Missoula Redevelopment Agency

(A Component Unit of the City of Missoula)
Missoula, Montana

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITORS' REPORT

June 30, 2022

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Missoula Redevelopment Agency
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Director

Ellen Buchanan Director

Board of Commissioners

Karl Englund Chair

Natasha Prinzing Jones Vice-Chair

Melanie Brock Member

Ruth Reineking Member

Jack Lawson Member

KCOE ISOM LLP

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Missoula Redevelopment Agency
Missoula, Montana

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Missoula Redevelopment Agency (the Agency), a component unit of the City of Missoula, Montana, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities and each major fund of the Missoula Redevelopment Agency, as of June 30, 2022, and the respective changes in financial position 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 and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

INDEPENDENT AUDITORS' REPORT
(Continued)

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards,* we:

- Exercise professional judgement 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 judgement, 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 the management's discussion and analysis on pages 6 through 44, budgetary comparison information on pages 96 through 99, the schedule of changes in other post employment benefits liability and related ratios for the last ten fiscal years on page 100, the schedule of proportionate share of the PERS net pension liability on page 101, the schedule of contributions for the last ten fiscal years on page 102, and the notes to the required supplementary information on pages 103 and 104 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards* Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The accompanying combining debt service balance sheet and combining debt service statement of revenues, expenditures and changes in fund balances, are presented for purposes of additional analysis and are not a required part 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining debt service balance sheet and combining debt service statement of revenues, expenditures and changes in fund balances are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

INDEPENDENT AUDITORS' REPORT
(Continued)

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2023, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

KCoe Isom, LLP

March 27, 2023
Missoula, Montana

The Missoula Redevelopment Agency (the Agency) is a component unit of the City of Missoula (the City). Its budget is prepared at the same time as the City Budget and undergoes review and approval by City officials as part of the City's budgeting process. Moreover, all expenditures of the Agency are reviewed and approved by the Missoula City Finance Office and the Missoula City Council.

The financial statements of the Agency are based on information provided by the Missoula County Treasurer and the City Finance Office. The Agency records are reconciled with the information prepared and maintained by the City.

Our discussion and analysis of the Agency's financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the Agency's financial statements and accompanying notes, which begin on page 46.

Financial Highlights The following tables summarize the financial condition and operating results for 2022 compared to 2021:

June 30	2022	2021	Increase (Decrease)
Current assets	$ 14,108,833	$ 13,211,747	$ 897,086
Noncurrent assets	1,263,171	1,297,016	(33,845)
Total Assets	15,372,004	14,508,763	863,241
Deferred outflows of resources	91,950	196,140	(104,190)
Total Assets and Deferred Outflows of Resources	15,463,954	14,704,903	759,051
Current liabilities	1,487,969	2,997,354	(1,509,385)
Noncurrent liabilities	43,748,455	45,997,049	(2,248,594)
Total Liabilities	45,236,424	48,994,403	(3,757,979)
Deferred inflows of resources	197,743	65,129	132,614
Total Liabilities and Deferred Inflows of Resources	45,434,167	49,059,532	(3,625,365)
Net position			
Restricted for debt service	674,645	674,645	-
Unrestricted	(30,644,858)	(35,029,274)	4,384,416
Total Net Position	(29,970,213)	(34,354,629)	4,384,416
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 15,463,954	$ 14,704,903	$ 759,051

Financial Highlights (Continued)

Year Ended June 30	2022	2021	Increase (Decrease)
Revenues			
General revenues	$ 14,054,537	$ 11,462,368	$ 2,592,169
Total Revenues	14,054,537	11,462,368	2,592,169
Expenses			
Housing and community development	7,744,074	14,435,021	(6,690,947)
Interest	1,926,047	1,925,647	400
Total Expenses	9,670,121	16,360,668	(6,690,547)
Change in Net Position	4,384,416	(4,898,300)	9,282,716
Net Position			
Beginning of Year	(34,354,629)	(29,456,329)	(4,898,300)
End of Year	$ (29,970,213)	$ (34,354,629)	$ 4,384,416

- During the year the Agency had revenues of $14,054,537 and expenses totaling $9,670,121 which resulted in a change in net position of $4,384,416, an increase of $9,282,716 compared to 2021.

- The Agency's revenues are derived primarily from Tax Increment Property Tax, State Personal Property Tax Reimbursements, State Entitlements, and Investment Earnings. Small amounts of revenue are received from other miscellaneous sources. The Agency's fiscal year 2022 revenues were $2,592,169 higher than in fiscal year 2021.

- Public/Private Partnerships – In fiscal year 2022, MRA reimbursed the following amounts for the public benefit components of the projects:

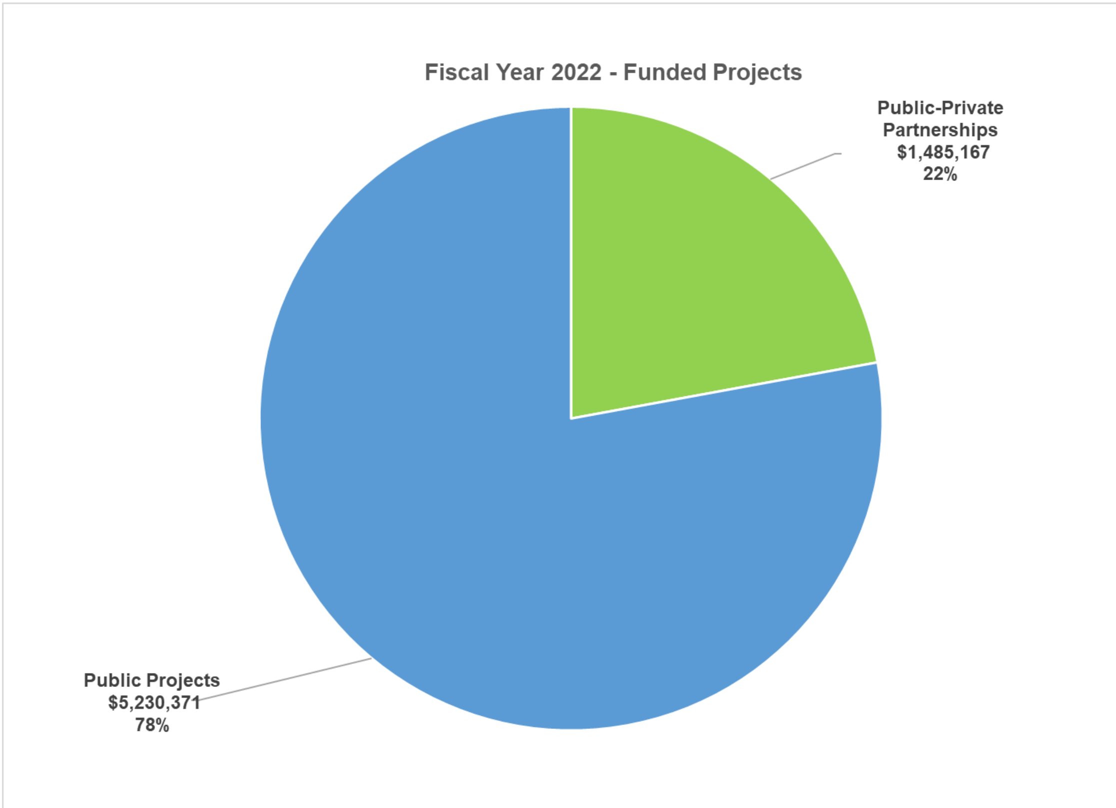
Public-Private Partnerships	
1502 Dearborn - RBH Legacy Investments, LLC	$ 63,607
3100 Brooks Street - Align Properties	50,000
Levasseur Street Townhomes - Phase II - Clay Street Apartments	6,956
Maple Street Project - 1025 N Russell St	69,726
Sentinel Property Medical Office - 1900 West Broadway	1,169,878
Union Block - 123-135 East Main Street	125,000
Total	**$ 1,485,167**

Financial Highlights (Continued)

- Public projects funded solely or in part with tax increment funds in fiscal year 2022 are as follows:

Public Projects	
Bridge Apartments - 1205 W Broadway - Acquisition	$ 2,205,700
Brooks Corridor - Transit Oriented Development - Infrastructure Study	29,796
Burton Street Improvements	97,098
Caras Park Improvements	50,000
Front/Main Street Two-Way Conversion - Design & Engineering	369,910
Higgins Avenue Sidewalk Bulb-Outs	741
Housing Policy Implementation Position	30,000
Inez, 1st & 2nd Streets - Sidewalk	481,433
Legal Services	2,000
Mary Avenue Street Trees	7,735
Missoula County Elections Complex - 140 N Russell St	521,034
Missoula Midtown Master Plan	370,000
Missoula Public Library - New Building	75,000
Montana & Idaho Streets - Water & Sidewalk	56,424
MRL Property - Brownfields VCP-EA / Fencing	13,439
Police Facility on Catlin Street	250,000
Railroad Quiet Zone - Wayside Horns	9,428
Scott Street Property - Development Plan	346,736
Sleepy Inn - 1427 West Broadway	2,900
URD III Northern Sidewalk	179,515
URD III Southern Sidewalk	128,894
URD III Street Trees	2,590
Total	**$ 5,230,371**

Financial Highlights (Continued)



- The Agency also paid out $1,990,580 in principal and $1,926,047 in interest for a total of $3,916,627 in debt service payments.

Using This Report This audit report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities are government-wide statements, which are required by GASB Statement 34. These statements report on all of the Agency's activities and are on a full-accrual basis. They are intended to present a long-term view of the Agency's finances.

The Balance Sheet and Income Statement (Statement of Revenues, Expenditures and Changes in Fund Balances) are considered fund financial statements, which are financial statements that report on one or more funds (governmental funds) of the governmental entity. These statements are on a modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. Governmental funds are used to account for the acquisition, use, and balances of expendable financial resources and the related current liabilities. Governmental funds include general funds, special revenue funds, debt service funds, and capital project funds.

The fund financial statements tell how the Agency's redevelopment activities were financed in the short-term as well as what remains for future redevelopment. Also, these statements report the Agency's operations in more detail than the government-wide statements by providing information about the Agency's most significant funds.

About the Agency Two of the most important questions asked about the Agency are, "How well did the Agency respond to redevelopment opportunities in the past fiscal year?" and "What ability will it have to respond to future redevelopment opportunities?" The Statement of Net Position and the Statement of Activities report information about the Agency as a whole and about its activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

You can think of the Agency's net position (the difference between assets and liabilities) as one way to measure the Agency's financial health, or financial position. Over time, increases or decreases in the Agency's net position are one indicator of whether the Agency has been responding to redevelopment opportunities at a level equal to, above, or below its annual revenue. When reviewing the Agency's overall financial position, however, other non-financial factors should also be considered such as changes in the property value assessment formula, which is determined by the State legislature, the total mills levied by the taxing jurisdictions, appeals by property owners and resulting adjusted taxable values in certain cases, and whether the Agency has sold bonds to assist a redevelopment project.

The fund financial statements provide detailed information about the most significant funds, not the Agency as a whole. The Agency had six urban renewal districts (URDs) active in fiscal year 2022 and each has its own development fund. Approved by the City Council following the processes set forth in State law, the table below shows a history of each district's study of blight, plan adoption, original sunset date and any debt instruments in the district that would adjust a sunset date. All of the districts derive a majority of their revenue from tax increment provisions allowed by State law. Tax increment is a portion of the property taxes normally collected by the County for each district; it is not its own "tax". The Agency does not levy a tax against the property in the urban renewal districts. After tax payments are collected by the County, the tax increment portion for each district is transferred to the City and deposited into the respective urban renewal districts' development fund. These funds in turn provide money for the Agency's redevelopment programs: Tax Increment Financing (TIF), Commercial Rehabilitation Loan Program (CRLP), the Code Compliance Assistance Program (CCP) and the Façade Improvement Program (FIP). The TIF program is provided for by State law. The other three programs, CRLP, CCP and FIP, are redevelopment programs approved by the Agency's Board and/or Missoula City Council as allowed by State law.

District	Declaration of Blight	Resolution #	Plan Adopted	Ordinance #	Base Year	Tax Increment Base Value	Original Sunset Tax Year	Bonds and Debt Instruments	Amended Sunset Date
URD II	September 16, 1991	5210	December 16, 1991	2803	1991	1,859,823	2006	Millsite Lease 2006, Brownfields 2006, Safeway 2007, Intermountain 2013, Silver Park, et al 2013, Series 2006 Refunding 2022, Bridge Apartments Acquisition 2022	06/30/2031
URD III	October 2, 2000	6370	December 11, 2000	3163	2000	8,172,844	2015	South Reserve Pedestrian Bridge 2015, Mary Avenue East 2016, Mary Avenue West 2017, MRL Property 2018	06/30/2040
Front Street URD	August 20, 2007	7263	October 15, 2007	3359	2007	1,413,035	2022	Park Place 2010-Refunding 2014, First Interstate Bank-Refunding 2017, ROAM 2017, Merc 2019, AC Hotel 2021	06/30/2046
Riverfront Triangle URD	May 7, 2007	7223	July 21, 2008	3380	2008	157,858	2023	Stockman Bank 2019	06/30/2043
North Reserve-Scott Street URD	April 7, 2014	7865	August 25, 2014	3534	2014	1,491,205	2029	Bretz, Consumer Direct, Scott Street Village Phase 1 2015, Scott Street Village - Phases 2 & 3 2017, Scott Street Property Acquisition 2020	06/30/2045
Hellgate URD	April 7, 2014	7865	August 25, 2014	3533	2014	1,025,448	2029	none	06/30/2030

About the Agency (Continued) In sum, the government-wide financial statements provide a long-term view of the Agency's financial well-being, whereas the fund financial statements provide a detailed short-term view of the Agency's general operations, basic services and fund balances for future redevelopment. The relationship (or difference) between the government-wide statements (as reported in the Statement of Net Position and the Statement of Activities) and the fund financial statements (as reported in the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances) is explained in the reconciliations included in the financial statements section of this report.

Retirement Plans As a component unit of the City, the Agency employees participate in the Montana Public Employees Retirement System (PERS). he Agency employees and the State of Montana contribute to the retirement plan. The retirement plan is administered by the State of Montana.

Capital Assets Other than office furniture, equipment and computer-related assets, the only other asset associated with the Agency is a 2015 Dodge Grand Caravan. This vehicle was purchased through the City's procurement process for $24,576 and put into service on December 24, 2014. This asset is listed under the City's general capital assets account. All other physical assets or improvements to public assets through purchases, construction or partnerships undertaken by the Agency are owned by the City. Private assets created or improved as a result of projects developed in partnerships with private entities pursuant to urban renewal activities or programs of voluntary or compulsory repairs are assets of the private entities. As reported in the Statement of Net Position, the Agency's assets include cash and investments, taxes/assessments receivable (net), other receivables, and amounts due from other governments. The Agency complies with the City's Fixed Asset Management System with respect to tracking furniture, equipment and computer-related assets.

Current and Noncurrent Liabilities The Agency has current and noncurrent liabilities. Current liabilities include accounts payable for project related expenditures, accrued wages, the current portion of the Agency's compensated absences (vacation hours) and the current portion of notes payable, and tax increment revenue bonds payable. Noncurrent liabilities include post-employment benefits, the long-term portion of the Agency's compensated absences (sick and compensatory hours), and the long-term portion of the notes payable, and tax increment revenue bonds payable.

Bonds and Notes Payable Below is a summary list of the Agency's long-term debt as of June 30, 2022. Bonds or notes are occasionally issued to fund public improvement projects or public improvement components of public-private partnerships. Amounts below indicate total principal amount at issuance. Current debt service requirements to maturity can be found under Note 5.

1	Series 2006 $3,600,000 Millsite Lease Buy Out
2	Series 2006 $1,775,000 Brownfields Revolving Loan Fund Note
3	Series 2007 $1,500,000 Safeway/St. Pats Project
4	Series 2013 $5,750,000 URD II Silver Park, Railroad Trestle, Wyoming St
5	Series 2013 $1,753,500 Intermountain Project (Corso/The Source)
6	Series 2014 $2,864,000 2010 Front St Parking Refunding
7	Series 2015 $5,000,000 S. Reserve St Pedestrian Crossing
8	Series 2015 $1,364,400 NRSS Projects (Bretz, Consumer Direct, Scott St Village)
9	Series 2016 $7,065,000 Mary Avenue East Improvements
10	Series 2017A $1,162,500 2010 FIB Note Refunding (taxable)
11	Series 2017B $277,500 2010 FIB Note Refunding (tax exempt)
12	Series 2017C $3,260,500 East Front Street - Public Parking
13	Series 2017A $1,600,000 URD III Mary Avenue West
14	Series 2017 $723,514 NRSS Scott Street Village - Phases II & III
15	Series 2018A $1,239,404 MRL Property - Taxable
16	Series 2018B $2,681,782 MRL Property - Tax-Exempt
17	Series 2019 $3,647,844 The Mercantile
18	Series 2019 $1,529,318 Stockman Bank
19	Series 2020A $3,302,000 Scott Street Property - Tax Exempt
20	Series 2020B $3,302,000 Scott Street Property - Taxable
21	Series 2021 $1,886,105 AC Hotel

Series 2006 - $3,600,000 – Millsite Lease Buy-Out August 6, 2006 the City of Missoula pursuant to Resolution 7120 approved the sale of $3,600,000 in tax increment revenue bonds related to the Old Sawmill District project in URD II. The bond terms are 25 years and therefore extend the life of URD II until 2031. The Series 2006 $3.6 million tax increment bonds received an AA rating from Standard & Poors; the first rating of a tax increment bond in the State of Montana. On October 18, 2023, this bond was refunded with Series 2022A, for $1,583,470 as described in the Subsequent Events footnote.

Series 2006 - $1,775,000 – Brownfields Revolving Loan Fund Note On August 10, 2006, the Missoula Revitalization Project LLC, the City of Missoula and the Agency entered into a Loan Agreement and Note with the Missoula Area Economic Development Corporation for a $1,000,000 loan, later increased to $1,125,000, from the Missoula Brownfields Revolving Loan Fund. Tax increment currently received from the Old Sawmill District property and the tax increment generated as a result of the environmental remediation and subsequent platting of the property was pledged to service the loan over the life of URD II. On December 14, 2009 the amount of the loan was increased to $1,525,000. On December 22, 2009 the terms of the Loan Agreement and Note were amended to defer paying principal until 2023. On July 2, 2012, pursuant to resolution 7712, the amount of the loan was increased to $1,775,000. The loan is now serviced by MoFi (formerly Montana & Idaho Community Development Corporation.)

Bonds and Notes Payable (Continued)

Series 2007 - $1,500,000 – Safeway/St. Patrick Hospital Project On October 15, 2007 the City of Missoula pursuant to Resolution 7286 approved the sale of $1.5 million in tax increment revenue bonds related to the Safeway/St. Patrick Hospital project in URD II. The bonds are secured by a first lien upon and pledge of tax increment revenues derived from the project.

Series 2010 - $3,000,000 & Series 2014 $2,864,000 Refunding –

Front Street Parking Structure On December 22, 2010, the City of Missoula pursuant to Resolution 7587 pledged $3 million in tax increment funds from the Front Street URD to the Missoula Parking Commission (the Commission) for payment of Parking Facilities Revenue Bonds issued to construct the Front Street Parking Structure. The pledged TIF was 1.35 times 40% of the average annual debt service of the $7.5 million Parking Revenue Bonds (Series 2010B) dated December 29, 2010. On April 9, 2014, the Commission redeemed the Series 2010B bonds and reissued $7,160,000 in Parking Facilities Revenue Refunding Bonds, Series 2014. This decision was made as a result of the reduction of approximately 8.7% in federal subsidy payments due to the sequestration. The Commission was receiving the subsidy as part of the government's direct-pay tax credit for eligible bonds. The Agency confirmed its pledge of tax increment to the Series 2014 Refunding Bonds in the principal amount of $2,864,000 in Resolution 7864, which was approved on April 7, 2014. The pledged TIF amount on these bonds is provided in two equal installments of $133,425. Excess increment will be returned to the Agency after the October 1st bond payment and is used to fulfill subordinate debt requirements.

Series 2013 - $5,750,000 – Wyoming Street / MRL Trestle / Silver Park On March 4, 2013 the City of Missoula pursuant to Resolution 7758 approved the sale of $5,750,000 in tax increment urban renewal revenue bonds in URD II to fund public improvements related to the extension of Wyoming Street, replacement of the MRL Trestle and construction of the City-owned park parcel known as Silver Park. The original purchaser of the negotiated sale bonds was First Security Bank, Missoula MT, a division of Glacier Bank. Per Montana Urban Renewal law, the bond term is limited to a final maturity date no later than the existing Series 2006 bond maturity date of July 1, 2031. The interest rate on the bond is 3.150% per annum. Principal and interest payments are due to the City's paying agent, US Bank, on January 1 and July 1, commencing January 1, 2014.

Bonds and Notes Payable (Continued)

Series 2013 - $1,753,500 – Intermountain Site On May 20, 2013 the City of Missoula pursuant to Resolution 7782 approved the sale of $1,753,500 in tax increment urban renewal revenue bonds in URD II to fund certain public improvements related to redevelopment of the former Intermountain Lumber Site along Russell Street. The projects on the site include a residential development known as Corso Apartment Homes and a fitness center. The original purchaser of the negotiated sale bonds was First Security Bank, Missoula MT, a division of Glacier Bank. Per Montana Urban Renewal law, the bond term is limited to a final maturity date no later than the existing Series 2006 bond maturity date of July 1, 2031. The interest rate on the bond is 4.250% per annum. Interest is calculated on the basis of a year of 360 days composed of twelve 30-day months. Capitalized interest payments were payable from the bond funds on January 1 and July 1, commencing July 1, 2014. Thereafter, principal and interest payments are payable from tax increment generated by the projects to the City's paying agent, US Bank, on January 1 and July 1, commencing January 1, 2016.

Series 2015 - $5,000,000 – South Reserve Street Pedestrian Bridge On November 16, 2015 the City of Missoula pursuant to Resolution 8022 approved the sale of $5,000,000 in tax increment urban renewal revenue bonds in URD III to fund the design and construction of a pedestrian bridge over South Reserve Street connecting the Missoula to Lolo Trail to the Bitterroot Branch Trail. The original purchaser of the negotiated sale bonds was First Security Bank Division of Glacier Bank, Missoula MT. The final maturity date is July 1, 2040. The interest rate on the bond is 4.350% per annum. An initial interest payment was due July 1, 2016 and thereafter, interest only payments are due on January 1 and principal and interest payments are due on July 1 payable from tax increment generated by URD III to the City's paying agent, US Bank, commencing January 1, 2017.

Series 2015 - $1,364,400 – North Reserve/Scott St.

(Bretz RV, Consumer Direct and Scott Street Village – Phase I) On December 14, 2015 the City of Missoula pursuant to Resolution 8031 approved the sale of $1,364,400 in tax increment urban renewal revenue bonds in North Reserve/Scott Street (NRSS) URD to fund certain public improvements related to redevelopment of Bretz RV & Marine, construction of the new Consumer Direct office building and phase one of the Scott Street Village housing project. The bond was issued as senior subordinate debt to future public improvement bonds approved in the district. The original purchaser of the negotiated sale bonds was First Security Bank Division of Glacier Bank, Missoula MT. The final maturity date is July 1, 2035. The interest rate on the bond is 4.50% per annum. Capitalized interest payments were payable from the bond funds on July 1, 2016, January 1, 2017 and July 1, 2017. Thereafter, principal and interest payments are payable from tax increment generated by the NRSS district to the City's paying agent, US Bank, on January 1 and July 1, commencing January 1, 2018.

Bonds and Notes Payable (Continued)

Series 2016 - $7,065,000 – Mary Avenue East - Infrastructure Improvements On January 25, 2015 the City of Missoula pursuant to Resolution 8038 approved the sale of up to $7,100,000 in tax increment urban renewal revenue bonds in URD III to fund certain public infrastructure improvements related to the construction of an extension of Mary Avenue from the Bitterroot railroad line east through the Southgate Mall property to Brooks Street. This bond was issued on parity with the $5,000,000 South Reserve Street Pedestrian Bridge bond and closed on October 14, 2016 for the final amount of $7,065,000. The bond will be drawn down in five installments beginning with $3,000,000 drawn upon closing. The original purchaser of the negotiated sale bonds was First Security Bank Division of Glacier Bank, Missoula MT. The final maturity date is July 1, 2040. The interest rate on the bond is 4.350% per annum. An initial interest payment was due on July 1, 2017 and thereafter, interest only payments are due on January 1 and principal and interest payments are due on July 1 payable from tax increment generated by URD III to the City's paying agent, US Bank, commencing January 1, 2018.

Series 2017A - $1,162,500 – First Interstate Bank Note Refunding – Taxable On December 19, 2016 the City of Missoula pursuant to Resolution 8126 approved the sale of $1,162,500 in subordinate lien tax increment urban renewal revenue and refunding bonds in Front Street URD to refund the Series 2010 First Interstate Bank Note. This bond Series 2017A was issued on January 12, 2017 for the refunding of the taxable portions of the Note and is subordinate to the Series 2014 Front Street Parking Structure Refunding Bonds. The original purchaser of the negotiated sale bonds was First Security Bank Division of Glacier Bank, Missoula MT. The final maturity date is July 1, 2041. The interest rate on the bond is 5.750% per annum. An initial interest payment was due on July 1, 2017 and thereafter, interest only payments are due on January 1 and principal and interest payments are due on July 1 payable from tax increment generated by Front Street URD to the City's paying agent, US Bank, commencing January 1, 2018.

Series 2017B - $277,500 – First Interstate Bank Note Refunding – Tax Exempt On December 19, 2016 the City of Missoula pursuant to Resolution 8126 approved the sale of $277,500 in subordinate lien tax increment urban renewal revenue and refunding bonds in Front Street URD to refund the Series 2010 First Interstate Bank Note. This bond Series 2017B was issued on January 12, 2017 for the refunding of the tax-exempt portions of the Note and is subordinate to the Series 2014 Front Street Parking Structure Refunding Bonds. The original purchaser of the negotiated sale bonds was First Security Bank Division of Glacier Bank, Missoula MT. The final maturity date is July 1, 2041. The interest rate on the bond is 4.500% per annum. An initial interest payment was due on July 1, 2017 and thereafter, interest only payments are due on January 1 and principal and interest payments are due on July 1 payable from tax increment generated by Front Street URD to the City's paying agent, US Bank, commencing January 1, 2018.

