835,438
Franchise fees					791,512	-	791,512
Transient room tax					279,977	-	279,977
Marijuana tax					168,169	-	168,169
Grants and contributions not restricted to specific programs							
					405,587	-	405,587
Unrestricted investment earnings					2,261,391	1,803,672	4,065,063
Miscellaneous					475,563	3,301,832	3,777,395
(Loss) on investment in joint venture					-	(326,806)	(326,806)
Transfers					1,883,345	(1,883,345)	-
Total general revenues and transfers					19,850,291	2,895,353	22,745,644
Change in net position					(760,159)	5,065,145	4,304,986
Net position at beginning of year					63,846,381	94,879,015	158,725,396
Net position at end of year					\$ 63,086,222	\$ 99,944,160	\$ 163,030,382

See notes to financial statements

CITY OF FOREST GROVE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

	General	Street	Urban Renewal	American Rescue Plan	Transportation Development Tax	Total Nonmajor Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 3,885,669	\$ 1,328,138	\$ 246,292	\$ 568,366	\$ 5,240,419	\$ 3,858,371	\$ 15,127,255
Investments	6,416,429	2,156,791	399,959	922,981	8,510,027	6,252,457	24,658,644
Accrued interest receivable	41,421	14,164	2,627	6,061	55,886	50,192	170,351
Receivables	726,518	65,484	11,986	-	-	226,065	1,030,053
Prepaid items	113,748	-	-	3,240	-	-	116,988
Total assets	\$ 11,183,785	\$ 3,564,577	\$ 660,864	\$ 1,500,648	\$ 13,806,332	\$ 10,387,085	\$ 41,103,291
Liabilities, deferred inflows and fund balances							
Liabilities							
Accounts payable and accrued liabilities	\$ 970,582	\$ 65,232	\$ 11,025	\$ 14,413	\$ 866,846	\$ 141,404	\$ 2,069,502
Deposits	643,681	-	-	-	-	-	643,681
Total liabilities	1,614,263	65,232	11,025	14,413	866,846	141,404	2,713,183
Deferred inflows of resources							
Unavailable revenue	139,129	23,039	7,779	-	-	60,425	230,372
Total deferred inflows of resources	139,129	23,039	7,779	-	-	60,425	230,372
Fund balances							
Nonspendable	113,748	-	-	3,240	-	41,186	158,174
Restricted for:							
Highways and streets	-	3,476,306	-	-	-	-	3,476,306
Building operations	-	-	-	-	-	3,358,801	3,358,801
Capital projects	-	-	-	-	12,939,486	4,790,162	17,729,648
Community enhancement	-	-	-	-	-	104,292	104,292
Tourism	-	-	-	-	-	343,945	343,945
Other purposes	-	-	-	-	-	3,628	3,628
Committed for:							
Highways and streets	-	-	-	-	-	76,789	76,789
Capital projects	-	-	-	-	-	729,229	729,229
Assigned for:							
Pensions	900,000	-	-	-	-	-	900,000
Capital projects	-	-	-	-	-	737,224	737,224
Unassigned	8,416,645	-	642,060	1,482,995	-	-	10,541,700
Total fund balances	9,430,393	3,476,306	642,060	1,486,235	12,939,486	10,185,256	38,159,736
Total liabilities, deferred inflows of resources and fund balances	\$ 11,183,785	\$ 3,564,577	\$ 660,864	\$ 1,500,648	\$ 13,806,332	\$ 10,387,085	\$ 41,103,291

See notes to financial statements

CITY OF FOREST GROVE
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2024

Fund balances - total governmental funds	\$ 38,159,736
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	49,978,485
Other long-term assets are not available for current period expenditures and, therefore, are reported as unavailable revenue in the funds	230,372
Subscription assets are not available to pay for current period expenditures, but are reported in the Statement of Net Position	179,436
The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position	
Internal service funds net position	5,996,478
Compensated absences of the internal service fund included below	20,692
Pension related liabilities, deferred outflows and deferred inflows included below	227,878
Other postemployment benefit related liabilities, deferred outflows and deferred inflows included below	18,994
Capital assets of the internal service fund included above	(2,471,037)
Subscription Asset and Liability included above and below	(26,348)
Deferred outflows related to the City's pension plans and other postemployment benefit plans are not current financial resources and therefore are not reported in the funds	4,954,722
Some liabilities, including accrued interest payable, compensated absences, net pension liability, and other postemployment benefit liability, subscription liability are not due and payable in the current period and, therefore, are not reported in the funds	(33,357,165)
Deferred inflows related to the City's pension plans and other postemployment benefit plans are reported in the statement of net position but are not reported in the funds	(764,058)
Net position of governmental activities	<u>\$ 63,148,185</u>

See notes to financial statements

CITY OF FOREST GROVE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	General	Street	Urban Renewal	American Rescue Plan	Transportation Development Tax	Total Nonmajor Funds	Total Governmental Funds
Revenues							
Property taxes	\$ 12,712,772	\$ -	\$ 835,438	\$ -	\$ -	\$ -	\$ 13,548,210
Other local taxes	307,744	474,812	-	-	876,280	140,402	1,799,238
Franchise fees	791,512	-	-	-	-	-	791,512
Licenses, permits and fees	179,426	-	-	-	-	2,177,027	2,356,453
Fines and forfeitures	469,012	-	-	-	-	-	469,012
Charges for services	5,778,537	166,451	-	-	-	33	5,945,021
Donations	10,406	-	-	-	-	133,529	143,935
System development charges	-	-	-	-	-	444,740	444,740
Intergovernmental	2,934,158	2,202,807	-	-	-	1,911,405	7,048,370
Interest	808,451	124,097	41,007	69,594	619,136	394,437	2,056,722
Miscellaneous	319,339	50	-	-	-	14,378	333,767
Total revenues	24,311,357	2,968,217	876,445	69,594	1,495,416	5,215,951	34,936,980
Expenditures							
Current							
General government	7,186,409	-	136,754	366,798	-	2,105,007	9,794,968
Public safety	14,077,645	-	-	-	-	-	14,077,645
Highways and streets	-	1,461,742	-	-	-	304,169	1,765,911
Culture and recreation	3,790,847	-	-	-	-	4,270	3,795,117
Debt service	-	-	18,382	-	-	-	18,382
Capital outlay	57,288	1,018,414	-	229,999	4,474,712	3,143,065	8,923,478
Total expenditures	25,112,189	2,480,156	155,136	596,797	4,474,712	5,556,511	38,375,501
Excess (deficiency) of revenues over expenditures	(800,832)	488,061	721,309	(527,203)	(2,979,296)	(340,560)	(3,438,521)
Other financing sources (uses)							
Transfers in	1,865,034	-	-	-	-	403,257	2,268,291
Transfers out	(209,257)	-	-	(118,991)	-	(442,790)	(771,038)
Total other financing sources (uses)	1,655,777	-	-	(118,991)	-	(39,533)	1,497,253
Net change in fund balances	854,945	488,061	721,309	(646,194)	(2,979,296)	(380,093)	(1,941,268)
Fund balances at beginning of year	8,575,448	2,988,245	(79,249)	2,132,429	15,918,782	10,565,349	40,101,004
Fund balance at end of year	\$ 9,430,393	\$ 3,476,306	\$ 642,060	\$ 1,486,235	\$ 12,939,486	\$ 10,185,256	\$ 38,159,736

See notes to financial statements

CITY OF FOREST GROVE
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

Net change in fund balances - total governmental funds	\$	(1,941,268)
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*Amounts reported for governmental activities in the
Statement of Activities are different because of the following*

Governmental funds report the acquisition of capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. The difference between those two amounts is:

Acquisition of capital assets	\$ 4,598,928	
Depreciation	<u>(1,943,052)</u>	2,655,876

The changes in net pension liability (asset) and deferred inflows and outflows related to the entity's participation in OPERS and the Retirement Plan for Employees of the City of Forest Grove are reported as additional expenses for increases and a reduction of expenses for decreases		(2,093,391)
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The changes in other postemployment benefit liability (asset), deferred outflows of resources and deferred inflows of resources related to the City's other postemployment benefit plan are reported as additional expenses for increases and a reduction of expenses for decreases		55,895
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds as follows:

Taxes	36,537	
Other	<u>24,448</u>	60,985

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued interest	4,595	
Compensated absences	<u>(89,839)</u>	(85,244)

Change in net position of internal service funds		<u>586,988</u>
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Change in net position of governmental activities	\$	<u>(760,159)</u>
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CITY OF FOREST GROVE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2024

	Business-type Activities				Governmental Activities	
	Light	Sewer	Water	Surface Water Management	Total Enterprise Funds	Internal Service Funds
Assets						
Current assets						
Cash and cash equivalents	\$ 3,020,200	\$ 2,985,146	\$ 10,531,688	\$ 862,531	\$ 17,399,565	\$ 1,472,289
Investments	4,721,726	4,847,642	17,102,629	1,400,683	28,072,680	2,390,881
Accrued interest receivable	31,008	31,834	112,314	9,198	184,354	15,701
Receivables, net	2,416,695	830,946	690,025	210,357	4,148,023	-
Inventory	1,126,816	-	282,176	-	1,408,992	-
Prepaid items	23,763	639	391	142	24,935	100
Total current assets	11,340,208	8,696,207	28,719,223	2,482,911	51,238,549	3,878,971
Investment in joint ventures	-	-	5,857,194	-	5,857,194	-
Noncurrent assets						
Subscription asset, net	-	-	-	-	-	89,932
Capital assets						
Land and construction in progress	1,151,020	81,023	1,135,095	-	2,367,138	-
Other capital assets, net	28,161,454	11,199,786	11,051,951	8,014,033	58,427,224	2,471,037
Total noncurrent assets	29,312,474	11,280,809	12,187,046	8,014,033	60,794,362	2,560,969
Total assets	40,652,682	19,977,016	46,763,463	10,496,944	117,890,105	6,439,940
Deferred outflows of resources						
Pension related items	1,269,789	107,256	273,176	119,732	1,769,953	41,423
Other postemployment benefit related items	36,953	2,740	13,052	5,562	58,307	2,018
Total deferred outflows of resources	1,306,742	109,996	286,228	125,294	1,828,260	43,441
Liabilities						
Current liabilities						
Accounts payable and accrued liabilities	1,092,283	1,295,633	366,329	116,027	2,870,272	112,314
Accrued interest payable	12,061	12,361	-	-	24,422	-
Accrued compensated absences	237,919	-	187,032	-	424,951	20,692
Consumer deposits	60,097	-	-	-	60,097	-
Long-term obligations due within one year	260,000	193,991	48,176	-	502,167	-
Total current liabilities	1,662,360	1,501,985	601,537	116,027	3,881,909	133,006
Noncurrent liabilities						
Subscription liability	-	-	-	-	-	63,584
Proportionate share of net pension liability	8,225,721	694,806	1,769,642	775,627	11,465,796	268,335
OPEB liability	245,488	18,201	86,707	36,950	387,346	13,404
Notes payable	1,702,000	1,420,659	655,285	-	3,777,944	-
Total liabilities	11,835,569	3,635,651	3,113,171	928,604	19,512,995	478,329
Deferred inflows of resources						
Pension related items	29,670	2,506	6,383	2,798	41,357	966
Other postemployment benefit related items	139,336	10,331	49,214	20,972	219,853	7,608
Total deferred inflows of resources	169,006	12,837	55,597	23,770	261,210	8,574
Net position						
Net investment in capital assets	29,312,474	11,280,809	11,483,585	8,014,033	60,090,901	2,436,941
Restricted for:						
Capital projects	-	1,707,126	9,678,946	641,930	12,028,002	-
Unrestricted	642,375	3,450,589	22,718,392	1,013,901	27,825,257	3,559,537
Total net position	\$ 29,954,849	\$ 16,438,524	\$ 43,880,923	\$ 9,669,864	\$ 99,944,160	\$ 5,996,478

See notes to financial statements

CITY OF FOREST GROVE
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2024

	Business-type Activities					Governmental Activities
	Light	Sewer	Water	Surface Water Management	Totals Enterprise Funds	Internal Service Funds
Operating revenues						
Licenses, permits and fees	\$ -	\$ 5,339	\$ 1,802	\$ -	\$ 7,141	\$ -
Charges for services	23,488,930	2,053,158	7,091,193	1,584,659	34,217,940	2,617,406
Total operating revenues	23,488,930	2,058,497	7,092,995	1,584,659	34,225,081	2,617,406
Operating expenses						
Personnel services	5,842,285	415,641	1,541,834	669,253	8,469,013	302,295
Materials and services	15,182,087	999,823	3,638,334	653,345	20,473,589	1,891,356
Amortization	-	-	-	-	-	67,347
Depreciation	1,064,389	340,251	455,609	211,300	2,071,549	408,762
Total operating expenses	22,088,761	1,755,715	5,635,777	1,533,898	31,014,151	2,669,760
Operating income (loss)	1,400,169	302,782	1,457,218	50,761	3,210,930	(52,354)
Nonoperating revenues (expenses)						
Interest income	271,066	302,317	1,138,534	91,755	1,803,672	204,669
Miscellaneous	2,333,697	11,877	943,240	13,018	3,301,832	73,480
(Loss) on sale of capital assets	(637,710)	-	-	-	(637,710)	(24,899)
Interest expense	(64,688)	(26,418)	(26,259)	-	(117,365)	-
(Loss) on investment in joint ventures	-	-	(326,806)	-	(326,806)	-
Total nonoperating revenue (expenses)	1,902,365	287,776	1,728,709	104,773	4,023,623	253,250
Income (loss) before transfers and capital contributions	3,302,534	590,558	3,185,927	155,534	7,234,553	200,896
Capital contributions	-	(873,607)	587,544	-	(286,063)	-
Transfers in	-	-	-	-	-	396,092
Transfers out	(1,339,808)	(103,398)	(361,980)	(78,159)	(1,883,345)	(10,000)
Change in net position	1,962,726	(386,447)	3,411,491	77,375	5,065,145	586,988
Net position at beginning of year	27,992,123	16,824,971	40,469,432	9,592,489	94,879,015	5,409,490
Net position at end of year	\$ 29,954,849	\$ 16,438,524	\$ 43,880,923	\$ 9,669,864	\$ 99,944,160	\$ 5,996,478

See notes to financial statements

CITY OF FOREST GROVE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2024

	Business-type Activities					Governmental Activities
	Light	Sewer	Water	Surface Water Management	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities						
Receipts from customers	\$ 23,169,971	\$ 2,031,646	\$ 7,147,818	\$ 1,577,952	\$ 33,927,387	\$ -
Receipts from other funds	-	-	-	-	-	2,617,406
Payments to suppliers	(15,096,625)	(413,845)	(3,569,690)	(606,527)	(19,686,687)	(1,611,838)
Payments to employees	(5,226,199)	(347,810)	(1,382,016)	(596,002)	(7,552,027)	(261,458)
Net cash from operating activities	2,847,147	1,269,991	2,196,112	375,423	6,688,673	744,110
Cash flows from noncapital financing activities						
Transfers in	-	-	-	-	-	-
Transfers out	(1,339,808)	(103,398)	(361,980)	(78,159)	(1,883,345)	(10,000)
Net cash from noncapital financing activities	(1,339,808)	(103,398)	(361,980)	(78,159)	(1,883,345)	(10,000)
Cash flows from capital and related financing activities						
Transfers in	-	-	-	-	-	396,092
System development charges received	-	114,747	587,544	-	702,291	-
Other	2,333,697	11,877	943,240	13,018	3,301,832	71,667
Acquisition of capital assets	(3,365,024)	(86,150)	(684,015)	(154,345)	(4,289,534)	(1,144,870)
Principal paid on long-term obligations	(253,000)	(151,873)	(46,548)	-	(451,421)	-
Interest paid on long-term obligations	(66,247)	(13,638)	(26,259)	-	(106,144)	-
Net cash from capital and related financing activities	(1,350,574)	(125,037)	773,962	(141,327)	(842,976)	(677,111)
Cash flows from investing activities						
Interest on investments	251,755	281,108	1,065,322	85,856	1,684,041	194,963
Purchases of investments	(820,763)	(1,452,724)	(4,607,432)	(346,547)	(7,227,466)	(474,845)
Net cash from investing activities	(569,008)	(1,171,616)	(3,542,110)	(260,691)	(5,543,425)	(279,882)
Net increase (decrease) in cash and cash equivalents	(412,243)	(130,060)	(934,016)	(104,754)	(1,581,073)	(222,883)
Cash and cash equivalents at beginning of year	3,432,443	3,115,206	11,465,704	967,285	18,980,638	1,695,172
Cash and cash equivalents at end of year	\$ 3,020,200	\$ 2,985,146	\$ 10,531,688	\$ 862,531	\$ 17,399,565	\$ 1,472,289
Reconciliation of operating income (loss) to net cash from operating activities						
Operating income (loss)	\$ 1,400,169	\$ 302,782	\$ 1,457,218	\$ 50,761	\$ 3,210,930	\$ (52,354)
Adjustments to reconcile operating income (loss) to net cash from operating activities						
Depreciation	1,064,389	340,251	455,609	211,300	2,071,549	476,109
(Increase) decrease in assets and deferred outflows						
Receivables, net	(314,750)	(26,851)	54,823	(6,707)	(293,485)	-
Inventories	(157,557)	-	(1,162)	-	(158,719)	-
Prepaid items	30,749	(27)	-	-	30,722	236,792
Pension related items	(73,937)	(10,425)	(21,747)	(11,266)	(117,375)	(1,738)
Other postemployment benefit related items	2,351	975	3,596	1,616	8,538	1,094
Increase (decrease) in liabilities and deferred inflows						
Accounts payable and accrued liabilities	212,270	586,005	69,806	46,818	914,899	68,007
Consumer deposits	(4,209)	-	-	-	(4,209)	5,893
Compensated absences payable	(1,632)	-	12,641	-	11,009	-
Net pension liability	790,968	92,798	206,479	100,665	1,190,910	-
Net other postemployment benefits liability	39,756	(1,247)	(430)	-	38,079	18,729
Pension related items	(135,188)	(10,843)	(28,279)	(12,155)	(186,465)	(4,503)
Other postemployment benefit related items	(6,232)	(3,427)	(12,442)	(5,609)	(27,710)	(3,919)
Net cash from operating activities	\$ 2,847,147	\$ 1,269,991	\$ 2,196,112	\$ 375,423	\$ 6,688,673	\$ 744,110
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS						
(Loss) on investment in joint ventures	\$ -	\$ -	\$ (326,806)	\$ -	\$ (326,806)	\$ -

See notes to financial statements

CITY OF FOREST GROVE
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2024

	City of Forest Grove Retirement Plan Trust Fund	Custodial Funds
Assets		
Cash and cash equivalents	\$ 325,000	\$ 14,838
Investments	76,617,442	1,015
Accrued interest receivable	-	-
Contributions receivable	-	-
	<u>76,942,442</u>	<u>15,853</u>
Total assets		
	<u>76,942,442</u>	<u>15,853</u>
Liabilities		
Customer deposits	-	15,853
	<u>-</u>	<u>15,853</u>
Net position		
Restricted	<u>\$ 76,942,442</u>	<u>\$ -</u>

CITY OF FOREST GROVE
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
Year Ended June 30, 2024

	City of Forest Grove Retirement Plan Trust Fund	Custodial Funds
Additions		
Employer contributions	\$ 4,973,982	\$ 642
Investment earnings	<u>11,826,799</u>	<u>43</u>
Total additions	<u>16,800,781</u>	<u>685</u>
Deductions		
Benefits	3,840,704	-
Administrative expenses	173,006	-
Other Activity	<u>3,924,343</u>	<u>3,844</u>
Total deductions	<u>7,938,053</u>	<u>3,844</u>
Change in net position	8,862,728	(3,159)
Net position at beginning of year	<u>68,079,714</u>	<u>7,938</u>
Net position at end of year	<u>\$ 76,942,442</u>	<u>\$ 4,779</u>

NOTE 1 – FINANCIAL REPORTING ENTITY

The City of Forest Grove (the “City”) was incorporated in 1872. The City provides basic services to the citizens within the city limits. The city council, comprised of the mayor and six council members, forms the legislative branch of the government. Individual departments are under the direction and authority of the city manager, who is appointed by the city council.

The accompanying financial statements present all activities and component units for which the City is considered to be financially accountable. The criteria used in making this determination includes appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependency on the primary government.

The city council serves as the governing board of the Forest Grove Urban Renewal Agency. Therefore, the accounts of the agency are included in the financial statements of the City. Complete financial statements for the Forest Grove Urban Renewal Agency may be obtained from the City’s finance department.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Government-wide and fund financial statements

The government-wide financial statements (that is, the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus, basis of accounting and financial statement presentation

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the functions of the City, the elimination of which would distort the direct costs and program revenues reported for the various functions concerned.

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 principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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 government considers revenues to be available if they are collected within two months of the end of the current fiscal period. Significant revenues, which are susceptible to accrual under the modified accrual basis of accounting, include property taxes and federal and state grants. Other revenue items are considered to be measurable and available when received by the City. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The basis of accounting described above is in accordance with accounting principles generally accepted in the United States of America (GAAP).

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following major governmental funds:

General – accounts for all financial resources of the City, except those required to be accounted for in another fund. Principal sources of revenue are property taxes, franchise fees, and state shared revenues. Expenditures are primarily for general government operations and planning and community development.

Street – accounts for the building and maintaining of streets and related infrastructure within the City. The principal revenue source is state gasoline taxes apportioned by the State of Oregon.

Urban Renewal – accounts for projects identified in the Urban Renewal Agency plan. The principal revenue source is property taxes.

Transportation Development Tax – accounts for improvements to the City's transportation network to meet the impacts of growth. The principal revenue source is transportation development taxes.

American Rescue Plan – accounts for ARP monies passed through the federal government. The Principal revenue is federal grants.

The City reports the following major proprietary funds:

Light – accounts for the revenues and expenditures of the City's electric utility operations.

Sewer – accounts for the operations of the City's sewer, which is financed primarily through user charges to the general public.

Water – accounts for the operations of the City's water utility which is financed primarily through fees.

Surface Water Management – accounts for the operations of the City's surface water management, which is financed primarily through fees.

The City also reports the following fund types:

Special revenue – are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital projects – are used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by business-type or proprietary funds).

Permanent – accounts for resources contributed to the City for specific purposes the corpus of which cannot be expended.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus, basis of accounting and financial statement presentation (Continued)

Internal service – accounts for the cost of providing services to other funds of the City which are charged a fee on a cost reimbursement basis for those services.

Custodial Funds -These funds account for assets held by the District in a custodial capacity or as agent for individuals, private organizations, other governmental units, or other funds. This fund consists of mainly the pension trust fund other monies held for others.

Budget policies and budgetary control

Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds except custodial funds. The modified accrual basis of accounting is used for all budgets. All annual appropriations lapse at fiscal year-end.

The City begins its budgeting process by appointing Budget Committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The City Council adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally over-expended, except in the case of grant receipts and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted.

The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The City established the levels of budgetary control at the personnel services, materials and services, capital outlay, operating contingencies, debt service, and all other requirement levels for all funds except for the General Fund where budgetary control is established at the department level.

Budget amounts shown in the financial statements have been revised since the original budget amounts were adopted. The city council must authorize all appropriation transfers and supplementary budgetary appropriations. The City's disbursements did not exceed appropriations.

Cash and cash equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts, and any highly-liquid debt instruments purchased with a maturity of three months or less.

Property taxes

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collections to entities levying taxes. Real and personal property taxes are levied upon all taxable property and become a lien against the property as of July 1 of each year. Property taxes are payable in three installments following the lien date on November 15, February 15, and May 15 each year.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property taxes (Continued)

Uncollected property taxes in governmental funds are reported in governmental funds balance sheet as receivables; the portion which is available to finance expenditures of the current period is recorded as revenue and the remaining balance is recorded as deferred revenue. Property taxes collected within 60 days of the end of the current fiscal year are considered measurable and available and are recognized as revenue.

User charges and fines receivable

User charges and fines receivable are reported at the amount management expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and writes off, as of year-end, all balances that have not been collected by the time the financial statements are issued.

Inventories

Inventories are valued at the lower of cost (first-in, first-out method) and market. Inventories consist of materials and supplies maintained for system maintenance and operation.

Capital assets

Capital assets are recorded in the statement of net position at cost or estimated historical cost if purchased or constructed. Donated items are recorded at their estimated fair value at the date of donation. The City records capital assets for items with original cost, or estimated fair value if donated, of \$5,000 or more and an expected economic useful life of 1 year or more.

Public domain (infrastructure) capital assets (such as, roads, bridges, sidewalks, storm sewers, and other assets that are immovable and of value to the City) that have been acquired or reconstructed have been capitalized at estimated historical cost.

Upon disposal of capital assets, the accounts are relieved of the related costs and accumulated depreciation, and resulting gains or losses are reflected in the change in net position. Depreciation taken on contributed capital assets is recorded as an expense of operations and charged to retained earnings.

Capital assets are depreciated using the straight-line method over the following estimated useful lives (with prorated depreciation in the year of acquisition and prorated depreciation in the year of disposal):

Infrastructure	40 to 50 years
Buildings and improvements	10 to 40 years
Equipment and vehicles	3 to 15 years

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term obligations

Long-term obligations consist of notes, bonds, and compensated absences. Long-term obligations expected to be repaid from proprietary funds are accounted for in the business-type activities and proprietary funds. Long-term obligations expected to be repaid from governmental funds are accounted for in the governmental activities.

Bonds

Bond premiums and discounts are deferred and amortized over that life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs and the excess of bond amounts issued to refund previously issued debt over the refunded debt are reported as deferred charges and amortized over the term of the related debt.

Compensated absences

Vacation and sick leave amounts are accrued as they are earned. Sick leave is not paid out upon termination; vacation leave is paid out if termination occurs after the probationary period.

Retirement Plans

Substantially all of the City's employees are participants in one of three retirement plans offered by the City depending on the eligibility requirements of each plan. The three plans are: the City of Forest Grove Retirement Plan (the "Plan"), the City of Forest Grove Defined Contribution Plan (the "DC Plan"), and the Oregon Public Employees Retirement System (OPERS). The City Council has the authority for establishing or amending provisions to the Plan or the DC Plan.

Contributions to the Plan are made on a current basis as required by the Plan. The assets of the Plan are invested in various mutual funds. The City pays the administrative expenses of the Plan.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the net position of the Plan and additions to/deductions from the net position of the Plan have been determined on the same basis as reported by the Plan. 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.

