

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, 2024
with Independent Auditor's Report

MaherDuessel

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URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

YEAR ENDED DECEMBER 31, 2024

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URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

YEAR ENDED DECEMBER 31, 2024

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Independent Auditor's Report

**Board of Directors
Urban Redevelopment Authority of Pittsburgh**

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, based on our audit and the report of the 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, 2024, 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.

We did not audit the financial statements of Pittsburgh Housing Development Corporation, which represent 3 percent, 2 percent, and 3 percent, respectively, of the assets, net position, and revenues of the URA as of December 31, 2024. 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 Pittsburgh Housing Development Corporation, is based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the URA's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the URA's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the URA's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally

accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2025 on our consideration of the URA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the URA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the URA's internal control over financial reporting and compliance.

Mahe Duessel

Pittsburgh, Pennsylvania
April 25, 2025

Management Discussion and Analysis for the Urban Redevelopment Authority of Pittsburgh Audit

As stewards of the Urban Redevelopment Authority of Pittsburgh (the URA), we are pleased to provide a comprehensive narrative analysis of our financial activities for the fiscal year ending December 31, 2024, as depicted in the URA's financial statements. This Management Discussion and Analysis (MD&A) is intended to complement the financial statements and footnotes, offering readers a holistic perspective on our operations and fiscal health. Throughout the year, the URA has navigated complex challenges, including resource constraints, necessitating strategic measures to propel our projects forward. Despite these obstacles, our dedicated personnel have consistently demonstrated their commitment to our mission, showcasing ingenuity in securing funding and driving project realization. This year, the URA has accomplished much including:

- Investing over \$32 million in the preservation and creation of over 700 affordable housing units in the city
- Providing over 68 loans worth over \$7 million to small businesses across the city between the URA Commercial Lending department and our affiliate InvestPGH
 - This includes 25 Emergency Business Grants which helped prevent small businesses from turning into predatory loans while experiencing a business emergency
- Aiding 126 new homeowners with down payment and closing costs assistance
- Providing \$1.4 million in rental assistance to 313 city residents to avoid eviction or missed utility payments
- Providing housing related legal assistance (i.e., mediation, legal representation, tangled title assistance, foreclosure prevention, etc.) to 1,418 renters and homeowners in the city
- Helping increase accessibility in new and existing homes for individuals with disabilities by investing over \$329 thousand in accessibility modifications for 24 homeowners
- Managing an active development project list of over 46 projects with a total development cost of over \$1.68 billion
- Deploying over \$1 million for street level for community-led improvement projects through the Neighborhood Reinvestment Fund
- Providing over \$1.1 million for the care of over 1,200 lots owned by the URA to local contractors

This MD&A underscores our unwavering dedication to transparency, accountability, and innovative solutions as we continue to progress development opportunities and drive economic growth throughout the City of Pittsburgh.

Fiscal Year 2024 Financial Highlights (Government-Wide Financial Statements)

- **Total Assets** increased by approximately \$6.1 million.
- **Total Liabilities** decreased by approximately \$11.2 million, primarily due to a decrease in unearned revenue by \$6 million which is the spending of the ARPA dollars and a decrease in long-term debt of \$6.8 million.

- **Total Net Position** stood at \$252.2 million, with \$44 million representing net investment in capital assets and \$174.6 million restricted by funding source or bond indenture. The remaining \$33.5 million is considered unrestricted in net position; however, these are committed funds that have not been allocated as of year-end. The URA receives funding that has restricted use in which the URA must comply within those guidelines.
- **Program revenues** amounted to \$103.0 million, comprising operating grants and charges for services which include repayments through lending programs, property management, rental income, and administrative fees.
- **Program expenses** totaled \$89.8 million.

Overview of the Financial Statements

This MD&A serves as an introduction to the URA's basic financial statements, which include Government-Wide Financial Statements, Fund Financial Statements, and Notes to the Basic Financial Statements.

Government-Wide Financial Statements

The Government-Wide Financial Statements provide an accrual-based view of the URA's financial position, encompassing all assets, liabilities, revenues, and expenses. They include the Statement of Net Position and the Statement of Activities, delineating governmental and business-type activities.

Governmental Activities – This category includes the URA's General Fund, and those development projects and programs primarily funded by federal, state, and local grants, including CDBG funds, HOME funds, HOF funds, and bond 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 URA's real estate enterprises.

Fund Financial Statements

These statements offer detailed insights into the URA's major funds, focusing on governmental and proprietary activities. They employ modified accrual accounting to track cash flows and financial resources available for spending.

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 URA'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 URA'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

These notes offer essential supplementary information for a comprehensive understanding of the data presented in the Government-Wide and Fund Financial Statements.

We trust that this analysis provides a clear overview of the URA's financial performance and position for the year 2024.