Bonds and Notes Payable (Continued)

Series 2017C - $3,260,500 – East Front Street Student Housing (ROAM) –

Public Parking On December 19, 2016, the City of Missoula pursuant to Resolution 8126 approved the sale of up to $3,260,500 in subordinate lien tax increment urban renewal revenue and refunding bonds in Front Street URD to finance the acquisition of one floor of the parking created as part of a 488-bed student housing project. The parking will be owned and operated by the Missoula Parking Commission for public lease and day use. This bond Series 2017C was issued on January 12, 2017 and was to be drawn down in two installments; costs of issuance at the time of issue and the acquisition funds on May 31, 2018. Due to construction delays, the acquisition funds were not drawn down until fiscal year 2019. The original purchaser of the negotiated sale bonds was First Security Bank Division of Glacier Bank, Missoula MT. The final maturity date is July 1, 2041. The interest rate on the bond is 4.500% per annum. Interest only payments are due July 1 and January 1 commencing July 1, 2017 through January 1, 2019. Thereafter interest only payments are due on January 1 and principal and interest payments are due on July 1 payable from tax increment generated by Front Street URD to the City's paying agent, US Bank, commencing July 1, 2019.

Series 2017A - $1,600,000 – Mary Avenue West On June 5, 2017, the City of Missoula pursuant to Resolution 8165 approved the sale of $1,600,000 in tax increment urban renewal revenue bonds in URD III to fund public infrastructure improvements related to the reconstruction of Mary Avenue west from the Bitterroot railroad line to Reserve Street. This bond Series 2017A was issued on parity with the $5,000,000 South Reserve Street Pedestrian Bridge bond and closed on June 22, 2017. The bond was completely drawn down at closing. The original purchaser of the negotiated sale bonds was First Security Bank Division of Glacier Bank, Missoula, MT. The final maturity date is July 1, 2040. The interest rate on the bond is 4.650% per annum. An initial interest payment is due on January 1, 2018 and thereafter, interest only payments are due on January 1 and principal and interest payments are due on July 1 payable from tax increment generated by URD III to the City's paying agent, US Bank, commencing July 1, 2018.

Series 2017 - $723,514 – Scott Street Village – Phase II & III On December 11, 2017, the City of Missoula pursuant to Resolution 8229 approved the sale of $723,514 in tax increment urban renewal revenue bonds in North Reserve-Scott Street URD to fund public infrastructure improvements related to the construction of phases II and III of a housing development called Scott Street Village by Edgell Building Incorporated. This bond was issued on parity with other senior subordinate debt in the district. Collectively these bonds would be subordinate to future public improvement bonds approved in the district. The original purchaser of the negotiated sale bonds was First Security Bank, Division of Glacier Bank, Missoula MT. The final maturity date is July 1, 2042. The interest rate on the bond is 4.750% per annum. Costs of issuance funds in the amount of $36,618 were drawn down at closing on December 21, 2017 with the remainder of $686,896 drawn down at project completion on November 1, 2018. An interest only payment is due on July 1, 2018 and thereafter principal and interest payments are payable from tax increment generated by the NRSS district to the City's paying agent, US Bank, on January 1 and July 1, commencing January 1, 2019.

Bonds and Notes Payable (Continued)

Series 2018AB - $3,921,186 - MRL Property

(Taxable $1,239,404; Tax Exempt $2,681,782) On August 27, 2018, the City of Missoula pursuant to Resolution 8289 approved the sale of $3,921,186 principal amount of tax increment urban renewal revenue bonds, consisting of $1,239,404 Taxable Series 2018A and $2,681,782 Tax Exempt Series 2018B, to finance the acquisition of the MRL property (bound by South Avenue, North Avenue, Johnson Street and the Bitterroot Branch railroad line) and the undertaking of certain improvements thereto. Improvements included the Bitterroot Branch Trail extension design and construction and the MRL Park design and construction. This bond Series 2018A and Series 2018B was issued on September 13, 2018 and was drawn down immediately. The original purchaser of the negotiated sale bonds was First Security Bank Division of Glacier Bank, Missoula MT. The final maturity date is July 1, 2040. The interest rate on the Series 2018A Taxable bond is 5.250% per annum. The interest rate on the Series 2018B tax exempt bond is 4.375% per annum. Principal and interest payments are due January 1 and July 1 payable from tax increment generated by URD III to the City's paying agent, US Bank, commencing January 1, 2019.

Series 2019 - $3,647,844 – The Mercantile On February 11, 2019, the City of Missoula pursuant to Resolution 8321 approved the sale of $3,647,844 in tax increment urban renewal revenue bonds in the Front Street URD to fund environmental remediation, deconstruction, select demolition, historic preservation and public infrastructure improvements related to the construction of The Mercantile building. The bond was issued on parity with other subordinate debt in the district and closed on May 10, 2019. The bond was completely drawn down at closing. The original purchaser of the negotiated sale bonds was Stockman Bank of Montana, Missoula, MT. The final maturity date is July 1, 2043. The interest rate on the bond is 4.00% per annum. Interest only payments are due January 1 and principal and interest payments are due July 1 payable from tax increment generated by the Front Street URD directly to the bond holder commencing January 1, 2020.

Series 2019 - $1,529,318 – Stockman Bank Downtown On March 11, 2019, the City of Missoula pursuant to Resolution 8325 approved the sale of a $1,529,318 tax increment urban renewal revenue Note in Riverfront Triangle URD to fund environmental remediation, demolition, burial of overhead power lines within the public right of way, and public infrastructure improvements related to the construction of a new Stockman Bank building. This Note Series 2019 was issued as subordinate debt to any future bonds issued in the district, unless designated as subordinate debt also. The bond was completely drawn down at closing on June 6, 2019. The original purchaser of the negotiated sale note was Stockman Bank of Montana, Missoula, MT. The final maturity date is July 1, 2043. The interest rate on the bond is 4.00% per annum. Interest only payments are due January 1 and principal and interest payments are due July 1 payable from tax increment generated by the Riverfront Triangle URD directly to the bond holder commencing July 1, 2019.

Bonds and Notes Payable (Continued)

Series 2020AB - $6,604,000 – Scott Street Property

(Tax Exempt $3,302,000 & Taxable $3,302,000) On August 3, 2020, the City of Missoula pursuant to Resolution 8443 approved the sale of $6,604,000 principal amount of tax increment urban renewal revenue bonds, consisting of $3,302,000 Tax Exempt Series 2020A and $3,302,000 Taxable Series 2020B, to finance the acquisition of the Scott Street Property described as Lot 3, Scott Street Lots, a platted subdivision in the City of Missoula, located in the north one-half of Section 16, Township 13 North, Range 19 West, Principal Meridian, Montana, Missoula County, Montana, containing 19.15 acres. This bond Series 2020A and Series 2020B was issued on August 14, 2020 and was completely drawn down at closing. The bond was issued on parity with other senior-subordinate debt in the district. The original purchaser of the negotiated sale bonds was First Security Bank Division of Glacier Bank, Missoula MT. The final maturity date is July 1, 2045. The interest rate on the Series 2020A Tax Exempt bond is 3.80% per annum. The interest rate on the Series 2020B taxable bond is 4.50% per annum. Interest only payments are due January 1 and principal and interest payments are due July 1 payable from tax increment generated by the North Reserve-Scott Street URD directly to the bondholder commencing January 1, 2021. Annual total debt service payments are equalized for both issues.

Series 2021 - $1,886,105 – AC Hotel On April 12, 2021, the City of Missoula pursuant to Resolution 8508 approved the sale of $1,886,105 principal amount of tax increment urban renewal revenue bonds in the Front Street URD to fund certain costs related to the AC Hotel Project, including environmental remediation, deconstruction and demolition of the existing building, relocation of overhead power lines within the public right-of-way, and construction of new curb, gutter, sidewalks, lighting and landscaping within the public right-of-way. The bond was issued on parity with other subordinate debt in the district and closed on April 21, 2021. The bond was completely drawn down at closing. The original purchaser of the negotiated sale bonds was Stockman Bank of Montana, Missoula, MT. The final maturity date is January 1, 2046. The interest rate on the bond is 2.00% per annum. Principal and interest payments are due January 1 and July 1 payable from tax increment generated by the Front Street URD directly to the bond holder commencing January 1, 2022.

Refer to Note 5 for further information regarding the Agency's long-term debt including schedules of outstanding balances.

Revenues In fiscal year 2022, the Agency received general and other revenues and did not generate any program revenue. Of the Agency's $14,054,537 total revenue reported in the Statement of Activities, 93% was tax increment funds received from property taxes. The next largest revenue source for the Agency is the State of Montana, accounting for 7%. This revenue comes in the form of State entitlement funds authorized under 2001 Legislative House Bill 124, Personal Property Reimbursements authorized under 2011 Legislative Senate Bill 372 and 2013 Legislative Senate Bill 96, Legislative House Bill 303 and Public Employees Retirement System (PERS) contributions.

Expenses

In the Statement of Activities, most of the Agency's expenses are reflected under Housing and Community Development. Specifically, these expenses include project assistance under the Agency's redevelopment and rehabilitation programs and administrative costs such as personnel, office supplies and equipment. There was also $1,926,047 in interest expense paid on the Agency's outstanding bonds and notes.

Special Items, Contributions, Transfers, Other When applicable, the Agency financially contributes its proportionate share towards City of Missoula activities that affect the Agency, such as purchase of new computer servers and software. In addition, the Agency may contribute to City projects undertaken by other departments within the URDs.

The Agency contracts with the City of Missoula to provide administrative support as well as assistance from Engineering, Public Works, Finance, Parks and Recreation, and the Attorney's Office on various projects. The amount paid to the City also includes the Agency's pro rata share of the City's liability insurance coverage for errors and omissions and its pro rata share of General Fund transfers to the employee health benefits fund. The amount paid in fiscal year 2022 was $312,387 and was recorded under Housing and Community Development in the financials.

Administrative transfers between districts are done annually to reimburse the district that has paid the administrative expenses of the Agency. In fiscal year 2022, the administrative expenses were paid from URD III. The amounts transferred are based on the proportionate share of staff time spent working on projects in each district. Since tax increment is still limited (due to commitments to debt service, lack of redevelopment or low tax increment receipts) in some of the districts, staff time spent on their creation and working on projects in those districts is still being tracked for future reconciliation of administrative expenses. The running total of amounts owed to URD III for administrative expenses on June 30, 2022 was:

URD II	Front Street	Riverfront	NRSS	Hellgate
$ 59,038	$ 844,195	$ 62,946	$ 263,538	$ -

Tax Increment Remittance Pursuant to Section 7-15-4291 of the Montana Code Annotated (M.C.A.), the City is authorized to enter into agreements to remit any portion of the annual tax increment not currently required for the payment of urban renewal costs, or pledged to the payment of the principal or premiums, if any, and interest on bonds. There were no remittances in fiscal year 2022.

Notes Receivable

$10,368 – Montana Mapping & GPS In fiscal year 2014, the Agency granted an interest-free loan to Montana Mapping & GPS (now known as onXmaps) for facade improvements to their building located at 1925 Brooks Street in URD III. The loan was executed on May 22, 2014 for $10,368 repayable over ten years. Since this loan does not have a revenue generating component (interest), it was recognized as cash out and as a note receivable on the fund financial statements. Repayment of the note requires onXmaps to remit $1,037 to the Agency by May 1 each year beginning in 2015. As of June 30, 2022, two payments remain on this note receivable.

Notes Receivable (Continued)

$62,000 – Glidewell Investments & Insurance Group (GiiG) In fiscal year 2015, the Agency granted an interest-free loan to Glidewell Investments & Insurance Group (GiiG) for facade improvements to their building located at 1750 South Avenue West in URD III. The loan was executed on December 30, 2015 for $62,000 repayable over ten years. Since this loan does not have a revenue generating component (interest), it was recognized as cash out and as a note receivable on the fund financial statements. Repayment of the note requires GiiG to remit $6,200 to the Agency by October 1 each year beginning in 2016. As of June 30, 2022, four payments remain on this note receivable.

$100,000 – The Trail Head – River Sports In fiscal year 2020, the Agency granted an interest-free loan to MTF, LLC and Todd Frank for facade improvements to the building located at 2505 Garfield Street in URD III. The loan was executed on February 11, 2019 for $100,000 repayable over ten years. Since this loan does not have a revenue generating component (interest), it was recognized as cash out and as a note receivable on the fund financial statements. Repayment of the note requires MTF, LLC to remit $10,000 to the Agency by August 1 each year beginning in 2020. As of June 30, 2022, eight payments remain on this note receivable.

Summary of Outstanding Façade Improvement Program Notes Receivable

Project Name	Outstanding Balance as of 6/30/22
Montana Mapping & GPS	$ 2,074
Glidewell Investments & Insurance Group	24,800
The Trail Head River Sports	80,000
Total	$ 106,874

Mountain Water Company – Assumed by City of Missoula In fiscal year 2012, the Agency entered into an agreement with the developer of the Bitterroot Town Homes, Collin Bangs. Whereas in exchange for tax increment financing used to extend a water main to the project, Mr. Bangs assigned to the Agency the reimbursements he would have received from Mountain Water Company for making the infrastructure improvements. The Mountain Water Company reimbursement program was authorized under State law and

Notes Receivable (Continued)

Mountain Water Company (Continued) included providing reimbursements to developers for expenses to install, upgrade or extend water mains or fire hydrants. The program did not apply to service lines. Reimbursements occurred over a 40-year period. From 2012 forward, when the Agency approved tax increment financing for eligible Mountain Water Company infrastructure improvements as part of a project, the developer was asked to assign any reimbursements they would receive to the Agency. The reimbursements the Agency received did not include an interest component; therefore were recorded as cash out and as a note receivable on the fund financial statements. The City of Missoula acquired Mountain Water Company in 2017 and therefore the reimbursement program no longer exists. As part of the purchase agreement, the City is honoring all existing notes payable to developers and the Agency.

Below is a summary of the Agency's current primary government notes receivable projects that included water main installations or upgrades or primary government infrastructure improvements that previously qualified for the reimbursement program and were assumed by the City of Missoula.

Project Name	Final Amended Contract	Total Payments thru 6/30/22	Outstanding Balance as of 6/30/22	URD II	URD III	NRSS URD
Eaton Street (Bitterroot) Townhomes	$ 40,000	$ 11,000	$ 29,000	$ -	$ 29,000	$ -
URD II Fire Hydrant Installation (2)	18,592	4,603	13,989	13,989	-	-
URD III Fire Hydrant Installation (4)	35,397	8,894	26,503	-	26,503	-
Western Montana Mental Health Center	64,915	16,229	48,686	48,686	-	-
Russell Street (Corso) Apartments	130,179	29,290	100,889	100,889	-	-
Wyoming Street	259,178	58,315	200,863	200,863	-	-
South Crossing/Dore Lane	8,989	1,798	7,191	-	7,191	-
South 1st Street West Fire Hydrant	14,394	2,519	11,875	11,875	-	-
Bretz RV Fire Hydrant	9,919	1,736	8,183	-	-	8,183
Burlington & Regent Fire Hydrant	7,479	1,309	6,170	-	6,170	-
Consumer Direct	73,464	11,302	62,161	-	-	62,161
Total	**$ 662,506**	**$ 146,995**	**$ 515,511**	**$ 376,302**	**$ 68,865**	**$ 70,344**

Fund Balances and Transactions of Individual Governmental Funds

	URD II	URD III	Front Street	Debt Service
Beginning Balance 7/1/21	$ 3,327,420	$ 4,035,023	$ 677,622	$ 1,577,732
Ending Balance 6/30/22	1,245,867	7,549,835	1,030,709	968,786
$ Change	$ (2,081,553)	$ 3,514,812	$ 353,087	$ (608,946)
% Change	-63%	87%	52%	-39%

	Riverfront Triangle	N. Reserve Scott Street	Hellgate
Beginning Balance 7/1/21	$ 457,685	$ 1,354,543	$ 632,430
Ending Balance 6/30/22	503,545	2,259,647	876,173
$ Change	$ 45,860	$ 905,104	$ 243,743
% Change	10%	67%	39%

Fund Balances and Transactions of Individual Governmental Funds (Continued) Changes in district fund balance are tracked from year to year. When revenues and transfers in exceed expenditures, remittances and transfers out, an increase in fund balance results. When expenditures, remittances and transfers out exceed revenues and transfers in, the opposite occurs and fund balance decreases. When a public project or a grant or loan to a public-private partnership is approved by the Board of Commissioners, the resulting expenditures may span several fiscal years (typical with public projects) or may not be paid out for several fiscal years (normal timing for a public-private partnership). Monies committed to public-private partnerships typically remain in the district fund until the project is complete and all requirements of the agreement have been met. Committed project funds that are not expended or reimbursed during the year are carried over to the next fiscal year. Partnership funds are reimbursed at the completion of a project to ensure the public components of a project are completed in accordance with a developer's application, board action and state law.

URD II saw a 63% decrease in fund balance in fiscal year 2022. This decrease can be attributed to the acquisition of the Bridge Apartments for $2.2 million. Total revenues into the district, net of the required amount for debt service, were $3,184,639. Total expenditures and transfers out were $5,266,192 and included $400,000 for administrative expenses and $4,866,192 for project related expenses under the Agency's various redevelopment programs. The district expended funds on ten projects during the year; eight were public improvement projects and two were public-private partnerships.

The public improvement projects included:

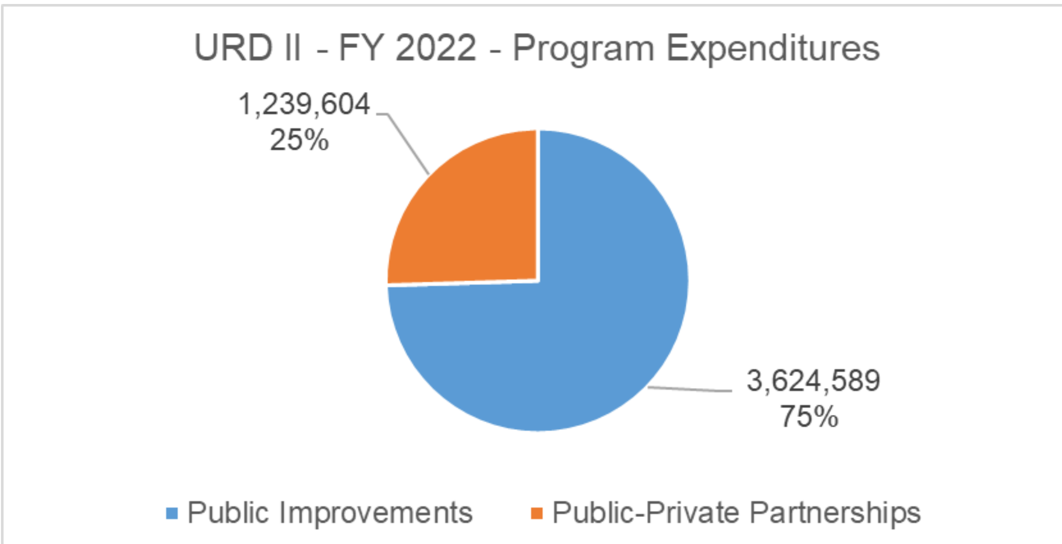
- 3 street, sidewalk, and water projects
- 2 public buildings
- 1 affordable housing – property acquisition
- 1 housing policy implementation grant
- 1 public property security enhancement

Fund Balances and Transactions of Individual Governmental Funds (Continued)

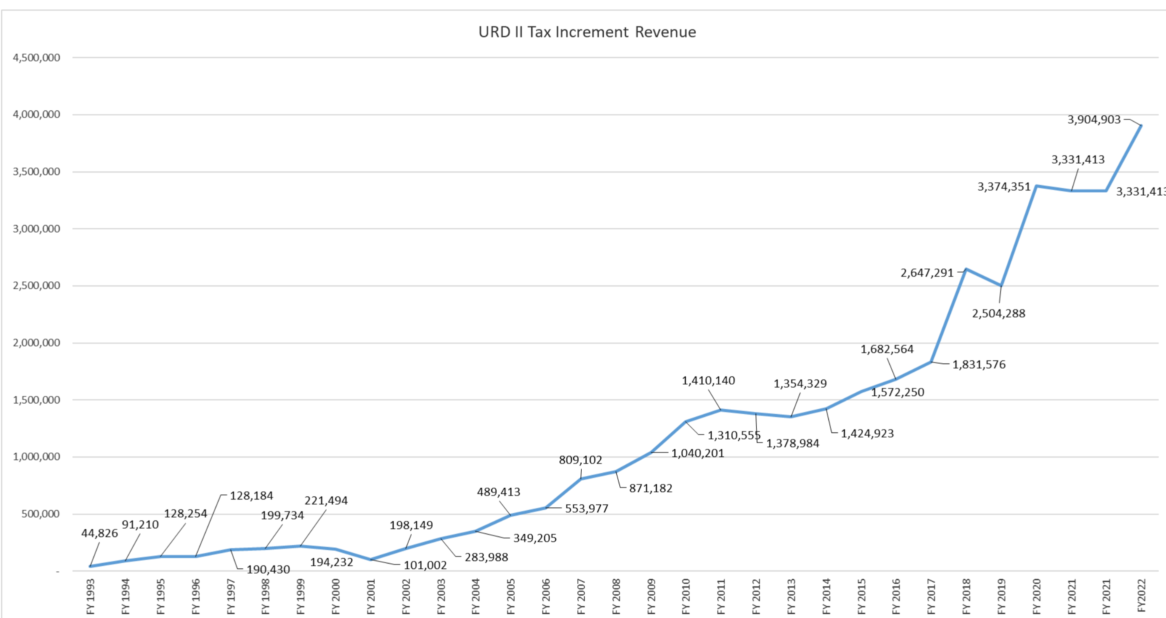
URD II (Continued)

The public-private partnerships included:

- **Maple Street Project** – 1025 N Russell (deconstruction, demolition, site prep, alley paving, curbs, gutters, sidewalks, & public right-of-way landscaping)
- **Sentinel Property Medical Office** – 1900 W Broadway (remediation, deconstruction, demolition, site prep, utility main extensions)



The table below reflects trends in budgeted tax increment revenue only.



Fund Balances and Transactions of Individual Governmental Funds (Continued)

URD II (Continued)

The table below is a summary of expenditures and transfers out for the district.

URD II - FY 2022 - Expenditures & Transfers Out	
Project Name	**Amount**
Admin - Transfers to Other Funds	$ 400,000
Bridge Apartments - 1205 W Broadway - Acquisition	2,205,700
Burton Street Improvements	97,098
Housing Policy Implementation Position	10,000
Inez, 1st & 2nd Streets - Sidewalk	481,433
Legal Services	2,000
Maple Street Project - 1025 N Russell St	69,726
Missoula County Elections Complex - 140 N Russell St	521,034
Montana & Idaho Streets - Water & Sidewalk	56,424
Police Facility on Catlin	250,000
Sentinel Property Medical Office - 1900 West Broadway	1,169,878
Sleepy Inn - 1427 West Broadway	2,900
Total	**$ 5,266,192**

URD III saw an 87% increase in fund balance in fiscal year 2022. This increase is primarily attributable to revenues exceeding project commitments and to several projects being underway and carrying forward to the next fiscal year. Total revenues and transfers into the district, net of the required amount for debt service, were $5,370,717.

Total expenditures were $1,855,905 and included $1,000,329 for administrative expenses and $855,576 for program project related expenses. The district expended funds on ten projects during the year; eight were public improvement projects and two were public-private partnerships.

The public improvement projects included:

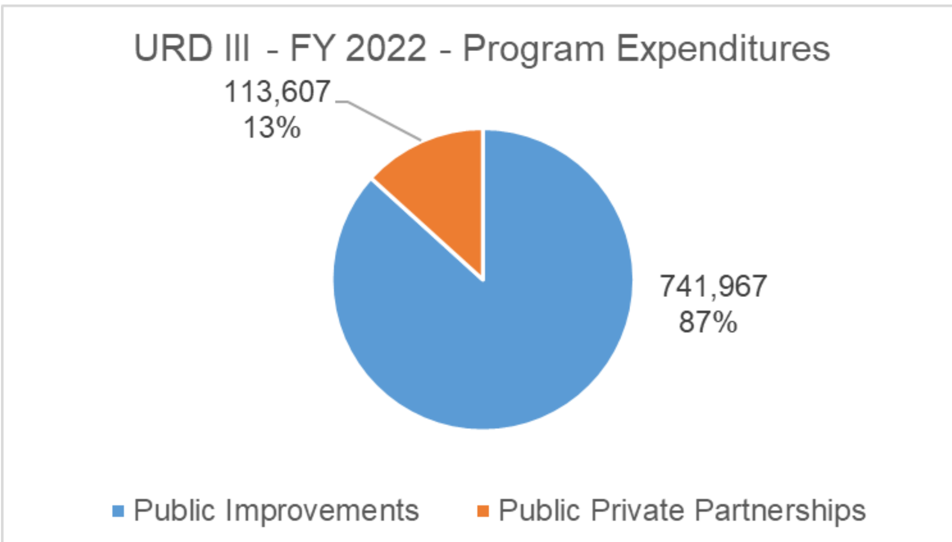
- 2 planning studies
- 2 street tree projects
- 2 sidewalk projects
- 1 public property remediation study/security enhancement
- 1 housing policy implementation grant

Fund Balances and Transactions of Individual Governmental Funds (Continued)

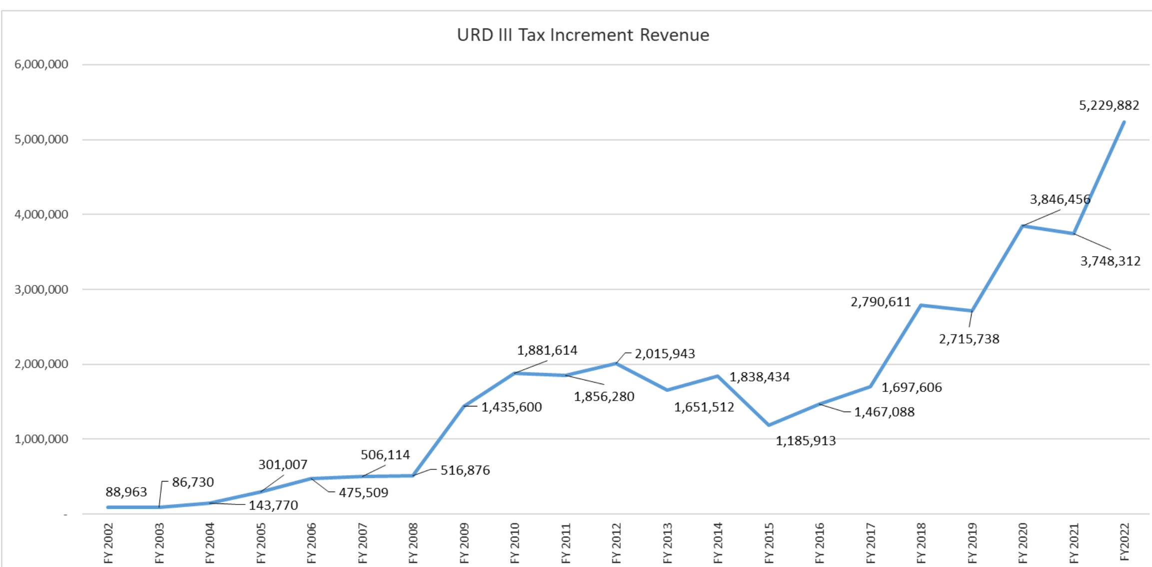
URD III (Continued)

The public-private partnerships included:

- **1502 Dearborn Avenue** (Façade Program elements and public ROW improvements)
- **3100 Brooks Street** (Façade program elements)



The table below reflects trends in budgeted tax increment revenue only.



