ANNUAL FINANCIAL STATEMENTS
Year Ended June 30, 2024

Missoula Redevelopment Agency, Missoula MT
(A Component Unit of the City of Missoula)

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March 28, 2025

To the City of Missoula Council Members, the Board of Commissioners of the Missoula Redevelopment Agency, and the Citizens of the City of Missoula:

The Financial Report of the Missoula Redevelopment Agency (the Agency) for the fiscal year ended June 30, 2024 is hereby submitted. The financial statement and supporting schedules have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and meet the requirements of the standards as prescribed by the Secretary of State Audits Division. We believe the enclosed data, as presented, is accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Agency. All disclosures necessary to enable the reader to gain an understanding of the Agency's financial activities have been included.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Eide Bailly LLP, Certified Public Accountants, have issued an unmodified or “clean” opinion on the Agency’s financial statements for the fiscal year ended June 30, 2024. The independent auditors report is located at the front of the Financial Section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

THE MISSOULA REDEVELOPMENT AGENCY PROFILE

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.

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 district, 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 Agency has six active urban renewal districts (URDs): URD II in 1991, URD III in 2000, Front Street Agency in 2007, Riverfront Triangle Agency in 2008, North Reserve – Scott Street Urban Renewal District in 2014 and Hellgate Urban Renewal District in 2014.

FINANCIAL POLICIES

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 (Government-wide financial statements) 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.

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. This is to ensure the public components of a project are completed in accordance with a developer’s application, board action and state law. Committed project funds that are not expended or reimbursed during the year are carried over to the next fiscal year.

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 Urban Renewal Districts.

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.

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. In fiscal year 2024, the Agency remitted $8,055,110 to the taxing jurisdictions.

Taxing policies adopted by the Montana State Legislature, for example those that decrease the valuation of personal property or business equipment, have influenced 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 because 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 2024, all the Agency's urban renewal districts receive state reimbursements through the Entitlement Share program. The reimbursements are tracked discretely.

MONTANA LEGISLATIVE IMPACT

2023 Legislative Session

House Bill 212

Introduced during the 2023 legislative session by Joshua Kassmier (R), this bill proposed increasing the class eight business equipment tax exemption; providing a reimbursement to local governments and tax increment financing districts under the entitlement share program, to school districts through the guaranteed tax base aid, and to the Montana University system for the loss of revenue; amending sections 15-1-123, 15-6-138, 15-10-420, and 20-9-366, MCA; amending sections 12AND 13, chapter 506, laws of 2021; repealing sections 2, 6, 7, 8, and 14, chapter 506, laws of 2021; and providing an applicability date. This bill was signed into law on March 13, 2023. https://leg.mt.gov/bills/2023/billpdf/HB0212.pdf

Agency Note: House Bill 212 increases the tax exemption of the class eight property of a person or business entity from the first $300,000 in market value to the first $1,000,000 in market value.

Senate Bill 54

Introduced during the 2023 legislative session by Greg Hertz (R), this bill proposed revising the reappraisal cycle for certain centrally assessed property; providing for a 2-year reappraisal cycle for certain centrally assessed property; amending sections 15-1-210, 15-1-402, 15-7-102, 15-7-111, 15-8-112, 15-15-102, 15-23-101, 15-23-103 and 15-23-212, MCA; and providing an applicability date. This bill was singed into laws on May 4, 2023. https://leg.mt.gov/bills/2023/billpdf/SB0054pdf

Senate Bill 505

Introduced during the 2023 legislative session by Greg Hertz (R), this bill proposed revising laws related to the calculation of tax increment for districts that use tax increment financing; clarifying the applicability of exclusions from tax increment financing; amending sections 7-15-4286 and 71-3-1506 MCA; and providing an immediate effective date. This bill was signed into law on May 19, 2023. https://leg.mt.gov/bills/2023/billpdf/SB0505.pdf

Agency Note: Senate Bill 505 provided language clarifying the circumstances in which voted mill levies are excluded from the calculation of tax increment.

House Bill 819
Introduced during the 2023 legislative session by Paul Green (R), this bill proposed providing for the Montana Community Reinvestment Plan; providing for attainable workforce housing; providing for distribution of funds to community reinvestment organizations; providing for community reinvestment organization requirements; providing for state workforce housing incentive revolving accounts; creating the Montana housing infrastructure revolving account in the state special revenue fund type; providing for duties for the board of investments and the Governor's office of economic development; providing eligibility requirements for the use of funds; providing for deed restrictions; providing for planning grants from the department of commerce; authorizing additional funding for low- income and moderate-income housing loans from the permanent coal tax fund; amending terms of loans; providing additional funding for state workforce housing; providing definitions; providing for transfers of funds; providing appropriations; amending sections 17-6-308 and 90-6-137, MCA; and providing an immediate effective date. This bill was signed into law on June 13, 2023.
https://leg.mt.gov/bills/2023/billpdf/HB0819.pdf

Agency Note: "Workforce housing" was added to the list of infrastructure types eligible for tax increment financing funding by Senate Bill 388 in the 2021 legislative session but was not defined. HB 819 provides definitions of "attainable workforce housing" and "eligible household" that, when read together, indicate that workforce housing means housing at a cost not exceeding 30% of gross monthly income for households earning between 60% and 140% of median household income. These law changes prompted the creation of the Agency's new Workforce Housing Program, adopted in September 2023. HB 819 also allows Montana Board of Investments to purchase bonds, including tax increment bonds, at a subsidized interest rate to help fund infrastructure for projects that include a workforce housing component.

MAJOR INITIATIVES

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 several 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.

Agency Activities

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 and have well established revenue streams. The City has issued Tax Increment Revenue Bonds in both districts, extending their lives to 2031 and 2040, respectively. 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 enjoyed by other parts of the original URD I. The City has issued bonds in both districts which extends the life of those districts beyond the initial 15 years. They will expire in 2046 and 2043, respectively. 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 2049 unless additional debt is issued prior to 2029.

With the expiration of URD II looming, the Agency developed a 9-Year Strategic Exit Plan during fiscal year 2022 (FY22) 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. The top priority project in that Exit Plan is the conversion of the Bitterroot Rail Trestle over the Clark Fork River to become part of the Bitterroot Trail system from downtown Missoula to Hamilton, MT. Staff began work with the owner of the trestle, Montana Rail Link (MRL), in FY22 and in FY23, the MRA entered into a professional services contract with HDR Engineering to produce a study working with Montana Rail Link, the Montana Department of Transportation and appropriate City departments to determine the feasibility of this shared use. Phase I of the feasibility study was completed in FY24 and the MRA continues to work with MRL to bring the project to fruition. In addition to adding the MRL trestle to the trail system, the Exit Plan prioritized lighting of the trail from downtown to Reserve Street. Funding for design and construction of that project occurred in FY24 with construction to be completed in FY25.

In an effort to address another priority in the Exit Plan, MRA entered into a multi-agency partnership to design and secure funding for the West Broadway River Corridor project. This partnership includes City Departments (MRA, Parks, Public Works), MT Fish Wildlife & Parks and Trout Unlimited. This project is designed to improve ecological, recreational and safety conditions along the Clark Fork River between McCormick Park and the California Street Bridge by addressing missing trail connections, maximizing the use of the West Broadway Island, multiple riverbank improvements, improved functionality of the river access in Silver Park and the feasibility of a recreational feature in the river. The MRA Board approved $300K from URD II to fund the initial planning required to seek funds for the desired improvements. Three alternatives were developed through a public input process and identification of a preferred alternative is expected in FY25.

The critical need for housing in Missoula has become a major priority of the City. The Exit Strategy set aside $4M in TIF funds for opportunistic property purchases. In addition to MRA allocating funds for land purchases, the FY21 and FY23 sessions of the State Legislature added construction of workforce housing to the projects that TIF could fund. MRA spent a great deal of time in FY24 developing guidelines for a workforce housing program that would guide the use of TIF funds to build housing for Missoula's workforce. The first workforce rental project utilizing TIF funds for vertical construction was approved in URD II in FY24.

MRA made a commitment to build out the missing sidewalks in URD II and URD III during the Great Recession. That program was expanded to include missing water mains in an effort to leave these two urban renewal districts in a position to accommodate higher density development, both residential and commercial, once TIF funding is no longer available. We are already seeing reinvestment in those areas served by sidewalks, adequate water service and fire protection.

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, biking or transit. Brooks Street is the spine of Midtown and creates a major barrier between neighborhoods, schools, access to trails and parks and commercial developments. In FY22, a dedicated group of people led by the Missoula Midtown Association and the MRA, committed to two ambitious plans. One was the creation of a vision for Midtown through the development of a Midtown Master Plan which was adopted in June, 2023. The other plan is the Brooks TOD/BRT Corridor Project to transform Brooks into a Transit Oriented Development (TOD) corridor with a Bus Rapid Transit (BRT) system on Brooks. MRA and Mountain Line received a $847,000 Federal RAISE planning grant to carry this design forward to position the City to apply for federal capital grant funds. The commitment in FY23 of matching funds from MRA and Mountain Line were likely significant factors in the success of the grant application. That design work spanned all of FY24 with the hope of applying for Federal capital funds.

Investment in Midtown continues to grow, particularly with the predictability that the adoption of the Master Plan brings to the area. There is no better indication of that than the decision by First Security Bank to build their new corporate headquarters in the heart of Midtown. This $23M project is one of the first buildings in Montana to use cross-laminated timber construction and will receive just over $700K in TIF funding for deconstruction of the old buildings and public infrastructure and utility improvements upon final completion in FY26.

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. The current Master Plan also recommended that Higgins from Broadway to Brooks be converted to an improved two-lane street with dedicated bicycle facilities and left turn lanes. The Front and Main conversion design was funded using TIF funds from the three urban renewal districts impacted by the couplet. MRA and other City staff understood that these projects were not feasible without Federal funding; consequently, both projects were combined along with other multi-modal connections resulting in an application for a Federal RAISE Grant in mid-FY23. In June, 2023, the City received the announcement that a $25M grant had been approved for the projectnow known as Downtown SAM (Safety, Access & Mobility). The MRA Board approved a commitment of $1M of TIF funds as a match, making the application much more competitive. Much of FY24 has been spent getting the grant agreement in place, selecting a design team and contractor and designing the process by which the project will be carried out. Downtown SAM is a project that will impact numerous businesses, residents and property owners; consequently, a robust public process will be essential.

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 most of the balance in single ownership by a private entity. The City has watched potential redevelopment efforts fail due to downturns in the economy, softening markets and, most recently, the COVID 19 pandemic. Staff has seen renewed interest from several large investors and developers at levels that we have not seen in the past. During FY24, MRA worked primarily with a development group interested in placing a major hospitality project on the City owned portion of the triangle.

Throughout FY24, MRA expanded the relationship with the Missoula Economic Partnership by entering into a formal partnership for MEP to identify and vet potential private sector partners to facilitate larger redevelopment projects in multiple urban renewal districts. MRA and MEP have been pursuing opportunities primarily in URD III, the Front Street URD, and the NRSS URD. One major focus of that partnership has centered around the redevelopment of the old library block donated to the City by the Payne family several years ago. A similar partnership resulted in the relationship between the City and Ravara for the development of a 9-acre portion of the 19-acre tract purchased by the City in the NRSS URD using TIF funding in FY20. That project will result in 89 townhomes and condominium units located on property held by a community land trust. 45 of the residences will be permanently income qualified owner-occupied workforce housing units. Much of FY24 has been spent working through the components of this complex project in an unpredictable economic climate. It is anticipated that the first of these residential units will be on the market in FY26.

