

# **Urban Redevelopment Authority of Pittsburgh**

(A Component Unit of the  
City of Pittsburgh, Pennsylvania)

Financial Statements  
and Required Supplementary  
and Other Information

Year Ended December 31, 2019  
with Independent Auditor's Report

**MaherDuessel**

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# URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

YEAR ENDED DECEMBER 31, 2019

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## 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 unit, 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, 2019, and the related notes to the financial statements, which collectively comprise the URA's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Pittsburgh Housing Development Corporation, the Authority's discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pittsburgh Housing Development Corporation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes

evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

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 unit, each major fund, and the aggregate remaining fund information of the URA as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i through ix be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the URA's basic financial statements. The supplementary information and other information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Maker Duessel*

Pittsburgh, Pennsylvania  
April 29, 2020

**Urban Redevelopment Authority of Pittsburgh**  
**(A Component Unit of the City of Pittsburgh)**  
**Management's Discussion and Analysis**  
**December 31, 2019**

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, 2019. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements and footnotes.

**Fiscal Year 2019 Financial Highlights (Government-Wide Financial Statements)**

- Total assets increased by approximately \$11 Million. The increase is primarily attributed to:
  - An increase of Due from other Governments and Other Receivables of a combined amount of \$7.5 Million. This is mainly due to the \$2.6 Million short-term receivable from the City related to the Authority buildout proceeds, \$1 Million in Community Development Block Grant (CDBG) receivable, and \$3.5 Million receivable for the Sale of the Produce Terminal.
  - An increase in Loans Receivable by \$3.8 Million, which are mainly in Urban Development Action Grant (UDAG), Grants, and PDF funds.
  - Property decreased mainly related to the Mellon Orchard sale that had a cost basis of \$1 Million.
- Total Liabilities increase by approximately \$3.2 Million. The increase is primarily attributed to:
  - New debt due to the City on 412 Boulevard of the Allies building, early retirement accrual, and PNC TIF funds due to the City
- Total Net Position was \$233.1 Million, of which \$29.7 Million represented net investment in capital assets, and \$150.4 Million was restricted by funding source or bond indenture. Of the remaining \$53 Million unrestricted net position, \$18.5 Million represents property held for redevelopment under restrictions of the state redevelopment statutes, and \$12.7 Million pertains to Board commitments for program funding gaps, bridge financing for projects, and property repairs and improvements in larger current projects.
- The Authority's total program revenues were \$51.6 Million for the year, of which \$32.9 Million was operating grants, and \$18.7 Million was charges for services. The program revenue consisted of \$12.5 Million in repayments through lending programs and \$7.4 Million earned through property management and rental income. The remaining program revenue primarily related to administrative fees and the gains on sale of property held for sale.
- The Authority's total program expenses were \$52.2 Million for the year, of which \$32.5 Million was for Urban Development, \$12 Million was for General Government and Interest on Long-term Debt, \$2.1 Million for Lending Programs, and \$5.4 Million was for Property Management.

**Urban Redevelopment Authority of Pittsburgh**  
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**December 31, 2019**

**Overview of the Financial Statements**

This Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of four parts: 1) MD&A (this section), 2) Government-Wide Financial Statements, 3) Fund Financial Statements, and 4) 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 1 and 2) present the financial picture of the Authority from the economic resource's measurement focus using the accrual basis of accounting. They include all assets and liabilities, including fixed assets and long-term debt. All of the current year's revenues and expenses are taken into account regardless of when cash was received or expenses 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 the Authority's component unit, the Pittsburgh Housing Development Corporation. Government-Wide Financial Statements include the Statement of Net Position and the Statement of Activities. They report the Authority's net position and changes in them. Net position is the difference between assets and liabilities, which is one way to measure the Authority's financial position.

In the Statement of Position 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 CDBG funds and HOME 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 – Western Restoration Center, and garages at South Side Works and Pittsburgh Technology Center.

***Fund Financial Statements***

Fund Financial Statements begin on page 3 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 two categories of activities – governmental and proprietary. Only the major funds are presented individually in the Fund Statements.



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**Governmental Funds** – Governmental Funds (pages 3, 4, and 5) 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 fund 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.

**Proprietary Funds** – The Proprietary Funds (pages 6, 7, and 8) 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.

***Notes to the Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes to the Financial Statements begin on page 9 of this report.

**Urban Redevelopment Authority of Pittsburgh**  
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**Government-wide Financial Analysis**

Our analysis below focuses on the net position of the Authority's governmental and business-type activities. The Authority's net position at December 31, 2019 and 2018 for governmental activities was approximately \$130.4 Million and \$120.4 Million, respectively. For the business-type activities, net position was approximately \$102.7 Million and \$104.9 Million, respectively.

**Summary of The Authority's Net Position**  
**December 31, 2019 and December 31, 2018**

	<b>Governmental Activities</b>		<b>% Change</b>	<b>Business-type Activities</b>		<b>% Change</b>
	<b>2019</b>	<b>2018</b>		<b>2019</b>	<b>2018</b>	
<b>Assets:</b>						
Current and other assets	\$133,941,640	\$121,578,087	10.2%	\$85,135,482	\$86,528,867	-1.6%
Capital assets	<u>16,850,287</u>	<u>14,074,799</u>	19.7%	<u>31,371,214</u>	<u>34,116,956</u>	-8.0%
<b>Total assets</b>	<b><u>\$150,791,927</u></b>	<b><u>\$135,652,886</u></b>	<b>11.2%</b>	<b><u>\$116,506,696</u></b>	<b><u>\$120,645,823</u></b>	<b>-3.4%</b>
<b>Liabilities:</b>						
Current and other liabilities	\$17,221,417	\$11,757,308	46.5%	\$3,094,863	\$3,249,310	-4.8%
Long-term liabilities	<u>3,182,655</u>	<u>3,489,663</u>	-8.8%	<u>10,693,729</u>	<u>12,464,096</u>	-14.2%
<b>Total liabilities</b>	<b><u>\$20,404,072</u></b>	<b><u>\$15,246,971</u></b>	<b>33.8%</b>	<b><u>\$13,788,592</u></b>	<b><u>\$15,713,406</u></b>	<b>-12.2%</b>
<b>Net position:</b>						
Net investment in capital assets	\$7,365,013	\$6,667,299	10.5%	\$22,342,845	\$24,862,212	-10.1%
Restricted for urban development	57,982,279	56,724,207	2.2%	-	-	0.0%
Restricted for lending programs	20,671,088	18,460,641	12.0%	71,769,358	71,833,087	-0.1%
Unrestricted	<u>44,369,475</u>	<u>38,553,768</u>	15.1%	<u>8,605,901</u>	<u>8,237,118</u>	4.5%
<b>Total net position</b>	<b><u>\$130,387,855</u></b>	<b><u>\$120,405,915</u></b>	<b>8.3%</b>	<b><u>\$102,718,104</u></b>	<b><u>\$104,932,417</u></b>	<b>-2.1%</b>

Restricted net position generally represents funds that have constraints on their use pursuant to grant agreements or bond indentures. In total, at December 31, 2019, assets of the governmental and business-type funds exceeded their liabilities by \$233.1 Million, \$29.7 Million, of which represented the Authority's net investment in capital assets and \$150.4 Million restricted by funding source or bond indenture. Of the \$53 Million Unrestricted Net Position, \$18.5 Million represents property held for redevelopment under restrictions of the state redevelopment statutes and \$12.7 Million pertains to Board commitments for program funding gaps, bridge financing for projects, and property repairs and improvements in larger current projects.

**Urban Redevelopment Authority of Pittsburgh**  
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**Summary of Changes in Net Position**  
**Year Ended December 31, 2019 and December 31, 2018**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
<b>Program Revenues:</b>					
Charges for services	\$12,809,902	\$10,483,170	\$5,903,154	\$6,940,412	
Operating grants	32,920,917	47,991,622	-	-	
Capital grants	-	-	-	-	
<b>General Revenues:</b>					
Investment and other gains	<u>2,402,313</u>	<u>707,748</u>	<u>5,924,874</u>	<u>320,849</u>	
<b>Total revenues</b>	<b><u>48,133,132</u></b>	<b><u>59,182,540</u></b>	<b><u>11,828,028</u></b>	<b><u>7,261,261</u></b>	<b>62.9%</b>
<b>Program expenses:</b>					
Urban development	32,545,179	37,095,500	-	-	
General government	11,860,435	9,832,894	-	-	
Interest on long-term debt	217,290	538,938	-	-	
Lending programs	-	-	2,140,064	2,875,831	
Property management	-	-	<u>5,430,565</u>	<u>6,041,268</u>	
<b>Total expenses</b>	<b><u>44,622,904</u></b>	<b><u>47,467,332</u></b>	<b><u>7,570,629</u></b>	<b><u>8,917,099</u></b>	<b>-15.1%</b>
Change in net position before transfers	3,510,228	11,715,208	4,257,399	-1,655,838	
Transfers	<u>6,471,713</u>	<u>10,000</u>	<u>-6,471,712</u>	<u>-10,000</u>	
<b>Change in net position after transfers</b>	<b><u>\$9,981,941</u></b>	<b><u>\$11,725,208</u></b>	<b><u>\$-2,214,313</u></b>	<b><u>\$-1,665,838</u></b>	<b>-32.9%</b>

