



CITY OF *Salem*  
AT YOUR SERVICE

FISCAL YEAR ENDED

**June 30, 2025**



**Urban Renewal Agency  
of the City of Salem  
Oregon**

**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, 2025

Prepared by the Finance Department

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

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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 AGENCY OF THE CITY OF SALEM

## CITY COUNCIL

<u>Ward No.</u>	<u>Name</u>	<u>Term Expires December 31,</u>
Mayor	Julie Hoy	2028
1	Paul Tigan	2028
2	Linda Nishioka	2026
3	Shane Matthews	2028
4	Deanna Gwyn	2026
5	Irvin Brown	2028
6	Mai Vang	2026
7	Vanessa Nordyke	2028
8	Micki Varney	2026

## ADMINISTRATIVE STAFF

*City Manager:* Krishna Namburi  
*Chief Financial Officer:* Josh Eggleston  
*Financial Reporting Manager:* Jeremy Morgan

All correspondence for persons listed above may be sent to:




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

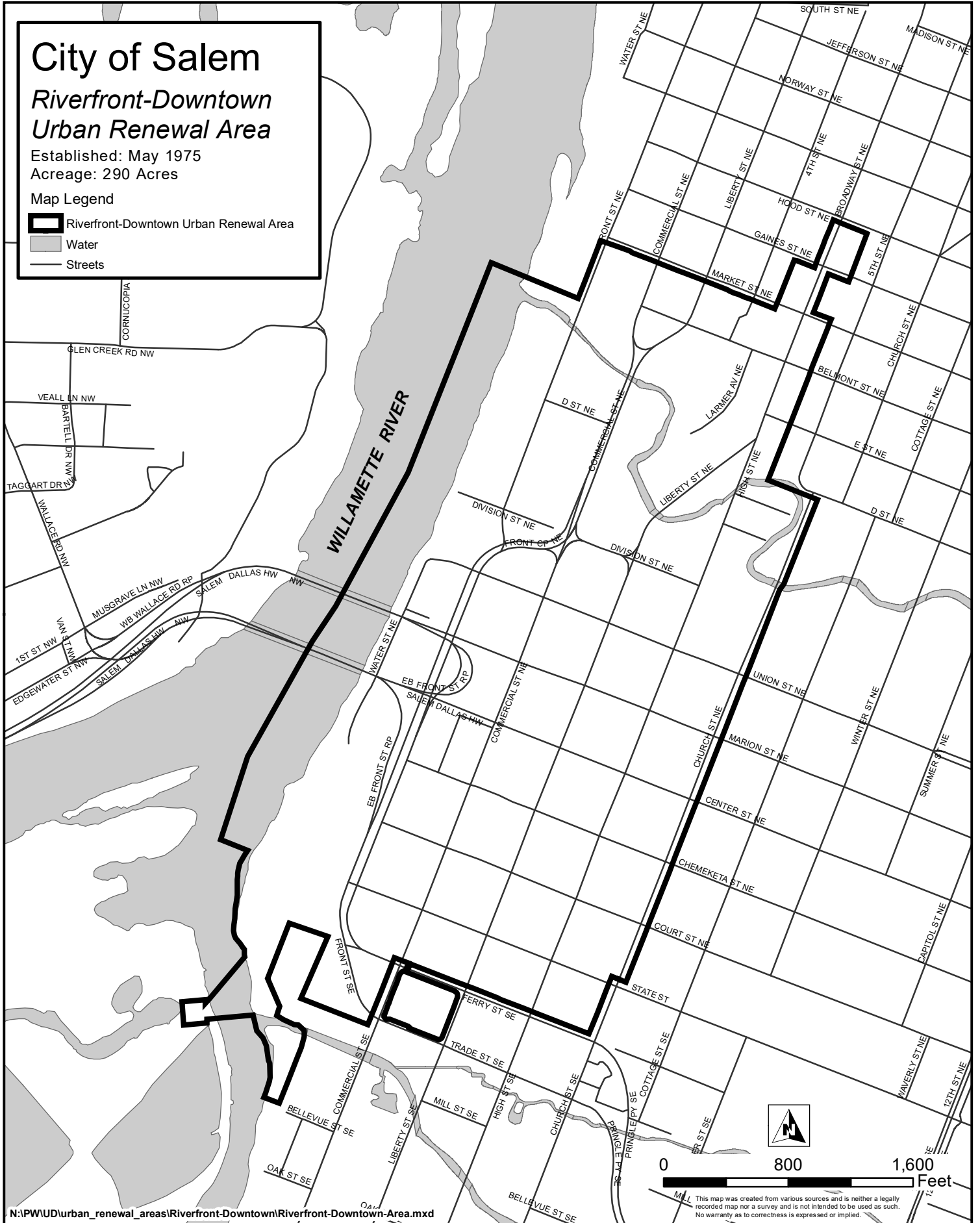
# City of Salem

## Riverfront-Downtown Urban Renewal Area

Established: May 1975  
Acreage: 290 Acres

### Map Legend

-  Riverfront-Downtown Urban Renewal Area
-  Water
-  Streets






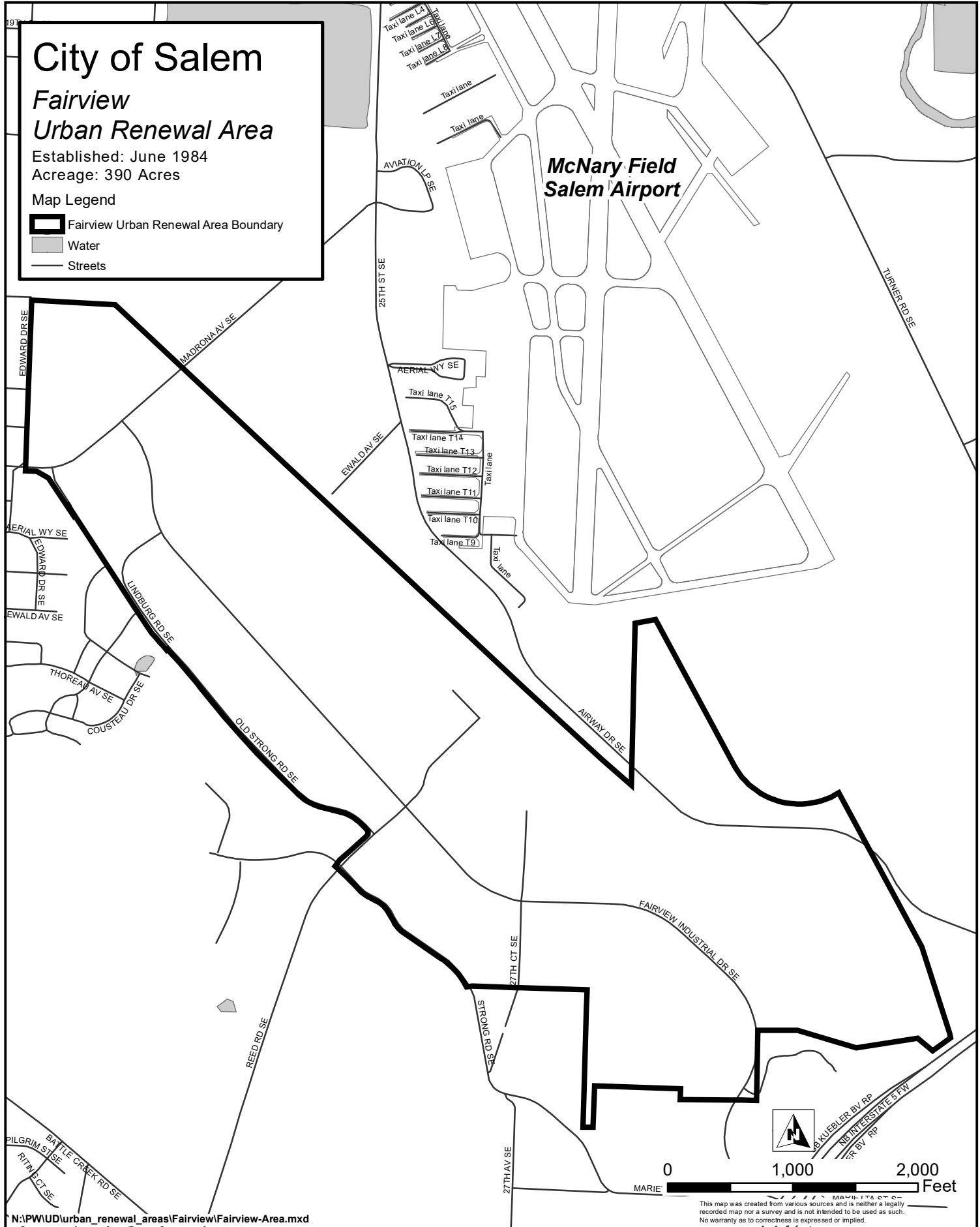
# City of Salem

## Fairview Urban Renewal Area

Established: June 1984  
Acreage: 390 Acres

### Map Legend

-  Fairview Urban Renewal Area Boundary
-  Water
-  Streets



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

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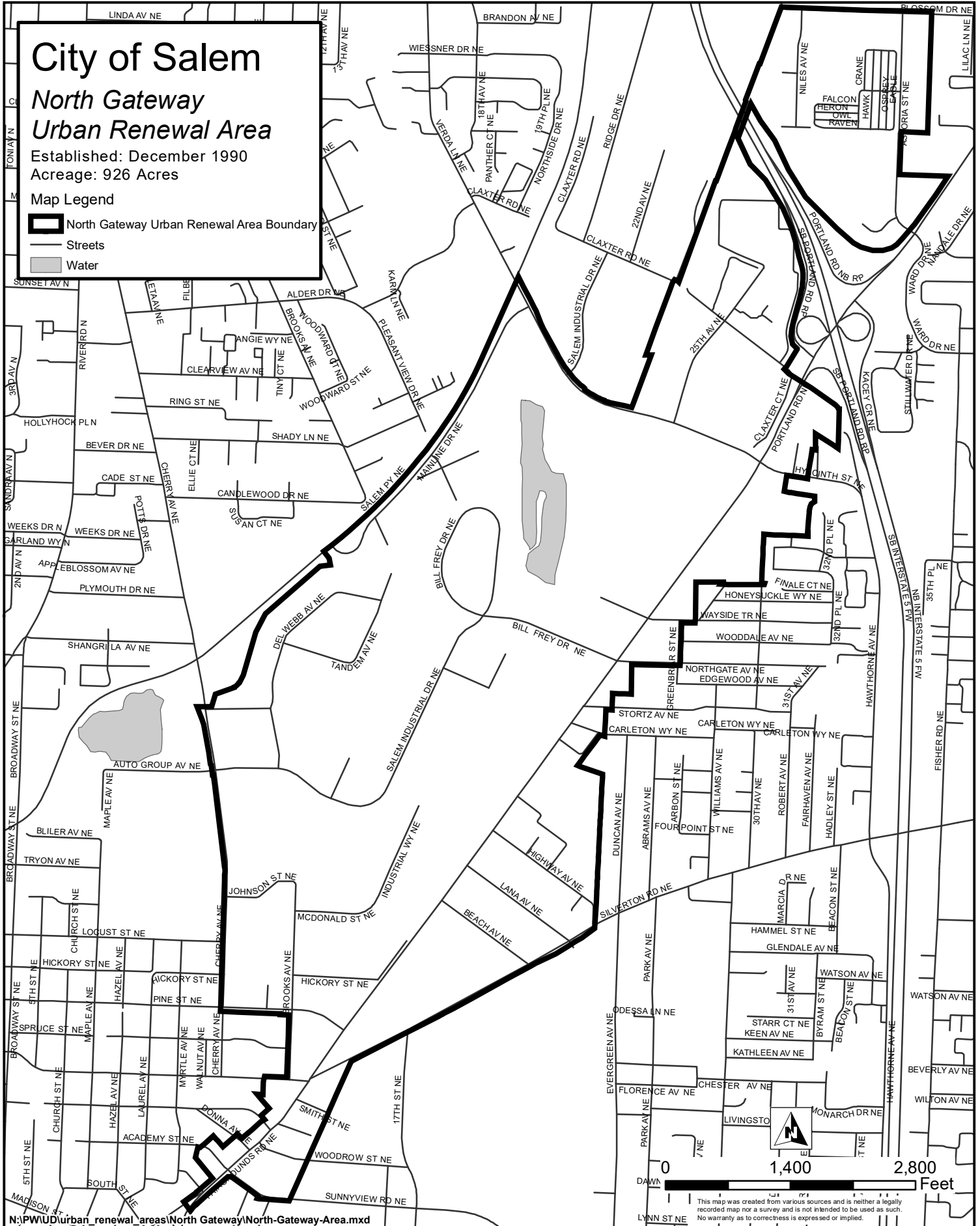
# City of Salem