Government-Wide Financial Analysis

Our analysis below focuses on the net position of the URA's governmental and business-type activities. The URA's net position on December 31, 2024 and 2023 for governmental activities was approximately \$133.0 million and \$120.4 million, respectively. For the business-type activities, net position was approximately \$119.2 million and \$113.8 million, respectively.

Summary of The URA's Net Position
December 31, 2024 and December 31, 2023

	Governmental		% Change	Business-type		% Change
	Activities			Activities		
	2024	2023		2024	2023	
Assets:						
Current and other assets	\$192,788,177	\$184,443,781	4.5%	\$107,515,461	\$107,685,280	-0.2%
Capital assets	<u>12,852,147</u>	<u>14,518,766</u>	-11.5%	<u>49,095,524</u>	<u>49,550,050</u>	-0.9%
Total assets	<u>\$205,640,324</u>	<u>\$198,962,547</u>	<u>3.4%</u>	<u>\$156,610,985</u>	<u>\$157,235,330</u>	<u>-0.4%</u>
Liabilities:						
Current and other liabilities	\$31,414,470	\$35,469,475	-11.4%	\$9,911	\$9,911	0.0%
Long-term liabilities	<u>39,905,057</u>	<u>41,391,471</u>	-3.6%	<u>6,252,075</u>	<u>11,932,628</u>	-47.6%
Total liabilities	<u>\$71,319,527</u>	<u>\$76,860,946</u>	<u>-7.2%</u>	<u>\$6,261,986</u>	<u>\$11,942,539</u>	<u>-47.6%</u>
Deferred Inflows of Resources						
Lease related	<u>1,337,621</u>	<u>1,696,993</u>	-21.2%	<u>31,169,595</u>	<u>31,493,715</u>	-1.0%
Net Position:						
Invested in capital assets, net of related debt	\$5,342,973	\$6,614,372	-19.2%	\$38,696,802	\$30,613,222	26.4%
Restricted for urban development	41,403,828	39,309,939	5.3%	-	-	n/a
Restricted for lending programs	54,540,136	42,907,041	27.1%	78,669,996	75,750,496	3.9%
Unrestricted	<u>31,696,239</u>	<u>31,573,256</u>	0.4%	<u>1,812,606</u>	<u>7,435,358</u>	-75.6%
Total net assets	<u>\$132,983,176</u>	<u>\$120,404,608</u>	<u>10.4%</u>	<u>\$119,179,404</u>	<u>\$113,799,076</u>	<u>4.7%</u>

Restricted net position represents funds that have constraints on their use pursuant to grant agreements or bond indentures. In total, on December 31, 2024, assets of the governmental and business-type funds exceeded their liabilities and deferred inflows of resources by \$252.2 million, of which \$33.5 million represented the URA's net investment in capital assets and \$174.6 million restricted by funding source or bond indenture. Of the remaining 13%, it is classified as Unrestricted Net Position, \$10.6 million represents property held for redevelopment under restrictions of the state redevelopment statutes and \$12.7 Million pertains to Urban Redevelopment Authority of Pittsburgh Board commitments for program funding gaps, bridge financing for projects, and property repairs and improvements in larger current projects.

Summary of Changes in Net Position Years Ended December 31, 2024 and December 31, 2023

	Governmental Activities			Business-type Activities		
	<u>2024</u>	<u>2023</u>	%	<u>2024</u>	<u>2023</u>	%
Program Revenues:						
Charges for services	\$8,370,208	\$12,576,773	-33.4%	\$3,747,622	\$3,756,740	-0.2%
Operating grants	90,874,032	54,157,870	67.8%	-	-	n/a
Capital grants	-	-	n/a	-	-	n/a
General Revenues:						
Unrestricted investment earnings	3,485,226	1,909,441	82.5%	1,232,165	1,750,053	-29.6%
Other general income	-	-	n/a	-	-	n/a
Total revenues	<u>102,729,466</u>	<u>68,644,084</u>	49.7%	<u>4,979,787</u>	<u>5,506,793</u>	-9.6%
Program expenses:						
Urban development	72,872,117	46,248,446	57.6%	-	-	n/a
General government	11,942,992	12,244,220	-2.5%	-	-	n/a
Interest on long-term debt	2,179,019	652,569	233.9%	-	-	n/a
Lending programs	-	-	n/a	(392,698)	1,543,370	-125.4%
Property management	-	-	n/a	<u>3,148,927</u>	<u>2,660,247</u>	18.4%
Total expenses	<u>86,994,128</u>	<u>59,145,235</u>	47.1%	<u>2,756,229</u>	<u>4,203,617</u>	-34.4%
Change in net assets before transfers	15,735,338	9,498,849	65.7%	2,223,558	1,303,176	70.6%
Transfers	(3,156,770)	(1,708,501)	84.8%	3,156,770	1,708,501	84.8%
Change in net assets after transfers	<u>12,578,568</u>	<u>7,790,348</u>	61.5%	<u>5,380,328</u>	<u>3,011,677</u>	78.6%

Governmental Activities Total revenues increased by approximately 49.7% from \$68.6 million in 2023 to \$102.7 million in 2024. Grant revenue fluctuates by nature based on the status of current projects and funding patterns.