Contributions to the DC Plan and OPERS are made by the City as required by the DC Plan and OPERS and are charged to expenditures or expenses when due and the employer has made a formal commitment to provide the contribution. The participants in DC Plan determine how their individual contributions are invested. OPERS invests the contributions to OPERS.

See the detailed footnotes for more information about the various plans.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other postemployment benefits

The liabilities for other postemployment benefits liability under NW Firefighters Relief Association Services, and implicit subsidies are based on actuarial valuations. See the detailed footnotes for more information about the plans.

Equity classification

Government-wide and proprietary fund net position

In the government-wide and proprietary fund financial statements, equity is classified as net position and displayed in three components:

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All amounts that do not meet the definition of “restricted” or “net investment in capital assets” are reported as “unrestricted net position.”

In the government-wide and proprietary fund financial statements, 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.

Governmental fund type fund balance reporting

Governmental type fund balances are to be properly reported within one of the fund balance categories listed below:

Nonspendable – Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the City Council. The City Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the City Council.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity classification (Continued)

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The City Council has granted authority to the City Manager to assign fund balance amounts.

Unassigned – The residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Additionally, other funds may report negative unassigned fund balance in certain circumstances.

In the governmental fund financial statements, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

NOTE 3 – RECONCILIATION OF GENERALLY ACCEPTED ACCOUNTING PRINCIPLES TO BUDGETARY BASIS

The budget of the City is prepared differently from GAAP. Therefore, the statements of revenues, expenditures and changes in fund balances (budgetary basis) – budget and actual for governmental funds are presented on the budgetary basis and are adjusted to the statement of revenues, expenditures and changes in fund balances - governmental funds in accordance with GAAP.

For the year ended June 30, 2024, a reconciliation of the differences between the budgetary basis and GAAP is listed on the face of the financial statements.

CITY OF FOREST GROVE
NOTES TO FINANCIAL STATEMENTS

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS

The City's cash, cash equivalents, and investments as of June 30, 2024, were as follows:

Cash and cash equivalents	
Deposits with financial institutions	\$ 5,931,495
State of Oregon Local Government Investment Pool	28,065,824
Cash on hand	1,790
	<u>\$ 33,999,109</u>
Investments	
Us government agencies	\$ 80,681,900
Mutual funds	50,946,345
Clean Fuel Credits	112,417
	<u>\$ 131,740,662</u>

The City maintains a pool of cash, cash equivalents and investments that are available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as cash and cash equivalents and investments. Interest earned on pooled cash, cash equivalents and investments is allocated to participating funds based upon their combined cash and investment balances.

Deposits with financial institutions

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 with financial institutions up to \$250,000 each for the aggregate of all non-interest-bearing accounts and the aggregate of all interest-bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are collateralized with securities held by the Federal Home Loan Bank of Seattle in the name of the institution. As of June 30, 2024, the City had a total bank balance of \$4,754,580 of which \$250,000 was covered by FDIC, with the remaining amount collateralized by the Oregon Public Collateralization Program.

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

State of Oregon Local Government Investment Pool

Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value. Fair value is determined at the quoted market price, if available; otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. The Oregon State Treasury administers the LGIP. The LGIP is an unrated, open-ended, no-load, diversified portfolio offered to any agency, political subdivision or public corporation of the state who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the Agency's position in the LGIP is the same as the value of the pool shares.

Investments

The City had the following investments as of June 30, 2024:

<u>Investment Type</u>	<u>Rating</u>	<u>Fair Value</u>	<u>Risk Concentration</u>	<u>Weighted Average Maturity (in years)</u>
US government agencies	Not rated	\$ 80,681,900	40.32%	2.2
Mutual funds	Not rated	<u>50,946,345</u>	59.68%	N/A
		<u>\$ 131,628,245</u>		

Credit Risk: Oregon statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool. Additionally, the City's pension trust may invest in equity securities and mutual funds.

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Concentration of Credit Risk: The City's policy for investing in individual issuers varies depending on the type of investments. The total portfolio has restrictions on the total amount that may be invested with a single issuer: 35% for U.S. agency securities; 5% for bankers' acceptances; 5% for commercial paper or corporate notes; and 5% for the states of Oregon, California, Idaho and Washington.

Interest Rate Risk: The City has a formal investment policy to limit exposure to losses arising from rising interest rates. Investment types are limited to a maximum percent of the portfolio (see table below) and also must not directly invest in securities maturing in more than 5.25 years (unless matched to a specific cash flow) and the average weighted maturity of the portfolio may not exceed 2.5 years.

<u>Investment Type</u>	<u>Max Percent of Portfolio</u>
US treasuries	100%
US government agencies	100%
LGIP	Max Allowed per ORS
Certificates of deposit	10%
Banker's acceptances	10%
Corp Notes & Commercial Paper	35%

Portfolio Credit Rating: The minimum weighted average credit rating of the portfolio's rated investments shall be AA-/Aa3/AA- by Standard & Poor's; Moody's Investors Service; and Fitch Ratings Service respectively.

Custodial Credit Risk – Investments: This is the risk that, in the event of the failure of a counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City does not have a policy which limits the amount of investments that can be held by counterparties.

Fair Value Measurements: The City categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City's investment in equities and mutual funds are measured using level 1 inputs and US Agencies and corporate and municipal bonds and certificates of deposit are measured using level 2 inputs.

CITY OF FOREST GROVE
NOTES TO FINANCIAL STATEMENTS

NOTE 5 – RECEIVABLES

As of June 30, 2024, receivables were as follows:

	Governmental Activities/Funds				Business-type Activities/Enterprise Funds				Totals
	General	Street	Urban Renewal	Nonmajor	Light	Sewer	Water	Surface Water Management	
Property taxes	\$ 196,195	\$ -	\$ 11,986	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 208,181
Accounts	530,323	65,484	-	174,772	72,167	11,326	4,064	-	858,136
Assessments	-	-	-	51,293	-	-	-	-	51,293
Grants	-	-	-	-	-	-	-	-	-
User charges	-	-	-	-	2,532,576	836,376	709,839	215,933	4,294,724
Allowance for doubtful accounts	-	-	-	-	(188,048)	(16,756)	(23,878)	(5,576)	(234,258)
	<u>\$ 726,518</u>	<u>\$ 65,484</u>	<u>\$ 11,986</u>	<u>\$ 226,065</u>	<u>\$ 2,416,695</u>	<u>\$ 830,946</u>	<u>\$ 690,025</u>	<u>\$ 210,357</u>	<u>\$ 5,178,076</u>

NOTE 6 – CAPITAL ASSETS

Activity for governmental activities for the year ended June 30, 2024, was as follows:

	Balances			Balances
	July 1, 2023	Additions	Deletions	June 30, 2024
Capital assets not being depreciated				
Land & Improvements	9,108,393	-	-	9,108,393
Work in Progress	124,032	540,060	(124,032)	540,060
Total capital assets not being depreciated	9,232,425	540,060	(124,032)	9,648,454
Capital assets , being depreciated				
Buildings & Improvements	24,979,674	2,167,435	-	27,147,109
Fixtures & Equipment	12,912,402	1,554,716	(73,333)	14,393,785
Infrastructure	36,433,306	1,658,666	(301,371)	37,790,601
Total capital assets, being depreciated	74,325,382	5,380,818	(374,704)	79,331,496
Less accumulated depreciation and amortization:				
Buildings & Improvements	9,257,518	653,183	-	9,910,702
Fixtures & Equipment	7,422,737	809,065	(48,434)	8,183,367
Infrastructure	20,266,151	889,566	(248,321)	20,907,396
Total accumulated depreciation	36,946,406	2,351,814	(296,756)	39,001,465
Total capital assets, being depreciated, net	37,378,975	3,029,004	(77,948)	40,330,031
governmental capital assets, net	<u>46,611,400</u>	<u>3,569,064</u>	<u>(201,980)</u>	<u>49,978,485</u>

CITY OF FOREST GROVE
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – CAPITAL ASSETS (Continued)

Activity for business-type activities for the year ended June 30, 2024, was as follows:

	Balances July 1, 2023	Additions	Deletions	Balances June 30, 2024
Capital assets not being depreciated				
Land & Improvements	\$ 1,537,847	\$ -	\$ -	\$ 1,537,847
Work in Progress	475,206	3,466,848	(3,112,763)	829,291
Total capital assets not being depreciated	2,013,053	3,466,848	(3,112,763)	2,367,138
Capital assets , being depreciated				
Buildings & Improvements	14,542,154	797,757	-	15,339,911
Fixtures & Equipment	37,010,840	2,809,449	(753,158)	39,067,131
Infrastructure	52,434,001	328,249	-	52,762,250
Intangible-water rights	1,707,484	-	-	1,707,484
Total capital assets, being depreciated	105,694,479	3,935,455	(753,158)	108,876,776
Less accumulated depreciation and amortization:				
Buildings & Improvements	5,537,434	302,564	-	5,839,998
Fixtures & Equipment	15,742,214	904,902	(115,448)	16,531,668
Infrastructure	25,695,247	821,308	-	26,516,555
Intangible-water rights	1,518,554	42,777	-	1,561,331
Total accumulated depreciation	48,493,449	2,071,551	(115,448)	50,449,552
Total capital assets, being depreciated, net	57,201,030	1,863,904	(637,710)	58,427,224
Business-type activities capital assets, net	\$ 59,214,083	\$ 5,330,752	\$ (3,750,473)	\$ 60,794,362

CITY OF FOREST GROVE
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – CAPITAL ASSETS (Continued)

For the year ended June 30, 2024, depreciation and amortization expense was charged to functions/programs of the City as follows:

Governmental activities	
General government	\$ 800,888
Public safety	269,370
Highways and streets	815,883
Culture and recreation	465,673
	<u>\$ 2,351,814</u>
Business-type activities	
Light	\$ 1,064,389
Sewer	340,251
Water	455,609
Surface water management	211,300
	<u>\$ 2,071,549</u>

NOTE 7 – UNAVAILABLE REVENUE

As of June 30, 2024, resources in the governmental funds which are measurable but unavailable consist of the following:

	<u>General</u>	<u>Street</u>	<u>Urban Renewal</u>	<u>Nonmajor</u>
Property taxes	\$ 129,866	\$ -	\$ 7,779	\$ -
Accounts	9,263	23,039	-	51,294
Assessments	-	-	-	9,131
	<u>\$ 139,129</u>	<u>\$ 23,039</u>	<u>\$ 7,779</u>	<u>\$ 60,425</u>

CITY OF FOREST GROVE
NOTES TO FINANCIAL STATEMENTS

NOTE 8 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2024, were as follows:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024
<u>Governmental activities</u>				
Other long-term obligations				
Compensated absences	\$ 1,101,150	\$ 1,169,315	\$ 1,265,048	\$ 1,005,417
	<u>\$ 1,101,150</u>	<u>\$ 1,169,315</u>	<u>\$ 1,265,048</u>	<u>\$ 1,005,417</u>
<u>Business-type activities</u>				
Long-term debt obligations - bonds and loans				
Direct placement				
Columbia State Bank	\$ 2,215,000	\$ -	\$ 253,000	\$ 1,962,000
Direct borrowing				
US Department of the Interior	749,999	-	46,546	703,453
Clean Water Services	-	988,354	46,772	941,582
Clean Water Services	770,674	-	97,606	673,068
	<u>3,735,673</u>	<u>988,354</u>	<u>443,924</u>	<u>4,280,103</u>
Other long-term obligations				
Compensated absences	413,942	398,478	387,469	424,951
	<u>\$ 4,149,615</u>	<u>\$ 1,386,832</u>	<u>\$ 831,393</u>	<u>\$ 4,705,054</u>

NOTE 8 – LONG-TERM OBLIGATIONS (Continued)

Business-type activities long-term debt obligations

Direct placements

Capital One Public Financing LLC – The City borrowed \$3,160,000 to refund previously issued long-term debt obligations. Annual principal and interest payments are due in April each year and range from \$324,045 to \$354,795. Annual interest only payments are due in October each year and range from \$4,795 to \$39,045. Interest on outstanding loan is 2.74%. The City has pledged revenue from timber sales and available water revenues for repayment of this note.

Columbia State Bank – The City borrowed \$3,822,000 to finance light and power improvements. Annual principal and interest payments are due in October each year and range from \$260,775 to \$305,775. Annual interest only payments are due in April each year and range from \$45,113 to \$3,775. Interest is at 2.5%. In the event of default, amounts due under the agreement are not subject to acceleration however, the bank may increase the interest rate 5.0%.

Direct borrowings

US Department of the Interior – The City borrowed \$1,707,484 to finance improvements to the Scoggins Dam and Reservoir. Annual payments are \$72,797 and include interest at 3.5%.

Clean Water Services Loan – The City entered into an agreement with Clean Water Services (CWS) to participate in and inflow and infiltration project. The City's portion of the costs are to be paid in semi-annual installments of \$56,528, which includes principal and interest at 2.07%. The loan matures in 2030.

Clean Water Services Loan – The City entered into an agreement with Clean Water Services (CWS) to participate in and inflow and infiltration project. The City's portion of the costs are to be paid in semi-annual installments of \$52,455, which includes principal and interest at 1.15%. The loan matures in 2033.

CITY OF FOREST GROVE
NOTES TO FINANCIAL STATEMENTS

NOTE 8 – LONG-TERM OBLIGATIONS (Continued)

As of June 30, 2024, maturities for business-type activities long-term debt obligations for future years ending June 30 are as follows:

Fiscal Year	US Dept of the Int. Scoggins Dam		Col State Bank		FG 19th & Maple Clean Water Servs		FG Main & 23rd Clean Water Servs		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 48,176	\$ 24,621	\$ 260,000	\$ 45,800	\$ 99,637	\$ 13,418	\$ 94,353	\$ 10,558	\$ 502,167	\$ 94,397
2026	49,862	22,935	266,000	39,225	101,710	11,345	95,441	9,470	513,014	82,974
2027	51,607	21,190	273,000	32,488	103,827	9,228	96,542	8,369	524,976	71,275
2028	53,413	19,384	280,000	25,575	105,987	7,068	97,656	7,255	537,056	59,282
2029	55,283	17,514	287,000	18,488	108,192	4,863	98,782	6,129	549,257	46,993
2030-2034	306,828	57,157	596,000	15,000	153,714	3,058	458,807	13,292	1,515,349	88,507
2035-2039	138,292	7,302	-	-	-	-	-	-	138,292	7,302
	<u>\$703,461</u>	<u>\$170,103</u>	<u>\$ 1,962,000</u>	<u>\$176,575</u>	<u>\$673,068</u>	<u>\$ 48,980</u>	<u>\$941,581</u>	<u>\$ 55,072</u>	<u>\$ 4,280,110</u>	<u>\$450,730</u>

Funds used to liquidate other long-term obligations

The General, Street, Building, Light, Sewer, Water, and Surface Water Management Funds have been used to liquidate obligations for compensated absences, other postemployment benefit liability, and net pension liability.

NOTE 9 – CONDUIT DEBT

The City has issued limited obligation ("conduit") revenue bonds for the express purpose of providing capital financing for specific third-party borrowers. Although the conduit debt obligations bear the name of the City, the City has no obligation for such debt; accordingly, the debt is not reported as a liability in the City's financial statements.

On February 1, 2022, the City issued \$28,845,000 in revenue bonds to refinance the 2014A tax-exempt bonds originally issued for Pacific University to fund capital improvement projects and to provide additional resources for capital improvement projects on the campus. At June 30, 2024, \$28,845,000 was outstanding. The bonds mature May 1, 2040.

On April 22, 2015, the City issued \$35,425,000 in revenue bonds to refinance the 2005 revenue bonds originally issued for Pacific University to fund capital improvement projects and to provide additional resources for capital improvement projects on the campus. \$32,330,000 of the 2015 revenue bonds were to refinance the 2005 revenue bonds and \$3,095,000 of the 2015 revenue bonds were to provide resources for additional capital improvement projects on campus. The 2015 revenue bonds were assigned to Pacific University. At June 30, 2024, \$24,795,000 was outstanding. The bonds mature May 1, 2045.

NOTE 9 – CONDUIT DEBT (continued)

On October 19, 2016, the City issued \$17,800,000 in revenue bonds to refinance the 2013 revenue bonds originally issued for Pacific University to fund capital improvement projects. The 2016 revenue bonds were assigned to Pacific University. At June 30, 2024, \$12,258,962 was outstanding. The bonds mature November 1, 2036.

On November 1, 2021, the City issued \$2,070,000 in revenue bonds to refund the 2014B taxable bonds originally issued to fund campus improvements. At June 30, 2024, \$1,145,000 was outstanding. The bonds mature May 1, 2026.

NOTE 10 – DEFINED BENEFIT PENSION PLAN

Plan description

The Plan is a defined benefit pension plan providing retirement benefits to employees of the City hired before February 1, 2016. The Plan is closed to employees hired after February 1, 2016.

The Plan was established by the city council who may amend the Plan.

The City does not issue a separate financial report available to the public for the Plan.

Plan membership

All full-time employees hired before July 1, 2011, were eligible to participate in the Plan after six months of employment. After July 1, 2011, the Plan was closed to new participants except as follows:

- Full-time employees belonging to the Firefighter's Association (IFFA), the International Brotherhood of Electrical Workers (IBEW), or the Forest Grove Police Association (FGPA) hired after July 1, 2011, but before February 1, 2016.
- As of July 1, 2012, full-time non-certified members of the FGPA hired on or after July 1, 2012, were no longer eligible to participate in the Plan.

Employees are divided into two groups: Public Safety Members (consisting of firefighters and police officers) and General Members. As of July 1, 2023, plan membership consisted of 124 retirees and beneficiaries, 31 vested terminated participants, 1 nonvested terminated participants, and 60 active participants.

Description of benefit terms

Normal retirement

Members are able to receive benefits after attaining age 58 for public safety members or age 65 for all other members. Retirement benefits will equal the accrued benefit based on average monthly earnings and years of membership as of the normal retirement date. Retirement benefits are subject to annual cost of living adjustments up to 2% per year. Additionally, members receive benefits from voluntary or unit contribution, if any.

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

Early retirement

Members are able to receive early retirement benefits after attaining age 50 with reduced benefits except for public safety employees with at least 25 years of service or general members with at least 30 years of service. Retirement benefits are reduced based upon the number of years the member still needed to work to reach normal retirement status. The benefit ranges from 67% to 93% of the benefit that would result if they were of normal retirement age.

Late retirement

Members that continue working beyond the normal retirement age receive increases to their retirement benefits equal to the benefit accruals past the normal retirement age.

Disability

Uniformed members that become totally and permanently disabled in the course of duty or members with 10 years of service are entitled to disability benefits. The benefit is based on current monthly earnings rate of compensation as of the date of disability and years of service projected to the earliest retirement age, or the early retirement benefit available, whichever is greater but in no event less than \$100 per month. *Death benefits*

The beneficiaries of members who have not begun to receive benefits under the Plan are entitled to either a lump-sum payment of twice the member's required and picked-up contributions account balances and the member's voluntary contributions account balance or actuarial equivalent monthly payments.

Contributions

The City is required by the Plan's provisions to pay the employees' contribution to the Plan of 7% of covered salaries (6% if monthly base pay is less than \$1,500). In addition, the City will contribute additional amount necessary to fund the Plan sufficient to pay benefits when due based on annual actuarial valuations. City contributions to the Plan totaled \$4,979,466 for the year ended June 30, 2024.

Net pension liability, changes in net pension liability, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions

As of June 30, 2024, the City reported a net pension liability of \$38,005,126. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date as follows:

Total pension liability	\$ 106,098,505
Plan fiduciary net position	<u>68,093,379</u>
Net pension liability	<u>\$ 38,005,126</u>
Fiduciary net position as a percentage of total pension liability	64.18%

CITY OF FOREST GROVE
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

For the year ended June 30, 2024, changes in the net pension liability are as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Beginning balances	\$ 99,234,737	\$ 62,349,573	\$ 36,885,164
Changes for the year:			
Service cost	1,315,742	-	1,315,742
Interest on total pension liability	5,188,189	-	5,188,189
Effect of economic/demographic losses	3,808,255	-	3,808,255
Effect of assumption changes or inputs	7,225	-	7,225
Benefit payments	(3,455,643)	(3,455,643)	-
Administrative expenses	-	(68,254)	68,254
Net investment income	-	4,888,503	(4,888,503)
Employer contributions	-	4,379,200	(4,379,200)
Ending balances	<u>\$ 106,098,505</u>	<u>\$ 68,093,379</u>	<u>\$ 38,005,126</u>

CITY OF FOREST GROVE
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

For the year ended June 30, 2024, the City recognized pension expense of \$6,935,966. As of June 30, 2024, 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
Difference between expected and actual experience	\$ 1,692,558	\$ 110,503
Change of assumptions or inputs	3,211	22,052
Net difference between projected and actual earnings on pension plan investments	<u>752,303</u>	<u>-</u>
	<u>\$ 2,448,072</u>	<u>\$ 132,555</u>

As of June 30, 2024, amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense during future years ending June 30 as follows:

2025	\$ 1,329,590
2026	(510,606)
2027	1,815,072
2028	<u>(318,539)</u>
	<u>\$ 2,315,517</u>

Actuarial valuation

The City contributions are based on the accruing benefit costs measured using the individual entry age normal actuarial cost method. Under the individual entry age method, a normal cost is determined for each participant by allocating the actuarial present value of the projected benefit on a level percentage of salary basis over the service of each active participant between entry age and assumed exit age. The individual normal costs are then summed for the group. The normal cost for inactive members is zero. The individual actuarial accrued liability for a participant is the actuarial present value of the projected benefits as of the valuation date less the present value of projected future normal costs.

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

Under the City’s funding policy, the annual recommended contribution includes the total normal cost developed on the individual entry age method and an amortized portion of any unfunded actuarial accrued liability. The unfunded actuarial accrued liability is the difference between the actuarial accrued liability and the actuarial value of assets. Emerging unfunded actuarial accrued liability bases are amortized over a closed 15-year period. Amortization payments are assumed to begin, on average, 18 months after the base is established and are assumed to increase 2.5% each year.

Actuarial methods and assumptions used in developing total pension liability

Valuation date	July 1, 2023
Actuarial cost method	Entry age normal, level percentage of pay
Inflation rate	2.0%
Long-term expected rate of return	5.25%
Discount rate	5.25%
Amortization method	Closed 15-year amortization, payments increasing 2.5% per year
Asset valuation method	market value of assets
Projected salary increases	Salaries for individuals are assumed to grow at 3.75% per year
Mortality	Healthy retirees and beneficiaries: Pub-2010 sex-distinct, generational per Unisex Social Security Data Scale, with job class adjustments and setbacks Participants with disabilities: Pub-2010 sex distinct, generational per Unisex Social Security Data Scale

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.

Discount rate

The discount rate used to measure the total pension liability was 5.25%. 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 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 investments for the Plan was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

Depletion date projection

GASB 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on Plan investments may be used to discount liabilities to the extent that the Plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 67 (paragraph 43) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

Based on these circumstances, it is the Plan's independent actuary's opinion that the detailed depletion date projections outlined in GASB 67 would indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

Long-term expected rate of return

The long-term expected rate of return assumption of 5.25% is based on a blending of the projected return on plan assets and a 20-year tax-exempt, high quality general obligation municipal bond yield or index rate.

Change in assumptions

Since the actuarial date of July 1, 2023, the administrative expense assumption was increased using the inflation assumption from \$74,000 to \$76,000. The mortality improvement scale was changed from the 2017 Unisex Social Security Data Scale to the 2019 Unisex Social Security Data Scale and non-annuitant mortality assumption for Police & Fire was updated to 125% of the same table and set back as the non-disabled annuitant assumption. These changes are consistent with the mortality assumptions used in the December 31, 2022 Valuation for the Oregon Public Employees Retirement System

Sensitivity of the City's net pension liability to changes in the discount rate

The following presents the City of Forest Grove's net pension liability calculated using the discount rate of 5.25%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.25%) or 1-percentage-point higher (6.25%) than the current rate:

	1 Percentage Point Lower	Current Discount Rate	1 Percentage Point Higher
Proportionate share of net pension liability	\$ 53,492,051	\$ 38,005,126	\$25,372,796

NOTE 11 – DEFINED CONTRIBUTION PLAN

The City sponsors a defined contribution plan known as the City of Forest Grove Defined Contribution Plan. The DC Plan is administered through an ICMA Retirement Corporation Governmental Profit Sharing Plan and Trust. ICMA Retirement Corporation acts as the Plan Administrator. The City Council has authority for establishing or amending plan provisions related to contributions and compensation.

The DC Plan was effective as of July 1, 2011, although the first participant did not become eligible for the plan until March 2012. The following classes of employees are eligible for the plan after six months of employment:

- All full-time non-represented employees and all full-time members of the AFSCME union hired on or after July 1, 2011
- All full-time non-certified members of the Forest Grove Police Association hired on or after July 1, 2012
- All part-time non-represented and AFSCME employees, who are regularly scheduled to work at least twenty (20) hours per week as of July 1, 2014
- All part-time non-certified members of the Forest Grove Police Association as of July 1, 2016

Retirement benefits are based on the value of the individual employee's accumulated contributions and investment earnings at the time of retirement.

Contributions for employees are made by City as required by the DC Plan. Contributions to the DC Plan by individual employees or others are not permitted. The City contributes 10% of an employee's base salary to DC Plan plus an additional 2% to DC Plan if the individual employee contributes at least 2% of base salary to an eligible deferred compensation plan. The employee can invest the contributions in investments allowed by ICMA Retirement Corporation within the DC Plan. Contributions and earnings are immediately 100% vested to the employee.

Contributions to the DC Plan for the year ended June 30, 2024, totaled \$795,389.

NOTE 12 – DEFINED BENEFIT PENSION PLAN – OPERS

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Annual Comprehensive Financial Report which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf>

If the link is expired please contact Oregon PERS for this information.

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.

NOTE 12 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

- i. **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, and 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 benefits 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 police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 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.

- ii. **Death Benefits.** Upon the death of a non-retired 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 contributions are met:
- member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
- iii. **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 police and fire members) when determining the monthly benefit.
- iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

- i. **Pension Benefits.** 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:

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 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.

General service: 1.5 percent 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.