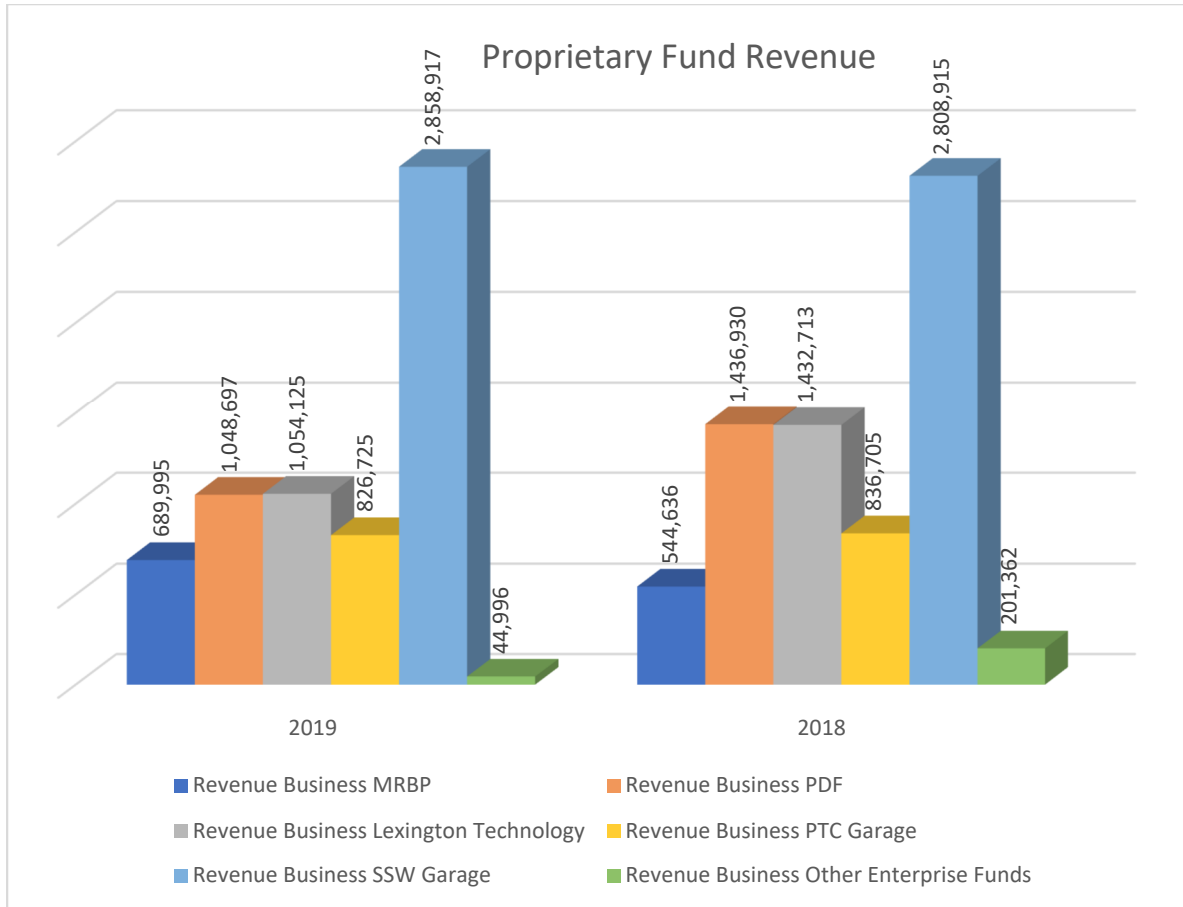
**Governmental Activities.** Total revenues decreased by approximately \$11 Million from \$59.2 Million in 2018 to \$48.1 Million in 2019, largely due to Operating Grants. Grant revenue fluctuates by nature based on the status of current projects and funding patterns. CDBG revenue decreased by \$1.5 Million, HOME revenue decreased by \$1 Million, and Redevelopment Assistance Capital Grant Program (RACP) grants decreased by \$9 Million in 2019. The URA serves as a conduit between the Commonwealth of Pennsylvania and a sub-awardee for the RACP program, which is designed to fund projects that have regional impact such as job creation or increased tax base. General revenues increased by \$1.7 Million, largely due to gain on sale of property.

In 2019, the cost of governmental activities decreased by \$2.9 Million from \$47.5 Million in 2018 to \$44.6 Million in 2019, largely due to Urban Development project status and timing of project completion.

**Business-Type Activities.** Total revenues increased by approximately \$4.5 Million from \$7.3 Million in 2018 to \$11.8 Million in 2019 which is largely due to the sale of the PTC garage, which resulted in gains on the sale of about \$5.3 Million.

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**December 31, 2019**

In 2019, the cost of all proprietary (business-type) activities was \$7.6 Million, as compared to \$8.9 Million in 2018, which represents a decrease of \$1.3 Million, largely due to savings on the cost of property management.



**Urban Redevelopment Authority of Pittsburgh**  
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**Management's Discussion and Analysis**  
**December 31, 2019**

**The Authority's Governmental Funds**

As of December 31, 2019, the Authority's governmental funds reported total ending fund balances of \$86.2 Million, which represents an increase of \$6.8 Million from the prior year (\$79.5 Million). Of the fund balance, \$58.0 Million was restricted to indicate that it is limited in use due to constraints on purpose and circumstances of spending that are legally enforceable by outside parties. Another \$12.7 Million has been committed for bridge funds for programs and projects, and property repairs and improvements.

**Major Funds**

The Authority's General Fund balance of \$27.8 Million at December 31, 2019, represents an increase of \$7.3 Million from December 31, 2018 (\$20.5 Million), largely due to sale of property.

The CDBG Fund accounts for CDBG grants passed through to the Authority from the City of Pittsburgh. The fund balance remained at approximately \$1.75 Million in 2019 an increase of \$0.01 Million from December 31, 2018 (\$1.74 Million). CDBG fund balance of \$1.4 Million is fronting funds transferred from the Authority's General Fund.

The HOME Fund provides loans or grants for both housing rehabilitation and new construction. The fund balance remains at \$0.8 Million in 2019 and 2018, which is fronting funds transferred from the Authority's General Fund.

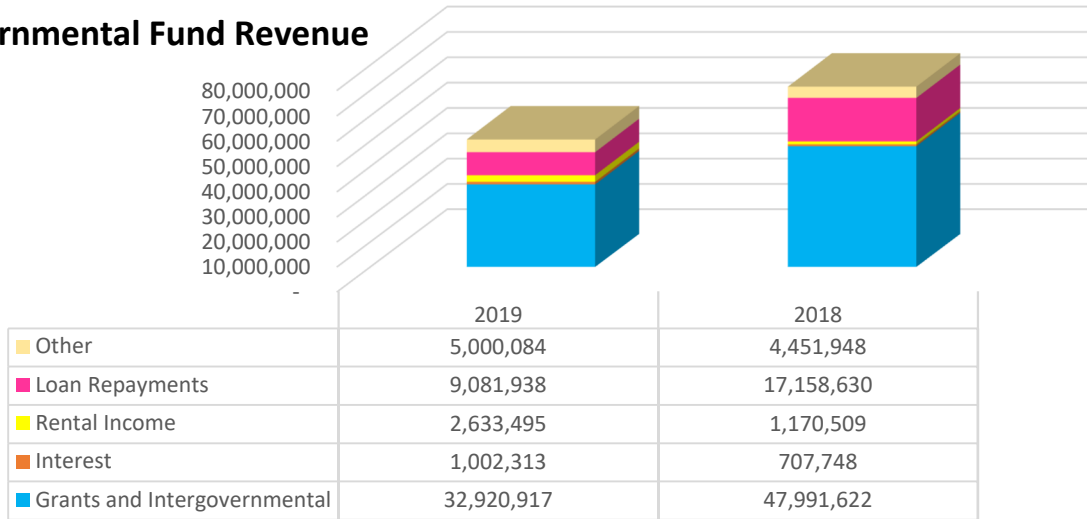
UDAG Fund accounts for activities of a major loan and grant-making fund available for both small to large projects within the City that serve to attract new businesses, expand or retain existing businesses, and neighborhood housing development. The fund balance was \$12.3 Million in 2019 and \$13.5 Million in 2018, which is a decrease of \$1.2 Million.

The Housing Opportunity Fund provides various affordable housing assistance programs within the City of Pittsburgh. Some of these programs are: Down Payment and Closing Cost Assistance, Homeowner Assistance Program, Rental Gap Program, Housing Stabilization Program, and For-Sale Development Program. The fund balance as of December 31, 2019 was \$16.9 million.

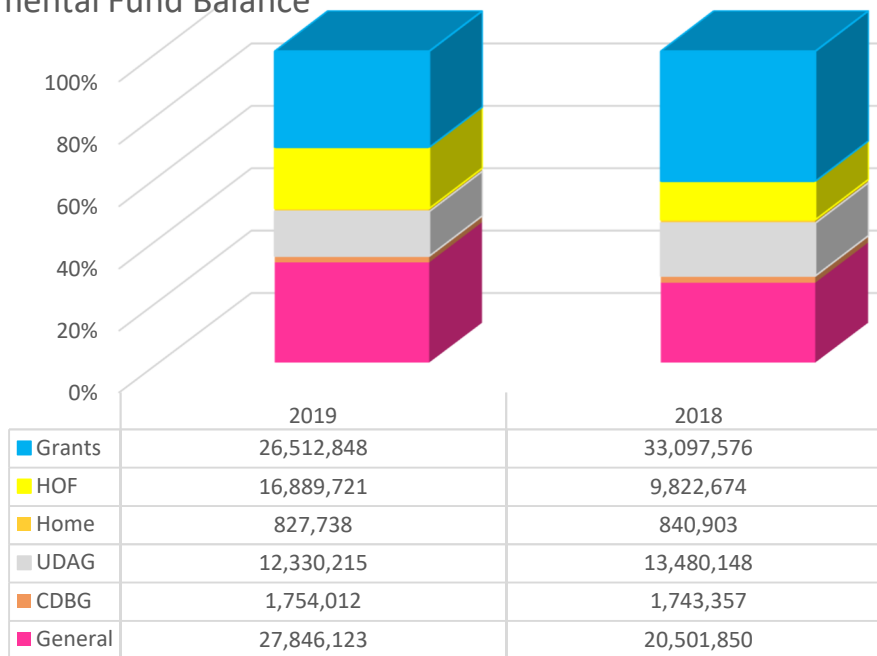
The Grants Fund accounts for various the Authority projects and programs not accounted for elsewhere. This activity includes grant programs, loan programs, and housing and business development projects. The \$26.5 Million of fund balance in 2019 is restricted for various urban development projects and programs.

**Urban Redevelopment Authority of Pittsburgh**  
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**Governmental Fund Revenue**



**Governmental Fund Balance**



**Urban Redevelopment Authority of Pittsburgh**  
**(A Component Unit of the City of Pittsburgh)**  
**Management's Discussion and Analysis**  
**December 31, 2019**

**Capital Assets and Debt Administration (Government-wide)**

**Capital Assets.** The Authority's investment in capital assets as of December 31, 2019 is \$16.9 Million an increase of \$2.8 Million from \$14.1 Million at December 31, 2018 (net of accumulated depreciation) for its governmental activities. Capital assets in business-type activities were \$31.4 Million and \$34.1 Million at December 31, 2019 and 2018, respectively (net of accumulated depreciation).

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

**Debt Administration.** At December 31, 2019, the Authority had total long-term debt outstanding of \$23 Million. Approximately \$4.5 Million of proprietary fund bond debt is secured solely by specified revenue sources.

The outstanding debt was comprised primarily as follows: \$4.5 Million of Mortgage Revenue Bonds, which are comprised of various issues and rated AA1 by Moody's; \$9.0 Million of bank loans; and HUD Section 108 loans in the amount of \$2.8 Million. 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, 412 Boulevard of the Allies, Pittsburgh, Pennsylvania 15219 or (412) 255-6675.

# URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

## STATEMENT OF NET POSITION

DECEMBER 31, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Pittsburgh Housing Development Corporation
<b>Assets</b>				
Cash and investments	\$ 93,205,840	\$ 45,587,358	\$ 138,793,198	\$ 30,405
Due from other governments	5,587,411	-	5,587,411	-
Other receivables	3,667,470	432,391	4,099,861	4,860
Internal balances	(7,664,831)	7,664,831	-	-
Loans to component units	1,732,061	-	1,732,061	-
Loans receivable, net	16,472,980	31,450,902	47,923,882	1,600,000
Property held for redevelopment	18,474,662	-	18,474,662	3,401,570
Other assets	2,466,047	-	2,466,047	100
Capital assets:				
Non-depreciable	6,581,726	-	6,581,726	-
Depreciable, net of accumulated depreciation	10,268,561	31,371,214	41,639,775	-
<b>Total Assets</b>	<b>\$ 150,791,927</b>	<b>\$ 116,506,696</b>	<b>\$ 267,298,623</b>	<b>\$ 5,036,935</b>
<b>Liabilities</b>				
Accounts payable and other accrued liabilities	\$ 6,037,184	\$ 220,223	\$ 6,257,407	\$ 86,070
Unearned revenue	98,049	-	98,049	-
Loans payable to URA	-	-	-	1,732,061
Loans payable to bank	-	-	-	691,248
Loans payable to Schenley Heights Collaborative	-	-	-	30,754
Noncurrent liabilities:				
Due to primary government, Due within one year	395,220	-	395,220	-
Due to primary government, Due in more than one year	9,090,054	-	9,090,054	-
Long-term debt, Due within one year	1,600,910	2,874,640	4,475,550	-
Long-term debt, Due in more than one year	3,182,655	10,693,729	13,876,384	-
<b>Total Liabilities</b>	<b>20,404,072</b>	<b>13,788,592</b>	<b>34,192,664</b>	<b>2,540,133</b>
<b>Net Position</b>				
Net investment in capital assets	7,365,013	22,342,845	29,707,858	-
Restricted for urban development	57,982,279	-	57,982,279	-
Restricted for lending programs	20,671,088	71,769,358	92,440,446	-
Restricted for housing program	-	-	-	2,496,802
Unrestricted	44,369,475	8,605,901	52,975,376	-
<b>Total Net Position</b>	<b>130,387,855</b>	<b>102,718,104</b>	<b>233,105,959</b>	<b>2,496,802</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 150,791,927</b>	<b>\$ 116,506,696</b>	<b>\$ 267,298,623</b>	<b>\$ 5,036,935</b>

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



# URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

## STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit  Pittsburgh Housing Development Corporation
					Primary Government			
	Direct Expenses	Charges for Services	Operating Grants	Capital Grants	Governmental Activities	Business-type Activities	Total	
<b>Primary Government:</b>								
Governmental activities:								
Urban development	\$ 32,545,179	\$ 8,116,806	\$ 30,440,051	\$ -	\$ 6,011,678	\$ -	\$ 6,011,678	\$ -
General government	11,860,435	4,693,096	2,480,866	-	(4,686,473)	-	(4,686,473)	-
Interest on long-term debt	217,290	-	-	-	(217,290)	-	(217,290)	-
Total governmental activities	44,622,904	12,809,902	32,920,917	-	1,107,915	-	1,107,915	-
Business-type activities:								
Lending programs	2,140,064	1,165,246	-	-	-	(974,818)	(974,818)	-
Property management	5,430,565	4,737,908	-	-	-	(692,657)	(692,657)	-
Total business-type activities	7,570,629	5,903,154	-	-	-	(1,667,475)	(1,667,475)	-
Total primary government	\$ 52,193,533	\$ 18,713,056	\$ 32,920,917	\$ -	1,107,915	(1,667,475)	(559,560)	-
<b>Component Unit:</b>								
Pittsburgh Housing Development Corporation	\$ 1,036,942	\$ 735,927	\$ 377,572	\$ -	-	-	-	76,557
General revenues:								
Investment earnings					1,002,313	620,301	1,622,614	(100)
Gain on sale of capital asset					1,400,000	5,304,573	6,704,573	-
Transfers					6,471,712	(6,471,712)	-	-
Total general revenues and transfers					8,874,025	(546,838)	8,327,187	(100)
<b>Change in Net Position</b>					9,981,940	(2,214,313)	7,767,627	76,457
Net position - beginning					120,405,915	104,932,417	225,338,332	2,420,345
Net position - ending					\$ 130,387,855	\$ 102,718,104	\$ 233,105,959	\$ 2,496,802

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

**URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

DECEMBER 31, 2019

	General	Community Development Block Grant	UDAG	HOME	HOF	Grants	Totals
<b>Assets</b>							
Cash and investments	\$ 24,961,252	\$ 2,898,774	\$ 5,106,774	\$ 887,044	\$ 17,459,631	\$ 41,892,365	\$ 93,205,840
Receivables (net, where applicable, of allowance for uncollectibles):							
Loans	67,249	-	3,339,526	699,341	109,125	13,989,800	18,205,041
Other	1,160,480	-	-	-	834	6,156	1,167,470
Due from other funds	2,118,974	-	4,385,866	-	-	209,423	6,714,263
Due from other governmental units	2,613,616	1,189,543	-	265,273	-	1,518,979	5,587,411
Internal loans receivable	3,793,571	-	2,902,219	-	-	1,343,826	8,039,616
Property held for redevelopment	9,349,799	1,345,392	-	-	-	7,779,471	18,474,662
<b>Total Assets</b>	<b>\$ 44,064,941</b>	<b>\$ 5,433,709</b>	<b>\$ 15,734,385</b>	<b>\$ 1,851,658</b>	<b>\$ 17,569,590</b>	<b>\$ 66,740,020</b>	<b>\$ 151,394,303</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>							
<b>Liabilities:</b>							
Accounts payable and other accrued liabilities	\$ 3,384,420	\$ 42,619	\$ 64,644	\$ -	\$ -	\$ 2,545,501	\$ 6,037,184
Due to other funds	62,998	2,291,686	-	324,579	570,744	5,160,135	8,410,142
Internal loans payable	3,268,350	-	-	-	-	10,740,218	14,008,568
Unearned revenue	86,002	-	-	-	-	12,047	98,049
<b>Total Liabilities</b>	<b>6,801,770</b>	<b>2,334,305</b>	<b>64,644</b>	<b>324,579</b>	<b>570,744</b>	<b>18,457,901</b>	<b>28,553,943</b>
<b>Deferred Inflows of Resources:</b>							
Unavailable revenue	9,417,048	1,345,392	3,339,526	699,341	109,125	21,769,271	36,679,703
<b>Fund Balance:</b>							
Restricted	1,883,775	337,982	12,330,215	27,738	16,889,721	26,512,848	57,982,279
Committed	10,500,000	1,416,030	-	800,000	-	-	12,716,030
Unassigned	15,462,348	-	-	-	-	-	15,462,348
<b>Total Fund Balance</b>	<b>27,846,123</b>	<b>1,754,012</b>	<b>12,330,215</b>	<b>827,738</b>	<b>16,889,721</b>	<b>26,512,848</b>	<b>86,160,657</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 44,064,941</b>	<b>\$ 5,433,709</b>	<b>\$ 15,734,385</b>	<b>\$ 1,851,658</b>	<b>\$ 17,569,590</b>	<b>\$ 66,740,020</b>	<b>\$ 151,394,303</b>

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

Fund balance	\$ 86,160,657
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	16,850,287
Loans converted to equity participation are reported in governmental activities as other assets but are not reported in the funds.	2,466,047
Other long-term assets such as loans, property held for redevelopment, and other receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable in the funds.	39,179,703
Long-term liabilities, including compensated absences and loans payable and related accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(14,268,839)</u>
Net position of governmental activities	<u>\$ 130,387,855</u>

The notes to 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, 2019

	General	Community Development Block Grant	UDAG	HOME	HOF	Grants	Totals
<b>Revenues:</b>							
Grants and Intergovernmental	\$ 134,585	\$ 2,757,940	\$ -	\$ 1,465,062	\$ 10,000,000	\$ 18,563,330	\$ 32,920,917
Interest	333,652	28,362	131,937	10,703	262,920	234,739	1,002,313
Rental income	2,602,682	-	-	-	-	30,813	2,633,495
Loan repayments	1,884,266	-	1,137,643	624,796	1,667	5,433,566	9,081,938
Other	3,990,414	-	-	-	-	1,009,670	5,000,084
<b>Total revenues</b>	<b>8,945,599</b>	<b>2,786,302</b>	<b>1,269,580</b>	<b>2,100,561</b>	<b>10,264,587</b>	<b>25,272,118</b>	<b>50,638,747</b>
<b>Expenditures:</b>							
Current:							
Urban development	2,725,987	1,715,647	1,968,410	1,810,196	2,295,712	27,966,303	38,482,255
Administrative	4,421,506	1,060,000	417,479	303,530	732,829	2,194,763	9,130,107
Other	431,526	-	33,624	-	168,999	802,277	1,436,426
Capital outlay	2,861,061	-	-	-	-	-	2,861,061
Debt service	527,370	-	-	-	-	472,085	999,455
<b>Total expenditures</b>	<b>10,967,450</b>	<b>2,775,647</b>	<b>2,419,513</b>	<b>2,113,726</b>	<b>3,197,540</b>	<b>31,435,428</b>	<b>52,909,304</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(2,021,851)</b>	<b>10,655</b>	<b>(1,149,933)</b>	<b>(13,165)</b>	<b>7,067,047</b>	<b>(6,163,310)</b>	<b>(2,270,557)</b>
<b>Other Financing Sources (Uses):</b>							
Debt proceeds	2,472,994	-	-	-	-	-	2,472,994
Transfers in (out)	6,893,130	-	-	-	-	(421,418)	6,471,712
<b>Total other financing sources (uses)</b>	<b>9,366,124</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(421,418)</b>	<b>8,944,706</b>
<b>Net Change in Fund Balance</b>	<b>7,344,273</b>	<b>10,655</b>	<b>(1,149,933)</b>	<b>(13,165)</b>	<b>7,067,047</b>	<b>(6,584,728)</b>	<b>6,674,149</b>
<b>Fund Balance:</b>							
Beginning of year	20,501,850	1,743,357	13,480,148	840,903	9,822,674	33,097,576	79,486,508
End of year	\$ 27,846,123	\$ 1,754,012	\$ 12,330,215	\$ 827,738	\$ 16,889,721	\$ 26,512,848	\$ 86,160,657

The notes to 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, 2019

Amounts reported for governmental activities in the statement of activities (page 2) are different because:

Net change in fund balance - total governmental funds (page 4)	\$ 6,674,149
<p>In governmental funds, the issuance of loans is a current expenditure while the repayment of loans, including principal and interest, is recognized as income when received. On the statement of activities, only the interest income is reported as current revenue. Also, the change in the allowance for doubtful accounts is shown as an increase or decrease in net position on the statement of activities while it has no effect on fund balance in the governmental funds. The net change in loans receivable is shown here.</p>	2,210,447
<p>The repayment of principal of long-term debt is reported as a reduction in the liability on the statement of net position. On the fund statements, this transaction is recorded as an expenditure.</p>	703,220
<p>The cost of property held for redevelopment is expended in the funds when purchased but capitalized in the statement of net position. The net change in property held for redevelopment is shown here.</p>	(1,193,413)
<p>The issuance of long-term debt is reported as a liability on the statement of net position. On the fund statements, this transaction is recorded as an other financing source.</p>	(2,472,994)
<p>In governmental funds, the acquisition of capital assets is a capital outlay expenditure. In the government-wide statements, this activity is capitalized and depreciated over the useful life of the related asset. Accordingly, gains or losses on dispositions of capital assets are reported on the government-wide statements as the difference between the sale proceeds and the carrying amount. The net effect of capital asset activity is shown here.</p>	5,275,488
<p>Compensated absences and amounts obligated under early retirement programs are reflected as liabilities on the statement of net position, but are not included in the fund statements. The change in these liabilities is shown here.</p>	<u>(1,214,957)</u>
Change in net position of governmental activities (page 2)	<u>\$ 9,981,940</u>