Fund Balances and Transactions of Individual Governmental Funds (Continued)

URD III (Continued)

The table below is a summary of expenditures for the district.

Project Name	Amount
Admin - Communications	$ 467
Admin - Employer Contributions	153,683
Admin - Gasoline	149
Admin - Office Supplies	3,091
Admin - Operating Supplies	479
Admin - Other Repair & Maintenance Supplies	4,060
Admin - Overtime	3,759
Admin - Printing, Duplication, Typing and Binding	4,712
Admin - Professional Services	336,889
Admin - Professisonal Services	1,558
Admin - Publicity, Subscriptions and Dues	5,884
Admin - Repair & Maintenance Services	5,733
Admin - Salaries & Wages	463,937
Admin - State Retirement Contributions	491
Admin - Telephone	163
Admin - Training	1,155
Admin - Travel	14,121
3100 Brooks Street - Align Properties - McDonough	50,000
1502 Dearborn - RBH Legacy Investments, LLC	63,607
Brooks Corridor - Transit Oriented Development - Infrastructure Study	29,796
Housing Policy Implementation Position	10,000
Mary Avenue Street Trees	7,735
Missoula Midtown Master Plan	370,000
MRL Property - Brownfields VCP-EA / Fencing	13,439
Northern Sidewalk	179,515
Southern Sidewalk	128,894
Street Trees	2,590
Total	**$ 1,855,905**

Front Street URD saw a 52% increase in fund balance in fiscal year 2022. This growth in fund balance is attributable to a higher amount of revenue than project related expenditures. Total revenues into the district, net of the required amount for debt service, was $911,982. Total expenditures and transfers out were $558,895 and included $200,000 for administrative expenses and $358,895 for program related expenses. The district expended funds on five projects during the year; three were public improvement projects and two were public-private partnerships.

The public improvements projects included:

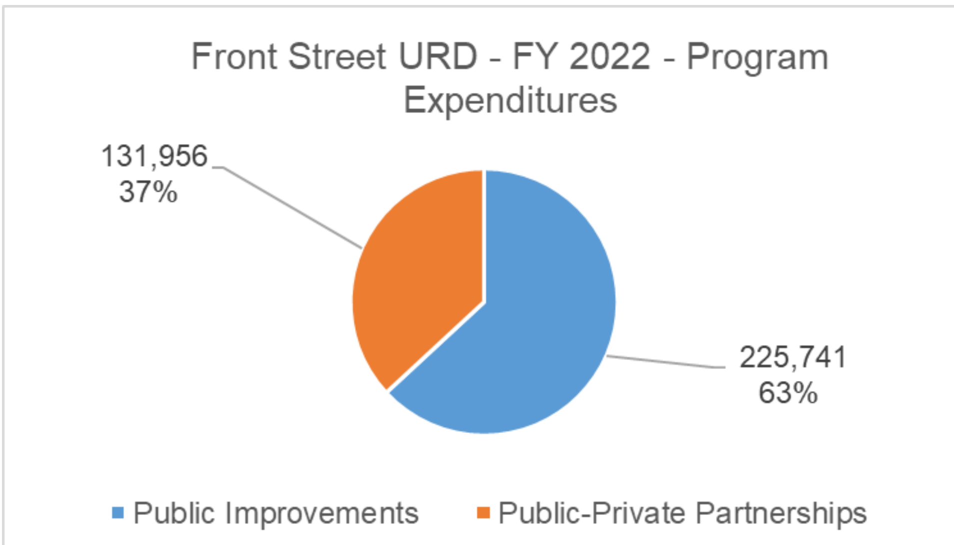
- 2 street improvement projects
- 1 grant to new library ($425,000 disbursed to date; $75,000 remaining)

Fund Balances and Transactions of Individual Governmental Funds (Continued)

Front Street URD (Continued)

The public-private partnerships included:

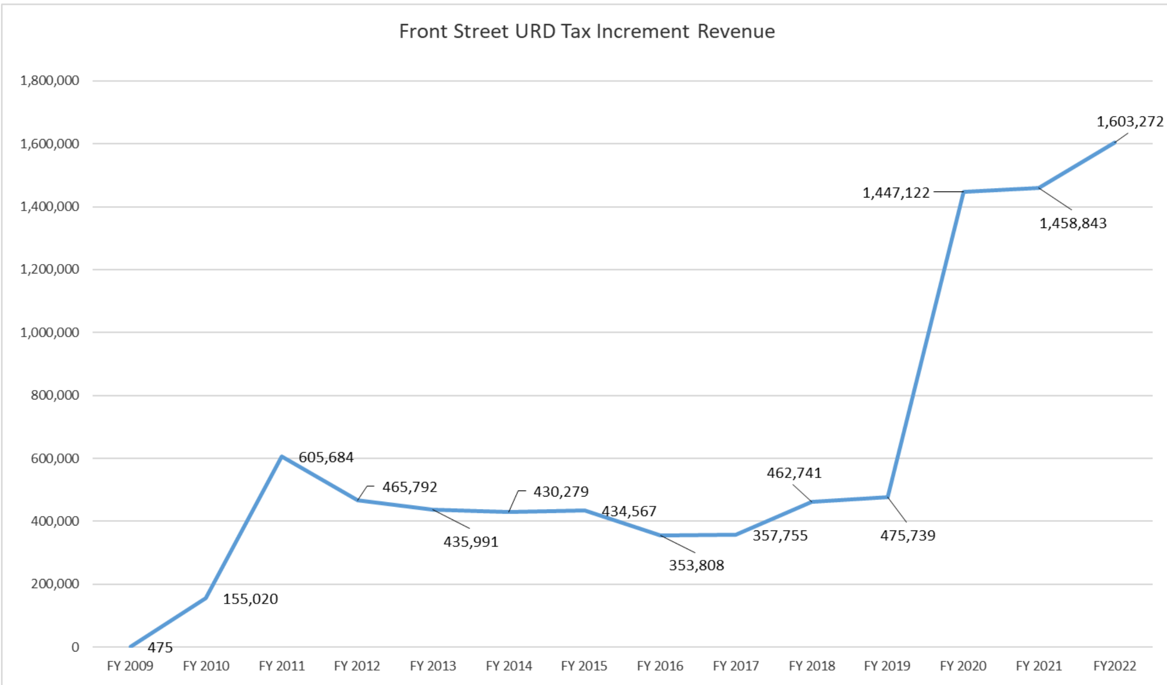
- **Levasseur Street Townhomes** – Phase II – Clay Street Apartments (demolition, curbs, gutters, sidewalks, asphalt patches, ½ alley paving)
- **Union Block** (historic restoration and preservation)



Fund Balances and Transactions of Individual Governmental Funds (Continued)

Front Street URD (Continued)

The table below reflects trends in budgeted tax increment revenue only.



The table below is a summary of expenditures and transfers out for the district.

Project Name	Amount
Admin - Transfers to Other Funds	$ 200,000
Caras Park Improvements	50,000
Front/Main Street Two-Way Conversion - Design & Engineering	100,000
Higgins Avenue Sidewalk Bulb-Outs	741
Levasseur Street Townhomes - Phase II - Clay Street Apartments	6,954
Missoula Public Library - New Building	75,000
Series 2021 Bond - Cost of Isssuance	1,200
Union Block - 123-135 East Main Street	125,000
Total	**$ 558,895**

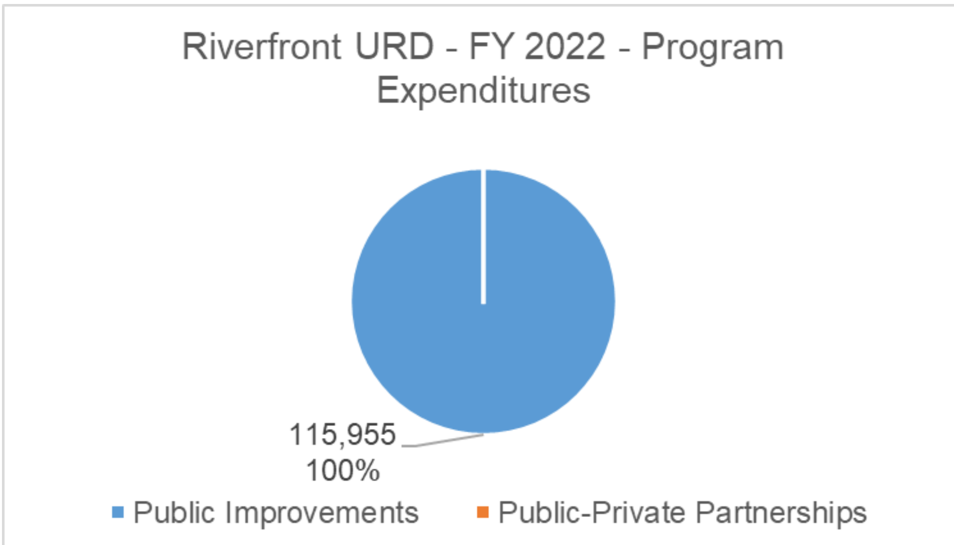
Riverfront Triangle URD saw a 10% increase in fund balance in fiscal year 2022. This increase is attributable to the district expending nearly all the revenue it received. Total revenue and transfers into the district, net of the required amount for debt service, were $467,665. Total expenditures and transfers out were $421,805 and included $305,850 for administrative expenses and $115,955 for project related expenses. The district expended funds on one public project during fiscal year 2022.

Fund Balances and Transactions of Individual Governmental Funds (Continued)

Riverfront Triangle URD (Continued)

The public improvements projects included:

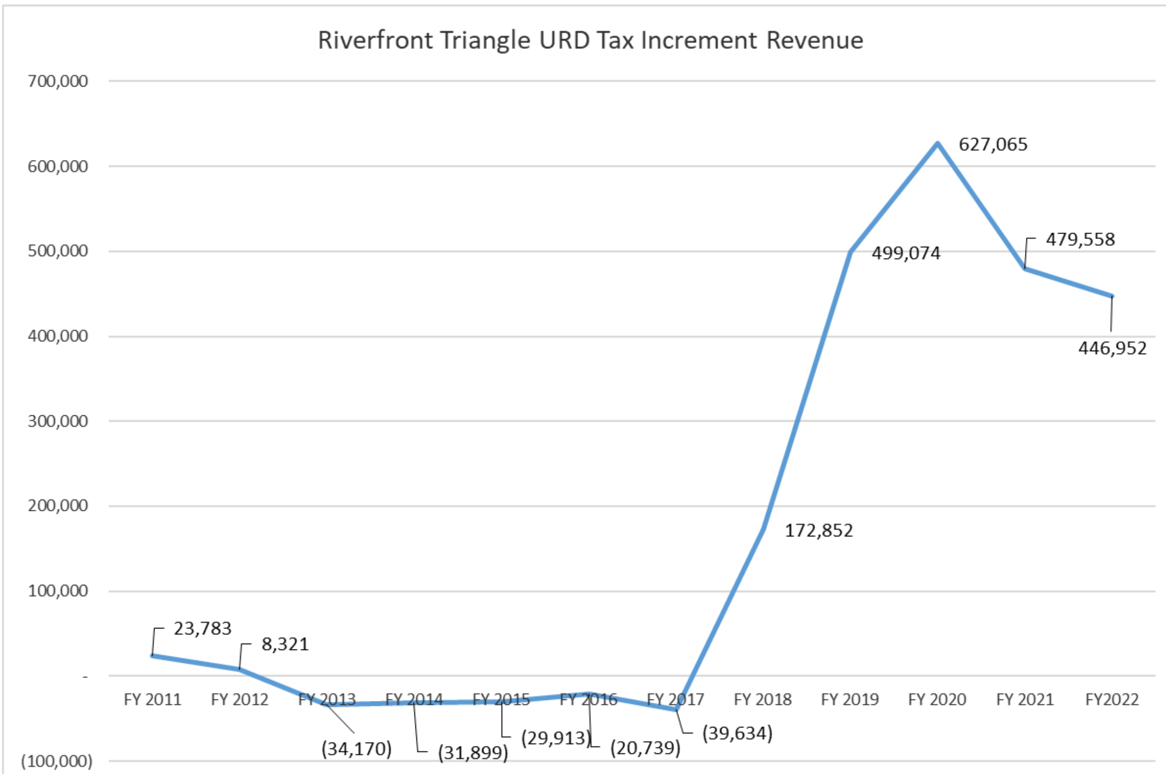
- 1 street improvement project



Fund Balances and Transactions of Individual Governmental Funds (Continued)

Riverfront Triangle URD (Continued)

The table below reflects trends in budgeted tax increment revenue only.



The table below is a summary of expenditures and transfers out for the district.

Riverfront Triangle URD - FY 2022 - Expenditures & Transfers Out	
Project Name	**Amount**
Admin - Transfers to Other Funds	$ 305,850
Front/Main Street Two-Way Conversion - Design & Engineering	115,955
Total	**$ 421,805**

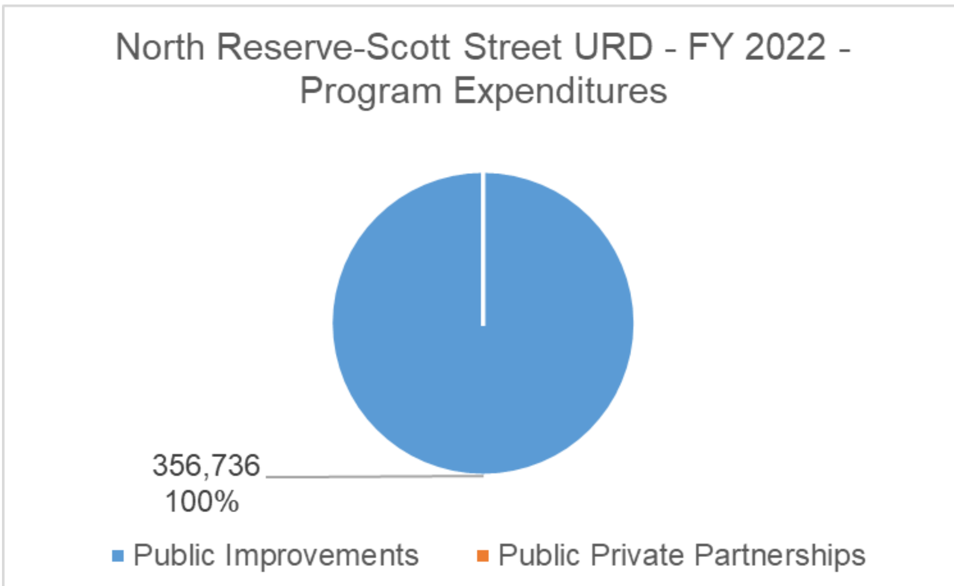
North Reserve – Scott Street (NRSS) URD saw a 67% increase in fund balance in fiscal year 2022. This increase is attributable to revenues exceeding annual expenditures. Total revenues into the district, net of the required amount for debt service, were $1,286,840. Total expenditures and transfers out were $381,736, and included $25,000 for administrative expenses and $356,736 for program project related expenses. The district expended funds on two projects during the year, both were public improvement projects.

Fund Balances and Transactions of Individual Governmental Funds (Continued)

North Reserve – Scott Street (NRSS) URD (Continued)

The public improvement projects included:

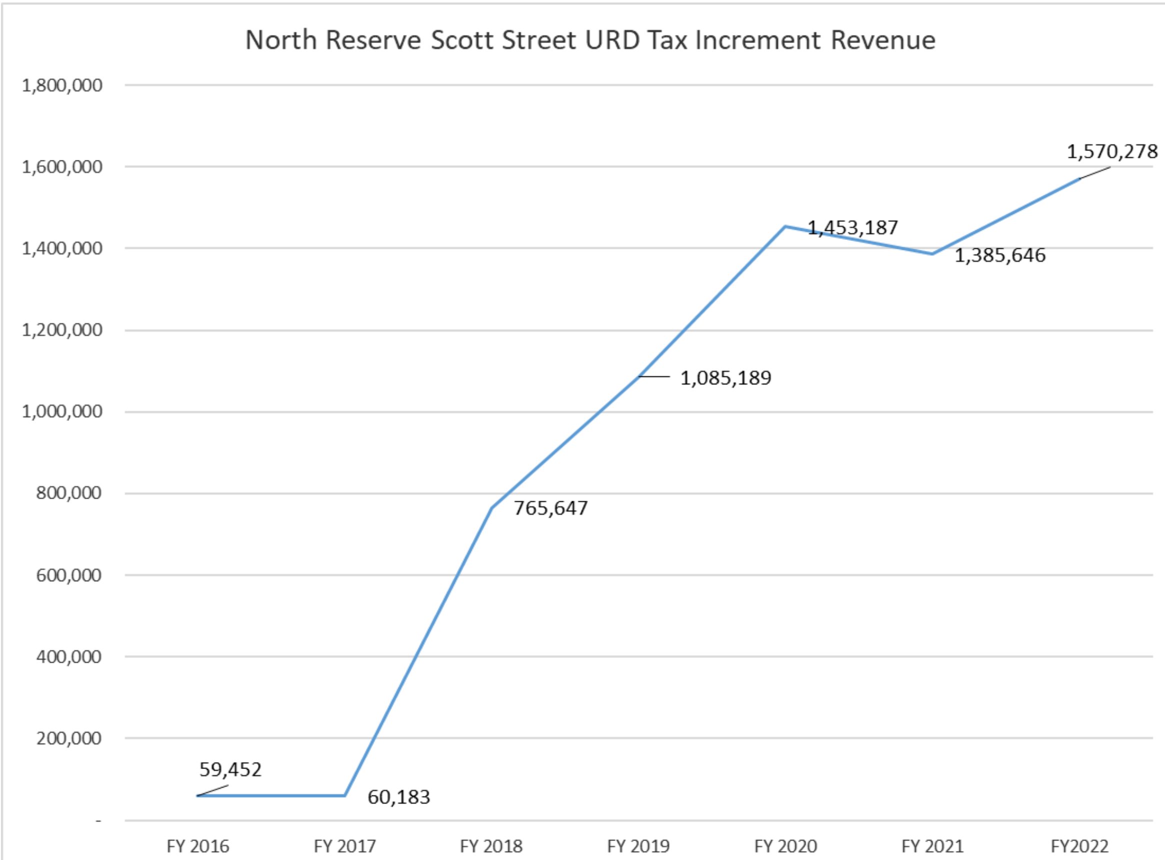
- 1 housing policy implementation grant
- 1 affordable housing project



Fund Balances and Transactions of Individual Governmental Funds (Continued)

North Reserve – Scott Street (NRSS) URD (Continued)

The table below reflects trends in budgeted tax increment revenue only.



The table below is a summary of expenditures and transfers out for the district.

NRSS URD - FY 2022 Expenditures & Transfers Out	
Project Name	**Amount**
Admin - Transfers to Other Funds	$ 25,000
Housing Policy Implementation Position	10,000
Scott Street Property	346,736
Total	**$ 381,736**

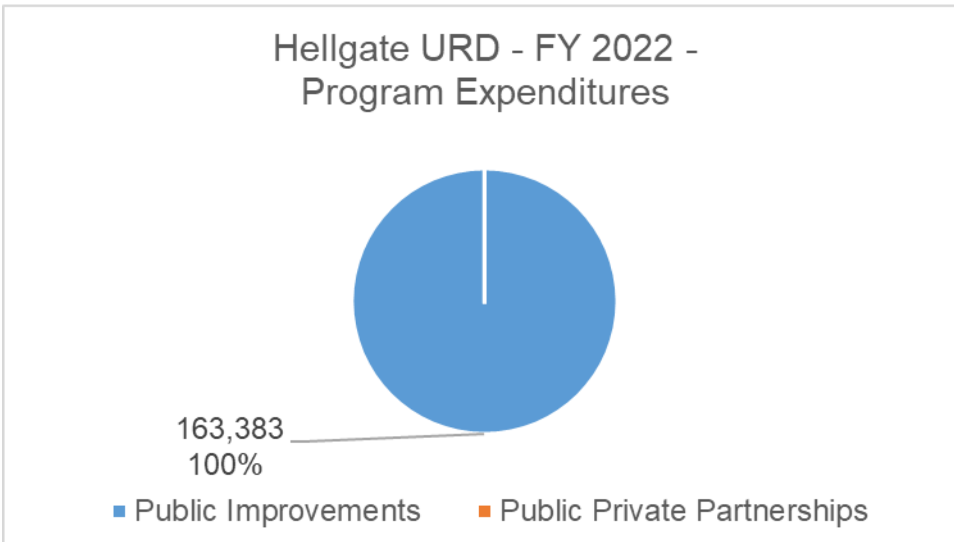
Hellgate URD saw a 39% increase in fund balance in fiscal year 2022. This increase is attributable to few expenditures during the year. Total revenues into the district were $476,296. Total expenditures and transfers out were $232,552 and included $69,140 for administrative expenses and $163,412 for program project related expenses. The district expended funds on two projects during the year, both were public improvement projects.

Fund Balances and Transactions of Individual Governmental Funds (Continued)

Hellgate URD (Continued)

The public improvement projects included:

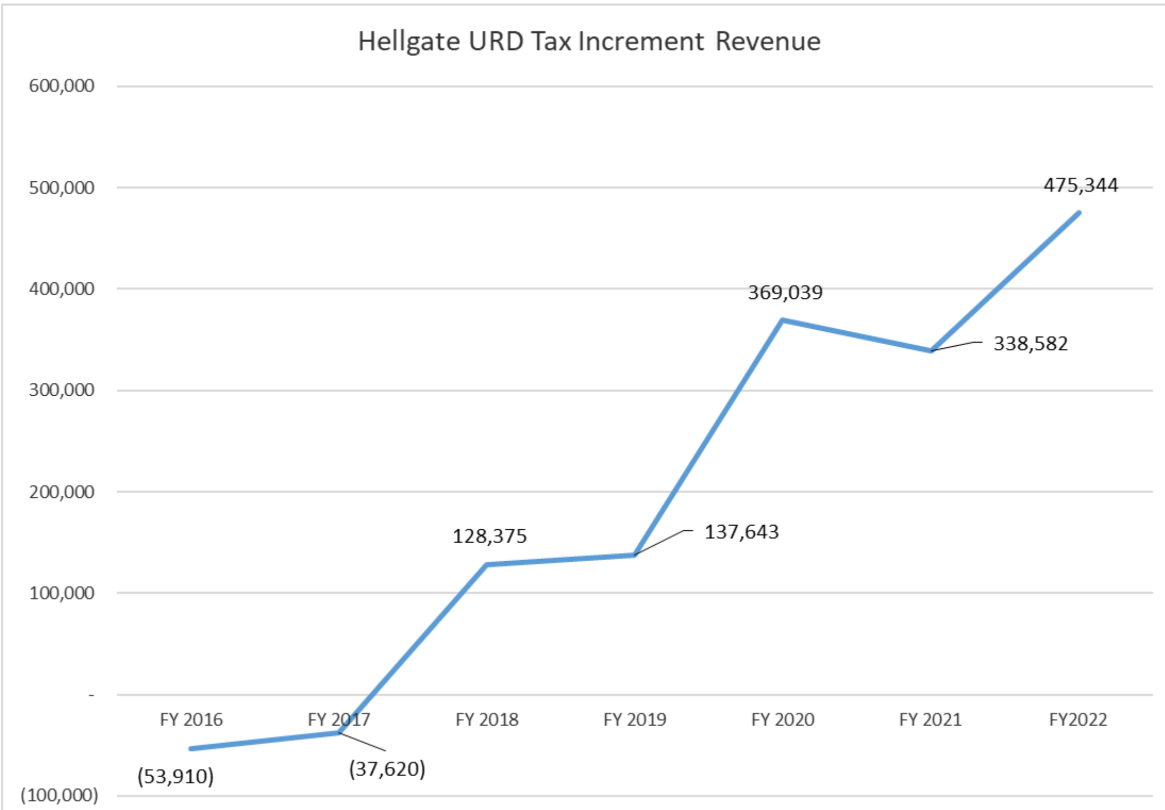
- 1 railroad quiet zone project
- 1 street improvement project



Fund Balances and Transactions of Individual Governmental Funds (Continued)

Hellgate URD (Continued)

The table below reflects trends in budgeted tax increment revenue only.



