

URBAN
REDEVELOPMENT
AUTHORITY OF
PITTSBURGH

(A COMPONENT UNIT OF THE CITY OF PITTSBURGH, PENNSYLVANIA)

FINANCIAL STATEMENTS
AND
REQUIRED SUPPLEMENTARY INFORMATION
AND
ADDITIONAL INFORMATION

YEAR ENDED DECEMBER 31, 2003

WITH

INDEPENDENT AUDITOR'S REPORT

MAHER DUESSEL
CERTIFIED PUBLIC ACCOUNTANTS

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

YEAR ENDED DECEMBER 31, 2003

TABLE OF CONTENTS

Management's Discussion and Analysis	i - vii
Independent Auditor's Report	1
Financial Statements:	
Statement of Net Assets	3
Statement of Activities	4
Balance Sheet – Governmental Funds	5
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	6
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	7
Statement of Net Assets – Proprietary Funds	8
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	9
Statement of Cash Flows – Proprietary Funds	10
Statement of Fiduciary Net Assets – Fiduciary Funds	11
Notes to Financial Statements	12
Additional Information:	
Combining Balance Sheet – All Governmental Funds Except the General Fund	35
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - All Governmental Funds Except the General Fund	36

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

YEAR ENDED DECEMBER 31, 2003

TABLE OF CONTENTS

(Continued)

Combining Balance Sheet – Other Governmental Funds	37
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Other Governmental Funds	44
Combining Balance Sheet – All Agency Funds	51
Combining Statement of Changes in Assets and Liabilities – Agency Fund	52
Long-Term Debt Maturity Schedule	53

Management's Discussion and Analysis

December 31, 2003

As management of the Urban Redevelopment Authority of Pittsburgh (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2003. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements and footnotes.

Financial Highlights

- In the government-wide financial statements (page 3), assets exceeded liabilities by \$229.1 million, of which \$16 million is capital assets, \$170.9 million is restricted by funding source or bond indenture, \$20.7 million represents assets held for sale under restrictions of the state redevelopment statutes, \$2 million is held as collateral for two FNMA lines of credit, and \$15.3 million is reserved for program funding gaps, bridge financing for projects, property repairs, and improvements, and potential relocation costs in a large, current project. The remaining \$4.2 million is unrestricted and undesignated.
- The Authority's total general revenues (page 4) were \$3.7 million for the year, net of \$2.1 million expended for land and infrastructure that will be dedicated at no cost to the City of Pittsburgh.
- The Authority's total program revenues were \$61.7 million for the year, of which \$40.4 million was operating grants, \$4.7 million was capital grants, and \$16.6 million was charges for services, primarily interest income within the housing loan programs' bond indentures.
- The fund balance for all governmental funds (page 5) totaled \$45.9 million, of which \$4.4 million is unreserved and undesignated.
- The Authority retired \$61.2 million of bond and note indebtedness during 2003, and issued \$21.0 million of mortgage revenue bonds and single family mortgage revenue draw down bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority's basic financial statements are comprised of three parts: 1) Government-Wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Basic Financial Statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The Government-Wide Financial Statements (pages 3 and 4) present the financial picture of the Authority from the economic resources measurement focus using the accrual basis of accounting. They include all assets as well as all liabilities, including long-term debt. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Additionally, certain eliminations have occurred in regard to interfund activity, payables, and receivables. Governmental activities and business-type activities are presented separately, as well as the activities of Authority's two component units, the URA Housing Corporation and the Pittsburgh Housing Development Corporation.

Government-Wide Financial Statements include the Statement of Net Assets and the Statement of Activities, which report the Authority's net assets and changes in them. Net assets are the difference between assets and liabilities, which is one way to measure the Authority's financial position.

In the Statement of Net Assets and Statement of Activities, the Authority's activities are separated as follows:

Governmental Activities – This category includes the Authority's General Fund and those development projects and programs primarily funded by federal, state, and local grants, including Community Development Block Grant funds.

Business-Type Activities – This category includes self-supporting activities such as the housing programs funded through tax-exempt and taxable revenue bonds, the Pittsburgh Development Fund loan program, and the Authority's owned-and-operated real estate enterprises – the Produce Terminal, Western Restoration Center, and Lexington Technology Park.

Fund Financial Statements

Fund Financial Statements begin on page 5 of this report and provide detailed information about the Authority's most significant funds – not the Authority as a whole. The Fund Financial Statements include statements for each of the three categories of activities – governmental, proprietary, and fiduciary. Only the major funds are presented individually in the Fund Statements. Detailed information for non-major funds, which are summarized under "Other Governmental Funds" in the Fund Financial Statements, can be found in the Additional Information section following the footnotes.

Governmental Funds – Governmental Funds focus on how money flows into and out of the funds and the balances left at year-end that are available for spending. These statements provide a detailed shorter-term view of the Authority's general operations. Governmental Funds information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Authority's programs and projects. These funds are reported using an accounting method called modified accrual accounting that measures cash and all other financial assets that can be readily converted to cash. Since this is a different accounting method than what is used in the Government-Wide Financial Statements, the differences between the two sets of financial statements are

explained in a reconciliation following each Governmental Fund financial statement (pages 5 and 7).

Proprietary Funds - The Proprietary Funds (pages 8 through 10) are the same funds included in "Business-Type Activities" in the Government-Wide statements. The accounting for the Proprietary Funds is the same as that of the business-type activities reported in the Government-Wide Financial Statements but provides more detail and additional information, such as cash flows.

Fiduciary Funds - The Fiduciary Funds (page 11) are agency funds held on behalf of other governments. Because the Authority cannot use these assets to finance its operations, they are not included in the Government-Wide Financial Statements and are presented with only a Statement of Fiduciary Net Assets.

FINANCIAL ANALYSIS OF THE AUTHORITY

Our analysis below focuses on the net assets of the Authority's governmental and business-type activities.

Summary of Net Assets

The Authority's net assets at December 31, 2003 and 2002 for governmental activities were approximately \$147.7 million and \$144.1 million, respectively. For the business-type activities at December 31, 2003 and 2002, net assets were approximately \$81.4 million and \$98.2 million, respectively.

	Governmental Activities			Business-type Activities		
	2003	2002	% Change	2003	2002	% Change
Current and other assets	\$ 167,632,684	\$ 170,538,374	(1.7)	\$ 257,396,773	\$ 309,063,245	(16.7)
Capital assets	28,525,168	17,639,524	61.7	10,109,165	16,835,506	(40.0)
Total Assets	\$ 196,157,852	\$ 188,177,898	4.2	\$ 267,505,938	\$ 325,898,751	(17.9)
Current and other liabilities	\$ 31,080,346	\$ 39,989,107	(22.3)	\$ 11,671,801	\$ 9,356,915	24.7
Long-term liabilities	17,334,194	4,121,300	320.6	174,473,999	218,383,080	(20.1)
Total Liabilities	\$ 48,414,540	\$ 44,110,407	9.8	\$ 186,145,800	\$ 227,739,995	(18.3)
Net Assets:						
Invested in capital assets, net of related debt	\$ 9,934,847	\$ 13,428,806	(26.0)	\$ 6,092,112	\$ 12,540,649	(51.4)
Restricted for urban development	26,139,389	24,539,732	6.5	-	-	-
Restricted for lending programs	70,499,177	77,985,967	(9.6)	74,296,030	78,998,077	(6.0)
Unrestricted	41,169,899	28,112,986	46.4	971,996	6,620,030	(85.3)
Total Net Assets	\$ 147,743,312	\$ 144,067,491	2.6	\$ 81,360,138	\$ 98,158,756	(17.1)

Unrestricted net assets are available for the general activities of the URA. The amount consists primarily of non-liquid capital assets and grant revenues that would be returned to the funding source if not needed for their intended use.

Restricted net assets generally represent funds that have constraints on their use pursuant to grant agreements or bond indentures. In total, at December 31, 2003, assets of the governmental and business-type funds exceeded their liabilities by \$229.1 million, of which \$16 million is capital assets, \$170.9 million is restricted by funding source or bond indenture, \$20.7 million represents assets held for sale under restrictions of the state redevelopment statutes, \$2 million is held as collateral for two FNMA lines of credit, and \$15.3 million is reserved for program funding gaps, bridge financing for projects, property repairs and improvements, and potential relocation costs in a large, current project.

The increases in governmental assets and liabilities are due primarily to the construction of two parking garages at the Southside Works project and the debt incurred to finance that construction.

Our next analysis focuses on *changes* in net assets of the Authority's governmental and business-type activities.

**Changes in Net Assets
Year Ended December 31,**

	<u>Governmental Activities</u>			<u>Business-type Activities</u>		
	<u>2003</u>	<u>2002</u>	<u>% Change</u>	<u>2003</u>	<u>2002</u>	<u>% Change</u>
Program Revenues:						
Charges for services	\$ 3,974,431	\$ 4,106,864	(3.2)	\$12,593,665	\$ 13,387,619	(5.9)
Operating Grants	40,190,477	32,302,306	24.4	264,658	531,258	(50.2)
Capital Grants	4,730,587	6,319,896	(25.1)	-	-	-
General Revenues:						
Unrestricted investment earnings	1,186,026	1,344,558	(11.8)	190,928	5,914,410	(96.8)
Gain on sale of assets	48,351	5,362,648	(99.1)	-	-	-
Other	<u>3,721,428</u>	<u>-</u>	100.0	<u>718,033</u>	<u>44,487</u>	1514.0
Total revenues	<u>53,851,300</u>	<u>49,436,272</u>	8.9	<u>13,767,284</u>	<u>19,877,774</u>	(30.7)
Program Expenses:						
Urban development	38,531,132	37,449,685	2.9	-	-	-
General government	10,650,010	10,399,078	2.4	-	-	-
Interest on long-term debt	351,950	162,514	116.6	-	-	-
Lending programs	-	-	-	26,152,936	13,075,260	100.0
Property management	<u>-</u>	<u>-</u>	-	<u>2,912,966</u>	<u>2,909,448</u>	.1
Total expenses	<u>49,533,092</u>	<u>48,011,277</u>	3.2	<u>29,065,902</u>	<u>15,984,708</u>	81.8
Change in net assets before transfers and cost of land to be dedicated	<u>4,318,208</u>	<u>1,424,995</u>	203.0	<u>(15,298,618)</u>	<u>3,893,066</u>	(493.0)
Transfers	1,500,000	(200,000)		(1,500,000)	200,000	
Cost of land to be dedicated	<u>(2,142,387)</u>	<u>-</u>		<u>-</u>	<u>-</u>	
Change in net assets after transfers and cost of land to be dedicated	<u>\$ 3,675,821</u>	<u>\$ 1,224,995</u>	200.1	<u>\$(16,798,618)</u>	<u>\$ 4,093,066</u>	(510.4)

Governmental Activities - The cost of all Governmental activities in 2003 was \$49.5 million as compared to \$48 million in 2002. Operating grants, capital grants, and charges for services covered all but \$637,597 of these costs in 2003 as compared to all but \$5.2 million in 2002. The difference was made up with investment earnings, gains on the sale of improved property within project areas, and other general revenues.

Business-Type Activities - The cost of all Proprietary (Business-Type) activities in 2003 was \$29 million, as compared to \$16 million in 2002, the difference being an increase in non-cash loan reserves. As shown in the Statement of Activities, the amounts paid by borrowers (\$9.7 million in 2003; \$10.5 million in 2002), tenants of owned properties (\$2.8 million in both 2003 and 2002), and by operating grants (\$264,658 in 2003; \$531,258 in 2002) covered a major portion of these costs. The difference was made up primarily with investment earnings, other general revenues, and transfers.

Investment earnings in 2003 were affected by lower interest rates and a decrease in the fair value of the mortgage-backed securities and investments within the housing bond programs.

THE AUTHORITY'S FUNDS

As of December 31, 2003, the Authority's governmental funds reported total ending fund balances of \$45.9 million, which is an increase of \$6.4 million from the prior year. The increase is due primarily to the elimination of the 2002 deficit fund balance in the Southside Works project through the receipt of additional grant funds and borrowings for garage construction. \$26.1 million of the fund balance is reserved to indicate that it is not available for new spending and is comprised of \$2 million reserved as collateral for lines of credit and \$24.1 million related to restrictions imposed by grantor agencies. Another \$15.3 has been designated for 2004 expenditures, bridge funds for programs and projects, property repairs and improvement, and potential relocation liabilities.

Major Funds

The URA's General Fund balance of \$21.9 million at December 31, 2003 represents an increase of \$325,927 from the December 31, 2002 balance.

The Community Development Block Grant (CDBG) Fund accounts for CDBG grants passed through to the Authority from the City of Pittsburgh. Its fund balance remains unchanged from its December 31, 2002 balance.

The Community Development Block Grant Program Income Fund accounts for inflows from transactions related to past usage of CDBG grants (i.e. repayment of loans originally funded with CDBG grants). There was a decrease in fund balance of \$420,477 resulting from a higher level of repayment re-use than what was received during the twelve-month period.

The South Side Works Fund shows a fund balance of \$1.6 million at December 31, 2003, an increase of \$6.3 million resulting from borrowings combined with lower grant revenues and increased project expenditures during the year.

As of December 31, 2003, all grant funds on hand for the Summerset at Frick Park had been expended. The project continues with additional phases in 2004.

There are three funds that have become newly classified as major funds due to the level of activity during 2003. The Downtown Retail Corridor Fund accounts for property acquisitions for future development in the downtown area of the City of Pittsburgh. The HOME Fund provides loans or grants for both housing rehabilitation and new construction. The Mellon TIF Fund accounts for the project fund portion of the Center Triangle Tax Increment Bonds issued in 2000.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The Authority's investment in capital assets as of December 31, 2003 and 2002 amount to \$28.5 million and \$17.6 million, respectively, (net of accumulated depreciation) for its governmental activities. The increase is due to the garage construction at Southside Works and the purchase of various properties within redevelopment areas. Capital assets in its business-type activities were \$10.1 million at December 31, 2003, a decrease of \$6.7 million. The decrease was due to the transfer of development properties from one of the funds to the Downtown Retail Corridor Fund (a governmental fund) when the Centre Triangle TIF Funds became available during the year.

Additional information on capital assets may be found in Note 5 of the Notes to Financial Statements.

Debt Administration

At December 31, 2003, the Authority had total long-term debt outstanding of \$198 million, including the portion due within one year. The bonds within that amount are secured solely by specified revenue sources (i.e. repayments on home mortgage loans and home improvement loans).

During the year, new mortgage revenue bonds were issued in the amount of \$9.1 million, single family mortgage revenue draw down bonds were issued in the amount of \$11.9 million, and other borrowings from a bank and HUD's Section 108 program were made for individual projects in the amount of \$13.3 million. During 2003, retirement of URA debt amounted to approximately \$61.2 million.

