

June 30, 2023



Gerry Frank Salem Rotary Amphitheater

*Urban Renewal Agency
Annual Financial Report*



**URBAN RENEWAL AGENCY OF
THE CITY OF SALEM, OREGON**

(A Component Unit of the City of Salem, Oregon)

ANNUAL

FINANCIAL

REPORT

For the Fiscal Year Ended

June 30, 2023

Prepared by the Finance Department

**URBAN RENEWAL AGENCY OF THE
CITY OF SALEM, OREGON**

TABLE OF CONTENTS

	Page
AGENCY OFFICIALS	1
MAPS OF URBAN RENEWAL AREAS	
Riverfront/Downtown.....	2
Fairview	3
North Gateway.....	4
West Salem.....	5
Mill Creek Industrial Park.....	6
McGilchrist	7
South Waterfront.....	8
Jory Apartments TIF District.....	9
INDEPENDENT AUDITOR’S REPORT.....	10
MANAGEMENT’S DISCUSSION AND ANALYSIS	13
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position.....	23
Statement of Activities.....	24
Fund Financial Statements	
Governmental Funds	
Balance Sheet	25
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27
Proprietary Fund	
Statement of Net Position	28
Statement of Revenues, Expenses, and Changes in Net Position	29
Statement of Cash Flows.....	30
Notes to the Financial Statements	32

SUPPLEMENTARY INFORMATION

Governmental Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - Governmental Funds..... 45

Debt Service Fund

Combining Balance Sheet 47
 Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances..... 49
 Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
 Riverfront/Downtown..... 51

 North Gateway 53
 West Salem 54
 Mill Creek Industrial Park 55
 McGilchrist 56
 South Waterfront..... 57
 Jory Apartments TIF District..... 58

Capital Projects Fund

Combining Balance Sheet 59
 Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances..... 61
 Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
 Riverfront/Downtown..... 63
 Fairview 64
 North Gateway 65
 West Salem 66
 Mill Creek Industrial Park 67
 McGilchrist 68
 South Waterfront..... 69
 Jory Apartments TIF District..... 70
 Schedule of Expenditures by Project – Budget and Actual 71

Proprietary Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
 Salem Convention Center..... 72

OTHER INFORMATION

Impact on Overlapping Taxing Districts of Property Tax Levied by Urban Renewal Districts 74
 Urban Renewal Area Maximum Indebtedness Compliance..... 74

AUDITOR’S COMMENTS AND DISCLOSURES

Independent Auditor’s Report Required by Oregon State Regulations 75

Title VI Disclosure

It is the policy of the Urban Renewal Agency of the City of Salem (URA) to assure that no person shall be discriminated against on the grounds of race, religion, color, sex, marital status, familial status, national origin, age, mental or physical disability, sexual orientation, gender identity and source of income. The URA also fully complies with Title VI of the Civil Rights Act of 1964, and related statutes and regulations, in all programs and activities.

URBAN RENEWAL AREA OF THE CITY OF SALEM

AGENCY OFFICIALS

<u>Ward No.</u>	<u>Name</u>	<u>Term Expires December 31,</u>
Mayor	Chris Hoy	2024
1	Virginia Stapleton	2024
2	Linda Nishioka	2026
3	Trevor Phillips	2024
4	Deanna Gwyn	2026
5	Jose Gonzalez	2024
6	Julie Hoy	2026
7	Vanessa Nordyke	2024
8	Micki Varney	2026

ADMINISTRATIVE STAFF

City Manager: Keith Stahley
Chief Accountant: Jennifer Mattecheck

All correspondence for persons listed above may be sent to:

City of Salem
555 Liberty St SE, Room 220
Salem, OR 97301-3513




City of Salem

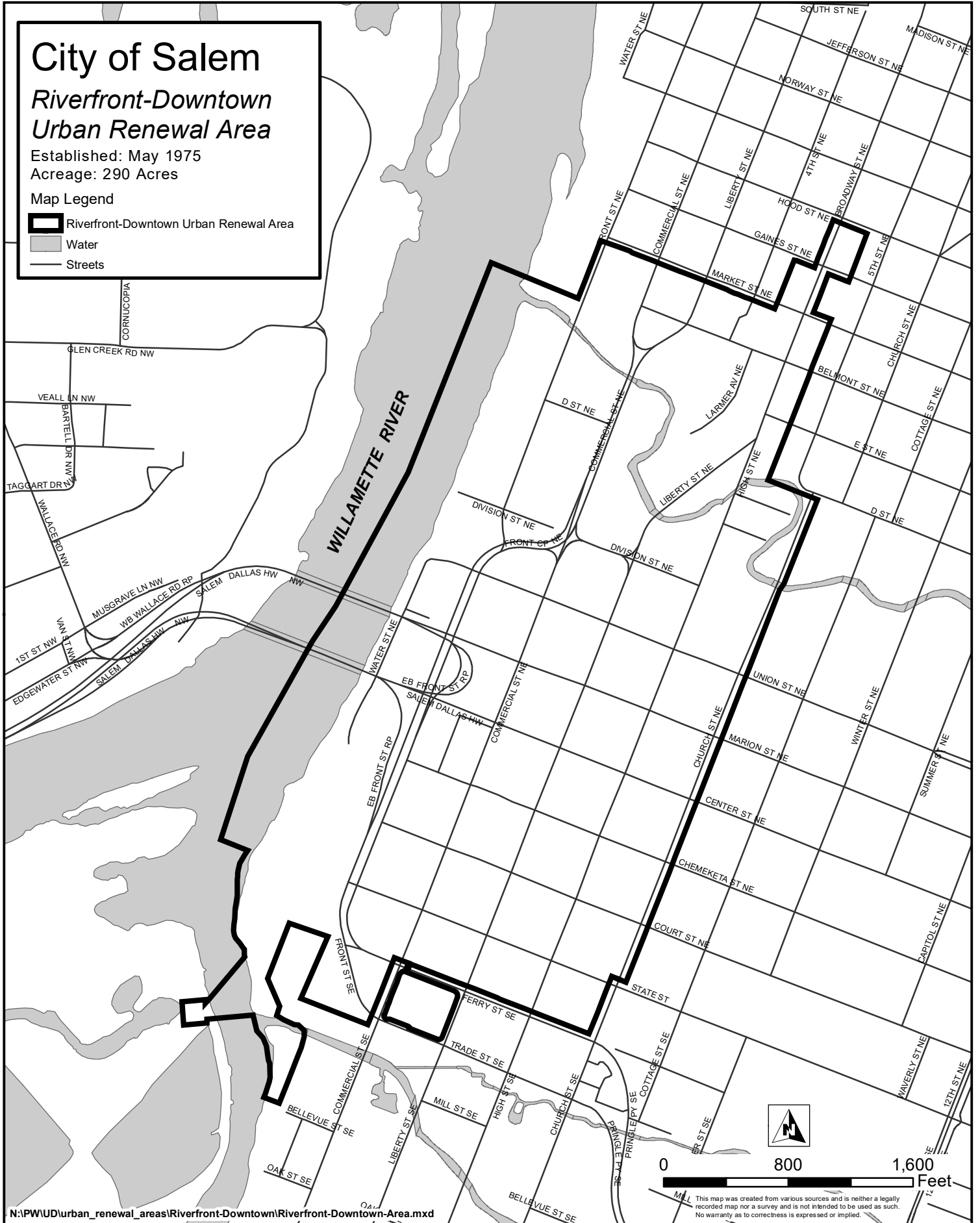
Riverfront-Downtown Urban Renewal Area

Established: May 1975

Acreage: 290 Acres

Map Legend

-  Riverfront-Downtown Urban Renewal Area
-  Water
-  Streets






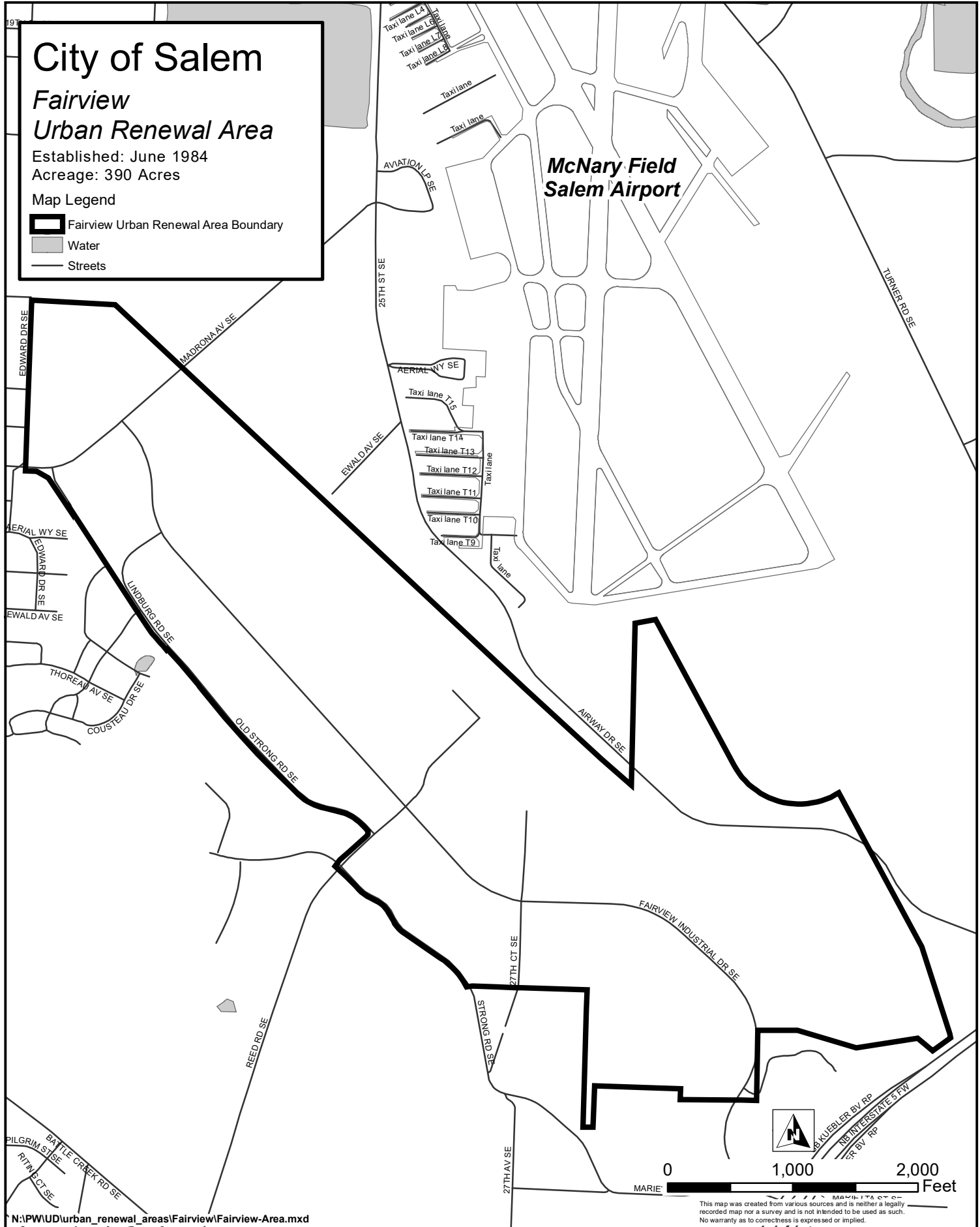
City of Salem

Fairview Urban Renewal Area

Established: June 1984
Acreage: 390 Acres

Map Legend

-  Fairview Urban Renewal Area Boundary
-  Water
-  Streets



N:\PW\UD\urban_renewal_areas\Fairview\Fairview-Area.mxd




This map was created from various sources and is neither a legally recorded map nor a survey and is not intended to be used as such. No warranty as to correctness is expressed or implied.

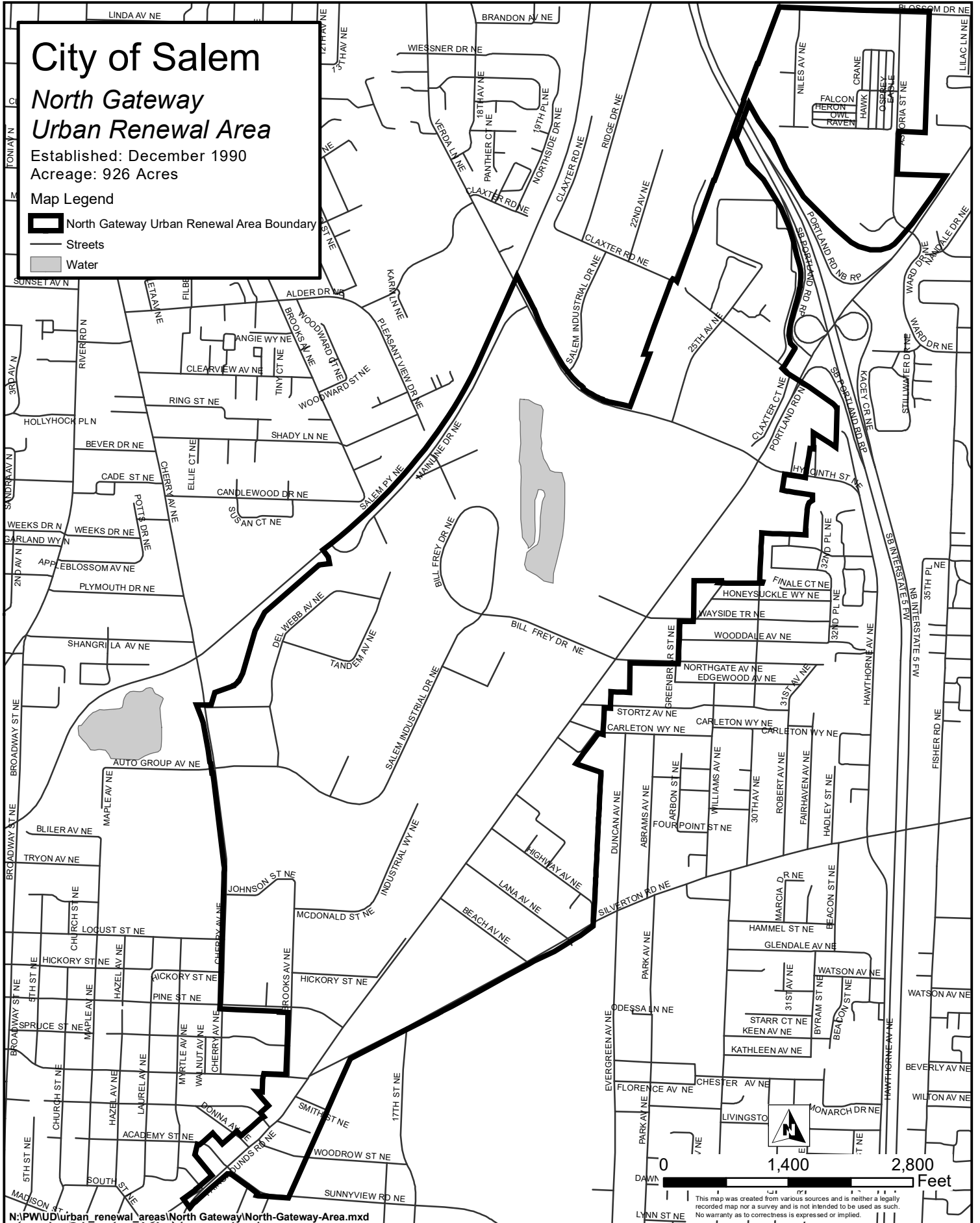
City of Salem

North Gateway Urban Renewal Area

Established: December 1990
Acreage: 926 Acres

Map Legend

-  North Gateway Urban Renewal Area Boundary
-  Streets
-  Water



N:\PW\UD\urban_renewal_areas\North Gateway\North-Gateway-Area.mxd

This map was created from various sources and is neither a legally recorded map nor a survey and is not intended to be used as such. No warranty as to correctness is expressed or implied.