Late in FY24, Roseburg Forest Products announced that they would be closing their plant in the NRSS URD. In addition to the manufacturing facility, Roseburg owns 235 acres of property in the middle of the URD. This property is currently in Missoula County; however, when the District was created, the study of blight was conducted on the entire area bounded by I-90, N. Reserve Street, Broadway and Scott Street in the event that any of the properties in the County wanted to be annexed into the City and into the urban renewal district. The City, MRA and Roseburg are currently in discussions about annexation into both the City and the District in order to access available TIF funding to build the infrastructure necessary for development. This is a once in a generation opportunity for the City to create a new neighborhood that can meet so many of the City's goals and needs.

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 redevelop the City owned portion of the Riverfront Triangle URD. A major focus of the Agency will continue to be the 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 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. And, last but not least, MRA and the City will work with Roseburg Forest Products to create the best redevelopment possible in the North Reserve-Scott Street URD.

Ellen Buchanan, Director
Missoula Redevelopment Agency

Name	Position
Elected Officials	
Karl Englund	Commissioner
Natasha Prinzing Jones	Commissioner
Ruth Reineking	Commissioner
Melanie Brock	Commissioner
Jack Lawson	Commissioner
Officer	
Ellen Buchanan	Director

Financial Section

Year Ended June 30, 2024

Missoula Redevelopment Agency

Independent Auditor's Report

To the Board of Commissioners
Missoula Redevelopment Agency
Missoula, Montana

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information related to special revenue funds, the schedule of changes in other post-employment benefits liability and related ratios for the last ten fiscal years, the schedule of proportionate share of the PERS net pension liability for the last ten fiscal years, the schedule of contributions for the last ten fiscal years, and the notes to the required supplementary information 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 GAAS, 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 combining statements as listed in the table of contents 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 GAAS. In our opinion, the supplementary information as listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2025 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, grant agreements, and other matters. The purpose of that report is solely 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 effectiveness of the Agency's 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.

Eide Bailly LLP

Billings, Montana
March 28, 2025

The purpose of management's discussion and analysis (MD&A) is to help the readers understand what the financial statements and notes in this financial report say about the Missoula Redevelopment Agency's (the Agency) financial health and why it changed since last year. It contains information drawn from those other parts of the report, accompanied by explanations informed by the staff's knowledge of the Agency's finances.

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.

If you have questions about this report or require further information, contact the Agency at 140 W. Pine Street, Missoula, MT. 59802 or (406) 552-6160. In addition, this report is available online at https://www.ci.missoula.mt.us/86/Missoula-Redevelopment-Agency.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended as an introduction to the Agency's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. In addition to the basic financial statements, also provided are required and other supplementary information.

Government-Wide Financial Statements

The *Statement of Net Position* presents information on all the Agency's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating. When reviewing the Agency's overall financial position 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 *Statement of Activities* reports how the Agency's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

Fund Financial Statements

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

Governmental funds are used for the Agency's basic services and are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending.

These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Agency's general government operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Agency's programs. Because this information does not encompass the long-term focus of the government-wide statements, additional information is provided that reconciles the governmental fund financial statements to the government-wide statements explaining the relationship (or differences) between them.

Notes to the Basic Financial Statements

The next section of this financial report contains notes to financial statements, which delve deeper into the Agency's finances as reported in the financial statements. The information in the notes is as important to understanding the Agency's finances as the information in the financial statements. The Agency uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies).

Types of Information in the Financial Statements

The Agency's government-wide financial statements use the economic resources measurement focus and accrual basis of accounting. In other words, they comprehensively report all types of financial statement elements:

- Assets—resources the Agency controls, from short-term assets like cash to long-term assets like notes receivable.
- Liabilities—amounts the Agency owes, from short-term liabilities such as salaries payable to long-term liabilities such as outstanding debt and net amounts owed to employees for pensions
- Deferred outflows of resources and deferred inflows of resources—flows that occurred during the year, or in prior years, that will not be reported as expenses and revenues until the future year to which they are related.
- Revenues and expenses—inflows and outflows of economic resources, respectively, related to the current year.

Governmental fund financial statements use the current financial resources measurement focus and modified accrual basis of accounting to report on the sources, uses, and balances of current financial resources. The governmental funds do not report nonfinancial assets, such as capital assets, or certain other long-term items, such as revenue bonds, but they do report the flows of current financial resources related to those long-term items; for example, the proceeds from issuing bonds, as well as principal and interest payments on bonds and spending on the construction of Agency projects.

ANALYSIS OF THE AGENCY'S FINANCES

Government-wide Activities

Table A-1
Missoula Redevelopment Agency's Summary of Net Position

	2024	2023	Increase (Decrease)
Assets			
Current and other assets	$ 32,550,739	$ 23,359,571	$ 9,191,168
Noncurrent assets	536,208	554,679	(18,471)
Total assets	33,086,947	23,914,250	9,172,697
Deferred Outflows of Resources	129,959	124,634	5,325
Liabilities			
Current liabilities	1,660,460	1,290,587	369,873
Long-term liabilities	50,942,883	43,769,128	7,173,755
Total liabilities	52,603,343	45,059,715	7,543,628
Deferred Inflows of Resources	173,070	79,565	93,505
Net Position			
Unrestricted	(19,559,507)	(21,100,396)	1,540,889
Total net position	$ (19,559,507)	$ (21,100,396)	$ 1,540,889

Table A-1 shows that as of June 30, 2024, the Agency's total net position—assets and deferred outflows minus liabilities and deferred inflows— $(19,559,508), increased by $1.5 million or 7.3 percent compared with 2023. This increase is primarily due to an increase in tax increment funds held by the districts.

Table A-2
Missoula Redevelopment Agency's Summary of Activities

	2024	2023	Increase (Decrease)
Revenues			
Program revenues			
Operating grants and contributions	$ 478,672	$ -	$ 478,672
General revenues			
Taxes	16,589,720	14,204,260	2,385,460
Intergovernmental	971,709	1,086,918	(115,209)
Miscellaneous	43,985	6,700	37,285
Total revenues	18,084,086	15,297,878	2,786,208
Expenses			
Housing and community development	14,987,274	4,541,289	10,445,985
Interest expense	1,811,185	1,886,772	(75,587)
Total expenses	16,798,459	6,428,061	10,370,398
Change in Net Position	1,285,627	8,869,817	(7,584,190)
Net Position, Beginning of Year	(21,100,396)	(29,970,213)	8,869,817
Net Position, End of Year	$ (19,814,769)	$ (21,100,396)	$ 1,285,627

Table A-2 shows that revenues continued to exceed expenses in the current year, resulting in an increase in net position.

Governmental Fund Analysis

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 2024 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 I	January 23, 1978	3737	December 18, 1978	Resolution #3866*	1978	973,988	1998	Central Park 1989; Refunding 1997	6/30/2005
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	6/30/2031
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	6/30/2040
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	6/30/2046
Riverfront Triangle URD	May 7, 2007	7223	July 21, 2008	3380	2008	157,858	2023	Stockman Bank 2019	6/30/2043
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, Ravara Housing Project 2024	6/30/2049
Hellgate URD	April 7, 2014	7865	August 25, 2014	3533	2014	1,025,448	2029	none	6/30/2030

* A resolution was used to adopt the first plan. Subsequent plans were adopted by ordinance.

URD II Fund

This fund saw a 5.05% decrease in fund balance in fiscal year 2024. This decrease can be attributed to expenditures and debt service payments exceeding revenues. The district expended funds on sixteen projects during the year; thirteen were public improvement projects and three were public-private partnership projects.

URD III Fund

This fund saw a 2.51% decrease in fund balance in fiscal year 2024. This decrease is primarily attributable to expenditures and debt service payments exceeding revenues. The district expended funds on fourteen projects during the year; thirteen were public improvement projects and one was a public-private partnership project.

Front Street District Fund

This fund saw a 53.88% increase in fund balance in fiscal year 2024. This increase is primarily attributable to revenue exceeding expenditures and debt service payments. The district expended funds on six projects during the year; all were public improvement projects.

Riverfront Triangle District Fund

This fund saw a 38.30% increase in fund balance in fiscal year 2024. This increase is attributable to revenue exceeding expenditures and debt service payments.

The district expended funds on one public project during fiscal year 2024.

NRSS District Fund

This fund saw a 278.08% increase in fund balance in fiscal year 2024. This increase is attributable to the sale of Series 2024 AB Tax Increment Revenue bonds for the Ravara Housing Project. The district expended funds on six projects during the year: three public projects and three public-private partnership.

Hellgate District Fund

This fund saw a 5.97% decrease in fund balance in fiscal year 2024. This decrease is attributable to expenditures and debt service payments exceeding revenues. The district expended funds on one public project during the year. This district also made contributions to the City for public safety related support and contribution to the tax increment remittance.

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.

Significant Capital Asset and Long-term Financing Activity

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.

Long-term financing

In 2024, the City Council approved authorizing the Agency to issue up to $9.80 million of tax increment urban revenue bonds to fund the North Reserve Scott Street URD Ravara workforce housing project. The Agency issued the bonds in June 2024, which is the primary reason that governmental activities long-term liabilities increased 16.4 percent overall. Total bonds and notes payable outstanding increased 16.99 percent to $51.23 million in 2024. The most prominent aspect of that change, as already mentioned, was the issuance of NRSS bonds. Netted against the principal that was repaid during the year, that new issuance increased direct placement debt by 20.37 percent. By contrast, the amount of direct borrowing debt outstanding decreased 6.83 percent to $4.20 million. As of the end of 2024, the Agency's bonds continued to possess the highest available rating from the municipal bond ratings services.

More information regarding the Agency's long-term financing can be found in footnote 4 of the financial statements.

Currently known facts, decisions, or conditions

The Agency has carried over all committed but unspent project funds to its fiscal year 2025 budget.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Agency's finances and to show the Agency's accountability for the money it receives. Questions concerning the information provided in this report or requests for additional financial information should be addressed to:

Missoula Redevelopment Agency
140 W. Pine Street
Missoula, MT. 59802

This report is available online at https://www.ci.missoula.mt.us/86/Missoula-Redevelopment-Agency.