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

# URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

## STATEMENT OF NET POSITION

### PROPRIETARY FUNDS

DECEMBER 31, 2019

	Business-type Activities - Enterprise Funds						Totals
	Mortgage Revenue Bond Program	Pittsburgh Development Fund	Lexington Technology Park Fund	Pittsburgh Technology Center Garage Fund	South Side Works Garage Fund	Other Enterprise Funds	
<b>Assets</b>							
Current assets:							
Cash and investments	\$ 14,385,740	\$ 21,936,447	\$ 14,721	\$ 3,060,904	\$ 4,745,364	\$ 1,444,182	\$ 45,587,358
Receivables, net	125,768	-	-	-	306,623	-	432,391
Due from other funds	-	1,431,074	-	-	398,701	108,387	1,938,162
Noncurrent assets:							
Loans receivable, net	4,078,027	27,179,797	-	-	-	193,078	31,450,902
Internal loans receivable	-	7,220,678	-	-	-	-	7,220,678
Capital assets, net of applicable accumulated depreciation	-	-	2,546,677	8,331,319	20,493,218	-	31,371,214
<b>Total Assets</b>	<b>\$ 18,589,535</b>	<b>\$ 57,767,996</b>	<b>\$ 2,561,398</b>	<b>\$ 11,392,223</b>	<b>\$ 25,943,906</b>	<b>\$ 1,745,647</b>	<b>\$ 118,000,705</b>
<b>Liabilities</b>							
Current liabilities:							
Accounts payable and other accrued liabilities	\$ 48,173	\$ -	\$ 2,314	\$ -	\$ 154,736	\$ 15,000	\$ 220,223
Due to other funds	-	-	10,187	227,785	-	4,311	242,283
Bonds and loans payable	595,000	-	2,039,975	-	239,665	-	2,874,640
Noncurrent liabilities:							
Internal loans payable	-	-	-	-	1,251,726	-	1,251,726
Bonds and loans payable	3,945,000	-	-	-	6,748,729	-	10,693,729
<b>Total Liabilities</b>	<b>4,588,173</b>	<b>-</b>	<b>2,052,476</b>	<b>227,785</b>	<b>8,394,856</b>	<b>19,311</b>	<b>15,282,601</b>
<b>Net Position</b>							
Net investment in capital assets	-	-	506,702	8,331,319	13,504,824	-	22,342,845
Restricted for lending programs	14,001,362	57,767,996	-	-	-	-	71,769,358
Unrestricted	-	-	2,220	2,833,119	4,044,226	1,726,336	8,605,901
<b>Total Net Position</b>	<b>14,001,362</b>	<b>57,767,996</b>	<b>508,922</b>	<b>11,164,438</b>	<b>17,549,050</b>	<b>1,726,336</b>	<b>102,718,104</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 18,589,535</b>	<b>\$ 57,767,996</b>	<b>\$ 2,561,398</b>	<b>\$ 11,392,223</b>	<b>\$ 25,943,906</b>	<b>\$ 1,745,647</b>	<b>\$ 118,000,705</b>

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

# URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS

YEAR ENDED DECEMBER 31, 2019

	Business-type Activities - Enterprise Funds						Totals
	Mortgage Revenue Bond Program	Pittsburgh Development Fund	Lexington Technology Park Fund	Pittsburgh Technology Center Garage Fund	South Side Works Garage Fund	Other Enterprise Funds	
<b>Operating Revenues:</b>							
Program interest income	\$ 344,396	\$ 808,847	\$ -	\$ -	\$ -	\$ 11,682	\$ 1,164,925
Property management revenues	-	-	1,054,125	823,591	2,858,917	1,275	4,737,908
Other	124	-	-	-	-	197	321
<b>Total operating revenues</b>	<b>344,520</b>	<b>808,847</b>	<b>1,054,125</b>	<b>823,591</b>	<b>2,858,917</b>	<b>13,154</b>	<b>5,903,154</b>
<b>Operating Expenses:</b>							
Originating lender service fees	22,830	-	-	-	-	4,779	27,609
Administrative expenses	438,112	411,948	-	132,932	487,069	336,674	1,806,735
Depreciation and amortization expense	-	-	355,447	287,286	730,869	-	1,373,602
Property management and improvements	-	-	1,181,155	315,061	1,477,864	63,831	3,037,911
Provision for uncollectible loans	(19,272)	681,630	-	-	-	(5,395)	656,963
Other	23,025	5,380	27,200	2,500	-	1,585	59,690
<b>Total operating expenses</b>	<b>464,695</b>	<b>1,098,958</b>	<b>1,563,802</b>	<b>737,779</b>	<b>2,695,802</b>	<b>401,474</b>	<b>6,962,510</b>
<b>Operating Income (Loss)</b>	<b>(120,175)</b>	<b>(290,111)</b>	<b>(509,677)</b>	<b>85,812</b>	<b>163,115</b>	<b>(388,320)</b>	<b>(1,059,356)</b>
<b>Non-Operating Revenues (Expenses):</b>							
Investment income	345,475	239,850	-	3,134	-	31,842	620,301
Interest expense	(238,768)	-	(94,009)	-	(275,342)	-	(608,119)
Gain on sale capital assets	-	-	-	5,304,573	-	-	5,304,573
<b>Net non-operating revenues (expenses)</b>	<b>106,707</b>	<b>239,850</b>	<b>(94,009)</b>	<b>5,307,707</b>	<b>(275,342)</b>	<b>31,842</b>	<b>5,316,755</b>
<b>Excess (Deficiency) of Revenues Over Expenses Before Transfers</b>	<b>(13,468)</b>	<b>(50,261)</b>	<b>(603,686)</b>	<b>5,393,519</b>	<b>(112,227)</b>	<b>(356,478)</b>	<b>4,257,399</b>
Transfers in (out)	-	-	197,501	(6,576,712)	-	(92,501)	(6,471,712)
<b>Change in Net Position</b>	<b>(13,468)</b>	<b>(50,261)</b>	<b>(406,185)</b>	<b>(1,183,193)</b>	<b>(112,227)</b>	<b>(448,979)</b>	<b>(2,214,313)</b>
<b>Net Position:</b>							
Beginning of year	14,014,830	57,818,257	915,107	12,347,631	17,661,277	2,175,315	104,932,417
End of year	<u>\$ 14,001,362</u>	<u>\$ 57,767,996</u>	<u>\$ 508,922</u>	<u>\$ 11,164,438</u>	<u>\$ 17,549,050</u>	<u>\$ 1,726,336</u>	<u>\$ 102,718,104</u>

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

## URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

### STATEMENT OF CASH FLOWS PROPRIETARY FUNDS YEAR ENDED DECEMBER 31, 2019

	Business-type Activities - Enterprise Funds						Totals
	Mortgage Revenue Bond Program	Pittsburgh Development Fund	Lexington Technology Park Fund	Pittsburgh Technology Center Garage Fund	South Side Works Garage Fund	Other Enterprise Funds	
<b>Cash Flows From Operating Activities:</b>							
Receipts from tenants and users	\$ -	\$ -	\$ 1,089,825	\$ 823,591	\$ 2,789,786	\$ 1,275	\$ 4,704,477
Payments from borrowers	854,940	2,689,600	-	-	-	124,640	3,669,180
Loan disbursements to borrowers	-	(4,379,162)	-	-	-	-	(4,379,162)
Payments for property management and administrative services	(464,695)	(411,948)	(1,184,729)	(447,993)	(1,961,891)	(400,505)	(4,871,761)
Receipts from mortgage-backed securities	299,435	-	-	-	-	-	299,435
Other receipts (payments)	-	(5,680)	(27,200)	(2,500)	-	(6,167)	(41,547)
Net cash provided by (used in) operating activities	<u>689,680</u>	<u>(2,107,190)</u>	<u>(122,104)</u>	<u>373,098</u>	<u>827,895</u>	<u>(280,757)</u>	<u>(619,378)</u>
<b>Cash Flows From Investing Activities:</b>							
Purchase of investments	(297,217)	-	-	-	-	-	(297,217)
Proceeds from sales and maturities of investments	378,840	-	-	-	-	-	378,840
Earnings on investments	<u>394,423</u>	<u>239,850</u>	<u>-</u>	<u>3,134</u>	<u>-</u>	<u>31,842</u>	<u>669,249</u>
Net cash provided by (used in) investing activities	<u>476,046</u>	<u>239,850</u>	<u>-</u>	<u>3,134</u>	<u>-</u>	<u>31,842</u>	<u>750,872</u>
<b>Cash Flows From Non-Capital Financing Activities:</b>							
Interest paid	(251,375)	-	-	-	-	-	(251,375)
Principal repayments-borrowings	(1,685,000)	-	-	-	-	-	(1,685,000)
Interfund receipts (payments)	-	(11,774)	197,501	(6,576,712)	-	(92,921)	(6,483,906)
Net cash provided by (used in) non-capital financing activities	<u>(1,936,375)</u>	<u>(11,774)</u>	<u>197,501</u>	<u>(6,576,712)</u>	<u>-</u>	<u>(92,921)</u>	<u>(8,420,281)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>							
Interest paid on capital related debt	-	-	(94,009)	-	(275,342)	-	(369,351)
Principal paid on capital related debt	-	-	-	-	(226,375)	-	(226,375)
Proceeds from sale of capital assets	-	-	-	6,676,713	-	-	6,676,713
Capital grants received	-	-	-	-	-	-	-
Purchase of capital assets	-	-	-	-	-	-	-
Net cash provided by (used in) capital related financing activities	<u>-</u>	<u>-</u>	<u>(94,009)</u>	<u>6,676,713</u>	<u>(501,717)</u>	<u>-</u>	<u>6,080,987</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(770,649)</u>	<u>(1,879,114)</u>	<u>(18,612)</u>	<u>476,233</u>	<u>326,178</u>	<u>(341,836)</u>	<u>(2,207,800)</u>
<b>Cash and Cash Equivalents:</b>							
Beginning of year	<u>10,903,678</u>	<u>23,815,561</u>	<u>33,333</u>	<u>2,584,671</u>	<u>4,419,186</u>	<u>1,786,018</u>	<u>43,542,447</u>
End of year	<u>\$ 10,133,029</u>	<u>\$ 21,936,447</u>	<u>\$ 14,721</u>	<u>\$ 3,060,904</u>	<u>\$ 4,745,364</u>	<u>\$ 1,444,182</u>	<u>\$ 41,334,647</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>							
Operating income (loss)	\$ (120,175)	\$ (290,111)	\$ (509,677)	\$ 85,812	\$ 163,115	\$ (388,320)	\$ (1,059,356)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	-	-	355,447	287,286	730,869	-	1,373,602
Provision for uncollectible loans receivable	(19,272)	681,630	-	-	-	(5,395)	656,963
Change in operating assets and liabilities:							
Loans issued	-	(4,379,162)	-	-	-	-	(4,379,162)
Loan repayments received	614,132	1,880,753	-	-	-	112,958	2,607,843
Mortgage-backed securities	212,561	-	-	-	-	-	212,561
Receivables	2,434	-	35,700	-	(69,131)	-	(30,997)
Other assets	-	-	-	-	-	-	-
Accounts payable	-	(300)	(3,574)	-	3,042	-	(832)
Total adjustments	<u>809,855</u>	<u>(1,817,079)</u>	<u>387,573</u>	<u>287,286</u>	<u>664,780</u>	<u>107,563</u>	<u>439,978</u>
Net cash provided by (used in) operating activities	<u>\$ 689,680</u>	<u>\$ (2,107,190)</u>	<u>\$ (122,104)</u>	<u>\$ 373,098</u>	<u>\$ 827,895</u>	<u>\$ (280,757)</u>	<u>\$ (619,378)</u>
<b>Supplemental Information:</b>							
Cash and investments	\$ 14,385,740	\$ 21,936,447	\$ 14,721	\$ 3,060,904	\$ 4,745,364	\$ 1,444,182	\$ 45,587,358
Investments not considered to be cash and cash equivalents	<u>(4,252,711)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,252,711)</u>
Cash and cash equivalents	<u>\$ 10,133,029</u>	<u>\$ 21,936,447</u>	<u>\$ 14,721</u>	<u>\$ 3,060,904</u>	<u>\$ 4,745,364</u>	<u>\$ 1,444,182</u>	<u>\$ 41,334,647</u>

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

# URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

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### 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.