A member of the 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

NOTE 12 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

ii. **Death Benefits.** Upon the death of a non-retired 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. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.

iii. **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.

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. The 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, which became effective July 1, 2023. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2024 were \$1,007,524, excluding amounts to fund employer specific liabilities. In addition approximately \$492,190 in employee contributions were paid or picked up by the City in fiscal 2024. At June 30, 2024, the City reported a net pension liability of \$4,436,762 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2021. 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 employers, actuarially determined. As of the measurement date of June 30, 2023 and 2022, the City's proportion was .024 percent and .010 percent, respectively. Pension expense for the year ended June 30, 2024 was \$(462,344).

NOTE 12 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

The rates in effect for the year ended June 30, 2024 were:

- (1) Tier 1/Tier 2 – 17.92%
- (2) OPSRP general services – 16.25%

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2025.

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 216,971	\$ 17,592
Changes in assumptions	394,136	2,939
Net difference between projected and actual earnings on pension plan investments	79,747	-
Net changes in proportionate share	2,138,876	-
Differences between contributions and proportionate share of contributions	243,691	-
Subtotal - Amortized Deferrals (below)	3,073,421	20,531
Contributions subsequent to measuring date	1,007,524	-
Deferred outflow (inflow) of resources	<u>\$ 4,080,945</u>	<u>\$ 20,531</u>

Amounts reported as deferred outflows or inflows of resources related to pension will be recognized in pension expense as follows:

Year ending June 30,	Amount
2025	\$ 739,930
2026	501,414
2027	1,012,720
2028	623,287
2029	175,539
Thereafter	-
Total	<u>\$ 3,052,890</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 2, 2024. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2023 through June 30, 2025, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

NOTE 12 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

Actuarial Methods and Assumptions:

Valuation date	December 31, 2021
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Fair value
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service
Mortality	Healthy retirees and beneficiaries: 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. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts 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 method and assumptions shown are based on the 2020 Experience Study which is reviewed for the four-year period ending December 31, 2020.

NOTE 12 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	20.0%	30.0%	25.0%
Public Equity	22.5%	32.5%	27.5%
Real Estate	9.0%	16.5%	12.5%
Private Equity	17.5%	27.5%	20.0%
Real Assets	2.5%	10.0%	7.5%
Diversifying Strategies	2.5%	10.0%	7.5%
Opportunity Portfolio	0.0%	5.0%	0.0%
Total			100.0%

(Source: June 30, 2023 PERS ACFR; p. 125)

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 Allocation	Compound Annual (Geometric) Return
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%
<i>Assumed Inflation - Mean</i>		2.35%

(Source: June 30, 2023 PERS ACFR; p. 92)

NOTE 12 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

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 the 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.

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 one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net pension liability	\$ 7,328,695	\$ 4,436,762	\$ 2,016,520

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer’s reporting date that are expected to have a significant effect on the employer’s share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

There are no changes subsequent to the June 30, 2023 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

Deferred Compensation Plan

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the City for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of resignation, death, disability, or retirement; unforeseeable emergency; or by requesting a de minimis distribution from inactive accounts valued less than \$5,000. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the City.

NOTE 12 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

Employees of the City are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. 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. Upon retirement, a member of the OPSRP 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 non-retired 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.

Contributions:

Employees of the City pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning \$2,500 or more per month (increased to \$3,333 per month in 2022) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The City made approximately \$492,190 in optional contributions to member IAP accounts for the year ended June 30, 2024.

NOTE 12 – DEFINED BENEFIT PENSION PLAN – OPERS (Continued)

Additional disclosures related to Oregon PERS not applicable to specific employers are available online, or by contacting PERS at the following address: PO Box 23700 Tigard, OR 97281-3700.

<http://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS

City of Forest Grove Other Postemployment Benefits Plan

Plan description and benefits provided

The City provides other postemployment benefits (OPEB) for employees, retirees, spouses and dependents through an employer defined benefit plan in the form of group health insurance benefits. As required by ORS 243.303(2), retirees are allowed to continue, at the retirees' expense, coverage under the group health insurance plan until age 65. The difference between the premium actually paid by the retirees under the group insurance plan and the premium that they would pay if they were not included in the plan is considered to be an implicit subsidy under the provisions of GASB 75. The plan does not issue a separate stand-alone financial report.

Plan membership

As of July 1, 2022, there were 145 active employees, 6 eligible retirees, and 1 spouse of eligible retirees for a total of 152 plan members.

Contributions

The City funds the plan only to the extent of current year insurance premium requirements on a pay-as-you-go basis. The average monthly premium requirements for the City for the period July 2022-June 2023 are as follows:

For retirees	\$	709
For spouses of retirees		793

Total OPEB liability, changes in total OPEB liability, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB

As of June 30, 2024, the City reported a total OPEB liability of \$1,158,470. The total OPEB liability was measured as of June 30, 2022, and determined by an actuarial valuation as of that date.

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in the total OPEB liability is as follows:

	Total OPEB Liability
Balances at June 30, 2023	\$ 1,104,216
Changes for the year:	
Service cost	112,533
Interest	41,484
Effect of economic/demographic gains or losses	-
Changes in assumptions or other inputs	(9,229)
Benefit payments	(90,534)
Balances at June 30, 2024	<u>\$ 1,158,470</u>

City of Forest Grove Other Postemployment Benefits Plan (Continued)

For the year ended June 30, 2024, the City recognized an OPEB expense of \$5,721. As of June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 459,613
Changes of assumptions	24,162	221,685
Benefit payments	64,571	-
	<u>\$ 88,733</u>	<u>\$ 681,298</u>

Differences between expected and actual experience and changes in assumptions are amortized over the average remaining service lives of all plan participants, including retirees, determined at the beginning of the respective measurement period.

Deferred outflows of resources related to OPEB resulting from benefit payments subsequent to the measurement date in the amount of \$64,571 will be recognized as an adjustment to the total OPEB liability in the year ending June 30, 2025.

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

As of June 30, 2024, other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future years ending June 30 as follows:

2025	\$ (148,296)
2026	(144,405)
2027	(120,366)
2028	(100,280)
2029	(61,117)
Thereafter	<u>(82,672)</u>
	<u>\$ (657,136)</u>

City of Forest Grove Other Postemployment Benefits Plan (Continued)

Actuarial valuation

The City contributions are based on the accruing benefit costs measured using the individual entry age normal actuarial cost method. The present value of benefits is allocated over the service for each active employee from their date of hire to their expected retirement age, as a level percent of the employee's pay. This level percent times pay is referred to as the service cost and is that portion of the present value of benefits attributable to an employee's service in a current year. The service cost equals \$0 for retired members. The total OPEB liability is the present value of benefits less the actuarial present value of future normal costs and represents the liabilities allocated to service up to the valuation date. For retirees, the total OPEB liability is equal to the present value of benefits.

Actuarial methods and assumptions used in developing total OPEB liability

Valuation Date	July 1, 2022
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.4%
Projected Salary Increases	3.4%
Mortality	Pub-2010 General and Safety Employee and Healthy Retiree, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees.

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.

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Discount rate

The discount rate used to measure the total OPEB liability was 3.65%. The discount rate is based on the Bond Buyer 20-year General Obligation Bond Index. The discount rate at the prior measurement date was 3.54%.

City of Forest Grove Other Postemployment Benefits Plan (Continued)

Healthcare cost trend rate

As of June 30, 2023, the assumed healthcare cost trend for medical and vision costs is as follows:

Year	Pre-65 Trend
2022	4.25%
2023	6.75
2024	6.50
2025	6.00
2026	5.25
2027	5.00
2028-2029	4.75
2030	4.50
2031-2065	4.25
2066-2071	4.00
2072+	3.75

Dental costs are assumed to increase 1.75% for 2022, 4.00% per year until 2072, then 3.75% thereafter.

Sensitivity of the City's total OPEB liability to changes in the discount and healthcare cost trend rates

The following presents the City's total OPEB liability calculated using the discount rate of 3.65%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

	1-Percentage Point Lower	Current Discount Rate	1-Percentage Point Higher
City's total OPEB liability	\$ 1,242,754	\$ 1,158,470	\$ 1,080,478
	1-Percentage Point Lower	Current Discount Rate	1-Percentage Point Higher
City's total OPEB liability	\$ 1,048,856	\$ 1,158,470	\$ 1,286,393

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Northwest Firefighters Relief Association Health Trust

Plan description and benefits provided

The Northwest Firefighters Relief Association Health Trust Retiree Program is a cost-sharing multiple-employer postemployment benefit plan that provides health insurance to eligible retirees of employers who participate in the Trust (an OPEB plan). As of the most recent valuation date (June 30, 2021), the Trust has nine participating employers, Tualatin Valley Fire and Rescue, Molalla Rural Fire Protection, Clatskanie Rural Fire Protection, Woodburn Fire District, Canby Fire District, City of Newberg Police Department, Forest Grove Fire and Rescue, Hoodland Fire District, and Port of Portland Fire Department. This plan has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

The program allows eligible retirees and their dependents to purchase continuation coverage under the Trust's health insurance plans from the date of retirement until eligibility for Medicare. The City is required by ORS 243.303 to provide retirees with group health insurance from the date of retirement to age 65 at the same rate provided to current employees.

Contributions

The City funds the plan only to the extent of current year insurance premium requirements on a pay-as-you-go basis.

Total OPEB liability, changes in total OPEB liability, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB

As of June 30, 2024, the City reported a liability of \$378,179 for its proportionate share of the total OPEB liability. The total OPEB liability was measured as of June 30, 2024. As of June 30, 2024, the City's proportion was 1.444% which was the same at the prior measurement date.

Deferred inflows of resources and deferred outflows of resources are calculated at the plan level and are allocated to employers based on their proportionate share. Differences between expected and actual experience, changes in assumptions and changes in employer proportionate are amortized over the average remaining service lives of all plan participants, including retirees, determined at the beginning of the respective measurement period.

CITY OF FOREST GROVE
NOTES TO FINANCIAL STATEMENTS

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Northwest Firefighters Relief Association Health Trust (Continued)

For the year ended June 30, 2024, the City recognized an OPEB expense of \$30,993. As of June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 38,830	\$ 5,841
Changes of assumptions	103,744	18,619
Changes in proportionate share	-	166,424
	<u>\$ 142,574</u>	<u>\$ 190,884</u>

As of June 30, 2024, amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future years ending June 30 as follows:

2025	\$ (2,416)
2026	(2,416)
2027	(2,416)
2028	(2,416)
2029	(2,416)
Thereafter	<u>(36,230)</u>
	<u>\$ (48,310)</u>

Actuarial assumptions

The total OPEB liability in the actuarial valuation as of June 30, 2023, was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Discount Rate	3.65%
Inflation Rate	2.5%
Projected Salary Increases	3.5%
Mortality	Pub-2010 General and Safety Employee and Healthy Retiree, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees.

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Northwest Firefighters Relief Association Health Trust (Continued)

The 3.65% discount rate assumption is the rate as of June 30, 2023, in the 20-Year General Obligation Municipal Bond Index published by Bond Buyer.

Rates of mortality, retirement, and withdrawal are the same rates that were used in the December 31, 2021 actuarial valuation of the Oregon Public Employees Retirement System for Police and Fire employees.

Sensitivity of the City's proportionate share of the total OPEB liability to changes in the discount and healthcare cost trend rates

The following presents the City's proportionate share of the total OPEB liability, as well as what the City's proportionate share of the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

	<u>1-Percentage Point Lower</u>	<u>Current Discount Rate</u>	<u>1-Percentage Point Higher</u>
City's total OPEB liability	\$ 410,836	\$ 378,179	\$ 348,282
	<u>1-Percentage Point Lower</u>	<u>Current Discount Rate</u>	<u>1-Percentage Point Higher</u>
City's total OPEB liability	\$ 335,446	\$ 378,179	\$ 428,506

NOTE 14 – JOINT VENTURES AND INTERGOVERNMENTAL AGREEMENTS

Joint Water Commission

The City is a party to the Joint Water Commission (the Commission) with the City of Hillsboro, City of Beaverton, and the Tualatin Valley Water District. The Commission is an entity organized under ORS 190. The City owns a 11.76% interest in the Joint Water Commission. The City's investment in the Commission at June 30, 2024, is \$5,376,723. The Commission issues a publicly available financial report which may be obtained by writing to the City of Hillsboro, 123 West Main Street, Hillsboro, OR 97123.

NOTE 14 – JOINT VENTURES AND INTERGOVERNMENTAL AGREEMENTS (Continued)

The Commission was established to provide operations for the supply, pumping, treatment, and transmission of municipal and industrial water. Under the Joint Water Services Agreement, the City may utilize the system for treatment of raw water up to 11.76% of the designed capacity of the system. The Commission is authorized to draw upon the raw water resources of each participating city to meet the projected needs of that city. No participant has the right to draw treated water from the system in excess of their proportionate contribution of raw water. The expenses of operation and maintenance of the system are paid monthly based on each participant's pro rata share of water production. In addition, the minimum amount to be paid by the City is not less than the per gallon cost as determined from time to time by the Commission multiplied by 72 million gallons per year. The agreement is perpetual, but may be terminated by giving a one-year notice to the other cities.

Barney Reservoir Joint Ownership Commission

The City is a party to the Barney Reservoir Joint Ownership Commission (the Reservoir Commission) with the City of Hillsboro, City of Beaverton, the Unified Sewerage Agency, and the Tualatin Valley Water District. The Reservoir Commission is an entity organized under ORS 190. The parties have agreed to establish joint ownership of an expanded Trask Reservoir also known as the "J.W. Barney Reservoir," located on the middle fork of the north fork of the Trask River, partially in Yamhill County and partially in Washington County. The agreement requires each of the original owners of the Trask Reservoir to exchange their equity interest in the reservoir for equity in the expanded "J.W. Barney Reservoir." As a member of the Commission, the City owns a 2.5% interest in the reservoir. The City's investment in the Commission was \$480,471 at June 30, 2024. The Barney Reservoir Joint Ownership Commission issues a publicly available financial report which may be obtained by writing the City of Hillsboro, 123 West Main Street, Hillsboro, OR 97123.

Clean Water Services of Washington County

The City collects charges for treatment of the City sewage and surface water management on behalf of the Clean Water Services of Washington County (CWS) and remits all collections to CWS except for 15.1% of sewer service charges collected, 20% of connection charges collected, and 75% of surface water management fees collected in accordance with agreements between the City and CWS. The amount collected on behalf of and remitted to CWS was \$6,337,357 for the year ended June 30, 2024. The amount due to and payable to CWS was \$1,170,717 at June 30, 2024.

NOTE 15 – SUBSCRIPTION ASSET AND LIABILITY

For the year ended June 30, 2024, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

NOTE 15 – SUBSCRIPTION ASSET AND LIABILITY (Continued)

On 07/01/2022, The City entered into a 36 month subscription for the use of Civic Plus LLC. An initial subscription liability was recorded in the amount of \$12,429. As of 06/30/2024, the value of the subscription liability is \$12,429. The City is required to make monthly fixed payments of \$0.00. Additionally, there are annual other reasonably certain payments of \$12,542.87. The subscription has an interest rate of 0.4570%. The value of the right to use asset as of 06/30/2024 of \$60,481.61 with accumulated amortization of \$40,321.08 is included with Software on the Subscription Class activities table found below.

On 07/01/2022, The City entered into a 29 month subscription for the use of ESRI. An initial subscription liability was recorded in the amount of \$54,830.41. As of 06/30/2024, the value of the subscription liability is \$0. The City is required to make annual fixed payments of \$27,500.00. The subscription has an interest rate of 0.3280%. The value of the right to use asset as of 06/30/2024 of \$82,330.41 with accumulated amortization of \$68,057.28 is included with Software on the Subscription Class activities table found below.

On 10/17/2022, The City entered into a 36 month subscription for the use of Netwrix. An initial subscription liability was recorded in the amount of \$12,884.60. As of 06/30/2024, the value of the subscription liability is \$4,305.57. The City is required to make annual fixed payments of \$4,444.85. The subscription has an interest rate of 3.2380%. The value of the right to use asset as of 06/30/2024 of \$17,329.45 with accumulated amortization of \$9,861.41 is included with Software on the Subscription Class activities table found below.

On 09/19/2022, The City entered into a 60 month subscription for the use of OpenGov Procurement. An initial subscription liability was recorded in the amount of \$80,287.45. As of 06/30/2024, the value of the subscription liability is \$48,249.47. The City is required to make annual fixed payments of \$16,850.28. The subscription has an interest rate of 2.3660%. The value of the right to use asset as of 06/30/2024 of \$107,787.45 with accumulated amortization of \$38,443.70 is included with Software on the Subscription Class activities table found below.

On 07/01/2022, The City entered into a 54 month subscription for the use of OpenGov Budgeting. An initial subscription liability was recorded in the amount of \$118,083.21. As of 06/30/2024, the value of the subscription liability is \$59,278.45. The City is required to make annual fixed payments of \$30,000.00. The subscription has an interest rate of 0.8100%. The value of the right to use asset as of 06/30/2024 of \$118,083.21 with accumulated amortization of \$52,481.42 is included with Software on the Subscription Class activities table found below.

	Subscription Asset	Accumulated Amortization	Total
<u>Asset Class</u>			
Software	\$ 389,896	\$ 210,460	\$ 179,436

NOTE 15 – SUBSCRIPTION ASSET AND LIABILITY (Continued)

Principal and Interest Requirements to Maturity

Fiscal Year	Principal	Interest	
2025	61,963	1,875	
2026	45,839	1,011	
2027	16,461	389	
2028	-	389	
	<u>\$ 124,263</u>	<u>\$ 3,664</u>	.

NOTE 16 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance for such risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 17 – INTERFUND TRANSFERS AND BALANCES

	Transfers	
	In	Out
General	\$ 1,865,034	\$ 209,257
American Rescue Plan	-	118,991
Nonmajor governmental	403,257	442,790
Light	-	1,339,808
Sewer	-	103,398
Water	-	361,980
Surface water management	-	78,159
Internal service funds	396,092	10,000
	<u>\$ 2,664,383</u>	<u>\$ 2,664,383</u>

As part of the budget process, the City plans to make interfund transfers to move resources between funds to provide resources for specific expenditures that are not supported by other revenues.

A previously outstanding loan from the Capital Projects Fund to the Urban Renewal Fund in the amount of \$2,062,561 to purchase land held for sale and to provide financial assistance to a developer for a mixed-use development was paid in full during the fiscal year June 30, 2024.

CITY OF FOREST GROVE
NOTES TO FINANCIAL STATEMENTS

NOTE 18 – DEFERRED OUTFLOWS INFLOWS AND PENSION OPEB OBLIGATIONS

These accounts are aggregated as follows:

	<u>Net Pension Liability</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Defined Benefit - City Plan	\$ 38,005,126	\$ 2,448,072	\$ 132,555
Defined Benefit - PERS	4,436,762	4,103,603	20,531
	<u>\$ 42,441,888</u>	<u>\$ 6,551,675</u>	<u>\$ 153,086</u>
OPEB Implicit Rate	\$ 1,158,470	\$ 88,733	\$ 681,298
OPEB - NW Firefighters	378,179	142,574	190,884
	<u>\$ 1,536,649</u>	<u>\$ 231,307</u>	<u>\$ 872,182</u>

NOTE 19 – NET POSITION RESTRICTED THROUGH ENABLING LEGISLATION

As of June 30, 2024, net position which is restricted through enabling legislation is as follows:

Governmental activities – capital projects

Transportation impact fees and transportation development tax are restricted for transportation infrastructure expansion	\$ 12,939,486
System development charges (SDC) are restricted for the purposes as specified in the implementing ordinances:	
Park acquisition and development	4,478,462
Trail system sponsorship is restricted for trail construction or maintenance	212,867

Governmental activities – tourism

City transient lodging tax is restricted for tourism	343,945
--	---------

Business-type activities – capital projects

System development charges (SDC) are restricted for the purposes as specified in the implementing ordinances:	
Sewer system improvement and expansion	1,707,126
Water system improvement and expansion	9,678,946
Surface water management system improvement and expansion	641,930

NOTE 20 – TAX ABATEMENTS

Washington County has established an Enterprise Zone under ORS 285C.175 that abates property taxes on new business development within the zone. As a result, the property taxes that the City received for the year ended June 30, 2024 have been reduced by \$331,000.

Washington County has established a Low Income Property Tax Exemption program under ORS 307.541 to make rental housing units affordable for income-restricted tenants. As a result, the property taxes that the City received for the year ended June 30, 2024, have been reduced by \$121,000.

Washington County has established a Vertical Housing Development Zone under ORS 307.864 as an incentive for the development of higher density mixed use residential development with ground floor nonresidential uses in areas well served by transit services. As a result, the property taxes that the City received for the year ended June 30, 2024, have been reduced by \$14,000.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FOREST GROVE
SCHEDULE OF NET PENSION LIABILITY AND
CHANGES IN NET PENSION LIABILITY
Last Ten Plan Years Ended June 30, *

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>Beginning of year</u>										
Total pension liability	\$ 99,234,737	\$ 97,167,624	\$ 82,936,410	\$ 79,658,890	\$ 76,490,191	\$ 69,230,919	\$ 63,076,881	\$ 57,742,433	\$ 47,195,326	\$ 42,881,808
Fiduciary net position	62,349,573	68,752,154	52,550,049	49,168,874	43,821,273	39,971,500	35,434,205	34,146,282	34,577,249	29,632,905
Net pension liability	\$ 36,885,164	\$ 28,415,470	\$ 30,386,361	\$ 30,490,016	\$ 32,668,918	\$ 29,259,419	\$ 27,642,676	\$ 23,596,151	\$ 12,618,077	\$ 13,248,903
<u>Changes in total pension liability</u>										
Service cost	\$ 1,315,742	\$ 1,642,608	\$ 1,397,393	\$ 1,449,943	\$ 1,427,824	\$ 1,327,792	\$ 1,265,073	\$ 1,329,863	\$ 1,171,434	\$ 1,061,458
Interest on total pension liability	5,188,189	5,091,700	4,977,413	4,792,428	4,606,200	4,498,271	4,274,175	3,927,162	3,445,279	3,131,813
Effect of economic/demographic losses	3,808,255	(847,195)	1,078,808	(494,775)	(503,546)	(844,964)	617,091	32,324	(224,525)	269,909
Effect of assumption changes or inputs	7,255	(169,062)	9,531,439	-	(65,735)	4,987,257	2,039,393	1,829,323	7,846,254	1,342,042
Benefit payments	(3,455,643)	(3,650,938)	(2,753,839)	(2,470,076)	(2,296,044)	(2,709,084)	(2,041,694)	(1,784,224)	(1,691,335)	(1,491,704)
Net change in total pension liability	\$ 6,863,798	\$ 2,067,113	\$ 14,231,214	\$ 3,277,520	\$ 3,168,699	\$ 7,259,272	\$ 6,154,038	\$ 5,334,448	\$ 10,547,107	\$ 4,313,518
<u>Changes in fiduciary net position</u>										
Employer contributions	\$ 4,379,200	\$ 4,371,855	\$ 4,220,032	\$ 4,296,765	\$ 3,878,402	\$ 3,298,676	\$ 2,776,339	\$ 2,101,422	\$ 1,386,509	\$ 1,291,829
Member contributions	-	-	-	-	-	-	-	-	611,460	603,325
Investment income net of expenses	4,888,503	(7,041,785)	14,822,763	1,618,118	3,840,347	3,346,917	3,917,965	1,140,618	(674,943)	4,626,488
Benefit payments	(3,455,643)	(3,650,938)	(2,753,839)	(2,470,076)	(2,296,044)	(2,709,084)	(2,041,694)	(1,784,224)	(1,691,335)	(1,491,704)
Administrative expenses	(68,254)	(81,713)	(86,851)	(63,632)	(75,104)	(86,736)	(115,315)	(169,893)	(62,658)	(85,594)
Net change in fiduciary net position	\$ 5,743,806	\$ (6,402,581)	\$ 16,202,105	\$ 3,381,175	\$ 5,347,601	\$ 3,849,773	\$ 4,537,295	\$ 1,287,923	\$ (430,967)	\$ 4,944,344
<u>End of year</u>										
Total pension liability	\$ 106,098,535	\$ 99,234,737	\$ 97,167,624	\$ 82,936,410	\$ 79,658,890	\$ 76,490,191	\$ 69,230,919	\$ 63,076,881	\$ 57,742,433	\$ 47,195,326
Fiduciary net position	68,093,379	62,349,573	68,752,154	52,550,049	49,168,874	43,821,273	39,971,500	35,434,205	34,146,282	34,577,249
Net pension liability	\$ 38,005,156	\$ 36,885,164	\$ 28,415,470	\$ 30,386,361	\$ 30,490,016	\$ 32,668,918	\$ 29,259,419	\$ 27,642,676	\$ 23,596,151	\$ 12,618,077
Fiduciary net position as a percent of total pension liability	64.2%	62.8%	70.8%	63.4%	61.7%	57.3%	57.7%	56.2%	59.1%	73.3%
Covered payroll	\$ 5,950,563	\$ 6,290,476	\$ 7,190,600	\$ 7,562,078	\$ 7,739,634	\$ 7,553,427	\$ 8,548,461	\$ 8,616,353	\$ 8,714,723	\$ 8,618,932
Net pension liability as a percent of covered payroll	638.7%	586.4%	395.2%	401.8%	393.9%	432.5%	342.3%	320.8%	270.8%	146.4%

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

CITY OF FOREST GROVE
SCHEDULE OF EMPLOYER CONTRIBUTIONS (in thousands)
RETIREMENT PLAN OF CITY OF FOREST GROVE
Last Ten Fiscal Years Ended June 30, *

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 4,404	\$ 4,302	\$ 4,208	\$ 4,274	\$ 3,853	\$ 3,525	\$ 2,707	\$ 2,094	\$ 1,987	\$ 1,888
Actual employer contribution	4,379	4,372	4,220	4,297	3,878	3,299	2,776	2,101	1,998	1,895
Contribution deficiency (excess)	25	(70)	(12)	(23)	(25)	226	(69)	(7)	(11)	(7)
Covered payroll	5,951	6,290	7,191	7,562	7,740	7,553	8,548	8,616	8,715	8,619
Contribution as a percent of covered payroll	73.60%	69.50%	58.70%	56.82%	50.10%	43.68%	32.48%	24.38%	22.93%	21.99%
Valuation date	7/1/2021	7/1/2020	7/1/2019	7/1/2018	7/1/2017	7/1/2016	7/1/2015	7/1/2014	7/1/2013	7/1/2012
Assumed investment rate of return	5.25%	6.00%	6.00%	6.00%	6.50%	6.75%	6.75%	7.25%	7.25%	7.25%