Assets and Deferred Outflows of Resources	
Current assets	
Cash and investments	$ 24,015,840
Restricted cash	7,147,866
Taxes/Assessments receivable	828,559
Current portion of notes receivable - unrelated	16,200
Current portion of notes receivable - primary government	16,622
Other current assets	102,100
Due from other governments	423,552
Total current assets	32,550,739
Noncurrent assets	
Other Post-employment benefits	14,338
Notes receivable - unrelated	56,200
Notes receivable - primary government	465,670
Total noncurrent assets	536,208
Total assets	33,086,947
Deferred outflows of resources	
Unamortized loss on debt refunding	12,380
Pension and OPEB adjustments	117,579
Total deferred outflow of resources	129,959
Total Assets and Deferred Outflows of Resources	$ 33,216,906

Liabilities, Deferred Inflows of Resources, and Net Position	
Current liabilities	
Accounts payable	$ 560,229
Accrued wages	27,433
Debt due in less than one year, other than OPEB and pensions	1,072,798
Total current liabilities	1,660,460
Noncurrent liabilities	
Net pension liability	561,567
Debt due in more than one year, other than OPEB and pensions	50,381,316
Total noncurrent liabilities	50,942,883
Total liabilities	52,603,343
Deferred Inflows of Resources	
Pension and OPEB adjustments	173,070
Net Position	
Unrestricted	(19,559,507)
Total net position	(19,559,507)
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 33,216,906

Year ended June 30, 2024	Expenses	Operating Grants and Contributions	Governmental Activities
Functions/Programs			
Governmental Activities			
Housing and community development	$ 14,987,274	$ 478,672	$ (14,508,602)
Interest expense	1,811,185	-	(1,811,185)
Total Governmental Activities	16,798,459	478,672	(16,319,787)
Total Primary Government	$ 16,798,459	$ 478,672	$ (16,319,787)
General Revenues			
Property taxes for general purposes			$ 16,589,720
State entitlement funds			255,262
State contribution - PERS			655
Personal property reimbursements			971,054
Miscellaneous			43,985
Total General Revenues			17,860,676
Change in Net Position			1,540,889
Net Position, Beginning of Year			(21,100,396)
Net Position, End of Year			$ (19,559,507)

Assets	Consolidated Urban Renewal District II	Consolidated Urban Renewal District III	Consolidated Front Street District	Consolidated Riverfront Triangle District	Consolidated N. Reserve Scott Street District	Hellgate District	Consolidated Debt Service	Total Governmental Funds
Current assets								
Cash and investments	$ 4,672,294	$ 11,005,005	$ 1,823,889	$ 823,468	$ 4,621,401	$ 1,069,783	$ -	$ 24,015,840
Restricted cash	-	-	-	-	7,147,866	-	-	7,147,866
Taxes/Assessments receivable	298,959	208,845	106,085	49,157	154,594	10,919	-	828,559
Current portion of notes receivable - unrelated	-	16,200	-	-	-	-	-	16,200
Current portion of notes receivable - primary government	12,194	2,296	-	-	2,132	-	-	16,622
Other current assets	-	7,919	94,181	-	-	-	-	102,100
Due from other governments	71,022	215,978	25,886	2,444	87,601	20,621	-	423,552
Total current assets	5,054,469	11,456,243	2,050,041	875,069	12,013,594	1,101,323	-	32,550,739
Noncurrent assets								
Notes receivable - unrelated	-	56,200	-	-	-	-	-	56,200
Notes receivable - primary government	339,536	62,185	-	-	63,949	-	-	465,670
Total noncurrent assets	339,536	118,385	-	-	63,949	-	-	521,870
Total Assets	$ 5,394,005	$ 11,574,628	$ 2,050,041	$ 875,069	$ 12,077,543	$ 1,101,323	$ -	$ 33,072,609
Liabilities, Deferred Inflows of Resources, and Fund Balances								
Current liabilities								
Accounts payable	$ 8,828	$ 148,913	$ 200	$ -	$ 402,288	$ -	$ -	$ 560,229
Accrued wages	-	27,433	-	-	-	-	-	27,433
Total current liabilities	8,828	176,346	200	-	402,288	-	-	587,662
Deferred inflows of resources								
Uncollected tax revenue	220,590	83,493	34,121	9,653	4,295	3,363	-	355,515
Total deferred inflows of resources	220,590	83,493	34,121	9,653	4,295	3,363	-	355,515
Fund balances								
Nonspendable	-	7,919	-	-	-	-	-	7,919
Restricted	5,164,587	11,306,870	2,015,720	865,416	11,670,960	1,097,960	-	32,121,513
Total fund balances	5,164,587	11,314,789	2,015,720	865,416	11,670,960	1,097,960	-	32,129,432
Total Liabilities, Deferred Inflows, and Fund Balances	$ 5,394,005	$ 11,574,628	$ 2,050,041	$ 875,069	$ 12,077,543	$ 1,101,323	$ -	$ 33,072,609

Total Fund Balances - Governmental Funds	$ 32,129,432
Amounts reported for governmental activities in the statement of net position are different because:	
Property taxes receivable are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds	355,515
Deferred outflows of resources related to unamortized loss on debt refunding are applicable to future periods and, therefore, are not reported in the funds	12,380
Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions and other post-employment benefits	117,579
Deferred inflows of resources related to pensions and other post-employment benefits	(173,070)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(52,001,343)
Net Position of Governmental Activities	$ (19,559,507)

	Consolidated Urban Renewal District II	Consolidated Urban Renewal District III	Consolidated Front Street District	Consolidated Riverfront Triangle District	Consolidated N. Reserve Scott Street District	Hellgate District	Consolidated Debt Service	Total Governmental Funds
Revenues								
Tax increment property tax	$ 4,786,643	$ 6,508,839	$ 2,304,365	$ 439,965	$ 2,077,128	$ 472,780	$ -	$ 16,589,720
Personal property tax reimbursements	291,038	474,481	97,735	24,935	63,191	19,674	-	971,054
State entitlement funds	255,262	-	-	-	-	-	-	255,262
State contribution - PERS	-	655	-	-	-	-	-	655
Grant revenue	-	478,672	-	-	-	-	-	478,672
Miscellaneous	16,640	11,351	1,881	849	12,161	1,103	-	43,985
Total revenues	5,349,583	7,473,998	2,403,981	465,749	2,152,480	493,557	-	18,339,348
Expenditures								
Housing and community development	3,982,911	7,192,923	616,952	71,209	2,671,208	540,063	-	15,075,266
Debt service expense - interest	354,618	646,743	440,941	51,312	317,571	-	-	1,811,185
Debt service expense - principal	1,031,323	589,505	440,274	43,079	254,604	-	-	2,358,785
Total expenditures	5,368,852	8,429,171	1,498,167	165,600	3,243,383	540,063	-	19,245,236
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,269)	(955,173)	905,814	300,149	(1,090,903)	(46,506)	-	(905,888)
Other Financing Sources (Uses)								
Transfers in	-	664,104	-	-	2,753	-	-	666,857
Transfers out	(255,353)	-	(200,000)	(60,498)	(127,753)	(23,253)	-	(666,857)
Issuance of long term debt	-	-	-	-	9,800,000	-	-	9,800,000
Total other financing sources (uses)	(255,353)	664,104	(200,000)	(60,498)	9,675,000	(23,253)	-	9,800,000
Net Change in Fund Balances	(274,622)	(291,069)	705,814	239,651	8,584,097	(69,759)		8,894,112
Fund Balances								
Beginning of year, as previously reported	5,372,714	11,605,859	1,084,739	625,765	3,086,863	1,167,719	291,661	23,235,320
Adjustments (Note 12)	66,495	(1)	225,167	-	-	-	(291,661)	-
Beginning of year, as restated	5,439,209	11,605,858	1,309,906	625,765	3,086,863	1,167,719	-	23,235,320
End of Year	$ 5,164,587	$ 11,314,789	$ 2,015,720	$ 865,416	$ 11,670,960	$ 1,097,960	$ -	$ 32,129,432

Net Change in Fund Balances - Total Governmental Funds	$ 8,894,112
Amounts reported for governmental activities in the statement of activities are different because:	
Proceeds from long-term debt agreements are revenues in the governmental funds, but increase long-term liabilities in the statement of net position.	(9,800,000)
In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.	15,228
In the statement of activities OPEB is measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.	(16,794)
The change in deferred outflows of resources related to unamortized loss on debt refunding is reported as an expense in the statement of activities	(787)
In the statement of activities the cost of pension benefits earned net of employee contributions is reported as pension expense. In the governmental funds, however, the contributions are reported as expense.	90,345
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	2,358,785
Change in Net Position of Governmental Activities	$ 1,540,889

Note 1 - Nature of Operations and Summary of Significant Accounting Policies

The Missoula Redevelopment Agency (the “Agency”) financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

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 district, 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 Agency has established six urban renewal districts (URDs): URD II in 1991, URD III in 2000, Front Street Agency in 2007, Riverfront Triangle Agency 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 December 1, 2015. Front Street URD was scheduled to terminate in 2022 but was extended to 2046 through the issuance of a revenue bond on April 21, 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 2049 through the issuance of a tax increment bond on June 20, 2024.

Basis of Presentation and Fund Accounting

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

Government-wide Financial 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. When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the Agency's policy is to apply restricted net position first.

Certain eliminations have been made as prescribed by GASB Statement No. 34 regarding 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 fund statements. The Agency reports all urban renewal districts as major funds.

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 90 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 Urban Renewal District (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

New Accounting Pronouncement

As of July 1, 2023, the Agency adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*. The implementation of this standard requires additional presentation and disclosure requirements for accounting changes and error corrections. The financial statements have been updated to conform to the presentation requirements related to the accounting change in the financial statements for the year ended June 30, 2024. The additional disclosures required by this standard are included in Note 12.

Classification of Fund Balance

In accordance with GASB Statement No. 54, the MRA can report the following classifications of fund balance describing 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. The Agency reported non-spendable balance of $7,919 related to prepaid assets.
- 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. The Agency reported $32,121,513 in restricted fund balance for future projects and debt service payments.
- Committed – Constraint is imposed by City Council by resolution. The Agency Board does not have the authority to issue resolutions. No committed fund balance was reported.
- 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. No assigned fund balance was reported.
- Unassigned – No constraints and negative balance in non-general funds. No unassigned fund balance was reported.

When both restricted and unrestricted resources are available, it is MRA's policy to spend restricted, committed, and then assigned resources in that order.

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.

Cash and Cash Investments

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.

There is a 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 (investments valued using prices quoted in active markets); level 2 inputs are significant other observable inputs (investments valued using matrix pricing); level 3 inputs are significant unobservable inputs (investments 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-Unattached taxes are not billed with real property taxes. Personal Property-Unattached values as of Jan 1 are self-reported to the Department of Revenue by March 1. Bills are generated usually by June 1 using the prior November's mill levies and are due thirty days after billing, typically by June 30th. The timing of Personal Property – Unattached valuations, reporting, billing and collection all within the fiscal year, can cause variances in what is estimated during the budget process the prior fall and what is collected. 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 2023 property tax billing are as follows:

	Taxable Value	Increment Value
Urban Renewal District II	$ 8,138,873	$ 6,279,050
Urban Renewal District III	17,025,424	8,852,580
Front Street Urban Renewal District	4,447,370	3,034,335
Riverfront Triangle Urban Renewal District	729,301	571,443
Hellgate Urban Renewal District	1,628,437	602,989
North Reserve-Scott Street Urban Renewal District	4,440,884	2,853,521

Capital Assets

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

Compensated Balances

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 Post-Employment 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.

Note 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:

Cash and cash equivalents	$ 24,015,840
Restricted cash	7,147,866
	$ 31,163,706
Deposits	$ 31,032,927
Petty cash	9,052
Investments (Certificates of Deposits)	121,727
	$ 31,163,706

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.

Note 3 - Notes Receivable

The Agency has executed note receivables under its Façade Improvement Program for the following amounts:

$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, 2024, there was a zero balance on this note receivable.

$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, 2024, two payments remain on this note receivable for a balance of $12,400.

$100,000 – The Trail Head River Sports - In fiscal year 2020, the Agency granted an interest-free loan to the business owners, 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, 2024, six payments remain on this note receivable for a balance of $60,000.

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 for $40,000. The Mountain Water Company reimbursement program was authorized under State law and 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 occur over a 40-year period in the amount of $1,000 a year leaving a balance of $27,000 as of June 30, 2024.

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. In 2013, 2016 and 2017, the Agency executed 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 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. At June 30, 2024, the outstanding balances of all the City of Missoula notes were $351,729, $64,481, and $66,081 in URD II, URD III, and the NRSS, respectively.