## North Gateway Urban Renewal Area

Established: December 1990  
Acreage: 926 Acres

### Map Legend

-  North Gateway Urban Renewal Area Boundary
-  Streets
-  Water



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# City of Salem

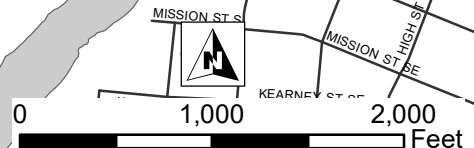
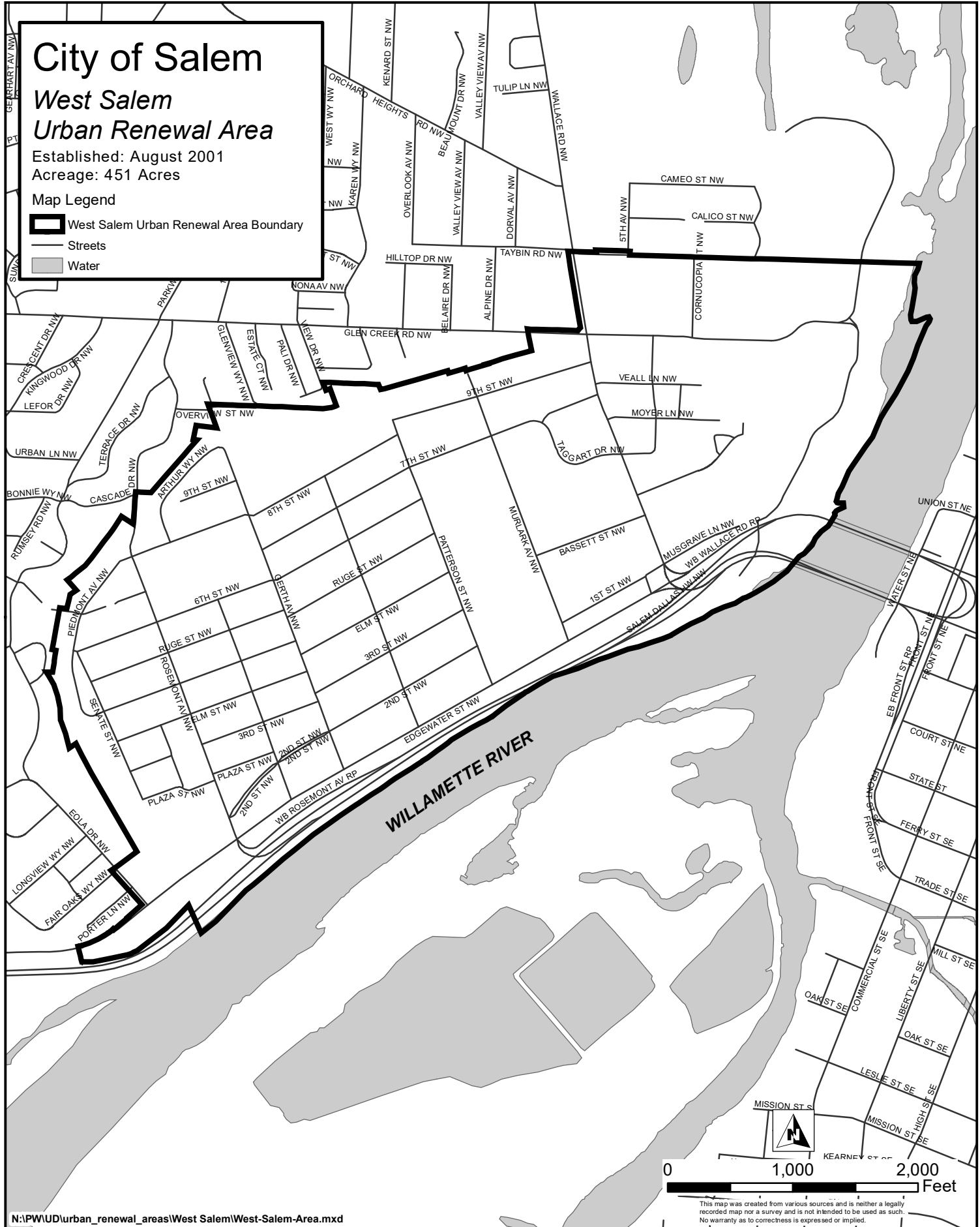
## West Salem Urban Renewal Area