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 (Board) 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:

The URA appoints the Board of Directors of The Pittsburgh Housing Development Corporation (PHDC), 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. This component unit is discretely presented on the government-wide statements.

The URA is the sole member of Pittsburgh Urban Initiatives (PUI), a limited liability company that serves and provides investment capital for low-income communities and low-income persons, consistent with the New Markets Tax Credit Program which provides PUI the actual tax credit allocation. This component unit is blended within the General Fund.

The component units operate on a fiscal year ending December 31. Separate financial statements and information for PHDC and PUI can be obtained through the Finance Department of the URA.

#### The Pittsburgh Economic and Industrial Development Corporation (PEIDC)

The URA provides administrative support to PEIDC. PEIDC is a non-profit corporation which was formed to formulate, implement, and promote commercial, industrial, and other

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# URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

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economic development goals, strategies, and projects in and for the City. The Board members are elected by the PEIDC membership. PEIDC is considered a related entity of the URA. Financial information is available for PEIDC at the URA's offices.

### East Liberty Transit Revitalization Investment District Revitalization Authority (ELTRIDRA)

The URA provides administrative support to ELTRIDRA. ELTRIDRA is a governmental authority which was formed to manage the East Liberty Revitalization Investment District. ELTRIDRA's five-member Board of Directors includes one representative from the URA and one representative each from the City, Pittsburgh Public Schools, Port Authority of Allegheny County, and Allegheny County. ELTRIDRA is considered a related entity of the URA. Financial information is available for ELTRIDRA at the URA's offices.

### Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. *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 a legally separate *component unit* 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 and proprietary funds. 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.

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# URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

## NOTES TO FINANCIAL STATEMENTS

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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 unearned 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 accounted for in another fund.

The *CDBG Fund* accounts for the URA's Community Development Block Grant program which provides grants and loans for economic development and housing in the City.

The *Urban Development Action Grant (UDAG) Fund* accounts for activities of a major loan and grant-making fund available for both small to large projects within the City that serve to attract new businesses, expand or retain existing businesses, and neighborhood housing development. The fund was established by the repayment of previous loans made from the program.

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.

# URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

## NOTES TO FINANCIAL STATEMENTS

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In 2017, the City committed \$10 million per year for 12 years to source a *Housing Opportunity Fund (HOF)*. HOF programs include:

- Down Payment and Closing Cost Assistance (DPCCAP) provides financing to first-time homebuyers in the City to help make the purchase of a home affordable. This program is designed to help stimulate housing investment in the City by providing financial assistance to potential homebuyers for the purpose of purchasing an existing or newly constructed residential unit.
- Homeowner Assistance Program (HAP) provides financial and technical assistance to eligible homeowners for rehabilitating and improving residential owner-occupied properties citywide.
- Rental Gap Program (RGP) will be used to help fund the creation of new affordable housing and/or preserve existing affordable housing in the City. The HOF RGP provides loans to developers for the creation and/or preservation of affordable units.
- Housing Stabilization Program (HSP) provides one-time or short-term (no more than 12 months) funding to help with emergency housing expenses such as rent and utilities. It is designed to assist participants to stabilize their current housing, or facilitate access to appropriate housing, and prevent homelessness. The program will also allow for legal eviction prevention services, including legal consultation and representation for eviction defense and/or related supportive services.
- For-Sale Development Program (FSDP) provides construction financing to developers with non-profit applicants for the substantial rehabilitation or new construction of for-sale housing.

The *Grants Fund* accounts for various URA projects and programs not accounted for elsewhere. This activity includes grant programs, loan programs, and housing and business development projects.

*Loan Programs* – the URA offers a variety of loan products for real estate and business development and housing development.

*Grant Programs* - the URA receives various grants from state, federal, and local sources. Among them, the URA administers various Redevelopment Assistance Capital Program (RACP) grants for which the URA serves as a conduit between the Commonwealth of Pennsylvania and a grant sub-awardee. The State Budget Office of the Commonwealth of Pennsylvania administers the RACP program which is designed to fund projects that have regional impact such as job creation or increased tax base.

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# URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

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The URA reports the following major proprietary funds:

The *Mortgage Revenue Bond Program* accounts for the issuance of tax-exempt bonds to finance below-market rate mortgages for the purchase and rehabilitation of residential property within the City.

The *Pittsburgh Development Fund* accounts for the activities of a major loan fund making funds available for large initiatives and projects within the City that serve to attract new businesses, expand and retain existing businesses, and encourage downtown, riverfront, infrastructure, housing, and neighborhood development. The fund was established by the issuance of redevelopment bonds which were repaid from a pledged portion of the City's RAD tax.

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

The *Pittsburgh Technology Center Garage Fund* accounts for parking garage operations which are owned and operated by the URA and located at The Pittsburgh Technology Center office park.

The *South Side Works Garage Fund* accounts for parking garage operations which are owned and operated by the URA and located at the South Side Works, a significant development on the City's South Side, including office, housing, entertainment, and recreation components.

As a general rule, the effect of interfund 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. 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 Bond Program, Home

# URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

## NOTES TO FINANCIAL STATEMENTS

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Improvement Loan Program, and Pittsburgh Development Fund) are interest earned on loans and mortgage-backed securities and for the Lexington Technology Park Fund, Pittsburgh Technology Center Garage Fund, and South Side Works Garage Fund are property management revenues which include lease/rental income and parking income. Operating expenses for the enterprise funds include originating lender service fees, bad debt expenses, 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. Use of cash and cash equivalents is generally limited to the related programs.

### Investments

Investments are recorded at fair value.

The URA categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

### Interfund Receivables and Payables

Activity between funds that is representative lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" or "internal loans receivable/payable." Due to/from other funds is generally used to account for routine movements of cash between funds while internal loans receivable/payable represents a formal loan arrangement between funds. Internal fronting between funds is established when fully executed grant agreements are in place for reimbursement-type grants (the URA must pay the expense before receiving grant funds); board approval is required under URA policy.

# URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

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

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 collectability. At December 31, 2019, the total allowance for uncollectible loans in governmental funds, including those only repayable on a contingent basis and fully reserved at the time of issuance, was \$174 million.

In the proprietary funds, amortizing loans are recorded at their principal balance due less an allowance for uncollectible accounts. Proprietary fund allowances for uncollectible accounts are disclosed in Note 4.

### Property Held for Redevelopment

Property held for redevelopment relates mainly to land and buildings held by the URA that is available for redevelopment. Depending on the nature of the redevelopment activity, the transfer of this property may consist of many forms: grant, subsidized or below-market sale, or an independent, market-based sale. This property is held at cost or estimated net realizable value, if less than cost, and is offset by unavailable revenue in the governmental funds, as this property is not considered to be available as current resources. Estimated net realizable value is calculated once plans or disposition agreements are in place to dispose of the property at less than cost. 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.

# URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

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### 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 three 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 expensed as incurred.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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 15 years or 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 position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Issuance costs are reported as current period costs in both the fund financial statements and government-wide financial statements.

### Employee Benefits Accrual

The URA's employee benefits accrual includes compensated absences and obligations under early retirement programs. This accrual is to be paid in future years and is included in long-term obligations on the government-wide statement of net position. 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 REDEVELOPMENT AUTHORITY OF PITTSBURGH

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

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### Other Income

Included in other income on the governmental fund statement of revenues, expenditures, and changes in fund balance is approximately \$3.7 million of charges for services and approximately \$1.3 million of land sale proceeds.

### Urban Development Expenditures

Urban development expenditures include construction costs incurred for the creation of infrastructure assets on behalf of the City 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.

### Tax Increment Financing

The URA is involved with Tax Increment Financing (TIF) transactions. As described in Note 9, the URA 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 URA; the related proceeds are recorded in special revenue funds.

During 2019, the PNC Firstside TIF ended, and approximately \$1.9 million of funds remaining in the TIF account are expected to be repaid to the City in 2020. This amount has been accrued in 2019 and reported within accounts payable and other accrued liabilities in the Grants Fund.

### Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates

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# URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

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and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

### Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position or balance sheet will sometimes report a separate section for deferred outflows of resources. This represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The URA does not have any items that qualify for reporting as deferred outflows of resources.

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The URA has only one type of item, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues related to long-term loans receivable and property held for redevelopment. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

### Classification of Net Position

The government-wide and proprietary fund financial statements are required to report three components of net position:

- Net investment in capital assets – This component of net position consists of capital assets net of accumulated depreciation and is reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted – This component of net position consists of constraints placed on net position use through external restrictions. The URA's restricted net position is outlined on the statement of net position.
- Unrestricted – This component of net position consists of assets that do not meet the definition of "restricted" or "net investment in capital assets."

# URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

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### Fund Balance

In the fund financial statements, governmental funds report fund balance in categories based on the level of constraint placed upon the funds. The levels are as follows:

- Nonspendable – This category represents funds that are not in spendable form. As of December 31, 2019, the URA has no nonspendable fund balance.
- Restricted – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending that are legally enforceable by outside parties. This category includes funds that are restricted for specific expenditure under agreement with grantors. At December 31, 2019, the URA's restricted fund balance related to various urban development projects and programs restricted primarily by grant agreements or other intergovernmental agreements.
- Committed – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending imposed by the Board of Directors (Board) by resolution. Such a commitment is made via a Board resolution and must be made prior to the end of the fiscal year. Removal of this commitment also requires a Board resolution. As of December 31, 2019, the URA had committed fund balances of \$12.7 million for temporary funding for projects in advance of the Authority's receipts of permanent financing.
- Assigned – This category represents intentions of the URA to use the funds for specific purposes. The authority to make assignments of fund balance may only be made by the Board and remains in place until the Board releases the assignments. The assignment cannot exceed the available spendable unassigned fund balance in any particular fund. As of December 31, 2019, URA has no assigned fund balance.
- Unassigned – This category includes the residual classification for the URA's General Fund and includes all spendable amounts not contained in other classifications.