Collections to maturity for the Agency's notes receivable, are as follows:

Years Ending June 30,	
2025	$ 32,810
2026	32,810
2027	26,610
2028	26,610
2029	26,610
2030-2034	93,049
2035-2039	83,049
2040-2044	83,049
2045-2049	83,049
2050-2054	64,370
2055	2,676
	$ 554,692

Note 4 - Long-Term Debt

Changes in long-term debt, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds payable					
Tax Increment Urban Renewal Revenue Bonds					
Series 2007 - URD II	$ 835,000	$ -	$ 80,000	$ 755,000	$ 90,000
Direct Borrowings and Direct Placements					
Tax Increment Urban Renewal Revenue					
Direct Placements					
Series 2013 - URD II	2,987,000	-	334,000	2,653,000	171,000
Series 2013 - URD II Intermountain	980,500	-	105,500	875,000	54,000
Series 2015A - URD III	4,015,000	-	165,000	3,850,000	-
Series 2015 - NRSS	1,045,238	-	67,065	978,173	34,668
Series 2016 - URD III	5,824,000	-	238,000	5,586,000	-
Series 2017A - Front St	998,500	-	33,000	965,500	-
Series 2017B - Front St	233,000	-	8,500	224,500	-
Series 2017C - Front St	2,791,931	-	103,963	2,687,968	-
Series 2017A - URD III	1,330,000	-	55,000	1,275,000	-
Series 2017 (Refunded in 2021) - NRSS	381,366	-	12,730	368,636	6,593
Series 2018A - URD III	1,056,141	-	39,748	1,016,393	20,660
Series 2018B - URD III	2,255,136	-	91,757	2,163,379	47,390
Series 2019 - Front Street	3,269,210	-	109,786	3,159,424	-
Series 2020A - NRSS	3,034,927	-	90,691	2,944,236	-
Series 2020B -NRSS	3,053,778	-	84,118	2,969,660	-
Series 2021 - Front Street	1,771,017	-	63,025	1,707,992	31,986
Series 2022A -URD II	1,416,312	-	156,299	1,260,013	80,207
Series 2022B - URD II	1,998,889	-	212,716	1,786,173	109,961
Series 2024 A - NRSS	-	2,101,000	-	2,101,000	22,270
Series 2024A BOI -NRSS	-	2,101,000	-	2,101,000	44,551
Series 2024 B- NRSS	-	5,598,000	-	5,598,000	33,503
Subtotal direct placement debt	38,441,945	9,800,000	1,970,898	46,271,047	656,789
Direct Borrowing					
2019 Riverfront Triangle	1,282,803	-	43,079	1,239,724	-
2014 Front St - MPC Note	2,008,000	-	122,000	1,886,000	128,000
URD II Brownfields	1,218,069	-	142,808	1,075,261	88,781
Subtotal direct borrowing debt	4,508,872	-	307,887	4,200,985	216,781
Compensated Absences	242,310	128,695	143,923	227,082	109,228
	$ 44,028,127	$ 9,928,695	$ 2,502,708	$ 51,454,114	$ 1,072,798

Bonds Payable

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, 2024, has been estimated at $138,493. 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, 2024.

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

Gov. Bonds Years Ending June 30,	Principal	Interest	Total
2025	$ 85,000	$ 51,548	$ 136,548
2026	90,000	45,467	135,467
2027	100,000	39,038	139,038
2028	105,000	32,088	137,088
2029	115,000	24,617	139,617
2030-2031	260,000	24,041	284,041
	$ 755,000	$ 216,799	$ 971,799

Direct Placement Debt

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 Agency 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 Agency II. The Agency estimates tax increment revenue to be sufficient to cover the principal and interest requirements of the Series 2013 Bonds. The bond resolution requires, among other things, that all of Agency 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 Agency 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 Agency II, as provided by state law.

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

Years Ending June 30,	Principal	Interest	Total
2025	$ 171,000	$ 41,785	$ 212,785
2026	349,000	75,458	424,458
2027	361,000	64,370	425,370
2028	373,000	52,904	425,904
2029	384,000	41,076	425,076
2030-2032	1,015,000	48,431	1,063,431
	$ 2,653,000	$ 324,024	$ 2,977,024

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 Agency 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 Agency 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 Agency II, as provided by state law.

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

Years Ending June 30,	Principal	Interest	Total
2025	$ 54,000	$ 18,594	$ 72,594
2026	112,000	33,713	145,713
2027	117,000	28,900	145,900
2028	122,000	23,885	145,885
2029	127,500	18,636	146,136
2030-2032	342,500	22,153	364,653
	$ 875,000	$ 145,881	$ 1,020,881

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 Agency III. The bond resolution requires, among other things, that Agency 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 Agency 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 Agency III, as provided by state law.

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

Years Ending June 30,	Principal	Interest	Total
2025	$ -	$ 83,738	$ 83,738
2026	170,000	163,778	333,778
2027	180,000	156,165	336,165
2028	185,000	148,226	333,226
2029	195,000	139,962	334,962
2030-2034	1,110,000	561,585	1,671,585
2035-2039	1,375,000	292,864	1,667,864
2040-2041	635,000	27,949	662,949
	$ 3,850,000	$ 1,574,267	$ 5,424,267

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 Agency. 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 Agency. 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 Agency. The bond resolution requires, among other things, that NRSS Agency'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 Agency, 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 Agency, as provided by state law.

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

Years Ending June 30,	Principal	Interest	Total
2025	$ 34,668	$ 21,894	$ 56,562
2026	71,694	41,430	113,124
2027	74,957	38,167	113,124
2028	78,368	34,756	113,124
2029	81,934	31,190	113,124
2030-2034	469,109	96,512	565,621
2035-2036	167,443	7,359	174,802
	$ 978,173	$ 271,308	$ 1,249,481

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 Agency III. The bonds were issued in October 2016 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 Agency III. The bond resolution requires, among other things, that Agency 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 Agency 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 Agency, as provided by state law.

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

Years Ending June 30,	Principal	Interest	Total
2025	$ -	$ 121,496	$ 121,496
2026	249,000	237,575	486,575
2027	260,000	226,505	486,505
2028	271,000	214,955	485,955
2029	283,000	202,906	485,906
2030-2034	1,609,000	814,733	2,423,733
2035-2039	1,991,000	424,669	2,415,669
2040-2041	923,000	40,564	963,564
	$ 5,586,000	$ 2,283,403	$ 7,869,403

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 Agency. 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 Agency. The bond resolution requires, among other things, that Front Street Agency'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 Agency, 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 Agency, as provided by state law.

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

Years Ending June 30,	Principal	Interest	Total
2025	$ -	$ 27,758	$ 27,758
2026	35,000	54,510	89,510
2027	37,000	52,440	89,440
2028	39,000	50,255	89,255
2029	41,500	47,941	89,441
2030-2034	245,500	199,942	445,442
2035-2039	324,500	118,608	443,108
2040-2042	243,000	21,476	264,476
	$ 965,500	$ 572,930	$ 1,538,430

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, 2024, the City reports deferred outflows of resources in the amount of $12,380 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 Agency. 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 Agency. The bond resolution requires, among other things, that Front Street Agency'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 Agency, 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 Agency, as provided by state law.

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

Years Ending June 30,	Principal	Interest	Total
2025	$ -	$ 5,051	$ 5,051
2026	9,000	9,900	18,900
2027	9,500	9,484	18,984
2028	10,000	9,045	19,045
2029	10,500	8,584	19,084
2030-2034	59,500	35,291	94,791
2035-2039	73,500	20,374	93,874
2040-2042	52,500	3,634	56,134
	$ 224,500	$ 101,363	$ 325,863

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 Agency. 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 Agency. 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 Agency. The bond resolution requires, among other things, that Front Street Agency'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 Agency, 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 Agency, as provided by state law.

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

Years Ending June 30,	Principal	Interest	Total
2025	$ -	$ 60,479	$ 60,479
2026	108,641	118,514	227,155
2027	113,530	113,515	227,045
2028	118,639	108,292	226,931
2029	123,978	102,832	226,810
2030-2034	708,767	423,285	1,132,052
2035-2039	883,252	244,873	1,128,125
2040-2042	631,162	43,437	674,599
	$ 2,687,969	$ 1,215,227	$ 3,903,196

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 Agency 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 Agency III. The bond resolution requires, among other things, that Agency 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 Agency 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 Agency, as provided by state law.

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

Years Ending June 30,	Principal	Interest	Total
2025	$ -	$ 29,644	$ 29,644
2026	55,000	58,009	113,009
2027	60,000	55,335	115,335
2028	60,000	52,545	112,545
2029	65,000	49,639	114,639
2030-2034	365,000	199,834	564,834
2035-2039	455,000	104,741	559,741
2040-2041	215,000	10,114	225,114
	$ 1,275,000	$ 559,861	$ 1,834,861

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 Agency. 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 Agency. The bond resolution requires, among other things, that NRSS Agency'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 Agency, 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 Agency, 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 tax increment bonds, are as follows:

Years Ending June 30,	Principal	Interest	Total
2025	$ 6,593	$ 8,755	$ 15,348
2026	13,659	17,037	30,696
2027	14,315	16,380	30,695
2028	15,004	15,692	30,696
2029	15,725	14,971	30,696
2030-2034	90,713	62,765	153,478
2035-2039	114,712	38,766	153,478
2040-2042	97,915	9,520	107,435
	$ 368,636	$ 183,886	$ 552,522

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 Agency 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 Agency III. The bond resolution requires, among other things, that Agency 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 Agency 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 Agency, as provided by state law.

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

Years Ending June 30,	Principal	Interest	Total
2025	$ 20,660	$ 26,681	$ 47,341
2026	42,961	51,719	94,680
2027	45,246	49,434	94,680
2028	47,653	47,028	94,681
2029	50,188	44,493	94,681
2030-2034	293,934	179,469	473,403
2035-2039	380,873	92,529	473,402
2040-2041	134,878	7,142	142,020
	$ 1,016,393	$ 498,495	$ 1,514,888

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 Agency 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 Agency III. The bond resolution requires, among other things, that Agency 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 Agency 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 Agency, as provided by state law.

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

Years Ending June 30,	Principal	Interest	Total
2025	$ 47,390	$ 47,324	$ 94,714
2026	97,912	91,515	189,427
2027	102,242	87,185	189,427
2028	106,765	82,663	189,428
2029	111,486	77,941	189,427
2030-2034	635,905	311,231	947,136
2035-2039	789,531	157,604	947,135
2040-2041	272,148	11,992	-
	$ 2,163,379	$ 867,455	$ 2,746,694

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 Agency. The bonds were issued on parity with other subordinate debt in the Agency 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 Agency. The bond resolution requires, among other things, that the Front Street Agency'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 Agency, 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 Agency, as provided by state law.

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

Gov. Bonds Years Ending June 30,	Principal	Interest	Total
2025	$ -	$ 63,189	$ 63,189
2026	114,177	124,093	238,270
2027	118,744	119,436	238,180
2028	123,494	114,590	238,084
2029	128,434	109,552	237,986
2030-2034	723,465	464,837	1,188,302
2035-2039	880,205	304,961	1,185,166
2040-2044	1,070,905	110,448	1,181,353
	$ 3,159,424	$ 1,411,106	$ 4,570,530

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 Agency. The original purchaser of the negotiated sale bonds was First Security Bank Division of Glacier Bank, Missoula Montana. 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 Agency'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 Agency, 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 Agency, as provided by state law.

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

Scott Street Series 2020A

Years Ending June 30,	Principal	Interest	Total
2025	$ -	$ 55,941	$ 55,941
2026	94,137	110,092	204,229
2027	97,714	106,447	204,161
2028	101,427	102,664	204,091
2029	105,282	98,736	204,018
2030-2034	589,548	429,341	1,018,889
2035-2039	710,405	306,188	1,016,593
2040-2044	856,037	157,786	1,013,823
2045-2046	389,686	14,946	404,632
	$ 2,944,236	$ 1,382,141	$ 4,326,377

Scott Street Series 2020B

Years Ending June 30,	Principal	Interest	Total
2025	$ -	$ 66,817	$ 66,817
2026	87,904	131,657	219,561
2027	91,859	127,612	219,471
2028	95,993	123,386	219,379
2029	100,313	118,969	219,282
2030-2034	573,476	521,312	1,094,788
2035-2039	714,656	376,956	1,091,612
2040-2044	890,591	197,062	1,087,653
2045-2046	414,868	18,875	433,743
	$ 2,969,660	$ 1,682,646	$ 4,652,306

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 Agency 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 Agency. The bond resolution requires, among other things, that the Agency'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 Agency, 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 Agency, as provided by state law.