Established: August 2001

Acreage: 451 Acres

### Map Legend

-  West Salem Urban Renewal Area Boundary
-  Streets
-  Water






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# City of Salem

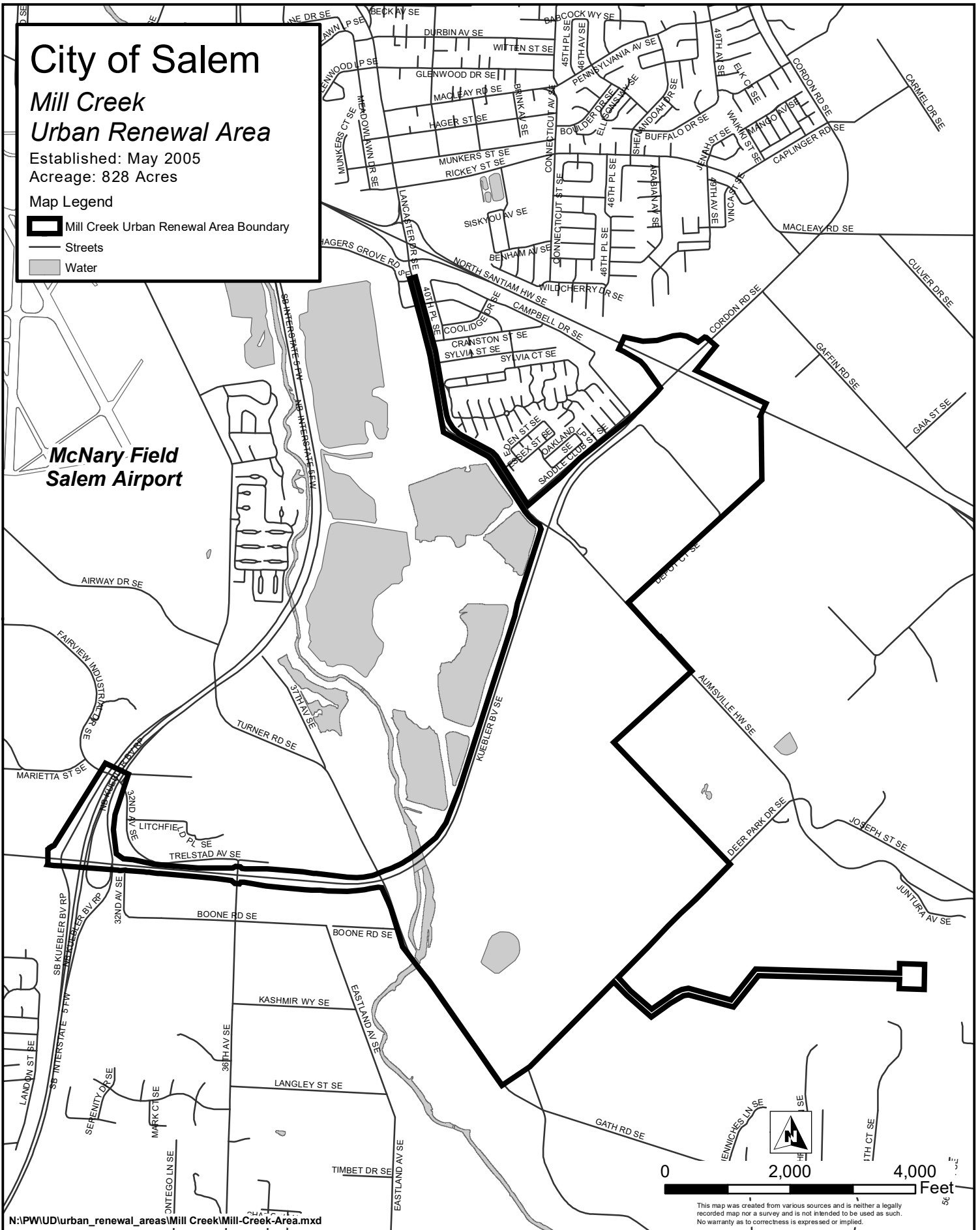
## Mill Creek Urban Renewal Area

Established: May 2005  
Acreage: 828 Acres

### Map Legend

-  Mill Creek Urban Renewal Area Boundary
-  Streets
-  Water

**McNary Field  
Salem Airport**



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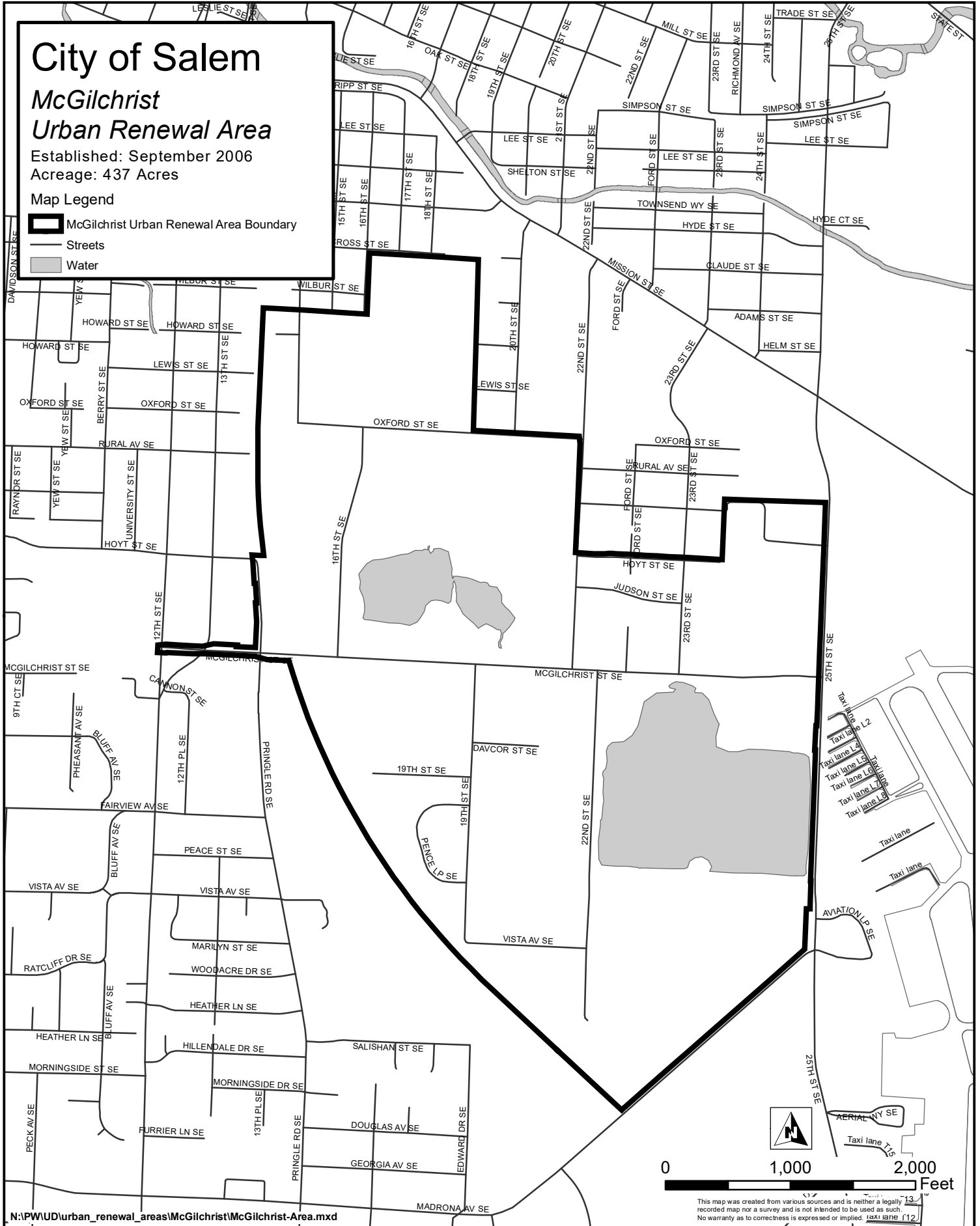
# City of Salem

## McGilchrist Urban Renewal Area

Established: September 2006  
Acreage: 437 Acres

### Map Legend

-  McGilchrist Urban Renewal Area Boundary
-  Streets
-  Water



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

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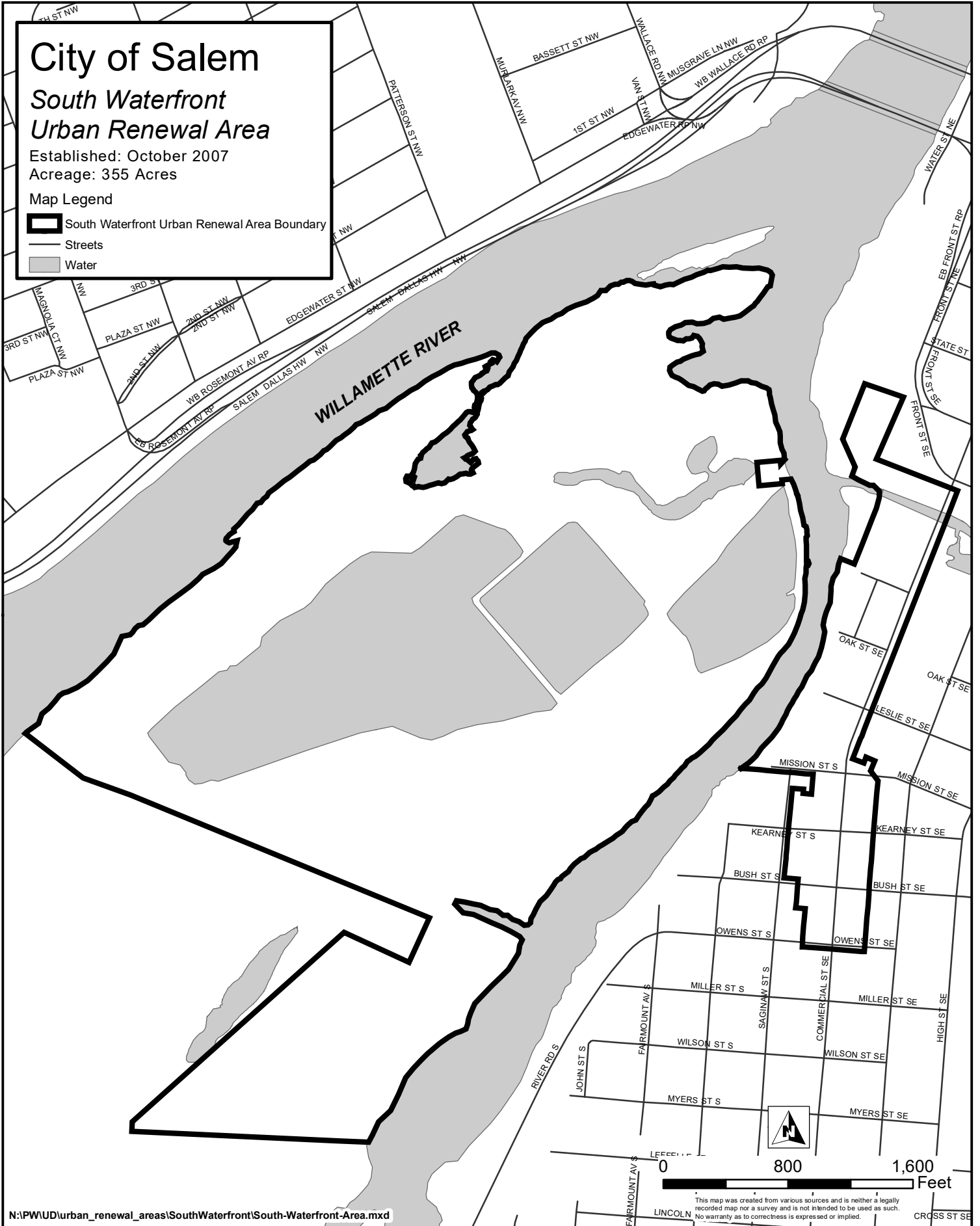
# City of Salem

## South Waterfront Urban Renewal Area

Established: October 2007  
Acreage: 355 Acres

### Map Legend

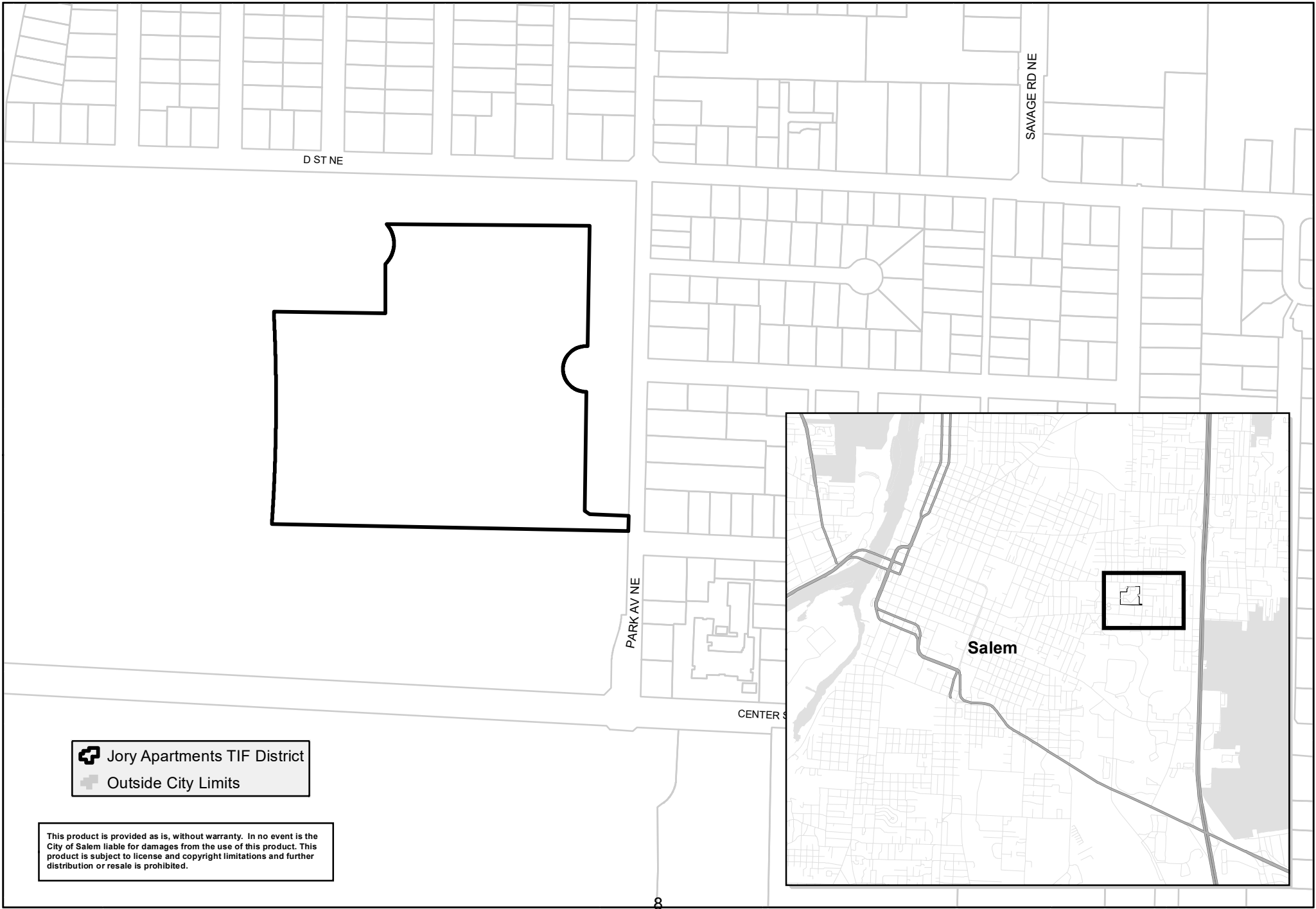
-  South Waterfront Urban Renewal Area Boundary
-  Streets
-  Water





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# 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.

## 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 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, 2025, 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 accompanying financial statements 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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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. The 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 basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***Other Reporting Required by Oregon Minimum Standards***

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 30, 2025, 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.



Ryan T. Pasquarella, Principal  
For REDW LLC  
Salem, Oregon  
December 30, 2025

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2025

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, 2025. 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, 2025

**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)

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>Assets:</b>						
Cash and investments	\$ 83.6	\$ 75.5	\$ 1.1	\$ 0.8	\$ 84.7	\$ 76.3
Other assets	5.9	4.2	0.7	0.8	6.6	5.0
Capital assets	44.5	39.3	22.2	23.0	66.7	62.3
<b>Total assets</b>	<b>134.0</b>	<b>119.0</b>	<b>24.0</b>	<b>24.6</b>	<b>158.0</b>	<b>143.6</b>
<b>Liabilities:</b>						
Current liabilities	5.3	4.0	0.5	0.5	5.8	4.5
Noncurrent liabilities	6.7	12.1	-	-	6.7	12.1
<b>Total liabilities</b>	<b>12.0</b>	<b>16.1</b>	<b>0.5</b>	<b>0.5</b>	<b>12.5</b>	<b>16.6</b>
<b>Net position:</b>						
Net investment in capital assets	36.2	25.6	22.2	23.0	58.4	48.6
Restricted						
Tax allocation debt	5.9	3.8	-	-	5.9	3.8
Tax allocation improvements	75.6	69.8	-	-	75.6	69.8
Convention Center gain/loss reserve	4.3	3.7	-	-	4.3	3.7
Unrestricted	-	-	1.3	1.1	1.3	1.10
<b>Total net position</b>	<b>\$ 122.0</b>	<b>\$ 102.9</b>	<b>\$ 23.5</b>	<b>\$ 24.1</b>	<b>\$ 145.5</b>	<b>\$ 127.0</b>

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

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Fiscal Year Ended June 30, 2025

### Governmental Activities

The Agency's net position from governmental activities increased 18.6%, from \$102.9 million to \$122.0 million. The change is primarily composed of the following:

- Cash and investments increased \$8.1 million. This is primarily seen in the Debt Service fund in the Riverfront and North Gateway areas with tax receipts exceeding debt service expenditures and transfers out. The Capital Improvement fund also increased significantly, primarily in the North Gateway area due to short term loan issuance exceeding construction expenditures. The funding is planned to be spent in future years.
- Capital assets increased \$5.2 million, due to increased construction-in-progress (CIP). Details are discussed in the capital asset section of this narrative.
- Long term debt decreased \$5.4 million due to early payoff of one of the Mill Creek notes borrowed from the State of Oregon and scheduled debt service.