The URA's policy is to use funds in the order of the most restrictive to the least restrictive.

# URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

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### Adopted Pronouncements

The requirements of the following GASB Statements were adopted for the financial statements:

GASB Statement No. 84, *"Fiduciary Activities,"* improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported. The provisions of this statement have no significant impact on the URA's financial statements.

GASB Statement No. 88, *"Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements,"* to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The provisions of this statement have been adopted and incorporated into these financial statements.

Additionally, the URA early adopted GASB Statement No. 89, *"Accounting for Interest Cost Incurred before the End of Construction Period."* The objectives of this statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. The provisions of this statement have been adopted and incorporated into these financial statements.

### Pending Pronouncements

GASB has issued statements that will become effective in future years including Statement Nos. 87 (Leases), 91 (Conduit Debt Obligations), and 92 (Omnibus 2020). Management has not yet determined the impact of these statements on the financial statements.

## **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

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# URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

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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 unit 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.

GASB guidance requires disclosures related to the following deposit and investment risks: credit risk (including custodial credit risk and concentrations of credit risk), interest rate risk, and foreign currency risk. The following is a description of the URA's and their component unit's deposit and investment risks:

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the URA's deposits may not be returned to it. The URA does not have a formal policy for custodial credit risk. As of December 31, 2019, \$77,806,976 of the URA's bank balance of \$89,108,043 was exposed to custodial credit risk, which is 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. As of December 31, 2019, the carrying amounts of the URA's deposits were \$87,926,182.

As of December 31, 2019, none of the component unit's bank balance was exposed to custodial credit risk. As of December 31, 2019, the carrying amounts of the component unit's deposits were \$30,405.

# URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

## NOTES TO FINANCIAL STATEMENTS

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In addition to the deposits noted above, included in the cash and investments were the following:

	Fair market value	Maturity in years				
		Less than 1 year	1-5 years	6-10 years	11-15 years	16-20 years
Money Market Funds	\$ 46,614,305	\$ 46,614,305	\$ -	\$ -	\$ -	\$ -
U.S. Treasury Bonds	2,480,959	-	2,480,959	-	-	-
Freddie Mac	350,574	-	-	-	-	350,574
GNMA	1,274,737	-	5,564	-	-	1,269,173
FNMA	146,441	-	-	55,874	-	90,567
<b>Total</b>	<b>\$ 50,867,016</b>	<b>\$ 46,614,305</b>	<b>\$ 2,486,523</b>	<b>\$ 55,874</b>	<b>\$ -</b>	<b>\$ 1,710,314</b>

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of the URA's investments. The URA's policy is to attempt to match its investments with anticipated cash flow requirements. Unless matched to specific cash flow requirements, the URA will not directly invest in securities maturing more than five years from the date of purchase or in accordance with state and local statutes and ordinances.

Freddie Mac, GNMA, and FNMA are comprised of assets securitized in the secondary market from loans issued from the loan programs. The maturities noted in the table above reflect the final maturity of the respective security and does not take into consideration non-routine repayments on principal as it is not possible to forecast these repayments. It is management's intention to hold these securities until maturity. Interest rates on these investments are fixed and principal and interest repayments from these investments will be used to repay the related debt service.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The URA has an investment policy that limits its investment choices based on credit qualifications by investment type. As of December 31, 2019, the URA's investments in Money Market Funds and U.S. Treasury Bonds were rated Aaa by Moody's. The URA's remaining investments were not rated as of December 31, 2019.

*Concentration of Credit Risk* – There is no limit on the amount that may be invested in any one issuer. None of the URA's investments are more than 5% with the same issuer.

# URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

Money Market Funds and U.S. Treasury Bond Funds are valued using quoted market prices (Level 1 inputs). The fair values of Freddie Mac, GNMA, and FNMA securities are priced by third party pricing services using observable market data and are included in the Level 2 fair value hierarchy.

Reconciliation of cash and investments to financial statements:

Cash and investment footnote:

Deposits	\$ 87,926,182
Investments	50,867,016
	<u>\$ 138,793,198</u>

Cash and investments per financial statements:

Governmental funds	\$ 93,205,840
Proprietary funds	45,587,358
	<u>\$ 138,793,198</u>

### 3. Interfund Receivables, Payables, and Transfers

Interfund receivables, payables, and transfers as of December 31, 2019 consisted of:

Fund	Internal Loans		Due to/from	
	Receivables	Payables	Receivables	Payables
Major Funds:				
General	\$ 3,793,571	\$ 3,268,350	\$ 2,118,974	\$ 62,998
Community Development Block Grant	-	-	-	2,291,686
HOME	-	-	-	324,579
UDAG	2,902,219	-	4,385,866	-
HOF	-	-	-	570,744
Grants	1,343,826	10,740,218	209,423	5,160,135
Pittsburgh Development Fund	7,220,678	-	1,431,074	-
Lexington Technology Park Fund	-	-	-	10,187
Pittsburgh Technology Center Garage Fund	-	-	-	227,785
South Side Works Garage Fund	-	1,251,726	398,701	-
Other Enterprise Funds	-	-	108,387	4,311
	<u>\$ 15,260,294</u>	<u>\$ 15,260,294</u>	<u>\$ 8,652,425</u>	<u>\$ 8,652,425</u>

# URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

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Fund	Transfers In	Transfers Out
Major Funds:		
General	\$ 6,893,130	\$ -
Grants	-	421,418
Lexington Technology Park Fund	197,501	-
Pittsburgh Technology Center Garage	-	6,576,712
Other Enterprise	-	92,501
	<u>\$ 7,090,631</u>	<u>\$ 7,090,631</u>

Transfers between funds in 2019 primarily relate to the movement of sale proceeds from the Pittsburgh Technology Center Garage Fund to the General Fund.

#### 4. Loans Receivable

Governmental funds report total loans receivable, net of allowance for uncollectible loans, of approximately \$18.2 million at December 31, 2019. The most significant of the governmental fund loans relates to the UDAG Program, HOME, and various loan programs funded by the Community Development Block Grant (CDBG). UDAG loans and grants are made for business and housing development and also act as a bridge source for secured funding. HOME loans and grants are made for both single and multifamily housing development. The CDBG loans and grants are made to residential housing development as well as to businesses.

Loans receivable include \$1.7 million due from PHDC, the URA's discretely-presented component unit, as described at Note 8.

# URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

## NOTES TO FINANCIAL STATEMENTS

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Enterprise funds and component unit loans receivable from individual property-owners and enterprises within the City are reported net of any applicable allowances for uncollectible loans in the following funds at December 31, 2019 (excludes internal loans receivable):

<u>Enterprise Funds:</u>	<u>Amount</u>
Mortgage Revenue Bond Program, net of allowance of \$36,033	\$ 4,078,027
Pittsburgh Development Fund, net of allowance of \$16.3 million	27,179,797
Other Enterprise: Home Improvement Loan Program, net of allowance of \$349,404	<u>193,078</u>
	<u>\$ 31,450,902</u>
Component Unit:	
Pittsburgh Housing Development Corporation	<u>\$ 1,732,061</u>

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. The Pittsburgh Development Fund loans were made to targeted and strategic commercial development ventures to encourage and expand economic development within the City. The Pittsburgh Development Fund loans receivable balance includes \$6.1 million in loans to ELTRIDRA, a related entity.

As of December 31, 2019, the URA had approved \$5.9 million of PDF loans to various borrowers. These loans will close and begin to be paid out to the borrowers in 2020. Additionally, there was approximately \$5.9 million in remaining disbursements available to borrowers on closed PDF loans as of December 31, 2019.



# URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

### 5. Capital Assets

#### Capital Assets

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

	Balance at December 31, 2018	Additions	Deletions	Balance at December 31, 2019
Non-Depreciable Assets:				
Land and improvements	\$ 6,667,299	\$ 1,600,000	\$ 1,685,573	\$ 6,581,726
Construction in progress	7,407,500	2,861,061	10,268,561	-
	<u>14,074,799</u>	<u>4,461,061</u>	<u>11,954,134</u>	<u>6,581,726</u>
Depreciable Assets:				
Buildings and improvements	-	10,268,561	-	10,268,561
Less: accumulated depreciation	-	-	-	-
	<u>-</u>	<u>10,268,561</u>	<u>-</u>	<u>10,268,561</u>
Governmental activities capital assets, net	<u>\$ 14,074,799</u>	<u>\$14,729,622</u>	<u>\$ 11,954,134</u>	<u>\$16,850,287</u>

Reclassifications from construction in progress during 2019 relate to the URA's building relocation described in Note 12.

#### 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 Lexington Technology Park Fund, the Pittsburgh Technology Center Garage Fund, and the South Side Works Garage Fund, which reported depreciation expense of \$355,447, \$287,286, and \$730,869, respectively.

# URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

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

	Balance at December 31, 2018	Additions	Deletions	Balance at December 31, 2019
Buildings and improvements	\$ 63,209,282	\$ -	\$ (2,914,172)	\$ 60,295,110
Less: accumulated depreciation	<u>(29,092,326)</u>	<u>(1,373,602)</u>	<u>1,542,032</u>	<u>(28,923,896)</u>
	<u>\$ 34,116,956</u>	<u>\$ (1,373,602)</u>	<u>\$ (1,372,140)</u>	<u>\$ 31,371,214</u>

During 2019, one of two parking garages at the Pittsburgh Technology Center was sold. The Pittsburgh Technology Center Garage Fund reported a gain on sale of capital assets related to this transaction of approximately \$5.3 million. Related sales proceeds of \$6.6 million were transferred to the General Fund.

# URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

### 6. Property Held for Redevelopment

The URA holds property for redevelopment which is valued at cost or net realizable value, if less than cost. A summary of the property held for redevelopment by project/neighborhood at December 31, 2019 is as follows:

<u>Valued at cost:</u>	<u>Number of properties</u>	<u>Amount</u>
Hays Park	11	\$ 5,121,753
62nd Street	1	2,000,000
Hill District	604	1,975,743
Chateau	77	1,275,460
Central Business District	65	2,068,735
Larimer	101	1,328,945
Southside	34	722,478
Fairywood	36	700,635
Homewood	186	871,040
Other	537	494,095
Garfield	38	348,955
Federal North	5	511,492
Point Breeze	5	278,483
Sheraden	1	468,752
East Allegheny	7	165,005
	<u>1,708</u>	<u>18,331,571</u>
<u>Valued at Estimated Net Realizable Value:</u>		
South Side Works	30	143,091
Total property held for redevelopment	<u>1,738</u>	<u>\$ 18,474,662</u>

The first section includes property held for redevelopment which is valued at cost, as there are no current plans or disposition agreements in place to dispose of the property at less than cost. However, an amount less than the recorded value may be realized in the future due to the purpose for the transfer of the asset.