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

Years Ending June 30,	Principal	Interest	Total
2025	$ 31,986	$ 17,080	$ 49,066
2026	64,935	33,197	98,132
2027	66,240	31,892	98,132
2028	67,572	30,560	98,132
2029	68,930	29,202	98,132
2030-2034	365,998	124,663	490,661
2035-2039	404,289	86,372	490,661
2040-2044	446,587	44,074	490,661
2045-2046	191,455	4,809	196,264
	$ 1,707,992	$ 401,849	$ 2,109,841

URD II Series 2022A and 2022B – Direct Placement - On October 18, 2022, the City of Missoula approved the sale of $3,815,007 principal amount of tax increment urban renewal revenue bonds, consisting of $1,583,471 Series Tax Exempt 2022A and $2,231,536 Taxable Series 2022B, to refund the Refunded 2006 Bonds, to reimburse the Agency for the purchase price of the Bridge Apartments, and to pay costs of issuance. This bond Series 2022A and Series 2022B was issued on October 18, 2022, and was completely drawn down at closing. The bond was issued on parity with other senior-subordinate debt in the Agency. The original purchaser of the negotiated sale bonds was First Security Bank Division of Glacier Bank, Missoula Montana. The final maturity date is July 1, 2031. The interest rate on the Series 2022A Tax Exempt bond is 3.50% per annum.

The Agency decreased its aggregate debt service payments by $382,784 (net fair value cash flow savings) by refunding the prior debt and there was an economic gain on the refunding of $66,799 (net present value benefit). No deferred charge on refunding resulted from the transaction as the carrying value of refunded debt was equal to the reacquisition price.

The interest rate on the Series 2022B taxable bond is 4.50% per annum. The principal and interest payments are due January 1 and July 1 payable from tax increment generated by the Urban Renewal district II directly to the bondholder commencing January 1, 2023. The bond resolution requires, among other things, that URD II'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 URD II 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 Agency, as provided by state law.

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

Urban Development Renewal Series 2022A

Years Ending June 30,	Principal	Interest	Total
2025	$ 80,207	$ 22,050	$ 102,257
2026	164,649	39,865	204,514
2027	170,462	34,052	204,514
2028	176,481	28,034	204,515
2029	182,712	21,803	204,515
2030-2032	485,502	25,784	511,286
	$ 1,260,013	$ 171,588	$ 1,431,601

Urban Development Renewal Series 2022B

Years Ending June 30,	Principal	Interest	Total
2025	$ 109,961	$ 40,189	$ 150,150
2026	227,400	72,900	300,300
2027	237,748	62,552	300,300
2028	248,567	51,733	300,300
2029	259,878	40,421	300,299
2030-2032	702,619	48,130	750,749
	$ 1,786,173	$ 315,925	$ 2,102,098

North Reserve-Scott Street URD Series 2024A, 2024A BOI, and 2024B – Direct Placement - On January 24,2024, the City of Missoula approved the sale of $4,202,000 principal amount of tax increment urban renewal revenue bonds series 2024A, consisting of $2,101,000 Series Tax Exempt 2024A and $2,101,000 Series Tax Exempt 2024A BOI. In addition, the City approved the sale of $5,598,000 of Taxable Series 2024B for the Ravara Infrastructure and Workforce Housing Project. These bond Series 2024A, 2024A BOI, and Series 2024B were issued on June 20, 2024, and were 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 Montana. The final maturity date is January 1, 2044. The interest rate on the Series 2024A Tax Exempt bond is 6.58% and interest rate on the Series 2024A BOA Tax Exempt bond is 1.71% per annum. The interest rate on the Series 2024B taxable bond is 4.50% per annum. The principal and interest payments are due January 1 and July 1 payable from tax increment generated by the North Reserve Scott Street Urban Renewal District directly to the bondholder commencing January 1, 2025. The bond resolution requires, among other things, that NRSS'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 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 Agency, as provided by state law.

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

North Reserve-Scott Street Urban Renewal District Series 2024A

Years Ending June 30,	Principal	Interest	Total
2025	$ 22,270	$ 76,357	$ 98,627
2026	55,799	141,454	197,253
2027	59,687	137,566	197,253
2028	63,845	133,407	197,252
2029	68,294	128,959	197,253
2030-2034	419,828	566,435	986,263
2035-2039	587,932	398,332	986,264
2040-2044	823,345	162,918	986,263
	$ 2,101,000	$ 1,745,428	$ 3,846,428

North Reserve-Scott Street Urban Renewal District Series 2024A BOI

Years Ending June 30,	Principal	Interest	Total
2025	$ 44,551	$ 19,061	$ 63,612
2026	92,454	34,772	127,226
2027	94,041	33,184	127,225
2028	95,656	31,569	127,225
2029	97,299	29,926	127,225
2030-2034	512,140	123,986	636,126
2035-2039	557,651	78,475	636,126
2040-2044	607,208	28,919	636,127
	$ 2,101,000	$ 379,892	$ 2,480,892

North Reserve-Scott Street Urban Renewal District Series 2024B

Years Ending June 30,	Principal	Interest	Total
2025	$ 33,503	$ 206,419	$ 239,922
2026	94,728	385,115	479,843
2027	101,426	378,417	479,843
2028	108,598	371,245	479,843
2029	116,277	363,566	479,843
2030-2034	716,968	1,682,247	2,399,215
2035-2039	1,008,914	1,390,301	2,399,215
2040-2044	1,419,738	979,476	2,399,214
2045-2049	1,997,848	401,366	2,399,214
	$ 5,598,000	$ 6,158,152	$ 11,756,152

Direct Borrowing Debt

Riverfront Triangle Note Payable - 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 note payable, are as follows:

Years Ending June 30,	Principal	Interest	Total
2025	$ -	$ 24,795	$ 24,795
2026	44,802	48,693	93,495
2027	46,594	46,865	93,459
2028	48,458	44,964	93,422
2029	50,396	42,987	93,383
2030-2034	283,880	182,397	466,277
2035-2039	345,383	119,664	465,047
2040-2044	420,211	43,338	463,549
	$ 1,239,724	$ 553,703	$ 1,793,427

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 twice per year (total pledged per year is $266,850).

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

Years Ending June 30,	Principal	Interest	Total
2025	$ 128,000	$ 75,930	$ 203,930
2026	130,000	70,770	200,770
2027	136,000	65,450	201,450
2028	142,000	59,801	201,801
2029	146,000	53,861	199,861
2030-2034	826,000	172,056	998,056
2035-2036	378,000	16,574	394,574
	$ 1,886,000	$ 514,442	$ 2,400,442

Brownfields RLF Note Payable - 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 the Agency 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 Agency for other uses.

The note is not a general obligation of the City. For these reasons, the loan is reflected as a liability of the Agency. The City received additional funding from EPA and in December 2009. The Agency, 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 note payable, are as follows:

Years Ending June 30,	Principal	Interest	Total
2025	$ 88,781	$ 8,489	$ 97,270
2026	177,562	14,788	192,350
2027	177,652	12,187	189,839
2028	177,652	9,429	187,081
2029	177,652	6,786	184,438
2030-2031	275,962	5,195	281,157
	$ 1,075,261	$ 56,874	$ 1,132,135

Note 5 - Commitments

The Agency has entered into contracts for various projects and activities as approved by the Board of Commissioners. As of June 30, 2024, the Agency had commitments totaling $21,623,902 that will be financed from operating funds and bond proceeds. The following commitments include the following by fund:

Urban Renewal District II	
Private Projects:	
Bissinger Place - 903 South 1st Street West	$ 319,000
Idaho Street Condos	88,680
Trailfront Properties - 114 South Garfield Street	257,233
Opportunity Place - 901 South 3rd Street W	2,492,736
Public Projects:	
Bitterroot Trail - Lighting	615,748
Bitterroot Trail - MRL Bridge	55,446
Montana/Idaho - Water & Sidewalk	1,146,239
Street Trees	71,760
Washburn - Idaho - Montana Catlin (WIMC) Water & Sidewalk	74,622
	$ 5,121,464

Urban Renewal District III	
Private Projects:	
Casa Loma - 900 Block of South Avenue	$ 2,212,046
First Security Bank - 1700 Garfield & 1704 Dearborn	711,083
Public Projects:	
Bitterroot Trail - Lighting	1,804,680
Johnson Street	59,513
Kent Avenue Greenway Improvements	268,412
MRL Property	32,172
Sother Reserve Pedestrian Bridge	5,714
Street Trees	75,663
Southgate Triangle Property	65,500
Water Network Program	499,873
Federal Grant Projects:	
Transform Brooks - Connect Midtown	297,459
	$ 6,032,115

Front Street Urban Renewal District	
Public Projects:	
Caras Park Improvements	100,000
Old Library Block Redevelopment	32,825
Federal Grant Projects:	
Downtown Safety & Multimodal Connectivity RAISE Grant Match	200,000
	$ 332,825

Riverfront Triangle Urban Renewal District	
Private Projects:	
Public Projects:	
Federal Grant Projects:	
Downtown Safety & Multimodal Connectivity RAISE Grant Match	$ 94,350
	$ 94,350

North Reserve/Scott Street Urban Renewal District		
Private Projects:		
MEP Professional Development Services	$	12,500
Scott Street/ Ravara Housing Project		8,839,545
	$	8,852,045

Hellgate District		
Public Projects:		
Front/Main Two-Way Conversion	$	19,932
Railroad Quiet Zone		183,050
Federal Grant Projects:		
Downtown Safety & Multimodal Connectivity RAISE Grant Match		700,000
	$	902,982

Note 6 - Pension Plan

Summary of Significant Accounting Policies

Montana Public Employee Retirement Administration (MPERA) prepares financial statements using the accrual basis accounting. The same accrual basis is used by MPERA for the purposes of determining the net pension liability of; 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 Agencies. 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 above90%;
    (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 & University	Local Government		Local Government	
Fiscal Year	Hired <07/01/2011	Hired >07/01/2011	Employer	Employer	State	Employer	State
2024	7.900%	7.900%	9.170%	9.070%	0.100%	8.800%	0.370%
2023	7.900%	7.900%	9.070%	8.970%	0.100%	8.700%	0.370%
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%	N/A	7.170%	7.070%	0.100%	6.800%	0.370%
2008-2009	6.900%	N/A	7.035%	6.935%	0.100%	6.800%	0.235%
2000-2007	6.900%	N/A	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 has dropped below 25 years and would remain 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 0.10% of members' compensation on behalf of local government entities.
      ii. The State contributes 0.37% of members' compensation on behalf of school Agency entities.
      iii. The State contributed a Statutory Appropriation from the General Fund of $34,979,900.

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. The basis for the TPL as of June 30, 2023, is on an actuarial valuation performed by the Plan's actuary as of June 30, 2023.

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, 2023 and 2022, are displayed below. 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 employer to the total state contributions paid.

The employer recorded a liability of $561,567 and the employer's proportionate share was 0.023010%.