The outstanding debt is comprised primarily of \$124 million of Mortgage Revenue Bonds, \$16.8 million of Home Improvement Loan Program Bonds, \$35 million of Single Family Mortgage Revenue Draw Down Bonds, \$10.2 million of bank loans, and Section 108 loans in the amount of \$11 million. The Mortgage Revenue Bonds, comprised of various issues, are rated "A" to "AAA" by Standard and Poor's and "A1" to "Aa1" by Moody's. The

Home Improvement Loan Program Bonds, also comprised of various issues, are rated “A” by Standard and Poor’s and “A” to “A2” by Moody’s.

Additional information on outstanding long-term liabilities may be found in Note 8 of the Notes to Financial Statements.

Request for Information

This financial report is designed to provide a general overview of the Authority’s finances for all those with an interest in the Authority’s finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Urban Redevelopment Authority of Pittsburgh, 200 Ross Street, Pittsburgh, Pennsylvania 15219 or (412) 255-6630.

MAHER DUESSEL
CERTIFIED PUBLIC ACCOUNTANTS

THREE GATEWAY CENTER - SIX WEST
PITTSBURGH, PA 15222

(412) 471-5500
FAX (412) 471-5508

Independent Auditor's Report

Board of Directors
Urban Redevelopment Authority of Pittsburgh
Pittsburgh, Pennsylvania

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Urban Redevelopment Authority of Pittsburgh (URA), a component unit of the City of Pittsburgh, as of and for the year ended December 31, 2003, which collectively comprise the URA's financial statements as listed in the table of contents. These financial statements are the responsibility of URA's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Pittsburgh Housing Development Corporation, whose statements reflect total assets and operating revenues comprising 62% and 51%, respectively of the discretely presented component units. These financial statements were audited by other auditors whose report thereon has been furnished to us and our opinion expressed herein, insofar as it relates to the amounts included for it, is based solely upon the report of the other auditors.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the URA as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

The Management's Discussion and Analysis on pages i through vii is not a required part of the basic financial statements but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Board of Directors
Urban Redevelopment Authority of Pittsburgh
Independent Auditor's Report

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the URA's financial statements. The additional information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



May 20, 2004

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

STATEMENT OF NET ASSETS

DECEMBER 31, 2003

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	URA Housing Corporation	Pittsburgh Housing Development Corporation
Assets					
Cash and investments	\$ 66,794,699	\$ 166,964,646	\$ 233,759,345	\$ 55,257	\$ 160,019
Investments - restricted	-	-	-	422,269	-
Due from other governments	4,049,280	-	4,049,280	384	-
Other receivables	5,722,792	744,241	6,467,033	19,925	413,321
Internal balances	(143,186)	143,186	-	-	-
Loans to component units	2,174,623	-	2,174,623	-	-
Loans receivable, net	68,324,554	87,430,062	155,754,616	3,678,373	1,897,488
Assets held for sale	20,709,922	-	20,709,922	-	4,587,945
Other assets	-	2,114,638	2,114,638	164,910	100
Capital assets, net of applicable accumulated depreciation	28,525,168	10,109,165	38,634,333	-	-
Total Assets	\$ 196,157,852	\$ 267,505,938	\$ 463,663,790	\$ 4,341,118	\$ 7,058,873
Liabilities					
Accounts payable and other accrued liabilities	\$ 18,130,814	\$ 2,140,047	\$ 20,270,861	\$ 236,190	\$ 189,288
Deferred revenue	12,180,527	4,133,700	16,314,227	-	-
Loans payable to URA	-	-	-	-	2,174,623
Noncurrent liabilities:					
Due within one year	769,005	5,398,054	6,167,059	115,000	455,103
Due in more than one year	17,334,194	174,473,999	191,808,193	3,305,732	42,456
Total Liabilities	48,414,540	186,145,800	234,560,340	3,656,922	2,861,470
Net Assets					
Invested in capital assets, net of related debt	9,934,847	6,092,112	16,026,959	-	1,958,219
Restricted for urban development	26,139,389	-	26,139,389	-	-
Restricted for lending programs	70,499,177	74,296,030	144,795,207	-	-
Restricted for multi-family housing program	-	-	-	684,196	-
Unrestricted	41,169,899	971,996	42,141,895	-	2,239,184
Total Net Assets	147,743,312	81,360,138	229,103,450	684,196	4,197,403
Total Liabilities and Net Assets	\$ 196,157,852	\$ 267,505,938	\$ 463,663,790	\$ 4,341,118	\$ 7,058,873

The notes to the financial statements are an integral part of this statement.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2003

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
					Primary Government		Component Units
	Direct Expenses	Charges for Services	Operating Grants	Capital Grants	Governmental Activities	Business-type Activities	
Functions/Programs:							
Primary Government:							
Governmental activities:							
Urban development	\$ 38,531,132	\$ -	\$ 37,385,477	\$ 4,730,587	\$ 3,584,932	\$ -	\$ 3,584,932
General government	10,650,010	3,974,431	2,805,000	-	(3,870,579)	-	(3,870,579)
Interest on long-term debt	351,950	-	-	-	(351,950)	-	(351,950)
Total governmental activities	49,533,092	3,974,431	40,190,477	4,730,587	(637,597)	-	(637,597)
Business-type activities:							
Lending programs	26,152,936	9,757,015	264,658	-	-	(16,131,263)	(16,131,263)
Property management	2,912,966	2,836,650	-	-	-	(76,316)	(76,316)
Total business-type activities	29,065,902	12,593,665	264,658	-	-	(16,207,579)	(16,207,579)
Total primary government	\$ 78,598,994	\$ 16,568,096	\$ 40,455,135	\$ 4,730,587	(637,597)	(16,207,579)	(16,845,176)
Component Units:							
URA Housing Corporation	\$ 1,117,433	\$ -	\$ 1,130,477	\$ -	-	-	13,044
Pittsburgh Housing Development Corporation	2,754,352	107,500	-	1,061,740	-	-	-
Total component units	\$ 3,871,785	\$ 107,500	\$ 1,130,477	\$ 1,061,740	-	-	13,044
General revenues:							
Unrestricted investment earnings					1,186,026	190,928	1,376,954
Gain on sale of assets					48,351	-	48,351
Other general income					3,721,428	718,033	4,439,461
Transfers in (out)					1,500,000	(1,500,000)	-
Cost of land to be dedicated					(2,142,387)	-	(2,142,387)
Total general revenues and transfers					4,313,418	(591,039)	3,722,379
Change in net assets					3,675,821	(16,798,618)	(13,122,797)
Net assets - beginning					144,067,491	98,158,756	242,226,247
Net assets - ending					\$ 147,743,312	\$ 81,360,138	\$ 229,103,450

The notes to the financial statements are an integral part of this statement.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2003

	General	Community Development Block Grant	Community Development Block Grant Program Income	South Side Works	Summer set at Frick Park	Downtown Retail Corridor	HOME	Mellon TIF	Other Governmental Funds	Totals
\$	20,721,790	\$ 1,853,889	\$ 36,580	\$ 8,943,028	\$ 2,194,768	\$ 378	\$ 437,043	\$ 837,482	\$ 31,769,741	\$ 66,794,699
	3,094,000	-	31,963,848	177,668	-	-	1,706,990	-	33,556,671	70,499,177
	-	50	-	6,104	91	-	109	371	15,612	22,337
	2,546,718	-	-	-	385,192	14,582	97,019	45,708	2,611,236	5,700,455
	6,325,092	-	368,161	718,007	-	2,653,553	325,928	-	3,378,028	13,768,769
	-	-	-	-	-	-	-	-	-	-
	45,871	1,022,445	1,159	1,402,097	285,788	-	-	-	1,291,920	4,049,280
	1,372,038	-	-	1,634,854	1,454,000	12,465,000	-	-	3,784,030	20,709,932
	-	-	-	-	-	-	-	-	-	-
\$	34,105,509	\$ 2,876,384	\$ 32,369,748	\$ 12,881,758	\$ 4,319,839	\$ 15,133,513	\$ 2,567,089	\$ 883,561	\$ 76,407,238	\$ 181,544,639
	1,814,512	\$ 188,271	\$ 122,712	\$ 7,648,903	\$ 2,198,915	\$ -	\$ 189,720	\$ -	\$ 5,760,329	\$ 17,923,362
	5,292,112	2,187,757	-	1,671,119	666,924	306,660	90,774	-	3,696,609	13,911,955
	18,253	-	-	-	-	-	-	-	-	18,253
	5,042,716	235,241	31,963,848	1,993,251	1,454,000	12,465,000	1,706,990	883,561	48,167,092	103,821,699
	12,167,593	2,611,269	32,086,560	11,223,273	4,319,839	12,771,660	1,987,484	883,561	57,624,030	135,675,269
	2,000,000	265,115	283,188	1,658,485	-	2,361,853	579,605	-	18,991,143	26,139,389
	4,597,777	-	-	-	-	-	-	-	-	4,597,777
	-	-	-	-	-	-	-	-	(207,935)	(207,935)
	15,340,139	-	-	-	-	-	-	-	-	15,340,139
	21,937,916	265,115	283,188	1,658,485	-	2,361,853	579,605	-	18,783,208	45,869,370
\$	34,105,509	\$ 2,876,384	\$ 32,369,748	\$ 12,881,758	\$ 4,319,839	\$ 15,133,513	\$ 2,567,089	\$ 883,561	\$ 76,407,238	\$ 181,544,639

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

Fund balance
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.
Other long-term assets such as loans and assets held for sale are not available to pay for current-period expenditures and, therefore, are deferred in the funds.
An accrual for interest payable is not reflected within the funds.
Long-term liabilities, including compensated absences, bonds payable and potential legal settlements due in 2005, are not due and payable in the current period and therefore, are not reported in the funds.

Net assets of governmental activities

	\$	45,869,370
		28,525,168
		91,641,172
		(189,199)
		(18,103,199)
	\$	147,743,312

The notes to the financial statements are an integral part of this statement.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2003

	General	Community Development Block Grant	Community Development Block Grant Program Income	South Side Works	Summerset at Frick Park	Downtown Retail Corridor	HOME	Mellon TIF	Other Governmental Funds	Totals
Revenues:										
Intergovernmental	\$ 645,819	\$ 8,515,755	\$ 18,976	\$ 4,730,587	\$ 3,286,425	\$ -	\$ 7,178,654	\$ 6,100,094	\$ 14,444,754	\$ 44,921,064
Interest	767,328	9,075	1,704	36,326	18,205	-	1,901	32,708	318,779	1,186,026
Rental income	1,567,432	-	-	530,686	-	-	-	-	140,150	2,238,268
Loan repayments	144,718	3,446	1,247,698	11,458	-	-	731,933	-	5,300,822	7,440,075
Other	2,156,722	-	-	424,189	326,098	(1,802)	440	-	1,009,132	3,914,779
Total revenues	5,282,019	8,528,276	1,268,378	5,733,246	3,630,728	(1,802)	7,912,928	6,132,802	21,213,637	59,700,212
Expenditures:										
Current:										
Urban development	102,590	21,459	1,499,035	13,033,493	3,043,129	10,389,403	6,657,901	43,370	22,500,155	57,290,535
Administrative	3,035,283	2,805,000	23,645	155,217	397,801	-	473,883	-	994,991	7,885,820
Other	766,213	-	15,740	612,120	591,388	26,278	5,976	-	755,618	2,773,333
Debt service	-	-	-	162,751	-	-	-	-	-	162,751
Total expenditures	3,904,086	2,826,459	1,538,420	13,963,581	4,032,318	10,415,681	7,137,760	43,370	24,250,764	68,112,439
Excess (Deficiency) of Revenues Over Expenditures	1,377,933	5,701,817	(270,042)	(8,230,335)	(401,590)	(10,417,483)	775,168	6,089,432	(3,037,127)	(8,412,227)
Other Financing Sources (Uses):										
Proceeds of debt	-	-	-	13,345,478	-	-	-	-	-	13,345,478
Transfers in	150,511	109,653	-	1,258,944	-	10,099,247	10,000	-	13,284,534	24,921,889
Transfers out	(1,211,517)	(5,811,470)	(150,435)	-	-	-	(1,157,455)	(6,089,432)	(9,001,580)	(23,421,880)
Total other financing sources (uses)	(1,052,006)	(5,701,817)	(150,435)	14,604,422	-	10,099,247	(1,147,455)	(6,089,432)	4,282,954	14,845,478
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	325,927	-	(420,477)	6,374,087	(401,590)	(318,236)	(372,287)	-	1,245,827	6,433,251
Fund Balance:										
Beginning of year	21,611,989	265,115	703,665	(4,715,602)	401,590	2,680,089	951,892	-	17,537,381	39,436,119
End of year	\$21,937,916	\$ 265,115	\$ 283,188	\$ 1,658,485	\$ -	\$ 2,361,853	\$ 579,605	\$ -	\$ 18,783,208	\$ 45,869,370

The notes to the financial statements are an integral part of this statement.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

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

YEAR ENDED DECEMBER 31, 2003

Amounts reported for governmental activities in the statement of activities (page 4) are different because:

Net change in fund balances - total governmental funds (page 6)	\$ 6,433,251
The issuance of loans is a current expense to the governmental funds, while it has no effect on the net assets on the accrual basis.	4,329,856
The increase in the allowance for doubtful loans is reflected as an expense on the accrual basis.	(7,971,441)
In governmental funds, the repayment of loans, including principal and interest, is recognized as income when received since the loans were expensed when issued. On the statement of activities, only the interest income is reported as current revenue.	(5,703,912)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds.	(13,345,478)
The cost of new capital assets is expensed in the funds but capitalized in the government-wide full accrual statements.	23,816,232
Decrease in compensated absence liability is reflected as an expense on the statement of net assets, but not included in the fund statements.	9,143
Depreciation expense related to the capital assets is not reflected in the fund statements but is recorded on the full-accrual basis.	(333,631)
An accrual for legal settlements due in 2005 has been reflected on the accrual basis.	(238,000)
The cost of land to be dedicated to the City for \$1 in the future is reflected as an expense on the accrual basis.	(2,142,387)
Interest expense payable at year-end that is not paid until the following year is not reflected in the funds.	(189,199)
The adjustment to net realizable value of parcels held for sale based on a disposition agreement for parcels held for sale at Summerset at Frick Park has been reflected as an as an expense on the accrual basis.	(843,613)
The cost of parcels of land sold in the current year is netted against sales proceeds in the statement of activities but not on the fund statements.	(145,000)
Change in net assets of governmental activities (page 4)	<u>\$ 3,675,821</u>

The notes to the financial statements are an integral part of this statement.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