### Business-type Activities

Net position from business-type activities decreased 2.5% from \$24.1 million, to \$23.5 million. Convention Center depreciation of \$0.9 million more than offset operating income of \$0.2 million.

### 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)

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Revenues						
Charge for services	\$ 0.5	\$ 0.5	\$ 6.4	\$ 5.8	\$ 6.9	\$ 6.3
Capital grants and contributions	3.2	4.5	-	-	3.2	4.5
Taxes	21.1	20.2	-	-	21.1	20.2
Interest	2.8	1.2	-	-	2.8	1.2
Total revenues	<u>27.6</u>	<u>26.4</u>	<u>6.4</u>	<u>5.8</u>	<u>34.0</u>	<u>32.2</u>
Program expenses	<u>8.0</u>	<u>6.6</u>	<u>6.1</u>	<u>5.3</u>	<u>14.1</u>	<u>11.9</u>
Increase (decrease) in net position before special items and transfers	19.6	19.8	0.3	0.5	19.9	20.3
Transfers to/from primary government	<u>(0.5)</u>	<u>0.5</u>	<u>(0.9)</u>	<u>(0.9)</u>	<u>(1.4)</u>	<u>(0.4)</u>
Increase (decrease) in net position	19.1	20.3	(0.6)	(0.4)	18.5	19.9
Beginning net position	<u>102.9</u>	<u>82.6</u>	<u>24.1</u>	<u>24.5</u>	<u>127.0</u>	<u>107.1</u>
Ending net position	<u>\$ 122.0</u>	<u>\$ 102.9</u>	<u>\$ 23.5</u>	<u>\$ 24.1</u>	<u>\$ 145.5</u>	<u>\$ 127.0</u>

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

# MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2025

## Governmental Activities

The Agency's change in net position from governmental activities increased by \$19.1 million. This was primarily due to an \$8.1 million increase in cash and investments discussed above, \$5.2 million increase construction-in-progress (CIP) assets discussed below, and a long-term debt decrease of \$5.4 million discussed below.

## Business-type Activities

The Agency's change in net position from business-type activities decreased by \$0.6 million, compared to a last year's decrease of \$0.4 million. This is a reflection of the Convention Center's \$0.2 million operating income offset by transfer of last year's operating income of \$0.9 million to the gain/loss reserve fund.

## 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, 2025 (in millions)

Major Funds	FY 2024-25		Compared to FY 2023-24	
	Amount	Percent of Total	Increase / (Decrease) Amount	Percent
Tax Allocation Debt	\$ 5.4	6.5%	\$ 2.0	58.8%
Tax Allocation Improvements	73.6	88.3%	5.8	8.6%
Convention Center gain/loss reserve	4.3	5.2%	0.6	16.2%
Total fund balances	<u>\$ 83.3</u>	<u>100.0%</u>	<u>\$ 8.4</u>	

On June 30, 2025, the Agency's governmental funds reported combined fund balances of \$83.3 million, an increase of \$8.4 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 increased by \$2.0 million. Property tax receipts were exceeded by debt service expenditure and transfer of short-term loan proceeds to the construction fund.

The June 30, 2025, fund balance of \$5.4 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, 2025

The Tax Allocation Improvements fund increased by \$5.8 million, a net of short-term loan issuance of \$13.6 million, other revenues of \$6.1 million, and reduced project expenditures of \$13.9 million. Construction expenditures overall were \$7.4 million less than last year. The largest decrease was \$6.2 million in the West Salem area as Wallace Rd-2<sup>nd</sup> Street project wound down. McGilchrist spending also reduced by \$1.4 million with the McGilchrist-22<sup>nd</sup> Street realignment project slowing from its peak construction pace last year.

The June 30, 2025, fund balance of \$73.6 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 \$0.6 million increase for the year due to the Convention Center operating income deposit exceeding capital expenditures from the reserve.

The June 30, 2025, fund balance of \$4.3 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 decreased \$0.6 million due to depreciation and the transfer of prior year net operating income to the reserve exceeding the current year operating income.

## **Budgetary Highlights**

There were two changes between the original adopted budget and the final budget.

- In the debt service fund, \$1,068,550 in debt service expenditure authority was moved from the North Gateway area to the Mill Creek area.
- In the Salem Convention Center fund, \$1,140,000 in expenditure authority was moved from the operating category to the transfers category. The Convention Center reserve fund increased budgeted transfers in for the same amount.

## **Capital Assets**

As of June 30, 2025, the Agency had \$66.7 million in capital assets. This represents a net increase of \$4.4 million from the prior year. The change is primarily reflected in construction-in-progress balances in Riverfront (\$1.9 million mainly in streetscape projects) and McGilchrist (\$3.8 million for the 22<sup>nd</sup> Street realignment), partially offset by a reduction of \$1.2 million in Fairview as Airport terminal improvements were completed and transferred to the City.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Fiscal Year Ended June 30, 2025**

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Land	\$ 4.2	\$ 4.2	\$ 1.5	\$ 1.5	\$ 5.7	\$ 5.7
Buildings	-	-	17.5	18.2	17.5	18.2
Improvements	-	-	2.1	2.2	2.1	2.2
Equipment and machinery	-	-	0.9	0.9	0.9	0.9
Public art	-	-	0.2	0.2	0.2	0.2
Work in progress	40.3	35.1	-	-	40.3	35.1
<b>Total</b>	<b>\$ 44.5</b>	<b>\$ 39.3</b>	<b>\$ 22.2</b>	<b>\$ 23.0</b>	<b>\$ 66.7</b>	<b>\$ 62.3</b>

**Change in Capital Assets for the fiscal year ended June 30, 2025**  
(in millions)

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Beginning balance	\$ 39.3	\$ 23.0	\$ 62.3
Additions	6.5	0.1	6.6
Retirement and depreciation	(1.30)	(0.9)	(2.2)
Ending balance	<b>\$ 44.5</b>	<b>\$ 22.2</b>	<b>\$ 66.7</b>

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

**Debt Outstanding**

As of June 30, 2025, the Agency had \$8.3 million in long-term debt outstanding, compared to \$13.7 million last year. The decrease of \$5.4 million was due to early payoff of a Mill Creek note borrowed from the State of Oregon and scheduled debt service.

**Outstanding Debt as of June 30,**  
(in millions)

	<b>Totals</b>	
	<b>2025</b>	<b>20.4</b>
<b>Governmental:</b>		
Bonds	\$ 6.0	\$ 7.0
Notes	2.3	6.7
<b>Total</b>	<b>\$ 8.3</b>	<b>\$ 13.7</b>

For more detailed information on debt, see the notes to the financial statements.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2025

## 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 2024-25, 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	\$ 0.1046	\$ 0.2227
North Gateway	0.1159	none
West Salem	0.0468	none
Mill Creek Industrial Park	0.1188	none
McGilchrist	0.0000	none
South Waterfront	0.0109	none
Jory	0.0085	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.

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# **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, 2025*

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Current assets			
Cash and investments	\$ 83,586,137	\$ 1,044,300	\$ 84,630,437
Accounts receivable, net	3,919,840	599,964	4,519,804
Leases receivable	748	-	748
Inventories and prepayments	-	68,377	68,377
<b>Total current assets</b>	<b>87,506,725</b>	<b>1,712,641</b>	<b>89,219,366</b>
Noncurrent assets			
Notes receivable	2,056,642	-	2,056,642
Capital assets			
Land and construction in progress	44,476,468	1,709,698	46,186,166
Other capital assets, net	-	20,561,876	20,561,876
<b>Total noncurrent assets</b>	<b>46,533,110</b>	<b>22,271,574</b>	<b>68,804,684</b>
<b>Total assets</b>	<b>134,039,835</b>	<b>23,984,215</b>	<b>158,024,050</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	3,716,409	471,566	4,187,975
Long-term debt - due within one year	1,250,407	-	1,250,407
<b>Total current liabilities</b>	<b>4,966,816</b>	<b>471,566</b>	<b>5,438,382</b>
Non-current liabilities			
Long-term debt	7,078,427	-	7,078,427
<b>Total liabilities</b>	<b>12,045,243</b>	<b>471,566</b>	<b>12,516,809</b>
<b>Deferred inflows of resources</b>			
Deferred inflows related to leases	712	-	712
<b>Net position</b>			
Net investment in capital assets	36,147,634	22,271,574	58,419,208
Restricted			
Tax allocation debt	5,866,796	-	5,866,796
Tax allocation improvements	75,640,900	-	75,640,900
Convention Center gain/loss reserve	4,338,550	-	4,338,550
Unrestricted	-	1,241,075	1,241,075
<b>Total net position</b>	<b>\$ 121,993,880</b>	<b>\$ 23,512,649</b>	<b>\$ 145,506,529</b>

*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, 2025*

Functions/programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Capital Grants/Contributions	Primary Government		
				Governmental Activities	Business-type Activities	Total
<b>Primary government</b>						
<b>Governmental activities</b>						
Urban renewal	\$ 7,724,594	\$ 543,509	\$ 3,161,271	\$ (4,019,814)	\$ -	\$ (4,019,814)
Interest on long-term debt	326,803	-	-	(326,803)	-	(326,803)
<b>Total governmental activities</b>	<b>8,051,397</b>	<b>543,509</b>	<b>3,161,271</b>	<b>(4,346,617)</b>	<b>-</b>	<b>(4,346,617)</b>
<b>Business - type activities</b>						
Salem Convention Center	6,138,576	6,362,783	-	-	224,207	224,207
<b>Total primary government</b>	<b>\$ 14,189,973</b>	<b>\$ 6,906,292</b>	<b>\$ 3,161,271</b>	<b>(4,346,617)</b>	<b>224,207</b>	<b>(4,122,410)</b>
<b>General revenues</b>						
Property taxes				21,072,140	-	21,072,140
Investment earnings				2,801,099	-	2,801,099
<b>Transfers to/from primary government</b>				(468,713)	(858,255)	(1,326,968)
<b>Total general revenues and transfers</b>				<b>23,404,526</b>	<b>(858,255)</b>	<b>22,546,271</b>
<b>Change in net position</b>				<b>19,057,909</b>	<b>(634,048)</b>	<b>18,423,861</b>
<b>Net position - beginning of year</b>				<b>102,935,971</b>	<b>24,146,697</b>	<b>127,082,668</b>
<b>Net position - end of year</b>				<b>\$ 121,993,880</b>	<b>\$ 23,512,649</b>	<b>\$ 145,506,529</b>