	Net Pension Liability as of		Percent of Collective NPL as of		Change in
	June 30, 2024 Reporting Date	June 30, 2023 Reporting Date	June 30, 2024 Reporting Date	June 30, 2023 Reporting Date	Percent of Collective NPL
Agency's Proportionate Share	$ 561,567	$ 627,294	0.023010%	0.026380%	-0.003370%
State of Montana Proportionate Share associated with the Agency	$ 155,614	$ 187,770	0.271429%	0.248601%	0.022828%
Total	$ 717,181	$ 815,064	0.294439%	0.274981%	0.019458%

Changes in Actuarial Assumptions and Methods:

There have been no changes to the assumptions or other inputs that affected the measurement of the PTL since the previous measurement date.

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 to the Plan 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, 2023, the Agency recognized ($31,564) for its proportionate share of the Plan's pension expense and recognized grant revenue of $14,599 for the state of Montana proportionate share of the pension expense associated with the Agency.

	Pension Expense	
	June 30, 2024 Measurement Date	June 30, 2023 Measurement Date
Agency's Proportionate Share	$ (31,564)	$ 163,375
State of Montana Proportionate Share associated with the Agency	$ 14,599	$ 19,462
Total	$ (16,965)	$ 182,837

Recognition of Deferred Inflows and Outflows

At June 30, 2023, 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 vs actual experience	$ 22,366	$ -
Project investment earnings vs. actual investment earnings	1,425	-
Changes in assumptions	-	20,030
Changes in proportion and differences between employer contributions and proportionate share of contributions	28,271	-
City contributions subsequent to the measurement date	51,441	-
	$ 103,503	$ 20,030

Deferred outflows of resources related to pensions resulting from the Agency's contributions subsequent to the measurement date in the amount of $25,875 will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Reporting Year Ended June 30,	Recognition of Deferred Outflows and Deferred Inflows in Future Years as an Increase (Decrease) to Pension Expense
2024	$ 6,550
2025	(4,316)
2026	33,206
2027	(3,408)

Actuarial Assumptions

The TPL in the June 30, 2022, actuarial valuation was determined on the results of an actuarial valuation date of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement. Among those assumptions were the following:

- Investment Return (net of admin expense) 7.30%
- General Wage Growth* 3.50%
- *includes Inflation at 2.75%
- 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 active participants were based on PUB-2010 General Amount Weighted Employer Mortality projected to 2021, for males and females. Projected generationally using MP-2021.
- Mortality assumptions among disabled members were based on PUB-2010 General Amount Weighted Disabled Retiree Mortality table, projected to 2021, set forward one year for both males and females.
- Mortality assumptions among contingent survivors were based on PUB-2010 General Amount Weighted Contingent Survivor Mortality projected to 2021, with ages set forward one year for males and females. Projected generationally using MP-2021.
- Mortality assumptions for healthy retirees were based on PUB-2010 General Amount Weighted Healthy Retiree Mortality table projected to 2021, with ages set forward one year and adjusted 104% for males and 103% for females. Projected generationally using MP-2021.

The actuarial assumptions and methods utilized in the June 30, 2023 valuation were developed in the five-year experience study for the period ending 2021.

Discount Rate

The discount rate used to measure the TPL was 7.30%. 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 Agencies.

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.

Target Allocation

The long-term expected rate of return on pension plan investments is reviewed as part of regular experience studies prepared for the Plan about every five years. The long-term rate of return as of June 30, 2023, is based on analysis in the experience study report dated May 2, 2022, without consideration for the administrative expense analysis shown. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class. These ranges were combined to develop the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be long-term assumption (30 to 50 years) and is not expected to change absent a significant change in asset allocation, a change in underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study are summarized in the following table.

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	100.0%	

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 7.30%, 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% Decrease (6.30%)	Current Discount Rate (7.30%)	1% Increase (8.30%)
Agency's proportionate share of the net pension liability	$ 811,182	$ 561,567	$ 352,163

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, 2023, the PERS-DCRP employer did not recognize any net pension liability or pension expense for the defined contribution plan. Plan level nonvested forfeitures for the 344 employers that have participants in the PERS-DCRP totaled $1,409,309.

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.

Note 7 - Postemployment Benefits

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 to periods of employee service. Information on the City's health benefits plan for retirees is included below.

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. The plan provides medical insurance for retirees with the retiree paying a premium for this benefit. Contribution rates are established by the City Council based on the recommendations received from both the Employee Benefits Committee and the City Administration. The plan's financial information, excluding retirees, is the City's self-insurance internal service fund. The plan does not issue separate audited financial statements.

Terminated employees of the Agency may remain on the City's health insurances 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 seven employees participating in the plan, one retiree, and no C.O.B.R.A. participants.

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 January 1, 2023, which was used for the June 30, 2024 valuation. Dental benefits were added January 1, 2023, 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 90% of the total active premium, excluding life insurance coverage, and the City contributes the remaining 10% 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 beginning January 1, 2024, were used for the June 30, 2024, valuation and are as follows:

Coverage	Retiree Contribution	MRA Contribution	Total Premium
Retiree	1,110.10	123.34	1,233.44
Retiree, spouse	1,278.06	123.34	1,401.40
Retiree, spouse, child	1,179.28	123.34	1,302.62
Retiree, child	1,347.24	123.34	1,470.58
Each additional child	69.18	-	69.18

The following table reports the changes to the OPEB liability/(asset) for fiscal year 2024, as well as deferred inflows and outflows of resources and OPEB expense recognized:

OPEB Liability/(Asset) Beginning Balance at July 1, 2024	$	70,285
Changes from the Prior Year:		
Service cost		(678)
Interest cost		(1,041)
Assumption changes		(4,415)
Differences between expected and actual experience		(79,476)
Benefit payments		987
Net Change		(84,623)
OPEB Liability (Asset) Balance at June 30, 2024	$	(14,338)
OPEB DIR Beginning Balance at July 1, 2024	$	(33,641)
Difference between expected and actual experience		(136,747)
Current year amortization		17,348
OPEB DIR Balance at June 30, 2024	$	(153,040)
OPEB DOR Beginning Balance at July 1, 2024	$	(37,495)
Difference between expected and actual experience		56,858
Current year amortization		(5,287)
OPEB DOR Balance at June 30, 2024	$	14,076
Total OPEB Expense as of June 30, 2024	$	16,794

The Agency's total OPEB asset is $14,338 as of June 30, 2024, 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/(asset) using the entry age normal cost method in the actuarial valuation.

Payroll Growth	3.50% Source: The City
Medical Trend	6.26%
General Inflation	3.0% per year
Participation Rate	40.00% of eligible employees are assumed to elect healthcare coverage in retirement
Admin Trend Rate	3.00%
Mortality Rate	PUB-2010 General amount weighted employee mortality table projected generationally to 2021 using MP-2021.

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 10% of retiree premiums.

The table below shows the assumption changes and their impact on the City's liability.

Assumption	Description of Change	Impact on Liability/(Asset)
Discount Rate	Decreased from 4.13% to 4.11%	$ 35,180
Mortality Rate	Updated to reflect same table as pension valuation	1,860,844
Termination Rate	Updated assumptions to be consistent with pension valuation assumptions	47,782
Disability Rate	Updated assumptions to be consistent with pension valuation assumptions	(340,877)
Retirement Rate	Updated assumptions to be consistent with pension valuation assumptions	350,104
Medical Trend	Updated based on current industry source	203,600
Salary Trend	Increased from 3.0% to 3.5%	(182,860)
		$ 1,973,773

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

	1% Decrease in Discount Rate 3.11%	Discount Rate 4.11%	1% Increase in Discount Rate 5.11%
Total OPEB Liability/(Asset)	$ (17,169)	$ (14,338)	$ (12,143)

	1% Decrease in Trend Rate 5.26%	Trend Rate 6.26%	1% Increase in Trend Rate 7.26%
Total OPEB Liability/(Asset)	$ (11,852)	$ (14,338)	$ (17,649)

Changes in the total OPEB liability/(asset) 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, 2024, was 6.79 years.

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

Years Ended June 30,	OPEB Expense Amount
2025	$ (28,416)
2026	(28,416)
2027	(28,416)
2028	(28,416)
2029	(28,416)
Thereafter	3,116

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, 2024.

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

Note 8 - Interfund Transactions

Administrative transfers between districts are done annually to reimburse the district that has paid the administrative expenses of the Agency. In fiscal year 2024, 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 was limited (due to commitments to debt service, lack of redevelopment or low tax increment receipts) in some of the districts, the outstanding amounts are tracked from year to year as those districts reimburse URD III. A summary of interfund transfers follows:

Fund	Transfer In	Transfer Out
Consolidated Urban Renewal District II	$ -	$ 255,353
Consolidated Urban Renewal District III	664,104	-
Consolidated Front Street District	-	200,000
Consolidated Riverfront Triangle District	-	60,498
Consolidated NRSS District	-	125,000
Consolidated Hellgate District	-	23,253
Total	$ 664,104	$ 664,104

Note 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.

Note 10 - Related Party Transactions

The Agency paid the City of Missoula $322,483 for Administrative Services for fiscal year 2024.

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

For fiscal year 2024, the Agency granted the City of Missoula and related component units $3,214,075 in grants for various projects and expenditures approved by the Agency's Board of Commissioners.

In June 2017, the City of Missoula acquired Mountain Water Company and assumed all the notes between Mountain Water and the Agency. See note 3 for additional information.

Note 11 - Deficit Net Position

As of June 30, 2024, the Agency had a deficit net position of $19,559,507. 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.

Note 12 - Change Within the Reporting Entity

During 2024 the Consolidated Debt Fund, which was previously reported as a major governmental fund, is no longer a major fund due to the Agency electing to report the fund activity with the major special revenue funds. It is the Agency's position that the financial information for each district is more understandable for users when presented this way. Therefore, the following changes have been made to the Statement of Revenues, Expenditures and Changes in Fund Balance to implement the Change Within the Reporting Entity:

	Urban Renewal District II	Urban Renewal District III	Front Street District	Riverfront Trangle District	N. Reserve Scott Street District	Hellgate District	Consolidated Debt Service
Change in Fund Balance	(274,622)	(291,069)	705,814	239,651	8,584,097	(69,759)	-
Fund Balance - Beginning, as previously reported	5,372,714	11,605,859	1,084,739	625,765	3,086,863	1,167,719	291,661
Adjustments (Note 12)	66,495	(1)	225,167	-	-	-	(291,661)
Fund Balance - Beginning, as restated	5,439,209	11,605,858	1,309,906	625,765	3,086,863	1,167,719	-
Fund Balance - Ending	5,164,587	11,314,789	2,015,720	865,416	11,670,960	1,097,960	-

Required Supplementary Information
June 30, 2024

Missoula Redevelopment Agency

Schedule of Changes in Total OPEB Liability/(Asset) and Related Ratios
Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018
Service cost	$ (678)	$ 3,242	$ 3,354	$ 8,581	$ 8,571	$ 8,955	$ 9,097
Interest cost	(1,041)	2,882	6,279	3,362	3,878	5,202	5,090
Assumption changes	(4,415)	3,008	(28,416)	(21,640)	(33,250)	(7,572)	(3,823)
Differences between expected and actual experience	(79,476)	(485)	(57,272)	14,170	19,780	2,668	82
Benefit payments	987	(8,137)	(7,699)	(5,183)	(5,523)	(3,301)	(3,138)
Net change in total OPEB liability	(84,623)	510	(83,754)	(710)	(6,544)	5,952	7,308
Total OPEB liability, beginning of year	70,285	69,775	153,529	154,239	160,783	154,831	37,224
Restatement - change in accounting principle	-	-	-	-	-	-	110,299
Total OPEB liability (asset), end of year	$ (14,338)	$ 70,285	$ 69,775	$ 153,529	$ 154,239	$ 160,783	$ 154,831
Covered payroll	$ 592,197	$ 539,386	$ 523,676	$ 503,411	$ 489,342	$ 406,381	$ 395,024
Agency's total OPEB liability/(asset) as a percentage of covered payroll	-2.42%	13.03%	13.32%	30.50%	31.52%	39.56%	39.20%

*GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Agency will present information for those years for which information is available.