NOTES TO SCHEDULE

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Individual entry age normal, level percent of pay
Amortization method	Effective July 1, 2015: Closed 15-year amortization, payments increasing 2.50% per year Effective July 1, 2014: Closed 15-year amortization, payments increasing 2.75% per year Effective July 1, 2011: Closed 30-year amortization, payments increasing 2.75% per year Effective July 1, 2005: Open 25-year amortization, level percent of pay. The amortization period was decreased by one year each year until reaching 20 years, effective July 1, 2010
Asset valuation method	Market value of assets
Healthy mortality	Effective July 1, 2019: Pub-2010 Sex-distinct, generational per Unisex Social Security Data Scale, with cjob class adjustments and setbacks Effective July 1, 2017: RP-2014 Sex-distinct, generational per Unisex Social Security Data Scale, with collar adjustments and setbacks Effective July 1, 2015: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and setbacks Effective July 1, 2011: Healthy Combined RP-2000 mortality projected by Scale AA to 2005 Effective July 1, 2010: Healthy Combined RP-2000 mortality
Cost of living increases	2 percent per year
Salary increases	Effective July 1, 2015: 3.75 percent per year Effective July 1, 2011: 4.5 percent per year Effective July 1, 2010: 5 percent per year

CITY OF FOREST GROVE
SCHEDULE OF INVESTMENT RATE OF RETURN
LAST TEN FISCAL YEARS

Year Ended June 30,	Rate of Return
2023	7.93%
2022	-10.22%
2021	27.91%
2020	3.24%
2019	8.64%
2018	8.35%
2017	11.08%
2016	3.34%
2015	-1.95%
2014	15.56%

*2024 information not available

CITY OF FOREST GROVE
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Ten Plan Years Ended June 30, *

<u>Year Ended June 30,</u>	<u>Proportion of the net pension liability (asset)</u>	<u>Proportionate share of the net pension liability (asset)</u>	<u>Covered payroll</u>	<u>Proportionate share of the net pension liability (asset) as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2024	0.0237%	\$ 4,436,762	\$ 5,800,941	76%	85%
2023	0.0097%	1,482,169	4,165,346	36%	85%
2022	0.0073%	868,352	2,798,440	31%	88%
2021	0.0053%	1,155,233	1,539,866	75%	76%
2020	0.0052%	898,105	1,169,763	77%	80%
2019	0.0023%	354,540	637,639	56%	82%
2018	0.0064%	8,607	438,825	2%	83%
2017	0.0008%	11,512	20,240	57%	81%

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

CITY OF FOREST GROVE
SCHEDULE OF PENSION CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last Ten Fiscal Years Ended *

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percent of covered payroll
2024	\$ 1,007,524	\$ 1,007,524	\$ -	8,203,170	12.28%
2023	675,193	675,193	-	5,800,941	11.64%
2022	485,036	485,036	-	4,165,346	11.64%
2021	324,206	324,206	-	2,798,440	11.59%
2020	226,648	226,648	-	1,539,866	14.72%
2019	160,833	160,833	-	1,169,763	13.75%
2018	106,672	106,672	-	637,639	16.73%
2017	56,632	56,632	-	438,825	12.91%

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

CITY OF FOREST GROVE
SCHEDULE OF CHANGES IN TOTAL OTHER
POSTEMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS
Last Ten Plan Years Ended June 30, *

	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 112,533	\$ 109,873	\$ 106,727	\$ 118,255	\$ 105,672	\$ 120,349	\$ 128,201
Interest on total OPEB liability	41,484	33,376	32,547	63,352	63,651	66,273	52,872
Effect of economic/demographic gains or losses	-	(318,244)	-	(400,208)	-	(34,389)	-
Effect of assumptions changes or inputs	(9,229)	(111,778)	5,111	(36,953)	49,980	(286,905)	(112,965)
Benefit payments	(90,534)	(88,171)	(62,091)	(78,100)	(55,133)	(59,126)	(69,377)
Net change in total OPEB liability	54,254	(374,944)	82,294	(333,654)	164,170	(193,798)	(1,269)
Total OPEB liability - beginning of year	1,104,216	1,479,160	1,396,866	1,730,520	1,566,350	1,760,148	1,761,417
Total OPEB liability - end of year	\$ 1,158,470	\$ 1,104,216	\$ 1,479,160	\$ 1,396,866	\$ 1,730,520	\$ 1,566,350	\$ 1,760,148
Covered employee payroll	\$ 11,534,962	\$ 11,534,962	\$ 10,635,244	\$ 10,920,240	\$ 10,359,910	\$ 10,724,811	\$ 12,729,783
Total OPEB liability as a percentage of covered employee payroll	10.04%	9.57%	13.91%	12.79%	16.70%	14.60%	13.83%

NOTES TO SCHEDULE

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

CITY OF FOREST GROVE

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OTHER POSTEMPLOYMENT
BENEFITS LIABILITY - NORTHWEST FIREFIGHTERS RELIEF ASSOCIATION HEALTH TRUST**

Last Ten Plan Years Ended June 30, *

Year Ended June 30,	Proportion of the net OPEB liability (asset)	Proportionate share of the net OPEB liability (asset)	Covered employee payroll	Proportionate share of the net OPEB liability (asset) as a percentage of covered employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2024	1.4440%	\$ 378,179	\$ 3,421,349	0.110535055	0%
2023	1.4440%	360,248	1,798,358	0.200320515	0%
2022	2.2450%	504,017	1,693,274	0.297658264	0%
2021	2.2450%	475,006	1,724,274	0.275481739	0%

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

CITY OF FOREST GROVE
SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS CONTRIBUTIONS
NORTHWEST FIREFIGHTERS RELIEF ASSOCIATION HEALTH TRUST
Last Ten Fiscal Years Ended *

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percent of covered employee payroll
2024	\$ 795,389	\$ 795,389	\$ -	\$ 3,421,349	23.25%
2023	394,486	394,486	-	1,798,358	21.94%
2022	343,965	343,965	-	1,693,274	20.31%
2021	236,879	236,879	-	1,724,274	13.74%

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**COMBINING FINANCIAL STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

CITY OF FOREST GROVE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	Budget			
	Original	Final	Actual	Variance
Revenues				
Property taxes	\$ 8,169,921	\$ 8,169,921	\$ 12,712,772	\$ 4,542,851
Other local taxes	5,077,719	5,077,719	307,744	(4,769,975)
Franchise fees	-	-	791,512	791,512
Licenses, permits and fees	163,695	163,695	179,426	15,731
Fines and forfeitures	487,961	487,961	469,012	(18,949)
Charges for services	5,549,135	5,549,135	5,778,537	229,402
Intergovernmental	2,969,962	2,969,962	2,934,158	(35,804)
Donations	-	-	10,406	10,406
Interest	-	-	507,381	507,381
Miscellaneous	185,600	185,600	319,337	133,737
Total revenues	22,603,993	22,603,993	24,010,285	1,406,292
Expenditures				
Legislative and executive	693,449	693,449	634,142	59,307
Administrative services	4,441,425	4,441,425	4,353,462	87,963
Library	1,612,590	1,637,590	1,604,620	32,970
Planning	627,500	627,500	531,407	96,093
Economic Development	181,386	181,386	144,253	37,133
Fire	6,066,432	6,209,229	6,009,258	199,971
Engineering	1,023,200	1,023,200	1,002,091	21,109
Police	8,043,276	8,043,276	7,692,229	351,047
Aquatics	783,650	833,650	837,406	(3,756)
Parks	1,085,774	1,115,774	1,094,798	20,976
Recreation	293,629	293,629	264,182	29,447
Municipal court	439,791	439,791	423,287	16,504
Nondepartmental	426,000	521,100	521,054	46
Contingency	650,000	359,900	-	359,900
Total expenditures	26,368,102	26,420,899	25,112,189	1,308,710
Excess (deficiency) of revenues over expenditures	(3,764,109)	(3,816,906)	(1,101,904)	2,715,002
Other financing sources (uses)				
Transfers in	2,132,361	2,132,361	1,865,034	(267,327)
Transfers out	(209,257)	(209,257)	(209,257)	-
Total other financing sources (uses)	1,923,104	1,923,104	1,655,777	(267,327)
Net change in fund balance	(1,841,005)	(1,893,802)	553,873	2,447,675
Fund balance at beginning of year	7,941,471	7,941,471	8,722,783	781,312
Fund balance at end of year	\$ 6,100,466	\$ 6,047,669	9,276,656	\$ 3,228,987
Reconciliation to GAAP Fund Balance:				
Fair Value adjustment of Investments			153,737	
Total GAAP Fund Balance			<u>\$ 9,430,393</u>	

See notes to financial statements

CITY OF FOREST GROVE
STREET FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	Budget		Actual	Variance
	Original	Final		
Revenues				
Other local taxes	\$ -	\$ -	\$ 474,812	\$ 474,812
Licenses, permits and fees	2,500	2,500	-	(2,500)
Charges for services	173,000	173,000	166,451	(6,549)
Intergovernmental	2,546,264	2,546,264	2,202,807	(343,457)
Interest	-	-	88,169	88,169
Miscellaneous	194,600	194,600	50	(194,550)
Total revenues	2,916,364	2,916,364	2,932,289	15,925
Expenditures				
Street services	2,787,590	2,787,590	2,480,156	307,434
Contingency	300,000	300,000	-	300,000
Total expenditures	3,087,590	3,087,590	2,480,156	607,434
Net change in fund balance	(171,226)	(171,226)	452,133	623,359
Fund balance at beginning of year	2,885,281	2,885,281	3,008,886	123,605
Fund balance at end of year	\$ 2,714,055	\$ 2,714,055	3,461,019	\$ 746,964
Reconciliation to GAAP Fund Balance:				
Fair Value adjustment of Investments			15,287	
Total GAAP Fund Balance			<u>\$ 3,476,306</u>	

CITY OF FOREST GROVE
URBAN RENEWAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	Budget		Actual	Variance
	Original	Final		
Revenues				
Property taxes	\$ 687,240	\$ 687,240	\$ 835,438	\$ 148,198
Interest	8,500	8,500	32,397	23,897
Total revenues	695,740	695,740	867,835	172,095
Expenditures				
URA Program	573,706	573,706	136,754	436,952
Debt service	937,448	937,448	937,448	-
Total expenditures	1,511,154	1,511,154	1,074,202	436,952
Net change in fund balance	(815,414)	(815,414)	(206,367)	609,047
Fund balance at beginning of year	815,414	815,414	845,592	30,178
Fund balance at end of year	\$ -	\$ -	639,225	\$ 639,225
Reconciliation to GAAP Fund Balance:				
Fair Value adjustment of Investments			2,835	
Total GAAP Fund Balance			\$ 642,060	

See notes to financial statements

CITY OF FOREST GROVE
AMERICAN RESCUE PLAN
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	<u>Budget</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Interest	-	-	47,079	47,079
Miscellaneous	30,000	30,000	-	(30,000)
Total revenues	30,000	30,000	47,079	17,079
Expenditures				
ARPA Program	1,362,298	1,362,298	596,797	765,501
Total expenditures	1,362,298	1,362,298	596,797	765,501
Excess (deficiency) of revenues over expenditures	(1,332,298)	(1,332,298)	(549,718)	782,580
Other financing sources (uses)				
Transfers out	(387,300)	(387,300)	(118,991)	268,309
Total other financing sources (uses)	(387,300)	(387,300)	(118,991)	268,309
Net change in fund balance	(1,719,598)	(1,719,598)	(668,709)	1,050,889
Fund balance at beginning of year	2,129,773	2,129,773	2,148,401	18,628
Fund balance at end of year	<u>\$ 410,175</u>	<u>\$ 410,175</u>	<u>1,479,692</u>	<u>\$ 1,069,517</u>
Reconciliation to GAAP Fund Balance:				
Fair Value adjustment of Investments			6,542	
Total GAAP Fund Balance			<u>\$ 1,486,234</u>	

See notes to financial statements

CITY OF FOREST GROVE
TRANSPORTATION DEVELOPMENT TAX - CAPITAL PROJECTS FUND (MAJOR FUND)
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Other local taxes	\$ 900,000	\$ 876,280	\$ (23,720)
Interest	-	445,687	445,687
Miscellaneous	95,000	-	(95,000)
	<u>995,000</u>	<u>1,321,967</u>	<u>326,967</u>
Total revenues	<u>995,000</u>	<u>1,321,967</u>	<u>326,967</u>
Expenditures			
Transportation Development Tax program	<u>17,092,917</u>	<u>4,474,712</u>	<u>12,618,205</u>
Net change in fund balance	<u>(16,097,917)</u>	<u>(3,152,745)</u>	<u>12,945,172</u>
Fund balance at beginning of year	<u>16,097,917</u>	<u>16,031,912</u>	<u>(66,005)</u>
Fund balance at end of year	<u>\$ -</u>	<u>12,879,167</u>	<u>\$ 12,879,167</u>
Reconciliation to GAAP Fund Balance:			
Fair Value adjustment of Investments		60,318	
Total GAAP Fund Balance		<u>\$ 12,939,485</u>	

See notes to financial statements

CITY OF FOREST GROVE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2024

	Special Revenue	Capital Projects	Permanent Library Endowment	Total
Assets				
Cash and cash equivalents	\$ 1,561,918	\$ 2,279,443	\$ 17,010	\$ 3,858,371
Investments	2,523,201	3,701,633	27,623	6,252,457
Accrued interest receivable	25,702	24,309	181	50,192
Receivables	103,768	122,297	-	226,065
Total assets	\$ 4,214,589	\$ 6,127,682	\$ 44,814	\$ 10,387,085
Liabilities, deferred inflows and fund balances				
Liabilities				
Accounts payable and accrued liabilities	\$ 108,764	\$ 32,640	\$ -	\$ 141,404
Total liabilities	108,764	32,640	-	141,404
Deferred inflows of resources				
Unavailable revenue	9,131	51,294	-	60,425
Total deferred inflows of resources	9,131	51,294	-	60,425
Fund balances				
Nonspendable	-	-	41,186	41,186
Restricted for:				
Building operations	3,358,801	-	-	3,358,801
Capital projects	212,867	4,577,295	-	4,790,162
Community enhancement	104,292	-	-	104,292
Tourism	343,945	-	-	343,945
Other	-	-	3,628	3,628
Committed for:				
Highways and streets	76,789	-	-	76,789
Capital projects	-	729,229	-	729,229
Assigned for:				
Capital projects	-	737,224	-	737,224
Unassigned	-	-	-	-
Total fund balances	4,096,694	6,043,748	44,814	10,185,256
Total liabilities, deferred inflows of resources and fund balances	\$ 4,214,589	\$ 6,127,682	\$ 44,814	\$ 10,387,085

See notes to financial statements

CITY OF FOREST GROVE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	Special Revenue	Capital Projects	Permanent Library Endowment	Total
Revenues				
Other local taxes	\$ 140,402	\$ -	\$ -	\$ 140,402
Licenses, permits and fees	1,771,466	405,561	-	2,177,027
Charges for services	33	-	-	33
Donations	133,529	-	-	133,529
System development charges	-	444,740	-	444,740
Intergovernmental	373,646	1,537,759	-	1,911,405
Interest	146,970	244,827	2,640	394,437
Miscellaneous	-	14,378	-	14,378
	<u>2,566,046</u>	<u>2,647,265</u>	<u>2,640</u>	<u>5,215,951</u>
Total revenues				
	<u>2,566,046</u>	<u>2,647,265</u>	<u>2,640</u>	<u>5,215,951</u>
Expenditures				
Current				
General government	1,147,327	957,680	-	2,105,007
Public safety	-	-	-	-
Highways and streets	304,169	-	-	304,169
Culture and recreation	4,270	-	-	4,270
Capital outlay	14,974	3,128,091	-	3,143,065
	<u>1,470,740</u>	<u>4,085,771</u>	<u>-</u>	<u>5,556,511</u>
Total expenditures				
	<u>1,470,740</u>	<u>4,085,771</u>	<u>-</u>	<u>5,556,511</u>
Excess (deficiency) of revenues over expenditures	<u>1,095,306</u>	<u>(1,438,506)</u>	<u>2,640</u>	<u>(340,560)</u>
Other financing sources (uses)				
Transfers in	9,257	394,000	-	403,257
Transfers out	(89,130)	(353,660)	-	(442,790)
	<u>(79,873)</u>	<u>40,340</u>	<u>-</u>	<u>(39,533)</u>
Total other financing sources (uses)				
	<u>(79,873)</u>	<u>40,340</u>	<u>-</u>	<u>(39,533)</u>
Net change in fund balances	1,015,433	(1,398,166)	2,640	(380,093)
Fund balances at beginning of year	<u>3,081,261</u>	<u>7,441,914</u>	<u>42,174</u>	<u>10,565,349</u>
Fund balance at end of year	<u>\$ 4,096,694</u>	<u>\$ 6,043,748</u>	<u>\$ 44,814</u>	<u>\$ 10,185,256</u>

See notes to financial statements

CITY OF FOREST GROVE
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2024

	Building Permits	Street Tree	Assessment	Trail Systems	Transpor- tation Services	Community Enhancement	Public Arts Donations	Transient Lodging Tax	Total
Assets									
Cash and cash equivalents	\$ 1,293,246	\$ 19,786	\$ -	\$ 80,797	\$ 8,146	\$ 32,744	\$ 6,842	\$ 120,357	\$ 1,561,918
Investments	2,100,129	32,130	-	131,208	-	53,173	11,111	195,450	2,523,201
Accrued interest receivable	13,792	211	9,131	862	-	349	73	1,284	25,702
Receivables	-	-	-	-	76,712	-	-	27,056	103,768
Total assets	\$ 3,407,167	\$ 52,127	\$ 9,131	\$ 212,867	\$ 84,858	\$ 86,266	\$ 18,026	\$ 344,147	\$ 4,214,589
Liabilities, deferred inflows and fund balances									
Liabilities									
Accounts payable and accrued liabilities	\$ 48,366	\$ -	\$ -	\$ -	\$ 60,196	\$ -	\$ -	\$ 202	\$ 108,764
Total liabilities	48,366	-	-	-	60,196	-	-	202	108,764
Deferred inflows of resources									
Unavailable revenue	-	-	9,131	-	-	-	-	-	9,131
Total deferred inflows of resources	-	-	9,131	-	-	-	-	-	9,131
Fund balances									
Restricted for:									
Building operations	3,358,801	-	-	-	-	-	-	-	3,358,801
Capital projects	-	-	-	212,867	-	-	-	-	212,867
Community enhancement	-	-	-	-	-	86,266	18,026	-	104,292
Tourism	-	-	-	-	-	-	-	343,945	343,945
Committed for:									
Highways and streets	-	52,127	-	-	24,662	-	-	-	76,789
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	3,358,801	52,127	-	212,867	24,662	86,266	18,026	343,945	4,096,694
Total liabilities, deferred inflows of resources and fund balances	\$ 3,407,167	\$ 52,127	\$ 9,131	\$ 212,867	\$ 84,858	\$ 86,266	\$ 18,026	\$ 344,147	\$ 4,214,589

See notes to financial statements

CITY OF FOREST GROVE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2024

	Building Permits	Street Tree	Trail Systems	Transportation Services	Community Enhancement	Public Arts Donation	Transient Lodging Tax	Total
Revenues								
Other local taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 140,402	\$ 140,402
Licenses, permits and fees	1,751,928	19,538	-	-	-	-	-	1,771,466
Charges for services	33	-	-	-	-	-	-	33
Donations	-	-	129,675	-	-	3,854	-	133,529
Intergovernmental	-	-	-	275,028	98,618	-	-	373,646
Interest	126,240	3,341	1,498	-	569	199	15,123	146,970
Total revenues	1,878,201	22,879	131,173	275,028	99,187	4,053	155,525	2,566,046
Expenditures								
Current								
General government	1,046,841	-	-	-	45,000	-	55,486	1,147,327
Highways and streets	-	53,803	-	250,366	-	-	-	304,169
Culture and recreation	-	-	1,005	-	-	3,265	-	4,270
Capital outlay	-	-	-	-	-	-	14,974	14,974
Total expenditures	1,046,841	53,803	1,005	250,366	45,000	3,265	70,460	1,470,740
Excess (deficiency) of revenues over expenditures	831,360	(30,924)	130,168	24,662	54,187	788	85,065	1,095,306
Other financing sources (uses)								
Transfers in	-	-	-	-	9,257	-	-	9,257
Transfers out	(75,430)	(1,200)	-	-	(5,000)	-	(7,500)	(89,130)
Total other financing sources (uses)	(75,430)	(1,200)	-	-	4,257	-	(7,500)	(79,873)
Net change in fund balances	755,930	(32,124)	130,168	24,662	58,444	788	77,565	1,015,433
Fund balances at beginning of year	2,802,871	84,251	82,699	-	27,822	17,238	266,380	3,081,261
Fund balance at end of year	\$ 3,358,801	\$ 52,127	\$ 212,867	\$ 24,662	\$ 86,266	\$ 18,026	\$ 343,945	\$ 4,096,694

See notes to financial statements

CITY OF FOREST GROVE
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
June 30, 2024

	Traffic Impact	Bike and Pedestrian Pathways	Park Acquisition and Development	Capital Projects	Facility Major Maintenance	CIP Excise	Fire Equipment Replacement	Total
Assets								
Cash and cash equivalents	\$ -	\$ 41,330	\$ 1,699,942	\$ 365	\$ 280,032	\$ 95,355	\$ 162,419	\$ 2,279,443
Investments	-	67,116	2,760,571	592	454,750	154,849	263,755	3,701,633
Accrued interest receivable	-	441	18,129	4	2,986	1,017	1,732	24,309
Receivables	-	-	-	-	-	51,294	71,003	122,297
Total assets	\$ -	\$ 108,887	\$ 4,478,642	\$ 961	\$ 737,768	\$ 302,515	\$ 498,909	\$ 6,127,682
Liabilities, deferred inflows and fund balances								
Liabilities								
Accounts payable and accrued liabilities	-	-	10,234	-	1,505	11,530	9,371	32,640
Total liabilities	-	-	10,234	-	1,505	11,530	9,371	32,640
Deferred inflows of resources								
Unavailable revenue	-	-	-	-	-	51,294	-	51,294
Total deferred inflows of resources	-	-	-	-	-	51,294	-	51,294
Fund balances								
Restricted for capital projects	-	108,887	4,468,408	-	-	-	-	4,577,295
Committed for capital projects	-	-	-	-	-	239,691	489,538	729,229
Assigned for capital projects	-	-	-	961	736,263	-	-	737,224
Total fund balances	-	108,887	4,468,408	961	736,263	239,691	489,538	6,043,748
Total liabilities, deferred inflows of resources and fund balances	\$ -	\$ 108,887	\$ 4,478,642	\$ 961	\$ 737,768	\$ 302,515	\$ 498,909	\$ 6,127,682

See notes to financial statements

CITY OF FOREST GROVE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
Year Ended June 30, 2024

	Traffic Impact	Bike and Pedestrian Pathways	Park Acquisition and Development	Capital Projects	Facility Major Maintenance	CIP Excise	Fire Equipment Replacement	Total
Revenues								
Licenses, permits and fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 405,561	\$ -	\$ 405,561
System development charges	-	-	444,740	-	-	-	-	444,740
Intergovernmental	-	21,358	1,420,103	-	-	-	96,298	1,537,759
Interest	1,586	3,624	180,869	19,085	17,086	10,629	11,948	244,827
Miscellaneous	-	-	-	-	14,378	-	-	14,378
Total revenues	1,586	24,982	2,045,712	19,085	31,464	416,190	108,246	2,647,265
Expenditures								
Current								
General government	-	-	-	957,680	-	-	-	957,680
Capital outlay	-	-	2,652,054	-	186,271	126,843	162,923	3,128,091
Total expenditures	-	-	2,652,054	957,680	186,271	126,843	162,923	4,085,771
Excess (deficiency) of revenues over expenditures	1,586	24,982	(606,342)	(938,595)	(154,807)	289,347	(54,677)	(1,438,506)
Other financing sources (uses)								
Transfers in	-	-	-	-	200,000	-	194,000	394,000
Transfers out	-	-	-	-	-	(353,660)	-	(353,660)
Total other financing sources (uses)	-	-	-	-	200,000	(353,660)	194,000	40,340
Net change in fund balances	1,586	24,982	(606,342)	(938,595)	45,193	(64,313)	139,323	(1,398,166)
Fund balances at beginning of year	(1,586)	83,905	5,074,750	939,556	691,070	304,004	350,215	7,441,914
Fund balance at end of year	\$ -	\$ 108,887	\$ 4,468,408	\$ 961	\$ 736,263	\$ 239,691	\$ 489,538	\$ 6,043,748

See notes to financial statements

CITY OF FOREST GROVE
BUILDING PERMITS - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Licenses, permits and fees	\$ 1,518,900	\$ 1,751,928	\$ 233,028
Charges for services	600	33	(567)
Interest	-	93,174	93,174
Miscellaneous	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
Total revenues	<u>1,544,500</u>	<u>1,845,135</u>	<u>300,635</u>
Expenditures			
Building permit services	1,219,639	1,046,841	172,798
Contingency	<u>250,000</u>	<u>-</u>	<u>250,000</u>
Total expenditures	<u>1,469,639</u>	<u>1,046,841</u>	<u>422,798</u>
Excess (deficiency) of revenues over expenditures	<u>74,861</u>	<u>798,294</u>	<u>723,433</u>
Other financing sources (uses)			
Transfers out	<u>(75,430)</u>	<u>(75,430)</u>	<u>-</u>
Net change in fund balance	(569)	722,864	723,433
Fund balance at beginning of year	<u>2,476,120</u>	<u>2,621,051</u>	<u>144,931</u>
Fund balance at end of year	<u>\$ 2,475,551</u>	<u>3,343,915</u>	<u>\$ 868,364</u>
Reconciliation to GAAP Fund Balance:			
Fair Value adjustment of Investments		14,886	
Total GAAP Fund Balance		<u>\$ 3,358,801</u>	