STATEMENT OF NET ASSETS PROPRIETARY FUNDS

DECEMBER 31, 2003

	Business-type Activities-Enterprise Funds						Totals
	Mortgage Revenue Bond Program	Home Improvement Loan Program	Pittsburgh Development Fund	Produce Terminal Fund	Single Family Mortgage Revenue Draw Down Bonds Fund	Western Restoration Center Fund	
Assets							
Current assets:							
Cash and investments	\$ 100,582,799	\$ 10,412,198	\$ 19,866,075	\$ 790,803	\$ 35,121,222	\$ 17,893	\$ 166,964,646
Receivables (net, where applicable, of allowance for uncollectibles):							
Loans							
Interest	37,950,128	10,572,409	38,907,525	-	-	-	87,430,062
Other	171,129	31,782	10,031	507	-	-	213,449
Due from other funds	297,603	180,827	-	52,362	-	-	530,792
Loan to Lexington Technology Park Fund	-	-	355,425	57,737	-	-	413,479
Other assets	1,732,789	365,160	-	279,163	-	-	279,163
Noncurrent assets:							
Capital assets, net of applicable accumulated depreciation	-	-	-	2,187,204	-	-	2,187,204
Total Assets	\$ 140,734,448	\$ 21,562,376	\$ 59,139,056	\$ 3,367,776	\$ 35,121,222	\$ 17,893	\$ 268,055,394
Liabilities							
Current liabilities:							
Accounts payable and other accrued liabilities	\$ 1,639,316	\$ 375,976	\$ 1,541	\$ 26,053	\$ -	\$ -	\$ 2,140,047
Due to other funds	-	-	255,539	-	-	-	255,539
Deferred revenue	1,748,700	-	2,385,000	-	-	-	4,133,700
Bonds and loans payable	3,630,000	1,475,000	-	-	-	-	5,105,000
Noncurrent liabilities:							
Loan from Produce Terminal Fund	-	-	-	-	-	-	-
Bonds and loans payable	120,395,000	13,355,000	-	-	35,000,000	-	174,750,000
Total Liabilities	\$ 123,783,016	\$ 17,205,976	\$ 2,642,080	\$ 26,053	\$ 35,000,000	\$ -	\$ 186,695,256
Net Assets							
Invested in capital assets, net of related debt	-	-	-	2,187,204	-	-	2,187,204
Restricted for lending programs	13,321,432	4,356,400	56,496,976	-	121,222	-	74,296,030
Unrestricted	-	-	-	1,154,519	-	17,893	19,056,912
Total Net Assets	\$ 13,321,432	\$ 4,356,400	\$ 56,496,976	\$ 3,341,723	\$ 121,222	\$ 17,893	\$ 81,360,138
Total Liabilities and Net Assets	\$ 140,734,448	\$ 21,562,376	\$ 59,139,056	\$ 3,367,776	\$ 35,121,222	\$ 17,893	\$ 268,055,394

The notes to the financial statements are an integral part of this statement.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2003

	Business-type Activities- Enterprise Funds							Totals
	Mortgage Revenue Bond Program	Home Improvement Loan Program	Pittsburgh Development Fund	Produce Terminal Fund	Single Family Mortgage Revenue Draw Down Bonds Funds	Western Restoration Center Fund	Lexington Technology Park Fund	
Operating Revenues:								
Program interest income	\$ 7,162,731	\$ 400,642	\$ 1,783,679	\$ 7,421	\$ 409,963	\$ -	\$ -	\$ 9,764,436
Property management revenues	-	-	-	616,684	-	28,181	2,184,364	2,829,229
Other	-	264,658	-	-	-	-	-	264,658
Total operating revenues	7,162,731	665,300	1,783,679	624,105	409,963	28,181	2,184,364	12,858,323
Operating Expenses:								
Fair value discount	-	(343,325)	-	-	-	-	-	(343,325)
Originating lender service fees	150,701	73,730	-	-	-	-	-	224,431
Administrative expenses	668,605	1,203	-	-	-	25,000	25,000	719,808
Depreciation expense	-	-	-	301,354	-	-	317,816	619,170
Property management and improvements	-	-	-	146,531	-	21,204	1,606,972	1,774,707
Other	1,226,627	149,453	14,327,566	220,114	-	-	3,155	15,926,915
Total operating expenses	2,045,933	(118,939)	14,327,566	667,999	-	46,204	1,952,943	18,921,706
Operating Income (Loss)	5,116,798	784,239	(12,543,887)	(43,894)	409,963	(18,023)	231,421	(6,063,383)
Non-Operating Revenues (Expenses):								
Earnings on investments	(37,333)	141,721	86,540	-	-	-	-	190,928
Interest expense	(8,573,107)	(932,829)	-	-	(392,440)	-	(245,820)	(10,144,196)
Other	723,175	(5,142)	-	-	-	-	-	718,033
Net non-operating revenues (expenses) before transfers	(7,887,265)	(796,250)	86,540	-	(392,440)	-	(245,820)	(9,235,235)
Transfers In (Out)	-	-	(1,500,000)	-	-	-	-	(1,500,000)
Excess (Deficiency) of Revenues Over Expenses After Transfers In (Out)	(2,770,467)	(12,011)	(13,957,347)	(43,894)	17,523	(18,023)	(14,399)	(16,798,618)
Net Assets:								
Beginning of year	16,091,899	4,368,411	70,454,323	3,385,617	103,699	35,916	3,718,891	98,158,756
End of year	13,321,432	4,356,400	56,496,976	3,341,723	121,222	17,893	3,704,492	81,360,138

The notes to the financial statements are an integral part of this statement.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2003

	Business-type Activities-Enterprise Funds						
	Mortgage Recovery Bond Program	Home Improvement Loan Program	Pittsburgh Development Fund	Product Terminal Fund	Single Family Revenue Draw Down Bonds Fund	Western Recreation Center Fund	Lexington Technology Park Fund
Cash Flows From Operating Activities:							
Receipts from tenants	\$ -	\$ -	\$ -	\$ 603,969	\$ -	\$ 28,181	\$ 2,184,364
Payments from borrowers	11,368,820	3,939,444	11,725,625	-	-	-	-
Loan disbursements to borrowers	(4,423,394)	(747,748)	(4,428,071)	-	-	-	-
Payments for property management services	-	-	-	(11,203)	-	(46,204)	(1,568,138)
Other receipts (payments)	2,611,186	61,625	(109,439)	(212,311)	409,963	-	(31,155)
Net cash provided by (used in) operating activities	9,556,612	3,253,321	7,188,115	260,455	409,963	(18,023)	613,071
Cash Flows From Non-Capital Financing Activities:							
Other income (expense)	723,174	(5,142)	-	-	-	-	-
Proceeds from borrowings	9,115,000	-	-	-	11,901,000	-	-
Loan disbursement to Lexington Technology Park Fund	(47,770,000)	(1,370,000)	-	(279,163)	(11,718,000)	-	279,163
Proceeds from investments	-	-	-	-	-	-	(27,804)
Transfer (to)/from other funds	(8,276,832)	(961,173)	(1,791,248)	(50,402)	(392,440)	-	(245,820)
Interest paid	(47,208,649)	(2,336,317)	(1,791,248)	(339,863)	(239,440)	-	(244,461)
Net cash provided by (used in) non-capital financing activities	-	-	6,482,881	(81,345)	-	-	6,482,881
Cash Flows From Capital and Related Financing Activities:							
Proceeds from sale of capital assets	-	-	-	-	-	-	(294,365)
Building improvements	-	-	6,482,881	(81,345)	-	-	(294,365)
Net cash provided by (used in) capital and related financing activities	-	-	6,482,881	(81,345)	-	-	6,107,171
Cash Flows From Investing Activities:							
Purchase of investments	(14,872,033)	-	-	(134,803)	(1,372,442)	-	-
Proceeds from sale and maturities of investments	36,347,810	1,075,613	-	291,000	1,208,819	-	-
Earnings on investments	1,413,890	230,513	86,540	-	-	-	-
Total cash flows provided by (used in) investing activities	22,889,667	1,306,146	86,540	156,197	(163,623)	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	(14,762,364)	2,219,150	11,966,268	15,142	17,100	(18,023)	74,245
Cash and Cash Equivalents:							
Beginning of year	42,693,366	6,825,892	7,899,807	12,797	103,692	35,916	99,411
End of year	\$ 27,931,002	\$ 9,045,049	\$ 19,866,075	\$ 28,539	\$ 120,799	\$ 17,893	\$ 173,656
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:							
Operating income (loss)	\$ 5,116,798	\$ 784,329	\$ (12,543,887)	\$ (43,894)	\$ 409,963	\$ (18,023)	\$ 231,421
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation and amortization	1,002,763	64,715	14,112,492	301,354	-	-	317,816
Provision for uncollectible loans receivable	41,843	-	-	-	-	-	-
Changes in operating assets and liabilities:							
Loans issued	(4,423,394)	(747,748)	(4,428,071)	-	-	-	-
Loan repayments received	8,247,504	3,218,391	5,945,821	-	-	-	-
(Increase) decrease in interest receivable	72,889	(22,914)	(3,817)	182	-	-	-
(Increase) decrease in loans receivable	-	(43,362)	105,635	(12,715)	-	-	-
(Increase) decrease in other assets	(82,500)	-	-	15,128	-	-	-
Increase (decrease) in accounts payable	(718,991)	-	-	-	-	-	63,834
Increase (decrease) in deferred revenue	4,439,814	2,469,082	19,732,002	304,449	-	-	-
Total adjustments	\$ 9,556,612	\$ 3,253,321	\$ 7,188,115	\$ 260,455	\$ 409,963	\$ (18,023)	\$ 613,071
Net cash provided by (used in) operating activities	\$ 100,582,799	\$ 10,412,198	\$ 19,866,075	\$ 790,803	\$ 35,121,222	\$ 17,893	\$ 173,656
Supplemental Information:							
Cash and cash equivalents	(27,931,002)	(1,367,149)	-	(762,264)	(35,000,423)	-	-
Loans from investments	-	-	-	-	120,799	-	-
Cash and cash equivalents	\$ 27,931,002	\$ 9,045,049	\$ 19,866,075	\$ 28,539	\$ 120,799	\$ 17,893	\$ 173,656

The notes to the financial statements are an integral part of this statement.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS

DECEMBER 31, 2003

	<u>Agency Funds</u>
<u>Assets</u>	
Cash and investments	<u>\$ 3,509,066</u>
<u>Liabilities</u>	
Accounts payable and other accrued liabilities	\$ 190,209
Due to other governments:	
City	1,244,132
County	488,265
School District	<u>1,586,460</u>
Total Liabilities	<u>\$ 3,509,066</u>

The notes to the financial statements are an integral part of this statement.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Urban Redevelopment Authority of Pittsburgh (URA) was established in 1946 under the Pennsylvania Urban Redevelopment Law. The URA acquires and clears blighted property; initiates rebuilding with the private sector; negotiates with the federal, state, county, and local governments for public funds and facilities; and works to maintain and improve Pittsburgh neighborhoods and business districts. Funding for the URA projects and programs is obtained primarily through revenue bonds and intergovernmental grants.

Under the provisions of the Government Accounting Standards Board (GASB) Statement No. 14, "*Financial Reporting Entity*," the URA is considered to be a component unit of the City of Pittsburgh (City) as the Mayor of Pittsburgh appoints the Board of Directors of the URA and a financial benefit/burden relationship exists between the City and the URA.

The reporting entity of the URA includes the accounts of all URA operations as well as two entities that qualify as component units of the URA under the provisions of GASB Statement No. 14. The component units of the URA, which are discretely presented in separate columns, are:

- The URA Housing Corporation (Housing Corporation)

The URA appoints the Board of Directors of this non-profit corporation and has the ability to impose its will upon the corporation. The Housing Corporation engages and assists in the development of low-income housing and acts as a "Public Housing Agency" under the United States Housing Act of 1937, primarily in regard to the Hazelwood Towers Housing Project.

- Pittsburgh Housing Development Corporation (PHDC)

The URA appoints the Board of Directors of this non-profit corporation and has the ability to impose its will upon the PHDC. The PHDC initiates, plans, finances, develops, and manages housing development throughout the City, with particular emphasis on activities in low- and moderate-income census tracts.

All component units operate on a fiscal year ending December 31. Separate financial statements and information for these component units can be obtained through the Finance Department of the URA to the extent they are a matter of public record.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2003

The Pittsburgh Economic and Industrial Development Corporation (PEIDC)

The PEIDC is a non-profit corporation which was formed to formulate, implement, and promote commercial, industrial and other economic development goals, strategies, and projects in and for the City of Pittsburgh. The URA initially appointed the Board members of the PEIDC and also had common Board members. However, beginning in 2003, the Board members are elected by the PEIDC membership and there are no common Board members between the organizations. As a result, the PEIDC is not considered a component unit of the URA. Financial information is available for PEIDC at the URA's offices.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by intergovernmental grants, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially responsible.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from services or privileges provided by a given function or segment and 2) grants that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2003

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as soon as all eligibility requirements imposed by the grantor have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and expenditures related to compensated absences are recorded only when payment is due.

Federal, state, and local grants designated for payment of specific URA expenditures are recognized when the related expenditures are incurred. Interest earnings associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current period. Any excess of grant-specific revenues or expenditures at year-end is recorded as deferred revenue or accounts receivable, respectively. All other revenue items are considered to be measurable and available only when cash is received by the URA.

The URA reports the following major governmental funds:

The *General Fund* is the URA's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

The *CDBG and CDBG Program Income Funds* account for substantially all of the URA's Community Development Block Grant program which provides grants and loans for economic development and housing in the City of Pittsburgh.

The *South Side Works Fund, formerly LTV Fund*, accounts for the significant development activities in process on the City's South Side, including office, housing, entertainment and recreation components.

The *Summerset at Frick Park Fund, formerly Nine Mile Run Fund*, accounts for the development of a 238-acre environmentally degraded area into a new community of 713 homes spanning the Squirrel Hill and Swisshelm Park neighborhoods.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2003

The *Downtown Retail Corridor Fund* accounts for the property acquisitions in the downtown area in preparation for future development.

Through funding provided by the Department of Housing and Urban Development, the URA uses its *HOME Fund* to provide financial assistance specifically to meet the housing related needs of the City. HOME money is utilized for both rehabilitation and new construction through existing URA housing programs. Assistance may be in the form of loans or grants to individual borrowers or developers.

The *Mellon TIF Fund* accounts for the project funds designated for major redevelopment efforts in the City's central business district. The project funds were received pursuant to issuing Redevelopment Bonds, Series of 2000, for the Center Triangle Tax Increment Financing District – Mellon Client Service Center Project. The bonds are conduit debt of the Authority.

The URA reports the following major proprietary funds:

The *Mortgage Revenue Bond Program* provides below-market rate mortgages for the purchase and rehabilitation of residential property within the City of Pittsburgh.

The *Home Improvement Loan Program* accounts for the activities of the issuance of tax-exempt and taxable bonds to finance the rehabilitation of residential housing for persons and families of low to middle income throughout the City of Pittsburgh and without regard to income in designated targeted areas within the City of Pittsburgh.