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, 2025*

	<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>	
<b>Assets</b>				
Cash and investments	\$ 6,753,198	\$ 72,231,635	\$ 4,601,304	\$ 83,586,137
Accounts receivable, net	760,021	3,159,819	-	3,919,840
Leases receivable	-	748	-	748
Notes receivable	-	2,056,642	-	2,056,642
Total assets	<u>\$ 7,513,219</u>	<u>\$ 77,448,844</u>	<u>\$ 4,601,304</u>	<u>\$ 89,563,367</u>
<b>Liabilities, deferred inflows of resources, and fund balances</b>				
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 1,578,834	\$ 1,807,232	\$ -	\$ 3,386,066
Due to other funds	-	-	262,754	262,754
Total liabilities	<u>1,578,834</u>	<u>1,807,232</u>	<u>262,754</u>	<u>3,648,820</u>
<b>Deferred inflows of resources</b>				
Related to leases	-	712	-	712
Unavailable revenue	546,930	2,057,459	-	2,604,389
Total deferred inflows of resources	<u>546,930</u>	<u>2,058,171</u>	<u>-</u>	<u>2,605,101</u>
<b>Fund balances</b>				
Restricted for				
Debt Service	5,387,455	-	-	5,387,455
Capital Projects	-	73,583,441	4,338,550	77,921,991
Total fund balances	<u>5,387,455</u>	<u>73,583,441</u>	<u>4,338,550</u>	<u>83,309,446</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,513,219</u>	<u>\$ 77,448,844</u>	<u>\$ 4,601,304</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)	44,476,468
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	2,057,459
Property taxes - earned but unavailable	546,930
Accrued interest on long-term debt	(67,589)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds	<u>(8,328,834)</u>
Total net position	<u>\$ 121,993,880</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, 2025*

	<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>	
<b>Revenues</b>				
Property taxes	\$ 21,041,042	\$ -	\$ -	\$ 21,041,042
Interest on investments	301,823	2,357,085	142,191	2,801,099
Grants	-	3,161,271	-	3,161,271
Intergovernmental	-	524,590	-	524,590
Loan payments received	-	11,587	-	11,587
Rents	-	17,841	-	17,841
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	21,342,865	6,072,374	142,191	27,557,430
<b>Expenditures</b>				
Materials and services	-	13,884,234	373,932	14,258,166
Debt service				
Principal retirement	5,348,945	-	-	5,348,945
Interest and fiscal charges	430,734	-	-	430,734
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	5,779,679	13,884,234	373,932	20,037,845
<b>Revenues over (under) expenditures</b>	<hr/>	<hr/>	<hr/>	<hr/>
	15,563,186	(7,811,860)	(231,741)	7,519,585
<b>Other financing sources (uses)</b>				
Transfers in	-	13,613,655	858,255	14,471,910
Transfers out	(13,613,655)	(4,090)	-	(13,617,745)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(13,613,655)	13,609,565	858,255	854,165
Net change in fund balance	1,949,531	5,797,705	626,514	8,373,750
Fund balances, beginning of year	3,437,924	67,785,736	3,712,036	74,935,696
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances, end of year	\$ 5,387,455	\$ 73,583,441	\$ 4,338,550	\$ 83,309,446

*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, 2025*

Net change in fund balances - total governmental funds	\$ 8,373,750
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	5,210,695
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	31,098
Change in deferred inflows for program revenue	(10,509)
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	5,348,944
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.	
	103,931
Change in net position	\$ 19,057,909

*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, 2025*

	<b>Salem Convention Center</b>
<b>Assets</b>	
Cash and investments	\$ 1,044,300
Accounts receivable, net	599,964
Inventories and prepayments	<u>68,377</u>
Total current assets	<u>1,712,641</u>
Noncurrent assets	
Capital assets:	
Land and construction in progress	1,709,698
Other capital assets, net	<u>20,561,876</u>
Total noncurrent assets	<u>22,271,574</u>
Total assets	<u>23,984,215</u>
<b>Liabilities</b>	
Accounts payable and accrued liabilities	<u>471,566</u>
<b>Net Position</b>	
Net investment in capital assets	22,271,574
Unrestricted	<u>1,241,075</u>
Total net position	<u><u>\$ 23,512,649</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, 2025*

	<b>Salem Convention Center</b>
<b>Operating revenues</b>	
Sales	\$ 4,223,249
Rents	2,088,593
Total operating revenues	6,311,842
<b>Operating expenses</b>	
Materials and services	5,235,775
Depreciation	902,801
Total operating expenses	6,138,576
Operating income (loss)	173,266
<b>Non-operating revenues (expenses)</b>	
Other revenue (expenses)	50,941
Income (loss) before transfers	224,207
Transfers out	(858,255)
Change in net position	(634,048)
Net position - beginning of year	24,146,697
Net position - end of year	\$ 23,512,649

*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, 2025*

	<b>Salem Convention Center</b>
<b>Cash Flows from Operating Activities</b>	
Receipts from customers	\$ 6,530,188
Payments to suppliers	(5,251,185)
Net cash provided (used) by operating activities	1,279,003
<b>Cash Flows from Noncapital Financing Activities</b>	
Transfers paid	(858,255)
<b>Cash Flows from Capital and Related Financing Activities</b>	
Acquisition and construction of capital assets	(162,739)
Net increase (decrease) in cash and cash equivalents	258,009
<b>Cash and cash equivalents - beginning of year</b>	786,291
<b>Cash and cash equivalents - end of year</b>	\$ 1,044,300
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>	
Operating income (loss)	\$ 173,266
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	902,801
Other income (expense)	50,941
Changes in assets and liabilities:	
Accounts receivable	167,405
Inventories and prepayments	(5,446)
Accounts payable and accrued liabilities	(9,964)
Net cash provided (used) by operating activities	\$ 1,279,003

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

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# **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, 2025*

**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, 2025*

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, 2025*

**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, 2025*

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, 2025*

**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, 2025:

	Book Value
Deposits with City of Salem	\$ 29,517,455
Investments	55,112,982
Total cash and investments	\$ 84,630,437

**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, 2025, the Agency's deposits in City bank accounts had a book value of \$29,517,455.

**2. Investments**

As of June 30, 2025, the Agency held the following investments and maturities:

Investment type	Fair Value	Weighted avg. maturity in months	% of investment portfolio
Local Government Investment Pool	\$ 55,383,036	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**  
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**Notes to the Financial Statements**  
*Fiscal Year Ended June 30, 2025*

Investment type	Maximum % of portfolio	Maximum length to maturity
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, 2025 this limit is \$61,749,000.

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, 2025, the credit risk for the Agency's investments is as follows:

Investment type	Fair Value	Credit Risk	Concentration Risk
Local Government Investment Pool	\$ 55,383,036	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, 2025, are as follows:

	Tax Allocation Debt	Tax Allocation Improvements	Totals
Accounts receivable	\$ -	\$ 3,159,698	\$ 3,159,698
Property taxes	759,312	-	759,312
Interest	709	121	830
Lease receivables	-	748	748
Notes receivable	-	2,056,642	2,056,642
<b>Total</b>	<b>\$ 760,021</b>	<b>\$ 5,217,209</b>	<b>\$ 5,977,230</b>

**URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON**  
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**Notes to the Financial Statements**  
*Fiscal Year Ended June 30, 2025*

Salem Convention Center accounts receivable balance as of June 30, 2025, is \$599,964.

**PROPERTY TAXES**

Fiscal Year of Levy	Balances July 1, 2024	2024-25 Levy	Adjustments To Date	Collections To Date	Balances June 30, 2025
2024-25	\$ -	\$ 21,742,398	\$ (640,001)	\$ 20,671,154	\$ 431,243
2023-24	421,510	-	(15,745)	249,473	156,292
2022-23	134,052	-	(699)	54,027	79,326
2021-22	70,056	-	392	37,009	33,439
2020-21	29,249	-	358	17,522	12,085
2019-20	11,797	-	(23)	2,130	9,644
2018-19	8,158	-	(55)	1,031	7,072
All Prior	33,228	-	267	3,284	30,211
	<u>\$ 708,050</u>	<u>\$ 21,742,398</u>	<u>\$ (655,506)</u>	<u>\$ 21,035,630</u>	<u>\$ 759,312</u>

**Ensuing Year's Levies**

Property tax levies for the year beginning July 1, 2026, 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 and McGilchrist plan areas will not levy for the 2025-26 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 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 June 30, 2025, 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.

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**Notes to the Financial Statements**  
*Fiscal Year Ended June 30, 2025*

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 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 August 1, 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 June 30, 2025, the value of the lease receivable is \$748. 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 \$201 during the fiscal year. The value of the deferred inflow of resources as of June 30, 2025 was \$712, and lease revenue of \$8,799 was recognized during the fiscal year.

Future annual lease receivables as of June 30, 2025 are as follows:

Fiscal Year Ended June 30,	Governmental Activities	
	Principal	Interest
2026	748	2
Total	\$ 748	\$ 2

**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. \$ 2,035,404

**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. 21,238  
\$ 2,056,642

**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, 2025*

**CAPITAL ASSETS**

	Beginning Balance	Increases	Decreases	Ending Balance
<b><u>Governmental activities</u></b>				
Land and land improvements	\$ 4,220,731	\$ -	\$ -	\$ 4,220,731
Construction in progress	35,045,042	6,533,573	(1,322,878)	40,255,737
Governmental activities capital assets, net	<u>\$ 39,265,773</u>	<u>\$ 6,533,573</u>	<u>\$ (1,322,878)</u>	<u>\$ 44,476,468</u>
<b><u>Business-type activities</u></b>				
Land and land improvements	\$ 1,500,646	\$ -	\$ -	\$ 1,500,646
Public art	203,552	5,500	-	209,052
Construction in progress	9,151	9,152	(18,303)	-
Total non-depreciable	<u>1,713,349</u>	<u>14,652</u>	<u>(18,303)</u>	<u>1,709,698</u>
Buildings and building improvements	30,368,457	-	-	30,368,457
Other improvements	2,696,491	7,020	-	2,703,511
Equipment and machinery	2,291,934	159,370	-	2,451,304
Total depreciable	<u>35,356,882</u>	<u>166,390</u>	<u>-</u>	<u>35,523,272</u>
Accumulated depreciation				
Buildings and building improvements	(12,199,463)	(643,801)	-	(12,843,264)
Improvements	(464,363)	(128,799)	-	(593,162)
Equipment and machinery	(1,394,769)	(130,201)	-	(1,524,970)
Total accumulated depreciation	<u>(14,058,595)</u>	<u>(902,801)</u>	<u>-</u>	<u>(14,961,396)</u>
Business-type activities capital assets, net	<u>\$ 23,011,636</u>	<u>\$ (721,759)</u>	<u>\$ (18,303)</u>	<u>\$ 22,271,574</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).