CITY OF FOREST GROVE
STREET TREE - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Licenses, permits and fees	\$ 34,000	\$ 19,538	\$ (14,462)
Interest	-	2,533	2,533
Miscellaneous	<u>20</u>	<u>-</u>	<u>(20)</u>
Total revenues	<u>34,020</u>	<u>22,071</u>	<u>(11,949)</u>
Expenditures			
Street Tree Program	<u>86,157</u>	<u>53,803</u>	<u>32,354</u>
Total expenditures	<u>86,157</u>	<u>53,803</u>	<u>32,354</u>
Excess (deficiency) of revenues over expenditures	<u>(52,137)</u>	<u>(31,732)</u>	<u>20,405</u>
Other financing sources (uses)			
Transfers out	<u>(1,200)</u>	<u>(1,200)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,200)</u>	<u>(1,200)</u>	<u>-</u>
Net change in fund balance	(53,337)	(32,932)	20,405
Fund balance at beginning of year	<u>53,337</u>	<u>84,830</u>	<u>31,493</u>
Fund balance at end of year	<u>\$ -</u>	<u>51,898</u>	<u>\$ 51,898</u>
Reconciliation to GAAP Fund Balance:			
Fair Value adjustment of Investments		228	
Total GAAP Fund Balance		<u><u>\$ 52,126</u></u>	

CITY OF FOREST GROVE
TRAIL SYSTEM - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Miscellaneous	\$ -	\$ 129,675	\$ 129,675
Total revenues	-	129,675	129,675
Expenditures			
Trail System Program	83,267	1,005	82,262
Total expenditures	83,267	1,005	82,262
Net change in fund balance	(83,267)	128,670	211,937
Fund balance at beginning of year	83,267	83,267	-
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>211,937</u></u>	<u><u>\$ 211,937</u></u>
Reconciliation to GAAP Fund Balance:			
Fair Value adjustment of Investments		930	
Total GAAP Fund Balance		<u><u>\$ 212,867</u></u>	

CITY OF FOREST GROVE
TRANSPORTATION SERVICES - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 350,000	\$ 275,028	\$ (74,972)
Total revenues	<u>350,000</u>	<u>275,028</u>	<u>(74,972)</u>
Expenditures			
Transportation Services Program	<u>350,000</u>	<u>250,366</u>	<u>99,634</u>
Total expenditures	<u>350,000</u>	<u>250,366</u>	<u>99,634</u>
Net change in fund balance	-	24,662	24,662
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 24,662</u>	<u>\$ 24,662</u>

CITY OF FOREST GROVE
COMMUNITY ENHANCEMENT - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 70,000	\$ 98,618	\$ 28,618
Total revenues	<u>70,000</u>	<u>98,618</u>	<u>28,618</u>
Expenditures			
Materials and services	<u>77,349</u>	<u>45,000</u>	<u>32,349</u>
Total expenditures	<u>77,349</u>	<u>45,000</u>	<u>32,349</u>
Excess (deficiency) of revenues over expenditures	(7,349)	53,618	60,967
Other financing sources (uses)			
Transfers in	9,257	9,257	-
Transfers out	<u>(30,318)</u>	<u>(5,000)</u>	<u>25,318</u>
Total other financing sources (uses)	<u>(21,061)</u>	<u>4,257</u>	<u>25,318</u>
Net change in fund balance	(28,410)	57,875	86,285
Fund balance at beginning of year	<u>28,410</u>	<u>28,014</u>	<u>(396)</u>
Fund balance at end of year	<u>\$ -</u>	<u>85,889</u>	<u>\$ 85,889</u>
Reconciliation to GAAP Fund Balance:			
Fair Value adjustment of Investments		377	
Total GAAP Fund Balance		<u>\$ 86,266</u>	

See notes to financial statements

CITY OF FOREST GROVE
PUBLIC ARTS DONATION - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Donations	\$ -	\$ 3,854	\$ 3,854
Interest	-	1	1
Miscellaneous	<u>1,600</u>	<u>-</u>	<u>(1,600)</u>
Total revenues	<u>1,600</u>	<u>3,855</u>	<u>2,255</u>
Expenditures			
Public Arts Donations Program	<u>19,457</u>	<u>3,265</u>	<u>16,192</u>
Total expenditures	<u>19,457</u>	<u>3,265</u>	<u>16,192</u>
Net change in fund balance	(17,857)	590	18,447
Fund balance at beginning of year	<u>17,857</u>	<u>17,357</u>	<u>(500)</u>
Fund balance at end of year	<u>\$ -</u>	<u>17,947</u>	<u>\$ 17,947</u>
Reconciliation to GAAP Fund Balance:			
Fair Value adjustment of Investments		79	
Total GAAP Fund Balance		<u>\$ 18,026</u>	

CITY OF FOREST GROVE
TRANSIENT LODGING TAX - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Other local taxes	\$ 125,000	\$ 140,402	\$ 15,402
Interest	-	12,105	12,105
Miscellaneous	<u>2,300</u>	<u>-</u>	<u>(2,300)</u>
Total revenues	<u>127,300</u>	<u>152,507</u>	<u>25,207</u>
Expenditures			
Transient Lodging Tax Program	360,747	55,486	305,261
Capital outlay	<u>-</u>	<u>14,974</u>	<u>(14,974)</u>
Total expenditures	<u>360,747</u>	<u>70,460</u>	<u>290,287</u>
Excess (deficiency) of revenues over expenditures	<u>(233,447)</u>	<u>82,047</u>	<u>315,494</u>
Other financing sources (uses)			
Transfers out	<u>(7,500)</u>	<u>(7,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>(7,500)</u>	<u>(7,500)</u>	<u>-</u>
Net change in fund balance	(240,947)	74,547	315,494
Fund balance at beginning of year	<u>240,947</u>	<u>268,012</u>	<u>27,065</u>
Fund balance at end of year	<u>\$ -</u>	<u>342,559</u>	<u>\$ 342,559</u>
Reconciliation to GAAP Fund Balance:			
Fair Value adjustment of Investments		1,386	
Total GAAP Fund Balance		<u><u>\$ 343,945</u></u>	

See notes to financial statements

CITY OF FOREST GROVE
BIKE AND PEDESTRIAN PATHWAYS - CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 20,801	\$ 21,358	\$ 557
Interest	-	2,571	2,571
Miscellaneous	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Total revenues	<u>21,801</u>	<u>23,929</u>	<u>2,128</u>
Expenditures			
Bike and Ped. Pathways Program	<u>105,397</u>	<u>-</u>	<u>105,397</u>
Total expenditures	<u>105,397</u>	<u>-</u>	<u>105,397</u>
Net change in fund balance	(83,596)	23,929	107,525
Fund balance at beginning of year	<u>83,596</u>	<u>84,482</u>	<u>886</u>
Fund balance at end of year	<u>\$ -</u>	108,411	<u>\$ 108,411</u>
Reconciliation to GAAP Fund Balance:			
Fair Value adjustment of Investments		476	
Total GAAP Fund Balance		<u>\$ 108,887</u>	

CITY OF FOREST GROVE
PARK ACQUISITION AND DEVELOPMENT - CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
System development charges	\$ 650,000	\$ 444,740	\$ (205,260)
Intergovernmental	1,602,103	1,420,103	(182,000)
Interest	-	125,795	125,795
Miscellaneous	<u>40,000</u>	<u>-</u>	<u>(40,000)</u>
Total revenues	<u>2,292,103</u>	<u>1,990,638</u>	<u>(301,465)</u>
Expenditures			
Park system construction	<u>7,496,799</u>	<u>2,652,054</u>	<u>4,844,745</u>
Total expenditures	<u>7,496,799</u>	<u>2,652,054</u>	<u>4,844,745</u>
Net change in fund balance	(5,204,696)	(661,416)	4,543,280
Fund balance at beginning of year	<u>5,204,696</u>	<u>5,110,257</u>	<u>(94,439)</u>
Fund balance at end of year	<u>\$ -</u>	<u>4,448,841</u>	<u>\$ 4,448,841</u>
Reconciliation to GAAP Fund Balance:			
Fair Value adjustment of Investments		19,567	
Total GAAP Fund Balance		<u>\$ 4,468,408</u>	

CITY OF FOREST GROVE
CAPITAL PROJECTS - CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest	\$ -	\$ 18,939	\$ 18,939
Miscellaneous	<u>938,447</u>	<u>919,066</u>	<u>(19,381)</u>
Total revenues	<u>938,447</u>	<u>938,005</u>	<u>(442)</u>
Expenditures			
Debt Service	979,973	957,680	22,293
Capital Projects Program	<u>8,474</u>	<u>-</u>	<u>8,474</u>
Total expenditures	<u>988,447</u>	<u>957,680</u>	<u>30,767</u>
Excess (deficiency) of revenues over expenditures	<u>(50,000)</u>	<u>(19,675)</u>	<u>30,325</u>
Net change in fund balance	(50,000)	(19,675)	30,325
Fund balance at beginning of year	<u>50,000</u>	<u>20,632</u>	<u>(29,368)</u>
Fund balance at end of year	<u>\$ -</u>	<u>957</u>	<u>\$ 957</u>
Reconciliation to GAAP Fund Balance:			
Fair Value adjustment of Investments		4	
Total GAAP Fund Balance		<u>\$ 961</u>	

See notes to financial statements

CITY OF FOREST GROVE
FACILITY MAJOR MAINTENANCE - CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest	-	17,087	17,087
Miscellaneous	15,000	5,880	(9,120)
Total revenues	15,000	22,967	7,967
Expenditures			
Capital outlay	1,256,302	186,271	1,070,031
Total expenditures	1,256,302	186,271	1,070,031
Excess (deficiency) of revenues over expenditures	(1,241,302)	(163,304)	1,077,998
Other financing sources (uses)			
Transfers in	200,000	200,000	-
Total other financing sources (uses)	200,000	200,000	-
Net change in fund balance	(1,041,302)	36,696	1,077,998
Fund balance at beginning of year	1,041,302	696,344	(344,958)
Fund balance at end of year	\$ -	\$ 733,040	\$ 733,040
Reconciliation to GAAP Fund Balance:			
Fair Value adjustment of Investments		\$ 3,223	
Total GAAP Fund Balance		<u>\$ 736,263</u>	

See notes to financial statements

CITY OF FOREST GROVE
CIP EXCISE - CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Licenses, permits and fees	\$ 386,000	\$ 405,561	\$ 19,561
Interest	-	7,413	7,413
Miscellaneous	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>
Total revenues	<u>388,000</u>	<u>412,974</u>	<u>24,974</u>
Expenditures			
Capital outlay	<u>253,383</u>	<u>126,843</u>	<u>126,540</u>
Total expenditures	<u>253,383</u>	<u>126,843</u>	<u>126,540</u>
Excess (deficiency) of revenues over expenditures	<u>134,617</u>	<u>286,131</u>	<u>151,514</u>
Other financing sources (uses)			
Transfers in	26,300	-	(26,300)
Transfers out	<u>(353,660)</u>	<u>(353,660)</u>	<u>-</u>
Total other financing sources (uses)	<u>(327,360)</u>	<u>(353,660)</u>	<u>(26,300)</u>
Net change in fund balance	(192,743)	(67,529)	125,214
Fund balance at beginning of year	<u>192,743</u>	<u>306,122</u>	<u>113,379</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 238,593</u>	<u>\$ 238,593</u>
Reconciliation to GAAP Fund Balance:			
Fair Value adjustment of Investments		\$ 1,098	
Total GAAP Fund Balance		<u><u>\$ 239,691</u></u>	

See notes to financial statements

CITY OF FOREST GROVE
FIRE EQUIPMENT REPLACEMENT - CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ -	\$ -	\$ -
Intergovernmental	140,000	96,298	(43,702)
Interest	-	7,714	7,714
Miscellaneous	<u>2,652</u>	<u>-</u>	<u>(2,652)</u>
Total revenues	<u>142,652</u>	<u>104,012</u>	<u>(38,640)</u>
Expenditures			
Fire Equipment Replacement Program	280,000	162,923	117,077
Contingency	<u>42,000</u>	<u>-</u>	<u>42,000</u>
Total expenditures	<u>322,000</u>	<u>162,923</u>	<u>159,077</u>
Excess (deficiency) of revenues over expenditures	<u>(179,348)</u>	<u>(58,911)</u>	<u>120,437</u>
Other financing sources (uses)			
Transfers in	<u>194,000</u>	<u>194,000</u>	<u>-</u>
Total other financing sources (uses)	<u>194,000</u>	<u>194,000</u>	<u>-</u>
Net change in fund balance	14,652	135,089	120,437
Fund balance at beginning of year	<u>265,209</u>	<u>352,580</u>	<u>87,371</u>
Fund balance at end of year	<u>\$ 279,861</u>	<u>\$ 487,669</u>	<u>\$ 207,808</u>
Reconciliation to GAAP Fund Balance:			
Fair Value adjustment of Investments		\$ 1,869	
Total GAAP Fund Balance		<u>\$ 489,538</u>	

See notes to financial statements

CITY OF FOREST GROVE
LIBRARY ENDOWMENT - PERMANENT FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest	\$ -	\$ 2,155	\$ 2,155
Miscellaneous	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Total revenues	<u>1,000</u>	<u>2,155</u>	<u>1,155</u>
Expenditures			
Library Endowment Program	<u>1,720</u>	<u>-</u>	<u>1,720</u>
Total expenditures	<u>1,720</u>	<u>-</u>	<u>1,720</u>
Excess (deficiency) of revenues over expenditures	<u>(720)</u>	<u>2,155</u>	<u>2,875</u>
Other financing sources (uses)			
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(720)	2,155	2,875
Fund balance at beginning of year	<u>41,907</u>	<u>42,464</u>	<u>557</u>
Fund balance at end of year	<u>\$ 41,187</u>	<u>\$ 44,619</u>	<u>\$ 3,432</u>
Reconciliation to GAAP Fund Balance:			
Fair Value adjustment of Investments		\$ 195	
Total GAAP Fund Balance		<u>\$ 44,814</u>	

CITY OF FOREST GROVE
LIGHT - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	<u>Budget</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Charges for services	\$ 22,373,502	\$ 22,373,502	\$ 23,488,930	\$ 1,115,428
Intergovernmental	450,000	450,000	-	(450,000)
Interest	-	-	188,189	188,189
Miscellaneous	621,865	621,865	2,381,784	1,759,919
Total revenues	<u>23,445,367</u>	<u>23,445,367</u>	<u>26,058,903</u>	<u>2,613,536</u>
Expenditures				
Electric services	23,886,442	24,751,442	23,930,864	820,578
Debt service	305,213	319,313	319,247	66
Contingency	1,000,000	120,900	-	120,900
Total expenditures	<u>25,191,655</u>	<u>25,191,655</u>	<u>24,250,111</u>	<u>941,544</u>
Excess (deficiency) of revenues over expenditures	<u>(1,746,288)</u>	<u>(1,746,288)</u>	<u>1,808,792</u>	<u>3,555,080</u>
Other financing sources (uses)				
Transfers out	<u>(1,345,668)</u>	<u>(1,345,668)</u>	<u>(1,339,808)</u>	<u>5,860</u>
Total other financing sources (uses)	<u>(1,345,668)</u>	<u>(1,345,668)</u>	<u>(1,339,808)</u>	<u>5,860</u>
Net change in fund balance	(3,091,956)	(3,091,956)	468,984	3,560,940
Fund balance at beginning of year	<u>7,947,018</u>	<u>7,947,018</u>	<u>8,446,144</u>	<u>499,126</u>
Fund balance at end of year	<u>\$ 4,855,062</u>	<u>\$ 4,855,062</u>	<u>\$ 8,915,128</u>	<u>\$ 4,060,066</u>
Reconciliation to GAAP Fund Balance:				
Capital Assets			\$ 29,312,474	
Deferred Outflows			1,306,742	
Deferred Inflows			(169,006)	
Accrued Compensated Absences			(237,919)	
Notes Payable			(1,962,000)	
Pension and OPEB Liabilities			(8,471,209)	
Inventory			1,126,816	
Fair Value Adjustment of Investments			133,823	
Total GAAP Fund Balance			<u>\$ 29,954,849</u>	

See notes to financial statements

CITY OF FOREST GROVE
COMBINING STATEMENT OF NET POSITION
SEWER FUND
June 30, 2024

	<u>Sewer</u>	<u>Sewer System Development Charges</u>	<u>Total Sewer Fund</u>
Assets			
Current assets			
Cash and cash equivalents	\$ 2,292,513	\$ 692,633	\$ 2,985,146
Investments	3,722,861	1,124,781	4,847,642
Accrued interest receivable	24,448	7,386	31,834
Receivables, net	830,185	761	830,946
Prepaid items	639	-	639
Total current assets	<u>6,870,646</u>	<u>1,825,561</u>	<u>8,696,207</u>
Capital assets			
Land and construction in progress	81,023	-	81,023
Other capital assets, net	<u>11,199,786</u>	<u>-</u>	<u>11,199,786</u>
Total capital assets	<u>11,280,809</u>	<u>-</u>	<u>11,280,809</u>
Total assets	<u>18,151,455</u>	<u>1,825,561</u>	<u>19,977,016</u>
Deferred outflows of resources			
Pension related items	107,256	-	107,256
Other postemployment benefit related items	<u>2,740</u>	<u>-</u>	<u>2,740</u>
Total deferred outflows of resources	<u>109,996</u>	<u>-</u>	<u>109,996</u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	1,189,559	106,074	1,295,633
Accrued interest payable	-	12,361	12,361
Long-term obligations due within one year	<u>193,991</u>	<u>-</u>	<u>193,991</u>
Total current liabilities	1,383,550	118,435	1,501,985
Noncurrent liabilities			
Net pension liability	694,806	-	694,806
OPEB liability	18,201	-	18,201
Notes payable	<u>1,420,659</u>	<u>-</u>	<u>1,420,659</u>
Total noncurrent liabilities	2,133,666	-	2,133,666
Total liabilities	<u>3,517,216</u>	<u>118,435</u>	<u>3,635,651</u>
Deferred inflows of resources			
Pension related items	2,506	-	2,506
Other postemployment benefit related items	<u>10,331</u>	<u>-</u>	<u>10,331</u>
Total deferred inflows of resources	<u>12,837</u>	<u>-</u>	<u>12,837</u>
Net position			
Net investment in capital assets	11,280,809	-	11,280,809
Restricted for capital projects	-	1,707,126	1,707,126
Unrestricted	<u>3,450,589</u>	<u>-</u>	<u>3,450,589</u>
Total net position	<u>\$ 14,731,398</u>	<u>\$ 1,707,126</u>	<u>\$ 16,438,524</u>

See notes to financial statements

CITY OF FOREST GROVE
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
SEWER FUND
Year Ended June 30, 2024

	<u>Sewer</u>	<u>Sewer System Development Charges</u>	<u>Eliminations</u>	<u>Total Sewer Fund</u>
Operating revenues				
Licenses, permits and fees	\$ -	\$ 5,339	\$ -	\$ 5,339
Charges for services	<u>2,053,158</u>	<u>-</u>	<u>-</u>	<u>2,053,158</u>
Total operating revenues	<u>2,053,158</u>	<u>5,339</u>	<u>-</u>	<u>2,058,497</u>
Operating expenses				
Personnel services	415,641	-	-	415,641
Materials and services	999,823	-	-	999,823
Depreciation	<u>340,251</u>	<u>-</u>	<u>-</u>	<u>340,251</u>
Total operating expenses	<u>1,755,715</u>	<u>-</u>	<u>-</u>	<u>1,755,715</u>
Operating income (loss)	<u>297,443</u>	<u>5,339</u>	<u>-</u>	<u>302,782</u>
Nonoperating revenues (expenses)				
Interest income	233,747	68,570	-	302,317
Miscellaneous	11,877	-	-	11,877
Interest expense	<u>(21,133)</u>	<u>(5,285)</u>	<u>-</u>	<u>(26,418)</u>
Total nonoperating revenue (expenses)	<u>224,491</u>	<u>63,285</u>	<u>-</u>	<u>287,776</u>
Income (loss) before transfers and capital contributions	521,934	68,624	-	590,558
Capital contributions	(988,354)	114,747	-	(873,607)
Transfers in	165,511	-	(165,511)	-
Transfers out	<u>(103,398)</u>	<u>(165,511)</u>	<u>165,511</u>	<u>(103,398)</u>
Change in net position	(404,307)	17,860	-	(386,447)
Net position at beginning of year	<u>15,135,705</u>	<u>1,689,266</u>	<u>-</u>	<u>16,824,971</u>
Net position at end of year	<u>\$ 14,731,398</u>	<u>\$ 1,707,126</u>	<u>\$ -</u>	<u>\$ 16,438,524</u>

See notes to financial statements

CITY OF FOREST GROVE
COMBINING STATEMENT OF CASH FLOWS
SEWER FUND
Year Ended June 30, 2024

	Sewer	Sewer System Development Charges	Eliminations	Total Sewer Fund
Cash flows from operating activities				
Receipts from customers	\$ 2,026,307	\$ 5,339	\$ -	\$ 2,031,646
Payments to suppliers	(492,802)	78,957	-	(413,845)
Payments to employees	(347,810)	-	-	(347,810)
Net cash from operating activities	<u>1,185,695</u>	<u>84,296</u>	<u>-</u>	<u>1,269,991</u>
Cash flows from noncapital financing activities				
Transfers out	(103,398)	-	-	(103,398)
Net cash from noncapital financing activities	<u>(103,398)</u>	<u>-</u>	<u>-</u>	<u>(103,398)</u>
Cash flows from capital and related financing activities				
System development charges received	-	114,747	-	114,747
Other	11,877	-	-	11,877
Acquisition of capital assets	(86,150)	-	-	(86,150)
Principal paid on long-term obligations	-	(151,873)	-	(151,873)
Interest paid on long-term obligations	-	(13,638)	-	(13,638)
Net cash from capital and related financing activities	<u>(74,273)</u>	<u>(50,764)</u>	<u>-</u>	<u>(125,037)</u>
Cash flows from investing activities				
Interest on investments	217,117	63,991	-	281,108
Purchases of investments	(1,224,837)	(227,887)	-	(1,452,724)
Net cash from investing activities	<u>(1,007,720)</u>	<u>(163,896)</u>	<u>-</u>	<u>(1,171,616)</u>
Net increase (decrease) in cash and cash equivalents	304	(130,364)	-	(130,060)
Cash and cash equivalents at beginning of year	<u>2,292,209</u>	<u>822,997</u>	<u>-</u>	<u>3,115,206</u>
Cash and cash equivalents at end of year	<u>\$ 2,292,513</u>	<u>\$ 692,633</u>	<u>\$ -</u>	<u>\$ 2,985,146</u>
Reconciliation of operating income (loss) to net cash from operating activities				
Operating income (loss)	\$ 297,443	\$ 5,339	\$ -	\$ 302,782
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation	340,251	-	-	340,251
(Increase) decrease in assets and deferred outflows of resources				
Receivables, net	(26,851)	-	-	(26,851)
Prepaid items	(27)	-	-	(27)
Pension related items	(10,425)	-	-	(10,425)
Other postemployment benefit related items	975	-	-	975
Increase (decrease) in liabilities and deferred inflows of resources				
Accounts payable and accrued liabilities	507,048	78,957	-	586,005
Net pension liability	92,798	-	-	92,798
Net other postemployment benefits liability	(1,247)	-	-	(1,247)
Pension related items	(10,843)	-	-	(10,843)
Other postemployment benefit related items	(3,427)	-	-	(3,427)
Net cash from operating activities	<u>\$ 1,185,695</u>	<u>\$ 84,296</u>	<u>\$ -</u>	<u>\$ 1,269,991</u>

See notes to financial statements

CITY OF FOREST GROVE
SEWER - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 1,910,491	\$ 2,053,160	\$ 142,669
Interest	-	174,362	174,362
Miscellaneous	<u>75,000</u>	<u>11,877</u>	<u>(63,123)</u>
Total revenues	<u>1,985,491</u>	<u>2,239,399</u>	<u>253,908</u>
Expenditures			
Sewer service	1,850,810	1,433,785	417,025
Contingency	<u>750,000</u>	<u>-</u>	<u>750,000</u>
Total expenditures	<u>2,600,810</u>	<u>1,433,785</u>	<u>1,167,025</u>
Excess (deficiency) of revenues over expenditures	<u>(615,319)</u>	<u>805,614</u>	<u>1,420,933</u>
Other financing sources (uses)			
Transfers out	<u>(103,398)</u>	<u>(103,398)</u>	<u>-</u>
Total other financing sources (uses)	<u>(103,398)</u>	<u>(103,398)</u>	<u>-</u>
Net change in fund balance	(718,717)	702,216	1,420,933
Fund balance at beginning of year	<u>4,814,638</u>	<u>4,952,484</u>	<u>137,846</u>
Fund balance at end of year	<u>\$ 4,095,921</u>	<u>\$ 5,654,700</u>	<u>\$ 1,558,779</u>
Reconciliation to GAAP Fund Balance:			
Capital Assets		\$ 11,280,809	
Deferred Outflows		109,996	
Deferred Inflows		(12,837)	
Notes Payable		(1,614,650)	
Pension and OPEB Liabilities		(713,007)	
Fair Value Adjustment of Investments		26,387	
Total GAAP Fund Balance		<u><u>\$ 14,731,398</u></u>	

CITY OF FOREST GROVE
SEWER SYSTEM DEVELOPMENT CHARGES - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Licenses, permits and fees	\$ -	\$ 5,339	\$ 5,339
System development charges	120,000	114,747	(5,253)
Interest	-	48,750	48,750
Miscellaneous	<u>17,000</u>	<u>-</u>	<u>(17,000)</u>
Total revenues	<u>137,000</u>	<u>168,836</u>	<u>31,836</u>
Expenditures			
Sewer infrastructure construction	550,000	-	550,000
Debt service	229,606	165,511	64,095
Contingency	<u>61,500</u>	<u>-</u>	<u>61,500</u>
Total expenditures	<u>841,106</u>	<u>165,511</u>	<u>675,595</u>
Excess (deficiency) of revenues over expenditures	<u>(704,106)</u>	<u>3,325</u>	<u>707,431</u>
Net change in fund balance	(704,106)	3,325	707,431
Fund balance at beginning of year	<u>1,707,339</u>	<u>1,708,190</u>	<u>851</u>
Fund balance at end of year	<u>\$ 1,003,233</u>	<u>\$ 1,711,515</u>	<u>\$ 708,282</u>
Reconciliation to GAAP Fund Balance:			
Fair Value adjustment of Investments		<u>\$ (4,389)</u>	
Total GAAP Fund Balance		<u><u>\$ 1,707,126</u></u>	