The *Pittsburgh Development Fund* accounts for the activities of a major loan fund making funds available for large initiatives and projects within the City of Pittsburgh that serve to attract new businesses, expand and retain existing businesses, and encourage downtown, riverfront, and neighborhood development.

The *Produce Terminal Fund* accounts for the activities of a URA-owned property that includes a wholesale fruit and vegetable distribution center and office space located in the City's Strip District.

The *Single Family Mortgage Revenue Draw Down Bonds Fund* accounts for the activities of a facility put in place to preserve the URA's private-activity volume cap for its housing bond programs.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2003

The *Western Restoration Center Fund* accounts for the activities of property located in the City's Hill District that is leased primarily to an area college as a satellite campus.

The *Lexington Technology Park Fund* accounts for the activities of URA-owned property that houses mixed-use light industrial, as well as the Allegheny County 911 facilities. It is located in the City's North Point Breeze/Homewood neighborhood.

Additionally, the URA reports the following fiduciary funds:

Agency funds are used to account for assets held by the URA as an agent for other governments. The URA has a Tax Lien Fund, Fulton Debt Service Reserve Fund, and Tax Increment Financing Fund, which are classified as agency funds as they are custodial in nature and do not involve measurement of results of operations.

Private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The URA has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are charges between the URA's governmental and business-type funds and its component units. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers for rents, property management services, interest on loans in its lending programs and investment interest earned which is to be used to further the programs, 2) operating grants and 3) capital grants. Internally dedicated resources are reported as *general revenues* rather than program revenues. Likewise, operating grants to support the URA's general functions are reported as a general revenue.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal on-going operations. The principal operating revenues of the URA's loan program enterprise funds (Mortgage Revenue

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2003

Bond Program, Home Improvement Loan Program, Pittsburgh Development Fund, and the Single Family Mortgage Revenue Draw Down Bonds) are interest earned on loans and for the Produce Terminal Fund, the Western Restoration Center Fund, and the Lexington Technology Park Fund are property management service fees. Operating expenses for the enterprise funds include the cost of fair value discounts on loans, originating lender service fees, administrative expenses, depreciation expense on capital assets and property management and improvement costs. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the URA's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents

The URA's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Certain cash and deposits are classified as restricted assets because the use of those assets is contractually restricted.

Investments

Investments are recorded at fair value based on quoted market prices with the exception of investment agreements, which are recorded at cost.

Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Loans Receivable

In the governmental funds, loans receivable are recognized when the loan is established for loans with terms of thirty years or less. In the governmental funds, the loan balances are fully offset by deferred revenue as loan repayments are not considered to be available as current resources. Loans with amortization terms greater than thirty years or which are repayable on a contingent basis such as the sale

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2003

of the property or completion of development are treated as grants for accounting purposes and are recorded as expenditures when disbursed.

In the proprietary funds, amortizing loans are recorded at their principal balance due less an allowance for uncollectible accounts.

It is the URA's policy to provide for future losses on loans based on an evaluation of the current loan portfolio, current economic conditions, and such other factors which, in the URA's judgment, may impact collectibility.

Assets Held For Sale

Assets held for sale relate mainly to land held by the URA with the intention of selling it to a third party for development. These assets are held at cost or estimated net realizable value, if less than cost, and are offset by deferred revenue in the governmental funds, as these assets are not considered to be available as current resources. When assets are sold, the proceeds are either returned to the program to further its purposes or returned to the grantor agency that funded the original purchase.

Capital Assets

Capital assets, which include land, land improvements and buildings are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the URA as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of 3 years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities would be included as part of the capitalized value of the assets constructed if the projects were financed. No capital assets were constructed using external, interest-bearing financing during 2003 in the URA's business-type funds; accordingly, no interest was capitalized.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2003

Buildings and improvements are depreciated using the straight line method. Buildings are assigned a useful life of 30-40 years and building improvements are amortized over the remaining building life as of the year of completion.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as other assets and amortized over the term of the related debt.

Compensated Absences

The URA's compensated absences consist of accumulated unpaid vacation pay and unpaid accumulated sick leave which can be converted to a termination benefit provided certain criteria are met.

Urban Development Expenditures

Urban development expenditures include construction costs incurred for the creation of infrastructure assets on behalf of the City of Pittsburgh as part of various development projects. At certain points during the projects, the URA dedicates these infrastructure assets to the City. As the URA will not own or maintain the assets, these assets are not capitalized on the URA's financial statements.

Budgets

Formal legal budgetary accounting is not employed for the governmental funds of the URA. Budgetary control for the General Fund is achieved through management-designed analyses. Budgetary control for the special revenue funds is achieved via compliance with grant agreements related to the special revenue activities. Accordingly, budget-to-actual statements are not presented and encumbrance accounting is not employed.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2003

Tax Increment Financing

The Authority is involved with several Tax Increment Financing (TIF) transactions. As described in Note 9, the Authority has no obligation for repayment of such debt, and, accordingly, the debt has been excluded from the financial statements. To the extent TIF transactions involve proceeds available for use by the Authority; the related proceeds are recorded in special revenue funds. Other TIF transactions involve the Authority acting as an agent for others, and, as such, the related proceeds are recorded in fiduciary funds.

Nature and Purpose of Reservations and Designations of Fund Balances

The General Fund fund balance reservation for specified purposes is for collateral related to the FNMA lines of credit as described in Note 8. The Special Revenue Fund balance reservations for specified purposes relate to use restrictions imposed by the grantor agencies on the residual funds held.

General Fund fund balance designations relate to funds to be used for subsequent year's expenditures (\$1,340,139), funds designated for housing programs and current projects that may require bridge financing (\$9 million), and funds designated for property repairs and other improvements (\$1 million). A designation of \$4 million has also been established by the Board for potential relocation costs associated with one of the URA's current projects.

Deficit Fund Balance

Southside Riverfront Fund has a deficit of \$84,959 at December 31, 2003. The URA intends to fund the deficit with the proceeds of future land sales. The Community Development Investment Fund also has a deficit of \$122,976 at December 31, 2003. Future grants for which applications are pending and are expected to be approved will fund the eligible costs to date. Site Acquisition has a deficit of \$62,571 at December 31, 2003, which will be funded by a transfer from the Industrial Land Fund in 2004.

Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2003

2. CASH AND INVESTMENTS

The URA is authorized to make investments of the following types pursuant to the Redevelopment Act which requires investments meet a "reasonable man" standard. Under the URA's policy, authorized investments include (1) United States Treasury bills, (2) short-term obligations of the United States government or its agencies or instrumentalities, (3) deposits in savings accounts or time deposits or share accounts of institutions which are insured, (4) obligations of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities or any political subdivision thereof, and (5) shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, provided that the investments of that company meet the criteria of (1) through (4) above.

The deposit and investment practices of the URA and its component units adhere to statutory and contractual requirements and prudent business practice. Deposits of the governmental funds are either maintained in demand deposits or savings accounts, and certificates of deposit. There were no deposit or investment transactions during the year that were in violation of either the state statutes or the trust indentures.

The following is a summary of the URA's cash deposits which are insured by the Federal Depository Insurance Company (Category 1) and the balance which was not insured or collateralized in the URA's name, but was collateralized in accordance with Act 72 of the Pennsylvania state legislature which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name (Category 3).

	<u>Total Category 1</u>	<u>Total Category 3</u>	<u>Bank Amount</u>	<u>Carrying Amount</u>
Deposits	<u>\$ 600,085</u>	<u>\$40,367,831</u>	<u>\$40,967,916</u>	<u>\$40,200,030</u>

Component Units:

	<u>Total Category 1</u>	<u>Total Category 3</u>	<u>Bank Amount</u>	<u>Carrying Amount</u>
Deposits	<u>\$ 155,257</u>	<u>\$ 360,332</u>	<u>\$ 515,589</u>	<u>\$ 215,276</u>

The investments of the URA consist of U.S. Government and agency securities of \$82,900,602, cash equivalent investments in short-term pooled investment funds of \$77,179,140, and guaranteed investment agreements for \$36,988,639. The

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2003

investments of the URA at December 31, 2003 have been categorized to indicate the level of credit risk assumed by the URA. Category 1 investments, with a carrying value of \$4,371,339, are those which are insured or registered, or held by URA or its agent in the URA's name. Category 3 investments, with a carrying value of \$78,453,546, are those which are uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in URA's name. Cash equivalent investments of \$114,243,496 are held in a variety of short-term pooled investment funds and cannot be classified by risk category because they are not evidenced by securities that exist in physical or book entry form. The fair value of the URA's position in the external investment pools is the same as the value of the pool shares. All investments in any external investment pool that are not SEC registered are subject to oversight by the Commonwealth of Pennsylvania.

The component unit investments, with a carrying value equal to the market value of \$422,269 consist of investments in short-term pooled investment funds. The investments cannot be classified by risk category because they are not evidenced by securities that exist in physical or book entry form.

3. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund receivables, payables, and transfers as of December 31, 2003 consisted of:

Fund	Receivables	Payables
Major Funds:		
General	\$ 6,325,092	\$ 5,292,112
Community Development Block Grant	-	2,187,757
Community Development Block Grant Program Income	368,161	-
South Side Works	718,007	1,671,119
Summerset at Frick Park	-	666,924
Downtown Retail Corridor	2,653,553	306,660
HOME	325,928	90,774
Pittsburgh Development	355,425	255,539
Produce Terminal	57,737	-
Lexington Technology Park	317	14,754
Other Funds	3,378,028	3,696,609
	<u>\$ 14,182,248</u>	<u>\$ 14,182,248</u>

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2003

Fund	Transfers in	Transfers out
Major Funds:		
General	\$ 159,511	\$ 1,211,517
Community Development Block Grant	109,653	5,811,470
Community Development Block Grant Program Income	-	150,435
South Side Works	1,258,944	-
Downtown Retail Corridor	10,099,247	-
HOME	10,000	1,157,455
Mellon TIF	-	6,089,432
Pittsburgh Development Fund	-	1,500,000
Other Funds	13,284,534	9,001,580
	<u>\$24,921,889</u>	<u>\$ 24,921,889</u>

The URA transfers between its funds to accommodate the need to account for CDBG funds through a clearing account and to fill funding gaps.

4. LOANS RECEIVABLE

Loans receivable from individual property-owners and enterprises within the City of Pittsburgh are reported net of any applicable allowances for uncollectible loans in the following funds at December 31, 2003:

Governmental Funds:	Amount
Major Funds:	
General Fund	\$ 3,094,000
Community Development Block Grant Program Income, net of an allowance for uncollectible loans of \$648,630	31,963,848
South Side Works	177,668
HOME, net of allowance of \$1,215,760	1,706,990
Other Funds, net of an allowance for uncollectible loans of \$17,856,949	33,556,671
	<u>\$70,499,177</u>

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2003

Enterprise Funds:	Amount
Mortgage Revenue Bond Program, net of an allowance for uncollectible loans of \$408,059	\$ 37,950,128
Home Improvement Loan Program, net of an allowance for uncollectible loans of \$200,000 and fair value discount of \$2,507,555	10,572,409
Pittsburgh Development Fund, net of an allowance for uncollectible loans of \$14,558,992	38,907,525
	<u>\$ 87,430,062</u>
Component Units:	
URA Housing Corporation	\$ 3,678,373
Pittsburgh Housing Development Corporation	1,897,488
	<u>\$ 5,575,861</u>

In 2001, the URA executed a \$3.5 million Redevelopment Note for a tax increment financing on the renovation of a downtown hotel. The loan is recorded in the general fund. The loan will be repaid from the tax increments resulting from the development. The loan bears interest at 10%. The URA is holding \$129,801 of the proceeds as a debt service reserve in one of its agency funds.

The most significant of the governmental fund loans other than the note described above relates to the UDAG Program and the Community Development Block Grant (CDBG) Program. UDAG loans are made to individual businesses. The CDBG loans are made to individual homeowners as well as to businesses. In 2003, a reserve of \$5 million for a loan made to a local retailer was recorded in the UDAG Loan Fund as a result of the retailer announcing the closing of its Pittsburgh store. A reserve was also established for a \$13 million loan from the Pittsburgh Development Fund to the same retailer.

In 1985, the URA loaned the Grant Liberty Development Group Associates (Grant Liberty) \$20.85 million to aid in the construction of the Liberty Center. The loan has a twenty-five year term and bears interest at 8.0%. In accordance with the terms of the loan agreement, principal and interest payments are to be equal to 50% of Grant Liberty's 40% share of the venture's positive net cash flow. If cash flow for the year is negative, the scheduled interest payment is deferred and added to the outstanding balance upon which interest is accrued. As of December 31, 2003, the outstanding

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2003

balance of the loan has increased to \$53 million. URA established a loan reserve equal to the outstanding balance because of uncertainties surrounding the ultimate repayment of the loan. Loan repayments are recognized when received in the General Fund.

The Mortgage Revenue Bond Program provides below market rate mortgages for the purchase and rehabilitation of residential property. Funds to finance the mortgages have been provided principally through the issuance of tax-exempt bonds. The Home Improvement Loan program also finances the rehabilitation of residential housing through the issuance of tax-exempt and taxable bonds as well as grants. The Pittsburgh Development Fund loans were made to targeted and strategic commercial development ventures to encourage and expand economic development within the City of Pittsburgh.

The URA Housing Corporation mortgage loan receivable represents the principal balance due from Hazelwood Associates on a HUD insured mortgage loan.

Loans receivable include \$2,174,623 due from PHDC, the URA's discretely-presented component unit, as described at Note 8.

As of December 31, 2003, the URA had committed to purchase approximately \$3,231,244 in new loans for the Mortgage Revenue Bond Program and \$946,500 for the Home Improvement Loan Program. The funding of these commitments is pending receipt of signed documents from the issuers and final authorization by the URA.

5. CAPITAL ASSETS

Capital Assets

Activity for the year was as follows for the URA's governmental activities:

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2003

	Balance at December 31, 2002	Additions	Disposals	Balance at December 31, 2003
Land and improvements	\$ 14,389,200	\$ 688,085	\$ -	\$ 15,077,285
Building	3,341,032	9,716,911	-	13,057,943
Construction in progress	-	814,279	-	814,279
	17,730,232	11,219,275	-	28,949,507
Less: accumulated depreciation	(90,708)	(333,631)	-	(424,339)
	<u>\$ 17,639,524</u>	<u>\$ 10,885,644</u>	<u>\$ -</u>	<u>\$ 28,525,168</u>

Business-Type Capital Assets

The business-type funds' capital assets are valued at cost less accumulated depreciation determined using the straight-line method. The capital assets are included in the Produce Terminal Fund and Lexington Technology Park Fund. Depreciation charged to expenses was \$301,354 and \$317,816 for Produce Terminal Fund and Lexington Technology Park Fund, respectively.