City of Salem

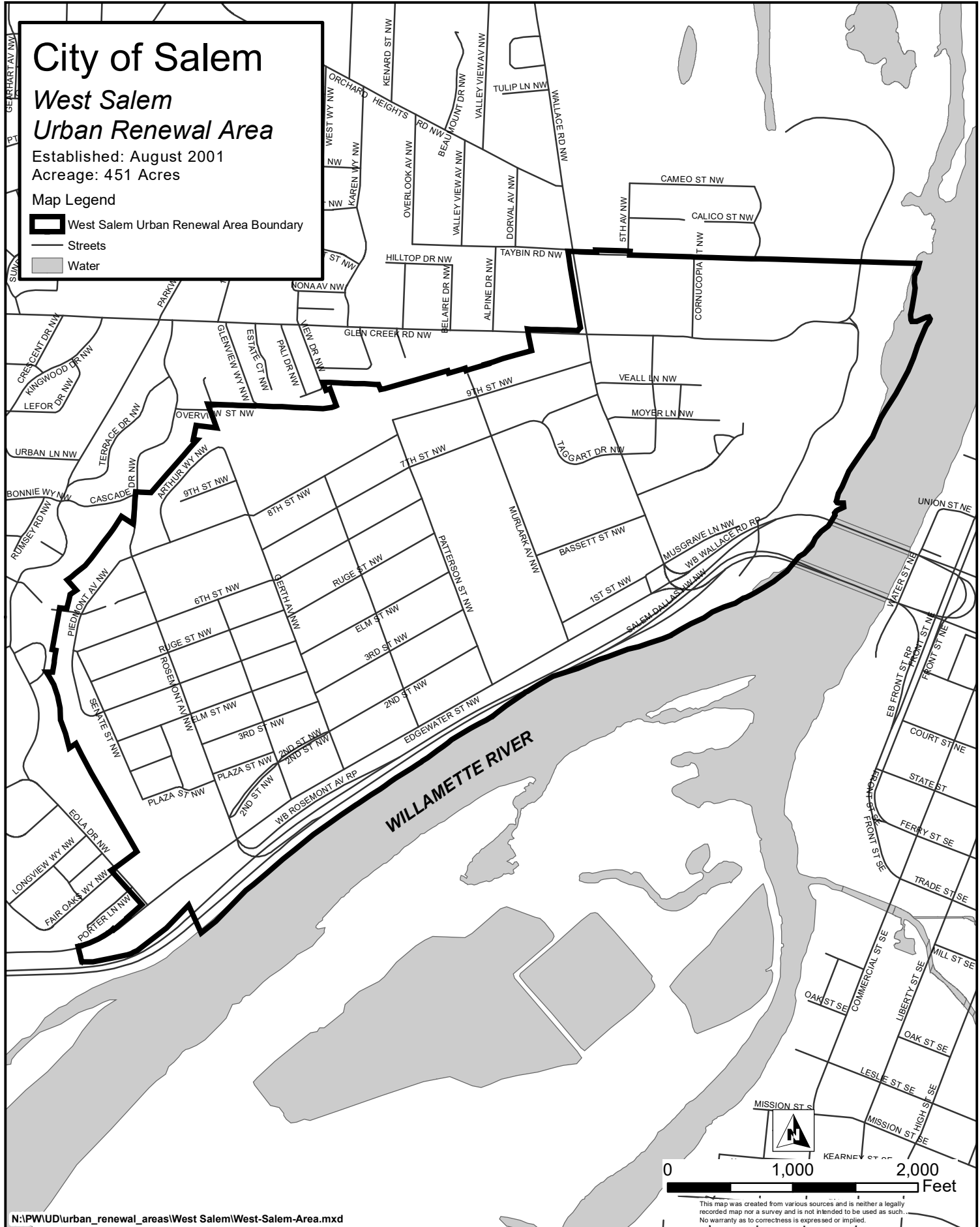
West Salem Urban Renewal Area

Established: August 2001

Acreage: 451 Acres

Map Legend

-  West Salem Urban Renewal Area Boundary
-  Streets
-  Water






This map was created from various sources and is neither a legally recorded map nor a survey and is not intended to be used as such. No warranty as to correctness is expressed or implied.

City of Salem

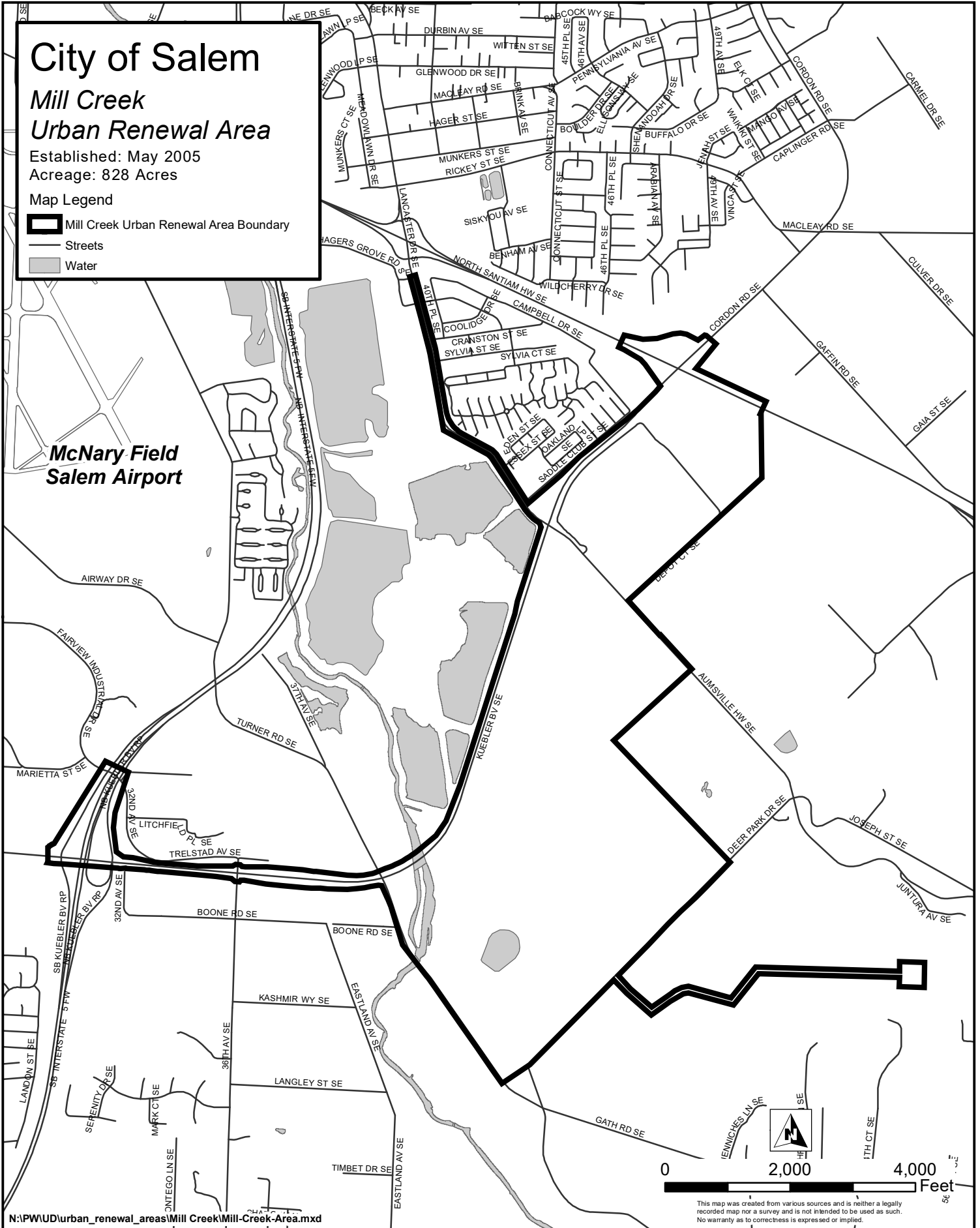
Mill Creek Urban Renewal Area

Established: May 2005
Acreage: 828 Acres

Map Legend

-  Mill Creek Urban Renewal Area Boundary
-  Streets
-  Water

**McNary Field
Salem Airport**






This map was created from various sources and is neither a legally recorded map nor a survey and is not intended to be used as such. No warranty as to correctness is expressed or implied.

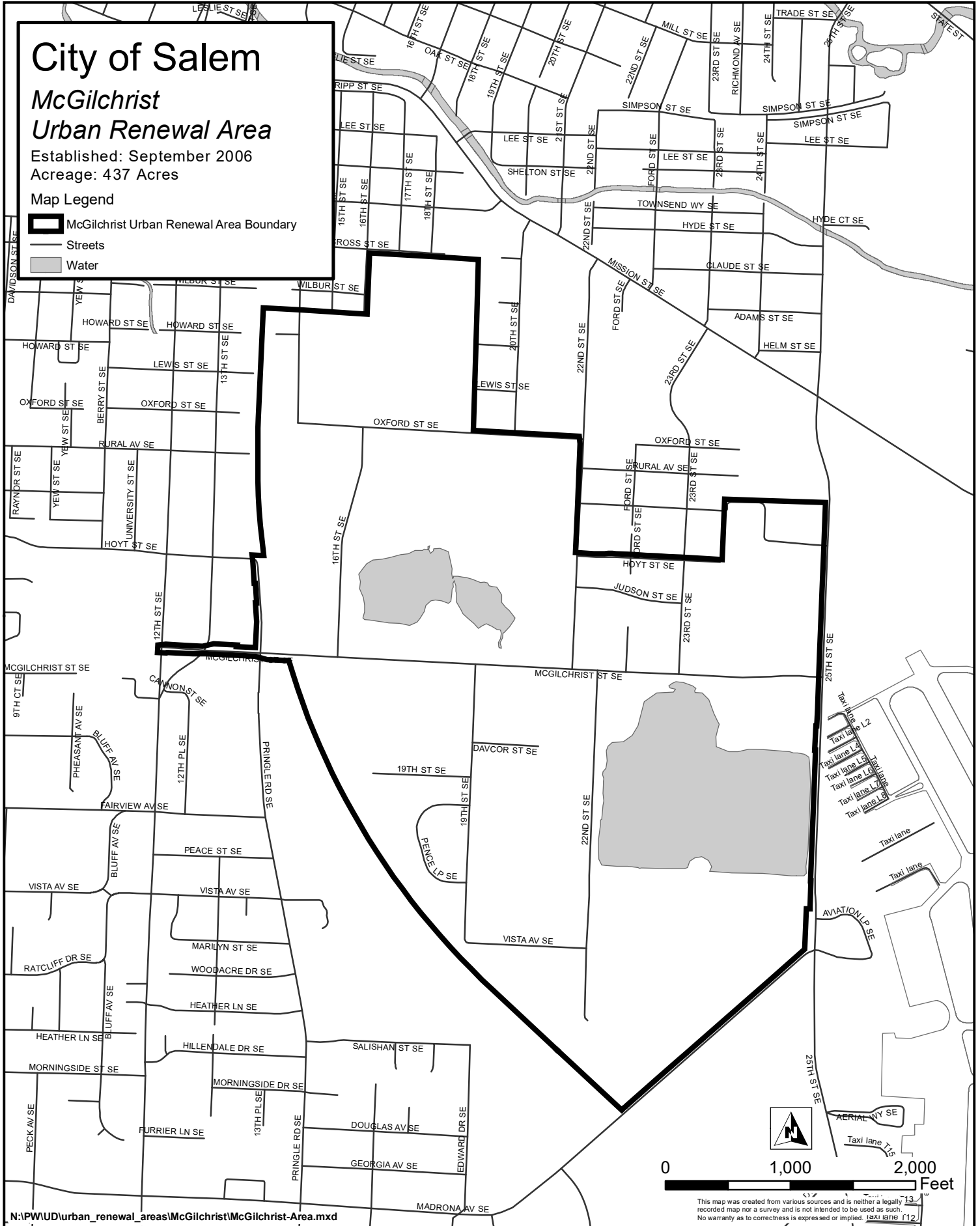
City of Salem

McGilchrist Urban Renewal Area

Established: September 2006
Acreage: 437 Acres

Map Legend

-  McGilchrist Urban Renewal Area Boundary
-  Streets
-  Water



N:\PW\UD\urban_renewal_areas\McGilchrist\McGilchrist-Area.mxd






This map was created from various sources and is neither a legally recorded map nor a survey and is not intended to be used as such. No warranty as to correctness is expressed or implied.