Notes to the Schedule of Changes in Total OPEB Liability/(Asset) and Related Ratios

Assets are not accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4 to pay related benefits.

Schedule of Employer's Share of Net Pension Liability - Last 10 Fiscal Years

Measurement Date	Employer's Proportion (Percentage) of the Net Pension Liability	Employer's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability (b)	Total Proportionate Share (Amount) of the Net Pension Liability (a+b)	Employer's Covered-Payroll (c)	Employer's Proportionate Share of the Total Pension Liability as a Percentage of its Covered-Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2023	0.023010%	$ 561,567	$ 155,614	$ 717,181	$ 585,893	95.85%	73.93%
6/30/2022	0.026380%	$ 627,294	$ 187,770	$ 815,064	$ 463,571	135.32%	76.96%
6/30/2021	0.019100%	$ 346,371	$ 102,500	$ 448,871	$ 336,916	102.81%	77.22%
6/30/2020	0.022450%	$ 592,149	$ 186,683	$ 778,832	$ 376,591	157.24%	76.03%
6/30/2019	0.022680%	$ 474,115	$ 154,456	$ 628,571	$ 374,241	126.69%	75.43%
6/30/2018	0.023310%	$ 465,741	$ 156,105	$ 621,846	$ 366,991	126.91%	74.90%
6/30/2017	0.025840%	$ 503,250	$ 6,819	$ 510,069	$ 320,532	157.00%	98.66%
6/30/2016	0.028050%	$ 477,765	$ 5,838	$ 483,603	$ 335,973	142.20%	98.79%
6/30/2015	0.023720%	$ 331,558	$ 4,073	$ 335,631	$ 279,336	118.70%	98.79%
6/30/2014	0.023430%	$ 291,968	$ 3,565	$ 295,533	$ 265,198	110.09%	98.79%

Schedule of Employer's Contributions - Last 10 Fiscal Years

Reporting Date	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered-Payroll (c)	Contributions as a Percentage of Covered-Payroll (b/c)
6/30/2024	$ 51,441	$ 51,441	$ -	$ 585,893	8.78%
6/30/2023	$ 41,231	$ 41,231	$ -	$ 463,571	8.89%
6/30/2022	$ 29,902	$ 29,902	$ -	$ 336,916	8.88%
6/30/2021	$ 32,994	$ 32,994	$ -	$ 376,591	8.76%
6/30/2020	$ 32,187	$ 32,187	$ -	$ 374,241	8.60%
6/30/2019	$ 31,083	$ 31,083	$ -	$ 320,532	9.70%
6/30/2018	$ 26,829	$ 26,829	$ -	$ 335,973	7.99%
6/30/2017	$ 30,804	$ 30,804	$ -	$ 279,336	11.03%
6/30/2016	$ 24,657	$ 24,657	$ -	$ 265,198	9.30%
6/30/2015	$ 22,861	$ 22,861	$ -	$ 265,198	8.62%

Notes to the Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Contributions

Change of Benefit Terms

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

2017 Legislative Changes – PERS:

Working Retiree Limitations

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 rather 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.

Method and Assumptions used in Calculations of Actuarially Determined Contributions

The following actuarial assumptions and methods were used to determine contribution rates reported for fiscal year ending June 30, 2024, which were based on the results of the June 30, 2022 actuarial valuation:

	PERS
General Wage Growth*	3.50%
Investment Rate of Return*	7.65%
*Includes inflation at	2.75%
Merit increase	0% to 8.47%
Asset valuation method	Four-year smoothed market
Actuarial cost method	Entry age Normal
Amortization method	Level percentage of payroll, open
Mortality (Healthy members)	For Males & Females: RP 2000 Combined Employee and Annuitant Mortality Table projected to 2020 using Scale BB, males set back 1 year
Mortality (Disabled members)	For Males & Females: RP 2000 Combined Mortality Table, with no projections
Admin Expense as a % of Payroll	0.29%

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.

The actuarial assumptions and methods utilized in the June 30, 2022 valuation, were developed in the six-year experience study for the period ending 2016.

Consolidated Urban Renewal District II

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget
Budgetary Fund Balance, July 1, as previously reported	$ 5,372,714	$ 5,372,714	$ 5,372,714	$ -
Adjustments (Note 12)	66,495	66,495	66,495	-
Budgetary Fund Balance, July 1, as restated	$ 5,439,209	$ 5,439,209	$ 5,439,209	$ -
Resources (inflows):				
Tax increment property tax	4,055,634	4,892,093	4,786,643	(105,450)
State reimbursements	486,147	546,298	546,300	2
Miscellaneous	6,373	6,373	16,640	10,267
Amounts available for appropriation	9,987,363	10,883,973	10,788,792	(95,181)
Charges to Appropriations (outflows):				
Housing and community development	3,935,376	7,110,277	3,982,911	3,127,366
Debt service	1,422,208	1,423,708	1,385,941	37,767
Transfers to other funds	400,000	400,000	255,353	144,647
Total charges to appropriations	5,757,584	8,933,985	5,624,205	3,309,780
Budgetary fund balance, June 30			$ 5,164,587	

Consolidated Urban Renewal District III

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget
Budgetary Fund Balance, July 1, as previously reported	$ 11,605,859	$ 11,605,859	$ 11,605,859	$ -
Adjustments (Note 12)	(1)	(1)	(1)	-
Budgetary Fund Balance, July 1, as restated	$ 11,605,858	$ 11,605,858	$ 11,605,858	$ -
Resources (inflows):				
Tax increment property tax	5,595,573	6,936,882	6,508,839	(428,043)
State reimbursements	350,045	475,044	475,136	92
Grant revenue	760,088	760,088	478,672	(281,416)
Miscellaneous	-	-	11,351	11,351
Transfers from other funds	950,000	950,000	664,104	(285,896)
Amounts available for appropriation	19,261,564	20,727,872	19,743,960	(983,912)
Charges to Appropriations (outflows):				
Housing and community development	8,245,914	13,317,966	7,192,923	6,125,043
Debt service	1,233,148	1,236,248	1,236,248	-
Transfers to other funds	-	-	-	-
Total charges to appropriations	9,479,062	14,554,214	8,429,171	6,125,043
Budgetary fund balance, June 30			$ 11,314,789	

Consolidated Front Street District

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget
Budgetary Fund Balance, July 1, as previously reported	$ 1,084,739	$ 1,084,739	$ 1,084,739	$ -
Adjustments (Note 12)	225,167	225,167	225,167	-
Budgetary Fund Balance, July 1, as restated	$ 1,309,906	$ 1,309,906	$ 1,309,906	$ -
Resources (inflows):				
Tax increment property tax	1,802,722	2,377,705	2,304,365	(73,340)
State reimbursements	63,392	97,392	97,735	343
Miscellaneous	-	-	1,881	1,881
Amounts available for appropriation	3,176,020	3,785,003	3,713,887	(71,116)
Charges to Appropriations (outflows):				
Housing and community development	646,644	707,696	616,952	90,744
Debt service	886,055	886,055	881,215	4,840
Transfers to other funds	200,000	200,000	200,000	-
Total charges to appropriations	1,732,699	1,793,751	1,698,167	95,584
Budgetary fund balance, June 30			$ 2,015,720	

Consolidated Riverfront Triangle District

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget
Budgetary Fund Balance, July 1	$ 625,765	$ 625,765	$ 625,765	$ -
Resources (inflows):				
Tax increment property tax	444,509	447,783	439,965	(7,818)
State reimbursements	16,378	24,935	24,935	-
Miscellaneous	-	-	849	849
Amounts available for appropriation	1,086,652	1,098,483	1,091,514	(6,969)
Charges to Appropriations (outflows):				
Housing and community development	100,000	115,585	71,209	44,376
Debt service	94,391	94,391	94,391	-
Transfers to other funds	100,000	100,000	60,498	39,502
Total charges to appropriations	294,391	309,976	226,098	83,878
Budgetary fund balance, June 30			$ 865,416	

Consolidated North Reserve/Scott Street District

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget
Budgetary Fund Balance, July 1	$ 3,086,863	$ 3,086,863	$ 3,086,863	$ -
Resources (inflows):				
Tax increment property tax	1,754,314	2,067,093	2,077,128	10,035
State reimbursements	22,806	63,192	63,191	(1)
Miscellaneous	-	-	12,161	12,161
Issuance of long term debt	-	9,800,000	9,800,000	-
Transfers from other funds	-	2,753	2,753	-
Amounts available for appropriation	4,863,983	15,019,901	15,042,096	22,195
Charges to Appropriations (outflows):				
Housing and community development	2,155,531	11,031,702	2,671,208	8,360,494
Debt service	572,113	572,113	572,175	(62)
Transfers to other funds	125,000	125,000	127,753	(2,753)
Total charges to appropriations	2,852,644	11,728,815	3,371,136	8,357,679
Budgetary fund balance, June 30			$ 11,670,960	

Hellgate District

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget
Budgetary Fund Balance, July 1	$ 1,167,719	$ 1,167,719	$ 1,167,719	$ -
Resources (inflows):				
Tax increment property tax	454,304	472,502	472,780	278
State reimbursements	12,371	19,674	19,674	-
Miscellaneous	-	-	1,103	1,103
Amounts available for appropriation	1,634,394	1,659,895	1,661,276	1,381
Charges to Appropriations (outflows):				
Housing and community development	911,535	943,041	540,063	402,978
Transfers to other funds	125,000	125,000	23,253	101,747
Total charges to appropriations	1,036,535	1,068,041	563,316	504,725
Budgetary fund balance, June 30			$ 1,097,960	

Other Supplementary Information
June 30, 2024

Missoula Redevelopment Agency

Assets	Urban Renewal District II	URD II Bonds	Safeway St. Patrick Hospital Bonds	Brownsfield Bonds	Intermountain Bonds	Consolidated Urban Renewal District II
Current assets						
Cash and investments	$ 4,609,062	$ -	$ 63,232	$ -	$ -	$ 4,672,294
Taxes/Assessments receivable	-	298,959	-	-	-	298,959
Current portion of notes receivable - primary government	12,194	-	-	-	-	12,194
Due from other governments	-	71,022	-	-	-	71,022
Interfund receivable	149,391	-	-	-	-	149,391
Total current assets	4,770,647	369,981	63,232	-	-	5,203,860
Noncurrent assets						
Notes receivable - primary government	339,536	-	-	-	-	339,536
Total noncurrent assets	339,536	-	-	-	-	339,536
Total Assets	$ 5,110,183	$ 369,981	$ 63,232	$ -	$ -	$ 5,543,396
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Current liabilities						
Accounts payable	$ 8,128	$ 700	$ -	$ -	$ -	$ 8,828
Interfund payable	-	149,391	-	-	-	149,391
Total current liabilities	8,128	150,091	-	-	-	158,219
Deferred Inflows of Resources						
Uncollected tax revenue	-	220,590	-	-	-	220,590
Fund Balances						
Restricted	5,102,055	(700)	63,232	-	-	5,164,587
Total Fund Balances	5,102,055	(700)	63,232	-	-	5,164,587
Total Liabilities, Deferred Inflows, and Fund Balances	$ 5,110,183	$ 369,981	$ 63,232	$ -	$ -	$ 5,543,396