A summary of capital asset activity in the Enterprise Funds is as follows:

	Balance at December 31, 2002	Additions	Disposals	Balance at December 31, 2003
Land	\$ 6,482,881	\$ -	\$ (6,482,881)	\$ -
Buildings and improvements	16,969,566	375,710	-	17,345,276
Less: accumulated depreciation	(6,616,941)	(619,170)	-	(7,236,111)
	<u>\$ 16,835,506</u>	<u>\$ (243,460)</u>	<u>\$ (6,482,881)</u>	<u>\$ 10,109,165</u>

6. ASSETS HELD FOR SALE

The URA holds assets for sale which are valued at cost or net realizable value, if less than cost. A summary of the assets held for sale by fund at December 31, 2003 is as follows:

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2003

Valued at cost:	# of Parcels	Amount
Major Funds:		
General Fund	8	\$ 1,372,038
Downtown Retail Corridor Fund	9	12,465,000
Other Governmental Funds	14	<u>3,784,030</u>
		17,621,068
Valued at Estimated Net Realizable Value:		
Summerset at Frick Park Fund	Phase IB	1,454,000
South Side Works Fund	25.01 acres	<u>1,634,854</u>
		3,088,854
Total assets held for sale		<u>\$ 20,709,922</u>

The first section includes assets held for sale which are valued at cost, which approximates estimated net realizable value as there are no current plans or disposition agreements in place to dispose of the assets at less than cost. However, an amount less than the recorded value may be realized in the future.

The second section includes funds with assets held for sale which are valued at estimated net realizable value based on management's estimate at December 31, 2003. The recorded value of assets held for sale by the Summerset at Frick Park fund are based upon an executed disposition agreement for all of the remaining parcels in Phase IB. The recorded value of assets held for sale by the South Side Works fund at December 31, 2003 are based on the number of remaining acres valued at approximately \$65,000, which is the average net proceeds realized over the last eleven land sale transactions.

7. DEFINED CONTRIBUTION PLAN

The URA provides a defined contribution retirement plan covering all employees who have completed one year of service. The total contribution for any plan participant is 10% of their base salary. Participants who were employed after January 1, 1985 contribute 5% of their base salary and receive a matching contribution by the URA. Participants hired before December 31, 1984 make no contribution to the plan as the URA funds the entire 10% contribution. Employer contributions, net of forfeitures, for the year ended December 31, 2003 were \$130,972 and employee contributions were \$329,747.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2003

Under the defined contribution plan, the participants become vested at 25% per year after the first year of participation. Upon termination of employment, the non-vested portion of a participant's account is returned to the URA and credited against current expenses. Upon attainment of normal retirement age as defined by the plan, the participants become 100% vested regardless of the number of years of service.

8. LONG-TERM DEBT

The following is a summary of changes in long-term obligations of the URA for the year ended December 31, 2003:

	Balance at December 31, 2002	Additions	Retirements	Balance at December 31, 2003
Primary Government:				
Mortgage Revenue Bond Program	\$ 162,680,000	\$ 9,115,000	\$ 47,770,000	\$ 124,025,000
Home Improvement Loan Program	18,200,000	-	1,370,000	16,830,000
Single Family Mortgage Revenue Draw Down Bonds	34,837,000	11,901,000	11,738,000	35,000,000
Bank loan	4,294,857	-	277,804	4,017,053
Total Proprietary Fund Debt	220,011,857	21,016,000	61,155,804	179,872,053
Bank loans and line of credit	3,950,718	2,345,478	-	6,296,196
HUD Section 108 loans	-	11,000,000	-	11,000,000
Compensated absences	578,146	-	9,143	569,003
Total Debt and Other Long-Term Obligations-Primary Government	224,540,721	34,361,478	61,164,947	197,737,252
Component Units:				
URA Housing Corporation:				
Bonds payable	3,780,000	-	110,000	3,670,000
Pittsburgh Housing Development Corporation:				
Loans payable to the URA	1,858,707	954,408	638,492	2,174,623
Bank construction loans	634,795	1,109,844	1,247,080	497,559
Total Component Unit Debt	6,273,502	2,064,252	1,995,572	6,342,182
Total Debt and Other Long-Term Obligations-Reporting Entity	\$ 230,814,223	\$ 36,425,730	\$ 63,160,519	\$ 204,079,434

The Proprietary Fund debt payable at December 31, 2003 is composed of the following individual issues:

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2003

Mortgage Revenue Bonds

The Mortgage Revenue Bond Program was created to provide below market rate mortgages for the purchase and rehabilitation of residential property within the City of Pittsburgh. The bonds, including various series and term bonds, bear interest at rates from 1.90% to 7.00% and mature through 2033. \$3,630,000 is due in 2004.

Home Improvement Loan Program Bonds

The URA issued various series of bonds over the life of the program to finance the rehabilitation of residential housing for persons and families of low to middle income throughout the City of Pittsburgh and without regard to income in designated redevelopment areas within the City of Pittsburgh. Serial bonds of \$6,730,000 are currently outstanding. They bear interest at rates varying from 4.20% to 7.20% and mature through 2010. There are also term bonds outstanding of \$10,100,000 with stated interest rates from 5.15% to 6.375% and maturity dates ranging from 2004 through 2021. \$1,475,000 is due in 2004.

Single Family Mortgage Revenue Draw Down Bonds

The purpose of the program is to preserve tax-exempt private activity volume cap by warehousing note proceeds resulting from prepayment redemptions, maturing principal or other special redemptions of the URA until the issuance of long-term bonds. Merrill Lynch has committed to purchase over a three-year period beginning on June 1, 2001 and ending June 1, 2004 up to \$35,000,000 of tax-exempt short-term notes at a variable interest rate of 85% of LIBOR. The note proceeds are invested in a guaranteed investment agreement at a rate higher than the note rate. Upon the issuance of long-term bonds, the notes are refunded. No principal payments are due until 2031.

Bank Loan

The URA received a loan to finance renovations to the Lexington Technology Park buildings. Monthly interest payments are currently being made at an effective rate between 5.62% and 8.30%. Lease rental payments are pledged as collateral for this loan. Final maturity is April 1, 2009. \$293,054 is due in 2004.

General long-term debt loans payable are described below:

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2003

Bank Loans

In 2002, the URA received a loan to finance construction costs incurred to build a garage located at the South Side Works. Interest payments are at an effective rate of 7%, which is the 3-year FHLB rate plus 2.75%. Rental payments and a mortgage are pledged as collateral for this loan. At December 31, 2003, \$3.8 million is outstanding. Final maturity is February 28, 2019.

In 2003, the URA received a second loan to finance construction costs incurred to build garage #2 at the South Side Works. Interest payments are at an effective rate of 7.28%, which is the 5-year FHLB rate plus 2.75%. A mortgage is pledged as collateral for this loan. At December 31, 2003, \$2,236,196 is outstanding. Final maturity is April 1, 2018. \$494,005 is due on these loans in 2004.

Revolving Line of Credit

During 2000, the URA entered into a \$4 million line of credit agreement with Fannie Mae for the acquisition, construction, development, and rehabilitation of for-sale single-family housing and multi-family rental housing within the City of Pittsburgh. The line carries a term of five years, and each advance will bear interest ranging from LIBOR plus 92 basis points to LIBOR plus 141 basis points, depending on whether a first mortgage is available as a security. As a condition of the line, the URA has provided Fannie Mae with a bank letter of credit backed by \$1 million of the URA's General Fund. There were no draws or payments associated with this loan during 2002. In addition, no balance was outstanding as of December 31, 2003.

During 2002, the URA entered into a \$5 million line of credit agreement with Fannie Mae to finance site improvements related to the Summerset at Frick Park project. This line carries a term of 45 months, and each advance will bear interest of LIBOR plus 141 basis points. The loan is secured by a non-recourse promissory note and a \$1 million pledge from the general fund. There is a balance outstanding of \$260,000 as of December 31, 2003, which was drawn during 2002.

HUD Section 108 Loans

During 2003, the URA received two HUD Section 108 loans to provide funding for the construction of garages at South Side Works. The first loan, in the amount of \$4.5 million is for an 850-space parking garage. The loan bears interest at 4%, with semiannual principal and interest payments due February 1 and August 1. The loan matures on August 1, 2018. The loan is secured by 60% of the URA's interest in the

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2003

tax increment from certain properties located in the South Side. No principal payments are due in 2004.

The second loan, in the amount of \$6.5 million is for the construction of a 367-space parking garage and site improvements in the South Side. The loan bears interest at 4%, with semiannual principal and interest payments due February 1 and August 1. The loan matures on August 1, 2018. The loan is secured by 60% of the URA's interest in the tax increment from certain properties located in the South Side as well as future Community Development Block Grants. \$275,000 is due in 2004.

Annual debt service requirements of the URA are as follows:

Years	Principal	Interest	Total
2004	\$ 6,167,059	\$ 9,251,775	\$ 15,418,834
2005	6,243,314	8,966,646	15,209,960
2006	6,081,110	8,671,924	14,753,034
2007	6,080,365	8,375,625	14,455,990
2008	6,637,412	8,071,881	14,709,293
2009-2013	33,055,100	34,655,124	67,710,224
2014-2018	36,498,889	25,155,970	61,654,859
2019-2023	25,885,000	16,216,247	42,101,247
2024-2028	24,155,000	9,037,312	33,192,312
2029-2033	46,365,000	2,290,594	48,655,594
	<u>\$ 197,168,249</u>	<u>\$ 130,693,098</u>	<u>\$ 327,861,347</u>

Component Unit Debt consists of the following:

URA Housing Corporation - Bonds Payable

The URA Housing Corporation issued Multi-Family Refunding Bonds Series 1998 to refund the outstanding Series 1982 Bonds. The bonds bear interest at 5.40%, per annum and mature on July 1, 2022. Interest is payable semi-annually on January 1 and July 1 each year. The outstanding balance at December 31, 2003 was \$3,670,000. A deferred refunding loss of \$249,268 is offset against the liability.

PHDC-URA Loans

PHDC had outstanding construction loans payable to the URA of \$2,174,623. The loans are non-interest bearing. The loans mature through 2005, and are secured by a third lien position on real property and improvement.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2003

PHDC-Bank Loans

The PHDC had outstanding construction loans payable to banks of \$497,559. Interest accrues on the loans at rates between 0% and 8.5%. Loans are due on demand or through 2005.

Future Maturities

Annual payments of principal required of the component units are as follows:

Years	Principal	Interest	Total
2004	\$ 2,744,726	\$ 196,560	\$ 2,941,286
2005	167,456	190,215	357,671
2006	130,000	183,465	313,465
2007	135,000	176,310	311,310
2008	150,000	168,885	318,885
2009-2013	860,000	714,825	1,574,825
2014-2018	1,145,000	449,280	1,594,280
2019-2023	1,010,000	112,050	1,122,050
	<u>\$ 6,342,182</u>	<u>\$ 2,191,590</u>	<u>\$ 8,533,772</u>

All interest expense on loans of the primary government and its component units is reported as program expense as the borrowings are essential to the programs and the financial statements would be misleading to exclude these charges as direct expenses.

9. NO-COMMITMENT DEBT

The URA is involved in a number of debt transactions for which the URA issued debt in its name but retained no obligation for the repayment of the debt. The responsibility for repayment belongs either to the City of Pittsburgh, other taxing authorities, or to private borrowers. As of December 31, 2003, the aggregate amount of no-commitment debt outstanding was \$155,045,572. The amount is comprised of \$13,802,000 Multi-Family Revenue Bonds, \$2,834,296 Industrial Development Bonds, \$84,659,276 Tax Increment Financing Bonds and Notes (TIF debt), and \$53,750,000 of Redevelopment Bonds.

Responsibility for repayment of the Multi-Family Revenue Bonds and the Industrial Development Bonds rests with private borrowers. TIF debt is repaid from incremental Allegheny County, City of Pittsburgh, and School District of the City of Pittsburgh tax revenues. Generally, third parties are responsible for the repayment of TIF debt to the extent incremental tax revenues are not sufficient to meet debt service requirements.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2003

The Redevelopment Bonds consist primarily of \$52,625,000 of the Authority's 1995 Special Tax Development Bonds (1995 Bonds), the proceeds of which were used to create the URA's Pittsburgh Development Fund (PDF). The City of Pittsburgh has irrevocably assigned a portion of its share of the Regional Asset District Tax (imposed by the County of Allegheny and collected by the Commonwealth of Pennsylvania) to the Authority and the Authority has pledged its interest in these assigned receipts to the Trustee for repayment of the 1995 Bonds. The 1995 Bonds are limited obligations of the Authority payable solely from that portion of the Regional Asset District Tax paid to the Authority or the Trustee and certain funds held under the related indenture and the earning thereon.

Other Redevelopment Bonds (\$1,125,000) are considered as debt of the City of Pittsburgh.

10. RISK MANAGEMENT

The URA is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not significantly exceeded commercial insurance coverage in the past. There were no significant changes in insurance coverage during the year.

11. COMMITMENTS AND CONTINGENCIES

Grants

Grants received or receivable are subject to audit and adjustment by grantor agencies, principally the state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds.

Litigation

There are various matters of pending litigation in which the URA is involved. The URA believes it has meritorious defenses and intends to contest these matters. The amount of liability, if any, related to these matters is not subject to determination. Accordingly, the financial statements do not include any adjustment for possible effects of these cases.

There are two cases pending where it has been determined that the URA will be required to make certain payments based on settlement agreements. An accrual has

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2003

been recorded in the HOME fund for \$187,000 for estimated costs related to these cases to be paid in 2004. An accrual for \$238,000 has been recorded in the government-wide statement of net assets for payments to be made under these agreements in 2005.

Intergovernmental Cooperation Act

On February 12, 2004, the Pennsylvania Legislature, with the concurrence of the Governor, enacted Act 11 of 2004, known as the Intergovernmental Cooperation Act for Cities of the Second Class (53 P.S. 2810-1, et. Seq.). The overall purpose of the Act is to remedy the apparent fiscal emergency confronting Cities of the Second Class through the implementation of sovereign powers of the Commonwealth. Under the Act, URA falls under the definition of "Assisted City" and a "Corporate Entity", which are within the jurisdiction of the Intergovernmental Cooperation Authority. The Act provides for the Intergovernmental Authority to make recommendations to the Legislature on a variety of issues regarding the fiscal soundness of the City. The Legislature, at some future time, may act on the recommendations of the Intergovernmental Cooperation Authority. Under the terms of the Act, the City must submit a financial plan to be approved by the Intergovernmental Cooperation Authority. It is anticipated that the completion of that plan will take place in the third quarter of 2004.

Until such time as the City has reached agreement with the Intergovernmental Cooperation Authority and submitted an approved financial plan, neither the City nor the affiliated entities, including the URA, are permitted by the Act to borrow any additional funds.