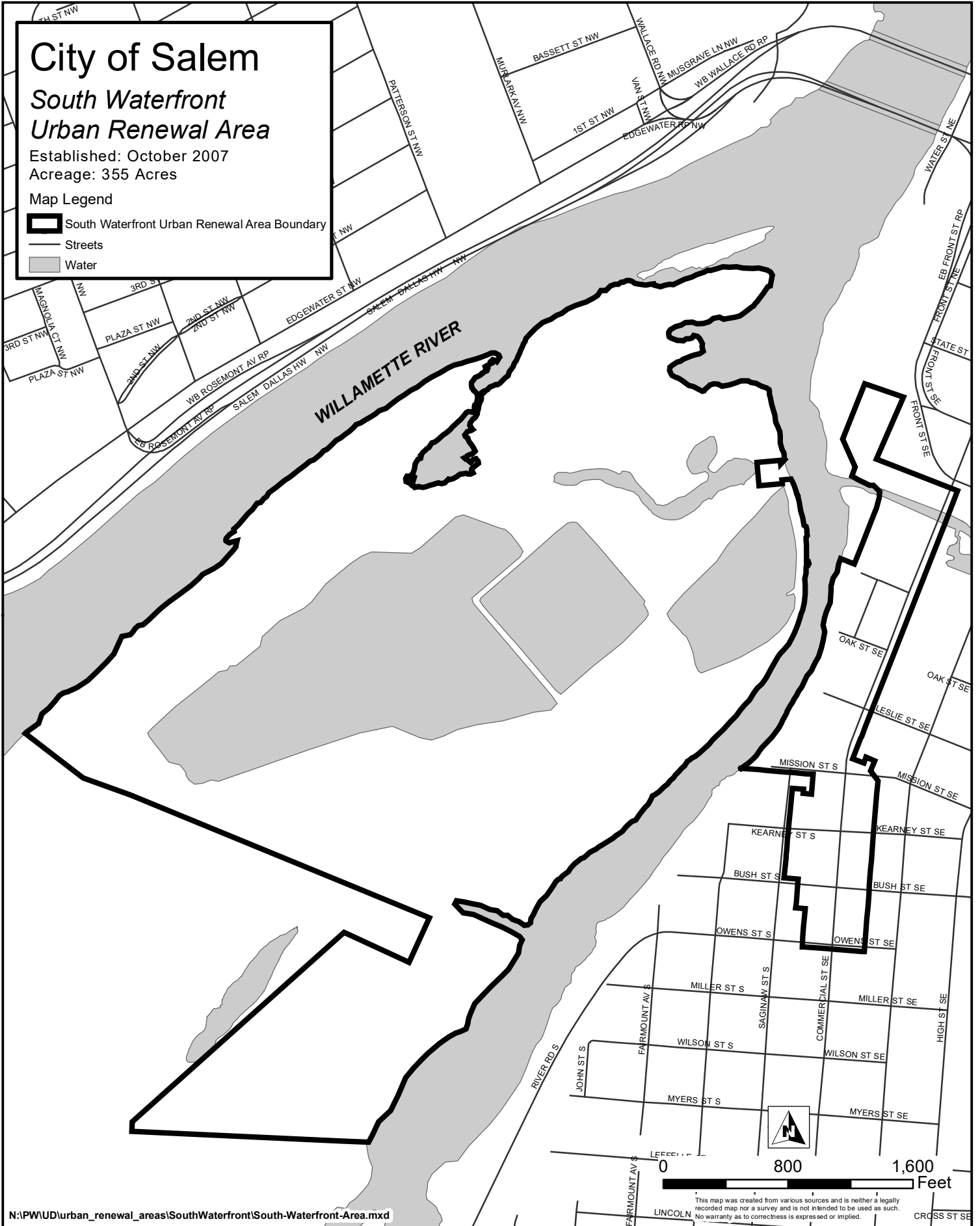
City of Salem

South Waterfront Urban Renewal Area

Established: October 2007
Acreage: 355 Acres

Map Legend

-  South Waterfront Urban Renewal Area Boundary
-  Streets
-  Water

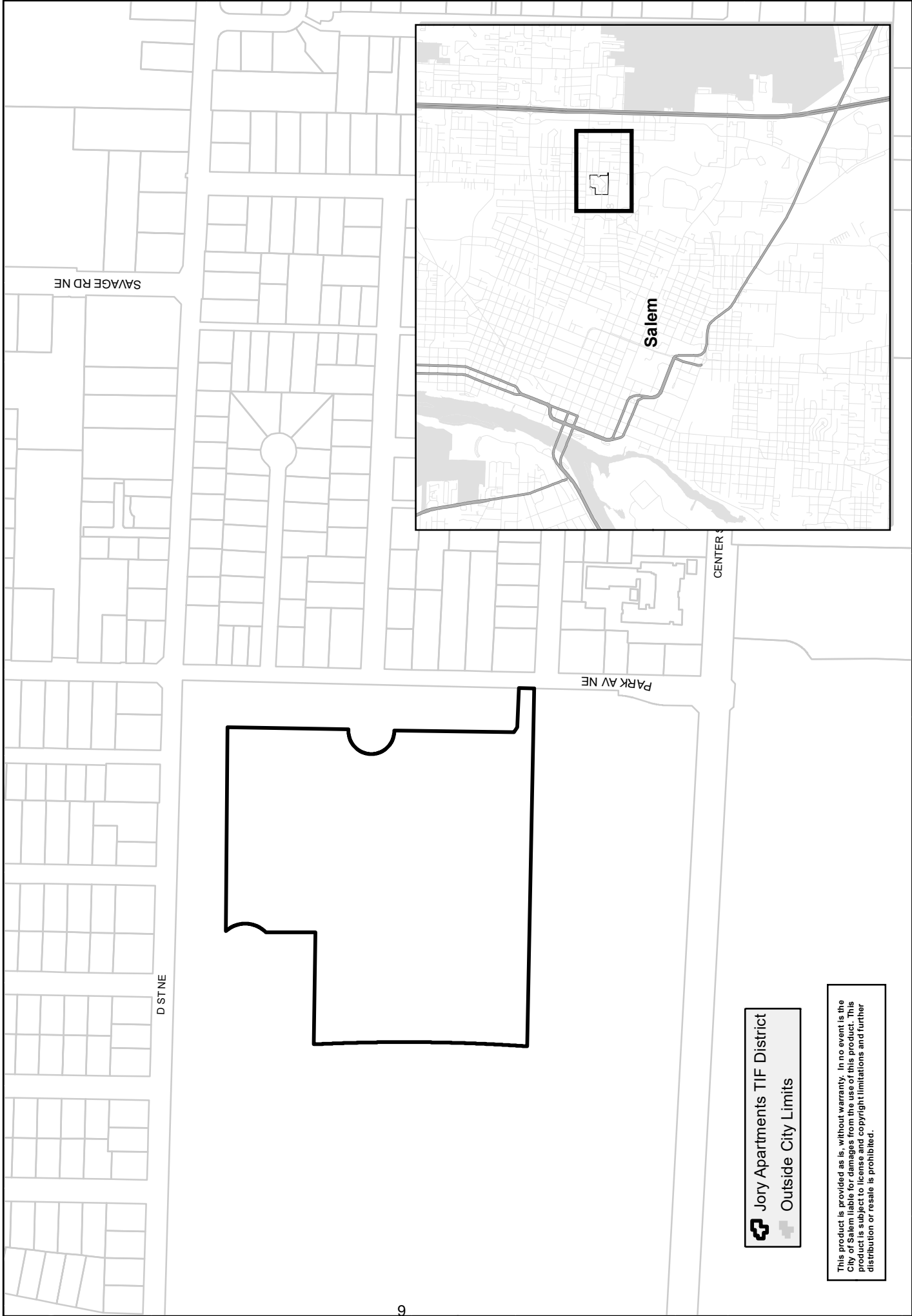


N:\PW\UD\urban_renewal_areas\SouthWaterfront\South-Waterfront-Area.mxd

This map was created from various sources and is neither a legally recorded map nor a survey and is not intended to be used as such. No warranty as to correctness is expressed or implied.



Jory Apartments TIF District



 Jory Apartments TIF District
 Outside City Limits

This product is provided as is, without warranty. In no event is the City of Salem liable for damages from the use of this product. This product is subject to license and copyright limitations and further distribution or resale is prohibited.



GROVE, MUELLER & SWANK

redw
Advisors & CPAs

INDEPENDENT AUDITOR'S REPORT

Agency Officials
Urban Renewal Agency of the City of Salem
Salem, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Urban Renewal Agency of the City of Salem, Oregon (a component unit of the City of Salem, Oregon), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Urban Renewal Agency of the City of Salem, Oregon, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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's Responsibility for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 management's discussion and analysis (MD&A) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not required parts of the basic financial statements. Such 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.


Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the agency officials, maps of urban renewal areas, and other information section but does not include the financial statements and our auditor’s report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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.

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated January 15, 2024, on our consideration of the Agency’s compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and results of that testing and not to provide an opinion on compliance.

*GROVE, MUELLER & SWANK
CERTIFIED PUBLIC ACCOUNTANTS*

By: 

Ryan T. Pasquarella, Principal
January 15, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2023

This discussion and analysis of the Urban Renewal Agency of the City of Salem (Agency) financial performance provides an overview of the Agency's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

THE FINANCIAL STATEMENTS

The financial statements presented herein include all the activities of the Agency using the integrated approach as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. The government-wide financial statements present the financial picture of the Agency from the economic resource's measurement focus and the accrual basis of accounting. These statements include all assets of the Agency as well as all liabilities, including long-term debt. Additionally, certain eliminations have occurred as prescribed by Statement No. 34 regarding payables and receivables. The fund financial statements for governmental activities are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Reconciliation of the governmental fund financial statements to the government-wide financial statements is provided to explain the differences created by the integrated approach. Fund financial statements for the proprietary fund are reported in the same manner as the government-wide statements.

REPORTING ON THE AGENCY AS A WHOLE

The Statement of Net Position and Statement of Activities report financial information about the Agency as a whole and about its activities. These statements include *all* assets and deferred outflows of the Agency, as well as all liabilities and deferred inflows (including long-term debt) using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All the current year's revenues earned, and expenses incurred are recorded regardless of when cash is received or paid.

These two statements report the Agency's *net position* and the change in net position. Net position is the residual of assets plus deferred outflows less liabilities and deferred inflows and is one way to measure the Agency's financial health, or *financial position*. Over time, *increases or decreases* in the Agency's net position is one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the Agency's property tax base as well as the assessed values in the urban renewal areas. In these statements, all Agency activities are categorized as either governmental or business-type.

Governmental activities – Most of the Agency's activities are reported in this category, which includes capital projects and applicable debt service associated with the eight urban renewal project areas, and a reserve fund for the Salem Convention Center (Convention Center).

Business-type activities – The Convention Center's activities are reported in this category. The Convention Center charges fees to customers to cover the cost of services provided.

REPORTING ON THE AGENCY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Agency uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2023

Governmental funds – The Agency’s construction and debt service activities and Convention Center gain/loss reserve are reported in governmental funds. These funds focus on how money flows into and out of funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual*, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Agency’s operations. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Agency’s programs. The reconciliation of differences between the governmental fund financial statements and the government-wide financial statements are explained in a section following the governmental fund statements.

Proprietary fund – The Convention Center charges customers for services provided, whether to outside customers or to other units of the City of Salem (City). This activity is reported in a proprietary fund. The proprietary fund is reported using the *accrual basis* of accounting which focuses on the *changes in economic resources*. This is the method used in the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position.

FINANCIAL ACTIVITIES OF THE AGENCY AS A WHOLE

Government-wide Financial Statements

Statement of Net Position

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

Statement of Net Position as of June 30,
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Assets:						
Cash and investments	\$ 72.5	\$ 67.6	\$ 1.0	\$ 0.9	\$ 73.5	\$ 68.5
Other assets	2.5	3.2	0.7	(0.3)	3.2	2.9
Capital assets	23.8	19.2	23.3	23.9	47.1	43.1
Total assets	<u>98.8</u>	<u>90.0</u>	<u>25.0</u>	<u>24.5</u>	<u>123.8</u>	<u>114.5</u>
Liabilities:						
Current liabilities	2.5	2.5	0.5	0.4	3.0	2.9
Noncurrent liabilities	13.7	15.5	-	-	13.7	15.5
Total liabilities	<u>16.2</u>	<u>18.0</u>	<u>0.5</u>	<u>0.4</u>	<u>16.7</u>	<u>18.4</u>
Deferred inflows of resources	-	-	-	-	-	-
Net position:						
Net investment in capital assets	12.5	8.2	23.3	23.9	35.8	32.1
Restricted						
Tax allocation debt	4.3	6.0	-	-	4.3	6.0
Tax allocation improvements	62.3	54.0	-	-	62.3	54.0
Convention Center gain/loss reserve	3.5	3.8	-	-	3.5	3.8
Unrestricted	-	-	1.2	0.2	1.2	0.20
Total net position	<u>\$ 82.6</u>	<u>\$ 72.0</u>	<u>\$ 24.5</u>	<u>\$ 24.1</u>	<u>\$ 107.1</u>	<u>\$ 96.1</u>

For more detailed information, see the Statement of Net Position (page 23).

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2023

Governmental Activities

The Agency's net position from governmental activities increased 16.5%, from \$72.0 million to \$83.9 million. The change is primarily composed of the following:

- Cash and investments increased \$4.9 million. This is primarily composed of a \$1.7 million decrease in the debt service fund and a \$6.4 million increase in the capital projects fund. The debt service fund decrease is due to current debt service payments and transfers of short-term loan proceeds to the capital projects fund exceeding tax receipts. The increase in the capital projects fund is due to new short-term loan proceeds exceeding project expenses.
- Capital assets increased \$4.6 million, primarily due to increase construction-in-progress (CIP) as of the end of the fiscal year. The changes are detailed in the Capital Assets section.
- Long term debt decreased \$1.8 million due to scheduled debt service.

Business-type Activities

Net position from business-type activities increased 1.6% from \$24.1 million, to \$24.5 million. The Convention Center produced an operating income of \$0.4 million as it recovers from the pandemic closure.

Statement of Activities

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

Statement of Activities for the fiscal year ended June 30,
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues						
Charge for services	\$ 1.1	\$ 0.5	\$ 5.3	\$ 2.5	\$ 6.4	\$ 3.0
Capital grants and contributions	1.2	1.1	-	-	1.2	1.1
Taxes	17.9	16.9	-	-	17.9	16.9
Interest	1.5	0.6	-	-	1.5	0.6
Other	-	-	-	-	-	-
Total revenues	<u>21.7</u>	<u>19.1</u>	<u>5.3</u>	<u>2.5</u>	<u>27.0</u>	<u>21.6</u>
Program expenses	<u>8.8</u>	<u>6.1</u>	<u>4.9</u>	<u>2.9</u>	<u>13.7</u>	<u>9.0</u>
Increase (decrease) in net position before special items and transfers	12.9	13.0	0.4	(0.4)	13.3	12.6
Transfers to/from primary government	<u>(2.3)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2.3)</u>	<u>-</u>
Increase (decrease) in net position	10.6	13.0	0.4	(0.4)	11.0	12.6
Beginning net position	<u>72.0</u>	<u>59.0</u>	<u>24.1</u>	<u>24.5</u>	<u>96.1</u>	<u>83.5</u>
Ending net position	<u>\$ 82.6</u>	<u>\$ 72.0</u>	<u>\$ 24.5</u>	<u>\$ 24.1</u>	<u>\$ 107.1</u>	<u>\$ 96.1</u>

For more detailed information, see the Statement of Activities (page 24).