See notes to financial statements

CITY OF FOREST GROVE
COMBINING STATEMENT OF NET POSITION
WATER FUND
June 30, 2024

	<u>Water</u>	<u>Water System Development Charge</u>	<u>Total Water Fund</u>
Assets			
Current assets			
Cash and cash equivalents	\$ 6,838,309	\$ 3,693,379	\$ 10,531,688
Investments	11,104,874	5,997,755	17,102,629
Accrued interest receivable	72,926	39,388	112,314
Receivables, net	690,025	-	690,025
Inventory	282,176	-	282,176
Prepaid items	391	-	391
Total current assets	<u>18,988,701</u>	<u>9,730,522</u>	<u>28,719,223</u>
Investment in joint ventures	<u>5,857,194</u>	<u>-</u>	<u>5,857,194</u>
Capital assets			
Land and construction in progress	1,135,095	-	1,135,095
Other capital assets, net	<u>11,051,951</u>	<u>-</u>	<u>11,051,951</u>
Total capital assets	<u>12,187,046</u>	<u>-</u>	<u>12,187,046</u>
Total assets	<u>37,032,941</u>	<u>9,730,522</u>	<u>46,763,463</u>
Deferred outflows of resources			
Pension related items	273,176	-	273,176
Other postemployment benefit related items	<u>13,052</u>	<u>-</u>	<u>13,052</u>
Total deferred outflows of resources	<u>286,228</u>	<u>-</u>	<u>286,228</u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	314,753	51,576	366,329
Accrued compensated absences	187,032	-	187,032
Long-term obligations due within one year	<u>48,176</u>	<u>-</u>	<u>48,176</u>
Total current liabilities	<u>549,961</u>	<u>51,576</u>	<u>601,537</u>
Noncurrent liabilities			
Net pension liability	1,769,642		1,769,642
OPEB liability	86,707		86,707
Notes payable	<u>655,285</u>	<u>-</u>	<u>655,285</u>
Total noncurrent liabilities	<u>2,511,634</u>	<u>-</u>	<u>2,511,634</u>
Total liabilities	<u>3,061,595</u>	<u>51,576</u>	<u>3,113,171</u>
Deferred inflows of resources			
Pension related items	6,383	-	6,383
Other postemployment benefit related items	<u>49,214</u>	<u>-</u>	<u>49,214</u>
Total deferred inflows of resources	<u>55,597</u>	<u>-</u>	<u>55,597</u>
Net position			
Net investment in capital assets	11,483,585	-	11,483,585
Restricted for capital projects	-	9,678,946	9,678,946
Unrestricted	<u>22,718,392</u>	<u>-</u>	<u>22,718,392</u>
Total net position	<u>\$ 34,201,977</u>	<u>\$ 9,678,946</u>	<u>\$ 43,880,923</u>

See notes to financial statements

CITY OF FOREST GROVE
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
WATER FUND
Year Ended June 30, 2024

	<u>Water</u>	<u>Water System Development Charge</u>	<u>Eliminations</u>	<u>Total Water Fund</u>
Operating revenues				
Licenses, permits and fees	\$ 1,802	\$ -	\$ -	\$ 1,802
Charges for services	7,091,193	-	-	7,091,193
Total operating revenues	7,092,995	-	-	7,092,995
Operating expenses				
Personnel services	1,541,834	-	-	1,541,834
Materials and services	3,450,921	187,413	-	3,638,334
Depreciation	455,609	-	-	455,609
Total operating expenses	5,448,364	187,413	-	5,635,777
Operating income (loss)	1,644,631	(187,413)	-	1,457,218
Nonoperating revenues (expenses)				
Interest income	728,860	409,674	-	1,138,534
Miscellaneous	4,174	939,066	-	943,240
Interest expense	(26,259)	-	-	(26,259)
(Loss) on investment in joint venture	(326,806)	-	-	(326,806)
Total nonoperating revenue (expenses)	379,969	1,348,740	-	1,728,709
Income (loss) before transfers and capital contributions	2,024,600	1,161,327	-	3,185,927
Capital contributions	-	587,544	-	587,544
Transfers in	-	-	-	-
Transfers out	(360,780)	(1,200)	-	(361,980)
Change in net position	1,663,820	1,747,671	-	3,411,491
Net position at beginning of year	32,538,157	7,931,275	-	40,469,432
Net position at end of year	\$ 34,201,977	\$ 9,678,946	\$ -	\$ 43,880,923

See notes to financial statements

CITY OF FOREST GROVE
COMBINING STATEMENT OF CASH FLOWS
WATER FUND
Year Ended June 30, 2024

	Water	Water System Development Charge	Eliminations	Total Water Fund
Cash flows from operating activities				
Receipts from customers	\$ 7,147,818	\$ -	\$ -	\$ 7,147,818
Payments to suppliers	(3,391,570)	(178,120)	-	(3,569,690)
Payments to employees	(1,382,016)	-	-	(1,382,016)
Net cash from operating activities	2,374,232	(178,120)	-	2,196,112
Cash flows from noncapital financing activities				
Transfers out	(360,780)	(1,200)	-	(361,980)
Cash flows from capital and related financing activities				
System development charges received	-	587,544	-	587,544
Other	4,174	939,066	-	943,240
Acquisition of capital assets	(684,015)	-	-	(684,015)
Principal paid on long-term obligations	(46,548)	-	-	(46,548)
Interest paid on long-term obligations	(26,259)	-	-	(26,259)
Net cash from capital and related financing activities	(752,648)	1,526,610	-	773,962
Cash flows from investing activities				
Interest on investments	682,046	383,276	-	1,065,322
Purchases of investments	(2,760,976)	(1,846,456)	-	(4,607,432)
Net cash from investing activities	(2,078,930)	(1,463,180)	-	(3,542,110)
Net increase (decrease) in cash and cash equivalents	(818,126)	(115,890)	-	(934,016)
Cash and cash equivalents at beginning of year	7,656,435	3,809,269	-	11,465,704
Cash and cash equivalents at end of year	\$ 6,838,309	\$ 3,693,379	\$ -	\$ 10,531,688
Reconciliation of operating income (loss) to net cash from operating activities				
Operating income (loss)	\$ 1,644,631	\$ (187,413)	\$ -	\$ 1,457,218
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation	455,609	-	-	455,609
(Increase) decrease in assets and deferred outflows of resources				
Receivables, net	54,823	-	-	54,823
Inventories	(1,162)	-	-	(1,162)
Pension related items	(21,747)	-	-	(21,747)
Other postemployment benefit related items	3,596	-	-	3,596
Increase (decrease) in liabilities and deferred inflows of resources				
Accounts payable and accrued liabilities	60,513	9,293	-	69,806
Compensated absences payable	12,641	-	-	12,641
Net pension liability	206,479	-	-	206,479
Net other postemployment benefits liability	(430)	-	-	(430)
Pension related items	(28,279)	-	-	(28,279)
Other postemployment benefit related items	(12,442)	-	-	(12,442)
Net cash from operating activities	\$ 2,374,232	\$ (178,120)	\$ -	\$ 2,196,112
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-
(Loss) on investment in joint venture	(326,806)	-	-	(326,806)
Total noncash transactions	\$ (326,806)	\$ -	\$ -	\$ (326,806)

See notes to financial statements

CITY OF FOREST GROVE
WATER - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Licenses, permits and fees	\$ 5,000	\$ 1,802	\$ (3,198)
Charges for services	5,510,002	7,091,193	1,581,191
Interest	-	539,930	539,930
Miscellaneous	<u>1,186,050</u>	<u>4,174</u>	<u>(1,181,876)</u>
Total revenues	<u>6,701,052</u>	<u>7,637,099</u>	<u>936,047</u>
Expenditures			
Water services	7,179,858	5,518,121	1,661,737
Debt service	72,810	72,797	13
Contingency	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
Total expenditures	<u>8,252,668</u>	<u>5,590,918</u>	<u>2,661,750</u>
Excess (deficiency) of revenues over expenditures	<u>(1,551,616)</u>	<u>2,046,181</u>	<u>3,597,797</u>
Other financing sources (uses)			
Transfers out	<u>(360,780)</u>	<u>(360,780)</u>	<u>-</u>
Total other financing sources (uses)	<u>(360,780)</u>	<u>(360,780)</u>	<u>-</u>
Net change in fund balance	(1,912,396)	1,685,401	3,597,797
Fund balance at beginning of year	<u>15,246,310</u>	<u>16,627,661</u>	<u>1,381,351</u>
Fund balance at end of year	<u>\$ 13,333,914</u>	<u>\$ 18,313,062</u>	<u>\$ 4,979,148</u>
Reconciliation to GAAP Fund Balance:			
Capital Assets		\$ 12,187,046	
Deferred Outflows		286,228	
Deferred Inflows		(55,597)	
Long Term Debt		(703,461)	
Accrued Compensated Absences		(187,032)	
Pension and OPEB Liabilities		(1,856,349)	
Inventory		282,176	
Joint Ventures		5,857,194	
Fair Value Adjustment of Investments		78,710	
Total GAAP Fund Balance		<u><u>\$ 34,201,977</u></u>	

CITY OF FOREST GROVE
WATER SYSTEM DEVELOPMENT CHARGES - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
System development charges	\$ 600,000	\$ 587,544	\$ (12,456)
Interest	-	312,325	312,325
Miscellaneous	<u>1,039,973</u>	<u>939,066</u>	<u>(100,907)</u>
Total revenues	<u>1,639,973</u>	<u>1,838,935</u>	<u>198,962</u>
Expenditures			
Water infrastructure construction	4,942,359	187,413	4,754,946
Contingency	<u>150,000</u>	<u>-</u>	<u>150,000</u>
Total expenditures	<u>5,092,359</u>	<u>187,413</u>	<u>4,904,946</u>
Excess (deficiency) of revenues over expenditures	<u>(3,452,386)</u>	<u>1,651,522</u>	<u>5,103,908</u>
Other financing sources (uses)			
Transfers out	<u>(1,200)</u>	<u>(1,200)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,200)</u>	<u>(1,200)</u>	<u>-</u>
Net change in fund balance	(3,453,586)	1,650,322	5,103,908
Fund balance at beginning of year	<u>8,010,836</u>	<u>7,986,112</u>	<u>(24,724)</u>
Fund balance at end of year	<u>\$ 4,557,250</u>	<u>\$ 9,636,434</u>	<u>\$ 5,079,184</u>
Reconciliation to GAAP Fund Balance:			
Fair Value Adjustment of Investments		\$ 42,512	
Total GAAP Fund Balance		<u>\$ 9,678,946</u>	

See notes to financial statements

CITY OF FOREST GROVE
COMBINING STATEMENT OF NET POSITION
SURFACE WATER MANAGEMENT FUND
June 30, 2024

	Surface Water Management	Surface Water Management System Development Charges	Total Surface Water Management Fund
Assets			
Current assets			
Cash and cash equivalents	\$ 618,876	\$ 243,655	\$ 862,531
Investments	1,005,006	395,677	1,400,683
Accrued interest receivable	6,600	2,598	9,198
Receivables, net	210,357	-	210,357
Prepaid items	142	-	142
Total current assets	<u>1,840,981</u>	<u>641,930</u>	<u>2,482,911</u>
Capital assets			
Other capital assets, net	<u>8,014,033</u>	<u>-</u>	<u>8,014,033</u>
Total assets	<u>9,855,014</u>	<u>641,930</u>	<u>10,496,944</u>
Deferred outflows of resources			
Pension related items	119,732	-	119,732
Other postemployment benefit related items	<u>5,562</u>	<u>-</u>	<u>5,562</u>
Total deferred outflows of resources	<u>125,294</u>	<u>-</u>	<u>125,294</u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	<u>116,027</u>	<u>-</u>	<u>116,027</u>
Total current liabilities	116,027	-	116,027
Noncurrent liabilities			
Net pension liability	775,627	-	775,627
OPEB liability	<u>36,950</u>	<u>-</u>	<u>36,950</u>
Total liabilities	<u>928,604</u>	<u>-</u>	<u>928,604</u>
Deferred inflows of resources			
Pension related items	2,798	-	2,798
Other postemployment benefit related items	<u>20,972</u>	<u>-</u>	<u>20,972</u>
Total deferred inflows of resources	<u>23,770</u>	<u>-</u>	<u>23,770</u>
Net position			
Net investment in capital assets	8,014,033	-	8,014,033
Restricted for capital projects	-	641,930	641,930
Unrestricted	<u>1,013,901</u>	<u>-</u>	<u>1,013,901</u>
Total net position	<u>\$ 9,027,934</u>	<u>\$ 641,930</u>	<u>\$ 9,669,864</u>

See notes to financial statements

CITY OF FOREST GROVE
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
SURFACE WATER MANAGEMENT FUND
Year Ended June 30, 2024

	Surface Water Management	Surface Water Management System Development Charges	Total Surface Water Management Fund
Operating revenues			
Charges for services	\$ 1,521,122	\$ 63,537	\$ 1,584,659
Operating expenses			
Personnel services	669,253	-	669,253
Materials and services	588,473	64,872	653,345
Depreciation	211,300	-	211,300
Total operating expenses	1,469,026	64,872	1,533,898
Operating income (loss)	52,096	(1,335)	50,761
Nonoperating revenues (expenses)			
Interest income	60,976	30,779	91,755
Total nonoperating revenue (expenses)	73,994	30,779	104,773
Income (loss) before transfers and capital contributions	126,090	29,444	155,534
Capital contributions	-	-	-
Transfers out	(78,159)	-	(78,159)
Change in net position	47,931	29,444	77,375
Net position - beginning	8,980,003	612,486	9,592,489
Net position - ending	\$ 9,027,934	\$ 641,930	\$ 9,669,864

See notes to financial statements

CITY OF FOREST GROVE
COMBINING STATEMENT OF CASH FLOWS
SURFACE WATER MANAGEMENT FUND
Year Ended June 30, 2024

	Surface Water Management	Surface Water Management System Development Charges	Total Surface Water Management Fund
Cash flows from operating activities			
Receipts from customers	\$ 1,514,415	\$ 63,537	\$ 1,577,952
Payments to suppliers	(541,655)	(64,872)	(606,527)
Payments to employees	(596,002)	-	(596,002)
Net cash from operating activities	<u>376,758</u>	<u>(1,335)</u>	<u>375,423</u>
Cash flows from noncapital financing activities			
Transfers out	(78,159)	-	(78,159)
Net cash from noncapital financing activities	<u>(78,159)</u>	<u>-</u>	<u>(78,159)</u>
Cash flows from capital and related financing activities			
System development charges received	-	-	-
Acquisition of capital assets	(154,345)	-	(154,345)
Net cash from capital and related financing activities	<u>(141,327)</u>	<u>-</u>	<u>(141,327)</u>
Cash flows from investing activities			
Interest on investments	56,678	29,178	85,856
Purchases of investments	(269,751)	(76,796)	(346,547)
Net cash from investing activities	<u>(213,073)</u>	<u>(47,618)</u>	<u>(260,691)</u>
Net increase (decrease) in cash and cash equivalents	(55,801)	(48,953)	(104,754)
Cash and cash equivalents at beginning of year	<u>674,677</u>	<u>292,608</u>	<u>967,285</u>
Cash and cash equivalents at end of year	<u>\$ 618,876</u>	<u>\$ 243,655</u>	<u>\$ 862,531</u>
Reconciliation of operating income (loss) to net cash from operating activities			
Operating income (loss)	\$ 52,096	\$ (1,335)	\$ 50,761
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation	211,300	-	211,300
(Increase) decrease in assets and deferred outflows of resources			
Receivables, net	(6,707)	-	(6,707)
Pension related items	(11,266)	-	(11,266)
Other postemployment benefit related items	1,616	-	1,616
Increase (decrease) in liabilities and deferred inflows of resources			
Accounts payable and accrued liabilities	46,818	-	46,818
Net pension and OPEB liability	100,665	-	100,665
Pension related items	(12,155)	-	(12,155)
Other postemployment benefit related items	(5,609)	-	(5,609)
Net cash from operating activities	<u>\$ 376,758</u>	<u>\$ (1,335)</u>	<u>\$ 375,423</u>

See notes to financial statements

CITY OF FOREST GROVE
SURFACE WATER MANAGEMENT - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 1,458,693	\$ 1,521,122	\$ 62,429
Interest	-	44,141	44,141
Miscellaneous	<u>16,000</u>	<u>13,018</u>	<u>(2,982)</u>
Total revenues	<u>1,474,693</u>	<u>1,578,281</u>	<u>103,588</u>
Expenditures			
SWM services	1,511,070	1,338,819	172,251
Contingency	<u>130,000</u>	<u>-</u>	<u>130,000</u>
Total expenditures	<u>1,641,070</u>	<u>1,338,819</u>	<u>302,251</u>
Excess (deficiency) of revenues over expenditures	<u>(166,377)</u>	<u>239,462</u>	<u>405,839</u>
Other financing sources (uses)			
Transfers out	<u>(78,159)</u>	<u>(78,159)</u>	<u>-</u>
Total other financing sources (uses)	<u>(78,159)</u>	<u>(78,159)</u>	<u>-</u>
Net change in fund balance	(244,536)	161,303	405,839
Fund balance at beginning of year	<u>1,447,476</u>	<u>1,556,528</u>	<u>109,052</u>
Fund balance at end of year	<u>\$ 1,202,940</u>	<u>\$ 1,717,831</u>	<u>\$ 514,891</u>
Reconciliation to GAAP Fund Balance:			
Capital Assets		\$ 8,014,033	
Deferred Outflows		125,294	
Deferred Inflows		(23,770)	
Pension and OPEB Liabilities		(812,577)	
Fair Value Adjustment of Investments		7,123	
Total GAAP Fund Balance		<u><u>\$ 9,027,934</u></u>	

CITY OF FOREST GROVE

SURFACE WATER MANAGEMENT SYSTEM DEVELOPMENT CHARGES - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
System development charges	\$ 13,500	\$ 63,537	\$ 50,037
Interest	-	23,762	23,762
Miscellaneous	<u>6,500</u>	<u>-</u>	<u>-</u>
Total revenues	<u>20,000</u>	<u>87,299</u>	<u>73,799</u>
Expenditures			
SWM SDC Program	350,000	64,872	285,128
Contingency	<u>84,500</u>	<u>-</u>	<u>84,500</u>
Total expenditures	<u>434,500</u>	<u>64,872</u>	<u>369,628</u>
Excess (deficiency) of revenues over expenditures	<u>(414,500)</u>	<u>22,427</u>	<u>443,427</u>
Other financing sources (uses)			
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(414,500)	22,427	443,427
Fund balance at beginning of year	<u>615,920</u>	<u>616,699</u>	<u>779</u>
Fund balance at end of year	<u>\$ 201,420</u>	<u>\$ 639,126</u>	<u>\$ 444,206</u>
Reconciliation to GAAP Fund Balance:			
Fair Value Adjustment of Investments		\$ 2,804	
Total GAAP Fund Balance		<u>\$ 641,930</u>	

CITY OF FOREST GROVE
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2024

	<u>Information Systems</u>	<u>Equipment</u>	<u>Risk Management</u>	<u>Totals</u>
Assets				
Current assets				
Cash and cash equivalents	\$ 361,598	\$ 997,734	\$ 112,957	\$ 1,472,289
Investments	587,206	1,620,241	183,434	2,390,881
Accrued interest receivable	3,856	10,640	1,205	15,701
Prepaid items	-	100	-	100
	<u>952,660</u>	<u>2,628,715</u>	<u>297,596</u>	<u>3,878,971</u>
Total current assets				
Noncurrent assets				
Subscription asset, net	24,330	-	65,602	89,932
Capital assets				
Other capital assets, net	-	2,471,037	-	2,471,037
	<u>24,330</u>	<u>2,471,037</u>	<u>65,602</u>	<u>2,560,969</u>
Total noncurrent assets				
Total assets	<u>976,990</u>	<u>5,099,752</u>	<u>363,198</u>	<u>6,439,940</u>
Deferred outflows of resources				
Pension related items	-	41,423	-	41,423
Other postemployment benefit related items	-	2,018	-	2,018
	<u>-</u>	<u>43,441</u>	<u>-</u>	<u>43,441</u>
Total deferred outflows of resources				
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	25,275	68,047	18,992	112,314
Accrued compensated absences	-	20,692	-	20,692
	<u>25,275</u>	<u>88,739</u>	<u>18,992</u>	<u>133,006</u>
Total current liabilities				
Noncurrent liabilities				
Subscription liability	4,306	-	59,278	63,584
Proportionate share of net pension liability		268,335		268,335
OPEB liability	-	13,404	-	13,404
	<u>4,306</u>	<u>281,739</u>	<u>59,278</u>	<u>345,323</u>
Total noncurrent liabilities				
Total liabilities	<u>29,581</u>	<u>370,478</u>	<u>78,270</u>	<u>478,329</u>
Deferred inflows of resources				
Pension related items	-	966	-	966
Other postemployment benefit related items	-	7,608	-	7,608
	<u>-</u>	<u>8,574</u>	<u>-</u>	<u>8,574</u>
Total deferred inflows of resources				
Net position				
Net investment in capital assets	-	2,436,941	-	2,436,941
Unrestricted	947,409	2,327,200	284,928	3,559,537
	<u>947,409</u>	<u>4,764,141</u>	<u>284,928</u>	<u>5,996,478</u>
Total net position	<u>\$ 947,409</u>	<u>\$ 4,764,141</u>	<u>\$ 284,928</u>	<u>\$ 5,996,478</u>

See notes to financial statements

CITY OF FOREST GROVE
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
Year Ended June 30, 2024

	Information Systems	Equipment	City Utility	Risk Management	Totals
Operating revenues					
Charges for services	\$ 454,791	\$ 1,342,623	\$ -	\$ 819,992	\$ 2,617,406
Operating expenses					
Personnel services	-	302,295	-	-	302,295
Materials and services	350,665	487,922	236,432	816,337	1,891,356
Amortization	41,106	-	-	26,241	67,347
Depreciation	-	408,762	-	-	408,762
Total operating expenses	391,771	1,198,979	236,432	842,578	2,669,760
Operating income (loss)	63,020	143,644	(236,432)	(22,586)	(52,354)
Nonoperating revenues (expenses)					
Interest income	44,988	142,858	-	16,823	204,669
Miscellaneous	-	12,285	-	61,195	73,480
Loss on disposition of capital assets	-	(24,899)	-	-	(24,899)
Interest expense	-	-	-	-	-
Total nonoperating revenue (expenses)	44,988	130,244	-	78,018	253,250
Income (loss) before transfers	108,008	273,888	(236,432)	55,432	200,896
Transfers in	-	159,660	236,432	-	396,092
Transfers out	-	-	-	(10,000)	(10,000)
Change in net position	108,008	433,548	-	45,432	586,988
Net position at beginning of year	839,401	4,330,593	-	239,496	5,409,490
Net position at end of year	\$ 947,409	\$ 4,764,141	\$ -	\$ 284,928	\$ 5,996,478

See notes to financial statements

CITY OF FOREST GROVE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2024

	710 Information Systems	720 Equipment	730 City Utility	740 Risk Management	Totals
Cash flows from operating activities					
Receipts from other funds	\$ 454,791	\$ 1,342,623	\$ -	\$ 819,992	\$ 2,617,406
Payments to suppliers	(333,737)	(472,366)	(236,432)	(569,303)	(1,611,838)
Payments to employees	-	(261,458)	-	-	(261,458)
Net cash from operating activities	121,054	608,799	(236,432)	250,689	744,110
Cash flows from noncapital financing activities					
Transfers out	-	-	-	(10,000)	(10,000)
Net cash from noncapital financing activities	-	-	-	(10,000)	(10,000)
Cash flows from capital and related financing activities					
Transfers in	-	159,660	236,432	-	396,092
Other	27,470	12,285	-	31,912	71,667
Acquisition of capital assets	-	(1,144,870)	-	-	(1,144,870)
Net cash from capital and related financing activities	27,470	(972,925)	236,432	31,912	(677,111)
Cash flows from investing activities					
Interest on investments	42,472	136,860	-	15,631	194,963
Purchase of investments	(159,169)	(136,497)	-	(179,179)	(474,845)
Net cash from investing activities	(116,697)	363	-	(163,548)	(279,882)
Net increase (decrease) in cash and cash equivalents	31,827	(363,763)	-	109,053	(222,883)
Cash and cash equivalents at beginning of year	329,771	1,361,497	-	3,904	1,695,172
Cash and cash equivalents at end of year	\$ 361,598	\$ 997,734	\$ -	\$ 112,957	\$ 1,472,289
Reconciliation of operating income (loss) to net cash from operating activities					
Operating income (loss)	\$ 63,020	\$ 143,644	\$ (236,432)	\$ (22,586)	\$ (52,354)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation & Amortization	41,106	408,762	-	26,241	476,109
(Increase) decrease in assets and deferred outflows of resources					
Prepaid items	-	-	-	236,792	236,792
Pension related items	-	(1,738)	-	-	(1,738)
Other postemployment benefit related items	-	1,094	-	-	1,094
Increase (decrease) in liabilities and deferred inflows of resources					
Accounts payable and accrued liabilities	16,928	40,837	-	10,242	68,007
Compensated absences payable	-	5,893	-	-	5,893
Pension and OPEB liability	-	18,729	-	-	18,729
Pension related deferred items	-	(4,503)	-	-	(4,503)
Other postemployment benefit related deferred items	-	(3,919)	-	-	(3,919)
Net cash from operating activities	\$ 121,054	\$ 608,799	\$ (236,432)	\$ 250,689	\$ 744,110

See notes to financial statements

CITY OF FOREST GROVE
INFORMATION SYSTEMS - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Charges for services	\$ 454,791	\$ 454,791	\$ -
Interest	-	35,171	35,171
Miscellaneous	10,000	-	(10,000)
Total revenues	464,791	489,962	25,171
Expenditures			
Information system services	515,920	386,194	129,726
Contingency	40,000	-	40,000
Total expenditures	555,920	386,194	169,726
Excess (deficiency) of revenues over expenditures	(91,129)	103,768	194,897
Other financing sources (uses)			
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	(91,129)	103,768	194,897
Fund balance at beginning of year	783,944	819,455	35,511
Fund balance at end of year	\$ 692,815	\$ 923,223	\$ 230,408
Reconciliation to GAAP Fund Balance:			
Fair Value Adjustment of Investments		\$ 4,162	
Subscription Asset & Liability		20,024	
Total GAAP Fund Balance		<u>\$ 947,409</u>	

CITY OF FOREST GROVE
EQUIPMENT - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Charges for services	\$ 1,315,057	\$ 1,342,623	\$ 27,566
Interest	-	111,775	111,775
Miscellaneous	51,200	12,285	(38,915)
	<u>1,366,257</u>	<u>1,466,683</u>	<u>100,426</u>
Total revenues			
	<u>1,366,257</u>	<u>1,466,683</u>	<u>100,426</u>
Expenditures			
Vehicle services	2,105,750	1,919,531	186,219
Contingency	250,000	-	250,000
	<u>2,355,750</u>	<u>1,919,531</u>	<u>436,219</u>
Total expenditures			
	<u>2,355,750</u>	<u>1,919,531</u>	<u>436,219</u>
Excess (deficiency) of revenues over expenditures	<u>(989,493)</u>	<u>(452,848)</u>	<u>536,645</u>
Other financing sources (uses)			
Transfers in	159,660	159,660	-
	<u>159,660</u>	<u>159,660</u>	<u>-</u>
Total other financing sources (uses)			
	<u>159,660</u>	<u>159,660</u>	<u>-</u>
Net change in fund balance	(829,833)	(293,188)	536,645
Fund balance at beginning of year	<u>2,536,326</u>	<u>2,842,372</u>	<u>306,046</u>
Fund balance at end of year	<u>\$ 1,706,493</u>	<u>\$ 2,549,184</u>	<u>\$ 842,691</u>
Reconciliation to GAAP Fund Balance:			
Capital Assets		\$ 2,471,037	
Deferred Outflows		43,441	
Deferred Inflows		(8,574)	
Accrued Compensated Absences		(20,692)	
Net Pension Liabilities		(281,739)	
Other		11,484	
Total GAAP Fund Balance		<u><u>\$ 4,764,141</u></u>	

CITY OF FOREST GROVE
CITY UTILITY - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures			
Materials and services	\$ 242,292	\$ 236,432	\$ 5,860
Total expenditures	<u>242,292</u>	<u>236,432</u>	<u>5,860</u>
Other financing sources (uses)			
Transfers in	<u>242,292</u>	<u>236,432</u>	<u>(5,860)</u>
Total other financing sources (uses)	<u>242,292</u>	<u>236,432</u>	<u>(5,860)</u>
Net change in fund balance	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF FOREST GROVE
RISK MANAGEMENT - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Charges for services	\$ 819,992	\$ 819,992	\$ -
Interest	-	15,468	15,468
Miscellaneous	900	61,195	60,295
Total revenues	820,892	896,655	75,763
Expenditures			
Risk management services	897,312	845,620	51,692
Contingency	50,000	-	50,000
Total expenditures	947,312	845,620	101,692
Excess (deficiency) of revenues over expenditures	(126,420)	51,035	177,455
Other financing sources (uses)			
Transfers out	(10,000)	(10,000)	-
Total other financing sources (uses)	(10,000)	(10,000)	-
Net change in fund balance	(136,420)	41,035	177,455
Fund balance at beginning of year	227,108	236,269	9,161
Fund balance at end of year	\$ 90,688	\$ 277,304	\$ 186,616
Reconciliation to GAAP Fund Balance:			
Fair Value Adjustment of Investments		\$ 1,301	
Subscription Asset & Liability		6,324	
Total GAAP Fund Balance		<u>\$ 284,929</u>	

COMPLIANCE SECTION



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Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the City of Forest Grove as of and for the year ended June 30, 2024, and have issued our report thereon dated March 5, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of 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).**

In connection with our testing nothing came to our attention that caused us to believe the City of Forest Grove 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.