The table below is a summary of expenditures and transfers out for the district.

Project Name	Amount	
Admin - Transfers to Other Funds	$	69,140
Front/Main Street Two-Way Conversion - Design & Engineering		153,984
Railroad Quiet Zone - Wayside Horns		9,428
Total	**$**	**232,552**

Overall Financial Position Changes in the Agency's overall financial position from 2021 to 2022 from the Government-wide perspective include an increase in total assets and deferred outflows of resources of $759,051 and a decrease in total liabilities and deferred inflows of resources of $3,625,365 with a resulting overall net position of ($29,970,213). The slight increase in assets can be attributed to revenues exceeding expenditures. The decrease in liabilities can mainly be attributed to annual debt service payments on the Agency's long term liabilities.

Agency Projects Due to ever-changing project completion schedules, it is not uncommon for projects that are budgeted in one year to be completed in another year. The Agency's tax increment funds, as they are accrued, are planned, pledged, or committed to projects or held as uncommitted or contingency funds for projects that arise during the year.

Planned Projects Planned projects are projects that are under consideration and in the pre-development stage. During this stage, estimated budgets are created as "place holders". As project planning proceeds, the Agency's Board may pledge or commit to the projects, or abandon them if costs or circumstances warrant it. Similarly, the Agency funds a number of redevelopment programs adopted by the Missoula City Council. These programs are made available to assist private property owners with smaller projects that fit the program objectives and criteria. Since it is impossible to determine in advance how many property owners might apply for assistance under these programs, at any given time the program budgets may be underutilized. Still, it is the Agency's practice to be responsive to private sector redevelopment initiatives—even small ones—so these programs are adequately funded each year.

Pledged Projects Often times the Agency Board will make a conditional pledge to a public or private project that is not fully financed or completely planned. The purpose of the pledge is to create "seed money," "matching funds," or other financing incentives for the project sponsors or investors. This period also allows for further development of the project design and time to acquire the necessary approvals.

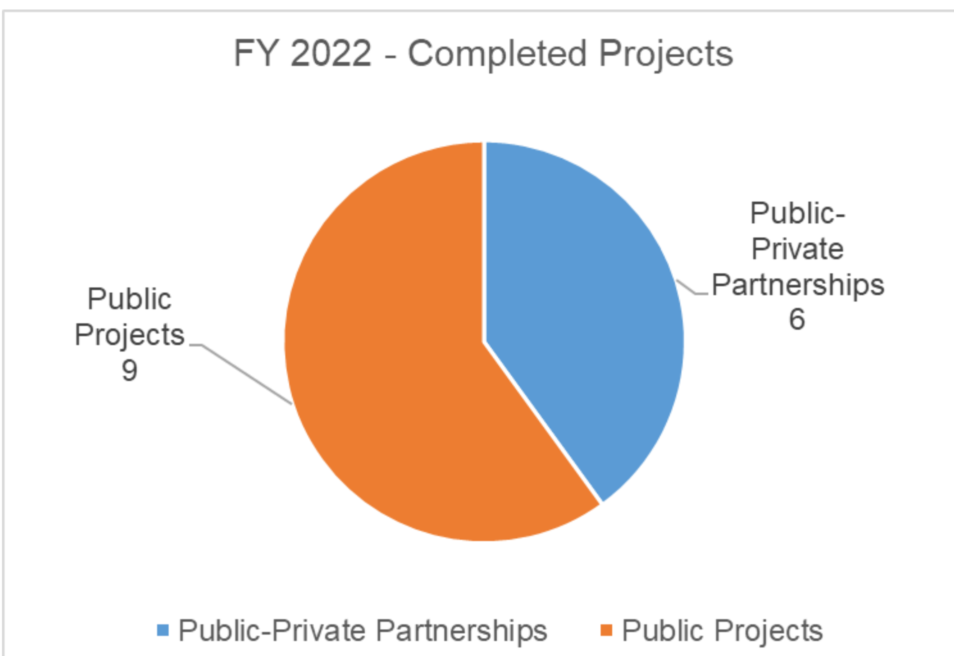
Committed Projects If and when project sponsors complete fundraising to a level that allows a project to proceed, pledged funds become committed through use of development agreements. Development agreements specify required performance by the project sponsor in order to obtain tax increment funding. The funds become contractually committed in the development agreement and often the commitment will bridge one or more fiscal years. When the Agency undertakes public infrastructure improvements within a district, tax increment funds become committed when the project receives approval by the Agency Board of Commissioners.

Below is a list and graphic representation of all Agency projects that were active during fiscal year 2022. The list includes planned, pledged, and committed projects that were either completed or in progress during the year.

Agency Projects (Continued)

Completed Projects

Public-Private Partnerships - public improvement components
1502 Dearborn - RBH Legacy Investments, LLC
3100 Brooks Street - Align Properties
Levasseur Street Townhomes - Phase II - Clay Street Apartments
Maple Street Project - 1025 N Russell St
Sentinel Property Medical Office - 1900 West Broadway
Union Block - 123-135 East Maint Street
Public Projects
Bridge Apartments - 1205 W Broadway - Acquisition
Brooks Corridor - Transit Oriented Development (TOD) - Infrastructure Study
Caras Park Improvements
Higgins Avenue Sidewalk Bulb-Outs
Housing Policy Implementation - annual contribution (FY20-FY22)
Missoula Midtown Master Plan
Police Facility - 101 North Catlin - FY18 Purchase/Renovations ($250K/yr FY19-FY22)
URD III Northern Sidewalks
URD III Street Trees - final maintenance/replacement

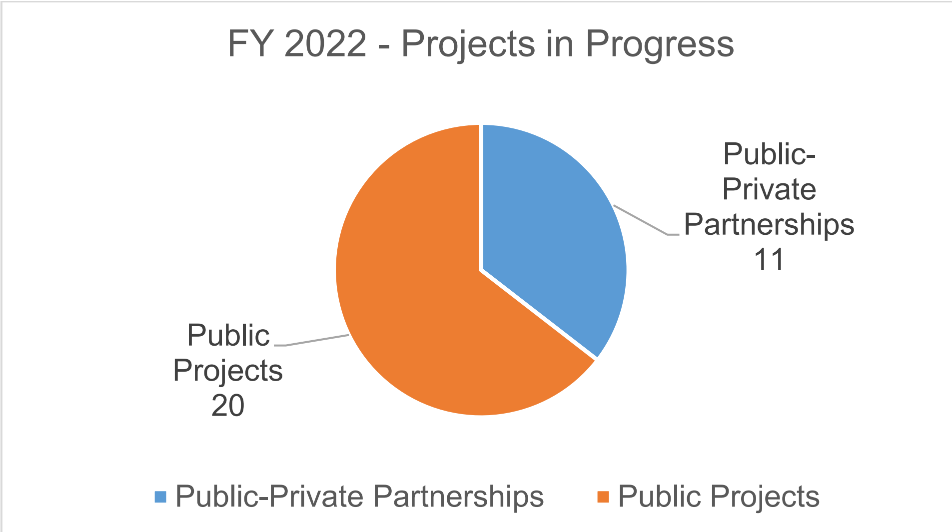


Committed Projects (Continued)

Projects In Progress

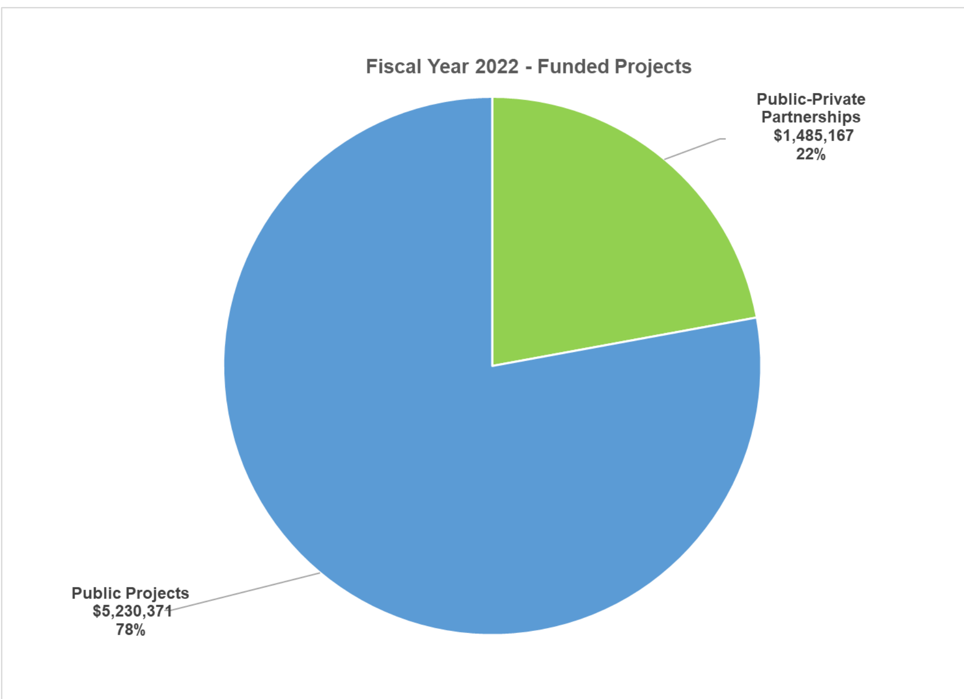
Public-Private Partnerships - public improvement components
Batemen Duplex - 1417 1/2 South 2nd St West
Bissinger Place - 903 South 1st St West
Burton Street Apartments - 525 Burton Street
Casa Loma - 900 Block of South Avenue
Lainsbury Duplex - 1417 South 2nd St West
Otis Street Apartments - 1600 Otis Street
Relic - 124 North Higgins Avenue
Scott Street Property - Development Plan
Scott Street Property - Infrastructure - Design & Engineering
Scott Street Village - Phase 3 Apartments
Wren Hotel - 201 East Main Street
Public Projects
1359 West Broadway - City Property (Wooden Images bldg removal)
Brooks Street Corridor - TOD/Bus Rapid Trasit - USDOT RAISE Planning Grant
Burton Street (500 Block) - Improvements
County Elections Complex - 140 N Russell St
Flynn-Lowney Ditch - Acquisition - Water Rights Services
Front / Main Street Two-Way Conversion - Design & Engineering
Kent Avenue Greenway Improvements - Regent to Russell Streets
Mary Avenue Street Trees
Missoula Public Library - New Building - annual contribution (FY19-FY23)
Montana & Idaho Streets - Water & Sidewalk
MRL Property - Voluntary Cleanup Plan - Environmental Assessment
MRL Property - Voluntary Cleanup Plan - Remediation Plan, Clean-up & Delisting
Payne/Library Block - Redevelopment Plan
Police Facility - 101 North Catlin - Renovations (showers, changing area, lockers)
Railroad Quiet Zone - Wayside Horns
Sleepy Inn - 1427 West Broadway - Redevelopment
Trinity Apartments - Mullan Site
URD II - Inez, 1st & 2nd Streets Sidewalks
URD III Southern Sidewalks
Villagio Housing Project - Otis & Shakespeare

Committed Projects (Continued)

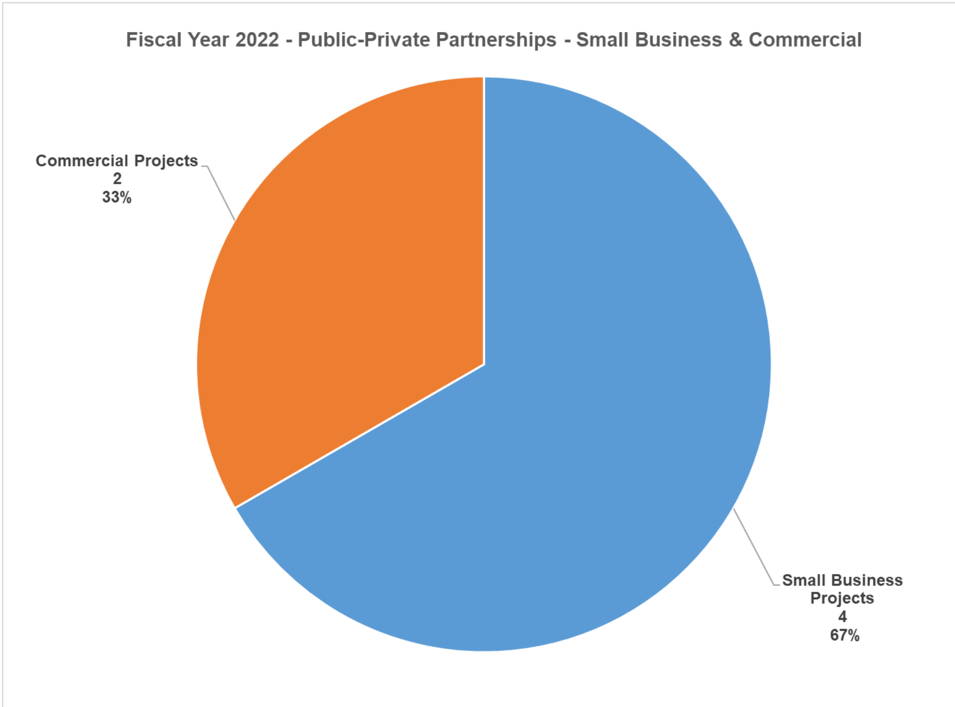


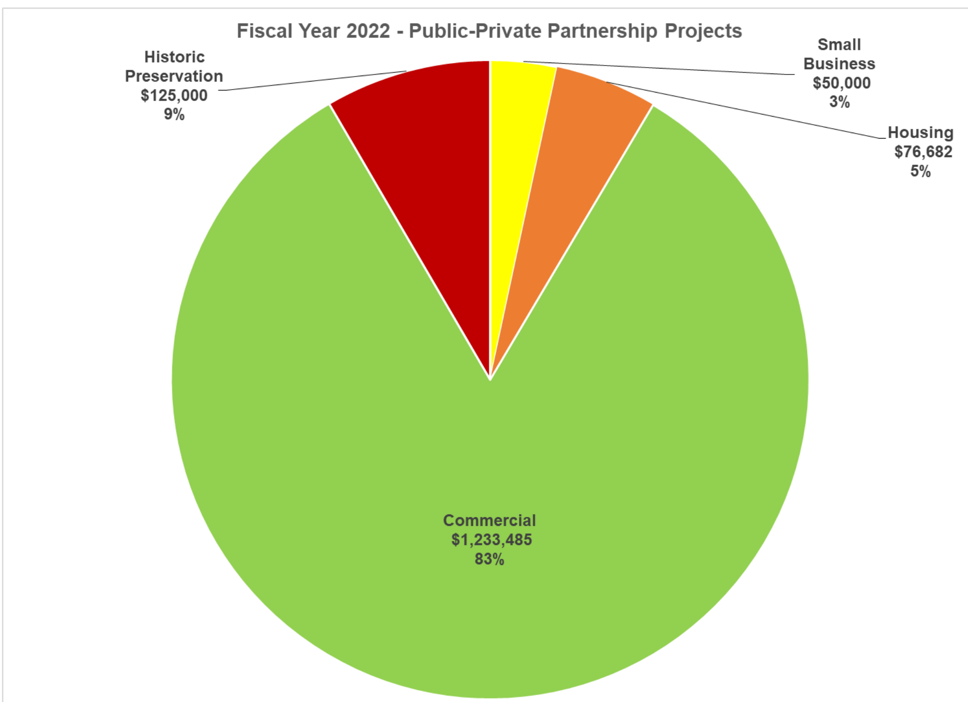
Agency Projects (Continued)

The following are various graphic representations of the projects that funds were expended on during fiscal year 2022.

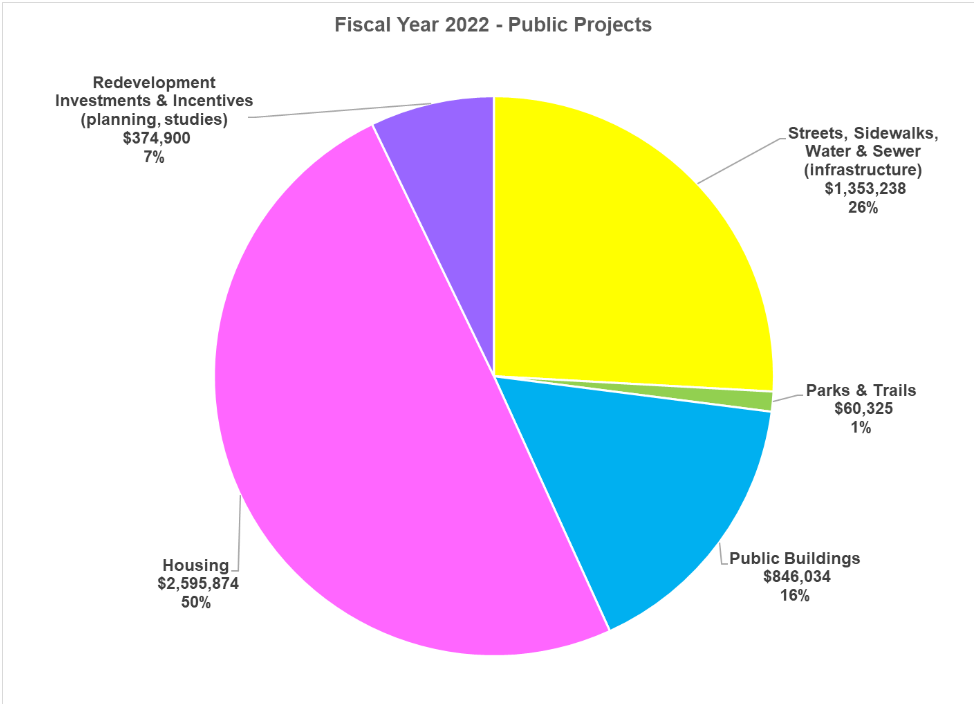


Agency Projects (Continued)





Agency Projects (Continued)



Taxing Policies Taxing policies adopted by the Montana State Legislature, for example those that decrease the valuation of personal property or business equipment, have had an effect on the growth of the tax increment funds. Often the Legislature will provide reimbursement or other mechanisms to offset the financial impact their policy changes have on local taxing jurisdictions. The Agency's revenues are tied to revenues collected by the local taxing jurisdictions. The Agency itself does not have any taxing authority. State reimbursements or entitlements are intended to "make whole" on the losses experienced as a result of tax policy changes.

An example of such revenue the Agency receives from the State of Montana is the State Entitlement Share funds authorized under 2001 Legislative House Bill 124. Looking forward, one negative aspect of this situation is that, as the current law reads, the State Entitlement funds that the Agency receives disappear upon the sunset of a district. Unlike the tax increment revenue normally captured by a district, which will revert back to the taxing jurisdictions upon sunset, the State Entitlement amount received annually by the Agency will revert back to the State of Montana. When House Bill 124 was passed into law, only URD I and II received Entitlement funds.

More recent legislative changes to the taxes assessed on personal property included reimbursement components to local tax increment financing districts through the Entitlement Share program. As of fiscal year 2022, all the Agency's urban renewal districts receive state reimbursements through the Entitlement Share.

State Reimbursements

FY22 MRA Entitlement Share & Class 8 Personal Property Reimbursement Schedule

County Name	TIF Name	TIF Number	Annual Entitlement Share Payments Per 15-1-121(8)(b), MCA (1) (HB 124) 2001		Annual Class 8 Personal Property Reimbursement (SB 372) 2011		Annual Class 8 Personal Property Reimbursement (SB 96) 2013		FY22 One-Time Strict Class 8 Personal Property Reimbursement (HB 303) 2021		Total Annual Entitlement & Reimbursement Payment
Missoula	Urban Renewal District III (1-1D)	04-0583D	$ -	+	$ 121,116	+	$ 156,734	+	$ 71,306	=	$ 349,156
Missoula	Urban Renewal District II (1-1C)	04-0583C	225,251	+	57,789	+	117,246	+	39,860	=	440,146
Missoula	Urban Renewal District II (4-1C)	04-0586C	30,009	+	4,239	+	8,058	+	3,693	=	45,998
Missoula	Front Street URD (1-1F)	04-0583F	-	+	22,983	+	30,992	+	9,412	=	63,387
Missoula	Riverfront URD (1-1R)	04-0583R	-	+	4,494	+	4,822	+	5,559	=	14,874
Missoula	North Reserve Scott Street (1-1N)	04-0583N	-	+	-	+	-	+	20,235	=	20,235
Missoula	Hellgate (1-1H)	04-0583H	-	+	-	+	-	+	6,707	=	6,707
			$ 255,260		**$ 210,620**		**$ 317,851**		**$ 156,772**		**$ 940,503**

2021 Legislative Session

House Bill 303: Introduced during the 2021 legislative session by Joshua Kassmier (R), this bill proposed increasing the Class Eight business tax exemption; providing a reimbursement to local governments and tax increment districts under the Entitlement Share program, to school districts through Guaranteed Tax Base aid, and to the Montana University System for the loss of revenue; providing a statutory appropriation; amending sections 15-1-121, 15-1-123, 15-6-138 and 20-9-366, MCA; and providing effective dates, applicability dates, and termination dates. **This bill was signed into law on May 11, 2021**. https://leg.mt.gov/bills/2021/sesslaws/ch0506.pdf

House Bill 616: Introduced during the 2021 legislative session by Mike Hopkins (R), this bill proposed amending tax increment financing laws to require a governing body to approve a tax increment provision; amending sections 7-15-4206, 7-15-4233 and 7-15-4282, MCA; and providing an applicability date. **This bill was signed into law on April 30, 2021**. https://leg.mt.gov/bills/2021/HB0699/HB0616_X.pdf

Senate Bill 388: Introduced during the 2021 legislative session by Greg Hertz (R), this bill proposed generally revising property tax laws; revising targeted economic development district laws; providing for infrastructure through tax increment financing; providing the tax increment may not include certain state equalization mills for elementary and high school education; limiting the duration of a future tax increment provision; amending sections 7-15-4279, 7-15-4283, 7-15-4286, 7-15-4288, and 7-15-4292, MCA; and proving an immediate effective date. **This bill was signed into law on May 20, 2021**. https://leg.mt.gov/bills/2021/sesslaws/ch0575.pdf

Budget to Actual Variances Occasionally, there will be variations between budgeted amounts for projects and the actual amount expended. This is due to timing anomalies that are driven by project completion dates. Often times the Agency may budget funds for a project in one fiscal year but expend them in a later year if the project takes several years to complete, is put on hold or delayed for other reasons. A variety of factors, from weather and financing to the availability of supplies, material or equipment, may cause a project schedule to slip. In Montana, where the construction season straddles two fiscal years, it is not uncommon for a project to begin in one fiscal year and be completed in a subsequent fiscal year.

Currently Known Facts The Agency administers six urban renewal districts (URDs) within the city that generate tax increment revenue. URD II and URD III were created in 1991 and 2000, respectively, and have well established revenue streams. The City created the Front Street and Riverfront Triangle URDs in 2007 and 2008. Both are part of what was the original downtown district, URD I, which expired in 2005. They are areas that did not experience the level of redevelopment investment enjoyed by other parts of the original URD I or downtown district. The City has issued bonds in both districts which extends the life of the district beyond the initial 15 years. They are currently due to expire in 2044 unless additional debt is issued in Riverfront Triangle during 2023, in which case it will expire in 2048. In 2014, the City created two new districts, the Hellgate Urban Renewal District and the North Reserve-Scott Street (NRSS) Urban Renewal District. Hellgate URD will expire in 2029 unless debt is issued prior to that. Several bonds have been issued in the NRSS URD and it will expire in 2045 unless additional debt is issued prior to 2029.

With the expiration of the URD II looming, the Agency developed an 9-Year Strategic Exit Plan during fiscal year 2022 which was adopted by the MRA Board. A number of important public projects were identified that will likely not be feasible without the use of TIF funding.

Staff began work with Montana Rail Link on the top priority project to convert the Bitterroot Railroad trestle over the Clark Fork River to a shared facility that can still function as a railroad and become part of the Bitterroot Trail system from downtown Missoula to Hamilton, MT. The exit plan prioritized completion of the sidewalk network and installation of water mains throughout the district. It also acknowledges the severe need for housing in Missoula by setting aside $4M for opportunistic property purchases. These projects have been identified as priorities based on the belief that they bring increased equity to our community through the provision of housing, providing affordable mobility options and livable neighborhoods. These and other projects identified in the Plan will be the subject of future audit reports as we work our way through the list.

The first phase of the reconstruction of Russell Street is complete. The newly configured street and expanded bridge is already becoming a catalyst for redevelopment with new buildings either being constructed or planned with the assistance of TIF funds needed for deconstruction of obsolete structures and public improvements. In addition to commercial redevelopment along Russell Street, new mixed-use residential buildings have been completed in and around the Old Sawmill District; construction began on a townhome development and new office buildings are nearing completion. While there are no TIF funds being used for these new buildings, the large TIF investment in the environmental remediation of the land and the construction of a new Montana Rail Link trestle, Wyoming Street and Silver Park have been the catalyst for this new development which is now generating the TIF revenue that is funding projects in other parts of the district.

The purchase, using TIF funds, of the Sleepy Inn Motel property on West Broadway and Russell for use as a temporary non-congregate shelter in response to COVID provided shelter for members of our houseless population who needed to isolate or quarantine and significantly reduced the spread of Covid. The City is moving toward disposal of that property so that it can be redeveloped as a residential, mixed-use building as illustrated in the Envision West Broadway – Community Master Plan, which was adopted in fiscal year 2022. MRA also provided over $2M in TIF funds to purchase the Bridge Apartments on West Broadway, keeping 20 low-income residents, many with disabilities, from being displaced.