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2023

Governmental Activities

The Agency's change in net position from governmental activities decreased from an increase of \$13.0 million last year to an increase of \$11.9 million this year, primarily due to construction expenditures increasing over the prior year and transfer of capital assets to the City.

Business-type Activities

The Agency's change in net position from business-type activities increased from a loss of \$0.4 million last year to a gain of \$0.4 million this year, reflecting the Convention Center operating income.

Fund Financial Statements

The following table presents ending fund balances of governmental funds compared to the prior year.

Governmental Funds - Fund Balances as of June 30, 2023
(in millions)

Major Funds	FY 2022-23		Compared to FY 2021-22	
	Amount	Percent of Total	Increase / (Decrease) Amount	Percent
Tax Allocation Debt	\$ 4.0	5.6%	\$ (1.8)	-31.0%
Tax Allocation Improvements	64.5	89.6%	6.3	10.8%
Convention Center gain/loss reserve	3.5	4.9%	(0.3)	-7.9%
Total fund balances	<u>\$ 72.0</u>	<u>100.1%</u>	<u>\$ 4.2</u>	

On June 30, 2023, the Agency's governmental funds reported combined fund balances of \$72.0 million, an increase of \$4.2 million from the prior year.

Tax Allocation Debt Fund

This fund is a debt service fund that accounts for the accumulation of resources for the payment of urban renewal long-term liabilities. The principal source of revenue is property taxes.

The Tax Allocation Debt fund decreased by \$1.8 million. Property tax receipts were exceeded by debt service expenditure and transfer of short-term loan proceeds to the construction fund.

The June 30, 2023, fund balance of \$4.0 million is restricted for future debt service.

Tax Allocation Improvements Fund

This fund is a capital projects fund that accounts for construction improvement projects within the urban renewal areas. Financing is provided by debt issuance and interest income. Primary expenditures are for capital projects, grants, studies, and loans to private parties for capital asset improvements within urban renewal areas.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2023

The Tax Allocation Improvements fund increased by \$6.3 million, a net of short-term loan issuance of \$17.5 million, other revenues of \$3.5 million, and project expenditures of \$14.8 million. Construction expenditures overall were \$6.1 million more than last year, more in line with historic activity levels but still less than new loans which raise funds for construction. Riverfront expenditures increased by \$3.1 million over last year, Fairview increased \$1.4 million, North Gateway spending decreased \$0.8 million, West Salem increased \$0.5 million, Mill Creek decreased \$0.4 million, McGilchrist as steady, South Waterfront increased \$2.0 million, and Jory had its first significant spending with \$0.2 million.

The June 30, 2023, fund balance of \$64.5 million is restricted for urban renewal projects.

Salem Convention Center Gain/Loss Reserve Fund

This fund is a capital projects fund established to support the capital needs of the Convention Center.

Salem Convention Center Gain/Loss Reserve fund had a \$0.3 million decrease for the year due to general capital expenditures.

The June 30, 2023, fund balance of \$3.5 million is restricted for future Convention Center capital needs.

Salem Convention Center Fund

This fund is a proprietary fund that accounts for the operation and maintenance of the Convention Center. Financing is provided mainly from user fees.

Net position increased \$0.4 million due to the Center's operating income.

Budgetary Highlights

There were no changes to the original adopted budget.

Capital Assets

As of June 30, 2023, the Agency had \$43.1 million in capital assets. This represents a net increase of \$3.0 million from the prior year. The change is primarily reflected in construction-in-progress balances. The Riverfront area saw an increase in CIP of \$3.2 million, primarily for streetscape improvements and work on the former Saffron/Union Gospel Mission property. The Fairview area increased CIP by \$1.2 million for Airport terminal improvements related to bringing in commercial air service. The North Gateway area had a decrease in CIP of \$1.8 million as a Portland Road project was completed and the asset transferred to the City. West Salem CIP increased \$0.8 million as work continues on the Wallace Road / 2nd Street project. Mill Creek CIP decreased \$0.6 million as street and sewer projects on Mill Creek Drive were completed and transferred to the City. Finally, McGilchrist CIP increased \$1.6 million as work on McGilchrist Street from 12th to 25th streets continues.

The Agency's change in capital assets is reflected in the following table:

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2023

Capital Assets as of June 30, (Net of Depreciation) (in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Land	\$ 4.2	\$ 4.2	\$ 1.5	\$ 1.5	\$ 5.7	\$ 5.7
Buildings	-	-	18.8	19.4	18.8	19.4
Improvements	-	-	2.4	2.5	2.4	2.5
Equipment and machinery	-	-	0.2	0.3	0.2	0.3
Public art	-	-	0.2	0.2	0.2	0.2
Work in progress	19.6	15.0	0.2	-	19.8	15.0
Total	<u>\$ 23.8</u>	<u>\$ 19.2</u>	<u>\$ 23.3</u>	<u>\$ 23.9</u>	<u>\$ 47.1</u>	<u>\$ 43.1</u>

Change in Capital Assets for the fiscal year ended June 30, 2023 (in millions)

	Governmental Activities	Business-Type Activities	Total
Beginning balance	\$ 19.2	\$ 23.9	\$ 43.1
Additions	10.5	0.2	10.7
Retirement and depreciation	(5.90)	(0.8)	(6.7)
Ending balance	<u>\$ 23.8</u>	<u>\$ 23.3</u>	<u>\$ 47.1</u>

For more detailed information on capital assets, see page 40 of the notes to the financial statements.

Debt Outstanding

As of June 30, 2023, the Agency had \$15.5 million in long-term debt outstanding, compared to \$17.4 million last year. The decrease of \$1.9 million was due to scheduled debt service.

Outstanding Debt as of June 30, (in millions)

	Totals	
	2023	2022
Governmental:		
Bonds	\$ 8.2	\$ 9.5
Notes	7.3	7.9
Total	<u>\$ 15.5</u>	<u>\$ 17.4</u>

For more detailed information on debt, see page 41-42 of the notes to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2023

ECONOMIC FACTORS

The Agency is an important partner in economic development within the City of Salem, providing infrastructure improvements and loan programs to support growth and quality of service to those within the Agency's boundaries. As assessed property values within the boundaries of the Agency increase, so do the property taxes derived from the corresponding tax increment. That tax increment is then used to pay debt service on bonds issued to fund projects and improvements.

In fiscal year 2022-23, urban renewal taxes were collected through two methods. Under the tax increment or "division of taxes" method, the amount of tax collected is based on the increase in Assessed Value (AV) of property located in an urban renewal area over the "frozen base" value established at the time the district was formed. The tax collected from within a district may only be spent on urban renewal activity within that district. Certain urban renewal areas collect additional taxes through a citywide special levy, which is identified as such on tax bills. These taxes also must be spent only on urban renewal activity in the district for which the taxes are collected. The division of taxes rate and the special levy rate by urban renewal area are shown in the following table.

Urban Renewal Area	Division of Taxes Rate/\$1,000 AV	Special Levy Rate/\$1,000 AV
Riverfront/Downtown	\$ 0.1093	\$ 0.2327
North Gateway	0.1150	none
West Salem	0.0438	none
Mill Creek Industrial Park	0.0432	none
McGilchrist	0.0321	none
South Waterfront	0.0133	none
Jory	0.0047	none

FINANCIAL CONTACT

The Agency's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with an overview of the Agency's finances, and to demonstrate the Agency's accountability. If you have questions about the report or need additional financial information, please contact the City's Finance Division at 555 Liberty Street SE, Room 230, Salem, Oregon 97301.

This page intentionally left blank

BASIC FINANCIAL STATEMENTS

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-type Activities	Total
Assets			
Current assets			
Cash and investments	\$ 72,517,118	\$ 1,019,146	\$ 73,536,264
Accounts receivable, net	644,155	440,951	1,085,106
Leases receivable	8,486	-	8,486
Internal balances	(167,896)	167,896	-
Inventories and prepayments	-	47,873	47,873
Total current assets	73,001,863	1,675,866	74,677,729
Noncurrent assets			
Leases receivable	9,547	-	9,547
Notes receivable	2,088,553	-	2,088,553
Capital assets			
Land and construction in progress	23,755,723	1,916,525	25,672,248
Other capital assets, net	-	21,385,638	21,385,638
Total noncurrent assets	25,853,823	23,302,163	49,155,986
Total assets	98,855,686	24,978,029	123,833,715
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	704,562	495,722	1,200,284
Long-term debt - due within one year	1,847,723	-	1,847,723
Total current liabilities	2,552,285	495,722	3,048,007
Non-current liabilities			
Long-term debt	13,677,778	-	13,677,778
Total liabilities	16,230,063	495,722	16,725,785
Deferred inflows of resources			
Deferred inflows related to leases	17,793	-	17,793
Net position			
Net investment in capital assets	12,524,534	23,302,163	35,826,697
Restricted			
Tax allocation debt	4,283,081	-	4,283,081
Tax allocation improvements	62,309,081	-	62,309,081
Convention Center gain/loss reserve	3,491,134	-	3,491,134
Unrestricted	-	1,180,144	1,180,144
Total net position	\$ 82,607,830	\$ 24,482,307	\$ 107,090,137

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

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)

Statement of Activities

For the fiscal year ended June 30, 2023

	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
	Charges for Services	Capital Grants/ Contributions	Governmental Activities	Business-type Activities
		Expenses	Total	Total
Functions/programs				
Primary government				
Governmental activities				
Urban renewal	\$ 8,286,357	\$ 1,234,949	\$ (5,914,443)	\$ -
Interest on long-term debt	485,315	-	(485,315)	-
Total governmental activities	8,771,672	1,234,949	(6,399,758)	-
Business - type activities				
Salem Convention Center	4,941,397	-	-	373,164
Total primary government	\$ 13,713,069	\$ 1,234,949	(6,399,758)	373,164
General revenues				
Property taxes			17,850,177	-
Investment earnings			1,502,823	-
Transfers to/from primary government			(2,368,336)	(9,466)
Total general revenues and transfers			<u>16,984,664</u>	<u>(9,466)</u>
Change in net position			10,584,906	363,698
Net position - beginning of year			72,022,924	24,118,609
Net position - end of year			<u>\$ 82,607,830</u>	<u>\$ 24,482,307</u>
				<u>\$ 107,090,137</u>

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

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Balance Sheet - Governmental Funds
June 30, 2023

	<u>Debt Service</u>	<u>Capital Projects</u>		<u>Totals</u>
	<u>Tax Allocation Debt</u>	<u>Tax Allocation Improvements</u>	<u>Salem Convention Center Gain/Loss Reserve</u>	
Assets				
Cash and investments	\$ 3,887,559	\$ 64,970,448	\$ 3,659,111	\$ 72,517,118
Accounts receivable, net	583,520	60,635	-	644,155
Leases receivable	-	18,033	-	18,033
Notes receivable	-	2,088,553	-	2,088,553
Total assets	<u>\$ 4,471,079</u>	<u>\$ 67,137,669</u>	<u>\$ 3,659,111</u>	<u>\$ 75,267,859</u>
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ 516,483	\$ 81	\$ 516,564
Due to other funds	-	-	167,896	167,896
Total liabilities	-	516,483	167,977	684,460
Deferred inflows of resources				
Related to leases	-	17,793	-	17,793
Unavailable revenue	429,796	2,089,211	-	2,519,007
Total deferred inflows of resources	429,796	2,107,004	-	2,536,800
Fund balances				
Restricted for				
Debt Service	4,041,283	-	-	4,041,283
Capital Projects	-	64,514,182	3,491,134	68,005,316
Total fund balances	4,041,283	64,514,182	3,491,134	72,046,599
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,471,079</u>	<u>\$ 67,137,669</u>	<u>\$ 3,659,111</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds (net of accumulated depreciation)	23,755,723
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	
Notes receivable - earned but unavailable	2,089,211
Property taxes - earned but unavailable	429,796
Accrued interest on long-term debt	(187,998)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds	(15,525,501)
Total net position	<u>\$ 82,607,830</u>

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

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the fiscal year ended June 30, 2023

	<u>Debt Service</u>	<u>Capital Projects</u>		<u>Totals</u>
	<u>Tax Allocation Debt</u>	<u>Tax Allocation Improvements</u>	<u>Salem Convention Center Gain/Loss Reserve</u>	
Revenues				
Property taxes	\$ 17,843,282	\$ -	\$ -	\$ 17,843,282
Interest on investments	265,366	1,156,146	81,311	1,502,823
Grants	-	1,234,949	-	1,234,949
Intergovernmental	-	963,744	-	963,744
Loan payments received	-	177,945	-	177,945
Rents	-	15,479	-	15,479
Total revenues	<u>18,108,648</u>	<u>3,548,263</u>	<u>81,311</u>	<u>21,738,222</u>
Expenditures				
Materials and services	-	14,843,868	403,836	15,247,704
Debt service				
Principal retirement	1,793,144	-	-	1,793,144
Interest and fiscal charges	500,937	-	-	500,937
Total expenditures	<u>2,294,081</u>	<u>14,843,868</u>	<u>403,836</u>	<u>17,541,785</u>
Revenues over (under) expenditures	<u>15,814,567</u>	<u>(11,295,605)</u>	<u>(322,525)</u>	<u>4,196,437</u>
Other financing sources (uses)				
Transfers in	-	17,543,790	272,035	17,815,825
Transfers out	(17,543,790)	-	(262,569)	(17,806,359)
Total other financing sources (uses)	<u>(17,543,790)</u>	<u>17,543,790</u>	<u>9,466</u>	<u>9,466</u>
Net change in fund balance	<u>(1,729,223)</u>	<u>6,248,185</u>	<u>(313,059)</u>	<u>4,205,903</u>
Fund balances, beginning of year	<u>5,770,506</u>	<u>58,265,997</u>	<u>3,804,193</u>	<u>67,840,696</u>
Fund balances, end of year	<u>\$ 4,041,283</u>	<u>\$ 64,514,182</u>	<u>\$ 3,491,134</u>	<u>\$ 72,046,599</u>