**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, 2025*

**SHORT-TERM DEBT**

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025
Riverfront, 2025	\$ -	\$ 6,000,000	\$ 6,000,000	\$ -
North Gateway, 2025	-	4,268,400	4,268,400	-
West Salem, 2025	-	2,250,000	2,250,000	-
South Waterfront, 2025	-	400,000	400,000	-
Jory Apartments, 2025	-	360,000	360,000	-
<b>Total</b>	<b>\$ -</b>	<b>\$ 13,278,400</b>	<b>\$ 13,278,400</b>	<b>\$ -</b>

**LONG-TERM DEBT**

Transactions for the year ended June 30, 2025 are as follows:

	Balances July 1, 2024	Reductions	Balances June 30, 2025	Due in One Year
<b><u>Direct borrowing tax increment bonds</u></b>				
Riverfront/Downtown, Series 2020A Dated Dec 7, 2021, 1.66%.	\$ 6,987,000	\$ 950,000	\$ 6,037,000	\$ 965,000
<b><u>Direct borrowing notes</u></b>				
Mill Creek, OR Econ & Comm Dev Dept, Series 2007, L06001A	2,565,187	273,353	2,291,834	285,407
Mill Creek, OR Econ & Comm Dev Dept, Series 2007, L06001C	4,125,591	4,125,591	-	-
	<b>\$ 13,677,778</b>	<b>\$ 5,348,944</b>	<b>\$ 8,328,834</b>	<b>\$ 1,250,407</b>

**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 2020A	\$ 744,500

**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, 2025*

**Future maturities of long-term debt are as follows:**

Year	Riverfront/Downtown		Mill Creek Industrial Park		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2025-26	\$ 965,000	100,214	\$ 285,407	101,070	\$ 1,250,407	\$ 201,284
2026-27	981,000	84,195	297,994	88,483	1,278,994	172,678
2027-28	998,000	67,911	311,135	75,342	1,309,135	143,253
2028-29	1,014,000	51,344	324,857	61,621	1,338,857	112,965
2029-30	1,031,000	34,511	339,183	47,295	1,370,183	81,806
2030-33	1,048,000	17,397	733,258	49,056	1,781,258	66,453
Total	<u>\$ 6,037,000</u>	<u>\$ 355,572</u>	<u>\$ 2,291,834</u>	<u>\$ 422,867</u>	<u>\$ 8,328,834</u>	<u>\$ 778,439</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.

## **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, 2025*

	<b>Tax Allocation Debt</b>		
	<b>Original/ Final Budget</b>	<b>Actual</b>	<b>Variance<sup>1</sup></b>
<b>Revenues</b>			
Property taxes	\$ 19,232,570	\$ 21,041,042	\$ (1,808,472)
Interest on investments	100,320	301,823	(201,503)
Grants	-	-	-
Intergovernmental	-	-	-
Loan payments received	-	-	-
Rents	-	-	-
Total revenues	19,332,890	21,342,865	(2,009,975)
<b>Expenditures</b>			
Operations	-	-	-
Debt service	19,992,380	19,058,078	934,302
Total expenditures	19,992,380	19,058,078	934,302
Revenues over (under) expenditures	(659,490)	2,284,787	(2,944,277)
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Issuance of short-term debt	-	-	-
Transfers out	(335,260)	(335,255)	(5)
Total other financing sources (uses)	(335,260)	(335,255)	(5)
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	(994,750)	1,949,532	(2,944,282)
Fund balance, beginning of year	2,154,800	3,437,923	(1,283,123)
Fund balance, end of year	\$ 1,160,050	\$ 5,387,455	\$ (4,227,405)
Reconciliation to generally accepted accounting principles:			
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

<b>Tax Allocation Improvements</b>		
<b>Original/ Final Budget</b>	<b>Actual</b>	<b>Variance<sup>1</sup></b>
\$ -	\$ -	\$ -
705,000	2,356,884	(1,651,884)
1,478,740	3,161,271	(1,682,531)
524,590	524,590	-
25,000	11,587	13,413
10,000	18,300	(8,300)
<u>2,743,330</u>	<u>6,072,632</u>	<u>(3,329,302)</u>
60,468,270	13,884,235	46,584,035
-	-	-
<u>60,468,270</u>	<u>13,884,235</u>	<u>46,584,035</u>
<u>(57,724,940)</u>	<u>(7,811,603)</u>	<u>(49,913,337)</u>
335,260	335,255	5
17,780,000	13,278,400	4,501,600
(4,090)	(4,090)	-
<u>18,111,170</u>	<u>13,609,565</u>	<u>4,501,605</u>
(39,613,770)	5,797,962	(45,411,732)
<u>62,955,910</u>	<u>67,785,388</u>	<u>(4,829,478)</u>
<u>\$ 23,342,140</u>	<u>73,583,350</u>	<u>\$ (50,241,210)</u>

55  
748  
(712)

\$ 73,583,441

<b>Salem Convention Center Gain/Loss Reserve</b>		
<b>Original/ Final Budget</b>	<b>Actual</b>	<b>Variance<sup>1</sup></b>
\$ -	\$ -	\$ -
76,000	142,191	(66,191)
-	-	-
-	-	-
-	-	-
-	-	-
<u>76,000</u>	<u>142,191</u>	<u>(66,191)</u>
944,000	373,932	570,068
-	-	-
<u>944,000</u>	<u>373,932</u>	<u>570,068</u>
<u>(868,000)</u>	<u>(231,741)</u>	<u>(636,259)</u>
860,000	858,255	1,745
-	-	-
(500,000)	-	(500,000)
<u>360,000</u>	<u>858,255</u>	<u>(498,255)</u>
(508,000)	626,514	(1,134,514)
<u>3,103,040</u>	<u>3,712,036</u>	<u>(608,996)</u>
<u>\$ 2,595,040</u>	<u>\$ 4,338,550</u>	<u>\$ (1,743,510)</u>

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, 2025*

	<b>Riverfront/ Downtown</b>	<b>North Gateway</b>	<b>West Salem</b>
<b>Assets</b>			
Cash and investments	\$ 1,379,445	\$ 1,774,007	\$ 564,044
Accounts receivable, net	296,080	183,659	83,223
Total assets	<u>\$ 1,675,525</u>	<u>\$ 1,957,666</u>	<u>\$ 647,267</u>
 <b>Liabilities, deferred inflows of resources, and fund balances</b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -
 <b>Deferred inflows of resources</b>			
Unavailable revenue	215,638	135,102	58,361
 <b>Fund balances</b>			
Restricted for debt service	1,459,887	1,822,564	588,906
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,675,525</u>	<u>\$ 1,957,666</u>	<u>\$ 647,267</u>

Continued

<b>Mill Creek Industrial Park</b>	<b>McGilchrist</b>	<b>South Waterfront</b>	<b>Jory Apartments</b>	<b>Totals</b>
\$ 611,705	\$ 2,301,447	\$ 95,614	\$ 26,936	\$ 6,753,198
145,675	21,522	17,841	12,021	760,021
<u>\$ 757,380</u>	<u>\$ 2,322,969</u>	<u>\$ 113,455</u>	<u>\$ 38,957</u>	<u>\$ 7,513,219</u>
\$ -	\$ 1,578,834	\$ -	\$ -	\$ 1,578,834
101,580	14,381	13,113	8,755	546,930
<u>655,800</u>	<u>729,754</u>	<u>100,342</u>	<u>30,202</u>	<u>5,387,455</u>
<u>\$ 757,380</u>	<u>\$ 2,322,969</u>	<u>\$ 113,455</u>	<u>\$ 38,957</u>	<u>\$ 7,513,219</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, 2025*

	<u>Riverfront/ Downtown</u>	<u>North Gateway</u>	<u>West Salem</u>
<b>Revenues</b>			
Property taxes	\$ 8,008,511	\$ 4,890,403	\$ 2,348,848
Interest on investments	<u>105,808</u>	<u>93,152</u>	<u>39,775</u>
Total revenues	8,114,319	4,983,555	2,388,623
<b>Expenditures</b>			
Debt service	<u>1,066,901</u>	<u>652</u>	<u>344</u>
Revenues over (under) expenditures	7,047,418	4,982,903	2,388,279
<b>Other financing sources (uses)</b>			
Transfers out	<u>(6,335,255)</u>	<u>(4,268,400)</u>	<u>(2,250,000)</u>
Net change in fund balance	712,163	714,503	138,279
Fund balance, beginning of year	<u>747,724</u>	<u>1,108,061</u>	<u>450,627</u>
Fund balance, end of year	<u>\$ 1,459,887</u>	<u>\$ 1,822,564</u>	<u>\$ 588,906</u>

Continued

<b>Mill Creek Industrial Park</b>	<b>McGilchrist</b>	<b>South Waterfront</b>	<b>Jory Apartments</b>	<b>Totals</b>
\$ 4,980,968	\$ -	\$ 456,524	\$ 355,788	\$ 21,041,042
52,373	-	6,323	4,392	301,823
5,033,341	-	462,847	360,180	21,342,865
4,711,666	-	61	55	5,779,679
321,675	-	462,786	360,125	15,563,186
-	-	(400,000)	(360,000)	(13,613,655)
321,675	-	62,786	125	1,949,531
334,125	729,754	37,556	30,077	3,437,924
<u>\$ 655,800</u>	<u>\$ 729,754</u>	<u>\$ 100,342</u>	<u>\$ 30,202</u>	<u>\$ 5,387,455</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, 2025*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance<sup>1</sup></u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
<b>Revenues</b>				
Property taxes	\$ 7,155,070	\$ 7,155,070	\$ 8,008,511	\$ (853,441)
Interest on investments	30,000	30,000	105,808	(75,808)
Total revenues	7,185,070	7,185,070	8,114,319	(929,249)
<b>Expenditures</b>				
Debt Service				
Principal	6,950,000	6,950,000	6,950,000	-
Interest	116,990	116,990	116,901	89
Total expenditures	7,066,990	7,066,990	7,066,901	89
Excess (deficiency) of revenues over expenditures	118,080	118,080	1,047,418	(929,338)
<b>Other financing sources (uses)</b>				
Transfers out	(335,260)	(335,260)	(335,255)	(5)
Net change in fund balance	(217,180)	(217,180)	712,163	(929,343)
Fund balance, beginning of year	614,570	614,570	747,724	(133,154)
Fund balance, end of year	<u>\$ 397,390</u>	<u>\$ 397,390</u>	<u>\$ 1,459,887</u>	<u>\$ (1,062,497)</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 (Debt Service Fund)**  
*For the fiscal year ended June 30, 2025*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance<sup>1</sup></u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
<b>Revenues</b>				
Property taxes	\$ 4,972,300	\$ 4,972,300	\$ 4,890,403	\$ 81,897
Interest on investments	24,820	24,820	93,152	(68,332)
Total revenues	4,997,120	4,997,120	4,983,555	13,565
<b>Expenditures</b>				
Debt Service				
Principal	5,750,000	4,681,450	4,268,400	413,050
Interest	1,000	1,000	652	348
Total expenditures	5,751,000	4,682,450	4,269,052	413,398
Excess (deficiency) of revenues over expenditures	(753,880)	314,670	714,503	426,963
Fund balance, beginning of year	1,033,350	1,033,350	1,108,061	(74,711)
Fund balance, end of year	<u>\$ 279,470</u>	<u>\$ 1,348,020</u>	<u>\$ 1,822,564</u>	<u>\$ 352,252</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, 2025*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance<sup>1</sup></u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
<b>Revenues</b>				
Property taxes	\$ 2,234,890	\$ 2,234,890	\$ 2,348,848	\$ (113,958)
Interest on investments	15,000	15,000	39,775	(24,775)
Total revenues	2,249,890	2,249,890	2,388,623	(138,733)
<b>Expenditures</b>				
Debt Service				
Principal	2,500,000	2,500,000	2,250,000	250,000
Interest	660	660	344	316
Total expenditures	2,500,660	2,500,660	2,250,344	250,316
Excess (deficiency) of revenues over expenditures	(250,770)	(250,770)	138,279	111,583
Fund balance, beginning of year	352,680	352,680	450,627	(97,947)
Fund balance, end of year	<u>\$ 101,910</u>	<u>\$ 101,910</u>	<u>\$ 588,906</u>	<u>\$ 13,636</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, 2025*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance<sup>1</sup></u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
<b>Revenues</b>				
Property taxes	\$ 3,868,590	\$ 3,868,590	\$ 4,980,968	\$ (1,112,378)
Interest on investments	25,000	25,000	52,373	(27,373)
Total revenues	3,893,590	3,893,590	5,033,341	(1,139,751)
<b>Expenditures</b>				
Debt Service				
Principal	3,367,280	4,398,950	4,398,944	6
Interest	275,850	312,730	312,722	8
Total expenditures	3,643,130	4,711,680	4,711,666	14
Excess (deficiency) of revenues over expenditures	250,460	(818,090)	321,675	(1,139,737)
Fund balance, beginning of year	94,850	94,850	334,125	(239,275)
Fund balance, end of year	<u>\$ 345,310</u>	<u>\$ (723,240)</u>	<u>\$ 655,800</u>	<u>\$ (1,379,012)</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, 2025*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance<sup>1</sup></u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
Fund balance, beginning of year	\$ -	\$ -	\$ 729,754	\$ (729,754)
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 729,754</u>	<u>\$ (729,754)</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, 2025*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance<sup>1</sup></u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
<b>Revenues</b>				
Property taxes	\$ 525,860	\$ 525,860	\$ 456,524	\$ 69,336
Interest on investments	5,000	5,000	6,323	(1,323)
Total revenues	530,860	530,860	462,847	68,013
<b>Expenditures</b>				
Debt Service				
Principal	550,000	550,000	400,000	150,000
Interest	100	100	61	39
Total expenditures	550,100	550,100	400,061	150,039
Excess (deficiency) of revenues over expenditures	(19,240)	(19,240)	62,786	218,052
Fund balance, beginning of year	42,490	42,490	37,556	4,934
Fund balance, end of year	<u>\$ 23,250</u>	<u>\$ 23,250</u>	<u>\$ 100,342</u>	<u>\$ 222,986</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, 2025*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance<sup>1</sup></u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
<b>Revenues</b>				
Property taxes	\$ 475,860	\$ 475,860	\$ 355,788	\$ 120,072
Interest on investments	500	500	4,392	(3,892)
Total revenues	476,360	476,360	360,180	116,180
<b>Expenditures</b>				
Debt Service				
Principal	480,000	480,000	360,000	120,000
Interest	500	500	55	445
Total expenditures	480,500	480,500	360,055	120,445
Excess (deficiency) of revenues over expenditures	(4,140)	(4,140)	125	236,625
Fund balance, beginning of year	16,860	16,860	30,077	(13,217)
Fund balance, end of year	<u>\$ 12,720</u>	<u>\$ 12,720</u>	<u>\$ 30,202</u>	<u>\$ 223,408</u>