Currently Known Facts (Continued) URD III is seeing increased activity and investment. This area, known as Midtown, was developed during the period when all design and planning centered around the automobile which is not a welcoming environment for walking and biking. There are large expanses of parking lots and single-story commercial buildings which turn their back to adjacent residential neighborhoods. Brooks Street is the spine of Midtown and creates a major barrier between neighborhoods, schools, access to trails and parks and commercial developments. MRA has wrestled for decades with how to transform Brooks and the area around it into a place where people want to live, work and play. In fiscal year 2022, a dedicated group of people led by the Missoula Midtown Association and the MRA, committed to an ambitious plan to modify Brooks into a street with center running bus rapid transit, bike lanes, wide sidewalks and street trees. MRA and Mountain Line applied for and were recently awarded an $847,000 Federal RAISE planning grant to carry this design forward to position the City to apply for a federal capital grant in 2024. Simultaneously, the Missoula Midtown Association began efforts to raise funds to develop a Midtown Master Plan. MRA provided the bulk of the funding for the plan, but over 40 businesses, agencies and institutions contributed as well. Both planning efforts are now funded and will be underway in fiscal year 2023, laying the groundwork for a bright future of Midtown and positioning the area to provide new housing and employment opportunities.

Downtown Missoula has undertaken two master planning processes. Both plans prioritized the conversion of Front and Main Streets from a one-way couplet to two-way streets with dedicated bike facilities. That conversion has been the top priority for downtown and the City for years. Much of fiscal year 2022 was spent fully redesigning the streets to the place where permits can be issued and Federal funding sought. This project is funded with TIF from the Front Street, Riverfront Triangle and Hellgate Urban Renewal Districts. Another recommendation of the current master plan is to modify Higgins Avenue from Broadway to Brooks Street. The reconfigured street would have one lane of traffic in each direction, center left turn lanes, separated bicycle lanes and on-street parking. These two projects intersect where Front and Main cross Higgins. MRA and other City staff understand that these projects are not feasible without Federal funding; consequently, both projects are being combined along with other multi-modal connections in anticipation of applying for Federal funding in fiscal year 2023.

Downtown is seeing a significant amount of private investment, much of which has been leveraged using TIF funding. There are three new hotels, many new businesses, new art galleries, restoration of a historic building on Main Street, and new residential developments, both rental and ownership. Downtown has a new public library, partially funded with TIF and there is the possibility of the City and County assuming ownership of the classic Federal Building which would house City and County staff, freeing up other publicly owned buildings for redevelopment. While TIF funding has not been used for the Federal Building, MRA staff has aided the process as we move toward a new home for the Agency and other City and County offices.

Currently Known Facts (Continued) MRA and the City have been working for decades to facilitate the redevelopment of the Riverfront Triangle property, part of which is owned by the City with the balance in single ownership by a private entity. MRA, through a Request for Proposals process, was able to attract a developer for the City owned property and, but for the pandemic, there would be a hotel with performance and conference space on that site today. Obviously, Covid abruptly stopped that project and the developer walked away. We are now seeing renewed interest from large investors and developers at levels that we have not seen in the past. During fiscal year 2022, MRA worked with several different groups and remains hopeful that we will be successful in facilitating a project that will address housing needs as well as commercial and retail components that will move the downtown core west across Orange Street.

Fiscal year 2022 saw a lot of planning and construction activity in the North Reserve/Scott Street URD. Over 70 apartment units in Scott Street Village were nearing occupancy and Villagio, a 200-unit permanently affordable housing complex, was fully under construction with a TIF investment of just over $1.3M. It will be open for occupancy in fiscal year 2023. Half of the 19 acres that the Agency purchased on Scott Street in fiscal year 2020 was the subject of a robust community design process, funded with TIF, resulting in a plan for a primarily residential, mixed-use development. The northern three acres of the property will be developed through a partnership between the City and a non-profit entity to provide income qualified owner-occupied housing units. The southern portion will be developed by a private group and will consist of market rate multi-family units, retail space and a childcare facility. During fiscal year 2022, architectural and engineering design progressed to a level that was needed to begin pricing the construction of buildings and infrastructure. MRA is funding the new streets and utilities and it is anticipated that construction will begin in fiscal year 2023.

Summary The City of Missoula and the Missoula Redevelopment Agency are committed to the need to assure that our investments increase equity for our residents and visitors. To that end, the Agency will continue to work with its partner organizations and private developers to implement the Downtown Master Plan and redevelopment of the Riverfront Triangle. A major focus of the Agency will continue to be implementation of the 9-Year Strategic Exit Plan for URD II. The Agency's commitment to redevelopment in Midtown that adheres to accepted urban design principals will be reflected through continued involvement in adoption and implementation of the Midtown Master Plan and the Brooks Street TOD/BRT Corridor Plan with an emphasis on providing the housing needed to retain Missoula residents in an escalating housing market. The Agency's efforts continue to be targeted on the creation of connectivity, more pedestrian friendly, sustainable development patterns, support for housing for all income levels and economic development projects.

Ellen Buchanan

Director
Missoula Redevelopment Agency

FINANCIAL SECTION

Missoula Redevelopment Agency

(A Component Unit of the City of Missoula)

STATEMENT OF NET POSITION

June 30, 2022		Governmental Activities
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets		
Cash and investments	$	12,819,996
Taxes/assessments receivable - net		589,128
Current portion of notes receivable - unrelated		17,237
Current portion of notes receivable - primary government		16,622
Other current assets		98,145
Due from other governments		567,705
Total Current Assets		14,108,833
Noncurrent Assets		
Notes receivable - unrelated		106,873
Notes receivable - primary government		481,653
Restricted cash		674,645
Total Noncurrent Assets		1,263,171
Deferred Outflows of Resources		
Unamortized loss on debt refunding		13,898
Pension and OPEB adjustments		78,052
Total Deferred Outflows of Resources		91,950
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$	15,463,954

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

Missoula Redevelopment Agency

(A Component Unit of the City of Missoula)
STATEMENT OF NET POSITION
(Continued)

June 30, 2022		Governmental Activities
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
Current Liabilities		
Accounts payable	$	557,033
Accrued wages		22,823
Compensated absences		70,339
Current portion of notes payable		262,232
Current portion of tax increment revenue bonds payable		575,542
Total Current Liabilities		1,487,969
Noncurrent Liabilities		
Post employment benefits		69,775
Compensated absences - less current portion		120,599
Net pension liability		346,372
Notes payable, less current portion		4,547,020
Tax increment revenue bonds payable - less current portion		38,664,689
Total Noncurrent Liabilities		43,748,455
Total Liabilities		45,236,424
Deferred Inflows of Resources		
Pension and OPEB adjustments		197,743
Net Position		
Restricted for debt service		674,645
Unrestricted		(30,644,858)
Total Net Position		(29,970,213)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$	15,463,954

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

Missoula Redevelopment Agency

(A Component Unit of the City of Missoula)
STATEMENT OF ACTIVITIES

Year Ended June 30, 2022	Expenses	Governmental Activities
FUNCTIONS/PROGRAMS		
Governmental Activities		
Housing and community development	$ 7,744,074	$ (7,744,074)
Interest expense	1,926,047	(1,926,047)
Total Governmental Activities	9,670,121	(9,670,121)
Total Primary Government	$ 9,670,121	(9,670,121)
General Revenues		
Property taxes for general purposes		13,077,411
State contribution - PERS		31,826
State entitlement funds (HB124)		255,260
Personal property reimbursement (SB372 and SB96)		685,273
Miscellaneous		4,767
Total General Revenues		14,054,537
Change in Net Position		4,384,416
Net Position		
Beginning of Year		(34,354,629)
End of Year		$ (29,970,213)

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

Missoula Redevelopment Agency

(A Component Unit of the City of Missoula)

BALANCE SHEET – GOVERNMENTAL FUNDS

June 30, 2022	Urban Renewal District II	Urban Renewal District III	Front Street District	Riverfront Triangle District	N. Reserve Scott Street District	Hellgate District	Major Debt Service	Total
ASSETS								
Current Assets								
Cash and investments	$ 871,909	$ 7,220,440	$ 1,095,324	$ 402,723	$ 2,204,597	$ 820,832	$ 204,171	$ 12,819,996
Taxes/assessments receivable - net	-	-	-	-	-	7,093	582,035	589,128
Current portion of notes receivable - unrelated	-	17,237	-	-	-	-	-	17,237
Current portion of notes receivable - primary government	12,194	2,296	-	-	2,132	-	-	16,622
Other current assets	-	8,175	-	-	-	-	89,970	98,145
Due from other governments	-	-	-	-	-	49,931	517,774	567,705
Interfund receivable	174,858	277,371	60,385	125,423	105,869	-	-	743,906
Total Current Assets	1,058,961	7,525,519	1,155,709	528,146	2,312,598	877,856	1,393,950	14,852,739
Noncurrent Assets								
Notes receivable - unrelated	-	106,873	-	-	-	-	-	106,873
Notes receivable - primary government	364,108	49,333	-	-	68,212	-	-	481,653
Restricted cash	-	-	-	-	-	-	674,645	674,645
Total Noncurrent Assets	364,108	156,206	-	-	68,212	-	674,645	1,263,171
TOTAL ASSETS	$ 1,423,069	$ 7,681,725	$ 1,155,709	$ 528,146	$ 2,380,810	$ 877,856	$ 2,068,595	$ 16,115,910
LIABILITIES								
Current Liabilities								
Accounts payable	$ 177,202	$ 109,067	$ 125,000	$ 24,601	$ 121,163	$ -	$ -	$ 557,033
Accrued wages	-	22,823	-	-	-	-	-	22,823
Interfund payable	-	-	-	-	-	-	743,906	743,906
Total Current Liabilities	177,202	131,890	125,000	24,601	121,163	-	743,906	1,323,762
Deferred Inflow of Resources								
Uncollected tax revenue	-	-	-	-	-	1,682	355,903	357,585
Total Deferred Inflow of Resources	-	-	-	-	-	1,682	355,903	357,585
Fund Balances								
Nonspendable	-	8,175	-	-		-	-	8,175
Restricted	1,245,867	7,541,660	1,030,709	503,545	2,259,647	876,174	968,786	14,426,388
Total Fund Balances	1,245,867	7,549,835	1,030,709	503,545	2,259,647	876,174	968,786	14,434,563
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	$ 1,423,069	$ 7,681,725	$ 1,155,709	$ 528,146	$ 2,380,810	$ 877,856	$ 2,068,595	$ 16,115,910

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

Missoula Redevelopment Agency

(A Component Unit of the City of Missoula)
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2022

Total fund balances - governmental funds	$	14,434,563
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds		357,585
Deferred outflows of resources related to unamortized loss on debt refunding are applicable to future periods and, therefore, are not reported in the funds		13,898
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds		
Deferred outflows of resources related to pensions and post employment benefits		78,052
Deferred inflows of resources related to pensions and post employment benefits		(197,743)
Long-term liabilities, both current and noncurrent portions, are not due and payable in the current period and therefore are not reported as liabilities in the funds		(44,656,568)
Total Net Position - Governmental Activities	$	(29,970,213)

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

Missoula Redevelopment Agency

(A Component Unit of the City of Missoula)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS

Year Ended June 30, 2022	Urban Renewal District II	Urban Renewal District III	Front Street District	Riverfront Triangle District	N. Reserve Scott Street District	Hellgate District	Major Debt Service	Total
Revenues								
Tax increment property tax	$ -	$ -	$ -	$ -	$ -	$ 469,559	$ 12,590,481	$ 13,060,040
State contribution - PERS	-	491	-	-	-	-	-	491
State entitlement funds (HB124)	-	-	-	-	-	-	255,260	255,260
Personal property reimbursement (SB372 and SB96)	-	-	-	-	-	6,737	678,536	685,273
Miscellaneous	-	-	-	-	-	-	4,767	4,767
Total Revenues	-	491	-	-	-	476,296	13,529,044	14,005,831
Expenditures								
Housing and community development	2,147,620	1,602,998	358,895	115,955	356,736	163,412	-	4,745,616
Capital outlay	2,718,572	252,907	-	-	-	-	-	2,971,479
Debt service expense - interest	-	-	-	-	-	-	1,926,048	1,926,048
Debt service expense - principal	-	-	-	-	-	-	1,990,580	1,990,580
Total Expenditures	4,866,192	1,855,905	358,895	115,955	356,736	163,412	3,916,628	11,633,723
Excess (Deficiency) of Revenues Over Expenditures	(4,866,192)	(1,855,414)	(358,895)	(115,955)	(356,736)	312,884	9,612,416	2,372,108
Other Financing Sources (Uses)								
Transfers in	3,184,639	5,370,226	911,982	467,665	1,286,840	-	3,302,917	14,524,269
Transfers out	(400,000)	-	(200,000)	(305,850)	(25,000)	(69,140)	(13,524,279)	(14,524,269)
Total Other Financing Sources (Uses)	2,784,639	5,370,226	711,982	161,815	1,261,840	(69,140)	(10,221,362)	-
Net Change in Fund Balances	(2,081,553)	3,514,812	353,087	45,860	905,104	243,744	(608,946)	2,372,108
Fund Balances								
Beginning of Year	3,327,420	4,035,023	677,622	457,685	1,354,543	632,430	1,577,732	12,062,455
End of Year	$ 1,245,867	$ 7,549,835	$ 1,030,709	$ 503,545	$ 2,259,647	$ 876,174	$ 968,786	$ 14,434,563

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

Missoula Redevelopment Agency

(A Component Unit of the City of Missoula)

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2022

Amounts reported for *governmental activities* in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	2,372,108
Current financial resources are not reported as revenues in the fund financial statements		17,401
The change in compensated absences payable is reported in the statement of activities as an expense		(88,398)
The change in the other postemployment benefits is reported in the statement of activities as an expense		14,476
The change in the proportionate share of the net pension liability related to proportionate share of collective pension expense is reported on the statement of activities as an expense		47,157
On-behalf State contributions to pensions are revenues in the statement of activities, but do not provide current financial resources to the governmental fund		31,826
The change in the deferred outflows of resources related to unamortized loss on debt refunding is reported in the statement of activities as an expense		(734)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position		1,990,580
Change in Net Position - Statement of Activities	$	4,384,416

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity Missoula Redevelopment Agency (the Agency) was established in 1978 by the City of Missoula (the City) as a separate legal entity in accordance with state urban renewal laws (Section 7-15-4201, MCA). The Agency has the authority to renovate property within blighted areas legally designated as urban renewal districts, but the authority to exercise the power of eminent domain, acquire and resell property, and to issue tax increment bonds remains with the City. The City has established six urban renewal districts (URDs): URD II in 1991, URD III in 2000, Front Street district in 2007, Riverfront Triangle district in 2008, North Reserve – Scott Street Urban Renewal District in 2014 and Hellgate Urban Renewal District in 2014. The five-member governing board is appointed by the Mayor and approved by City Council. Due to the control exercised by the City and the limited powers of the Agency, the Agency is considered a component unit of the City.

The Agency has no authority to levy taxes. However, under the City's Urban Renewal Plans, revenue derived from incremental property taxes, which result from increases in the taxable value of property within an urban renewal district, are designated for urban renewal purposes and provide the primary funding source for the Agency.

State law provides that the tax increment provisions applicable to a renewal district established prior to 1980 be terminated seventeen years after enactment or when all tax increment debt has been retired. For districts established after 1980, state law provides they be terminated fifteen years after enactment or when all tax increment debt has been retired. URD II was scheduled to terminate in 2006, but was extended to 2031 through the issuance of tax increment bonds on August 15, 2006. URD III was scheduled to terminate in 2015 but was extended to 2040 through the issuance of a tax increment bond on September 13, 2018. Front Street URD was scheduled to terminate in 2022 but was extended to 2046 through the issuance of a revenue bond on April 12, 2021. Riverfront Triangle URD was scheduled to terminate in 2023 but was extended to 2043 through the issuance of a revenue bond on June 6, 2019. On August 25, 2014, the North Reserve – Scott Street (NRSS) Urban Renewal District Plan and the Hellgate Urban Renewal District Plan were approved. Hellgate URD will sunset in 2030. NRSS URD was extended to 2045 through the issuance of a tax increment bond on August 3, 2020.

Basis of Presentation and Basis of Accounting The Agency complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements.

Government-wide Statements The statement of net position and the statement of activities report information about the overall financial position and activities of the Agency.

These statements are reported using the economic resources measurement focus and the accrual basis of accounting. The activities of the Agency are generally financed through incremental property taxes and state entitlements. Revenues are recorded when earned and expenses are recorded at the time the liability is incurred, regardless of when the related cash flows take place. On the accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which eligibility requirements have been met.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Agency's governmental activities. Direct expenses are those that are specifically associated with a program or function. However, the Agency does not collect any program revenue. Accordingly, all revenues, including all property taxes, are presented as general revenues.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated.

Fund Financial Statements These statements provide information about the Agency's funds. The emphasis of fund financial statements is on major governmental funds. Each major fund is displayed in a separate column in the governmental funds statements. The Agency reports all of its urban renewal districts as major funds. Individual debt service funds are aggregated into a single debt service major fund.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Agency considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term liabilities which is recognized when due, and certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Real and personal property taxes and interest earnings are susceptible to accrual. Other receipts and taxes become measurable and available when cash is received by the Agency and are recognized as revenue at that time. The Agency recorded real and personal property taxes for the current year as revenue.

Taxes and assessments receivable remaining unpaid at year-end and not expected to be collected soon enough thereafter to be available to pay obligations of the current year were reserved and offset against taxes/assessments receivable, with a corresponding reduction in revenues, as required by GAAP. In addition, prior period delinquent taxes collected in the current period were recorded as revenue in the current period as required by GAAP. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Due to the nature of the Agency, there is no General Fund.

Major Funds GASB Statement No. 34 requires that all governmental funds whose assets, liabilities, revenues or expenditures exceed 10% or more of the total for all government funds be reported as major funds. An entity may also determine if a fund should be reported as major that does not meet the above requirement. Accordingly, the Agency has chosen to record all of its URD development funds as major funds. A description of these funds follows:

Special Revenue Funds

- Urban Renewal District II – used to account for all activities of District II
- Urban Renewal District III – used to account for all activities of District III
- Front Street District – used to account for all activities of Front Street District
- Riverfront Triangle District – used to account for all activities of Riverfront Triangle District
- North Reserve/Scott Street District – used to account for all activities of North Reserve/Scott Street District
- Hellgate District – used to account for all activities of Hellgate District

Debt Service Funds These are used to account for the accumulation of resources for, and the payment of, tax increment debt principal, interest and related costs, and to comply with the requirements of the tax increment bond and note covenants and resolutions. These funds are included as a debt service fund in the Agency's financial statements.

Classification of Fund Balance The Agency has adopted GASB Statement No. 54, which defines how fund balances of the governmental funds are presented in the financial statements. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable – Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.
- Restricted – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation.
- Committed – Constraint is imposed by City Council by resolution. The Agency Board does not have the authority to issue resolutions.
- Assigned – Amounts the Agency intends to use for a specific purpose. Constraint is internally expressed intent by government body or authorized official through budget approval process or express assignment.
- Unassigned – No constraints and negative balance in non-general funds.

Expenditure Order for Resource Categories

Order	Special Revenue Funds	Debt Service Funds
First:	Restricted	Assigned
Second:	Committed	Committed
Third:	Assigned	Restricted
Fourth:	Unassigned	Unassigned

Budgets and Budgetary Accounting An annual appropriated operating budget is adopted each fiscal year for the governmental funds on the modified accrual basis of accounting. Revenues are budgeted in the year they are measurable and available. Expenditures are budgeted in the year they are expected to be incurred. As required by Montana law, the full amount of increment derived from property taxes levied for the fiscal year is included in the Agency's budget.

As required by State statute, the Agency follows these procedures to develop its annual budget:

a) On or before June 10, department heads and supervisors file with the City detailed and itemized estimates, both of the probable revenue from sources other than taxation and of all expenditures required by the office or department for the next fiscal year.

b) The City finance department prepares a tabulation showing the complete expenditure program of the Agency for the next fiscal year and the sources of revenue by which it is to be financed.

c) On or before the fourth Monday in July, the City Council shall make any revisions it considers advisable.

d) Public hearings are held.

e) By the second Monday in August, the City Council adopts the final budget.

Budget appropriation transfers may be made between the general classifications of salaries and wages, maintenance and operations and capital outlay. Final reported budget amounts represent the originally adopted budget as amended by resolution of the City Council. It is management's responsibility to see that the budget is followed to the fund level.

The City Council may amend a final budget when shortfalls in budgeted revenues require reductions in approved appropriations to avert deficit spending; when savings result from unanticipated adjustments in projected expenditures; when unanticipated state or federal monies are received; for bonding; or when a public emergency occurs which could not have been foreseen at the time of adoption. The procedure to amend the budget in total can be made only after the Agency prepares a resolution, notice is published of a public hearing, and a public hearing is held in accordance with state law.

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

Cash and Cash Equivalents The Agency's cash is held by the City Treasurer and pooled with other City cash. Interest earned on pooled investments is distributed to each contributing entity and fund on a pro rata basis. Authorized investments allowed by Section 20-9-213, MCA, include savings or time deposits in a state or national bank, building or loan association, or credit union insured by the FDIC or NCUA located in the state; repurchase agreements; and the State Unified Investment Program.

Further, Section 7-6-202, MCA, authorizes investments in U.S. government treasury bills, notes, bonds, U.S. Treasury obligations, treasury receipts, general obligations of certain agencies of the United States, and U.S. government security money market fund if the fund meets certain conditions. Investments held by the Agency are reported at fair value.

The Agency categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets (these investments are valued using prices quoted in active markets); Level 2 inputs are significant other observable inputs (these investments are valued using matrix pricing); Level 3 inputs are significant unobservable inputs (these investments are valued using consensus pricing). The Agency had no investments that required categorization within the fair value hierarchy.

Interfund Receivables and Payables During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. These short-term interfund loans are reported as "interfund receivables and payables" in the fund financial statements.

Tax Increment The City's property tax levies are set on or before the second Monday in August, in connection with the budget process. Real property (and certain attached personal property) taxes are billed within ten days after the third Monday in October and are due in equal installments on November 30 and the following May 31. After those dates, the taxes become delinquent (and a lien is placed upon the property). After three years, the County of Missoula has the authority and may exercise the lien on behalf of the City. Personal property taxes (other than those billed with real estate) are generally billed no later than the second Monday in July (normally in May or June), based on the prior November's levies. Personal property taxes, other than mobile homes, are due thirty days after billing. Mobile home taxes are usually billed at the end of April. The first half is due thirty days after billing (usually by May 31) and the second half is due November 30. The tax billings are considered past due after the respective due dates and are subject to penalty and interest charges.

Taxable valuations for each Urban Renewal District and the corresponding tax increment amounts for the November 2021 property tax billing are as follows:

	Taxable Value	Increment Value
Urban Renewal District II	$ 6,341,741	$ 4,481,918
Urban Renewal District III	14,158,129	5,985,285
Front Street Urban Renewal District	3,247,883	1,834,848
Riverfront Triangle Urban Renewal District	669,368	511,510
Hellgate Urban Renewal District	1,569,450	544,002
North Reserve Scott Street Urban Renewal District	3,325,867	1,834,662

Capital Assets Capital assets are recorded in the City's general capital asset accounts.

Compensated Absences Under terms of state law, the Agency employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for all accumulated vacation leave and 25% of accumulated sick leave. Expenditures for these compensated absences are recorded when paid, because the amounts expected to be liquidated from current resources do not vary materially from year to year. Compensated absences to be funded from future resources are reflected as liabilities in the government-wide financial statements to the extent they are vested.

Other Postemployment Benefits The Agency recognizes and reports its postemployment health care benefits in accordance with GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

2. CASH AND INVESTMENTS

The Agency's cash is invested in the City's investment pool. The Agency's portion of underlying cash and investments of the City's investment pool consists of the following:

June 30	**2022**
Demand deposits	$ 13,404,544
Cash on hand	6,189
Certificates of deposit	83,908
Less: Restricted cash held for debt service reserve	(674,645)
Total	$ 12,819,996

The City's investment pool does not have a credit rating. Investment in the pool exposes the Agency to interest rate risk due to the underlying investment in government securities. This risk is managed by the City.

Information regarding insurance coverage or collateralization, interest rate risk, and investment in derivatives and similar instruments for the investment in the City's investment pool is available in the City's annual comprehensive financial report (ACFR). There is no regulatory oversight for the City's investment pool, and participants' equity in the pool approximates the fair value of the underlying investments.

3. OTHER CURRENT ASSETS

Other current assets consist of the following:

June 30		**2022**
Prepaid expenses	$	8,175
Other receivables		89,970
Total	$	98,145

4. NOTES RECEIVABLE

May 2014, December 2015, and February 2019, the Agency executed note receivables under its Façade Improvement Program in the amount of $10,368, $62,000 and $100,000, respectively. The notes bear interest at 0% and call for annual payments of $1,037, $6,200 and $10,000 respectively, over ten years. At June 30, 2022, the notes had an outstanding balance of $2,074, $24,800 and $80,000, respectively.

In October 2011, the Agency was assigned a $40,000 note receivable in relation to a Water Main Extension Contract with Mountain Water Company. The note bears interest at 0% and calls for annual payments of $1,000 over forty years.

In 2013, 2016 and 2017, the Agency executed additional notes in relation to the Water Main Extension Contracts and fire hydrant installations with Mountain Water Company for $508,261, $40,781 and $73,464, respectively. The notes bear interest at 0% and call for annual payments over forty years. In June 2017, the City of Missoula assumed all of the Mountain Water notes. At June 30, 2022, the outstanding balances of all the City of Missoula notes were $376,302, $68,865 and $70,344 in URD II, URD III, and the NRSS, respectively.