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

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the fiscal year ended June 30, 2023

Net change in fund balances - total governmental funds	\$	4,205,903
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. This represents the increase/decrease in expenses that reflects the change in capital assets, change in construction in progress, and capitalized capital outlay.		
Acquisition of capital assets		4,583,546
Revenues in the government-wide Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in deferred inflows for general revenue		6,895
Change in deferred inflows for program revenue		(20,204)
Debt issuance provides current financial resources and debt service payments use current financial resources in governmental funds. Neither transaction affects the government-wide net position since long-term debt is reported as a liability.		
Principal payments on long-term debt		1,793,144
Accrued interest expense on long-term debt is reported in the government-wide Statement of Activities, but does not require the use of current financial resources and is not reported as an expenditure in governmental funds.		
		15,622
Change in net position	\$	10,584,906

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

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)

Proprietary Fund
Statement of Net Position
June 30, 2023

	Salem Convention Center
Assets	
Cash and investments	\$ 1,019,146
Accounts receivable, net	440,951
Due from other funds	167,896
Inventories and prepayments	<u>47,873</u>
Total current assets	<u>1,675,866</u>
Noncurrent assets	
Capital assets:	
Land and construction in progress	1,916,525
Other capital assets, net	<u>21,385,638</u>
Total noncurrent assets	<u>23,302,163</u>
Total assets	<u>24,978,029</u>
Liabilities	
Accounts payable and accrued liabilities	<u>495,722</u>
Net Position	
Net investment in capital assets	23,302,163
Unrestricted	<u>1,180,144</u>
Total net position	<u><u>\$ 24,482,307</u></u>

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

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Proprietary Fund
Statement of Revenues, Expenses, and Changes in Net Position
For the fiscal year ended June 30, 2023

	Salem Convention Center
Operating revenues	
Sales	\$ 3,405,131
Rents	1,837,450
Total operating revenues	5,242,581
Operating expenses	
Materials and services	4,102,510
Depreciation	838,887
Total operating expenses	4,941,397
Operating income (loss)	301,184
Non-operating revenues (expenses)	
Other revenue (expenses)	71,980
Income (loss) before transfers	373,164
Transfers in	262,569
Transfers out	(272,035)
Change in net position	363,698
Net position - beginning of year	24,118,609
Net position - end of year	\$ 24,482,307

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

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Proprietary Fund
Statement of Cash Flows
For the fiscal year ended June 30, 2023

	<u>Salem Convention Center</u>
Cash Flows from Operating Activities	
Receipts from customers	\$ 4,823,368
Payments to suppliers	<u>(4,488,910)</u>
Net cash provided (used) by operating activities	334,458
Cash Flows from Noncapital Financing Activities	
Transfers received	262,569
Transfers paid	<u>(272,035)</u>
Net cash provided (used) by noncapital and related financing activities	<u>(9,466)</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition and construction of capital assets	<u>(235,166)</u>
Net increase (decrease) in cash and cash equivalents	89,826
Cash and cash equivalents - beginning of year	<u>929,320</u>
Cash and cash equivalents - end of year	<u><u>\$ 1,019,146</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income (loss)	\$ 301,184
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	838,887
Changes in assets and liabilities:	
Accounts receivable	(419,213)
Inventories and prepayments	(2,309)
Accounts payable and accrued liabilities	<u>(384,091)</u>
Net cash provided (used) by operating activities	<u><u>\$ 334,458</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Urban Renewal Agency of the City of Salem, Oregon (Agency) have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

The more significant of the Agency's accounting policies are described below.

The Financial Reporting Entity

The Urban Renewal Agency of the City of Salem is a municipal corporation created by Oregon statute and activated by the Salem City Council (Council). The Council elected to have the Agency exercise its powers and engage in urban renewal activity within the boundaries of the City. The Council has been designated as the governing body of the Agency and acts in that capacity. The Agency develops urban renewal plans that must be approved by the Agency Board and Council. Pursuant to Oregon Revised Statutes (ORS) 457.210(3), the City has been delegated responsibility for fiscal matters of the Agency related to the planning and construction of urban renewal projects. The tax increment collections resulting from the division of taxes under ORS 457.420 are used to retire any indebtedness incurred to finance urban renewal projects.

The Agency is governed by a nine-member board of directors that include the City's mayor and other council members and is included as a component unit in the City's financial statements.

Urban Renewal Areas

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 County Assessor "freezes" the assessed value of property within the urban renewal area when the area is established. 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 used to pay the principal and interest on any indebtedness incurred by the Urban Renewal Agency to finance urban renewal projects.

Government-wide and Fund Financial Statements

The government-wide financial statements report information on all activities of the Agency. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

The Statement of Activities demonstrates the degree to which the expenses of a given function are offset by program revenues. Program revenues include (1) fines, fees, and charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Grants and contributions not restricted are reported as general revenues rather than program revenues. Taxes and other items not properly included among program revenues are also reported as general revenues.

Fund financial statements are provided for all governmental and proprietary funds.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to what is being measured by a fund. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements.

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. All assets and liabilities are included in the Statement of Net Position. The Statement of Activities presents changes in net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Current assets, deferred outflows, current liabilities, and deferred inflows are included in the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances presents increases and decreases in fund balances. Revenues are recorded when susceptible to accrual (both measurable and available). Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter (60 days) to be used to liquidate liabilities of the current period. Expenditures other than interest on long-term obligations are recorded when a liability is incurred.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's primary ongoing operations. The principal operating revenues of the Convention Center are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental Funds

Governmental funds finance all the construction and debt service functions of the Agency, as well as provide a reserve fund for the Salem Convention Center. The following are the Agency's major fund types.

Tax Allocation Debt Fund

The Tax Allocation Debt fund is a debt service fund that accounts for the accumulation of tax increment collections assessed on property and the payment of principal and interest on debt.

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

Tax Allocation Improvements Fund

The Tax Allocation Improvements fund is a capital projects fund that accounts for construction improvement projects in the Urban Renewal areas. Financing is provided by debt issuance and interest income.

Salem Convention Center Gain/Loss Reserve Fund

The Convention Center gain/loss reserve fund is a capital projects fund that accounts for resources accumulated to finance the capital asset needs of the Center and address any operating deficits that may arise.

Proprietary Funds

Proprietary funds record the business-type activities of the Agency. Revenues are expected to offset expenses. The Salem Convention Center fund is the only proprietary fund of the Agency and accounts for the operations of the Center.

Cash and Investments

The City of Salem (City) maintains a cash and investment pool for all City funds, including funds of the Agency. Interest earned on the pooled cash and investments is allocated based on each fund's average cash and investments balance as a proportion of the City's total.

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

For purposes of the statement of cash flows, proprietary funds consider all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

The City's investment policy is governed by ORS. The statutes authorize the City and component units to invest primarily in U.S. Treasury obligations, U.S. Government agency issues, U.S. Instrumentality debt, certain bonded obligations of municipalities, bank repurchase agreements, bankers' acceptances, high-grade corporate bonds and commercial paper, collateralized deposit accounts, and the State Treasurer's Local Government Investment Pool (LGIP).

It is the City's policy to report all short-term, highly liquid money market investments with a remaining maturity of one year or less at time of purchase at amortized cost, which approximates fair value. Investments with a remaining maturity at time of purchase of more than one year are valued at fair value in accordance with GASB Statements 31 and 72.

Receivables and Deferred Inflows of Resources

Property tax receivables that have been collected within 60 days subsequent to year-end are considered measurable and available and are recognized as revenues. All other property tax receivables are offset by deferred inflows of resources, and accordingly, have not been recorded as revenue in the fund financial statements. Real and personal property taxes are levied upon all taxable property within the urban renewal areas and become liens against the property as of July 1 of each year and are payable in three installments that are due on November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15. Taxes not collected by May 15 are considered delinquent. In the government-wide financial statements, taxes are recognized as revenue when levied.

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

Notes receivable are recorded as receivables when loaned, are offset by deferred inflows of resources, and accordingly, not recorded as revenue in the funds until payments are received.

Capital Assets

Capital assets are recorded at cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. In the governmental fund statements, capital outlays are charged to expenditures as purchased. Governmental capital assets are reported only on the government-wide statement of net position. In the proprietary fund statements, capital assets are reported on the statement of net position.

Capital assets are defined as assets with an initial individual cost of more than \$10,000 (\$2,000 for the Convention Center) and an estimated useful life in excess of one year. Additions or improvements, and other capital outlays that significantly extend the useful life of an asset, or significantly increase the capacity of an asset, are capitalized. Other costs incurred for repairs and maintenance are expensed.

Construction-in-progress represents amounts expended to date on construction projects that are not yet complete.

It is the Agency's practice to transfer capital assets to the City when projects are completed, except for assets of the Convention Center.

Debt

Long-term debt is reported in the Statement of Net Position as noncurrent liabilities. The governmental fund financial statements do not report long-term debt because it does not require the use of current financial resources.

Tax increment bonds are direct obligations of the Urban Renewal Agency and are payable solely from tax increment revenues. The Agency issues tax increment bonds specific to each urban renewal area to provide funds for projects within the respective area.

Net Position

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted. Net position is the residual of assets and deferred outflows, less liabilities and deferred inflows.

Budget and Budgetary Accounting

A budget is prepared for each fund in accordance with the modified accrual basis of accounting for all funds. Appropriations are made by expenditure type for all funds. Expenditures may not legally exceed appropriations. Appropriations lapse at the end of each fiscal year. Budget amounts include original approved amounts and all subsequent appropriation transfers approved by the Agency Board. The budget for the funds includes capital outlay expenditures in each program for capital outlays applicable to that program.

After budget approval, the Agency Board may approve supplemental appropriations if an occurrence, condition, or need exists that was not identified at the time the budget was adopted. Management may not amend the budget. A supplemental budget requires hearings before the public, publication in newspapers, and approval by the Agency Board.

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

CASH AND INVESTMENTS

The Agency's cash and investments are comprised of the following as of June 30, 2023:

	Book Value
Deposits with City of Salem	\$ 16,658,080
Investments	56,878,184
Total cash and investments	\$ 73,536,264

1. Deposits

In the case of deposits, there is a custodial credit risk that, in the event of the failure of the counterparty, the Agency will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All Agency deposits are held by the City of Salem, which is covered by the State of Oregon Public Funds Collateralization Program. At June 30, 2023, the Agency's deposits in City bank accounts had a book value of \$16,658,079.

2. Investments

As of June 30, 2023, the Agency held the following investments and maturities:

Investment type	Fair Value	Weighted avg. maturity in months	% of investment portfolio
Local Government Investment Pool	\$ 56,667,735	0.033	100.0%

Weighted average maturity in months assumes that all investments are held to maturity.

Agency funds are invested by the City on behalf of the Agency. The City's investment policies are governed by state statutes, which authorize the City to invest primarily in general obligations of the U.S. Government and its agencies, certain municipal and corporate bonds, bank repurchase agreements, bankers' acceptances, certain commercial paper, and the State Treasurer's Local Government Investment Pool (LGIP), among others. The LGIP is a portion of the Oregon Short Term Fund (OSTF). This fund is not registered with the US Securities and Exchange Commission, but is governed by ORS, the Oregon Investment Council, and the OSTF Board. The fair value of the fund is the same as the value of the pool shares.

As a means of limiting its exposure to fair value losses caused by changing interest rates, the City's investment policy limits investments as shown below:

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

<u>Investment type</u>	<u>Maximum % of portfolio</u>	<u>Maximum length to maturity</u>
Bankers' acceptances	20%	6 months
Certificates of deposit	25%	2 years
Commercial paper	} 35%	9 months
Corporate indebtedness		5 years
Local government investment pool	100% *	N/A
Municipal Debt	10%	5 years
Repurchase agreements	10%	3 months
U.S. agency securities	100%	5 years
U.S. Instrumentality Debt	100%	5 years
U.S. Treasuries	100%	5 years

*Dollar amount limited by ORS 294.810. As of June 30, 2023 this limit is \$56,763,000.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Agency will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City's investment policy requires broker/dealers to meet certain qualifications and that all investments are delivered to and held by a third-party custodian, which holds the funds in the City's name. All investments, except for the investment in the LGIP, which is not evidenced by securities, are held in safekeeping by the financial institution counterparty or by its trust department in the City's name.

As of June 30, 2023, the credit risk for the Agency's investments is as follows:

<u>Investment type</u>	<u>Fair Value</u>	<u>Credit Risk</u>	<u>Concentration Risk</u>
Local Government Investment Pool	\$ 56,667,735	Unrated	100.0%

The Agency's policy, which adheres to State of Oregon law, is to limit its investments to the following: issuers within Oregon must be rated A (bonds) or A-2/P-2 (commercial paper) or better by Standard and Poor's, Moody's, or any other nationally recognized statistical rating organization. Issuers not in Oregon must be rated AA/Aa (bonds) or A-1/P-1 (commercial paper) or better.

RECEIVABLES

Receivables for governmental funds as of June 30, 2023, are as follows:

	<u>Tax Allocation Debt</u>	<u>Tax Allocation Improvements</u>	<u>Totals</u>
Accounts receivable	\$ -	\$ 59,923	\$ 59,923
Property taxes	583,157	-	583,157
Interest	363	712	1,075
Lease receivables	-	18,033	18,033
Notes receivable	-	2,088,553	2,088,553
Total	\$ 583,520	\$ 2,167,221	\$ 2,750,741

Salem Convention Center accounts receivable balance as of June 30, 2023, is \$440,951.