Construction Commitments

At December 31, 2003, the URA had entered into contracts for the construction of Garage #2 and #3. The outstanding balance of the contracts is approximately \$9.9 million and is expected to be paid in 2004.

12. SUBSEQUENT EVENT

On April 7, 2004, the bondholders of the URA Housing Corporations' outstanding bonds were notified that the bonds would be called in full on May 7, 2004. As a result of the mortgage held by the Housing Corporation being externally refinanced by the borrower, the funds will be used to pay all outstanding bonds of the Housing Corporation.

ADDITIONAL INFORMATION

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

COMBINING BALANCE SHEET ALL GOVERNMENTAL FUNDS EXCEPT THE GENERAL FUND

DECEMBER 31, 2003

	Community Development Block Grant Fund	Community Development Block Grant Program Income	South Side Works	Summerset at Frick Park	Downtown Retail Corridor	HOME	Mellon TIF	Other Governmental Funds	Totals
Assets									
Cash and investments	\$1,853,889	\$ 36,580	\$ 8,943,028	\$ 2,194,768	\$ 378	\$ 437,043	\$ 837,482	\$ 31,769,741	\$ 46,072,909
Loans receivable	-	31,963,848	177,668	-	-	1,706,990	-	33,556,671	67,405,177
Interest receivable	50	-	6,104	91	-	109	371	15,612	22,337
Other receivable	-	-	-	385,192	14,582	97,019	45,708	2,611,236	3,153,737
Due from other funds	-	368,161	718,007	-	2,653,553	325,928	-	3,378,028	7,443,677
Due from other governmental units	1,022,445	1,159	1,402,097	285,788	-	-	-	1,291,920	4,003,409
Assets held for sale	-	-	1,634,854	1,454,000	12,465,000	-	-	3,784,030	19,337,884
Total Assets	\$2,876,384	\$32,369,748	\$12,881,758	\$ 4,319,839	\$15,133,513	\$ 2,567,089	\$ 883,561	\$76,407,238	\$147,439,130
Liabilities and Fund Balance									
Liabilities:									
Accounts payable and other accrued liabilities	\$ 188,271	\$ 122,712	\$ 7,648,903	\$ 2,198,915	\$ -	\$ 189,720	\$ -	\$ 5,760,329	\$ 16,108,850
Due to other funds	2,187,757	-	1,671,119	666,924	306,660	90,774	-	3,696,609	8,619,843
Deferred revenue	235,241	31,963,848	1,903,251	1,454,000	12,465,000	1,706,990	883,561	48,167,092	98,778,983
Total Liabilities	2,611,269	32,086,560	11,223,273	4,319,839	12,771,660	1,987,484	883,561	57,624,030	123,507,676
Fund Balance:									
Reserved for specified purposes	265,115	283,188	1,658,485	-	2,361,853	579,605	-	18,991,143	24,139,389
Unreserved, undesignated	-	-	-	-	-	-	-	(207,935)	(207,935)
Total Fund Balance	265,115	283,188	1,658,485	-	2,361,853	579,605	-	18,783,208	23,931,454
Total Liabilities and Fund Balance	\$2,876,384	\$32,369,748	\$12,881,758	\$ 4,319,839	\$15,133,513	\$ 2,567,089	\$ 883,561	\$76,407,238	\$147,439,130

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE ALL GOVERNMENTAL FUNDS EXCEPT THE GENERAL FUND

YEAR ENDED DECEMBER 31, 2003

	Community Development Block Grant	Community Development Block Grant Program Income	South Side Works	Sunnyside at Frick Park	Downtown Retail Corridor	HOME	Mellon TIF	Other Governmental Funds	Totals
Revenues:									
Intergovernmental	\$ 8,515,755	\$ 18,976	\$ 4,730,587	\$ 3,286,425	\$ -	\$ 7,178,654	\$ 6,100,094	\$ 14,444,754	\$ 44,275,245
Interest	9,075	1,704	36,326	18,205	-	1,901	32,708	318,779	418,698
Rental income	-	-	530,686	-	-	-	-	140,150	670,836
Loan repayments	3,446	1,247,698	11,458	-	-	731,933	-	5,300,822	7,295,357
Other	-	-	424,189	326,098	(1,802)	440	-	1,009,132	1,758,057
Total revenues	8,528,276	1,268,378	5,733,246	3,630,728	(1,802)	7,912,928	6,132,802	21,213,637	54,418,193
Expenditures:									
Current:									
Urban development	21,459	1,499,035	13,033,493	3,043,129	10,389,403	6,657,901	43,370	22,500,155	57,187,945
Administrative	2,805,000	23,645	155,217	397,801	-	473,883	-	994,991	4,850,537
Other	-	15,740	612,120	591,388	26,278	5,976	-	755,618	2,007,120
Debt service	-	-	162,751	-	-	-	-	-	162,751
Total expenditures	2,826,459	1,538,420	13,963,581	4,032,318	10,415,681	7,137,760	43,370	24,250,764	64,208,353
Excess (Deficiency) of Revenues Over Expenditures	5,701,817	(270,042)	(8,230,335)	(401,590)	(10,417,483)	775,168	6,089,432	(3,037,127)	(9,790,160)
Other Financing Sources (Uses):									
Proceeds of debt	-	-	13,345,478	-	-	-	-	-	13,345,478
Transfers in	109,653	-	1,258,944	-	10,099,247	10,000	-	13,284,534	24,762,378
Transfers out	(5,811,470)	(150,435)	-	-	-	(1,157,455)	(6,089,432)	(9,001,580)	(22,210,372)
Total other financing sources (uses)	(5,701,817)	(150,435)	14,604,422	-	10,099,247	(1,147,455)	(6,089,432)	4,282,954	15,897,484
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	-	(420,477)	6,374,087	(401,590)	(318,236)	(372,287)	-	1,245,827	6,107,324
Fund Balance:									
Beginning of year	265,115	703,665	(4,715,602)	401,590	2,680,089	951,892	-	17,537,381	17,824,130
End of year	\$ 265,115	\$ 283,188	\$ 1,658,485	\$ -	\$ 2,361,853	\$ 579,605	\$ -	\$ 18,783,208	\$ 23,931,454

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS

DECEMBER 31, 2003

Assets																											
Cash and investments	\$	-	\$	506	\$	-	\$	-	\$1,095,944	\$	27	\$	49,042	\$	-	\$	23,873	\$	264,780	\$	510,176	\$	-	\$	317,011	\$	158,973
Loans receivable																			40,046								12,863,193
Interest receivable																											
Other receivable									1,195,231																	5,944	
Due from other funds									6,919																	198	
Due from other governmental units									975,962																	6,869	
Assets held for sale									491,932																	56,040	
									982,881																	60,000	
Total Assets	\$	-	\$	506	\$	1,965,762	\$	-	\$3,116,380	\$	27	\$	49,042	\$	-	\$	23,873	\$	304,826	\$	517,243	\$	-	\$	377,011	\$	13,078,206
Liabilities and Fund Balance																											
Liabilities:																											
Accounts payable and other accrued liabilities	\$	-	\$	506	\$	982,881	\$	-	\$1,394,012	\$	27	\$	11,500	\$	-	\$	-	\$	61,375	\$	144,038	\$	-	\$	-	\$	-
Due to other funds									145,241										30,602							5,944	
Deferred revenue									1,510,191				37,542						40,046							66,783	
									982,881				-						23,873							12,863,193	
Total Liabilities									3,049,444				49,042						132,023							72,727	
Fund Balance:																											
Reserved for specified purposes																			172,803							304,284	
Unreserved, undesignated									66,936																	215,013	
Total Fund Balance									66,936										172,803							304,284	
																										215,013	
Total Liabilities and Fund Balance																											
Fund Balance	\$	-	\$	506	\$	1,965,762	\$	-	\$3,116,380	\$	27	\$	49,042	\$	-	\$	23,873	\$	304,826	\$	517,243	\$	-	\$	377,011	\$	13,078,206
Fund Balance																											

Continued

(Continued)

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

COMBINING BALANCE SHEET OTHER GOVERNMENTAL FUNDS

(Continued)

DECEMBER 31, 2003

	Community Development Investment Fund	Community Economic Recovery Program	Crawford Square	CSX Site	Cultural District	Design and Promotion	District Improvement Fund	Down Payment Assistance	Duquesne University	East Carson Street	East Liberty	East Liberty Enterprise Zone	Farmers' Market	Federal North
Assets														
Cash and investments	\$ 173,028	\$ 6,063	\$ 532,416	\$ 68,688	\$ 238,854	\$ -	\$ 1,494,942	\$ 322,003	\$ 4,627	\$ -	\$ -	\$ 18,534	\$ -	\$ 101,695
Loans receivable	-	-	-	-	42,112	-	865,878	124	-	-	-	191,066	-	-
Interest receivable	-	-	341	-	141	-	984	-	-	-	-	-	-	-
Other receivable	-	-	-	38	-	-	-	-	-	270,000	-	1,588	-	57,676
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets held for sale	-	-	35,500	-	-	-	-	-	-	-	-	-	-	100,000
Total Assets	\$ 173,028	\$ 6,063	\$ 568,257	\$ 68,726	\$ 281,107	\$ -	\$ 2,361,804	\$ 322,127	\$ 4,627	\$ 270,000	\$ -	\$ 211,188	\$ -	\$ 259,371
Liabilities and Fund Balance														
Liabilities:														
Accounts payable and other accrued liabilities	\$ 229,767	\$ 1,093	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98	\$ -	\$ -	\$ 1,181	\$ -	\$ 99
Due to other funds	66,237	-	236	178	19	-	27,481	98	-	-	-	-	-	57,676
Deferred revenue	-	-	35,500	-	84,829	-	865,877	322,029	4,205	270,000	-	191,066	-	100,000
Total Liabilities	296,004	1,093	35,736	178	84,848	-	893,358	322,127	4,303	270,000	-	192,247	-	157,775
Fund Balance:														
Reserved for specified purposes	-	4,970	532,521	68,548	196,259	-	1,468,446	-	324	-	-	18,941	-	101,596
Unreserved, undesignated	(122,976)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balance	(122,976)	4,970	532,521	68,548	196,259	-	1,468,446	-	324	-	-	18,941	-	101,596
Total Liabilities and Fund Balance	\$ 173,028	\$ 6,063	\$ 568,257	\$ 68,726	\$ 281,107	\$ -	\$ 2,361,804	\$ 322,127	\$ 4,627	\$ 270,000	\$ -	\$ 211,188	\$ -	\$ 259,371

(Continued)

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

COMBINING BALANCE SHEET OTHER GOVERNMENTAL FUNDS

(Continued)

DECEMBER 31, 2003

	Former Lectronell Site	Former Schiffler Plant	Garfield	Glenwood District	Global Development	Harbor Gardens Greenhouse	Hazelwood Keez	Heinz Hall	Highland Building	Hill District and Homewood	Hill District Shopping Center	HOPE 3 Fund	Homewood	Housing Assistance Program
Assets														
Cash and investments	\$ 509	\$ 24,171	\$ -	\$ 7,439	\$ 2,518	\$ (140,168)	\$ -	\$ 381	\$ 24,348	\$ 37,364	\$ 19,126	\$ -	\$ 11,822	\$ 11,001
Loans receivable	-	482,378	-	-	-	-	-	-	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	26,386	-	-	141,168	-	-	-	-	230	-	-	-
Due from other governmental units	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 509	\$ 506,549	\$ 26,386	\$ 7,439	\$ 2,518	\$ 1,000	\$ -	\$ 381	\$ 24,348	\$ 37,364	\$ 19,356	\$ -	\$ 11,822	\$ 11,001
Liabilities and Fund Balance														
Liabilities:														
Accounts payable and other accrued liabilities	\$ 509	\$ -	\$ 17,442	\$ 2,548	\$ 446	\$ -	\$ -	\$ -	\$ -	\$ 315	\$ 4,708	\$ -	\$ -	\$ 411
Due to other funds	-	-	-	-	2,072	-	-	-	-	11,735	-	-	309	-
Deferred revenue	-	482,378	8,944	4,891	-	1,000	-	381	24,348	25,314	14,648	-	11,513	-
Total Liabilities	509	482,378	26,386	7,439	2,518	1,000	-	381	24,348	37,364	19,356	-	11,822	411
Fund Balance:														
Reserved for specified purposes	-	24,171	-	-	-	-	-	-	-	-	-	-	-	10,590
Unreserved, undesignated	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balance	-	24,171	-	-	-	-	-	-	-	-	-	-	-	10,590
Total Liabilities and Fund Balance	\$ 509	\$ 506,549	\$ 26,386	\$ 7,439	\$ 2,518	\$ 1,000	\$ -	\$ 381	\$ 24,348	\$ 37,364	\$ 19,356	\$ -	\$ 11,822	\$ 11,001

(Continued)

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

COMBINING BALANCE SHEET OTHER GOVERNMENTAL FUNDS

(Continued)

DECEMBER 31, 2003

	Housing Recovery Program	Hybrid Technology Zone	Industrial Land Reserve	Industrial Site	Interlocking Deck Systems	IPCA	Kerstest	Land Bank	Landlord Loan Escrow Account	Lawrenceville Enterprise Zone	Leebro	Liberty Building	Liberty Center	Main Street
Assets														
Cash and investments	\$ 553,846	\$ 295,470	\$ 2,565,934	\$ 102	\$ (250,000)	\$ 121,068	\$ 715	\$ 907,345	\$ 3,027,057	\$ 66,817	\$ 2,811	\$ 145,320	\$ 24,536	\$ 254,024
Loans receivable	-	-	382,376	-	250,000	1,561,079	-	-	5,264,643	239,949	-	-	-	-
Interest receivable	-	-	-	-	-	-	-	-	1,828	-	-	-	-	-
Other receivable	-	-	450,160	42,500	-	-	-	124,646	-	-	-	-	-	-
Due from other funds	62,382	-	181,506	-	250,000	-	-	23,425	26,171	-	-	-	-	-
Due from other governmental units	77,157	-	5,544	-	-	2,452	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	2,154,649	-	-	-	-	-	-
Total Assets	\$ 693,385	\$ 295,470	\$ 3,585,520	\$ 42,602	\$ 250,000	\$ 1,684,599	\$ 715	\$ 3,310,065	\$ 8,319,699	\$ 306,766	\$ 2,811	\$ 145,320	\$ 24,536	\$ 254,024
Liabilities and Fund Balance														
Liabilities:														
Accounts payable and other accrued liabilities	\$ 691,456	\$ -	\$ 104,230	\$ -	\$ -	\$ 2,639	\$ -	\$ -	\$ 540,933	\$ 27	\$ 2,157	\$ -	\$ -	\$ 1,903
Due to other funds	1,929	250,000	1,437,643	-	-	2,121	-	85,652	-	23,613	-	-	-	-
Deferred revenue	-	45,470	1,602,761	-	250,000	1,561,079	-	2,154,649	5,264,643	283,120	654	145,320	-	252,121
Total Liabilities	693,385	295,470	3,144,634	-	250,000	1,565,839	-	2,240,301	5,805,576	306,766	2,811	145,320	-	254,024
Fund Balance:														
Reserved for specified purposes	-	-	440,886	42,602	-	118,760	715	969,764	2,514,123	-	-	-	24,536	-
Unreserved, undesignated	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balance	-	-	440,886	42,602	-	118,760	715	969,764	2,514,123	-	-	-	24,536	-
Total Liabilities and Fund Balance	\$ 693,385	\$ 295,470	\$ 3,585,520	\$ 42,602	\$ 250,000	\$ 1,684,599	\$ 715	\$ 3,310,065	\$ 8,319,699	\$ 306,766	\$ 2,811	\$ 145,320	\$ 24,536	\$ 254,024