Collections to maturity, are as follows:

Year Ending June 30,		Principal
2023	$	33,859
2024		33,847
2025		32,810
2026		32,810
2027		26,610
Thereafter		462,449
Total	$	622,385

5. LONG-TERM DEBT

Changes in long-term debt, were as follows:

Year Ended June 30, 2022		Beginning Balance		Additions		Reductions		Ending Balance		Current Portion
Compensated absences	$	102,540	$	102,011	$	(13,613)	$	190,938	$	70,339
MAEDC Note - direct borrowing		1,500,139		-		(141,113)		1,359,026		144,232
MPC Note		2,240,000		-		(114,000)		2,126,000		118,000
Stockman Bank note - direct borrowing		1,364,054		-		(39,829)		1,324,225		-
Bonds payable - direct placement		38,123,870		-		(1,470,638)		36,653,232		340,542
Bonds payable		2,812,027		-		(225,000)		2,587,027		235,000
Total	$	46,142,630	$	102,011	$	(2,004,193)	$	44,240,448	$	908,113

Bonds Payable

Mill Site Bonds The Agency issued $3,600,000 of Tax Increment Urban Renewal Bonds in August 2006. The bonds were issued to finance acquisition of the Champion Mill Site Property located within District II. The bonds were issued at par, bear interest ranging from 4.5% to 5.125%, and are secured by a first lien upon and pledge of tax increment revenues from District II. The bond resolution requires, among other things, that all of District II's tax increment revenue, except revenues generated by the excluded properties as identified in the bond covenants, be deposited in a debt service fund as required to pay principal and interest on the bonds when due, and to provide certain reserves for future bond payments. After all required amounts have been deposited in the accounts, the remaining tax increment funds may be used to pay costs associated with construction of other urban renewal activities within District II, to redeem all or a portion of the Series 2006 bonds or to return a portion of the tax increment revenues to the taxing jurisdictions located within District II, as provided by state law.

Debt service requirements to maturity on the August 2006 tax increment bonds, are as follows:

Year Ending June 30,		Principal		Interest		Total
2023	$	160,000	$	86,681	$	246,681
2024		170,000		78,841		248,841
2025		180,000		69,769		249,769
2026		185,000		60,544		245,544
2027		195,000		51,063		246,063
2028-2031		880,000		106,875		986,875
Total	$	1,770,000	$	453,773	$	2,223,773

Silver Park, Wyoming Street and Trestle Bonds – Direct Placement The Agency issued $5,750,000 of Tax Increment Urban Renewal Bonds in March 2013. The bonds were issued to finance public improvements in Silver Park, the construction of Wyoming Street from Hickory Street to California Street and replace the aging train trestle located within District II. The bonds were issued at par and bear an interest rate of 3.15%. The bonds are secured by a first lien upon and pledge of tax increment revenues from District II. The Agency estimates tax increment revenue to be sufficient to cover the principal and interest requirements of the Series 2006 and Series 2013 Bonds. The bond resolution requires, among other things, that all of District II's tax increment revenue, except revenues generated by the excluded properties as identified in the bond covenants, be deposited in a debt service fund as required to pay principal and interest on the bonds when due, and to provide certain reserves for future bond payments.

After all required amounts have been deposited in the accounts, the remaining tax increment funds may be used to pay costs associated with construction of other urban renewal activities within District II, to redeem all or a portion of the Series 2013 bonds or to return a portion of the tax increment revenues to the taxing jurisdictions located within District II, as provided by state law.

Debt service requirements to maturity on the March 2013 tax increment bonds, are as follows:

Year Ending June 30,		Principal		Interest		Total
2023	$	160,000	$	52,133	$	212,133
2024		329,000		96,658		425,658
2025		339,000		86,216		425,216
2026		349,000		75,458		424,458
2027		361,000		64,370		425,370
2028-2031		1,772,000		142,412		1,914,412
Total	$	3,310,000	$	517,247	$	3,827,247

Intermountain Lumber Site – Direct Placement The Agency issued $1,753,500 of Tax Increment Urban Renewal Bonds in May 2013. The bonds were issued to finance demolition, site preparation, and infrastructure improvements on the old Intermountain Lumber Site Property located within District II. The bonds were issued at par and bear an interest rate of 4.25%. The bonds are secured by a first lien upon and pledge of tax increment revenues derived from the Project Site. The bond resolution requires, among other things, that the Project's tax increment revenue, be deposited in a debt service fund as required to pay principal and interest on the bonds when due.

After all required amounts have been deposited in the accounts, the remaining tax increment funds may be used to pay costs associated with construction of other urban renewal activities within District II, including additional expenses for the Lumber Site development, to redeem all or a portion of the Series 2013 bonds or to return a portion of the tax increment revenues to the taxing jurisdictions located within District II, as provided by state law.

Debt service requirements to maturity on the May 2013 tax increment bonds, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 50,000	$ 22,982	$ 72,982
2024	103,500	42,755	146,255
2025	107,000	38,314	145,314
2026	112,000	33,713	145,713
2027	117,000	28,900	145,900
2028-2031	592,000	64,674	656,674
Total	$ 1,081,500	$ 231,338	$ 1,312,838

Safeway Bonds The Agency issued $1,500,000 of Tax Increment Urban Renewal Revenue Bonds in October 2007. The bonds were issued to finance demolition, site preparation and infrastructure improvements and their associated design costs related with the Safeway, Inc. Project site. The bonds were issued at par, bear interest of 6.95%, and are secured by a first lien upon and pledge of tax increment revenues derived from the Project Site. Should tax increment revenues in any given year not be sufficient to pay the principal and interest payments, Safeway, Inc. (the Guarantor) is obligated to pay the deficiency. Tax increment in excess of debt service requirements will be (1) used to make Guarantor reimbursements for prior debt service deficiencies, (2) retained in an excess tax increment fund until the amount equals the maximum annual debt service for the bonds, and (3) used to prepay the Series 2007 bonds.

Repayment of the debt service deficiency to the Guarantor at June 30, 2022, has been estimated at $132,899. In 2019 the previously recorded Guarantor provision was reversed as the Agency does not consider the loss probable. No provision has been made at June 30, 2022.

Debt service requirements to maturity on the tax increment bonds, are as follows:

Year Ending June 30,		Principal		Interest		Total
2023	$	75,000	$	62,029	$	137,029
2024		80,000		56,642		136,642
2025		90,000		50,909		140,909
2026		90,000		44,654		134,654
2027		100,000		38,225		138,225
2028-2031		475,000		77,840		552,840
Total	$	910,000	$	330,299	$	1,240,299

South Reserve Street Pedestrian Bridge Bonds – Direct Placement The Agency issued $5,000,000 of Tax Increment Urban Renewal Revenue Bonds in December 2015. The bonds were issued to fund the design and construction of a pedestrian bridge over South Reserve Street connecting the Missoula to Lolo Trail to the Bitterroot Branch Trail. The bonds were issued at par, bear interest of 4.35%, and are secured by a first lien upon and pledge of tax increment revenues derived from District III. The bond resolution requires, among other things, that District III's tax increment revenues be deposited in a debt service fund as required to pay principal and interest on the bonds when due. After all required amounts have been deposited in the accounts, the remaining tax increment funds may be used to pay costs associated with construction of other urban renewal activities within District III, to redeem all or a portion of the bonds or to return a portion of the tax increment revenues to the taxing jurisdictions located within District III, as provided by state law.

Debt service requirements to maturity on the December 2015 tax increment bonds, are as follows:

Year Ending June 30,		Principal		Interest		Total
2023	$	-	$	90,806	$	90,806
2024		160,000		178,133		338,133
2025		165,000		171,064		336,064
2026		170,000		163,778		333,778
2027		180,000		156,165		336,165
2028-2032		1,020,000		654,240		1,674,240
2033-2037		1,260,000		380,843		1,640,843
2038-2041		1,220,000		135,503		1,355,503
Total	$	4,175,000	$	1,930,532	$	6,105,532

North Reserve/Scott Street Bonds – Direct Placement In December 2015, the City of Missoula approved the sale of $1,364,400 of Senior Subordinate Tax Increment Urban Renewal Revenue Bonds in the NRSS District. The bonds were issued to fund certain public improvements related to redevelopment of Bretz RV & Marine, construction of the new Consumer Direct office building and the Scott Street Village housing project. The bonds were issued as senior subordinate debt to future public improvement bonds approved by the NRSS District. The bonds were issued at par, bear interest of 4.50%, and are secured by a senior subordinate lien upon and pledge of tax increment revenues derived from the NRSS District. The bond resolution requires, among other things, that NRSS District's tax increment revenue, be deposited in a debt service fund as required to pay principal and interest on the bonds when due. After all required amounts have been deposited in the accounts, the remaining tax increment funds may be used to pay costs associated with construction of other urban renewal activities within NRSS District, to redeem all or a portion of the bonds or to return a portion of the tax increment revenues to the taxing jurisdictions located within District, as provided by state law.

Debt service requirements to maturity on the December 2015 tax increment bonds, are as follows:

Year Ending June 30,		**Principal**		**Interest**		**Total**
2023	$	31,716	$	24,846	$	56,562
2024		65,589		47,535		113,124
2025		68,574		44,550		113,124
2026		71,694		41,430		113,124
2027		74,957		38,167		113,124
2028-2032		429,162		136,460		565,622
2033-2036		362,603		33,358		395,961
Total	$	1,104,295	$	366,346	$	1,470,641

Front Street Series A Bonds – Direct Placement In December 2017, the City approved the sale of $1,162,500 of Tax Increment Urban Renewal Subordinate Lien Revenue Refunding Bonds in the Front Street District. The bonds were issued to refund the taxable portion of the Series 2010 First Interstate Bank Note. The bonds were issued at par, bear interest of 5.75%, and are secured by a subordinate lien upon and pledge of tax increment revenues derived from Front Street District. The bond resolution requires, among other things, that Front Street District's tax increment revenues be deposited in a debt service fund as required to pay principal and interest on the bonds when due. After all required amounts have been deposited in the accounts, the remaining tax increment funds may be used to pay costs associated with construction of other urban renewal activities within Front Street District, to redeem all or a portion of the bonds or to return a portion of the tax increment revenues to the taxing jurisdictions located within District, as provided by state law.

Debt service requirements to maturity on the January 2017 tax increment bonds, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ -	$ 29,613	$ 29,613
2024	31,500	58,319	89,819
2025	33,000	56,465	89,465
2026	35,000	54,510	89,510
2027	37,000	52,440	89,440
2028-2032	220,000	226,694	446,694
2033-2037	289,500	153,884	443,384
2038-2042	384,000	57,644	441,644
Total	$ 1,030,000	$ 689,569	$ 1,719,569

The Agency increased its aggregate debt service payments by $153,521 over the next 25 years by refunding the prior debt and there was an economic gain on the refunding of $114,419. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. In accordance with GASB Statement No. 65 (GASB 65) this amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. At June 30, 2022, the City reports deferred outflows of resources in the amount of $13,898 related to the refunding bonds. The deferred charges will be amortized as a component of interest expense in the Statement of Revenues, Expenses and Changes in Fund Balances.

Front Street Series B Bonds – Direct Placement In January 2017, the City of Missoula approved the sale of $277,500 of Tax Increment Urban Renewal Subordinate Lien Revenue Refunding Bonds in the Front Street District. The bonds were issued to refund the portion of the Series 2010 First Interstate Bank Note related to financing the 2010 public improvements. The bonds were issued at par, bear interest of 4.50%, and are secured by a subordinate lien upon and pledge of tax increment revenues derived from Front Street District. The bond resolution requires, among other things, that Front Street District's tax increment revenues be deposited in a debt service fund as required to pay principal and interest on the bonds when due. After all required amounts have been deposited in the accounts, the remaining tax increment funds may be used to pay costs associated with construction of other urban renewal activities within Front Street District, to redeem all or a portion of the bonds or to return a portion of the tax increment revenues to the taxing jurisdictions located within District, as provided by state law.

Debt service requirements to maturity on the January 2017 tax increment bonds, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ -	$ 5,434	$ 5,434
2024	8,500	10,676	19,176
2025	8,500	10,294	18,794
2026	9,000	9,900	18,900
2027	9,500	9,484	18,984
2028-2032	54,500	40,421	94,921
2033-2037	67,500	26,719	94,219
2038-2042	84,000	9,788	93,788
Total	$ 241,500	$ 122,716	$ 364,216

Information regarding the change in cash flow and economic gain related to the refunding are noted above under Front Street Series A Bonds. The refunding was completed with the issuance of both the Front Street Series A and B Bonds.

Front Street Series C Bonds – Direct Placement In January 2017, the City of Missoula approved the sale of $3,260,500 of Tax Increment Urban Renewal Subordinate Lien Revenue Bonds in the Front Street District. The bonds will be used to acquire a public parking unit to be owned and operated by the Missoula Parking Commission as well as fund the issuance costs. The bonds were issued as subordinate debt to the 2014 bonds and any future debt issued at parity with the 2014 bonds approved in the Front Street District. The bonds were issued at par, bear interest of 4.50%, and are secured by a subordinate lien upon and pledge of tax increment revenues derived from Front Street District. The bond resolution requires, among other things, that Front Street District's tax increment revenues be deposited in a debt service fund as required to pay principal and interest on the bonds when due. After all required amounts have been deposited in the accounts, the remaining tax increment funds may be used to pay costs associated with construction of other urban renewal activities within the Front Street District, to redeem all or a portion of the bonds or to return a portion of the tax increment revenues to the taxing jurisdictions located within District, as provided by state law.

Debt service requirements to maturity on the January 2017 tax increment bonds, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ -	$ 65,057	$ 65,057
2024	99,486	127,875	227,361
2025	103,963	123,298	227,261
2026	108,641	118,514	227,155
2027	113,530	113,515	227,045
2028-2032	649,039	484,356	1,133,395
2033-2037	808,820	320,980	1,129,800
2038-2042	1,007,938	117,383	1,125,321
Total	$ 2,891,417	$ 1,470,978	$ 4,362,395

URD III Series A – Mary Avenue West Bonds – Direct Placement In June 2017, the City of Missoula approved the sale of $1,600,000 of Tax Increment Urban Renewal Revenue Bonds in District III. The bonds were issued to fund certain public improvements and extensions to Mary Avenue from the Bitterroot Branch Railroad Line westward to Reserve Street. The bonds were issued on parity with other URD III bonds. The bonds were issued at par, bear interest of 4.65%, and are secured by a first lien upon and pledge of tax increment revenues derived from District III. The bond resolution requires, among other things, that District III's tax increment revenues be deposited in a debt service fund as required to pay principal and interest on the bonds when due. After all required amounts have been deposited in the accounts, the remaining tax increment funds may be used to pay costs associated with construction of other urban renewal activities within District III, to redeem all or a portion of the bonds or to return a portion of the tax increment revenues to the taxing jurisdictions located within District, as provided by state law.

Debt service requirements to maturity on the June 2017 tax increment bonds, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ -	$ 32,085	$ 32,085
2024	50,000	63,008	113,008
2025	55,000	60,566	115,566
2026	55,000	58,009	113,009
2027	60,000	55,335	115,335
2028-2032	335,000	232,384	567,384
2033-2037	415,000	145,196	560,196
2038-2041	410,000	39,292	449,292
Total	$ 1,380,000	$ 685,875	$ 2,065,875

URD III – Mary Avenue East Bonds – Direct Placement In January 2015, the City of Missoula approved the sale of $7,065,000 of Tax Increment Urban Renewal Revenue Bonds in District III. The bonds were issued in October 2015 to fund certain infrastructure improvements in connection with the Southgate Mall Project. The bonds were on parity with other URD III bonds. The bonds were issued at par, bear interest of 4.35%, and are secured by a first lien upon and pledge of tax increment revenues derived from District III. The bond resolution requires, among other things, that District III's tax increment revenues be deposited in a debt service fund as required to pay principal and interest on the bonds when due. After all required amounts have been deposited in the accounts, the remaining tax increment funds may be used to pay costs associated with construction of other urban renewal activities within District III, to redeem all or a portion of the bonds or to return a portion of the tax increment revenues to the taxing jurisdictions located within District, as provided by state law.

Debt service requirements to maturity on the October 2015 tax increment bonds, are as follows:

Year Ending June 30,		Principal		Interest		Total
2023	$	-	$	131,631	$	131,631
2024		228,000		258,303		486,303
2025		238,000		248,168		486,168
2026		249,000		237,575		486,575
2027		260,000		226,505		486,505
2028-2032		1,478,000		948,953		2,426,953
2033-2037		1,828,000		590,730		2,418,730
2038-2041		1,771,000		158,143		1,929,143
Total	$	6,052,000	$	2,800,008	$	8,852,008

Scott Street Village – Phase 2 & 3 Bonds – Direct Placement On December 11, 2017 the City of Missoula pursuant to Resolution 8229 approved the sale of $723,514 in tax increment urban renewal revenue bonds in North Reserve-Scott Street (NRSS) URD to fund public infrastructure improvements related to the construction of phases 2 and 3 of a housing development called Scott Street Village by Edgell Building Incorporated. This bond was issued on parity with other senior subordinate debt in the district. The bonds were issued at par, bear interest of 4.75%, and are secured by a senior subordinate lien upon and pledge of tax increment revenues derived from the NRSS District. The bond resolution requires, among other things, that NRSS District's tax increment revenue, be deposited in a debt service fund as required to pay principal and interest on the bonds when due. After all required amounts have been deposited in the accounts, the remaining tax increment funds may be used to pay costs associated with construction of other urban renewal activities within NRSS District, to redeem all or a portion of the bonds or to return a portion of the tax increment revenues to the taxing jurisdictions located within District, as provided by state law.

On March 1, 2021 the bond was partially redeemed for the amount of $259,047. The amount attributed to principal and interest was $253,761 and $5,286, respectively. The debt service requirements to maturity schedule has been re-amortized to include the partial redemption.

Debt service requirements to maturity on the December 2017 tax increment bonds, are as follows:

Year Ending June 30,		Principal		Interest		Total
2023	$	6,002	$	9,346	$	15,348
2024		12,435		18,261		30,696
2025		13,033		17,663		30,696
2026		13,659		17,037		30,696
2027		14,315		16,380		30,695
2028-2032		82,584		70,895		153,479
2033-2037		104,432		49,046		153,478
2038-2042		147,052		21,773		168,825
Total	$	393,512	$	220,401	$	613,913

URD III Series 2018A – MRL – Direct Placement In August 2018, the City of Missoula approved the sale of $1,239,404 of Tax Increment Urban Renewal Revenue Bonds in District III. The bonds were issued in September 2018 to finance the acquisition of the Montana Rail Link (MRL) property and the undertaking of certain improvements. The bonds were on parity with other URD III bonds. The bonds were issued at par, bear interest of 5.25%, and are secured by a first lien upon and pledge of tax increment revenues derived from District III. The bond resolution requires, among other things, that District III's tax increment revenues be deposited in a debt service fund as required to pay principal and interest on the bonds when due. After all required amounts have been deposited in the accounts, the remaining tax increment funds may be used to pay costs associated with construction of other urban renewal activities within District III, to redeem all or a portion of the bonds or to return a portion of the tax increment revenues to the taxing jurisdictions located within District, as provided by state law.

Debt service requirements to maturity on the September 2018 tax increment bonds, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 18,626	$ 28,714	$ 47,340
2024	38,732	55,949	94,681
2025	40,791	53,889	94,680
2026	42,961	51,719	94,680
2027	45,246	49,434	94,680
2028-2032	264,995	208,408	473,403
2033-2037	343,375	130,028	473,403
2038-2041	299,156	32,225	331,381
Total	$ 1,093,882	$ 610,366	$ 1,704,248

URD III Series 2018B – MRL – Direct Placement In August 2018, the City of Missoula approved the sale of $2,681,782 of Tax Increment Urban Renewal Revenue Bonds in District III. The bonds were issued in September 2018 to finance the acquisition of the Montana Rail Link (MRL) property and the undertaking of certain improvements. The bonds were on parity with other URD III bonds. The bonds were issued at par, bear interest of 4.375%, and are secured by a first lien upon and pledge of tax increment revenues derived from District III. The bond resolution requires, among other things, that District III's tax increment revenues be deposited in a debt service fund as required to pay principal and interest on the bonds when due. After all required amounts have been deposited in the accounts, the remaining tax increment funds may be used to pay costs associated with construction of other urban renewal activities within District III, to redeem all or a portion of the bonds or to return a portion of the tax increment revenues to the taxing jurisdictions located within District, as provided by state law.

Debt service requirements to maturity on the September 2018 tax increment bonds, are as follows:

Year Ending June 30,		Principal		Interest		Total
2023	$	43,460	$	51,253	$	94,713
2024		89,793		99,634		189,427
2025		93,765		95,662		189,427
2026		97,912		91,515		189,427
2027		102,242		87,185		189,427
2028-2032		583,178		363,958		947,136
2033-2037		724,066		223,068		947,134
2038-2041		608,591		54,404		662,995
Total	$	2,343,007	$	1,066,679	$	3,409,686

Front Street Series 2019 – Direct Placement In February 2019, the City of Missoula approved the sale of $3,647,844 of Tax Increment Urban Renewal Subordinate Lien Revenue Bonds in the Front Street District. The bonds were issued on parity with other subordinate debt in the district in May 2019 for the Mercantile Project and related improvements. The bonds were issued at par, bear interest of 4.00%, and are secured by a subordinate lien upon and pledge of tax increment revenues derived from the Front Street District. The bond resolution requires, among other things, that the Front Street District's tax increment revenues be deposited in a debt service fund as required to pay principal and interest on the bonds when due. After all required amounts have been deposited in the accounts, the remaining tax increment funds may be used to pay costs associated with construction of other urban renewal activities within the Front Street District, to redeem all or a portion of the bonds or to return a portion of the tax increment revenues to the taxing jurisdictions located within District, as provided by state law.

Debt service requirements to maturity on the May 2019 tax increment bonds, are as follows:

Year Ending June 30,		Principal		Interest		Total
2023	$	-	$	67,495	$	67,495
2024		105,563		132,880		238,443
2025		109,786		128,573		238,359
2026		114,177		124,093		238,270
2027		118,744		119,436		238,180
2028-2032		668,884		520,509		1,189,393
2033-2037		813,799		372,696		1,186,495
2038-2042		990,112		192,857		1,182,969
2043-2044		453,708		18,326		472,034
Total	$	3,374,773	$	1,676,865	$	5,051,638

Scott Street Series 2020A and 2020B – Direct Placement On August 3, 2020 the City of Missoula pursuant to Resolution 8443 approved the sale of $6,604,000 principal amount of tax increment urban renewal revenue bonds, consisting of $3,302,000 Tax Exempt Series 2020A and $3,302,000 Taxable Series 2020B, to finance the acquisition of the Scott Street Property described as Lot 3, Scott Street Lots, a platted subdivision in the City of Missoula, located in the north one-half of Section 16, Township 13 North, Range 19 West, Principal Meridian, Montana, Missoula County, Montana, containing 19.15 acres. This bond Series 2020A and Series 2020B was issued on August 14, 2020 and was completely drawn down at closing. The bond was issued on parity with other senior-subordinate debt in the district. The original purchaser of the negotiated sale bonds was First Security Bank Division of Glacier Bank, Missoula MT. The final maturity date is July 1, 2045. The interest rate on the Series 2020A Tax Exempt bond is 3.80% per annum.

The interest rate on the Series 2020B taxable bond is 4.50% per annum. Interest only payments are due January 1 and principal and interest payments are due July 1 payable from tax increment generated by the North Reserve-Scott Street URD directly to the bondholder commencing January 1, 2021. The bond resolution requires, among other things, that NRSS District's tax increment revenue, be deposited in a debt service fund as required to pay principal and interest on the bonds when due. After all required amounts have been deposited in the accounts, the remaining tax increment funds may be used to pay costs associated with construction of other urban renewal activities within NRSS District, to redeem all or a portion of the bonds or to return a portion of the tax increment revenues to the taxing jurisdictions located within District, as provided by state law.

Debt service requirements to maturity on the August 2020 tax increment bonds, are as follows:

Scott Street Series 2020A:

Year Ending June 30,	Principal	Interest	Total
2023	$ -	$ 59,324	$ 59,324
2024	87,371	116,987	204,358
2025	90,691	113,604	204,295
2026	94,137	110,092	204,229
2027	97,714	106,447	204,161
2028-2032	547,173	472,522	1,019,695
2033-2037	659,343	358,221	1,017,564
2038-2042	794,507	220,488	1,014,995
2043-2046	751,362	58,434	809,796
Total	$ 3,122,298	$ 1,616,119	$ 4,738,417

Scott Street Series 2020B:

Year Ending June 30,	Principal	Interest	Total
2023	$ -	$ 70,521	$ 70,521
2024	80,496	139,231	219,727
2025	84,118	135,527	219,645
2026	87,904	131,657	219,561
2027	91,859	127,612	219,471
2028-2032	525,149	570,725	1,095,874
2033-2037	654,432	438,535	1,092,967
2038-2042	815,541	273,802	1,089,343
2043-2046	794,775	73,497	868,272
Total	$ 3,134,274	$ 1,961,107	$ 5,095,381

AC Hotel Series 2021 – Direct Borrowing In April 2021, the City of Missoula approved the sale and issuance of $1,886,105 Subordinate Lien Tax Increment Urban Renewal Revenue Bonds in the Front Street District to reimburse certain costs related to the AC Hotel project. The bond was issued at par, bears interest of 2.00%, and is secured by a subordinate lien upon and pledge of tax increment revenues derived from the Front Street District. The bond resolution requires, among other things, that the District's tax increment revenues be deposited in a debt service fund as required to pay principal and interest on the bonds when due. After all required amounts have been deposited in the accounts, the remaining tax increment funds may be used to pay costs associated with construction of other urban renewal activities within the District, to redeem all or a portion of the bonds or to return a portion of the tax increment revenues to the taxing jurisdictions located within District, as provided by state law.

Debt service requirements to maturity on the April 2021 tax increment bonds, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 30,738	$ 18,328	$ 49,066
2024	62,401	35,731	98,132
2025	63,656	34,477	98,133
2026	64,935	33,197	98,132
2027	66,240	31,892	98,132
2028-2032	351,717	138,944	490,661
2033-2037	388,514	102,147	490,661
2038-2042	429,162	61,500	490,662
2043-2046	375,438	17,090	392,528
Total	$ 1,832,801	$ 473,306	$ 2,306,107

Notes Payable

Riverfront Triangle Series 2019 – Direct Borrowing In March 2019, the City of Missoula approved the sale of $1,529,318 of Subordinate Tax Increment Urban Renewal Revenue Note in the Riverfront Triangle District. The note was issued in June 2019 for the Stockman Bank Project and related infrastructure improvements. The note was issued at par, bear interest of 4.00%, and is secured by a subordinate lien upon and pledge of tax increment revenues derived from the Riverfront Triangle District. The note resolution requires, among other things, that the Riverfront Triangle District's tax increment revenues be deposited in a debt service fund as required to pay principal and interest on the note when due. After all required amounts have been deposited in the accounts, the remaining tax increment funds may be used to pay costs associated with construction of other urban renewal activities within the Riverfront Triangle District, to redeem all or a portion of the note or to return a portion of the tax increment revenues to the taxing jurisdictions located within District, as provided by state law.