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

PROPERTY TAXES

Fiscal Year of Levy	Balances July 1, 2022	2022-23 Levy	Adjustments To Date	Collections To Date	Balances June 30, 2023
2022-23	\$ -	\$ 18,258,670	\$ (532,381)	\$ 17,408,389	\$ 317,900
2021-22	302,433	-	(17,396)	164,298	120,739
2020-21	107,646	-	(10,250)	32,478	64,918
2019-20	68,451	-	(9,834)	27,892	30,725
2018-19	28,960	-	(5,407)	12,458	11,095
2017-18	9,744	-	(520)	2,496	6,728
2016-17	6,112	-	(252)	1,617	4,243
All Prior	30,437	-	(136)	3,492	26,809
	<u>\$ 553,783</u>	<u>\$ 18,258,670</u>	<u>\$ (576,176)</u>	<u>\$ 17,653,120</u>	<u>\$ 583,157</u>

Ensuing Year's Levies

Property tax levies for the year beginning July 1, 2023, are as follows:

- The Riverfront/Downtown and North Gateway plan areas will use 100% of their authority under option one of ORS 457.435(2)(a) for the retirement of debt obligations.
- The Riverfront/Downtown plan area will continue its special levy for the retirement of debt obligations.
- The Fairview plan area will not levy for the 2023-24 fiscal year.
- West Salem plan area will levy 100% of the amount of its authority under the standard rate plan of ORS 457.445(2) for the retirement of debt obligations.
- The Mill Creek Industrial Park, McGilchrist and South Waterfront plan areas will each levy 100% of the amount of their authority under the reduced rate plan of ORS 457.445(1) for the retirement of debt obligations.
- Jory plan area will use 100% of its authority under the permanent rate plan of ORS 580 for the retirement of debt obligations.

LEASES RECEIVABLE

For the year ended 6/30/2023, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

In accordance with GASB Statement No. 87, Leases, the Agency records lease receivables and deferred inflows of resources based on the present value of expected receipts over the term of

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

the respective leases. The expected receipts are discounted using the interest rate charged on the lease or by using the Agency's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance.

On 8/01/2022, the Agency entered into a 36 month lease as Lessor for the use of Eastridge Living Trust Land. An initial lease receivable was recorded in the amount of \$25,623. As of 06/30/2023, the value of the lease receivable is \$18,033. The lessee is required to make monthly fixed payments of \$750 and no variable payments are required in the arrangement of the lease. The lease has an interest rate of 3.63% and the Agency recognized interest revenue of \$660 during the fiscal year. The value of the deferred inflow of resources as of 6/30/2023 was \$17,793, and lease revenue of \$7,830 was recognized during the fiscal year.

Future annual lease receivables as of June 30, 2023 are as follows:

Fiscal Year Ended June 30,	Governmental Activities	
	Principal	Interest
2024	\$ 8,486	\$ 514
2025	8,799	201
2026	748	2
Total	\$ 18,033	\$ 717

NOTES RECEIVABLE

Riverfront/Downtown

Loan repayments are receivable in monthly or annual installments; interest rates range from 0% to 6%. Notes are secured by the underlying renewal project improvements or land sold. \$ 2,036,153

North Gateway

Loan repayments are receivable in monthly or annual installments; interest rates range from 0% to 3%. Notes are secured by the underlying renewal project improvements or land sold. 52,400
\$ 2,088,553

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

CAPITAL ASSETS

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental activities</u>				
Land and land improvements	\$ 4,220,731	\$ -	\$ -	\$ 4,220,731
Construction in progress	14,951,447	10,471,168	(5,887,623)	19,534,992
Governmental activities capital assets, net	<u>\$ 19,172,178</u>	<u>\$ 10,471,168</u>	<u>\$ (5,887,623)</u>	<u>\$ 23,755,723</u>
<u>Business-type activities</u>				
Land and land improvements	\$ 1,500,646	\$ -	\$ -	\$ 1,500,646
Public art	194,552	-	-	194,552
Construction in progress	-	221,327	-	221,327
Total non-depreciable	<u>1,695,198</u>	<u>221,327</u>	<u>-</u>	<u>1,916,525</u>
Buildings and building improvements	30,368,457	-	-	30,368,457
Other improvements	2,696,491	-	-	2,696,491
Equipment and machinery	1,518,757	13,840	-	1,532,597
Total depreciable	<u>34,583,705</u>	<u>13,840</u>	<u>-</u>	<u>34,597,545</u>
Accumulated depreciation				
Buildings and building improvements	(10,911,863)	(643,801)	-	(11,555,664)
Improvements	(207,407)	(128,478)	-	(335,885)
Equipment and machinery	(1,253,750)	(66,608)	-	(1,320,358)
Total accumulated depreciation	<u>(12,373,020)</u>	<u>(838,887)</u>	<u>-</u>	<u>(13,211,907)</u>
Business-type activities capital assets, net	<u>\$ 23,905,883</u>	<u>\$ (603,720)</u>	<u>\$ -</u>	<u>\$ 23,302,163</u>

TRANSFERS

Transfers are used to: 1) move revenues from the fund with collection authority to the fund in which the expenditure is required by budget or statute or, 2) move unrestricted revenues to finance programs accounted for in other funds in accordance with budgetary authorization.

Debt proceeds are receipted into the Capital Projects fund for construction funding, and all debt is repaid by the Debt Service fund. Transfers are the GAAP accounting classification used to move short-term debt from the Capital Projects fund to the Debt Service fund for reporting purposes (reported as transfer of cash from Debt Service fund to Capital Projects fund).

SHORT-TERM DEBT

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023
Riverfront, 2023	\$ -	\$ 7,400,000	\$ 7,400,000	\$ -
North Gateway, 2023	-	4,000,000	4,000,000	-
West Salem, 2023	-	2,225,000	2,225,000	-
Mill Creek, 2023	-	1,700,000	1,700,000	-
McGilchrist, 2023	-	1,400,000	1,400,000	-
South Waterfront, 2023	-	645,000	645,000	-
Jory Apartments, 2023	-	173,790	173,790	-
Total	<u>\$ -</u>	<u>\$ 17,543,790</u>	<u>\$ 17,543,790</u>	<u>\$ -</u>

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

LONG-TERM DEBT

Transactions for the year ended June 30, 2023 are as follows:

	Balances July 1, 2022	Reductions	Balances June 30, 2023	Due in One Year
<u>Direct borrowing tax increment bonds</u>				
Riverfront/Downtown, Series 2009 Dated Sep 17, 2009, 4.35%.	\$ 625,000	\$ 305,000	\$ 320,000	\$ 320,000
Riverfront/Downtown, Series 2020A Dated Dec 7, 2021, 1.66%.	7,445,000	-	7,445,000	458,000
Riverfront/Downtown, Series 2020B Dated Dec 7, 2021, 1.75%.	1,394,000	918,000	476,000	476,000
<u>Direct borrowing notes</u>				
Mill Creek, OR Econ & Comm Dev Dept, Series 2007, L06001A	3,077,743	250,749	2,826,994	261,807
Mill Creek, OR Econ & Comm Dev Dept, Series 2007, L06001C	4,776,902	319,395	4,457,507	331,916
	<u>\$ 17,318,645</u>	<u>\$ 1,793,144</u>	<u>\$ 15,525,501</u>	<u>\$ 1,847,723</u>

Governmental activity urban renewal bonds

Urban renewal bonds are special obligations of the Agency and are payable solely from tax increment revenues. The Agency issues bonds to provide funds for urban renewal projects within designated project areas.

In accordance with bond covenants, the Agency has established reserves for bond issuances within its debt service fund as follows:

	<u>Reserve</u>
Riverfront/Downtown, series 2009	\$ 335,255
Riverfront/Downtown, series 2020A	744,500
Riverfront/Downtown, series 2020B	222,300
Total debt service reserves	<u>\$ 1,302,055</u>

Governmental activity notes

The Agency issues notes to provide funds for urban renewal projects within designated project areas. The Agency's currently outstanding notes primarily funded economic development and wetland mitigation in the Mill Creek urban renewal area. Mill Creek tax increment revenues are pledged to repay the notes, which were directly borrowed from the Oregon Economic Development and Community Development Department (known as Business Oregon). In the event of default, Business Oregon could demand immediate payment of all outstanding balances.

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

Future maturities of long-term debt are as follows:

Year	Riverfront/Downtown		Mill Creek Industrial Park		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2023-24	\$ 1,254,000	\$ 145,837	\$ 593,723	\$ 299,404	\$ 1,847,723	\$ 445,241
2024-25	950,000	115,984	618,280	274,848	1,568,280	390,832
2025-26	965,000	100,214	643,855	249,272	1,608,855	349,486
2026-27	981,000	84,195	670,493	222,634	1,651,493	306,829
2027-32	4,091,000	171,163	3,801,748	673,249	7,892,748	844,412
2032-34	-	-	956,402	56,591	956,402	56,591
Total	<u>\$ 8,241,000</u>	<u>\$ 617,393</u>	<u>\$ 7,284,501</u>	<u>\$ 1,775,998</u>	<u>\$ 15,525,501</u>	<u>\$ 2,393,391</u>

OTHER INFORMATION

Risk Management

The Agency is provided coverage under the City's self-insurance program. Excess insurance policies are purchased by the City's Self-insurance fund, which include property damage and liability. No claims have settled in the prior three years that have exceeded policy coverage.

From time to time, the Agency is a defendant in various litigation proceedings. Management believes any losses arising from these actions will not materially affect the Agency's financial position.

This page intentionally left blank

SUPPLEMENTARY INFORMATION

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem)
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Governmental Funds
For the fiscal year ended June 30, 2023

	Tax Allocation Debt		
	Original/ Final Budget	Actual	Variance¹
Revenues			
Property taxes	\$ 18,027,260	\$ 17,843,282	\$ 183,978
Interest on investments	103,980	265,366	(161,386)
Grants	-	-	-
Intergovernmental	-	-	-
Loan payments received	-	-	-
Rents	-	-	-
Other	-	-	-
Total revenues	<u>18,131,240</u>	<u>18,108,648</u>	<u>22,592</u>
Expenditures			
Operations	-	-	-
Debt service	<u>20,700,230</u>	<u>19,837,871</u>	<u>862,359</u>
Total expenditures	<u>20,700,230</u>	<u>19,837,871</u>	<u>862,359</u>
Revenues over (under) expenditures	<u>(2,568,990)</u>	<u>(1,729,223)</u>	<u>(839,767)</u>
Other financing sources (uses)			
Issuance of short-term debt	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	(2,568,990)	(1,729,223)	(839,767)
Fund balance, beginning of year	<u>4,945,710</u>	<u>5,770,506</u>	<u>(824,796)</u>
Fund balance, end of year	<u>\$ 2,376,720</u>	<u>\$ 4,041,283</u>	<u>\$ (1,664,563)</u>
Reconciliation to generally accepted accounting principles:			
Due from other funds			
Interest receivable on leases			
Long term lease receivables			
Deferred inflows related to leases			
Fund balance - end of year (modified accrual)			

Continued

1 () indicates revenues/expenditures in excess of budget

Tax Allocation Improvements		
Original/ Final Budget	Actual	Variance¹
\$ -	\$ -	\$ -
646,870	1,155,431	(508,561)
8,020,420	1,234,949	6,785,471
529,400	963,744	(434,344)
152,570	177,945	(25,375)
35,000	15,900	19,100
5,120	-	5,120
<u>9,389,380</u>	<u>3,547,969</u>	<u>5,841,411</u>
86,098,000	14,843,868	71,254,132
-	-	-
<u>86,098,000</u>	<u>14,843,868</u>	<u>71,254,132</u>
<u>(76,708,620)</u>	<u>(11,295,899)</u>	<u>(65,412,721)</u>
18,400,000	17,543,790	856,210
-	-	-
<u>18,400,000</u>	<u>17,543,790</u>	<u>856,210</u>
(58,308,620)	6,247,891	(64,556,511)
<u>58,308,620</u>	<u>58,265,997</u>	<u>42,623</u>
<u>\$ -</u>	<u>64,513,888</u>	<u>\$ (64,513,888)</u>

Salem Convention Center Gain/Loss Reserve		
Original/ Final Budget	Actual	Variance¹
\$ -	\$ -	\$ -
28,000	81,311	(53,311)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>28,000</u>	<u>81,311</u>	<u>(53,311)</u>
577,430	571,732	5,698
-	-	-
<u>577,430</u>	<u>571,732</u>	<u>5,698</u>
<u>(549,430)</u>	<u>(490,421)</u>	<u>(59,009)</u>
-	-	-
<u>(262,570)</u>	<u>(262,569)</u>	<u>(1)</u>
<u>(262,570)</u>	<u>(262,569)</u>	<u>(1)</u>
(812,000)	(752,990)	(59,010)
<u>4,035,810</u>	<u>4,076,228</u>	<u>(40,418)</u>
<u>\$ 3,223,810</u>	<u>3,323,238</u>	<u>\$ (99,428)</u>

-
55
18,032
(17,793)

\$ 64,514,182

167,896
-
-
-

\$ 3,491,134

Concluded

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Combining Balance Sheet - Debt Service Fund
June 30, 2023

	Riverfront/ Downtown	North Gateway	West Salem
Assets			
Cash and investments	\$ 1,284,593	\$ 1,131,239	\$ 687,393
Accounts receivable, net	258,229	148,853	63,928
Total assets	\$ 1,542,822	\$ 1,280,092	\$ 751,321
 Liabilities, deferred inflows of resources, and fund balances			
Deferred inflows of resources			
Unavailable revenue	\$ 191,087	\$ 110,594	\$ 46,311
Fund balances			
Restricted for debt service	1,351,735	1,169,498	705,010
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,542,822	\$ 1,280,092	\$ 751,321

Continued

Mill Creek Industrial Park	McGilchrist	South Waterfront	Jory Apartments	Totals
\$ 335,118	\$ 421,244	\$ 14,659	\$ 13,313	\$ 3,887,559
54,560	38,508	16,155	3,287	583,520
<u>\$ 389,678</u>	<u>\$ 459,752</u>	<u>\$ 30,814</u>	<u>\$ 16,600</u>	<u>\$ 4,471,079</u>
\$ 39,645	\$ 28,170	\$ 11,813	\$ 2,176	\$ 429,796
<u>350,033</u>	<u>431,582</u>	<u>19,001</u>	<u>14,424</u>	<u>4,041,283</u>
<u>\$ 389,678</u>	<u>\$ 459,752</u>	<u>\$ 30,814</u>	<u>\$ 16,600</u>	<u>\$ 4,471,079</u>

Concluded

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Debt Service Fund
For the fiscal year ended June 30, 2023

	Riverfront/ Downtown	North Gateway	West Salem
Revenues			
Property taxes	\$ 7,729,279	\$ 4,475,179	\$ 2,024,343
Interest on investments	136,082	42,590	31,489
Total revenues	7,865,361	4,517,769	2,055,832
Expenditures			
Debt service	1,399,351	639	355
Revenues over (under) expenditures	6,466,010	4,517,130	2,055,477
Other financing sources (uses)			
Transfers out	(7,400,000)	(4,000,000)	(2,225,000)
Net change in fund balance	(933,990)	517,130	(169,523)
Fund balance, beginning of year	2,285,725	652,368	874,533
Fund balance, end of year	\$ 1,351,735	\$ 1,169,498	\$ 705,010