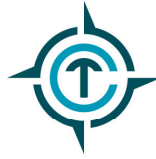
OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the internal controls over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal controls over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting.

This report is intended solely for the information and use of the council members and management 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 dark ink, appearing to read "Ken Allen", with a stylized, flowing script.

Kenneth Allen, CPA
Municipal Auditor
CLEAR TRAIL CPAs, LLC



CLEAR TRAIL CPAS

Clear Solutions, Clear Results

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March 5, 2025

To the City Council
City of Forest Grove

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Forest Grove for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Purpose of the Audit

Our audit was conducted using sampling, inquiries and analytical work to opine on the fair presentation of the basic financial statements and compliance with:

- generally accepted accounting principles and auditing standards
- the Oregon Municipal Audit Law and the related administrative rules

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the basic financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the basic financial statements does not relieve you or management of your responsibilities. Our engagement letter details our nonaudit services we provide; these services do not constitute an audit under Government Auditing Standards.

In planning and performing our audit, we considered internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting.

Our responsibility for the supplementary information accompanying the basic financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the basic financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; therefore, our audit involved judgment about the number of transactions examined and the areas to be tested.

Our audit included obtaining an understanding of the City and its environment, including internal control, sufficient to assess the risks of material misstatement of the basic financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the City or to acts by management or employees acting on behalf of the City. We also communicated any internal control related matters that are required to be communicated under professional standards.

Results of Audit

1. Audit opinion letter - an unmodified opinion on the basic financial statements has been issued. This means we have given a “clean” opinion with no reservations.
2. State minimum standards – We found no exceptions or issues requiring comment.
3. Management letter – No separate management letter was issued.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the basic financial statements in the proper period.

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most significant estimates in the financial statements are the actuarial estimate of the City’s portion of the statewide Net Pension Liability (or Asset) and Other Post Employment Benefits. An other sensitive estimate affecting the basic financial statements is the Capital Asset Depreciation, which is based on estimated useful lives of assets. We evaluated the methods, assumptions, and data used to develop these estimates in determining that they are reasonable in relation to the basic financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements or determined that their effects are immaterial. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, taken as a whole. There were immaterial uncorrected misstatements noted during the audit which were discussed with management. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even if, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the basic financial statements or the auditors’ report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to our retention as the auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Required Supplementary Information

We applied certain limited procedures to the required supplementary information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on it.

Supplementary Information

We were engaged to report on the supplementary information, which accompany the basic financial statements but are not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

Other Information

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

Other Matters – Future Accounting and Auditing Issues

In order to keep you aware of new auditing standards issued by the American Institute of Certified Public Accountants and accounting statements issued by the Governmental Accounting Standards Board (GASB), we have prepared the following summary of the more significant upcoming issues:

GASB 101 – COMPENSATED ABSENCES

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

GASB 102 – CERTAIN RISK DISCLOSURES

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition.

State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this

Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

This Statement defines a *concentration* as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A *constraint* is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosure should include descriptions of the following:

- The concentration or constraint
- Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements
- Actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

Best Practices – Not Significant Deficiencies

1. FTE Comment

The organization should consistently evaluate its Full-Time Equivalent (FTE) capacity within the finance and accounting department. In recent years, the accounting department has faced a substantial increase in workload due to the need to adhere to demanding GASB requirements, manage new COVID-related grants, and navigate various state and federal regulations tied to grants and other financial matters. It's not explicitly suggested that the department is understaffed, as we lack daily presence, but it is crucial to conduct an annual assessment during the budget cycle. This ensures that the department does not operate at a stretched capacity, safeguarding against potential strain on its capabilities.

2. Accounting Shortage

As auditors, we have observed a widespread shortage of governmental accountants across the state. This deficit is attributable to various factors, primarily stemming from the escalating demand for financial expertise in a swiftly changing landscape. Firstly, the evolving regulatory environment and the increasing intricacies of bodies such as FASB, GASB, IRS, OMB, and Oregon Division of Audits have intensified the need for specialized accounting professionals. Additionally, the aging workforce in the accounting field contributes to the shortage, with a considerable number of seasoned accountants approaching retirement age.

To address this shortage, entities can proactively implement measures such as investing in educational programs to attract and train new talent, providing competitive compensation packages to retain experienced professionals, and harnessing technological advancements like automation to streamline routine tasks. This approach allows accountants to concentrate on more complex and value-added activities.

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

A handwritten signature in dark ink, appearing to read "Kenny Allen". The signature is fluid and cursive, with the first name "Kenny" and last name "Allen" clearly distinguishable.

Kenny Allen, CPA
CLEAR TRAIL CPAS

FOREST GROVE URBAN RENEWAL AGENCY
(Component Unit of the City of Forest Grove)
WASHINGTON COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2024



**12700 SW 72nd Ave.
Tigard, OR 97223**

**FOREST GROVE URBAN RENEWAL AGENCY
(Component Unit of the City of Forest Grove)**

FINANCIAL REPORT

**WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED JUNE 30, 2024**

FOREST GROVE URBAN RENEWAL AGENCY
WASHINGTON COUNTY, OREGON

Board of Directors

June 30, 2024

Malynda Wenzl	November 31, 2026
Donna Gustafson	November 31, 2024
Michael Marshall	November 31, 2026
Karen Martinez	November 31, 2026
Timothy A. Rippe	November 31, 2024
Elena Uhing	November 31, 2024
Mariana E. Valenzuela	November 31, 2026

All board members will receive mail at the following address:

1924 Council Street
P.O. Box 326
Forest Grove, OR 97116

FOREST GROVE URBAN RENEWAL AGENCY
DOUGLAS COUNTY, OREGON

T A B L E O F C O N T E N T S

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PAULY, ROGERS AND CO., P.C.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
(503) 620-2632 ♦ (503) 684-7523 FAX
www.paulyrogersandcocpas.com

November 25, 2024

To the Agency Board of Directors
Forest Grove Urban Renewal Agency
Forest Grove, Oregon

INDEPENDENT AUDITORS' REPORT

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Forest Grove Urban Renewal Agency as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Forest Grove Urban Renewal Agency as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Forest Grove Urban Renewal Agency 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

Management is responsible for the preparation and fair presentation of these 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 Forest Grove Urban Renewal Agency'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.

Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

The budgetary comparison information presented as required 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the listing of board members containing their term expiration dates, located before the table of contents, but does not include the basic financial statements and our auditors' 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.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 25, 2024, on our consideration of 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.



Kenneth Allen, CPA
Municipal Auditor
PAULY, ROGERS AND CO., P.C.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2024

This discussion and analysis presents the highlights of financial activities and financial position for the Forest Grove Urban Renewal Agency (Agency), component unit of the City of Forest Grove, Oregon (City). The analysis focuses on significant issues, major financial activities and resulting changes in financial position, budget changes, and variances from the budget, and specific issues related to funds and the economic factors affecting the Agency.

Management's discussion and analysis (MD&A) focuses on the current year activities and resulting changes from the prior year. Please read it in conjunction with the Agency's financial statements (beginning on page 1).

FINANCIAL HIGHLIGHTS

- The Total Assets of the Agency were \$1,078,864 and the Net Position was \$1,067,864 on June 30, 2024, which was the end of the Agency's ninth fiscal year.
- Overall, expenditures were \$150,543 and overall revenue was \$880,223. The primary revenues for FY 2023-24 were property tax revenue. The largest expenditure for 2023-24 was for public art & other projects of \$12,525 and \$18,382 in interest expense paid to the City for debt owed to the City.

REPORT LAYOUT

The Agency's annual financial report consists of several sections. The components of the report include the following:

Management's Discussion and Analysis. This section of the report provides financial highlights, overview, and economic factors affecting the Agency.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

REPORT LAYOUT (continued)

Basic Financial Statements. Includes statement of net position, statement of activities, fund financial statements, and notes to the financial statements. Statements of net position and activities focus on entity-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 Agency.

The statement of net position focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of the assets the Agency owns, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts.

The statement of activities presents information showing how the Agency's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. The focus is on Agency revenues and expenditures, the net of which equals change in net assets.

Fund financial statements focus separately on major governmental funds. Governmental fund statements follow the more traditional presentation of financial statements. The Agency's General Fund is presented here along with budgetary comparisons.

The notes to the basic financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the Agency's financial condition.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

AGENCY AS A WHOLE

Government-wide financial statements

Statement of Net Position at June 30:

Table 1
Net Assets at Fiscal Year End
Governmental Activities

	2024	2023
Assets		
Cash and investments	\$ 646,251	\$ 838,549
Receivables	14,613	10,377
Land held for sale	418,000	418,000
Total assets	1,078,864	1,266,926
Liabilities		
Current liabilities	11,025	9,702
Long-term liabilities	-	919,065
Total liabilities	11,025	928,767
Net position		
Unrestricted	\$ 1,067,839	\$ 338,159

As of June 30, 2023, the Agency had long-term liabilities of \$919,065 which consists of a loan from the City. The URA had repaid in full this loan from the City as of June 30, 2024. Major asset besides cash and investments is the remaining land held for sale. The URA plans on starting to market this property in the coming fiscal year.

Governmental Activities

The Agency's net position is \$1,067,839 which is essentially the cash and investments held by the URA and the acquisition cost of the remaining land owned by the URA and cash and investments held by the URA.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Statement of Activities for the Year Ended June 30:

Table 2
Government Activates For Fiscal Year Ending

	<u>2024</u>	<u>2023</u>
General Revenues		
Taxes	\$ 839,215	\$ 663,546
Investment earnings	<u>41,008</u>	<u>24,355</u>
Total general revenues and special items	<u>880,223</u>	<u>687,901</u>
Program Expenses		
General government	136,754	145,608
Interest on long-term obligations	<u>13,789</u>	<u>22,797</u>
Total program expenses	<u>150,543</u>	<u>168,405</u>
Change in net position	729,680	519,496
Net Position - beginning	<u>338,159</u>	<u>(181,337)</u>
Net Position - ending	<u><u>\$ 1,067,839</u></u>	<u><u>\$ 338,159</u></u>

Nearly all of the general revenue in FY 2023-24 was property tax revenue based on the incremental increase in the URA's taxable assessed value. The other revenue was from investment earnings. General Government Program Expenses consisted principally of public art, other small projects, and administrative expenses.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

DEBT ADMINISTRATION

As of June 30, 2024, the Agency had repaid the \$919,065 of outstanding debt in the form of a note payable to the City for the purchase of land and funds loaned to URA for the URA to provide development assistance for a private development that has now been completed.

ECONOMIC FACTORS

As an urban renewal agency, the Agency receives tax increment revenues calculated on the increase in assessed value over the frozen base, which was set at the time the urban renewal district was formed. When the Agency completes projects, it is actually investing in itself; as the value of property increases in the district, the tax increment revenues increases.

The Agency expects the tax revenues to continue to increase over the next few years. The Agency will market the property it owns in the downtown core for redevelopment and is looking at purchasing two additional properties in fiscal year 2024-25. The agency expects to issue debt to purchase those properties.

REQUEST FOR INFORMATION

The Agency’s financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with the general overview of the Agency’s finances and to demonstrate the Agency’s accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Administrative Services Department at the City of Forest Grove. Our address is: PO Box 326, Forest Grove, Oregon 97116.

FOREST GROVE URBAN RENEWAL AGENCY
WASHINGTON COUNTY, OREGON
BASIC FINANCIAL STATEMENTS

FOREST GROVE URBAN RENEWAL AGENCY
(A Component Unit of the City of Forest Grove, Oregon)
WASHINGTON COUNTY, OREGON

STATEMENT OF NET POSITION
June 30, 2024

ASSETS:

Cash and Cash Equivalents	\$ 646,251
Accrued Interest Receivable	2,627
Property Tax Receivable	11,986
Land Held for Sale	<u>418,000</u>

Total Assets	<u>1,078,864</u>
--------------	------------------

LIABILITIES:

Accounts Payable	<u>11,025</u>
------------------	---------------

Total Liabilities	<u>11,025</u>
-------------------	---------------

NET POSITION:

Unrestricted	<u><u>\$ 1,067,839</u></u>
--------------	----------------------------

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

FOREST GROVE URBAN RENEWAL AGENCY
(A Component Unit of the City of Forest Grove, Oregon)
WASHINGTON COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

FUNCTIONS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	CAPITAL GRANTS AND CONTRIBUTIONS	
General Government	\$ 136,754	\$ -	\$ -	\$ (136,754)
Interest on Long-Term Obligations	13,789	-	-	(13,789)
Total Governmental Activities	<u>\$ 150,543</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(150,543)</u>
General Revenues:				
Property Taxes				839,215
Income Not Restricted to Specific Programs:				
Unrestricted Investment Earnings				<u>41,008</u>
Total General Revenues				<u>880,223</u>
Change in Net Position				729,680
Net Position - Beginning				<u>338,159</u>
Net Position - Ending				<u>\$ 1,067,839</u>

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

FOREST GROVE URBAN RENEWAL AGENCY
(A Component Unit of the City of Forest Grove, Oregon)
WASHINGTON COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2024

	GENERAL FUND
ASSETS:	
Cash and Cash Equivalents	646,251
Accrued Interest Receivable	2,627
Property Tax Receivable	11,986
Total Assets	660,864
LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND FUND BALANCE:	
Liabilities:	
Accounts Payable	11,025
Total Liabilities	11,025
Deferred Outflows of Resources:	
Unavailable Revenue - Taxes	7,779
Total Deferred Outflows of Resources	7,779
Fund Balance:	
Unassigned	642,060
Total Fund Balance	642,060
Total Liabilities, Deferred Outflows of Resources, and Fund Equity	\$ 660,864
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS TO STATEMENT OF NET POSITION:	
Fund Balances	642,060
Unavailable revenues are deferred on the budgetary statements but in the government wide statements they are considered revenues.	7,779
The cost of capital assets (land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress) is reported as an expenditure in governmental funds. The statement of net position includes those capital assets among the assets of the City as a whole.	418,000
Total Net Position	\$ 1,067,839

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

FOREST GROVE URBAN RENEWAL AGENCY
(A Component Unit of the City of Forest Grove, Oregon)
WASHINGTON COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE-GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

	GENERAL FUND
REVENUES:	
Taxes	\$ 835,438
Interest	41,008
Total Revenues	<u>876,446</u>
EXPENDITURES:	
Current:	
Economic and Physical Development	136,754
Debt Service	937,448
Total Expenditures	<u>1,074,202</u>
Net Change in Fund Balance	(197,756)
Beginning Fund Balance	<u>839,816</u>
Ending Fund Balance	<u><u>\$ 642,060</u></u>

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO STATEMENT OF ACTIVITIES**

Net Change in Fund Balance	\$ (197,756)
Long-term liabilities, including notes payable and accrued interest, are not due and payable in the current period, and therefore, are not reported in the funds	923,659
Revenues in the statement of activities that do not provide current financial resources are not reported in the funds as revenues are as follows	<u>3,777</u>
Change in net position of governmental activities	<u><u>\$ 729,680</u></u>

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

FOREST GROVE URBAN RENEWAL AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION (REPORTING ENTITY)

The Forest Grove Urban Renewal Agency (the "Agency"), a component unit of the City of Forest Grove, was organized in May 2014 under ORS 457 and is a municipal corporation created by the City of Forest Grove to facilitate urban renewal within the boundaries of the City. The City Council serves as the governing body and is accountable for the fiscal matters of the Agency.

Tax allocation bonds for urban renewal plan areas are authorized by state law to 1) "...eliminate and prevent the development or spread of urban blight and deterioration; and 2) encourage needed urban conservation and rehabilitation and provide for redevelopment of blighted or deteriorated areas." Projects are financed in urban renewal plan areas as follows:

The Agency (city council) selects an urban renewal plan area and defines its boundaries.

The county assessor "freezes" the assessed value of property within the urban renewal area. This is referred to as the "frozen" value.

Any increase in assessed value above the frozen value is called the "incremental value." The tax revenue generated by the tax rate times the incremental value is provided for use in paying the principal and interest on any indebtedness incurred to finance urban renewal projects.

Urban renewal tax increment revenues are used to repay the indebtedness of the Agency. The proceeds of the indebtedness finance the Agency's activities.

As required by ORS 457.190(3)(a), the Agency has included in its current plan the maximum amount of indebtedness that may be issued or incurred under the plan in the amount of \$15,000,000.

B. BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The Statement of Net Position and Statements of Activities display information about the reporting government as a whole. Fiduciary funds are not included in the Government-wide financial statements.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions".

Program Revenues included in the Statement of Activities derive directly from the program itself or from parties outside the Agency's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Agency's general revenues.

The Agency reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Interest of general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

FOREST GROVE URBAN RENEWAL AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND FINANCIAL STATEMENTS

The accounts of the Agency are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

GOVERNMENTAL FUND TYPES

Governmental funds are used to account for the Agency's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property tax revenue and proceeds from sale of property are not considered available and, therefore, are not recognized until received. Expenditures are recorded when the liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, interfund transactions, and certain compensated absences and claims and judgments which are recognized as expenditures because they will be liquidated with expendable financial resources.

Revenues susceptible to accrual are interest, state, county and local shared revenue and federal and state grants. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The Agency reports the following major governmental fund:

General Fund - This fund accounts for the capital projects and serves as the general fund of the Agency. The primary source of revenue is proceeds from a line of credit with the City.

C. BUDGETS POLICIES AND BUDGETARY CONTROL

Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds except Agency funds. The modified accrual basis of accounting is used for all budgets. All annual appropriations lapse at fiscal year-end.

The Agency begins its budgeting process by appointing Budget Committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The Agency board adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally over-expended, except in the case of grant receipts and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted. The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The Agency established the levels of budgetary control at the personal services, materials and services, capital outlay, operating contingencies, debt service, and all other requirement levels for all funds.

FOREST GROVE URBAN RENEWAL AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget amounts shown in the basic financial statements have been revised since the original budget amounts were adopted. The Agency board must authorize all appropriation transfers and supplementary budgetary appropriations. The Agency's disbursements did not exceed appropriations.

D. USE OF ESTIMATES

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

E. CASH AND CASH EQUIVALENTS

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts, and any highly-liquid debt instruments purchased with a maturity of three months or less.

F. RECEIVABLES

Property taxes are assessed and become a lien on all taxable property as of July 1. Property taxes are levied on November 15. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Property taxes receivable collected within 60 days subsequent to year-end are considered measurable and available, and are recognized as revenues. All other property taxes receivable are offset by deferred revenue because they are not deemed available to finance operations of the current period.

Receivables for federal and state grants and state, county, and local shared revenue are recorded as revenue in all fund types as earned. Receivables of the Proprietary Funds are recorded as revenue in all funds as earned. The allowance for doubtful accounts is established on a historical view of delinquencies.

G. FUND EQUITY

In March 2009, the GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund-type Definitions. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable fund balance represents amounts that are not in a spendable form. The Agency does not have any nonspendable balance items.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).

FOREST GROVE URBAN RENEWAL AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

The Board has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

H. NET POSITION

Net position comprises the various net earnings from operations, nonoperating revenues, expenses and contributions of capital, and is classified in the following hierarchy based on the extent to which a government is bound to observe constraints imposed on the use of resources reported in government funds:

Restricted – consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – consists of all other assets that are not included in the other categories previously mentioned.

When both restricted and unrestricted net position is available for use, restricted net position is assumed to be utilized first.

I. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

J. FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset.

FOREST GROVE URBAN RENEWAL AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The classification of securities within the fair value hierarchy is based up on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market–corroborated inputs)

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund’s own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

K. CAPITAL ASSETS

Capital assets purchased or acquired are reported at historical cost or estimated historical cost. Contributed fixed assets are recorded at estimated fair market value at the time received. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The agency will only work construction in progress since once done and placed into service it is transferred to the City.

2. DEPOSITS AND INVESTMENTS

As of June 30, 2024, the Agency had a deposit balance of \$646,251 with the City of Forest Grove. All of the Agency’s deposits were adequately secured during the year. See the City’s financial report for more information on FDIC coverages and collateralized amounts.

Credit risk: State law limits investments to obligations of the United States Treasury and United States Government agencies and instrumentalities, certain, bankers’ acceptances, repurchase agreements, certain high-grad commercial paper and corporate bonds and obligations of states and municipalities. The Agency has no investment policy that would further limit its investment choices. The Agency’s deposit with the City of Forest Grove is not rated.

Interest Rate Risk: The Agency's policy to manage its exposure to fair-value losses arising from increases in interest rates is to limit investment maturities to 18 months.

Concentration of Credit Risk: The Agency does not have a formal policy that places a limit on the amount that may be invested in any one insurer.

FOREST GROVE URBAN RENEWAL AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

2. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk - Investments: This is the risk that, in the event of the failure of a counterparty, the Agency will not be able to recover the value of its investments that are in the possession of an outside party. None of the Agency's investments have custodial credit risk. The Agency's policy does not limit the amount of investments that can be held by counterparties.

3. RISK MANAGEMENT

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Agency purchases commercial insurance for such risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

4. PROPERTY TAX LIMITATIONS

Real 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. Agency management believes that the amount of any uncollectable accounts included in receivables is not significant. Therefore, no provision for uncollectable accounts has been made. The State of Oregon has a constitutional limit on property taxes for schools and non-school government operations. Under the provisions of the limitation, tax revenues are separated into operations other than the public school system. The limitation specifies \$10 is the maximum allowable tax for each \$1,000 of property real market value imposed on by local governments other than the public school system. This limitation may affect the availability of future tax revenues for the Agency, as taxes levied for urban renewal debt services are subject to the \$10 limitation.

5. LONG TERM OBLIGATIONS

City of Forest Grove - the Agency borrowed \$2,062,561 from the City of Forest Grove to purchase land held for sale and to provide financial assistance to a developer for a mixed-use development. Loan was paid in full during the fiscal year June 30, 2024.

	Balances <u>July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	Balances <u>June 30, 2024</u>	Balances Due Within <u>One Year</u>
Notes from direct borrowings and direct placements City of Forest Grove	<u>\$919,065</u>	<u>\$ -</u>	<u>\$ 919,065</u>	<u>\$ -</u>	<u>\$ -</u>

6. CAPITAL ASSETS

The Agency purchased property for \$1,100,000 from the City of Forest Grove. Approximately two-thirds of the property was sold during 2016-17 for \$10 pursuant to a disposition and development agreement. The remainder of the property (\$418,000) continues to be held by the Agency for sale.

FOREST GROVE URBAN RENEWAL AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

7. TAX ABATEMENTS

Washington County has established an Enterprise Zone under ORS 285C.175 that abates property taxes on new business development within the zone. As a result, property taxes that the Agency received for the year ended June 30, 2024 have been reduced by \$22,000.