Debt service requirements to maturity on the Riverfront note payable, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ -	$ 26,485	$ 26,485
2024	41,421	52,141	93,562
2025	43,079	50,451	93,530
2026	44,802	48,693	93,495
2027	46,594	46,865	93,459
2028-2032	262,463	204,242	466,705
2033-2037	319,326	146,242	465,568
2038-2042	388,509	75,675	464,184
2043-2044	178,031	7,190	185,221
Total	$ 1,324,225	$ 657,984	$ 1,982,209

MPC Note Payable In December 2010, the Missoula Parking Commission (MPC) issued $7,500,000 of bonds to fund the construction of a new parking structure. In April 2014, MPC refunded the 2010 bonds and issued new bonds totaling $7,160,000. The Agency agreed to fund a portion of the bonds which will be supported by parking revenue and tax increment revenue. The bonds bear interest ranging from 2.00% to 4.35%. The Agency has committed to paying 40% of all principal and interest payments for the life of the bond. Under the terms of the agreement, the Agency will transfer $133,425 of pledged tax increment funds to MPC in two equal installments each year.

Debt service requirements to maturity on the MPC note payable, are as follows:

Year Ending June 30,		Principal		Interest		Total
2023	$	118,000	$	86,910	$	204,910
2024		122,000		83,370		205,370
2025		128,000		78,490		206,490
2026		130,000		73,370		203,370
2027		136,000		68,170		204,170
2028-2032		764,000		253,352		1,017,352
2033-2036		728,000		80,305		808,305
Total	$	2,126,000	$	723,967	$	2,849,967

Brownfields RLF Note Payable – Direct Borrowing In 2004, the City of Missoula applied for and received a $1 million grant from the U.S. Environmental Protection agency (EPA) to create a revolving loan fund (RLF) to be used for brownfields remediation. The City entered into a subrecipient agreement with the Missoula Area Economic Development Corporation (MAEDC) to manage the revolving loan fund. MAEDC provided $200,000 in matching funds required under the EPA grant, creating a total loan fund of $1.2 million. In August 2006, MAEDC, at the direction of the Missoula Brownfields Cleanup RLF Committee, made a loan of $1,000,000 bearing interest at 1.5% to Millsite Revitalization Project (MRP) LLC, the developer of the Old Sawmill District, with MRA and the City identified as co-borrowers. The loan will be repaid solely from tax increment revenue resulting from the increased taxable value of the property within the Old Sawmill District post remediation and platting. Subsequent tax increment revenue from property development will be available to the district for other uses. The note is not a general obligation of the City. For these reasons, the loan is reflected as a liability of MRA. The City received additional funding from EPA and in December 2009, MRA, MRP, and MAEDC elected to increase the loan by $400,000 under the same terms. Subsequent to issuance, the servicing on the loan transferred to MoFi. In July 2012, the loan was increased to $1.775 million.

Debt service requirements to maturity on the Brownfields note payable, are as follows:

Year Ending June 30,		Principal		Interest		Total
2023	$	144,232	$	19,947	$	164,179
2024		146,589		17,590		164,179
2025		148,742		15,437		164,179
2026		150,959		13,220		164,179
2027		153,225		10,954		164,179
2028-2031		615,279		20,384		635,663
Total	$	1,359,026	$	97,532	$	1,456,558

2010 Series First Interstate Bank Note Payable In December 2010, the Agency issued a note with First Interstate Bank (the Bank) for $1,623,380 to repay the Bank for project costs incurred that were legally eligible for reimbursement from tax increment funding. The Agency and the Bank agreed to a repayment schedule that included a subordinate note that was to be financed by the Bank's guaranteed minimum tax payments over 25 years at 6.55%.

On January 12, 2017, the Agency issued two subordinate lien revenue refunding bonds, Series 2017A and Series 2017B, which is a current refunding of the above note. Additional details related to the refunding are included above under the Series 2017A and Series 2017B Front Street Bonds. Due to the refunding, the Bank note was paid in full as of June 30, 2017.

6. COMMITMENTS

The Agency has entered into contracts for various projects and activities as approved by the Board of Commissioners. As of June 30, 2022, the Agency had commitments totaling $7,094,609 that will be financed from operating funds and bond proceeds.

Board Designated Net Assets:		
Urban Renewal District II:		
Public:		
Wooden Images Building Removal	$	60,722
Bridge Apartments		24,300
Burten Street Improvements		106,503
County Elections Complex		205,300
Flynn Lowney Ditch Water Rights		57,576
Legal Services		8,000
Montana/Idaho Water and Sidewalks		116,361
Police Facility		233,718
Sidewalks		18,661
Trinity Apartments		53,256
Private:		
MSJ Properties Housing		159
Bateman Duplex Housing		10,680
Bissinger Place Housing		269,000
Burton Street Apartments Housing		66,289
Sentinel Property Medical Offices		733
Lainsbury Duplex Housing		13,585
Program:		
Bissinger Place Housing		50,000
Total	$	1,294,843

Urban Renewal District III:		
Public:		
Legal Services	$	10,000
Brooks Street Corridor		62,071
Mary Avenue West - Bond		5,739
MRL Property		73,826
Kent Avenue Greenway Improvements		304,927
Sidewalks		261,251
Street Trees		4,020
Private:		
Casa Loma		2,212,046
Total	$	2,933,880

Front Street Urban Renewal District:		
Public:		
Payne/Library Block	$	25,000
Private:		
124 North Higgens Avenue		94,611
Wren Hotel		587,212
Total	$	706,823

North Reserve/Scott Street Urban Renewal District:		
Public:		
Scott Street Redevelopment	$	74,469
Villagio Housing Project		1,339,178
Private:		
Scott Street Property Redevelopment		130,699
Otis Street Apartments		315,100
	$	1,859,446

Hellgate District:		
Public:		
Railroad Quiet Zone	$	190,572

Riverfront Triangle URD:		
Public:		
Fort/Main Street Two-Way Conversion	$	109,045

7. PENSION PLAN

Summary of Significant Accounting Policies

Montana Public Employee Retirement Administration (MPERA) prepares financial statements using the accrual basis of accounting. The same accrual basis is used by MPERA for the purposes of determining the net pension liability; deferred outflows of resources and deferred inflows of resources related to pensions; pension expense; the fiduciary net position; and additions to or deductions from fiduciary net position. Member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions.

Revenues are recognized in the accounting period they are earned and become measurable. Benefit payments and refunds are recognized in the accounting period in which they are due and payable in accordance with the benefit terms. Expenses are recognized in the period incurred. Investments are reported at fair value. MPERA adhered to all accounting principles generally accepted by the United States of America. MPERA applied all applicable pronouncements of the Governmental Accounting Standards Board (GASB).

Public Employees' Retirement System (PERS)

Plan Description

The PERS-Defined Benefit Retirement Plan (DBRP), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing plan established July 1, 1945, and governed by Title 19, chapters 2 & 3, Montana Code Annotated (MCA). This plan provides retirement benefits to covered employees of the State, and local governments, and certain employees of the Montana University System and school districts. Benefits are established by state law and can only be amended by Legislature.

All new members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be members of both the defined contribution and defined benefit retirement plans. All new members from the universities also have a third option to join the university system's Montana University System Retirement Program (MUS-RP).

The PERS-DBRP provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and highest average compensation (HAC). Member rights are vested after five years of service.

Summary of Benefits

Eligibility for Benefit

Service retirement:

Hired prior to July 1, 2011:	Age 60, 5 years of membership service;
	Age 65, regardless of membership service;
	Any age, 30 years of membership service.
Hired on or after July 1, 2011:	Age 65, 5 years of membership services;
	Age 70, regardless of membership service.

Early Retirement

Hired prior to July 1, 2011:	Age 50, 5 years of membership service; or
	Any age, 25 years of membership service.
Hired on or after July 1, 2011:	Age 55, 5 years of membership service.

Second Retirement (requires returning to PERS-covered employer or PERS service)

1) Retired before January 1, 2016 and accumulate less than 2 years additional service credit or retire on or after January 1, 2016 and accumulate less than 5 years additional service credit:
   - A refund or member's contributions plus return interest (currently 2.02% effective July 1, 2018).
   - No service credit for second employment;
   - Start the same benefit amount the month following termination; and
   - Guaranteed Annual Benefit Adjustment (GABA) starts again in the January immediately following the second retirement.

2) Retired before January 1, 2016 and accumulate at least 2 years of additional service credit:
   - A recalculated retirement benefit based on provisions in effect after the initial retirement; and
   - GABA starts on the recalculation benefit in January after receiving the new benefit for 12 months.

3) Retired on or after January 1, 2016 and accumulate 5 or more years of service credit:

- The same retirement as prior to the return to service;
- A second retirement benefit as prior to the second period of service based on laws in effect upon the rehire date; and
- GABA starts on both benefits in the January after receiving the original and the new benefit for 12 months.

Member's Highest Average Compensation (HAC)

- Hired prior to July 1, 2011 – highest average compensation during any consecutive 36 months;
- Hired on or after July 1, 2011 – highest average compensation during any consecutive 60 months;

Compensation Cap

Hired on or after July 1, 2013 – 110% annual cap on compensation considered as part of a member's highest average compensation.

Monthly Benefit Formula

1) Members hired prior to July 1, 2011:

- Less than 25 years of membership service: 1.785% of HAC per year of service credit;
- 25 years of membership service or more: 2% of HAC per year of service credit.

2) Members hired on or after July 1, 2011:

- Less than 10 years of membership service: 1.5% of HAC per year of service credit;
- 10 years or more, but less than 30 years of membership service: 1.785% of HAC per year of service credit;
- 30 years or more of membership service: 2% of HAC per year of service credit.

Guaranteed Annual Benefit Adjustment (GABA)

After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage (provided below) each January, inclusive of other adjustments to the member's benefit.

- 3.0% for members hired prior to July 1, 2007
- 1.5% for members hired between July 1, 2007 and June 30, 2013
- Members hired on or after July 1, 2013
  - (a) 1.5% for each year PERS is funded at or above 90%
  - (b) 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and
  - (c) 0% whenever the amortization period for PERS is 40 years or more.

Contributions

The state legislature has the authority to establish and amend contribution rates. Member and employer contribution rates are specified by Montana Statute and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers.

Special Funding

The state of Montana, as the non-employer contributing entity, paid to the Plan, additional contributions that qualify as special funding. Those employees who received special funding are all participating employees.

Not Special Funding

Per Montana law, state agencies and universities pay their own additional contributions. The employer paid contributions are not accounted for as special funding for state agencies and universities but are reported as employer contributions.

Overview of Contributions

Member and employer contribution rates are shown in the table below.

	Member		**State & Universities**	**Local Government**		**School Districts**	
Fiscal Year	Hired <07/01/11	Hired >07/01/11	Employer	Employer	State	Employer	State
2022	7.900%	7.900%	8.970%	8.870%	0.100%	8.600%	0.370%
2021	7.900%	7.900%	8.870%	8.770%	0.100%	8.500%	0.370%
2020	7.900%	7.900%	8.770%	8.670%	0.100%	8.400%	0.370%
2019	7.900%	7.900%	8.670%	8.570%	0.100%	8.300%	0.370%
2018	7.900%	7.900%	8.570%	8.470%	0.100%	8.200%	0.370%
2017	7.900%	7.900%	8.470%	8.370%	0.100%	8.100%	0.370%
2016	7.900%	7.900%	8.370%	8.270%	0.100%	8.000%	0.370%
2015	7.900%	7.900%	8.270%	8.170%	0.100%	7.900%	0.370%
2014	7.900%	7.900%	8.170%	8.070%	0.100%	7.800%	0.370%
2012-2013	6.900%	7.900%	7.170%	7.070%	0.100%	6.800%	0.370%
2010-2011	6.900%		7.170%	7.070%	0.100%	6.800%	0.370%
2008-2009	6.900%		7.035%	6.935%	0.100%	6.800%	0.235%
2000-2007	6.900%		6.900%	6.800%	0.100%	6.800%	0.100%

1. Member contributions to the system of 7.9% are temporary and will be decreased to 6.9% on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rates.

2. Employer Contributions to the System:
    a. Effective July 1, 2014, following the 2013 Legislative Session, PERS-employer contributions increase an additional 0.1% a year and will continue over 10 years through 2024. The additional employer contributions including the 0.27% added in 2007 and 2009, will terminate on January 1 following an actuary valuation that shows the amortization period of PERS-DBRP has dropped below 25 years and remains below the 25 years following the reduction of both the additional employer and member contribution rates.
    b. Effective July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.
    c. The portion of employer contributions allocated to the Plan Choice Rate (PCR) are included in the employers reporting. The PCR was paid off effective March 2016 and the contributions previously directed to the PCR are now directed to member accounts.

3. Non Employer Contributions
    a. Special Funding
        i. The State contributes 0.1% of members' compensation on behalf of local government entities.
        ii. The State contributes 0.37% of members' compensation on behalf of school district entities.
        iii. The State contributed a Statutory Appropriation from the General Fund of $34,290,660.
    b. Not Special Funding
        i. The State contributes a portion of Coal Severance Tax income and earnings from the Coal Trust Permanent Trust fund.

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

GASB 68 allows a measurement date of up to 12 months before the employer's fiscal year-end can be utilized to determine the Plan's total pension liability (TPL). The basis for the TPL as of June 30, 2021, was determined by taking the results of the June 30, 2020, actuarial valuation and applying standard roll-forward procedures. The roll-forward procedure uses a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year. The roll-forward procedure will include the effects of any assumption changes and legislative changes. The updated procedures are in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.

The TPL minus the Fiduciary Net Position equals the Net Pension Liability (NPL). The proportionate shares of the employer's and the state of Montana's NPL for June 30, 2021, and 2020, are displayed on the subsequent page. The employer's proportionate share equals the ratio of the employer's contributions to the sum of all employer and non-employer contributions during the measurement period. The state's proportionate share for a particular employer equals the ratio of the contributions for the particular employer to the total state contributions paid.

The employer recorded a liability of $346,371 and the employer's proportionate share was 0.02245 percent.

	Net Pension Liability as of 6/30/2021	Net Pension Liability as of 6/30/2020	Percent of Collective NPL as of 6/30/2021	Percent of Collective NPL as of 6/30/2020*	Change in Percent of Collective NPL
Agency's Proportionate Share	$ 346,371	$ 592,149	0.02245%	0.02268%	-0.00024%
State of Montana Proportionate Share associated with Agency	102,200	186,683	0.00575%	0.00708%	-0.00133%
Total	$ 448,571	$ 778,832	0.02819%	0.02976%	-0.00156%

* To be consistent with this year's calculation of the State of Montana Proportionate Share Associated with Employer Percent of Collective NPL, the June 30, 2020 percentage has been recalculated using the actual State percentage presented on the allocation instead of the 100% displayed last year. This does not change the dollar amount of the NPL as of June 30, 2020, just the percentage.

Changes in Actuarial Assumptions and Methods:

The following changes in assumptions or other inputs were made that affected the measurement of the TPL.

1. The discount rate was lowered from 7.34% to 7.06%

2. The investment rate of return was lowered from 7.34% to 7.06%

Changes in Benefit Terms:

There have been no changes in benefit terms since the previous measurement date.

Changes in Proportionate share:

There were no changes between the measurement date of the collective NPL and the employer's reporting date that are expected to have significant effect on the employer's proportionate share of the collective NPL. However, each employer may have unique circumstances that will impact the employer's proportionate share of the collective net pension. If there were changes that are expected to have an impact on the net pension liability, the employer should disclose the amount of the expected resultant change in the employer's proportionate share of the collective net pension liability, if known.

Pension Expense

At June 30, 2021, the Agency recognized $18,566 for its proportionate share of the Plan's pension expense and recognized grant revenue of $31,826 for the state of Montana proportionate share of the pension expense associated with the Agency.

	Pension Expense as of 6/30/2021	Pension Expense as of 6/30/2020
Agency's Proportionate Share of PERS	$ 18,566	$ 106,877
State of Montana Proportionate Share associated with the Agency	31,826	30,531
Total	$ 50,392	$ 137,408

Recognition of Deferred Inflows and Outflows

At June 30, 2021, the Agency reported its proportionate share of PERS' deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Expected versus actual experience	$ 3,696	$ 2,507
Projected investment earnings versus actual investment earnings	-	140,319
Changes in assumptions	51,301	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	19,127	-
Employer contributions subsequent to the measurement date	38,728	-
Total	$ 112,852	$ 142,826

Deferred outflows of resources related to pensions resulting from the Agency's contributions subsequent to the measurement date in the amount of $38,728 will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the measurement year ended June 30:	Recognition of Deferred Outflows and Deferred Inflows in future years as an increase or (decrease) to Pension Expense
2022	$ 14,212
2023	$ (4,231)
2024	$ (33,890)
2025	$ (44,793)
Thereafter	$ -

Actuarial Assumptions

The TPL in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions:

- Investment Return (net of admin expense) 7.06%
- Admin Expense as % of Payroll 0.28%
- General Wage Growth* 3.50%
- *includes Inflation at 2.40%
- Merit Increases 0% to 4.80%
- Postretirement Benefit Increases:

1. Guaranteed Annual Benefit Adjustment (GABA) each January
    - After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage each January, inclusive of other adjustments to the member's benefit.
        - 3% for members hired prior to July 1, 2007
        - 1.5% for members hired between July 1, 2007 and June 30, 2013
        - Members hired on or after July 1, 2013:
            - (a) 1.5% for each year PERS is funded at or above 90%;
            - (b) The 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%;
            - (c) 0% whenever the amortization period for PERS is 40 years or more.

Mortality

- Mortality assumptions among contributing members, service retired members and beneficiaries were based on RP-2000 Combined Employee and Annuitant Mortality Tables projected to 2020 with scale BB, males set back 1 year.
- Mortality assumptions among disabled members are based on RP-2000 Combined Mortality Tables with no projections.

The long-term rate of return as of June 30, 2021, was calculated using the average long-term capital market assumptions published in the *Survey of Capital Market Assumptions 2021 Edition* by Horizon Actuarial Services, LLC, yielding a median real return of 4.66%. The assumed inflation is based on the intermediate inflation assumption of 2.40% in the *2021 OASDI Trustees Report* used by the Chief Actuary for Social Security to produce 75-year cost projections. Combining these two results yields a nominal return of 7.06%. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2021, are summarized in the table below.

Asset Class	**Target Asset Allocation**	**Long-Term Expected Real Rate of Return Arithmetic basis**
Cash	3.0%	-0.33%
Domestic Equity	30.0%	5.90%
International Equity	17.0%	7.14%
Private Investments	15.0%	9.13%
Real Assets	5.0%	4.03%
Real Estate	9.0%	5.41%
Core Fixed Income	15.0%	1.14%
Non-Core Fixed Income	6.0%	3.02%
Total	100.00%	

Discount Rate

The discount rate used to measure the TPL was 7.06%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities will be made based on the Board's funding policy, which established the contractually required rates under Montana Code Annotated. The state contributed 0.10% of salaries paid by local governments and 0.37% paid by school districts.

In addition, the state contributed a statutory appropriation from the general fund. Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2126. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

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

The following presents the employer's sensitivity of the NPL to the discount rate in the table below. A small change in the discount rate can create a significant change in the liability. The NPL was calculated using the discount rate of 7.06%, as well as what the net pension liability would be if it were calculated using a discount rate 1.00% lower or 1.00% higher than the current rate.

	1.0% Decrease (6.06%)	Current Discount Rate (7.06%)	1.0% Increase (8.06%)
City of Missoula's Net Pension Liability	$ 34,186,783	$ 21,537,097	$ 10,926,946
Missoula Redevelopment Agency's Net Pension Liability	$ 549,810	$ 346,371	$ 175,733

PERS Disclosure for the Defined Contribution Plan

The Agency contributed to the state of Montana Public Employee Retirement System Defined Contribution Retirement Plan (PERS-DCRP) for employees that have elected the DCRP. The PERS-DCRP is administered by the PERB and is reported as a multiple-employer plan established July 1, 2002, and governed by Title 19, chapters 2 & 3, MCA.

All new PERS members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be participants of both the defined benefit and defined contribution retirement plans.

Member and employer contribution rates are specified by state law and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers. The state Legislature has the authority to establish and amend contribution rates.

Benefits are dependent upon eligibility and individual account balances. Participants are vested immediately in their own contributions and attributable income. Participants are vested after 5 years of membership service for the employer's contributions to individual accounts and the attributable income. Non-vested contributions are forfeited upon termination of employment per 19-3-2117(5), MCA. Such forfeitures are used to cover the administrative expenses of the PERS-DCRP.

At the plan level for the measurement period ended June 30, 2021, the PERS-DCRP employer did not recognize any net pension liability or pension expense for the defined contribution plan. Plan level non-vested forfeitures for the 340 employers that have participants in the PERS-DCRP totaled $1,103,889.

Pension Plan Fiduciary Net Position

The standalone financial statements of the Montana Public Employees Retirement Board (PERB) ACFR and the GASB 68 Report disclose the Plan's fiduciary net position. The reports are available from the PERB at PO Box 200131, Helena MT 59620-0131, (406) 444-3154 or the MPERA website at http://mpera.mt.gov/about/annualreports1/annualreports.

8. INTERFUND TRANSACTIONS

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statue or budget requires to expend them. Transfers are also used to reimburse Urban Renewal District III for the fund's share of administrative costs. A summary of interfund transfers follows:

June 30, 2022	Transfers In	Transfers Out
Urban Renewal District II	$ 3,184,639	$ 400,000
Urban Renewal District III	5,370,226	-
Front Street URD	911,982	200,000
Riverfront URD	467,665	305,850
NRSS URD	1,286,840	25,000
Hellgate URD	-	69,140
Debt Service	3,302,917	13,524,279
Total	$ 14,524,269	$ 14,524,269

9. RISK MANAGEMENT

The Agency is exposed to various risks of loss related to torts, damage or loss of assets, errors and omissions, injuries to employees, employee medical claims, and natural disasters. The Agency manages these risks through participation with the City's risk management practices. Information related to the City's risk management is available in its ACFR.

10. POSTEMPLOYMENT BENEFITS

The Agency participates in the City of Missoula's defined benefit health plan. The single employer plan administered by the City is named the Health Benefits Plan for the Employees of the City of Missoula. Benefits and contributions rates are established by the City, with input from the Employee Benefits Committee, and are approved by City Council. The plan's financial information is included as part of the City's self-insurance internal service fund in the City of Missoula ACFR. Terminated employees of the Agency may remain on the City's health insurance plan for up to 18 months if they pay the monthly premiums. This benefit is required under the federal C.O.B.R.A. law. Retirees of the Agency may remain on the City's health plan as long as they wish, provided they pay the monthly premiums. State law requires the Agency to provide this benefit. There are no other postemployment benefits provided by the Agency. The Agency has eight employees participating in the plan, one retiree, and no C.O.B.R.A. participants.

The Agency adopted the provisions of GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits other than Pensions," in fiscal year 2018. GASB 75 addresses accounting and financial reporting for postemployment benefits other than pensions (OPEB) that are provided to the employees of state and local governments, establishing standards for measuring and recognizing liabilities, deferred inflows and outflows of resources, and expenses. For defined benefit OPEB plans, this statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Information on the City's health benefits plan for retirees is included below.

The City's medical plan is a self-funded PPO plan. The table below presents a high-level summary of the medical benefits offered in the plan year beginning July 01, 2021, which was used for the June 30, 2022 valuation. Dental benefits are not provided for retirees.

Medical Deductible (Individual/Family)	$750/$2,250
Out-of-Pocket Maximum (Individual/Family)	$3,170/$6,350
Coinsurance (In Network/Out of Network)	30%/50%
Prescription Deductible	$50
Prescription Copays (Tier 1/Tier 2/Tier 3)	10% (min $5)/20% (min $20)/50% (min $35)
Prescription Out-of-Pocket Maximum	$3,400/$6,800

The retiree contributes 81% of the total active premium, excluding dental coverage, and the City contributes the remaining 19% to the plan. The plan is financed on a pay-as-you-go basis with City and Agency contributions ensuring that adequate reserves are maintained in the plan. Reserves maintained by the City are not considered assets of the post-employment benefits plan since they are not contributed to a trust that meets the criteria in GASB 75, paragraph 4.

The retiree and Agency contribution rates for the plan for fiscal year 2022 were used for the June 30, 2022 valuation and are as follows.

Coverage	Retiree Contribution	MRA Contribution	Total Premium
Retiree	$ 901.42	$ 180.99	$ 938.33
Retiree, spouse	1,060.42	189.99	1,079.44
Retiree, spouse, child	1,125.92	189.99	1,138.15
Retiree, child	962.42	190.00	997.04
Each additional child	62.50	-	49.91

The following table reports the changes to the OPEB liability for fiscal year 2022, as well as deferred inflows and outflows of resources and OPEB expense recognized.

Changes in OPEB Liability		
OPEB Liability - Beginning Balance	$	153,529
Service cost		3,354
Interest (2.66%)		6,279
Difference between expected and actual experience		(57,272)
Changes in assumptions		(28,416)
Employer contributions		(7,699)
OPEB Liability - Ending Balance	$	69,775
Deferred Inflows of Resources		
Deferred Inflows of Resources - Beginning Balance	$	(48,199)
Change in assumptions		(28,416)
Current year amortization of assumption changes		4,036
Current year amortization of experience differences		17,660
Ending Balance	$	(54,919)
Deferred Outflow of Resources		
Deferred Outflow of Resources - Beginning Balance	$	27,759
Difference between expected and actual experience		(57,272)
Current year amortization of assumption changes		(5,287)
Ending Balance	$	(34,800)
OPEB Expense	$	(6,776)

The Agency's total OPEB liability is $69,775 as of June 30, 2022 and was determined by an actuarial valuation as of that date. The following assumptions and other inputs were used to calculate the total OPEB liability using the entry age normal cost method in the actuarial valuation.