The second section includes property held for redevelopment which is valued at estimated net realizable value based on management's estimate at December 31, 2019 because of the URA's active plan to dispose of these properties.

In 2016, the URA Board of Directors authorized the purchase of approximately 658 acres of the Hays Woods site. As the largest underdeveloped site remaining in the City of Pittsburgh

# URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

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there was considerable desire to return the site to public ownership. Hays Woods is heavily forested, includes six streams, a waterfall and has significant importance as an environmental resource to the City of Pittsburgh residents.

### **7. Defined Contribution Plan**

The URA provides a defined contribution retirement plan, the Urban Redevelopment Authority of Pittsburgh Retirement Savings Plan (Plan), covering all employees who have completed one year of service. The Plan is administered by ICMA Retirement Corporation. All plan provisions were approved by the URA Board of Directors and any significant changes to those provisions will be made via Board approval and Resolution. This plan was amended effective March 14, 2013.

The total contribution for any plan participant is 10% of their base salary. Participants who were employed on or after January 1, 1985 and were not participants in the URA Employee's Pension Trust on December 31, 1997, contribute 5% of their base salary and receive a matching contribution by the URA. Participants hired before January 1, 1985 or were participants in the URA Employees' Pension Trust on December 31, 1997 and became participants in this plan on January 1, 1998, make no contribution to the plan as the URA funds the entire 10% contribution. Employer contributions for the year ended December 31, 2019 were \$307,430 and employee contributions were \$236,213.

Under the defined contribution plan, the participants become vested at 25% per year in the second year of service. 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 age 65, the participants become 100% vested regardless of the number of years of service.

# URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

### 8. Long-Term Debt

The following is a summary of changes in long-term obligations of the URA for the year ended December 31, 2019:

	Balance at December 31, 2018	Additions	Retirements	Balance at December 31, 2019
<b>Primary Government:</b>				
<i>Governmental:</i>				
HUD Section 108 loans	\$ 3,143,000	\$ -	\$ 308,000	\$ 2,835,000
Employee benefits accrual	654,663	1,293,902	-	1,948,565
Total Governmental Fund Debt	<u>3,797,663</u>	<u>1,293,902</u>	<u>308,000</u>	<u>4,783,565</u>
<i>Proprietary:</i>				
Mortgage Revenue Bond Program	6,225,000	-	1,685,000	4,540,000
Bank loan (direct borrowing)	9,254,744	-	226,375	9,028,369
Total Proprietary Fund Debt	<u>15,479,744</u>	<u>-</u>	<u>1,911,375</u>	<u>13,568,369</u>
Total Debt and Other Long-Term Obligations - Primary Government	<u>\$ 19,277,407</u>	<u>\$ 1,293,902</u>	<u>\$ 2,219,375</u>	<u>18,351,934</u>
<b>Component Unit:</b>				
Pittsburgh Housing Development Corporation:				
Loans payable to the URA	\$ 1,717,514	\$ 302,694	\$ 288,147	1,732,061
Loans payable to Schenley Heights Collaborative	30,754	-	-	30,754
Bank construction loans	243,949	691,248	243,949	691,248
Total Component Unit Debt	<u>\$ 1,992,217</u>	<u>\$ 993,942</u>	<u>\$ 532,096</u>	<u>2,454,063</u>
Total Debt and Other Long-Term Obligations - Reporting Entity				<u>\$ 20,805,997</u>

The 2019 additions to the employee benefits accrual noted above include \$1.27 million related to an early retirement offer program.

Proprietary Fund debt at December 31, 2019 is composed of the following individual issues:

#### 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. The 2006 C Series bonds, including various serial and term bonds, bear interest at rates from 4.40% to 4.80% and mature through 2028. At December 31, 2019, \$4,540,000 is outstanding. \$595,000 is due on these bonds in 2020.

# URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

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### Bank Loan

The URA received a loan to finance renovations to the Lexington Technology Park buildings. The loan is fixed at an interest rate of 4.57%. At December 31, 2019, \$2,039,975 is outstanding. The loan originally had a maturity on February 2019; however, the loan maturity was extended to provide for interest-only payments through the sale of the property, which is anticipated to occur during 2020. Proceeds from the sale will be used to repay the loan balance.

During 2014, the URA received a bank loan totaling \$8,005,000. The proceeds of the loan were used to partially consolidate and refinance the debt on the South Side Works garages' loans and to provide financing for the Open-Hearth Garage in the South Side Works. The loan is fixed at an interest rate of 3.83%. At December 31, 2019, \$6,988,394 is outstanding. Final maturity is January 1, 2025. Monthly payments are based on a 10-year amortization with a balloon payment due at maturity. \$239,665 is due on this loan in 2020. In the event of default, outstanding amounts become due immediately.

General long-term debt loans payable are described below:

### HUD Section 108 Loans

During 2008, the URA received two HUD Section 108 loans to provide funding for the Pittsburgh Technology Center. The first loan, in the original principal amount of \$3 million is for site improvements and streets and utilities relocation. The loan bears interest at 4.8% with semiannual principal and interest payments due February 1 and August 1. The loan matures on August 1, 2026. At December 31, 2019, \$1,701,000 is outstanding. \$198,000 is due in 2020.

The second loan, in the original principal amount of \$2 million is for the construction of a 160-space parking condominium. The loan bears interest at 4.8% with semiannual principal and interest payments due February 1 and August 1. The loan matures on August 1, 2026. At December 31, 2019, \$1,134,000 is outstanding. \$132,000 is due in 2020.

The 2008 loans are secured by future Community Development Block Grant grants, the pledged increment for the Pittsburgh Technology Center Tax Increment Financing District, and payments under the minimum payment agreement.

# URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

Annual debt service requirements on outstanding bonds and loans of the URA's enterprise funds are as follows:

Years	Bonds		Bank Loans	
	Principal	Interest	Principal	Interest
2020	\$ 595,000	\$ 208,511	\$ 2,279,640	\$ 284,876
2021	605,000	181,250	249,007	252,711
2022	635,000	152,760	258,713	243,005
2023	640,000	122,160	268,798	232,920
2024	640,000	91,440	279,275	222,442
2025 - 2028	1,425,000	128,880	5,692,936	18,051
	<u>\$ 4,540,000</u>	<u>\$ 885,001</u>	<u>\$ 9,028,369</u>	<u>\$ 1,254,005</u>

Annual debt service requirements on outstanding bonds and loans of the URA's governmental funds are as follows:

Years	HUD 108 Loans		
	Principal	Interest	Total
2020	\$ 330,000	\$ 147,156	\$ 477,156
2021	352,000	130,786	482,786
2022	375,000	113,010	488,010
2023	401,000	93,776	494,776
2024	428,000	72,964	500,964
2025 - 2026	949,000	76,762	1,025,762
	<u>\$ 2,835,000</u>	<u>\$ 634,454</u>	<u>\$ 3,469,454</u>

Enterprise fund debt is payable from those respective funds. Governmental fund debt is payable from the Grants Fund.

Component unit debt consists of the following:

### PHDC-URA Loans

PHDC had outstanding construction loans payable to the URA of \$1,732,061. The loans are non-interest bearing. The loans are due upon the sale of related project units but are not scheduled to mature past 2019. The loans are secured by a third lien position on real property and improvements.

# URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

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### PHDC-Bank Construction Loans

The PHDC had outstanding construction loans payable to banks of \$691,248. Interest accrues on the loans at 4.75%. Loans are due on demand.

### PHDC-Schenley Heights Collaborative Construction Loans

The PHDC had outstanding construction loans payable to Schenley Heights Collaborative of \$30,754. Interest accrues on the loans at 0.00%. Loans are due on when units are sold or August 2020, whichever occurs first. The loan is secured by the mortgage on the property.

### Future Maturities

Principal payments of \$2,454,063 for the component unit are classified as current as they are generally due upon sale of related property.

All interest expense on loans of the primary government and its component unit 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, other taxing authorities, or to private borrowers. As of December 31, 2019, the aggregate amount of no-commitment debt outstanding was \$112 million. The amount is comprised of \$76 million Multi-Family Revenue Bonds and \$36 million Tax Increment Financing Bonds and Notes and Parking Tax Diversion (TIF/PTD debt).

Responsibility for repayment of the Multi-Family Revenue Bonds rests with private borrowers. TIF/PTD debt is repaid from incremental Allegheny County, City, and School District of the City tax revenues. Generally, third parties are responsible for the repayment of TIF/PTD 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, 2019

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### 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.

#### Contract Commitments

At December 31, 2019, the URA had outstanding contract commitments of approximately \$5.6 million.

#### Arena Land Agreement

On September 11, 2014 the URA entered into a Comprehensive Option Agreement (the "Agreement") with the Sports & Exhibition Authority of Pittsburgh and Allegheny County (the "SEA") and Pittsburgh Arena Real Estate Redevelopment LP (the "Redeveloper") that replaced previous agreements regarding the redevelopment of the approximately 28-acre site comprised of the former Civic Arena and surrounding parking lots. Approximately 9 acres of the site are owned by the URA. On June 20, 2018, the parties to the Agreement executed an amended and restated Option Agreement which amends and replaces the Agreement. Pursuant to the "Amended Agreement", the URA and the SEA have certain joint development

# URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

Obligations. If those obligations are not met, the URA and SEA have a maximum joint liability of \$6,000,000.

### 12. Due to Primary Government

In September of 2018 the URA, City, and the Housing Authority of the City of Pittsburgh (the "HACP") purchased 412 Boulevard of the Allies ("412 BotA") for the relocation of the occupants of the John P. Robin Civic Building, at 200 Ross Street, and certain other City departments, for \$27,500,000. URA, the City, and HACP currently own 412 BotA as tenants in common, with the URA holding an approximately 25.41% ownership percentage. The City, the URA, and the HACP entered into a condominium agreement in 2019 whereby the URA obtained fee simple ownership of a condominium unit that occupies 412 BotA. The City issued general obligation notes to finance the purchase and build out of 412 BotA. The URA is responsible for making debt service payments starting in 2019 through 2043. The URA's portion of the debt related to the exclusive area build out approximated \$2.5 million, which is included in the outstanding debt balance, but the City has not yet remitted these proceeds to the URA. This amount is included in due from other governments in the General Fund at December 31, 2019.

The URA's obligation is reported as due to primary government on the government-wide statement of net position. Annual debt service requirements on the outstanding balance are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 395,220	\$ 127,462	\$ 522,682
2021	395,220	127,462	522,682
2022	395,220	127,462	522,682
2023	395,220	127,462	522,682
2024	395,220	127,462	522,682
2025-2029	1,976,100	637,310	2,613,410
2030-2034	1,976,100	637,310	2,613,410
2035-2039	1,976,100	637,310	2,613,410
2040-2043	1,580,874	509,848	2,090,722
	<u>\$ 9,485,274</u>	<u>\$ 3,059,088</u>	<u>\$ 12,544,362</u>

# URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

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### 13. Subsequent Events

#### Pittsburgh Technology Center

The URA has agreed to convey Block 28-N, Lot 315 in the Pittsburgh Technology Center (PTC), which is a 4.055-acre vacant parcel located at 511-575 Technology Drive, to Elmhurst Development, LLC (Elmhurst) for \$1,027,500. Elmhurst plans to construct a 175,000-square-foot two-phase building on a speculative basis. Approximately 60 percent will be office and 40 percent will be flex tech, light manufacturing, or research. Elmhurst plans to construct 116 enclosed parking spaces on site. The URA expects this transaction to close in 2020.