1 ( ) indicates revenues/expenditures in excess of budget

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**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, 2025*

	<b>Riverfront/ Downtown</b>	<b>Fairview</b>	<b>North Gateway</b>	<b>West Salem</b>
<b>Assets</b>				
Cash and investments	\$ 25,676,407	\$ 667,307	\$ 29,605,031	\$ 6,533,560
Accounts receivable, net	55	-	67	-
Leases receivable	748	-	-	-
Notes receivable	2,035,404	-	21,238	-
Total assets	<b>\$ 27,712,614</b>	<b>\$ 667,307</b>	<b>\$ 29,626,336</b>	<b>\$ 6,533,560</b>
 <b>Liabilities, deferred inflows of resources, and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 1,203,539	\$ -	\$ 6,946	\$ 748
 <b>Deferred inflows of resources</b>				
Related to leases	712	-	-	-
Unavailable revenue	2,036,154	-	21,305	-
Total deferred inflows of resources	2,036,866	-	21,305	-
 <b>Fund balances</b>				
Restricted for capital projects	24,472,209	667,307	29,598,085	6,532,812
Total liabilities, deferred inflows of resources, and fund balances	<b>\$ 27,712,614</b>	<b>\$ 667,307</b>	<b>\$ 29,626,336</b>	<b>\$ 6,533,560</b>

Continued

<b>Mill Creek Industrial Park</b>	<b>McGilchrist</b>	<b>South Waterfront</b>	<b>Jory Apartments</b>	<b>Total</b>
\$ 6,742,152	\$ 2,163,972	\$ 797,630	\$ 45,576	\$ 72,231,635
-	3,159,697	-	-	3,159,819
-	-	-	-	748
-	-	-	-	2,056,642
<u>\$ 6,742,152</u>	<u>\$ 5,323,669</u>	<u>\$ 797,630</u>	<u>\$ 45,576</u>	<u>\$ 77,448,844</u>
\$ -	\$ 595,999	\$ -	\$ -	\$ 1,807,232
-	-	-	-	712
-	-	-	-	2,057,459
-	-	-	-	2,058,171
<u>6,742,152</u>	<u>4,727,670</u>	<u>797,630</u>	<u>45,576</u>	<u>73,583,441</u>
<u>\$ 6,742,152</u>	<u>\$ 5,323,669</u>	<u>\$ 797,630</u>	<u>\$ 45,576</u>	<u>\$ 77,448,844</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, 2025*

	<u>Riverfront/ Downtown</u>	<u>Fairview</u>	<u>North Gateway</u>	<u>West Salem</u>
<b>Revenues</b>				
Interest on investments	\$ 821,744	\$ 27,292	\$ 936,593	\$ 179,991
Grants	-	-	-	-
Intergovernmental	524,590	-	-	-
Loan payments received	-	-	11,587	-
Rents	8,541	-	9,300	-
Total revenues	<u>1,354,875</u>	<u>27,292</u>	<u>957,480</u>	<u>179,991</u>
<b>Expenditures</b>				
Materials and services	<u>6,642,133</u>	<u>226,292</u>	<u>991,697</u>	<u>576,134</u>
Excess (deficiency) of revenues over expenditures	<u>(5,287,258)</u>	<u>(199,000)</u>	<u>(34,217)</u>	<u>(396,143)</u>
<b>Other financing sources (uses)</b>				
Transfers in	6,335,255	-	4,268,400	2,250,000
Transfers out	<u>(4,090)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>6,331,165</u>	<u>-</u>	<u>4,268,400</u>	<u>2,250,000</u>
Net change in fund balance	1,043,907	(199,000)	4,234,183	1,853,857
Fund balance, beginning of year	<u>23,428,302</u>	<u>866,307</u>	<u>25,363,902</u>	<u>4,678,955</u>
Fund balance, end of year	<u>\$ 24,472,209</u>	<u>\$ 667,307</u>	<u>\$ 29,598,085</u>	<u>\$ 6,532,812</u>

Continued

<b>Mill Creek Industrial Park</b>	<b>McGilchrist</b>	<b>South Waterfront</b>	<b>Jory Apartments</b>	<b>Total</b>
\$ 235,391	\$ 133,713	\$ 19,923	\$ 2,438	\$ 2,357,085
-	3,161,271	-	-	3,161,271
-	-	-	-	524,590
-	-	-	-	11,587
-	-	-	-	17,841
235,391	3,294,984	19,923	2,438	6,072,374
205,595	4,801,748	85,345	355,290	13,884,234
29,796	(1,506,764)	(65,422)	(352,852)	(7,811,860)
-	-	400,000	360,000	13,613,655
-	-	-	-	(4,090)
-	-	400,000	360,000	13,609,565
29,796	(1,506,764)	334,578	7,148	5,797,705
6,712,356	6,234,434	463,052	38,428	67,785,736
<u>\$ 6,742,152</u>	<u>\$ 4,727,670</u>	<u>\$ 797,630</u>	<u>\$ 45,576</u>	<u>\$ 73,583,441</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, 2025*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance<sup>1</sup></u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
<b>Revenues</b>				
Rents	\$ 10,000	\$ 10,000	\$ 9,000	\$ 1,000
Intergovernmental	524,590	524,590	524,590	-
Interest on investments	300,000	300,000	821,544	(521,544)
Loan payments received	25,000	25,000	-	25,000
Total revenues	859,590	859,590	1,355,134	(495,544)
<b>Expenditures</b>				
Operations	25,812,230	25,812,230	6,642,134	19,170,096
Excess (deficiency) of revenues over expenditures	(24,952,640)	(24,952,640)	(5,287,000)	18,674,552
<b>Other financing sources (uses)</b>				
Transfers in	335,260	335,260	335,255	5
Issuance of short-term debt	6,000,000	6,000,000	6,000,000	-
Transfers out	(4,090)	(4,090)	(4,090)	-
Total other financing sources (uses)	6,331,170	6,331,170	6,331,165	5
Net change in fund balance	(18,621,470)	(18,621,470)	1,044,165	18,674,557
Fund balance, beginning of year	22,170,770	22,170,770	23,427,953	(1,257,183)
Fund balance, end of year	<u>\$ 3,549,300</u>	<u>\$ 3,549,300</u>	24,472,118	<u>\$ 17,417,374</u>
Reconciliation to generally accepted accounting principles:				
Accrued interest receivable on leases			55	
Long-term lease receivables			748	
Deferred inflows related to leases			(712)	
Fund Balance - end of year			<u>\$ 24,472,209</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, 2025*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance<sup>1</sup></u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
<b>Revenues</b>				
Interest on investments	\$ 5,000	\$ 5,000	\$ 27,292	\$ (22,292)
<b>Expenditures</b>				
Operations	360,740	360,740	226,292	134,448
Excess (deficiency) of revenues over expenditures	(355,740)	(355,740)	(199,000)	112,156
Fund balance, beginning of year	-	-	866,307	(866,307)
Fund balance, end of year	<u>\$ (355,740)</u>	<u>\$ (355,740)</u>	<u>\$ 667,307</u>	<u>\$ (754,151)</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, 2025*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance<sup>1</sup></u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
<b>Revenues</b>				
Rents	\$ -	\$ -	\$ 9,300	\$ (9,300)
Interest on investments	311,500	311,500	936,593	(625,093)
Loan payments received	-	-	11,587	(11,587)
Total revenues	311,500	311,500	957,480	(645,980)
<b>Expenditures</b>				
Operations	16,656,430	16,656,430	991,697	15,664,733
Excess (deficiency) of revenues over expenditures	(16,344,930)	(16,344,930)	(34,217)	(16,310,713)
<b>Other financing sources (uses)</b>				
Issuance of short-term debt	5,750,000	5,750,000	4,268,400	1,481,600
Net change in fund balance	(10,594,930)	(10,594,930)	4,234,183	(14,829,113)
Fund balance, beginning of year	-	-	25,363,902	(25,363,902)
Fund balance, end of year	<u>\$ (10,594,930)</u>	<u>\$ (10,594,930)</u>	<u>\$ 29,598,085</u>	<u>\$ (40,193,015)</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, 2025*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance<sup>1</sup></u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
<b>Revenues</b>				
Interest on investments	\$ 25,000	\$ 25,000	\$ 179,991	\$ (154,991)
<b>Expenditures</b>				
Operations	4,974,020	4,974,020	576,134	4,397,886
Excess (deficiency) of revenues over expenditures	(4,949,020)	(4,949,020)	(396,143)	4,242,895
<b>Other financing sources (uses)</b>				
Issuance of short-term debt	2,250,000	2,250,000	2,250,000	-
Net change in fund balance	(2,699,020)	(2,699,020)	1,853,857	4,242,895
Fund balance, beginning of year	-	-	4,678,955	(4,678,955)
Fund balance, end of year	<u>\$ (2,699,020)</u>	<u>\$ (2,699,020)</u>	<u>\$ 6,532,812</u>	<u>\$ (436,060)</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, 2025*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance<sup>1</sup></u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
<b>Revenues</b>				
Interest on investments	\$ 30,000	\$ 30,000	\$ 235,391	\$ (205,391)
<b>Expenditures</b>				
Operations	5,024,610	5,024,610	205,595	4,819,015
Excess (deficiency) of revenues over expenditures	(4,994,610)	(4,994,610)	29,796	4,613,624
<b>Other financing sources (uses)</b>				
Issuance of short-term debt	2,750,000	2,750,000	-	2,750,000
Net change in fund balance	(2,244,610)	(2,244,610)	29,796	7,363,624
Fund balance, beginning of year	-	-	6,712,356	(6,712,356)
Fund balance, end of year	<u>\$ (2,244,610)</u>	<u>\$ (2,244,610)</u>	<u>\$ 6,742,152</u>	<u>\$ 651,268</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, 2025*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance<sup>1</sup></u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
<b>Revenues</b>				
Grants	\$ 1,478,740	\$ 1,478,740	\$ 3,161,271	\$ (1,682,531)
Interest on investments	30,000	30,000	133,713	(103,713)
Total revenues	1,508,740	1,508,740	3,294,984	(1,786,244)
<b>Expenditures</b>				
Operations	6,624,720	6,624,720	4,801,748	1,822,972
Excess (deficiency) of revenues over expenditures	(5,115,980)	(5,115,980)	(1,506,764)	36,728
Fund balance, beginning of year	-	-	6,234,434	(6,234,434)
Fund balance, end of year	<u>\$ (5,115,980)</u>	<u>\$ (5,115,980)</u>	<u>\$ 4,727,670</u>	<u>\$ (6,197,706)</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, 2025*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance<sup>1</sup></u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
<b>Revenues</b>				
Interest on investments	\$ 3,000	\$ 3,000	\$ 19,923	\$ (16,923)
<b>Expenditures</b>				
Operations	550,000	550,000	85,345	464,655
Excess (deficiency) of revenues over expenditures	(547,000)	(547,000)	(65,422)	447,732
<b>Other financing sources (uses)</b>				
Issuance of short-term debt	550,000	550,000	400,000	150,000
Net change in fund balance	3,000	3,000	334,578	597,732
Fund balance, beginning of year	-	-	463,052	(463,052)
Fund balance, end of year	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 797,630</u>	<u>\$ 134,680</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, 2025*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance<sup>1</sup></u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
<b>Revenues</b>				
Interest on investments	\$ 500	\$ 500	\$ 2,438	\$ (1,938)
<b>Expenditures</b>				
Operations	465,520	465,520	355,290	110,230
Excess (deficiency) of revenues over expenditures	(465,020)	(465,020)	(352,852)	108,292
<b>Other financing sources (uses)</b>				
Issuance of short-term debt	480,000	480,000	360,000	120,000
Net change in fund balance	14,980	14,980	7,148	228,292
Fund balance, beginning of year	-	-	38,428	(38,428)
Fund balance, end of year	<u>\$ 14,980</u>	<u>\$ 14,980</u>	<u>\$ 45,576</u>	<u>\$ 189,864</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, 2025*