Continued

Mill Creek Industrial Park	McGilchrist	South Waterfront	Jory Apartments	Totals
\$ 1,682,488	\$ 1,243,009	\$ 513,669	\$ 175,315	\$ 17,843,282
29,374	18,763	6,251	817	265,366
1,711,862	1,261,772	519,920	176,132	18,108,648
893,399	224	85	28	2,294,081
818,463	1,261,548	519,835	176,104	15,814,567
(1,700,000)	(1,400,000)	(645,000)	(173,790)	(17,543,790)
(881,537)	(138,452)	(125,165)	2,314	(1,729,223)
1,231,570	570,034	144,166	12,110	5,770,506
<u>\$ 350,033</u>	<u>\$ 431,582</u>	<u>\$ 19,001</u>	<u>\$ 14,424</u>	<u>\$ 4,041,283</u>

Concluded

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Riverfront/Downtown (Debt Service Fund)
For the fiscal year ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance¹</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
Revenues				
Property taxes	\$ 7,654,130	\$ 7,654,130	\$ 7,729,279	\$ (75,149)
Interest on investments	60,000	60,000	136,082	(76,082)
Total revenues	7,714,130	7,714,130	7,865,361	(151,231)
Expenditures				
Debt Service				
Principal	8,723,000	8,723,000	8,623,000	100,000
Interest	176,180	176,180	176,351	(171)
Total expenditures	8,899,180	8,899,180	8,799,351	99,829
Excess (deficiency) of revenues over expenditures	(1,185,050)	(1,185,050)	(933,990)	(51,402)
Fund balance, beginning of year	1,761,030	1,761,030	2,285,725	(524,695)
Fund balance, end of year	<u>\$ 575,980</u>	<u>\$ 575,980</u>	<u>\$ 1,351,735</u>	<u>\$ (576,097)</u>

1 () indicates revenues/expenditures in excess of budget

This page intentionally left blank

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - North Gateway (Debt Service Fund)
For the fiscal year ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance¹</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
Revenues				
Property taxes	\$ 4,237,160	\$ 4,237,160	\$ 4,475,179	\$ (238,019)
Interest on investments	17,420	17,420	42,590	(25,170)
Total revenues	4,254,580	4,254,580	4,517,769	(263,189)
Expenditures				
Debt Service				
Principal	3,999,000	3,999,000	4,000,000	(1,000)
Interest	1,000	1,000	639	361
Total expenditures	4,000,000	4,000,000	4,000,639	(639)
Excess (deficiency) of revenues over expenditures	254,580	254,580	517,130	(263,828)
Fund balance, beginning of year	539,010	539,010	652,368	(113,358)
Fund balance, end of year	<u>\$ 793,590</u>	<u>\$ 793,590</u>	<u>\$ 1,169,498</u>	<u>\$ (377,186)</u>

1 () indicates revenues/expenditures in excess of budget

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - West Salem (Debt Service Fund)
For the fiscal year ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance¹</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
Revenues				
Property taxes	\$ 1,830,620	\$ 1,830,620	\$ 2,024,343	\$ (193,723)
Interest on investments	10,000	10,000	31,489	(21,489)
Total revenues	1,840,620	1,840,620	2,055,832	(215,212)
Expenditures				
Debt Service				
Principal	2,224,000	2,224,000	2,225,000	(1,000)
Interest	1,000	1,000	355	645
Total expenditures	2,225,000	2,225,000	2,225,355	(355)
Excess (deficiency) of revenues over expenditures	(384,380)	(384,380)	(169,523)	(215,567)
Fund balance, beginning of year	763,960	763,960	874,533	(110,573)
Fund balance, end of year	<u>\$ 379,580</u>	<u>\$ 379,580</u>	<u>\$ 705,010</u>	<u>\$ (326,140)</u>

1 () indicates revenues/expenditures in excess of budget

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Mill Creek (Debt Service Fund)
For the fiscal year ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance¹</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
Revenues				
Property taxes	\$ 2,319,130	\$ 2,319,130	\$ 1,682,488	\$ 636,642
Interest on investments	3,440	3,440	29,374	(25,934)
Total revenues	2,322,570	2,322,570	1,711,862	610,708
Expenditures				
Debt Service				
Principal	3,070,150	3,070,150	2,270,144	800,006
Interest	323,990	323,990	323,255	735
Total expenditures	3,394,140	3,394,140	2,593,399	800,741
Excess (deficiency) of revenues over expenditures	(1,071,570)	(1,071,570)	(881,537)	1,411,449
Fund balance, beginning of year	1,110,300	1,110,300	1,231,570	(121,270)
Fund balance, end of year	<u>\$ 38,730</u>	<u>\$ 38,730</u>	<u>\$ 350,033</u>	<u>\$ 1,290,179</u>

1 () indicates revenues/expenditures in excess of budget

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - McGilchrist (Debt Service Fund)
For the fiscal year ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance¹</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
Revenues				
Property taxes	\$ 1,214,290	\$ 1,214,290	\$ 1,243,009	\$ (28,719)
Interest on investments	10,000	10,000	18,763	(8,763)
Total revenues	1,224,290	1,224,290	1,261,772	(37,482)
Expenditures				
Debt Service				
Principal	1,399,000	1,399,000	1,400,000	(1,000)
Interest	1,000	1,000	224	776
Total expenditures	1,400,000	1,400,000	1,400,224	(224)
Excess (deficiency) of revenues over expenditures	(175,710)	(175,710)	(138,452)	(37,706)
Fund balance, beginning of year	606,260	606,260	570,034	36,226
Fund balance, end of year	<u>\$ 430,550</u>	<u>\$ 430,550</u>	<u>\$ 431,582</u>	<u>\$ (1,480)</u>

1 () indicates revenues/expenditures in excess of budget

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - South Waterfront (Debt Service Fund)
For the fiscal year ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance¹</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
Revenues				
Property taxes	\$ 500,310	\$ 500,310	\$ 513,669	\$ (13,359)
Interest on investments	3,000	3,000	6,251	(3,251)
Total revenues	503,310	503,310	519,920	(16,610)
Expenditures				
Debt Service				
Principal	499,000	499,000	645,000	(146,000)
Interest	1,000	1,000	85	915
Total expenditures	500,000	500,000	645,085	(145,085)
Excess (deficiency) of revenues over expenditures	3,310	3,310	(125,165)	(161,695)
Fund balance, beginning of year	153,690	153,690	144,166	9,524
Fund balance, end of year	<u>\$ 157,000</u>	<u>\$ 157,000</u>	<u>\$ 19,001</u>	<u>\$ (152,171)</u>

1 () indicates revenues/expenditures in excess of budget

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Jory Apartments (Debt Service Fund)
For the fiscal year ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance¹</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
Revenues				
Property taxes	\$ 271,620	\$ 271,620	\$ 175,315	\$ 96,305
Interest on investments	120	120	817	(697)
Total revenues	<u>271,740</u>	<u>271,740</u>	<u>176,132</u>	<u>95,608</u>
Expenditures				
Debt Service				
Principal	281,000	281,000	173,790	107,210
Interest	910	910	28	882
Total expenditures	<u>281,910</u>	<u>281,910</u>	<u>173,818</u>	<u>108,092</u>
Excess (deficiency) of revenues over expenditures	<u>(10,170)</u>	<u>(10,170)</u>	<u>2,314</u>	<u>203,700</u>
Fund balance, beginning of year	<u>11,460</u>	<u>11,460</u>	<u>12,110</u>	<u>(650)</u>
Fund balance, end of year	<u>\$ 1,290</u>	<u>\$ 1,290</u>	<u>\$ 14,424</u>	<u>\$ 203,050</u>

1 () indicates revenues/expenditures in excess of budget

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Combining Balance Sheet - Capital Projects Fund
June 30, 2023

	<u>Riverfront/ Downtown</u>	<u>Fairview</u>	<u>North Gateway</u>	<u>West Salem</u>
Assets				
Cash and investments	\$ 23,338,126	976,071	20,926,712	8,958,341
Accounts receivable, net	18,626	-	119	-
Notes receivable	2,036,153	-	52,400	-
Total assets	<u>\$ 25,392,905</u>	<u>\$ 976,071</u>	<u>\$ 20,979,231</u>	<u>\$ 8,958,341</u>
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts payable	\$ 458,511	-	14,969	31,187
Deferred inflows of resources				
Related to leases	17,793	-	-	-
Unavailable revenue	2,036,692	-	52,519	-
Total deferred inflows of resources	<u>2,054,485</u>	<u>-</u>	<u>52,519</u>	<u>-</u>
Fund balances				
Restricted for capital projects	<u>22,879,909</u>	<u>976,071</u>	<u>20,911,743</u>	<u>8,927,154</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 25,392,905</u>	<u>\$ 976,071</u>	<u>\$ 20,979,231</u>	<u>\$ 8,958,341</u>

Continued

Mill Creek Industrial Park	McGilchrist	South Waterfront	Jory Apartments	Total
4,126,080	6,653,717	(1,286)	(7,313)	\$ 64,970,448
-	59,923	-	-	78,668
-	-	-	-	2,088,553
<u>\$ 4,126,080</u>	<u>\$ 6,713,640</u>	<u>\$ (1,286)</u>	<u>\$ (7,313)</u>	<u>\$ 67,137,669</u>
-	11,816	-	-	\$ 516,483
-	-	-	-	17,793
-	-	-	-	2,089,211
-	-	-	-	2,107,004
<u>4,126,080</u>	<u>6,701,824</u>	<u>(1,286)</u>	<u>(7,313)</u>	<u>64,514,182</u>
<u>\$ 4,126,080</u>	<u>\$ 6,713,640</u>	<u>\$ (1,286)</u>	<u>\$ (7,313)</u>	<u>\$ 67,137,669</u>

Concluded

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Capital Projects Fund
For the fiscal year ended June 30, 2023

	Riverfront/ Downtown	Fairview	North Gateway	West Salem
Revenues				
Interest on investments	\$ 439,614	\$ 47,514	\$ 341,551	\$ 151,444
Grants	-	-	-	-
Intergovernmental	466,594	-	-	-
Loan payments received	166,358	-	11,587	-
Rents	8,579	-	6,900	-
Total revenues	1,081,145	47,514	360,038	151,444
Expenditures				
Materials and services	7,503,208	1,465,813	561,423	1,208,223
Excess (deficiency) of revenues over expenditures	(6,422,063)	(1,418,299)	(201,385)	(1,056,779)
Other financing sources (uses)				
Transfers in	7,400,000	-	4,000,000	2,225,000
Net change in fund balance	977,937	(1,418,299)	3,798,615	1,168,221
Fund balance, beginning of year	21,901,972	2,394,370	17,113,128	7,758,933
Fund balance, end of year	<u>\$ 22,879,909</u>	<u>\$ 976,071</u>	<u>\$ 20,911,743</u>	<u>\$ 8,927,154</u>

Continued

Mill Creek Industrial Park	McGilchrist	South Waterfront	Jory Apartments	Total
\$ 41,328	\$ 108,943	\$ 25,752	\$ -	\$ 1,156,146
-	1,234,949	-	-	1,234,949
497,150	-	-	-	963,744
-	-	-	-	177,945
-	-	-	-	15,479
538,478	1,343,892	25,752	-	3,548,263
193,835	1,713,378	2,017,440	180,548	14,843,868
344,643	(369,486)	(1,991,688)	(180,548)	(11,295,605)
1,700,000	1,400,000	645,000	173,790	17,543,790
2,044,643	1,030,514	(1,346,688)	(6,758)	6,248,185
2,081,437	5,671,310	1,345,402	(555)	58,265,997
<u>\$ 4,126,080</u>	<u>\$ 6,701,824</u>	<u>\$ (1,286)</u>	<u>\$ (7,313)</u>	<u>\$ 64,514,182</u>

Concluded

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Riverfront/Downtown (Capital Projects Fund)
For the fiscal year ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance¹</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
Revenues				
Rents	\$ 35,000	\$ 35,000	\$ 9,000	\$ 26,000
Intergovernmental	350,000	350,000	466,594	(116,594)
Interest on investments	300,000	300,000	438,899	(138,899)
Loan payments received	25,000	25,000	166,358	(141,358)
Total revenues	710,000	710,000	1,080,851	(370,851)
Expenditures				
Operations	30,593,590	30,593,590	7,503,208	23,090,382
Excess (deficiency) of revenues over expenditures	(29,883,590)	(29,883,590)	(6,422,357)	22,719,531
Other financing sources (uses)				
Issuance of short-term debt	7,499,000	7,499,000	7,400,000	99,000
Net change in fund balance	(22,384,590)	(22,384,590)	977,643	22,719,531
Fund balance, beginning of year	22,384,590	22,384,590	21,901,972	482,618
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	22,879,615	<u>\$ 23,202,149</u>
Reconciliation to generally accepted accounting principles:				
Accrued interest receivable on leases			55	
Long-term lease receivables			18,032	
Deferred inflows related to leases			<u>(17,793)</u>	
Fund Balance - end of year			<u>\$ 22,879,909</u>	

1 () indicates revenues/expenditures in excess of budget

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Fairview (Capital Projects Fund)
For the fiscal year ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance¹</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
Revenues				
Interest on investments	89,980	89,980	47,514	42,466
Loan payments received	105,000	105,000	-	105,000
Total revenues	194,980	194,980	47,514	147,466
Expenditures				
Operations	2,760,640	2,760,640	1,465,813	1,294,827
Excess (deficiency) of revenues over expenditures	(2,565,660)	(2,565,660)	(1,418,299)	1,442,293
Net change in fund balance	(2,565,660)	(2,565,660)	(1,418,299)	1,442,293
Fund balance, beginning of year	-	-	2,394,370	(2,394,370)
Fund balance, end of year	<u>\$ (2,565,660)</u>	<u>\$ (2,565,660)</u>	<u>\$ 976,071</u>	<u>\$ (952,077)</u>