(Continued)

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

COMBINING BALANCE SHEET OTHER GOVERNMENTAL FUNDS

(Continued)

DECEMBER 31, 2003

	Micro-Loan Grant	NASA Robotics	NBDR Bid Match	NBDR Shared Management	Neighborhood Housing Program	North Shore	Northside Construction	Northside Enterprise Zone	Party Wall	Pittsburgh Ballet Theater	Pittsburgh Business Grant Fund	Pittsburgh Downtown Partnership	Pittsburgh Home Rehabilitation Program	Pittsburgh Housing Construction Fund
Assets														
Cash and investments	\$ 1,289	\$ (2,712)	\$ -	\$ -	\$ 751,664	\$ 812,885	\$ 355,625	\$ 112,210	\$ -	\$ 462	\$ -	\$ -	\$ 802,401	\$ 182,755
Loans receivable	-	-	-	-	-	-	851,937	-	-	-	-	-	-	429,343
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-	3,318	-
Due from other funds	-	14,221	-	-	20,000	28,574	-	-	-	-	-	-	9,249	-
Due from other governmental units	-	-	-	-	-	54,246	-	-	-	-	-	-	17,220	-
Assets held for sale	-	-	-	-	-	6,000	-	-	-	-	-	-	-	-
Total Assets	\$ 1,289	\$ 11,509	\$ -	\$ -	\$ 771,664	\$ 901,705	\$ 1,207,562	\$ 112,210	\$ -	\$ 462	\$ -	\$ -	\$ 832,188	\$ 612,098
Liabilities and Fund Balance														
Liabilities:														
Accounts payable and other accrued liabilities	\$ -	\$ 2,889	\$ -	\$ -	\$ 12,046	\$ 28,597	\$ -	\$ 25,810	\$ -	\$ 462	\$ -	\$ -	\$ -	\$ 2,978
Due to other funds	-	-	-	-	27,898	-	-	-	-	-	-	-	-	18,917
Deferred revenue	313	8,620	-	-	751,720	310,653	851,937	86,400	-	-	-	-	-	429,343
Total Liabilities	313	11,509	-	-	771,664	339,250	851,937	112,210	-	462	-	-	-	451,238
Fund Balance:														
Reserved for specified purposes	976	-	-	-	-	562,455	355,625	-	-	-	-	-	832,188	160,860
Unreserved, undesignated	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balance	976	-	-	-	-	562,455	355,625	-	-	-	-	-	832,188	160,860
Total Liabilities and Fund Balance	\$ 1,289	\$ 11,509	\$ -	\$ -	\$ 771,664	\$ 901,705	\$ 1,207,562	\$ 112,210	\$ -	\$ 462	\$ -	\$ -	\$ 832,188	\$ 612,098

(Continued)

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

COMBINING BALANCE SHEET OTHER GOVERNMENTAL FUNDS

(Continued)

DECEMBER 31, 2003

Assets															
Pittsburgh Technology Center	PNC TIF	Property Management	Public Space Improvement	Rental Housing Development and Improvement Program	Residential Land Reserve	River Avenue Development Project	Seagate	Sears/ Home Depot	Section 108	Silver Lake	Sister Cities	Site Acquisition	Small and Minority Contractors	South Side Riverfront	
Cash and investments	\$ 1,292,957	\$ -	\$ -	\$ -	\$ 379,590	\$ 326,347	\$ 274,888	\$ -	\$ 6,859	\$ -	\$ 95,236	\$ (59,520)	\$ 211,228	\$ -	
Loans receivable	2,790,720	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest receivable	6,164	1,977	-	-	-	175	-	-	-	-	-	-	-	-	
Other receivable	120,000	-	-	-	-	-	-	-	-	-	-	-	-	559,990	
Due from other funds	-	-	-	3,000	-	-	-	568,135	147,996	145,000	-	-	-	-	
Due from other governmental units	-	-	-	-	-	680,744	34,091	-	-	-	-	-	-	-	
Assets held for sale	125,000	-	-	-	-	-	-	-	-	-	-	-	-	120,000	
Total Assets	\$4,334,841	\$3,777,733	\$ -	\$ 3,000	\$ 379,590	\$ 1,007,266	\$ 308,979	\$ 568,135	\$ 154,855	\$ 145,000	\$ 95,236	\$ (59,520)	\$ 211,228	\$ 679,990	
Liabilities and Fund Balance															
Liabilities:															
Accounts payable and other accrued liabilities	\$ 12,155	\$ -	\$ -	\$ 3,000	\$ -	\$ 680,744	\$ -	\$ 371,977	\$ 50,612	\$ 145,000	\$ 1,179	\$ 3,051	\$ 4,542	\$ 275,051	
Due to other funds	34,541	-	-	-	2,160	2,986	201,569	-	537	145,000	12,732	-	220	362,420	
Deferred revenue	2,821,862	3,777,733	-	-	377,430	323,536	107,408	-	-	-	81,525	-	-	127,478	
Total Liabilities	2,868,558	3,777,733	-	3,000	379,590	1,007,266	308,982	371,977	51,149	145,000	95,236	3,051	4,762	764,949	
Fund Balance:															
Reserved for specified purposes	1,466,283	-	-	-	-	-	197	196,158	103,706	-	-	(62,571)	206,466	-	
Unreserved, undesignated	-	-	-	-	-	-	-	-	-	-	-	-	-	(84,959)	
Total Fund Balance	1,466,283	-	-	-	-	-	197	196,158	103,706	-	-	(62,571)	206,466	(84,959)	
Total Liabilities and Fund Balance	\$4,334,841	\$3,777,733	\$ -	\$ 3,000	\$ 379,590	\$ 1,007,266	\$ 308,979	\$ 568,135	\$ 154,855	\$ 145,000	\$ 95,236	\$ (59,520)	\$ 211,228	\$ 679,990	
															(Continued)

(Continued)

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

COMBINING BALANCE SHEET OTHER GOVERNMENTAL FUNDS

(Continued)

DECEMBER 31, 2003

	Start-Au- Enterprise	Streetface	Support for Housing	TANF Housing Collaboration	Three Rivers Stadium	Top Shops	UDAG	Upfront Grant	Urban Development Fund	Washington's Landing	Totals
Assets											
Cash and investments	\$ 2,066	\$ 281,790	\$ -	\$ 125,506	\$ 13,386	\$ -	\$ 6,634,537	\$ 870,690	\$ 266,860	\$ 1,160,248	\$ 31,769,741
Loans receivable	-	-	-	-	-	-	4,317,956	-	1,193,103	1,790,892	33,556,671
Interest receivable	-	-	-	-	-	-	-	560	-	-	15,612
Other receivable	-	-	-	-	-	-	-	-	3,000	13,055	2,611,236
Due from other funds	9,900	12,935	-	-	-	-	-	-	4,156	26,219	3,378,028
Due from other governmental units	-	-	-	-	-	-	-	-	-	-	1,291,920
Assets held for sale	-	-	-	-	-	-	-	-	-	200,000	3,784,030
Total Assets	\$ 11,966	\$ 294,725	\$ -	\$ 125,506	\$ 13,386	\$ -	\$ 10,952,493	\$ 871,250	\$ 1,467,119	\$ 3,190,414	\$ 76,407,238
Liabilities and Fund Balance											
Liabilities:											
Accounts payable and other accrued liabilities	\$ 11,966	\$ 23,848	\$ -	\$ -	\$ 13,386	\$ -	\$ 33,853	\$ -	\$ 5,877	\$ -	\$ 5,760,339
Due to other funds	-	25,264	-	-	-	-	35,699	678,080	-	-	3,696,609
Deferred revenue	-	110,156	-	125,506	-	-	4,317,956	185,660	1,461,242	2,181,877	48,167,092
Total Liabilities	11,966	159,268	-	125,506	13,386	-	4,387,508	863,740	1,467,119	2,181,877	57,624,030
Fund Balance:											
Reserved for specified purposes	-	135,457	-	-	-	-	6,564,985	7,510	-	1,008,537	18,991,143
Unreserved, undesignated	-	-	-	-	-	-	-	-	-	-	(207,935)
Total Fund Balance	-	135,457	-	-	-	-	6,564,985	7,510	-	1,008,537	18,783,208
Total Liabilities and Fund Balance	\$ 11,966	\$ 294,725	\$ -	\$ 125,506	\$ 13,386	\$ -	\$ 10,952,493	\$ 871,250	\$ 1,467,119	\$ 3,190,414	\$ 76,407,238

(Concluded)

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OTHER GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2003

	Allegheny University Health Systems	African American Cultural Center	Army Corps of Engineers	Bedford	Beechview	Birmingham Towers	Bloomfield	Broad Street	Business Infrastructure	Business Reinvestment	Center Avenue Corridor	Charters Valley	Commercial Loan Repayments
Revenues:													
Intergovernmental	\$ -	\$ -	\$ 6,919	\$ -	\$ 3,865,976	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	6,235	-	-	-	2,043	2,716	-	-	759
Rental income	-	-	-	-	-	447	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-	72,144	-	-	-	2,559,784
Other	-	-	-	-	2,375	-	-	-	-	-	-	-	-
Total revenues	-	-	6,919	-	3,874,586	447	-	-	74,187	2,716	-	-	2,560,543
Expenditures:													
Current:													
Urban development	227,057	-	989,800	70,000	3,796,516	-	40,000	-	17,854	-	335,377	-	-
Administrative	15,357	-	-	-	78,999	-	-	-	-	-	-	-	-
Other	-	-	-	-	11,101	447	-	-	2,043	192	2,362	5,944	11,172
Debt service	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	242,414	-	989,800	70,000	3,886,616	447	40,000	-	19,897	192	337,739	5,944	11,172
Excess (Deficiency) of Revenues Over Expenditures	(242,414)	-	(982,881)	(70,000)	(72,030)	-	(40,000)	-	54,290	2,524	(337,739)	(5,944)	2,549,371
Other Financing Sources (Uses):													
Transfers in	242,414	-	982,881	70,000	300,000	-	40,000	-	-	-	337,739	-	-
Transfers out	-	-	-	-	(227,970)	-	-	-	-	-	-	-	(2,524,361)
Total other financing sources (uses)	242,414	-	982,881	70,000	72,030	-	40,000	-	-	-	337,739	-	(2,524,361)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	-	-	-	-	-	-	-	-	54,290	2,524	-	(5,944)	25,010
Fund Balance:													
Beginning of year	-	-	-	-	66,936	-	-	-	118,513	152,999	-	310,228	190,003
End of year	\$ -	\$ -	\$ -	\$ -	\$ 66,936	\$ -	\$ -	\$ -	\$ 172,803	\$ 155,523	\$ -	\$ 304,284	\$ 215,013

(Continued)

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
OTHER GOVERNMENTAL FUNDS

(Continued)

YEAR ENDED DECEMBER 31, 2003

	Community Development Investment Fund	Community Economic Recovery Program	Crawford Square	CSX Site	Cultural District	Design and Promotion	District Improvement Fund	Down Payment Assistance	Duquesne University	East Carson Street	East Liberty Zone	Farmers' Market	Federal North
Revenues:													
Intergovernmental	\$ 204,847	\$ -	\$ -	\$ -	\$ 1,738,788	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ -
Interest	2,016	43	4,673	511	-	-	20,144	1,983	33	-	-	167	34
Rental income	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	3,141	-	-	-	-	-	7,942	-	-
Other	-	-	-	-	-	-	-	292,418	-	-	-	-	-
Total revenues	206,863	43	4,673	511	1,741,929	-	20,144	294,501	33	30,000	-	8,109	34
Expenditures:													
Current:													
Urban development	461,130	-	9,816	-	1,741,647	57,292	191,839	294,308	-	-	660,174	-	87,018
Administrative	-	-	-	-	-	-	-	-	-	30,000	-	-	-
Other	2,016	43	477	357	282	-	67	193	33	-	-	167	2,944
Debt service	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	463,146	43	10,293	357	1,741,929	57,292	191,906	294,501	33	30,000	660,174	-	89,962
Excess (Deficiency) of Revenues Over Expenditures	(256,283)	-	(5,620)	154	-	(57,292)	(171,762)	-	-	-	(660,174)	7,942	(89,928)
Other Financing Sources (Uses):													
Transfers in	133,307	-	8,287	-	-	57,292	1,500,000	-	-	-	660,174	-	89,927
Transfers out	-	-	-	-	-	-	(130,000)	-	-	-	-	(1,817)	-
Total other financing sources (uses)	133,307	-	8,287	-	-	57,292	1,370,000	-	-	-	660,174	(1,817)	89,927
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(122,976)	-	2,667	154	-	-	1,198,238	-	-	-	-	7,942	(1)
Fund Balance:													
Beginning of year	-	4,970	529,854	68,394	196,259	-	270,208	-	324	-	-	10,999	101,597
End of year	\$ (122,976)	\$ 4,970	\$ 532,521	\$ 68,548	\$ 196,259	\$ -	\$ 1,468,446	\$ -	\$ 324	\$ -	\$ -	\$ 18,941	\$ 101,596

(Continued)

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OTHER GOVERNMENTAL FUNDS

(Continued)