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Riverfront/Downtown</b>			
682000 Project coordination/support	\$ -	\$ 852,626	\$ -
682018 Toolbox grant program	-	1,627,919	-
682023 Marketing for Salem Convention Center	-	524,590	-
682083 Streetscape concepts	-	11,301	-
682097 Strategic project grant program	-	17,669	-
682103 Redvlpmnt of Saffrom/UGM Prog	-	116,458	-
682111 Streetscape Improvements Ph IV	-	1,247,134	-
682114 Front Street multi-modal cmp study	-	25,358	-
682115 Streetscapes phase 5	-	623,335	-
682116 Streetscape furniture	-	8,087	-
682118 Marion Parkade improvements	-	494,899	-
682119 Climate action plan support	-	1,056,926	-
682124 Downtown utility box wraps	-	20,604	-
682125 North Block 45 site development	-	630	-
682126 Downtown pedestrian safety	-	11,379	-
682127 Chemeketa leasehold improvements	-	1,310	-
682128 Streetscapes phase 8	-	5,999	-
Total Riverfront/Downtown	<u>25,816,320</u>	<u>6,646,224</u>	<u>19,170,096</u>
<b>Fairview</b>			
683000 Project coordination/support	-	47,493	-
683017 Commercial grant program	-	178,799	-
Total Fairview Industrial Park	<u>360,740</u>	<u>226,292</u>	<u>134,448</u>
<b>North Gateway</b>			
684000 Project coordination/support	-	184,925	-
684032 Toolbox grant program	-	359,818	-
684061 Strategic project grant	-	9,162	-
684062 17th St at Silverton Rd	-	437,572	-
684064 Environmental remediation	-	220	-
Total North Gateway	<u>16,656,430</u>	<u>991,697</u>	<u>15,664,733</u>
<b>West Salem</b>			
685000 Project coordination/support	-	124,875	-
685008 Capital grant program	-	102,490	-
685030 Wallace Ro-2nd St design	-	337,899	-
685032 Vacating 1st St NW	-	2,844	-
685033 Path improvements-Union St RR bridge	-	8,026	-
Total West Salem	<u>4,974,020</u>	<u>576,134</u>	<u>4,397,886</u>
<b>Mill Creek Industrial Park</b>			
686000 Project coordination/support	-	95,095	-
686011 SEDCOR contract	-	37,500	-
686026 Mill Creek sewer conversion	-	73,000	-
Total Mill Creek Industrial Park	<u>5,024,610</u>	<u>205,595</u>	<u>4,819,015</u>
<b>McGilchrist</b>			
687000 Project coordination/support	-	68,394	-
687002 Design road improvements, 12th to 25th	-	13,384	-
687005 McGilchrist St SE/12th to 25th	-	14,530	-
687006 McGilchrist St SE at 22nd Ave SE	-	3,787,395	-
687007 Corridor improvements phase 2 and 3	-	918,045	-
Total McGilchrist	<u>6,624,720</u>	<u>4,801,748</u>	<u>1,822,972</u>
<b>South Waterfront</b>			
688000 Project coordination/support	-	30,208	-
688020 Pringle creek trail improvements	-	54,341	-
688022 North Block 45 site development	-	796	-
Total South Waterfront	<u>550,000</u>	<u>85,345</u>	<u>464,655</u>
<b>Jory Apartments</b>			
689000 Project coordination/support	-	6,090	-
689001 Affordable housing development incentives	-	349,200	-
Total Jory Apartments	<u>465,520</u>	<u>355,290</u>	<u>110,230</u>
Total all projects	<u>\$ 60,472,360</u>	<u>\$ 13,888,325</u>	<u>\$ 46,584,035</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, 2025*

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance<sup>1</sup></u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
<b>Revenues</b>				
Sales, fees, licenses, and permits	\$ 3,581,250	4,390,000	\$ 4,223,249	\$ 166,751
Rents	<u>1,656,250</u>	<u>1,656,250</u>	<u>2,088,593</u>	<u>(432,343)</u>
Total revenues	<u>5,237,500</u>	<u>6,046,250</u>	<u>6,311,842</u>	<u>(265,592)</u>
<b>Expenditures</b>				
Operations	<u>4,834,390</u>	<u>5,974,390</u>	<u>5,398,514</u>	<u>575,876</u>
Excess (deficiency) of revenues over expenditures	403,110	71,860	913,328	(841,468)
<b>Other financing sources (uses)</b>				
Transfers in	500,000	500,000	-	500,000
Transfers out	<u>(2,000,000)</u>	<u>(860,000)</u>	<u>(858,255)</u>	<u>(1,745)</u>
Total other financing sources (uses)	<u>(1,500,000)</u>	<u>(360,000)</u>	<u>(858,255)</u>	<u>498,255</u>
Net change in fund balance	(1,096,890)	(288,140)	55,073	(343,213)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>1,061,513</u>	<u>(1,061,513)</u>
Fund balance, end of year	<u>\$ (1,096,890)</u>	<u>\$ (288,140)</u>	1,116,586	<u>\$ (1,404,726)</u>
Reconciliation to generally accepted accounting principles:				
Net marketing advance from City			124,489	
Capital assets			<u>22,271,574</u>	
Net position at end of year			<u>\$ 23,512,649</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 2024-25**

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 2024-25, the City of Salem Urban Renewal areas had a total property tax levy impact on overlapping taxing districts of \$19,801,957 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	\$ 188,196	\$ 208,471	\$ 116,604	\$ 213,702	\$ 67,582	\$ 19,597	\$ 15,459	\$ 829,611
Chemeketa Regional Library	24,596	27,245	11,001	27,929	8,832	2,561	2,021	104,185
City of Salem	1,753,424	1,942,321	784,289	1,991,061	629,648	182,585	144,034	7,427,362
City of Salem Bonds	-	-	164,591	-	-	-	-	164,591
Marion County	909,621	1,007,615	-	1,032,900	326,642	94,720	74,720	3,446,218
Marion 4-H Ext Svc Dist	15,034	16,654	-	17,072	5,399	1,565	1,235	56,959
Marion Soil & Water	15,034	16,654	-	17,072	5,399	1,565	1,235	56,959
Polk County	-	-	230,728	-	-	-	-	230,728
Polk 4-H/M Garden/Ag/Forest Ext Dist	-	-	10,020	-	-	-	-	10,020
Polk Soil/Water Conservation Dist	-	-	6,499	-	-	-	-	6,499
Salem Area Mass Transit	228,788	253,436	102,335	259,796	82,157	23,824	18,794	969,130
Salem-Keizer SD	1,359,381	1,505,827	608,038	1,543,560	488,148	141,554	111,665	5,758,173
Salem-Keizer SD Bonds	-	-	363,626	-	-	-	-	363,626
Willamette Regional ESD	89,212	98,823	39,904	101,303	32,036	9,290	7,328	377,896
<b>Total</b>	<b>\$4,583,286</b>	<b>\$5,077,046</b>	<b>\$2,437,635</b>	<b>\$5,204,395</b>	<b>\$1,645,843</b>	<b>\$ 477,261</b>	<b>\$376,491</b>	<b>\$19,801,957</b>

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON				
Maximum Indebtedness Compliance				
For the fiscal year ended June 30, 2025				
Urban Renewal District	Maximum Indebtedness	Borrowed to Date	Borrowing Capacity Remaining	Outstanding Debt
Riverfront/Downtown	\$ 315,000,000	\$ 155,385,345	\$ 159,614,655	\$ 6,037,000
Fairview	6,286,000	6,281,615	4,385	-
North Gateway	101,466,402	97,266,404	4,199,998	-
West Salem	31,000,000	22,002,425	8,997,575	-
Mill Creek	26,000,000	21,036,299	4,963,701	2,291,834
McGilchrist	11,000,000	11,000,000	-	-
South Waterfront	24,000,000	5,622,000	18,378,000	-
Jory Apartments	20,725,125	1,018,790	19,706,335	-
				<u>\$ 8,328,834</u>

**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, 2025, and have issued our report thereon dated December 30, 2025.

**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, except for appropriations adopted via resolution for the Salem Convention Center Gain / Loss Reserve fund do not agree to the budget document.

### **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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

### **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.



Ryan T. Pasquarella, Principal  
For REDW LLC  
Salem, Oregon  
December 30, 2025