1 () indicates revenues/expenditures in excess of budget

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - North Gateway (Capital Projects Fund)
For the fiscal year ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance¹</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
Revenues				
Rents	\$ -	\$ -	\$ 6,900	\$ (6,900)
Interest on investments	107,540	107,540	341,551	(234,011)
Loan payments received	22,570	22,570	11,587	10,983
Other	5,120	5,120	-	5,120
Total revenues	135,230	135,230	360,038	(224,808)
Expenditures				
Operations	20,293,020	20,293,020	561,423	19,731,597
Excess (deficiency) of revenues over expenditures	(20,157,790)	(20,157,790)	(201,385)	19,506,789
Other financing sources (uses)				
Issuance of short-term debt	3,999,000	3,999,000	4,000,000	(1,000)
Net change in fund balance	(16,158,790)	(16,158,790)	3,798,615	19,506,789
Fund balance, beginning of year	-	-	17,113,128	(17,113,128)
Fund balance, end of year	<u>\$ (16,158,790)</u>	<u>\$ (16,158,790)</u>	<u>\$ 20,911,743</u>	<u>\$ 2,393,661</u>

1 () indicates revenues/expenditures in excess of budget

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - West Salem (Capital Projects Fund)
For the fiscal year ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance¹</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
Revenues				
Interest on investments	65,000	65,000	151,444	(86,444)
Expenditures				
Operations	<u>9,332,720</u>	<u>9,332,720</u>	<u>1,208,223</u>	<u>8,124,497</u>
Excess (deficiency) of revenues over expenditures	<u>(9,267,720)</u>	<u>(9,267,720)</u>	<u>(1,056,779)</u>	<u>8,038,053</u>
Other financing sources (uses)				
Issuance of short-term debt	<u>2,224,000</u>	<u>2,224,000</u>	<u>2,225,000</u>	<u>(1,000)</u>
Net change in fund balance	(7,043,720)	(7,043,720)	1,168,221	8,038,053
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>7,758,933</u>	<u>(7,758,933)</u>
Fund balance, end of year	<u>\$ (7,043,720)</u>	<u>\$ (7,043,720)</u>	<u>\$ 8,927,154</u>	<u>\$ 279,120</u>

1 () indicates revenues/expenditures in excess of budget

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Mill Creek (Capital Projects Fund)
For the fiscal year ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance¹</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
Revenues				
Intergovernmental	179,400	179,400	497,150	(317,750)
Interest on investments	13,100	13,100	41,328	(28,228)
Total revenues	192,500	192,500	538,478	(345,978)
Expenditures				
Operations	5,311,100	5,311,100	193,835	5,117,265
Excess (deficiency) of revenues over expenditures	(5,118,600)	(5,118,600)	344,643	4,771,287
Other financing sources (uses)				
Issuance of short-term debt	2,499,000	2,499,000	1,700,000	799,000
Net change in fund balance	(2,619,600)	(2,619,600)	2,044,643	4,771,287
Fund balance, beginning of year	-	-	2,081,437	(2,081,437)
Fund balance, end of year	<u>\$ (2,619,600)</u>	<u>\$ (2,619,600)</u>	<u>\$ 4,126,080</u>	<u>\$ 2,689,850</u>

1 () indicates revenues/expenditures in excess of budget

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - McGilchrist (Capital Projects Fund)
For the fiscal year ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance¹</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
Revenues				
Grants	8,020,420	8,020,420	1,234,949	6,785,471
Interest on investments	65,000	65,000	108,943	(43,943)
Total revenues	8,085,420	8,085,420	1,343,892	6,741,528
Expenditures				
Operations	15,691,480	15,691,480	1,713,378	13,978,102
Excess (deficiency) of revenues over expenditures	(7,606,060)	(7,606,060)	(369,486)	20,719,630
Other financing sources (uses)				
Issuance of short-term debt	1,399,000	1,399,000	1,400,000	(1,000)
Net change in fund balance	(6,207,060)	(6,207,060)	1,030,514	20,719,630
Fund balance, beginning of year	-	-	5,671,310	(5,671,310)
Fund balance, end of year	<u>\$ (6,207,060)</u>	<u>\$ (6,207,060)</u>	<u>\$ 6,701,824</u>	<u>\$ 15,048,320</u>

1 () indicates revenues/expenditures in excess of budget

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - South Waterfront (Capital Projects Fund)
For the fiscal year ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance¹</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
Revenues				
Interest on investments	6,000	6,000	25,752	(19,752)
Expenditures				
Operations	<u>1,834,200</u>	<u>1,834,200</u>	<u>2,017,440</u>	<u>(183,240)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,828,200)</u>	<u>(1,828,200)</u>	<u>(1,991,688)</u>	<u>(202,992)</u>
Other financing sources (uses)				
Issuance of short-term debt	<u>499,000</u>	<u>499,000</u>	<u>645,000</u>	<u>(146,000)</u>
Net change in fund balance	(1,329,200)	(1,329,200)	(1,346,688)	(202,992)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>1,345,402</u>	<u>(1,345,402)</u>
Fund balance, end of year	<u>\$ (1,329,200)</u>	<u>\$ (1,329,200)</u>	<u>\$ (1,286)</u>	<u>\$ (1,548,394)</u>

1 () indicates revenues/expenditures in excess of budget

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Jory Apartments (Capital Projects Fund)
For the fiscal year ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance¹</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
Revenues				
Interest on investments	250	250	-	250
Expenditures				
Operations	281,250	281,250	180,548	100,702
Excess (deficiency) of revenues over expenditures	(281,000)	(281,000)	(180,548)	100,952
Other financing sources (uses)				
Issuance of short-term debt	281,000	281,000	173,790	107,210
Net change in fund balance	-	-	(6,758)	100,952
Fund balance, beginning of year	-	-	(555)	555
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,313)</u>	<u>\$ 101,507</u>

1 () indicates revenues/expenditures in excess of budget

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Schedule of Expenditures by Project - Budget and Actual
For the fiscal year ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Riverfront/Downtown			
682000 Project coordination/support	\$ -	\$ 761,352	\$ -
682018 Toolbox grant program	-	1,096,820	-
682023 Marketing for Salem Convention Center	-	466,594	-
682083 Streetscape concepts	-	1,437,067	-
682093 UGM & Saffron Acquisition	-	12,370	-
682097 Strategic project grant program	-	181,820	-
682103 Redvlpmnt of Saffron/UGM Prog	-	975,826	-
682108 Open for Business Grant	-	40,000	-
682109 Parkade Improvement Design	-	128,079	-
682110 Court St two-way conversion	-	305,232	-
682111 Streetscape Improvements Ph IV	-	353,662	-
682112 Riverfront landscaping assessment	-	20,666	-
682113 Marion Parkade improvements	-	17,225	-
682114 Front Street multi-modal cmp study	-	46,439	-
682120 Marquis property acquisition	-	1,654,230	-
682121 North Block site analysis	-	5,826	-
Total Riverfront/Downtown	<u>30,593,590</u>	<u>7,503,208</u>	<u>23,090,382</u>
Fairview			
683000 Project coordination/support	-	36,870	-
683017 Commercial grant program	-	186,000	-
683019 Commercial air terminal improvements	-	1,242,943	-
Total Fairview Industrial Park	<u>2,760,640</u>	<u>1,465,813</u>	<u>1,294,827</u>
North Gateway			
684000 Project coordination/support	-	194,992	-
684032 Toolbox grant program	-	230,257	-
684060 Pine St railroad pan	-	4,935	-
684061 Stategic project grant	-	131,239	-
Total North Gateway	<u>20,293,020</u>	<u>561,423</u>	<u>19,731,597</u>
West Salem			
685000 Project coordination/support	-	157,410	-
685008 Capital grant program	-	199,369	-
685030 Wallace Ro-2nd St design	-	847,423	-
685032 Vacating First Street NW	-	4,021	-
Total West Salem	<u>9,332,720</u>	<u>1,208,223</u>	<u>8,124,497</u>
Mill Creek Industrial Park			
686000 Project coordination/support	-	108,502	-
686011 SEDCOR contract	-	62,500	-
686025 Wetland phase II	-	22,833	-
Total Mill Creek Industrial Park	<u>5,311,100</u>	<u>193,835</u>	<u>5,117,265</u>
McGilchrist			
687000 Project coordination/support	-	76,784	-
687002 Design road improvements, 12th to 25th	-	51,220	-
687005 McGilchrist St SE/12th to 25th	-	1,383,883	-
687006 McGilchrist St SE at 22nd Ave SE	-	201,491	-
Total McGilchrist	<u>15,691,480</u>	<u>1,713,378</u>	<u>13,978,102</u>
South Waterfront			
688000 Project coordination/support	-	16,848	-
688021 Marquis property acquisition	-	2,000,592	-
Total South Waterfront	<u>1,834,200</u>	<u>2,017,440</u>	<u>(183,240)</u>
Jory Apartments			
689000 Project coordination/support	-	7,759	-
689001 Affordable housing development incentives	-	172,789	-
Total Jory Apartments	<u>281,250</u>	<u>180,548</u>	<u>-</u>
Total all projects	<u>\$ 86,098,000</u>	<u>\$ 14,843,868</u>	<u>\$ 71,153,430</u>

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
(A Component Unit of the City of Salem, Oregon)
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Salem Convention Center (Proprietary Fund)
For the fiscal year ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance¹</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
Revenues				
Sales, fees, licenses, and permits	\$ 1,770,000	\$ 3,695,000	\$ 3,405,131	\$ 289,869
Rents	725,000	1,800,000	1,837,450	(37,450)
Total revenues	<u>2,495,000</u>	<u>5,495,000</u>	<u>5,242,581</u>	<u>252,419</u>
Expenditures				
Operations	<u>2,448,380</u>	<u>4,548,380</u>	<u>4,337,676</u>	<u>210,704</u>
Excess (deficiency) of revenues over expenditures	46,620	946,620	904,905	41,715
Other financing sources (uses)				
Transfers in	-	-	262,569	(262,569)
Transfers out	-	(900,000)	-	(900,000)
Total other financing sources (uses)	<u>-</u>	<u>(900,000)</u>	<u>262,569</u>	<u>(1,162,569)</u>
Net change in fund balance	46,620	46,620	1,167,474	(1,120,854)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>(21,881)</u>	<u>21,881</u>
Fund balance, end of year	<u>\$ 46,620</u>	<u>\$ 46,620</u>	1,145,593	<u>\$ (1,098,973)</u>
Reconciliation to generally accepted accounting principles:				
Net marketing advance from City			34,551	
Capital assets			<u>23,302,163</u>	
Net position at end of year			<u>\$ 24,482,307</u>	

1 () indicates revenues/expenditures in excess of budget

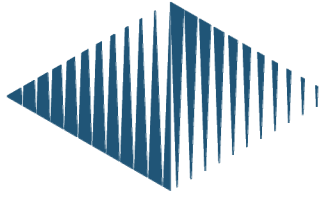
OTHER INFORMATION

Impact on Overlapping Taxing Districts of Property Tax Levied by Urban Renewal Districts for Fiscal Year 2022-23

Urban renewal areas in Oregon receive revenue through division of property tax. When an urban renewal area has (URA) assessed value above a frozen base, the URA receives most of the property tax on the excess value that would have otherwise been paid to the overlapping taxing districts. ORS 457.460(1)(e) requires an annual “analysis of the impact, if any, of carrying out the urban renewal plan on the tax collections for the preceding year for all taxing districts” subject to division of tax. In fiscal year 2022-23, the City of Salem Urban Renewal areas had a total property tax levy impact on overlapping taxing districts of \$14,799,876 The following table details each urban renewal area’s impact on each overlapping taxing district:

Taxing District	Urban Renewal Plan Area							Total
	Riverfront	N. Gateway	W. Salem	Mill Creek	McGilchrist	S. Waterfront	Jory	
Chemeketa Community College	\$ 179,689	\$ 188,937	\$ 102,188	\$ 71,010	\$ 52,753	\$ 21,954	\$ 7,755	\$ 624,286
Chemeketa Regional Library	23,484	24,693	9,408	9,280	6,894	2,869	1,014	77,642
City of Salem	1,674,159	1,760,319	670,690	661,603	491,498	204,541	72,265	5,535,075
City of Salem bonds	-	-	133,920	-	-	-	-	133,920
Marion County	868,501	913,198	-	343,219	254,974	106,110	37,489	2,523,491
MC & 4-H Extension Service District	14,354	15,093	-	5,673	4,214	1,754	620	41,708
Marion Soil & Water	14,354	15,093	-	5,673	4,214	1,754	620	41,708
Polk County	-	-	197,146	-	-	-	-	197,146
Polk 4-H/M Garden/Ag/Forest Ext Dist	-	-	8,373	-	-	-	-	8,373
Polk Soil/Water Conservation Dist	-	-	5,582	-	-	-	-	5,582
Salem Area Mass Transit	218,446	229,688	87,512	86,327	64,131	26,689	9,429	722,222
Salem-Keizer School Dist	1,297,929	1,364,726	519,968	512,877	381,045	158,575	56,025	4,291,145
Salem-Keizer SD bond after 2021	-	-	315,960	-	-	-	-	315,960
Willamette Regional ESD	85,179	89,563	34,124	33,662	25,007	10,406	3,677	281,618
Total	\$4,376,095	\$4,601,310	\$2,084,871	\$1,729,324	\$1,284,730	\$ 534,652	\$188,894	\$14,799,876

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON				
Maximum Indebtedness Compliance				
<i>For the fiscal year ended June 30, 2023</i>				
Urban Renewal District	Maximum Indebtedness	Borrowed to Date	Borrowing Capacity Remaining	Outstanding Debt
Riverfront/Downtown	\$ 315,000,000	\$ 143,032,345	\$ 171,967,655	\$ 8,241,000
Fairview	6,286,000	6,281,615	4,385	-
North Gateway	101,466,402	87,998,004	13,468,398	-
West Salem	31,000,000	17,252,425	13,747,575	-
Mill Creek	26,000,000	18,336,299	7,663,701	7,284,501
McGilchrist	11,000,000	9,900,000	1,100,000	-
South Waterfront	24,000,000	4,722,000	19,278,000	-
Jory Apartments	20,725,125	173,790	20,551,335	-
				<u>\$ 15,525,501</u>



GROVE, MUELLER & SWANK

redw
Advisors & CPAs

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Agency Officials
Urban Renewal Agency of the City of Salem
Salem, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Urban Renewal Agency of the City of Salem, Oregon (a component unit of the City of Salem, Oregon) as of and for the year ended June 30, 2023, and have issued our report thereon dated January 15, 2024.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

In connection with our testing nothing came to our attention that caused us to believe the 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.


Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

Restriction on Use

This report is intended solely for the information and use of the Agency Officials and management of the Urban Renewal Agency of the City of Salem, Oregon and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

*GROVE, MUELLER & SWANK
CERTIFIED PUBLIC ACCOUNTANTS*

By: 

Ryan T. Pasquarella, Principal
January 15, 2024