YEAR ENDED DECEMBER 31, 2003

	Former Lectromelt Site	Former Schiffert Plant	Garfield	Glenwood and Strip District	Global Development	Harbor Gardens Greenhouse	Hazelwood Keez	Heinz Hall	Highland Building	Hill District and Homewood	Hill District Shopping Center	Homewood	HOPE 3 Fund	Housing Assistance Program
Revenues:														
Intergovernmental	\$ 131,419	\$ 575,000	\$ 28,057	\$ -	\$ -	\$ 110,988	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	1,014	-	80	54	-	-	-	-	-	351	162	-	-	93
Rental income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	-	24,171	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	38	-
Total revenues	132,433	599,171	28,137	54	-	110,988	-	-	-	351	162	-	38	93
Expenditures:														
Current:														
Urban development	144,663	575,000	34,621	-	-	110,988	179,251	-	-	-	-	112,143	-	-
Administrative	-	-	-	-	-	-	-	-	-	351	162	-	-	-
Other	1,014	-	2,580	54	-	-	3,181	-	-	-	-	-	309	93
Debt service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	145,677	575,000	37,201	54	-	110,988	182,432	-	-	351	162	112,143	309	93
Excess (Deficiency) of Revenues Over Expenditures	(13,244)	24,171	(9,064)	-	-	-	(182,432)	-	-	-	-	(112,143)	(271)	-
Other Financing Sources (Uses):														
Transfers in	-	-	9,064	-	-	-	182,432	-	-	-	-	112,143	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	9,064	-	-	-	182,432	-	-	-	-	112,143	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(13,244)	24,171	-	-	-	-	-	-	-	-	-	-	(271)	-
Fund Balance:														
Beginning of year	13,244	-	-	-	-	-	-	-	-	-	-	-	271	10,590
End of year	\$ -	\$ 24,171	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,590

(Continued)

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OTHER GOVERNMENTAL FUNDS

(Continued)

YEAR ENDED DECEMBER 31, 2003

	Housing Recovery Program	Hybrid Technology Zone	Industrial Land Reserve	Industrial Site	Interlocking Deck Systems	IFCA	Kerotest	Land Bank	Landlord Loan Escrow Account	Lawrenceville Enterprise Zone	Leebro	Liberty Building	Library Center	Main Street
Revenues:														
Intergovernmental	\$ 212,109	\$ 54,530	\$ 104,230	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 118,711	\$ -	\$ 92,286
Interest	625	-	58,433	-	-	300	1	7,128	23,989	9	20	-	208	783
Rental income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	-	-	19,904	-	-	838,961	-	-	530,399	10,758	-	-	-	-
Other	-	-	24,280	-	-	5,143	-	206,389	-	-	-	-	-	-
Total revenues	212,734	54,530	206,827	-	250,000	844,404	1	213,517	554,388	10,767	20	118,711	208	93,069
Expenditures:														
Current:														
Urban development	295,726	44,530	92,259	803,589	250,000	128,907	-	235	-	3,265	-	-	-	149,899
Administrative	-	-	218	10,118	-	50,000	-	-	28,700	-	-	-	-	60,000
Other	52,572	10,000	28,992	-	-	148,511	-	97	-	55,463	20	-	-	783
Debt service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	348,298	54,530	121,469	813,707	250,000	327,418	-	332	28,700	58,728	20	-	-	210,682
Excess (Deficiency) of Revenues Over Expenditures	(135,564)	-	85,358	(813,707)	-	516,986	1	213,185	525,688	(47,961)	-	118,711	208	(117,613)
Other Financing Sources (Uses):														
Transfers in	135,564	-	-	931,978	-	-	-	-	-	-	-	-	-	117,613
Transfers out	-	-	(47,796)	(118,271)	-	(494,030)	-	-	-	-	-	(118,711)	-	-
Total other financing sources (uses)	135,564	-	(47,796)	813,707	-	(494,030)	-	-	-	-	-	(118,711)	-	117,613
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	-	-	37,562	-	-	22,956	1	213,185	525,688	(47,961)	-	-	208	-
Fund Balance:														
Beginning of year	-	-	403,324	42,602	-	95,804	714	756,579	1,988,435	47,961	-	-	24,328	-
End of year	\$ -	\$ -	\$ 440,886	\$ 42,602	\$ -	\$ 118,760	\$ 715	\$ 969,764	\$ 2,514,123	\$ -	\$ -	\$ -	\$ 24,536	\$ -

(Continued)

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OTHER GOVERNMENTAL FUNDS

(Continued)

YEAR ENDED DECEMBER 31, 2003

	Micro-Loan Grant	NASA Robotics	NDR Bld Match	NDR Shared Management	Neighborhood Housing Program	North Shore	Northside Construction	Northside Enterprise Zone	Perry Wall	Pittsburgh Ballet Theater	Pittsburgh Business Grant Fund	Pittsburgh Downtown Partnership	Pittsburgh Home Rehabilitation Program	Pittsburgh Housing Construction Fund
Revenues:														
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 695,103	\$ -	\$ -	\$ 2,000	\$ -	\$ 32,500	\$ -	\$ -	\$ -	\$ 53,766
Interest	9	2,765	-	-	10,179	-	4,710	1,198	-	-	-	-	4,518	1,828
Rental income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	103,386	-	-	-	-	-	-	-	-	63,243
Other	-	-	-	-	-	25,723	-	-	-	-	-	-	435,249	-
Total revenues	9	2,765	-	-	808,868	25,723	4,710	3,198	-	32,500	-	-	439,767	118,837
Expenditures:														
Current:														
Urban development	-	-	55,000	55,341	700,010	30,772	122,470	2,000	51,740	32,500	1,456,264	-	1,175,365	753,769
Administrative	-	-	-	-	50,000	-	-	-	-	-	245,500	-	-	-
Other	-	2,765	-	-	58,658	30,152	-	1,198	-	-	6,657	-	118,425	1,828
Debt service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	-	2,765	55,000	55,341	808,868	60,924	122,470	3,198	51,740	32,500	1,708,401	-	1,293,790	755,597
Excess (Deficiency) of Revenues Over Expenditures	9	-	(55,000)	(55,341)	-	(35,201)	(117,760)	-	(51,740)	-	(1,708,401)	-	(854,023)	(636,760)
Other Financing Sources (Uses):														
Transfers in	-	-	55,000	55,341	-	1,355	-	-	51,740	-	1,800,401	-	701,850	626,323
Transfers out	-	-	-	-	-	(1,085,809)	-	-	-	-	(92,000)	-	-	-
Total other financing sources (uses)	-	-	55,000	55,341	-	(1,082,454)	-	-	51,740	-	1,708,401	-	701,850	626,323
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	9	-	-	-	-	(1,117,655)	(117,760)	-	-	-	-	-	(152,173)	(10,437)
Fund Balance:														
Beginning of year	967	-	-	-	-	1,680,110	473,385	-	-	-	-	-	984,361	171,297
End of year	976	\$ -	\$ -	\$ -	\$ -	\$ 562,455	\$ 355,625	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 832,188	\$ 160,860

(Continued)

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OTHER GOVERNMENTAL FUNDS

(Continued)

YEAR ENDED DECEMBER 31, 2003

	Pittsburgh Technology Center	PNC TIF	Property Management	Public Space Improvement	Rental Housing Development and Improvement Program	Residential Land Reserve	River Avenue Development Project	Seagate	Sears/ Home Depot	Section 108	Silver Lake	Sister Cities	Site Acquisition	Small and Minority Contractors	South Side Riverfront
Revenues:															
Intergovernmental	\$ -	\$3,971,240	\$ -	\$ -	\$ -	\$ -	\$ 683,744	\$ 81,162	\$ -	\$ -	\$ -	\$ 46,124	\$ -	\$ -	\$ 559,990
Interest	9,641	40,570	-	-	-	3,176	2,400	788	-	(2,166)	-	1,179	-	2,458	-
Rental income	71,450	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	267,880	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	15,254	-	-	-	-	27,035	-	-	23,307	14,337	-	-	(62,571)	-	75
Total revenues	364,225	4,011,810	-	-	-	30,211	686,144	81,950	23,307	12,171	-	47,303	(62,571)	2,458	560,065
Expenditures:															
Current:															
Urban development	28,157	-	368,773	12,296	108,053	29,494	708,459	65,006	-	2,066	207,829	-	-	-	698,462
Administrative	-	-	-	-	-	-	-	16,742	-	-	-	17,413	-	-	7,496
Other	18,771	1,995	17,330	-	-	717	3,117	19	-	537	-	29,890	-	220	-
Debt service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	46,928	1,995	386,103	12,296	108,053	30,211	711,576	81,767	-	2,603	207,829	47,303	-	220	705,958
Excess (Deficiency) of Revenues Over Expenditures	317,297	4,009,815	(386,103)	(12,296)	(108,053)	-	(25,432)	183	23,307	9,568	(207,829)	-	(62,571)	2,238	(145,893)
Other Financing Sources (Uses):															
Transfers in	-	-	386,103	12,296	108,053	-	-	-	-	245,000	207,829	-	-	-	60,934
Transfers out	-	(4,009,815)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(4,009,815)	386,103	12,296	108,053	-	-	-	-	245,000	207,829	-	-	-	60,934
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	317,297	-	-	-	-	-	(25,432)	183	23,307	254,568	-	-	(62,571)	2,238	(84,959)
Fund Balance:															
Beginning of year	1,148,986	-	-	-	-	-	-	25,432	14	(150,862)	-	-	-	204,228	-
End of year	\$ 1,466,283	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 197	\$ 196,138	\$ 103,706	\$ -	\$ -	\$ (62,571)	\$ 206,466	\$ (84,959)

(Continued)

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OTHER GOVERNMENTAL FUNDS (Continued)

YEAR ENDED DECEMBER 31, 2003

	Start-An-Enterprise	Streetface	Support for Housing	TANF Housing Collaboration	Three Rivers Stadium	Top Shops	UDAG	Upfront Grant	Urban Development Fund	Washington's Landing	Totals
Revenues:											
Intergovernmental		\$ 645,737	\$ -	\$ 109,268	\$ -	\$ -	\$ -	\$ -	\$ 48,468	\$ 51,792	\$ 14,444,754
Interest	741	590	-	-	113	-	78,504	7,695	1,973	10,855	318,779
Rental income	-	-	-	-	-	-	-	-	-	68,700	140,150
Loan repayments	-	-	-	-	-	-	563,740	-	48,848	186,321	5,300,822
Other	-	-	-	-	-	-	-	-	-	-	1,009,132
Total revenues	741	646,327	-	109,268	113	-	642,244	7,695	99,289	317,668	21,213,637
Expenditures:											
Current:											
Urban development	-	704,989	527,363	87,025	-	5,150	612,949	-	1,941,257	51,792	22,500,155
Administrative	-	58,500	-	21,343	-	-	-	-	304,605	-	994,991
Other	741	12,839	-	-	113	-	965	147	99,408	4,924	755,618
Debt service	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	741	776,328	527,363	109,268	113	5,150	613,914	147	2,345,270	56,716	24,250,764
Excess (Deficiency) of Revenues Over Expenditures	-	(130,001)	(527,363)	-	-	(5,150)	28,330	7,548	(2,245,981)	260,952	(3,037,127)
Other Financing Sources (Uses):											
Transfers in	-	130,000	527,363	-	-	5,150	-	-	2,398,981	-	13,284,534
Transfers out	-	-	-	-	-	-	-	-	(153,000)	-	(9,001,580)
Total other financing sources (uses)	-	130,000	527,363	-	-	5,150	-	-	2,245,981	-	4,282,954
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	-	(1)	-	-	-	-	28,330	7,548	-	260,952	1,245,827
Fund Balance:											
Beginning of year	-	135,458	-	-	-	-	6,536,655	(38)	-	747,585	17,537,381
End of year	\$ -	\$ 135,457	\$ -	\$ -	\$ -	\$ -	\$ 6,564,985	\$ 7,510	\$ -	\$ 1,008,537	\$ 18,783,208

(Concluded)

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

COMBINING BALANCE SHEET ALL AGENCY FUNDS

DECEMBER 31, 2003

Assets				Total
	Tax Lien	Fulton Debt Service Reserve	Tax Increment Financing	
Cash and investments	\$ 1,279,985	\$ 129,801	\$ 2,099,280	\$ 3,509,066
Liabilities				
Accounts payable and other accrued liabilities	\$ -	\$ 129,801	\$ 60,408	\$ 190,209
Due to other governments:				
City	489,777	-	754,355	1,244,132
County	-	-	488,265	488,265
School District	790,208	-	796,252	1,586,460
Total Liabilities	\$ 1,279,985	\$ 129,801	\$ 2,099,280	\$ 3,509,066

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND

YEAR ENDED DECEMBER 31, 2003

	Balance at 1/1/2003	Additions	Reductions	Balance at 12/31/2003
Tax Lien:				
Assets				
Cash and investments	\$ 1,265,377	\$ 14,608	\$ -	\$ 1,279,985
Liabilities				
Due to other governments:				
City	\$ 484,188	\$ 5,589	\$ -	\$ 489,777
School District	781,189	9,019	-	790,208
Total	\$ 1,265,377	\$ 14,608	\$ -	\$ 1,279,985
Fulton Debt Service Reserve:				
Assets				
Cash and investments	\$ 775,944	\$ 421,869	\$ 1,068,012	\$ 129,801
Liabilities				
Accounts payable and other accrued liabilities	\$ 775,944	\$ 421,869	\$ 1,068,012	\$ 129,801
Tax Increment Financing:				
Penn Liberty:				
Assets				
Cash and investments	\$ 602,901	\$ 155,180	\$ -	\$ 758,081
Liabilities				
Due to other governments:				
City	\$ 201,636	\$ 61,866	\$ -	\$ 263,502
County	207,749	66,448	-	274,197
School District	193,516	26,866	-	220,382
Total	\$ 602,901	\$ 155,180	\$ -	\$ 758,081
Federal North:				
Assets				
Cash and investments	\$ 1,045,069	\$ 298,506	\$ 2,376	\$ 1,341,199
Liabilities				
Accounts payable and other accrued liabilities	\$ 62,784	\$ -	\$ 2,376	\$ 60,408
Due to other governments:				
City	402,110	88,743	-	490,853
County	99,648	114,420	-	214,068
School District	480,527	95,343	-	575,870
Total	\$ 1,045,069	\$ 298,506	\$ 2,376	\$ 1,341,199

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

LONG-TERM DEBT MATURITY SCHEDULE

YEAR ENDED DECEMBER 31, 2003

URA DEBT (excludes compensated absence liability and component unit debt)

	Outstanding at 12/31/2002	Debt Issued During 2003	Debt Paid During 2003	Outstanding at 12/31/2003
2003	\$ 5,530,114	\$ -	\$ (5,530,114)	\$ -
2004	6,055,666	469,716	(358,323)	6,167,059
2005	5,944,695	606,864	(308,245)	6,243,314
2006	5,714,730	693,780	(327,400)	6,081,110
2007	5,915,637	761,216	(596,488)	6,080,365
2008	7,327,469	784,212	(1,474,269)	6,637,412
2009-2013	36,356,124	4,465,721	(7,766,745)	33,055,100
2014-2018	37,567,683	6,598,969	(7,667,763)	36,498,889
2019-2023	42,923,457	2,025,000	(19,063,457)	25,885,000
2024-2028	27,450,000	2,630,000	(5,925,000)	24,155,000
2029-2033	43,177,000	15,326,000	(12,138,000)	46,365,000
	<u>\$ 223,962,575</u>	<u>\$ 34,361,478</u>	<u>\$ (61,155,804)</u>	<u>\$ 197,168,249</u>