	Urban Renewal District II	URD II Bonds	Safeway St. Patrick Hospital Bonds	Brownsfield Bonds	Intermountain Bonds	Consolidated Urban Renewal District II
Revenues						
Tax increment property tax	$ -	$ 4,786,643	$ -	$ -	$ -	$ 4,786,643
Personal property tax reimbursement	-	291,038	-	-	-	291,038
State entitlement funds	-	255,262	-	-	-	255,262
Miscellaneous	4,753	-	11,887	-	-	16,640
Total revenues	4,753	5,332,943	11,887	-	-	5,349,583
Expenditures						
Housing and community development	3,982,911	-	-	-	-	3,982,911
Debt service expense - interest	-	232,575	58,493	19,194	44,356	354,618
Debt service expense - principal	-	703,015	80,000	142,808	105,500	1,031,323
Total expenditures	3,982,911	935,590	138,493	162,002	149,856	5,368,852
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,978,158)	4,397,353	(126,606)	(162,002)	(149,856)	(19,269)
Other Financing Sources (Uses)						
Transfers in	3,962,852	934,454	123,779	162,002	149,856	5,332,943
Transfers out	(255,353)	(5,332,943)	-	-	-	(5,588,296)
Total other financing sources (uses)	3,707,499	(4,398,489)	123,779	162,002	149,856	(255,353)
Net Change in Fund Balances	(270,659)	(1,136)	(2,827)	-	-	(274,622)
Fund Balances						
Beginning of year, as restated	5,372,714	436	66,059	-	-	5,439,209
End of Year	5,102,055	(700)	63,232	-	-	5,164,587

Assets	Urban Renewal District III	URD III Bonds	Consolidated Urban Renewal District III
Current assets			
Cash and investments	$ 11,005,005	$ -	$ 11,005,005
Restricted cash	-	-	-
Taxes/Assessments receivable	-	208,845	208,845
Current portion of notes receivable - unrelated	16,200	-	16,200
Current portion of notes receivable - primary government	2,296	-	2,296
Other current assets	7,919	-	7,919
Due from other governments	53,517	162,461	215,978
Interfund receivable	287,813	-	287,813
Total current assets	11,372,750	371,306	11,744,056
Noncurrent assets			
Notes receivable - unrelated	56,200	-	56,200
Notes receivable - primary government	62,185	-	62,185
Total noncurrent assets	118,385	-	118,385
Total Assets	$ 11,491,135	$ 371,306	$ 11,862,441
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Current liabilities			
Accounts payable	$ 148,913	$ -	$ 148,913
Accrued wages	27,433	-	27,433.00
Interfund payable	-	287,813	287,813
Total current liabilities	176,346	287,813	464,159
Deferred Inflows of Resources			
Uncollected tax revenue	-	83,493	83,493
Fund Balances			
Nonspendable	7,919	-	7,919.00
Restricted	11,306,870	-	11,306,870
Total Fund Balances	11,314,789	-	11,314,789
Total Liabilities, Deferred Inflows, and Fund Balances	$ 11,491,135	$ 371,306	$ 11,862,441

	Urban Renewal District III	URD III Bonds	Consolidated Urban Renewal District III
Revenues			
Tax increment property tax	$ -	$ 6,508,839	$ 6,508,839
Personal property tax reimbursement	-	474,481	474,481
State contribution - PERS	655	-	655
Grant revenue	478,672	-	478,672
Miscellaneous	11,351	-	11,351
Total revenues	490,678	6,983,320	7,473,998
Expenditures			
Housing and community development	7,192,923	-	7,192,923
Debt service expense - interest	-	646,743	646,743
Debt service expense - principal	-	589,505	589,505
Total expenditures	7,192,923	1,236,248	8,429,171
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,702,245)	5,747,072	(955,173)
Other Financing Sources (Uses)			
Transfers in	6,411,176	1,236,248	7,647,424
Transfers out	-	(6,983,320)	(6,983,320)
Total other financing sources (uses)	6,411,176	(5,747,072)	664,104
Net Change in Fund Balances	(291,069)	-	(291,069)
Fund Balances			
Beginning of year, as restated	11,605,858	-	11,605,858
End of Year	11,314,789	-	11,314,789

Assets	Front Street District	Front Street Notes& Bonds	Consolidated Front Street District
Current assets			
Cash and investments	$ 1,690,326	$ 133,563	$ 1,823,889
Taxes/Assessments receivable	-	106,085	106,085
Other current assets	-	94,181	94,181
Due from other governments	-	25,886	25,886
Interfund receivable	97,850	-	97,850
Total current assets	1,788,176	359,715	2,147,891
Total Assets	$ 1,788,176	$ 359,715	$ 2,147,891
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Current liabilities			
Accounts payable	$ -	$ 200	$ 200
Interfund payable	-	97,850	97,850
Total current liabilities	-	98,050	98,050
Deferred Inflows of Resources			
Uncollected tax revenue	-	34,121	34,121
Fund Balances			
Restricted	1,788,176	227,544	2,015,720
Total Fund Balances	1,788,176	227,544	2,015,720
Total Liabilities, Deferred Inflows, and Fund Balances	$ 1,788,176	$ 359,715	$ 2,147,891

	Front Street District	Front Street Notes&Bonds	Consolidated Front Street District
Revenues			
Tax increment property tax	$ -	$ 2,304,365	$ 2,304,365
Personal property tax reimbursement	-	97,735	97,735
Miscellaneous	1,743	138	1,881
Total revenues	1,743	2,402,238	2,403,981
Expenditures			
Housing and community development	616,952	-	616,952
Debt service expense - interest	-	440,941	440,941
Debt service expense - principal	-	440,274	440,274
Total expenditures	616,952	881,215	1,498,167
Excess (Deficiency) of Revenues Over (Under) Expenditures	(615,209)	1,521,023	905,814
Other Financing Sources (Uses)			
Transfers in	1,518,645	883,455	2,402,100
Transfers out	(200,000)	(2,402,100)	(2,602,100)
Total other financing sources (uses)	1,318,645	(1,518,645)	(200,000)
Net Change in Fund Balances	703,436	2,378	705,814
Fund Balances			
Beginning of year, as restated	1,084,740	225,166	1,309,906
End of Year	1,788,176	227,544	2,015,720

Assets	Riverfront Triangle District	Riverfront Bonds	Consolidated Riverfront Triangle District
Current assets			
Cash and investments	$ 823,468	$ -	$ 823,468
Taxes/Assessments receivable	-	49,157	49,157
Due from other governments	-	2,444	2,444
Interfund receivable	41,948	-	41,948
Total current assets	865,416	51,601	917,017
Total Assets	$ 865,416	$ 51,601	$ 917,017
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Current liabilities			
Interfund payable	$ -	$ 41,948	$ 41,948
Total current liabilities	-	41,948	41,948
Deferred Inflows of Resources			
Uncollected tax revenue	-	9,653	9,653
Fund Balances			
Restricted	865,416	-	865,416
Total Fund Balances	865,416	-	865,416
Total Liabilities, Deferred Inflows, and Fund Balances	$ 865,416	$ 51,601	$ 917,017

	Riverfront Triangle District	Riverfront Bonds	Consolidated Riverfront Triangle District
Revenues			
Tax increment property tax	$ -	$ 439,965	$ 439,965
Personal property tax reimbursement	-	24,935	24,935
Miscellaneous	849	-	849
Total revenues	849	464,900	465,749
Expenditures			
Housing and community development	71,209	33,775	104,984
Debt service expense - interest	-	51,312	51,312
Debt service expense - principal	-	43,079	43,079
Total expenditures	71,209	128,166	199,375
Excess (Deficiency) of Revenues Over (Under) Expenditures	(70,360)	336,734	266,374
Other Financing Sources (Uses)			
Transfers in	370,509	94,391	464,900
Transfers out	(60,498)	(431,125)	(491,623)
Total other financing sources (uses)	310,011	(336,734)	(26,723)
Net Change in Fund Balances	239,651	-	239,651
Fund Balances			
Beginning of year, as restated	625,765	-	625,765
End of Year	865,416	-	865,416

Assets	N. Reserve Scott Street District	N. Reserve Scott Street Bonds	Series 2024A BOI Reserve	NRSS Sinking Fund	Consolidated N. Reserve Scott Street District
Current assets					
Cash and investments	$ 4,491,292	$ -	$ 127,225	$ 2,884	$ 4,621,401
Restricted cash	7,147,866	-	-	-	7,147,866
Taxes/Assessments receivable	-	154,594	-	-	154,594
Current portion of notes receivable - primary government	2,132	-	-	-	2,132
Due from other governments	-	87,601	-	-	87,601
Interfund receivable	237,900	-	-	-	237,900
Total current assets	11,879,190	242,195	127,225	2,884	12,251,494
Noncurrent assets					
Notes receivable - primary government	63,949	-	-	-	63,949
Total noncurrent assets	63,949	-	-	-	63,949
Total Assets	$ 11,943,139	$ 242,195	$ 127,225	$ 2,884	$ 12,315,443
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Current liabilities					
Accounts payable	$ 402,288	$ -	$ -	$ -	$ 402,288
Interfund payable	-	237,900	-	-	237,900
Total current liabilities	402,288	237,900	-	-	640,188
Deferred Inflows of Resources					
Uncollected tax revenue	-	4,295	-	-	4,295
Fund Balances					
Restricted	11,540,851	-	127,225	2,884	11,670,960
Total Fund Balances	11,540,851	-	127,225	2,884	11,670,960
Total Liabilities, Deferred Inflows, and Fund Balances	$ 11,943,139	$ 242,195	$ 127,225	$ 2,884	$ 12,315,443

	N. Reserve Scott Street District	N. Reserve Scott Street Bonds	Series 2024A BOI Series	NRSS Sinking Fund	Consolidated N. Reserve Scott Street District
Revenues					
Tax increment property tax	$ -	$ 2,077,128	$ -	$ -	$ 2,077,128
Personal property tax reimbursement	-	63,191	-	-	63,191
Miscellaneous	12,030	-	-	131	12,161
Total revenues	12,030	2,140,319	-	131	2,152,480
Expenditures					
Housing and community development	2,671,208	-	-	-	2,671,208
Debt service expense - interest	-	-	-	317,571	317,571
Debt service expense - principal	-	-	-	254,604	254,604
Total expenditures	2,671,208	-	-	572,175	3,243,383
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,659,178)	2,140,319	-	(572,044)	(1,090,903)
Other Financing Sources (Uses)					
Transfers in	1,568,143	-	-	574,928	2,143,071
Transfers out	(127,752)	(2,140,319)	-	-	(2,268,071)
Issuance of long term debt	9,672,775	-	127,225	-	9,800,000
Total other financing sources (uses)	11,113,166	(2,140,319)	127,225	574,928	9,675,000
Net Change in Fund Balances	8,453,988	-	127,225	2,884	8,584,097
Fund Balances					
Beginning of year, as restated	3,086,863	-	-	-	3,086,863
End of Year	11,540,851	-	127,225	2,884	11,670,960

Internal Control and Compliance Section
June 30, 2024

Missoula Redevelopment Agency

Independent Auditor's 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, MT.

We have audited, 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 (*Government Auditing Standards*), the financial statements of the governmental activities and each major fund of Missoula Redevelopment Agency (the Agency), as of and for the year ended June 30, 2024, 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 28, 2025.

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) as a basis for designing 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 effectiveness of 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 Agency's financial statements will not be prevented, or detected and corrected on a timely basis. 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 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from 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 financial statements. 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 Agency'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.

Eide Bailly LLP

Billings, Montana
March 28, 2025