Washington County has established a Low Income Property Tax Exemption program under ORS 307.541 to make rental housing units affordable for income-restricted tenants. As a result, property taxes that the Agency received for the year ended June 30, 2024 have been reduced by \$8,000.

Washington County has established a Vertical Housing Development Zone under ORS 307.864 as an incentive for the development of higher density mixed use residential development with ground floor nonresidential uses in areas well served by transit services. As a result, property taxes that the Agency received for the year ended June 30, 2024 have been reduced by \$1,000.

**FOREST GROVE URBAN RENEWAL AGENCY
DOUGLAS COUNTY, OREGON**

REQUIRED SUPPLEMENTARY INFORMATION

FOREST GROVE URBAN RENEWAL AGENCY
(A Component Unit of the City of Forest Grove, Oregon)
WASHINGTON COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2024

GENERAL FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Current Property Tax	\$ 687,240	\$ 687,240	\$ 835,438	\$ 148,198
Interest	8,500	8,500	32,397	23,897
Total Revenues	695,740	695,740	867,835	172,095
EXPENDITURES:				
Materials and Services	573,706	573,706 (1)	136,754	436,952
Debt Service	937,448	937,448 (1)	937,448	-
Total Expenditures	1,511,154	1,511,154	1,074,202	436,952
Net Change in Fund Balance	(815,414)	(815,414)	(206,367)	609,047
Beginning Fund Balance	815,414	815,414	845,592	30,178
Ending Fund Balance	\$ -	\$ -	\$ 639,225	\$ 639,225

Reconciliation to generally accepted accounting principles
Difference in revenue recognition

2,835
\$ 642,060

(1) Appropriation Level



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November 25, 2024

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Forest Grove Urban Renewal Agency as of and for the year ended June 30, 2024, and have issued our report thereon dated November 25, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of 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.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

In connection with our testing nothing came to our attention that caused us to believe Forest Grove Urban Renewal Agency 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.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the internal controls over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal controls over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting.

This report is intended solely for the information and use of the Board of Directors and management 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 dark ink, appearing to read "Ken Allen", with a stylized, flowing script.

Kenneth Allen, CPA
Municipal Auditor
PAULY, ROGERS AND CO., P.C.



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November 25, 2024

To the Board of Directors
Forest Grove Urban Renewal Agency

We have audited the financial statements of the governmental activities and major fund of Forest Grove Urban Renewal Agency for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Purpose of the Audit

Our audit was conducted using sampling, inquiries and analytical work to opine on the fair presentation of the financial statements and compliance with:

- generally accepted accounting principles and auditing standards
- the Oregon Municipal Audit Law and the related administrative rules

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We also communicated any internal control related matters that are required to be communicated under professional standards.

Results of Audit

1. Audit opinion letter - an unmodified opinion on the financial statements has been issued. This means we have given a “clean” opinion with no reservations.
2. State minimum standards – We found no exceptions or issues requiring comment.
3. Management Letter – No separate management letter was issued.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no significant estimates per auditor judgment. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements or determined that their effects are immaterial. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit’s financial statements taken as a whole. There were immaterial uncorrected misstatements noted during the audit which were discussed with management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors’ report. We are pleased to report that no such disagreements arose during the course of our audit.

Pauly, Rogers and Co., P.C.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to our retention as the auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Required Supplementary Information

We applied certain limited procedures to the required supplementary information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on it.

Other Information

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

Other Matters – Future Accounting and Auditing Issues

In order to keep you aware of new auditing standards issued by the American Institute of Certified Public Accounts and accounting statements issued by the Governmental Accounting Standards Board (GASB), we have prepared the following summary of the more significant upcoming issues:

GASB 101 – COMPENSATED ABSENCES

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already

rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

GASB 102 – CERTAIN RISK DISCLOSURES

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition.

State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

This Statement defines a *concentration* as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A *constraint* is a limitation imposed on a government by an external party

or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosure should include descriptions of the following:

- The concentration or constraint
- Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements
- Actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

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

A handwritten signature in dark ink, appearing to read "Kenny Allen".

Kenny Allen, CPA
Municipal Auditor
PAULY, ROGERS AND CO., P.C.

CITY COUNCIL STAFF MEMORANDUM

TO: *City Council*

FROM: *Jesse VanderZanden, City Manager*

PROJECT TEAM: *Mariah Woods, City Recorder*

MEETING DATE: *March 17, 2025*

SUBJECT TITLE: *Resolution 2025-13: Establishing a Proclamation Policy*

ACTION REQUESTED:	Ordinance	Order	X	Resolution	Motion	Informational
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X all that apply

BACKGROUND

The City Council held work sessions on November 12 and 25, 2024 and February 27, 2025 to discuss updating the process for issuing proclamations.

In the course of the work sessions, the Council reached consensus to establish a proclamation policy outside of the City Council Rules of Procedure. Removing the policy from the Council Rules provides more flexibility to update the policy as needed, and establishing an official policy ensures that all requests can be considered equitably and transparently. The Council passed Resolution 2025-04 on January 13, 2025, which deleted Section 13, *Proclamations*, from the Council Rules.

The Council reached consensus on November 12 to add a process for full Council approval of proclamations. Proclamations have heretofore been issued at the discretion of the Mayor.

On November 25 the Council reached consensus on a submission process, timeline, and basic approval criteria. During the February 27th work session, the Council reviewed the initial draft of the policy and provided feedback that included: the addition of a councilor request process; removal of unclear wording on item 1 of the guidelines; considering a limitation on the number of proclamations issued each month. The Council's feedback has been integrated into the policy, and the updated version brought forward today for consideration.

Upon passage of Resolution 2025-13, a memo with the proclamations that have historically been issued annually will be placed on the Consent Agenda at the next Council meeting to approve for 2025. A proclamation for Arbor Day is issued annually at the beginning of April, and so will not have time to be added to a consent agenda ahead of the date to be proclaimed. Because the proclamation is an important factor in the City's status as a Tree City USA, staff recommends that the Council approve the proclamation at this meeting so that it may be issued on time.

STAFF RECOMMENDATION

Staff recommends that the Council consider the attached resolution.

If Resolution 2025-13 is approved, staff recommends that the Council make a motion to approve issuance of an Arbor Day proclamation at the April 14th Regular Council meeting.

ATTACHMENTS

- Resolution 2025-13
- Exhibit A: Proclamation Policy

RESOLUTION NO. 2025-13

**RESOLUTION ESTABLISHING A POLICY FOR
CONSIDERATION OF PROCLAMATION REQUESTS**

WHEREAS, the purpose of a proclamation is to proclaim a specified date or dates to honor, celebrate, or create awareness of an event or significant issue; and

WHEREAS, various individuals, groups, and organizations regularly request the issuance of proclamations; and

WHEREAS, the Council seeks to provide guidance to staff on how to administer proclamations and establish a process for Council approval of proclamations.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS
FOLLOWS:**

Section 1. The City Council hereby adopts the Proclamation Policy attached as Exhibit A.

Section 2. This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 17th day of March, 2025.

Mariah S. Woods, City Recorder

APPROVED by the Mayor this 17th day of March, 2025.

Malynda H. Wenzl, Mayor

PROCLAMATION POLICY

Definition

A proclamation is a ceremonial document issued by the City Council to commemorate a specific time (day, week, or month) to honor, celebrate, or create awareness of an event or significant issue.

Guidelines

In issuing proclamations, the City Council is using its own voice to honor, celebrate, or create awareness of an event or an issue important to the City. Community members may submit requests, however there is no right to a proclamation and the City may edit any drafted material. Proclamations are honorary and are not legally or administratively binding.

The Council will consider requests that meet the following guidelines:

1. Reflects inclusiveness and recognizes that the strength of our democracy is our diversity.
2. Has citywide significance and demonstrates relevancy to Forest Grove and its community.
3. Is submitted five weeks prior to the date to be proclaimed.
4. All fields in the proclamation request form are completed in full.
5. Comes from a Forest Grove community member, Councilmember, city employee, or entity conducting business or providing services within Forest Grove. Requests from national, international, or out-of-state organizations must have a local sponsor.
6. Requests to honor individuals, employees, or organizations will not be considered.
7. Requests to endorse commercial ventures, or to support or oppose a candidate for public office will not be considered.

Process

1. Requests must be submitted through the online proclamation request form.
2. The City Recorder will review the request, and if all requirements are met, place it on the consent agenda of the next available City Council Meeting.
3. The City Recorder will notify requestors of decisions and prepare approved proclamations.
4. A staff memo with proclamations the City historically issues annually will be placed on the Consent Agenda at the beginning of each year for Council consideration.
5. Proclamations are not automatically renewed. Requests must be made on an annual basis.
6. No subordinate board, commission or committee of the City and no individual Councilor or other official of the City may issue a proclamation without consent of the Council.
7. Councilmembers may request proclamations in accordance with Council Rules 6.3(B).
8. Proclamations do not require a public reading and the Mayor reserves the right to determine whether a proclamation will be read in open session. The Mayor will endeavor to limit proclamations read to no more than four per month.

NLC Conference Debrief Summary:

Public-Private Partnership (P3):

- **Objective:** Catalyze investments from both private and public sectors through incentives.
- Focus on managing risk and leveraging financial resilience.
- Activation of vacant spaces for economic development, including housing.
- Encourage community engagement and reduce reliance on federal grants.
- Address challenges like gentrification and the need for predictability in P3 projects.
- Community trust is key for success.

Michael Powe - Main Street America:

- Example of Astoria's journey: Integrating upper-story housing into economic development.
- URA acquisitions focus on historic preservation and adaptive potential.
- Importance of technical assistance and asset inventory.

Intersection of Workforce and Housing:

- Providing workforce housing is essential for economic growth.
- Public-private collaboration helps address housing uncertainty and long-term needs.
- Successful P3s require engaged communities with clear objectives.

Opportunity Zone for Housing & Appraisal:

- Focus on assessing housing opportunities within Opportunity Zones.

Federal Advocacy:

- Funding risks, including potential cuts and delays.
- Emphasis on private equity bonds for universities and tax-exempt municipal bonds for cities.
- Impact on savings for residents and students.

Census Changes:

- Risks to accurate student counts, especially for non-citizens and off-campus students.
- Potential impacts on funding, resources, and political representation.

University Communities Council Concept:

- Encourage equal partnership and mutual benefit between universities and surrounding communities.
- Nonprofit agreements with cities, especially around universities and medical institutions.
- A focus on addressing changing demographics and contributions from universities.
-

Economic and Workforce Development:

- Collaboration between economic development, workforce, and transportation sectors is crucial.
- Economic developers should build coalitions and leverage federal funds, like EDA funds.

Tech-Ready Connected Communities:

- Address the need for broadband access and digital equity.
- Encourage scalable, cost-effective technology solutions and consider cybersecurity and AI policies.

Hill Day Asks:

- Protect tax-exempt status for municipal bonds and maintain federal funding.
- Advocate for continued support of federal programs and prevent government shutdowns.
- Emphasize the local impact of federal decisions, such as cuts to programs benefiting families and children.

Vision for 2040:

- Strive to create a lasting legacy for future generations through forward-thinking economic and workforce development.
- **Leave an inheritance for our children's children**



BUILDING IMPROVEMENT GRANT PROGRAM

Bryan Pohl | Community Development Director
Miles Glowacki | Economic Development Coordinator

Urban Renewal Agency Board of Directors Work Session
March 17, 2025

Purpose

The purpose of tonight's work session:

- Address the Boards concerns and questions
- Reach consensus on an application and scoring process for the FY 25-26 grant cycle
- Reach consensus on FY 24-25 grant cycle

Review

What we heard from the Board during the 2/24 work session:

- Address barriers to participation
- Difficulty assigning numeric values to eligibility criteria
- Applications did not require sufficient information
- Applications not necessarily related to scoring
- Applications need to be aligned with the program's requirements, goals and objectives
- Improve the application and scoring process for next cycle

Design Grant Program

- The Design Grant Program addresses barriers to entry
- Open year-round to help applicants apply for Building Improvement Grant
- Provides up to \$5,000 for design, engineering, or architectural work related to the proposed improvements.
- No match required.
- URA staff is seeking to contract with an architect to make the process easier for applicants

Proposed Scoring Process

- **Separate the project application into two parts:**
 - **Part 1: Eligibility**
 - These are Y/N questions to determine if the project meets the minimum program requirements as established by the URA Board.
 - URA staff will determine and certify if the application meets the minimum requirements and is eligible for scoring.
 - **Part 2: Goals and Objectives**
 - These are informational questions to determine how well the project meets the program goals and objectives as established by the URA Board.
 - These questions will be scored by the EDC and/or URA Board to enable projects to be ranked and facilitate discussion about which projects to award grant monies.

Part 1: Eligibility Questions

Yes / No eligibility questions for certification by staff:

- Is the property located within the Urban Renewal Area?
- Is the property used for commercial purposes in whole or in part?
- Is the applicant a building owner or tenant?
- Has the applicant included a signed Owner Authorization Letter?
- Has the applicant provided a signed Hold Harmless Agreement?
- Is the business locally owned or a locally owned franchise?
- Is the business for-profit?
- Is the grant request within the cap for the Building Improvement Grant Program?
- Is the applicant seeking reimbursement for their own labor?
- Does the application seek reimbursement for permit fees, system development charges, or application fees?
- Has the applicant answered all questions?
- Will the project comply with all local, state, and federal rules and regulations?

Applications meet all eligibility requirements to be certified for scoring by the EDC and/or URA Board.

Part 2: Goals and Objectives

Informational goal questions for scoring by EDC and/or URA Board:

Increase assessed value & stimulate investment:

- *Applicants asked for grant amount and amount of matching funds.*
- *Applications with a higher ratio of match to grant and potential impact to assessed value would receive a higher score. For example, a 1:2 match would receive a higher score than a 1:1 match.*

Create jobs:

- *Applicants asked what type and number of non-construction jobs will be created.*
- *Applications are scored based on type and number of jobs created.*

Boost Leasing Appeal:

- *Applicants asked to describe how the project will increase the space's desirability for leasing, including increase to leasable square footage, conversion of space from one type to another, and projected future use of space.*
- *Applications are scored based these factors, i.e., a space that converts to a higher use is scored higher than a space that is renovated for the same use.*

Part 2: Goals and Objectives

Enhance Functionality:

- *Applicants asked to describe how the project will increase the functionality of the space, i.e., HVAC/plumbing/electrical improvements, for current or future tenants.*
 - *How will the project improve the aesthetics of the space?*
 - *How will the project improve access / ADA compliance?*
- *Applications are scored based on these factors, i.e., a project that improves the aesthetics of a space would score higher than a project that does not.*

Promote sustainable practices:

- *Applicants asked to describe how the project will improve the environmental efficiency of the building.*
- *Applications are scored on the improvements to the environmental efficiency of the building.*

Proposed scoring rubric for FY 25-26

	Award 0 to 10 points for each goal category	Points
1.	Increase assessed value and stimulate private investment	
2.	Create jobs	
3.	Increase the desirability of the space for leasing	
4.	Increase the functionality of the space for leasing	
5.	Improve the environmental sustainability of the space	
	Total 50 Possible Points	

Review

Additional information received after the packet was distributed brought to light additional areas to incorporate URA Plan purpose, goals and objectives into the Building Improvement Grant application and scoring process.

Additional goals & objectives

- **Objective 3.1:** Capitalize a program to reduce development costs to the extent necessary to encourage private investment for projects providing a public benefit and resulting in appreciation of property values and efficient use of vacant and underutilized land.
- **Objective 4.1:** Establish a program to encourage the preservation, conservation, and adaptive reuse of designated and contributing historic resources...
- **Objective 4.4:** Encourage the construction of needed housing and mixed-use development.
- **Objective 4.5:** Encourage uses and amenities that support increased residential uses.

Part 1: Eligibility Questions

Yes / No eligibility questions for certification by staff:

- + Does the project eliminate blight and blighting influences?
- + Does the project provide a public benefit?
- + Will the project likely increase the assessed taxable value of the property?

Applications meet all eligibility requirements to be certified for scoring by the EDC and/or URA Board.

Part 2: Goals and Objectives

+ **Encourage the preservation of historic resources**

- Applicants will be asked to use the State database to determine if their property is a historic resource.
- If the project is designated a contributing historic resource, then applicants will be asked to describe how the project will encourage the preservation, conservation, and adaptive reuse of the historic resource.
- Applications would be scored on the extent that the project preserves the historic resource.

+ **Encourage the construction of needed housing and mixed-use development**

- Applicants will be asked if the project creates/maintains housing.
- Projects would be scored on the extent that the project creates/maintains housing.

+ **Encourages uses and amenities that support increased residential uses:**

- Applicants asked to describe how the project will provide a use or amenity that supports downtown residents.
- Applications scored on the extent that the project will provide an amenity that supports increased residential uses.

Proposed scoring rubric for FY 25-26

	Award 0 to 10 points for each goal category	Points
1.	Increase assessed value and stimulate private investment	
2.	Create jobs	
3.	Increase the desirability of the space for leasing	
4.	Increase the functionality of the space for leasing	
5.	Improve the environmental sustainability of the space	
+	Preserves a historical asset	
+	Creates or maintains housing	
+	Provides a use or an amenity that supports an increase in residents	
	Total 80 Possible Points	

2025-26 Scoring Discussion

- Questions/comments on proposed application and scoring changes for the upcoming 2025-26 cycle



2025-26 Proposed Process

- Open applications online July 1 to December 31, 2025
- Staff certify applications January 2026
- Applications scored and awarded February-March 2026
- Grant agreements April 2026
- Projects commence

2025-26 Process Options

Option 1: EDC / Board

- EDC and Board score applications separately
- Scores are combined
- EDC could establish a minimum score to be considered by Board
- Board deliberates and awards grants

Option 2: EDC

- EDC scores and makes recommendations to the Board
- EDC could establish a minimum score to be accepted by Board
- Grant awards placed on consent agenda
- Board approves consent agenda or requests reconsideration (revert to option 1)

Option 3: URA Board

- Board scores the applications
- Board could establish a minimum score to award grant
- Board deliberates and awards grant

2025-26 Process Discussion

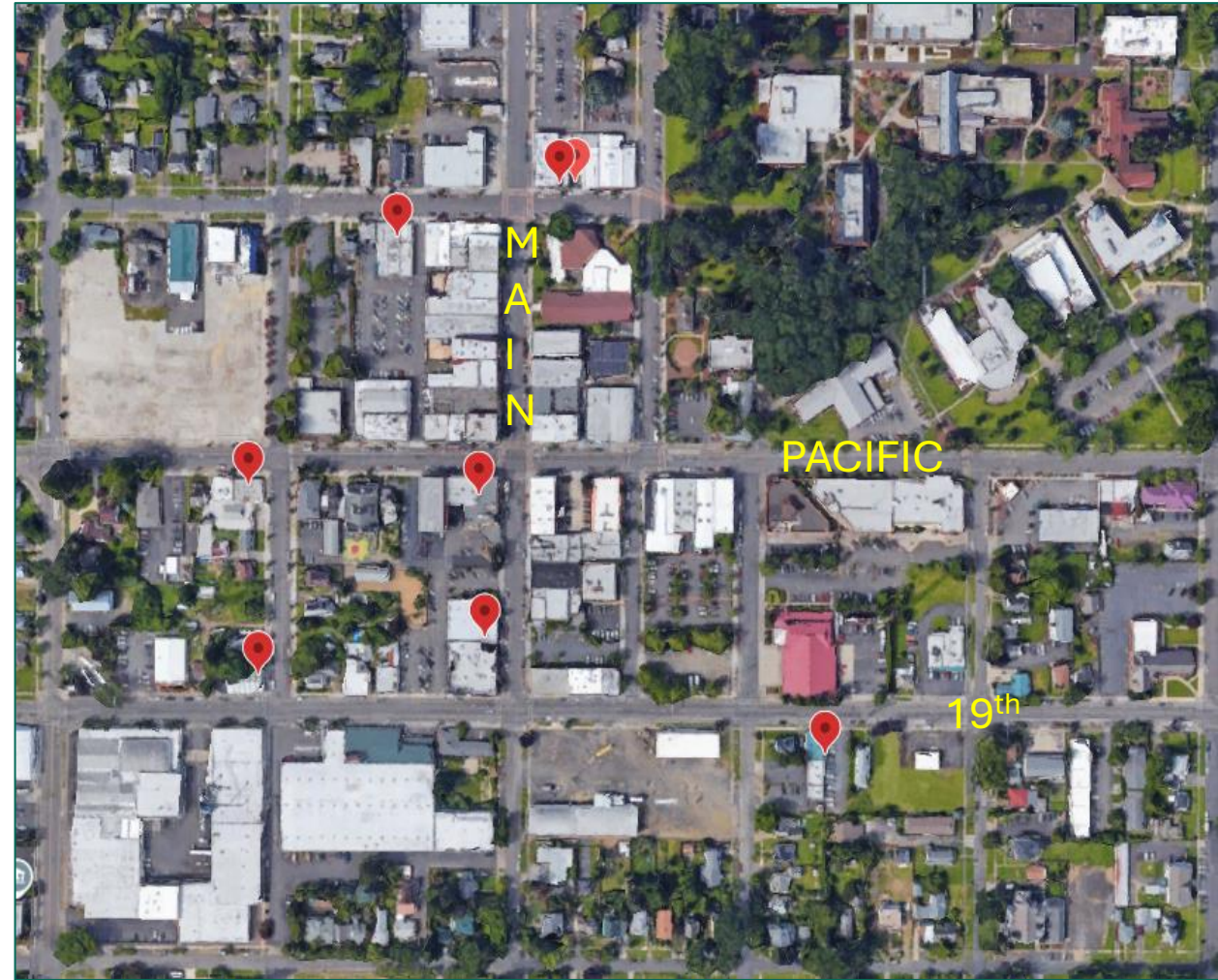
- Questions/comments on proposed process for 2025-26 cycle



FY 2024-25 GRANTS

FY 2024-25 Grant Cycle

- Application period July 1- Dec. 31, 2024
- Program funded at \$350,000 for FY 24-25
- 9 applications received totaling \$241,000
- First time through scoring process
- Economic Development Commission (EDC) met February 13, 2025, and recommended:
 - Fund 6 of 9 applications
 - Allow 3 applications to submit additional information for reconsideration this fiscal year
 - Minor modifications to the scoring rubric
 - Projects with an average score of 30 or higher eligible for funding
- URA Board met on February 24, 2025, and scored the projects.



Scores 2024-25 Grant Cycle

	Grant Request	EDC AVERAGE	Chair Wenzl	Board Member Falconer	Board Member Gustafson	Board Member Martinez	Board Member Valenzuela	BOARD MEMBER TOTAL	BOARD AVERAGE	COMBINED AVERAGE
1940 Pacific Ave	\$100,000	38	21	30	19	30	17.5	117.5	23.5	30.75
1900 A St	\$3,000	36	18	30	28	30	18	124	24.8	30.4
2004 Main St	\$22,500	36	18	30	45	30	30	153	30.6	33.3
1936 A St	\$8,500	35	18	30	31	30	27	136	27.2	31.1
1922 A St	\$20,600	34	18	30	28	30	25.5	131.5	26.3	30.15
3224 Pacific Ave	\$20,700	34	18	30	23	30	24	125	25	29.5
2007 21st Ave (Owner)	\$250	31	18	30	39		15	102	20.4	25.7
2118 19th Ave	\$50,000	31	15	30	20		17	82	16.4	23.7
2007 21st Ave (Tenant)	\$16,000	26	16	30	29		16	91	18.2	22.1

Next Steps

- Discuss award of FY 24-25 grants and EDC recommendation to award to projects with 30 points or more
- Pending consensus, staff will prepare a resolution for the URA consent agenda to award grants at the April 14 URA meeting
- After passage, staff will notify applicants and enter into a grant agreement stipulating terms and conditions
- Staff recommends applicants that were not approved be eligible to apply next cycle
- Application period open July 1, 2025 to Dec. 31, 2025, if approved in next year's budget



INFORMATIONAL: 2024-2025 PROJECTS

PROJECT: 1940 PACIFIC AVE

1940 Pacific Avenue (US BANK BUILDING) (Owner)

Project Cost: \$222,000

Grant Request: \$100,000

Project Description: Install new stair access from level 2 (main) to level 4 (loft), make level 4 feasible for lease such as installation of 100A panel, HVAC Heat pump, flooring, and windows. Replacement of some windows will be considered depending on the budget allowed.



PROJECT: 1900 A St

Project Cost: \$6,000

Grant Request: \$3,000

Project Description: Install insulation along the 19th Avenue and A Street sides of 1900 A Street. The insulation will enhance temperature control for the occupants of Waltz Brewing, reduce their utility bills, and improve the overall energy efficiency of the space. Replace the rain gutters 19th Ave.



PROJECT: 2004 Main St

Project Cost: \$45,000

Grant Request: \$22,500

Project Description: Install three ductless mini-split air conditioner and heat pump units. Decommission inefficient HVAC system.



PROJECT: 1936 A St

Project Cost: \$17,010
Grant Request: \$8,505

Project Description:
Upgrade the roof windows.



PROJECT: 1922 21st

Project Cost: \$41,304

Grant Request: \$20,652

Project Description: Replace the roof, add a ductless mini split system, exhaust fans, upgrade breakers to provide air conditioning to the 215 sq ft of active work space. Total roof area is approximately 1000 sq ft, as it houses two leased units.



PROJECT: 3224 Pacific Ave (Owner)

Project Cost: \$41,470

Grant Request: \$20,735

Project Description: In conjunction with the new building construction taking place to expand the Holiday Motel, the existing buildings will go through a remodel and renovation process to upgrade the look and feel of the property. The buildings siding will all be replaced as well as new paint across both existing buildings. This will match the look and feel of the new two-story building that will be constructed on the existing lot in the first half of 2025.



PROJECT: 2007 21st Ave (Owner)

Project Cost: \$500
Grant Request: \$250

Project Description:
Replacement of front door.



PROJECT: 2118 19th Ave

Project Cost: \$165,000

Grant Request: \$50,000

Project Description: Internal remodeling of Salon/Spa, including updating electrical services, plumbing to increase usable space and design elements.



PROJECT: 2007 21st Ave (Tenant)

Project Cost: \$31,870
Grant Request: \$15,935

Project Description: Conversion of office/storage space to walk-in refrigeration.