#### Lexington Technology Center

The URA has recorded a subdivision creating two parcels at Lexington Technology Park. The dividing line of the two parcels is North Lexington Avenue. Lot 1B is the "Commercial" portion and will be 11.468 acres. There are two existing commercial structures on Lot 1B, and this is the location of all current commercial leases associated with Lexington Technology Park. Lot 1A is the "Residential" portion and will be 5.072 acres. Lot 1A currently consists mostly of surface parking. There are also two vacant dwelling structures on Lot 1A.

The URA expects to convey Lot 1B to Lexington Partners of Pittsburgh, LP in 2020 for \$3,275,000. The URA also expects to convey Lot 1A to LPP Lexington Partners of Pittsburgh, LP in late 2020 or in 2021 for \$750,000. The conveyance, and timing of the conveyance, of Lot 1A is contingent on the residential development receiving a low-income tax credit award.

#### Coronavirus

In early 2020, an outbreak of a novel strain of coronavirus was identified and infections have been found in a number of countries around the world, including the United States. The coronavirus and its impact on trade including customer demand, travel, employee productivity, supply chain, and other economic activities have had, and may continue to have, a significant effect on financial markets and business activity. The extent of the impact of the coronavirus on the URA's operational and financial performance is currently uncertain and cannot be predicted.

## **SUPPLEMENTARY INFORMATION**

## URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS - GRANT FUND - BY ACTIVITY

YEAR ENDED DECEMBER 31, 2019

	Commercial Loan Repayments	Housing Revolving Repayments	Industrial Land Reserve	Landlord Loan Escrow Account	Grants	Loan Repayments	Major Development & Other	PNC Firstside	Residential Land Reserve	Total
<b>Revenues:</b>										
Grants and Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 17,725,389	\$ -	\$ 602,255	\$ 235,686	\$ -	\$ 18,563,330
Interest	1,702	1,659	2,354	1,825	17,087	26,678	106,593	76,231	610	234,739
Rental income	-	-	-	-	-	-	30,813	-	-	30,813
Loan repayments	2,307,611	585,950	33,575	91,456	-	2,294,159	106,765	-	14,050	5,433,566
Other	-	-	58,602	6,572	2,033	2,178	916,285	-	24,000	1,009,670
<b>Total revenues</b>	<b>2,309,313</b>	<b>587,609</b>	<b>94,531</b>	<b>99,853</b>	<b>17,744,509</b>	<b>2,323,015</b>	<b>1,762,711</b>	<b>311,917</b>	<b>38,660</b>	<b>25,272,118</b>
<b>Expenditures:</b>										
Current:										
Urban development	2,053,610	155,000	152,696	199,555	18,233,707	2,801,614	1,928,061	2,378,724	63,336	27,966,303
Administrative	794,971	325,826	97,925	20,243	384,507	487,400	82,926	-	965	2,194,763
Other	104,874	5,368	954	15,623	385,500	8,912	267,460	9,694	3,892	802,277
Debt service	-	-	-	-	-	-	472,085	-	-	472,085
<b>Total expenditures</b>	<b>2,953,455</b>	<b>486,194</b>	<b>251,575</b>	<b>235,421</b>	<b>19,003,714</b>	<b>3,297,926</b>	<b>2,750,532</b>	<b>2,388,418</b>	<b>68,193</b>	<b>31,435,428</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(644,142)</b>	<b>101,415</b>	<b>(157,044)</b>	<b>(135,568)</b>	<b>(1,259,205)</b>	<b>(974,911)</b>	<b>(987,821)</b>	<b>(2,076,501)</b>	<b>(29,533)</b>	<b>(6,163,310)</b>
<b>Other Financing Sources (Uses):</b>										
Transfers in (out)	-	-	(75,000)	-	(116,622)	-	(229,796)	-	-	(421,418)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(75,000)</b>	<b>-</b>	<b>(116,622)</b>	<b>-</b>	<b>(229,796)</b>	<b>-</b>	<b>-</b>	<b>(421,418)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (644,142)</b>	<b>\$ 101,415</b>	<b>\$ (232,044)</b>	<b>\$ (135,568)</b>	<b>\$ (1,375,827)</b>	<b>\$ (974,911)</b>	<b>\$ (1,217,617)</b>	<b>\$ (2,076,501)</b>	<b>\$ (29,533)</b>	<b>\$ (6,584,728)</b>

# URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

## SCHEDULE OF FUND EQUITY

DECEMBER 31, 2019

	Classification				Availability			
	Committed	Externally Restricted	Not Restricted or Committed	Net Capital Assets	Total	Short-Term	Long-Term	Total
<b>Governmental Funds</b>								
General	\$ 10,500,000	\$ 1,883,775	\$ 15,462,348	\$ -	\$ 27,846,123	\$ 27,846,123	\$ -	\$ 27,846,123
CDBG	1,416,030	337,982	-	-	1,754,012	1,754,012	-	1,754,012
UDAG	-	12,330,215	-	-	12,330,215	12,330,215	-	12,330,215
HOME	800,000	27,738	-	-	827,738	827,738	-	827,738
HOF	-	16,889,721	-	-	16,889,721	16,889,721	-	16,889,721
Grants	-	26,512,848	-	-	26,512,848	26,512,848	-	26,512,848
Subtotal - other governmental	2,216,030	56,098,504	-	-	58,314,534	58,314,534	-	58,314,534
Total Governmental	12,716,030	57,982,279	15,462,348	-	86,160,657	86,160,657	-	86,160,657
<b>Enterprise Funds</b>								
Mortgage Revenue Bond Program	-	14,001,362	-	-	14,001,362	9,923,335	4,078,027	14,001,362
Pittsburgh Development	-	57,767,996	-	-	57,767,996	23,367,521	34,400,475	57,767,996
Lexington Technology Park	-	-	2,220	506,702	508,922	2,220	506,702	508,922
Pittsburgh Technology Center	-	-	2,833,119	8,331,319	11,164,438	2,833,119	8,331,319	11,164,438
South Side Works	-	-	4,044,226	13,504,824	17,549,050	4,044,226	13,504,824	17,549,050
Home Improvement Loan Program	-	-	1,629,411	-	1,629,411	1,436,333	193,078	1,629,411
Western Restoration center	-	-	3,958	-	3,958	3,958	-	3,958
Produce Terminal	-	-	92,967	-	92,967	92,967	-	92,967
Total Enterprise	-	71,769,358	8,605,901	22,342,845	102,718,104	41,703,679	61,014,425	102,718,104
<b>URA Total</b>	<b>\$ 12,716,030</b>	<b>\$ 129,751,637</b>	<b>\$ 24,068,249</b>	<b>\$ 22,342,845</b>	<b>\$ 188,878,761</b>	<b>\$ 127,864,336</b>	<b>\$ 61,014,425</b>	<b>\$ 188,878,761</b>

## **OTHER INFORMATION**

## URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

### TAX INCREMENT FINANCING AND PARKING TAX DIVERSION ACTIVITY (Unaudited)

YEAR ENDED DECEMBER 31, 2019

	Year of Expiration	Actual Cash Account Activity								Debt	
		Beginning Balance	Increment Collected	Minimum Payment Agreement Receipts	Other Income/ Expense	Fees Paid	Interest Payments	Principal Payments	Ending Balance	Beginning Principal	Ending Principal
<b>Tax Increment Financing District:</b>											
BNY Mellon Client Service Center	2018	\$ 245,561	\$ 89,276	\$ -	\$ (128,345)	\$ 11,428	\$ 5,064	\$ 190,000	\$ -	\$ 190,000	\$ -
PNC Firstside	2019	3,527,958	1,253,171	(15,165)	-	10,000	-	1,035,000	3,720,964	1,035,000	-
Heinz North Shore	2019	151,234	199,047	354,373	(21,556)	23,750	11,456	320,000	327,892	320,000	-
Station Square	2019	1,157,676	353,415	68,697	72,761	18,000	41,447	1,480,000	113,102	1,480,000	-
Panther Hollow	2022	418,845	426,784	-	91,417	13,000	130,688	315,000	478,358	1,695,000	1,380,000
Centre Negley	2024	44,660	214,942	29,114	-	19,500	-	145,000	124,216	1,085,000	940,000
Three PNC Plaza	2026	53,110	1,372,772	183,661	35,815	23,500	310,891	1,295,000	15,967	9,780,000	8,485,000
Bakery Square	2027	468,428	773,692	345,093	23,593	23,750	547,585	572,814	466,657	7,010,555	6,437,741
East Liberty Gateway	2029	73,816	229,235	-	2,418	21,000	85,304	127,524	71,641	1,674,273	1,546,749
Pittsburgh Technology Center II	2026	387,925	297,530	303,347	5,643	41,000	175,509	308,000	469,936	3,143,000	2,835,000
Gardens at Market Square	2032	428,577	1,047,308	4,566	(73,585)	22,500	337,164	358,169	689,033	7,598,678	7,240,509
Summerset at Frick Park	2033	2,818,322	897,164	-	366,378	23,000	-	-	4,058,864	-	-
Hazelwood-Almono	2036	16,896	18,645	-	251	2,000	-	-	33,792	-	-
Smallman	2039	-	-	-	-	-	-	-	-	-	233,072
<b>Totals</b>		<u>\$ 9,793,008</u>	<u>\$ 7,172,981</u>	<u>\$ 1,273,686</u>	<u>\$ 374,790</u>	<u>\$ 252,428</u>	<u>\$ 1,645,108</u>	<u>\$ 6,146,507</u>	<u>\$ 10,570,422</u>	<u>\$ 35,011,506</u>	<u>\$ 29,098,071</u>
<b>Parking Tax Diversion:</b>											
Theatre Square	2021	\$ -	\$ 421,080	\$ -	\$ (415,080)	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ -
3 Crossings	2034	103,776	157,224	-	7,048	21,000	-	-	247,048	-	-
Union Trust	2033	14,627	165,910	57,776	(10,354)	22,000	96,253	80,650	29,056	2,785,525	2,704,875
350 Oliver Avenue	2033	31,315	453,391	82,821	(17,648)	41,250	211,802	89,981	206,846	6,563,151	6,473,170
<b>Totals</b>		<u>\$ 149,718</u>	<u>\$ 1,197,605</u>	<u>\$ 140,597</u>	<u>\$ (436,034)</u>	<u>\$ 90,250</u>	<u>\$ 308,055</u>	<u>\$ 170,631</u>	<u>\$ 482,950</u>	<u>\$ 9,348,676</u>	<u>\$ 9,178,045</u>