Discount Rate	4.09% - S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2021
Payroll Growth	3.0% Source: The City
General Inflation	3.0% per year
Participation Rate	40% of eligible employees are assumed to elect healthcare coverage in retirement
Admin Trend Rate	3%
Mortality Rate	Male and Female RP-2000 Combined Employee and Annuitant Mortality Tables, projected to 2020 using scale BB, males set back 1 year

Medical Trend Rate	**Effective July 1**	**Trend Rate**
	2022	6.20%
	2023	5.83%
	2024	5.63%
	2025	5.44%
	2026	5.25%
	2027	5.06%
	2028	4.86%
	2029+	4.67%

Cost Sharing Projections related to the sharing of benefit-related costs are based on an established pattern of practice with the City of Missoula contributing 19% of retiree premiums

The table below shows the assumption changes from the beginning balance at June 30, 2021.

Changes of Assumptions	**2022**	**2021**	**2020**
Discount Rate	4.09%	2.18%	2.66%
Medical Trend	6.02%	6.40%	6.40%

The following tables disclose the sensitivity of the total OPEB liability to changes in the discount rate and the medical trend rate, showing how the total OPEB liability would change if the rates used were increased or decreased by 1%.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:

	1% Decrease (3.09%)	Discount Rate (4.09%)	1% Increase (5.09%)
Total OPEB Liability	$ 83,306	$ 69,775	$ 59,166

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates:

	1% Decrease (5.02%)	Trend Rate (6.02%)	1% Increase (7.02%)
Total OPEB Liability	$ 57,922	$ 69,775	$ 85,338

Changes in the total OPEB liability due to: (1) changes in actuarial assumptions or (2) differences between expected actuarial experience and actual experience are deferred and recognized in the OPEB expense over a closed period equal to the average expected remaining service lives of employees and retirees, starting with the current reporting period. The average remaining service lives as of June 30, 2022 was 7.04 years.

Amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in OPEB expense as follows.

June 30		**Actual to Expected Experience (Inflow)**		**Changes in Assumptions (Outflow)**		**Combined**
2022	$	(8,135)	$	(4,036)	$	(12,171)
2023		(8,135)		(4,036)		(12,171)
2024		(8,135)		(4,036)		(12,171)
2025		(8,135)		(4,036)		(12,171)
2026		(8,135)		(4,036)		(12,171)
2027		(8,135)		(4,036)		(12,171)
2028		(8,135)		(4,036)		(12,171)
2029		(327)		(163)		(490)
Total	$	(57,272)	$	(28,415)	$	(85,687)

The City of Missoula allocated the annual retired contributions and the liability to the component units based on the number of active participants in the plan as of June 30, 2022.

The schedule of changes in the total OPEB liability, presented as required supplementary information following the notes to the financial statements, presents a multi-year schedule of changes in the total OPEB.

11. RELATED PARTY TRANSACTIONS

The Agency paid the City of Missoula $331,107 for Administrative Services for fiscal year 2022 including $301,100 for administrative assistance, $6,520 for the Agency's pro-rata contribution to the City's employee health benefits fund, $4,767 for the City's worker's compensation fund, and $18,720 for other various expenses.

The City of Missoula provides the Agency with office space through a development agreement. The office space is currently being provided rent-free.

In June 2017, the City of Missoula acquired Mountain Water Company and assumed all of the notes between Mountain Water and the Agency. See Note 4 for additional information.

12. GOVERNMENTAL FUND BALANCE REPORTING AND SPENDING PRIORITIES

The Agency previously adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in government funds.

At June 30, 2022, the Agency had a total fund balance in Governmental funds of $14,434,562. In accordance with GASB Statement No. 54 this fund balance has been classified as follows:

Special Revenue Funds		
Nonspendable	$	8,175
Restricted		13,457,602
Debt Service		
Restricted		968,786
Total	$	14,434,563

13. SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 27, 2023, the date which the financial statements were available to be issued.

On October 3, 2022 the City of Missoula pursuant to Resolution 8627 approved the sale of a $1,583,471 tax increment urban renewal revenue refunding bond, Series 2022A and a $2,231,536 tax increment urban renewal revenue bond, Taxable Series 2022B. The bond Series 2022A was issued on October 18, 2022, the proceeds of which were used to refund the Series 2006 Mill Site Bonds and pay costs of issuing the Series 2022A. The bond series 2022B was issued on October 18, 2022, the proceeds of which will be used to reimburse the MRA for the purchase price of the Bridge Apartments and pay costs of issuing the Series 2022B Bond. The interest rate on the Series 2022A bond is 3.50% per annum. The interest rate on the Series 2022B bond is 4.50% per annum. Principal and interest on the 2022A and 2022B bond is payable and due in semi-annual installments on each January 1 and July 1, commencing January 1, 2023 from tax increment generated by Urban Renewal District II.

14. DEFICIT NET POSITION

As of June 30, 2022, the Agency had a deficit net position of $29,970,213. Liabilities and deferred inflows exceed assets and deferred outflows due to the inherent nature of the Agency. Debt is issued to fund urban renewal projects, which are not held as assets by the Agency. The debt held by the Agency is secured by tax increment revenues derived from related districts.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS SECTION

Missoula Redevelopment Agency

(A Component Unit of the City of Missoula)

BUDGETARY COMPARISON SCHEDULE – SPECIAL REVENUE FUNDS

	Urban Renewal District II				Urban Renewal District III			
	Budgeted Amounts			Variance with	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget	Original	Final	Actual	Final Budget
Budgetary Fund Balance - July 1, 2021	$ 3,327,420	$ 3,327,420	$ 3,327,420	$ -	$ 4,035,023	$ 4,035,023	$ 4,035,023	$ -
Resources (Inflows):								
Miscellaneous	-	-	-	-	-	-	-	-
Investment earnings (expense)	-	-	-	-	-	-	-	-
Tax increment property tax	-	-	-	-	-	-	-	-
State contribution PERS	-	-	-	-	450	450	491	41
State personal property tax reimbursement	-	-	-	-	-	-	-	-
Grant	-	-	-	-	-	-	-	-
State entitlement	-	-	-	-	-	-	-	-
Long-term debt proceeds	-	-	-	-	-	-	-	-
Transfers in	3,442,178	3,269,895	3,184,639	(85,256)	5,401,888	5,350,208	5,370,226	20,018
Amounts Available for Appropriation	$ 6,769,598	$ 6,597,315	6,512,059	$ (85,256)	$ 9,437,361	$ 9,385,681	9,405,740	$ 20,059
Charges to Appropriations (Outflows):								
Housing and community development	$ 3,032,392	$ 1,745,534	2,147,620	$ 402,086	$ 1,350,486	$ 1,345,491	1,602,998	$ 257,507
Capital outlay	4,073,607	4,451,781	2,718,572	(1,733,209)	8,082,233	7,540,190	252,907	(7,287,283)
Transfers to other governments	-	-	-	-	-	-	-	-
Transfers out	400,000	400,000	400,000	-	-	-	-	-
Total Charges to Appropriations	$ 7,505,999	$ 6,597,315	5,266,192	$ (1,331,123)	$ 9,432,719	$ 8,885,681	1,855,905	$ (7,029,776)
Budgetary Fund Balance - June 30, 2022			$ 1,245,867				$ 7,549,835	

Budget and Actual are presented on the budget basis of accounting. The Agency prepares its budget on the cash basis. Generally accepted accounting principles (GAAP) require the use of the modified accrual basis of accounting for governmental fund financial statements.

Missoula Redevelopment Agency

(A Component Unit of the City of Missoula)
BUDGETARY COMPARISON SCHEDULE – SPECIAL REVENUE FUNDS
(Continued)

	Front Street District				Riverfront Triangle District			
	Budgeted Amounts			Variance with	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget	Original	Final	Actual	Final Budget
Budgetary Fund Balance - July 1, 2021	$ 677,622	$ 677,622	$ 677,622	$ -	$ 457,685	$ 457,685	$ 457,685	$ -
Resources (Inflows):								
Miscellaneous	-	-	-	-	-	-	-	-
Investment earnings (expense)	-	-	-	-	-	-	-	-
Tax increment property tax	-	-	-	-	-	-	-	-
State contribution PERS	-	-	-	-	-	-	-	-
State personal property tax reimbursement	-	-	-	-	-	-	-	-
Grant	-	-	-	-	-	-	-	-
State entitlement	-	-	-	-	-	-	-	-
Long-term debt proceeds	-	-	-	-	-	-	-	-
Transfers in	809,994	776,454	911,982	135,528	373,123	373,391	467,665	94,274
Amounts Available for Appropriation	$ 1,487,616	$ 1,454,076	1,589,604	$ 135,528	$ 830,808	$ 831,076	925,350	$ 94,274
Charges to Appropriations (Outflows):								
Housing and community development	$ 1,365,987	$ 1,454,077	358,895	$ (1,095,182)	$ 100,000	$ 100,000	115,955	$ 15,955
Capital outlay	-	-	-	-	382,757	425,226	-	(425,226)
Transfers to other governments	-	-	200,000	200,000	-	-	-	-
Transfers out	-	-	-	-	305,850	305,850	305,850	-
Total Charges to Appropriations	$ 1,365,987	$ 1,454,077	558,895	$ (895,182)	$ 788,607	$ 831,076	421,805	$ (409,271)
Budgetary Fund Balance - June 30, 2022			$ 1,030,709				$ 503,545	

Budget and Actual are presented on the budget basis of accounting. The Agency prepares its budget on the cash basis. Generally accepted accounting principles (GAAP) require the use of the modified accrual basis of accounting for governmental fund financial statements.

Missoula Redevelopment Agency

(A Component Unit of the City of Missoula)
BUDGETARY COMPARISON SCHEDULE – SPECIAL REVENUE FUNDS
(Continued)

	North Reserve Scott Street District				Hellgate District			
	Budgeted Amounts			Variance with	Budgeted Amounts			Variance with
June 30, 2022	Original	Final	Actual	Final Budget	Original	Final	Actual	Final Budget
Budgetary Fund Balance - July 1, 2021	$ 1,354,543	$ 1,354,543	$ 1,354,543	$ -	$ 632,430	$ 632,430	$ 632,430	$ -
Resources (Inflows):								
Miscellaneous	-	-	-	-	-	-	-	-
Investment earnings (expense)	-	-	-	-	-	-	-	-
Tax increment property tax	-	-	-	-	486,240	475,344	469,559	(5,785)
State contribution PERS	-	-	-	-	-	-	-	-
State personal property tax reimbursement	-	-	-	-	-	6,707	6,737	30
Grant	-	-	-	-	-	-	-	-
State entitlement	-	-	-	-	-	-	-	-
Long-term debt proceeds	-	-	-	-	-	-	-	-
Transfers in	1,047,862	1,018,391	1,286,840	268,449	-	-	-	-
Amounts Available for Appropriation	$ 2,402,405	$ 2,372,934	2,641,383	$ 268,449	$ 1,118,670	$ 1,114,481	1,108,726	(5,755)
Charges to Appropriations (Outflows):								-
Housing and community development	$ 2,385,719	$ 2,372,935	356,736	$ (2,016,199)	$ 153,955	$ 153,955	163,412	$ 9,457
Capital outlay	-	-	-	-	850,645	885,526	-	(885,526)
Transfers to other governments	-	-	-	-	-	-	-	-
Transfers out	25,000	25,000	25,000	-	75,000	75,000	69,140	(5,860)
Total Charges to Appropriations	$ 2,410,719	$ 2,397,935	381,736	$ (2,016,199)	$ 1,079,600	$ 1,114,481	232,552	$ (881,929)
Budgetary Fund Balance - June 30, 2022			$ 2,259,647				$ 876,174	

Budget and Actual are presented on the budget basis of accounting. The Agency prepares its budget on the cash basis. Generally accepted accounting principles (GAAP) require the use of the modified accrual basis of accounting for governmental fund financial statements.

Missoula Redevelopment Agency

(A Component Unit of the City of Missoula)

BUDGETARY COMPARISON SCHEDULE – BUDGET-TO-GAAP RECONCILIATION – SPECIAL REVENUE FUNDS

June 30, 2022	Urban Renewal District II	Urban Renewal District III	Front Street District	Riverfront Triangle District	N. Reserve Scott Street District	Hellgate District
Sources/Inflows of Resources						
Actual available for appropriation from the budgetary comparison schedule	$ 6,512,059	$ 9,405,740	$ 1,589,604	$ 925,350	$ 2,641,383	$ 1,108,726
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(3,327,420)	(4,035,023)	(677,622)	(457,685)	(1,354,543)	(632,430)
Transfers from other funds are inflows of budgetary resource but are not revenues for financial reporting purposes	(3,184,639)	(5,370,226)	(911,982)	(467,665)	(1,286,840)	-
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	$ -	$ 491	$ -	$ -	$ -	$ 476,296
Uses/Outflows of Resources						
Actual total charges to appropriations from the budgetary comparison schedule	$ 5,266,192	$ 1,855,905	$ 558,895	$ 421,805	$ 381,736	$ 232,552
Transfers to other governments are outflows of budgetary resources but are not expenditures for financial reporting purposes	-	-	(200,000)	-	-	-
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(400,000)	-	-	(305,850)	(25,000)	(69,140)
Total Expenditures as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	$ 4,866,192	$ 1,855,905	$ 358,895	$ 115,955	$ 356,736	$ 163,412

Missoula Redevelopment Agency

(A Component Unit of the City of Missoula)

SCHEDULE OF CHANGES IN OTHER POST EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS FOR THE LAST TEN FISCAL YEARS

June 30	**2022**	**2021**	**2020**	**2019**	**2018**
OPEB Liability - Beginning Balance	$ 153,529	$ 154,239	$ 160,783	$ 154,831	$ 37,224
Restatement - change in accounting principle	-	-	-	-	110,299
Restated - Beginning Balance	153,529	154,239	160,783	154,831	147,523
Service cost	3,354	8,581	8,571	8,955	9,097
Interest	6,279	3,362	3,878	5,202	5,090
Deferred Inflows - difference between expected and actual experience	(28,416)	(21,640)	(33,250)	(7,572)	(3,823)
Deferred Outflow - changes in assumptions	(57,272)	14,170	19,780	2,668	82
Employer contributions	(7,699)	(5,183)	(5,523)	(3,301)	(3,138)
Net Change	(83,754)	(710)	(6,544)	5,952	7,308
Ending Balance	$ 69,775	$ 153,529	$ 154,239	$ 160,783	$ 154,831
Covered Payroll	523,676	503,411	489,342	406,381	395,024
Total Other Post-Employment Benefits Liability as a percentage of Covered Payroll	13.3%	30.5%	31.5%	39.6%	39.2%

Note to Schedule: Assets are not accumulated in a trust to pay related benefits that meets the criteria in GASB 75, paragraph 4.

**The amounts presented above for each fiscal year were determined as of June 30th. The schedule is intended to show information for 10 years, additional years will be displayed as they become available.*

Missoula Redevelopment Agency

(A Component Unit of the City of Missoula)

SCHEDULE OF PROPORTIONATE SHARE OF PERS NET PENSION LIABILITY FOR THE LAST TEN FISCAL YEARS

June 30	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability as a percentage	0.01910%	0.02245%	0.02268%	0.02231%	0.02584%	0.02805%	0.02372%	0.02343%
Employer's net pension liability as an amount	$ 346,371	$ 592,149	$ 474,115	$ 465,741	$ 503,250	$ 477,765	$ 331,558	$ 291,968
State of Montana's net pension liability associated with the Agency	102,200	186,683	154,456	156,105	6,819	5,838	4,073	3,565
Total	$ 448,571	$ 778,832	$ 628,571	$ 621,846	$ 510,069	$ 483,603	$ 335,631	$ 295,533
Employer's covered payroll**	$ 336,916	$ 376,591	$ 374,241	$ 366,991	$ 320,532	$ 335,973	$ 279,336	$ 265,198
Employer's proportionate share as a percentage of covered payroll	102.81%	157.24%	126.69%	126.91%	157.00%	142.20%	118.70%	110.09%
Plan fiduciary net position as a percentage of the total pension liability	77.22%	76.03%	75.43%	74.90%	98.66%	98.79%	98.79%	98.79%

**The amounts presented for each fiscal year were determined as of June 30, the measurement date.*

***All employer adjustments made in the current fiscal year 2020 but are adjusting a payroll with a pay date in a prior fiscal year, are considered prior year adjustments and are removed from the covered payroll report before the actuary calculates the employers proportionate share.*

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Missoula Redevelopment Agency

(A Component Unit of the City of Missoula)

SCHEDULE OF CONTRIBUTIONS FOR THE LAST TEN FISCAL YEARS

June 30	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	$ 29,902	$ 32,994	$ 32,187	$ 31,083	$ 26,829	$ 30,804	$ 24,657	$ 22,861
Contributions in relation to the contractually required contributions	29,902	32,994	32,187	31,083	26,829	30,804	24,657	22,861
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered-employee payroll**	$ 336,916	$ 376,591	$ 374,241	$ 366,991	$ 320,532	$ 335,973	$ 279,336	$ 265,198
Contributions of covered-employee payroll	8.88%	8.76%	8.60%	8.47%	8.37%	9.17%	8.83%	8.62%

**The amounts presented for each fiscal year were determined as of June 30, the most recent fiscal year end.*

***All employer adjustments made in the current fiscal year 2020 but are adjusting a payroll with a pay date in a prior fiscal year, are considered prior year adjustments and are removed from the covered payroll report before the actuary calculates the employers proportionate share.*

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Changes of Benefit Terms

The following changes to the plan provisions were made as identified:

2017 Legislative Changes:

Working Retiree Limitations – for PERS

Effective July 1, 2017, if a PERS retiree returns as an independent contractor to what would otherwise be PERS-covered employment, general contractor overhead costs are excluded from PERS working retiree limitations.

Refunds

1) Terminating members eligible to retire may, in lieu of receiving a monthly retirement benefit, refund their accumulated contributions in a lump sum.

2) Terminating members with accumulated contributions between $200 and $1,000 who wish to rollover their refund must do so within 90 days of termination of service.

3) Trusts, estates, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

Interest Credited To Member Accounts

Effective July 1, 2017, the interest rate credited to member accounts increased from 0.25% to 0.77%.

Lump-Sum Payouts

Effective July 1, 2017, lump-sum payouts in all systems are limited to the member's accumulated contributions rate than the present value of the member's benefit.

Disabled PERS Defined Contribution (DC) Members

PERS members hired after July 1, 2011 have a normal retirement age of 65. PERS DC members hired after July 1, 2011 who became disabled were previously only eligible for a disability benefit until age 65. Effective July 1, 2017, these individuals will be eligible for a disability benefit until they reach 70, thus ensuring the same 5-year time period available to PERS DC disabled members hired prior to July 1, 2011 who have a normal retirement age of 60 and are eligible for a disability benefit until age 65.

Changes in Actuarial Assumptions and Methods

Method and assumptions used in calculations of actuarially determined contributions

The following Actuarial Assumptions were adopted from the June 2016 Experience Study:

General Wage Growth*	3.50%
Investment Rate of Return*	7.65%
*Includes inflation at	2.75%
Merit salary increases	0% to 8.47%
Asset valuation method	4-year smoothed market
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay, open
Remaining amortization period	30 years
Mortality (healthy members)	For males and females: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year
Mortality (disabled members)	Form males and females: RP 2000 Combined Mortality Table
Admin expenses as % of payroll	0.28%

Administrative expenses are recognized by an additional amount added to the normal cost contribution rate for the System. This amount varies from year to year based on the prior year's actual administrative expenses

SUPPLEMENTARY INFORMATION SECTION

Missoula Redevelopment Agency

(A Component Unit of the City of Missoula)

BALANCE SHEET – COMBINING DEBT SERVICE

June 30, 2022	URD II Bonds	Safeway St. Patrick Hospital Bonds	Front Street Notes & Bonds	Inter-Mountain Bonds	URD III Bonds	N. Reserve Scott Street Bonds	Riverfront Bonds	Total
ASSETS								
Current Assets								
Cash and investments	$ -	$ 66,119	$ 137,351	$ -	$ -	$ 1	$ 700	$ 204,171
Taxes/assessments receivable - net	278,506	-	56,706	-	187,912	15,221	43,690	582,035
Other current assets	-	-	89,970	-	-	-	-	89,970
Due from other governments	111,237	-	37,644	-	189,698	92,479	86,716	517,774
Total Current Assets	389,743	66,119	321,671	-	377,610	107,701	131,106	1,393,950
Noncurrent Assets								
Restricted cash	674,645	-	-	-	-	-	-	674,645
TOTAL ASSETS	$ 1,064,388	$ 66,119	$ 321,671	$ -	$ 377,610	$ 107,701	$ 131,106	$ 2,068,595
LIABILITIES								
Current Liabilities								
Interfund payable	$ 174,858	$ -	$ 60,385	$ -	$ 277,371	$ 105,869	$ 125,423	$ 743,906
Accrued interest payable	-	-	-	-	-	-	-	-
Total Current Liabilities	174,858	-	60,385	-	277,371	105,869	125,423	743,906
Deferred Inflow of Resources								
Uncollected tax revenue	214,885	-	33,965	-	100,239	1,831	4,983	355,903
Total Deferred Inflow of Resources	214,885	-	33,965	-	100,239	1,831	4,983	355,903
Fund Balances								
Restricted	674,645	66,119	227,321	-	-	1	700	968,786
Total Fund Balances	674,645	66,119	227,321	-	-	1	700	968,786
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	$ 1,064,388	$ 66,119	$ 321,671	$ -	$ 377,610	$ 107,701	$ 131,106	$ 2,068,595

Missoula Redevelopment Agency

(A Component Unit of the City of Missoula)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – COMBINING DEBT SERVICE

Year Ended June 30, 2022	URD II Bonds	Brownfields RLF Note	Safeway St. Patrick Hospital Bonds	Front Street Notes & Bonds	Inter-Mountain Bonds	URD III Bonds	N. Reserve Scott Street Bonds	Riverfront Bonds	Total
Revenues									
Tax increment property tax	$ 3,819,646	$ -	$ -	$ 1,600,703	$ -	$ 5,180,959	$ 1,536,383	$ 452,790	$12,590,481
State Entitlement/CMAQ Funds	255,260	-	-	-	-	-	-	-	255,260
State Personal Property Tax Reimbursement	230,884	-	-	63,387	-	349,156	20,235	14,874	678,536
Miscellaneous	-	-	4,767	-	-	-	-	-	4,767
Total Revenues	4,305,790	-	4,767	1,664,090	-	5,530,115	1,556,618	467,664	13,529,044
Expenditures									
Current									
Interest expense	211,159	21,978	68,644	486,416	49,666	695,694	337,930	54,561	1,926,048
Principal expense	468,000	141,113	70,000	401,509	97,000	538,984	234,145	39,829	1,990,580
Miscellaneous	-	-	-	-	-	-	-	-	-
Total Expenditures	679,159	163,091	138,644	887,925	146,666	1,234,678	572,075	94,390	3,916,628
Excess (Deficiency) of Revenues Over Expenditures	3,626,631	(163,091)	(133,877)	776,165	(146,666)	4,295,437	984,543	373,274	9,612,416
Other Financing Sources (Uses)									
Transfers in	679,158	163,091	132,237	752,108	146,665	1,159,879	269,779	-	3,302,917
Transfers out	(4,305,790)	-	-	(1,664,090)	-	(5,530,115)	(1,556,619)	(467,665)	(13,524,279)
Total Other Financing Sources (Uses)	(3,626,632)	163,091	132,237	(911,982)	146,665	(4,370,236)	(1,286,840)	(467,665)	(10,221,362)
Net Change in Fund Balances	(1)	-	(1,640)	(135,817)	(1)	(74,799)	(302,297)	(94,391)	(608,946)
Fund Balances									
Beginning of Year	674,646	-	67,759	363,138	1	74,799	302,298	95,091	1,577,732
End of Year	$ 674,645	$ -	$ 66,119	$ 227,321	$ -	$ -	$ 1	$ 700	$ 968,786

Missoula Redevelopment Agency

(A Component Unit of the City of Missoula)

BUDGETARY COMPARISON SCHEDULE – DEBT SERVICE

	Major Debt Service			
	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Budgetary Fund Balance - July 1, 2021	$ 1,577,732	$ 1,577,732	$ 1,577,732	$ -
Resources (Inflows):				
Miscellaneous	3,126	4,767	4,767	-
Tax increment property tax	13,066,129	12,761,242	12,590,481	(170,761)
State personal property tax reimbursement	528,472	678,536	678,536	-
State entitlement	255,260	255,260	255,260	-
Transfers in	3,780,667	3,912,551	3,302,917	(609,634)
Amounts Available for Appropriation	$ 19,211,386	$ 19,190,088	18,409,693	$ (780,395)
Charges to Appropriations (Outflows):				
Debt service expenditures	$ 3,783,794	$ 3,918,957	3,916,628	$ (2,329)
Transfers out	13,849,862	13,674,804	13,524,279	(150,525)
Total Charges to Appropriations	$ 17,633,656	$ 17,593,761	17,440,907	$ (152,854)
Budgetary Fund Balance - June 30, 2022			$ 968,786	

Missoula Redevelopment Agency

(A Component Unit of the City of Missoula)

BUDGETARY COMPARISON SCHEDULE – BUDGET-TO-GAAP RECONCILIATION – DEBT SERVICE

June 30, 2022

Sources/Inflows of Resources		
Actual available for appropriation from the budgetary comparison schedule	$	18,409,693
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes		(1,577,732)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes		(3,302,917)
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	$	13,529,044
Uses/Outflows of Resources		
Actual total charges to appropriations from the budgetary comparison schedule	$	17,440,907
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes		(13,524,279)
Total Expenditures as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	$	3,916,628

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners
Missoula Redevelopment Agency
Missoula, Montana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Missoula Redevelopment Agency (the Agency), a component unit of the City of Missoula, Montana, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated March 27, 2023.

Report on 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 (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Report on 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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KCoe Isom, LLP

March 27, 2023
Missoula, Montana