In 2024, the cost of governmental activities increased 47.1% from \$59.1 million in 2023 to \$87.0 million in 2024, due to Urban Development project status and timing of project completion.

Business-Type Activities: Total revenues decreased by approximately 9.6% from \$5.5 million in 2023 to \$5.0 million in 2024.

Total cost of all proprietary (business-type) activities decreased by approximately 34.4% from \$4.2 million in 2023 to \$2.8 million in 2024.



The URA’s Governmental Funds

As of December 31, 2024, the URA’s governmental funds reported total ending fund balances of \$95.2 million, which represents an increase of \$3.4 million from the prior year (\$91.8 million). Of the fund balance, \$72.3 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 URA’s General Fund balance of \$20.4 million on December 31, 2024, represents an increase of \$2.0 million from December 31, 2023 (\$18.4 million).

The CDBG Fund accounts for CDBG grants passed through to the URA from the City of Pittsburgh. The fund balance of \$1.8 million at December 31, 2024 increased slightly from December 31, 2023 (\$1.7 million).

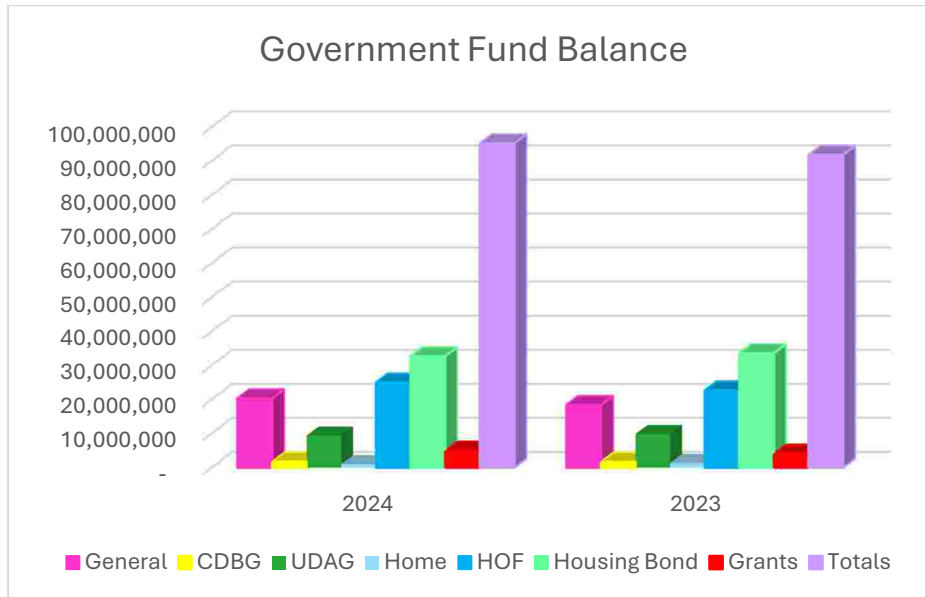
UDAG Fund accounts for activities of a major loan and grant-making fund available for both small to large projects within the City that serve to attract new businesses, expand, or retain existing businesses, and develop neighborhood housing. The fund balance was \$9.4 million at December 31, 2024 and \$9.9 million at December 31, 2023, which is a decrease of \$0.5 million mostly due to urban development expenses exceeding revenues.

The HOME Fund provides loans or grants for both housing rehabilitation and new construction. The fund balance decreased to \$1.0 million on December 31, 2024; from \$1.4 million on December 31, 2023.

The Housing Opportunity Fund provides various affordable housing 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, For-Sale Development Program, Legal Assistance Program, and Small Landlord Fund. The fund balance as of December 31, 2024, was \$25.0 million, an increase of \$2.3 million from December 31, 2023 (\$22.7 million).

The Housing Bond provides much needed leverage to fund multiple programs, including the Rental Gap Program, Housing Preservation Program, and Downtown Conversion Program. It could also potentially establish a new way of providing construction support through a reusable revolving source of funding over 25 years. The fund balance as of December 31, 2024 is \$32.7 million; a \$0.9 million decrease from December 31, 2023 (\$33.6 million).

The Grants Fund accounts for the various URA projects and programs not accounted for elsewhere. This activity includes grant programs, loan programs, and housing and business development projects. The \$5.0 million fund balance as of December 31, 2024 is restricted for various urban development projects and programs.



Capital Assets and Debt Administration (Government-Wide)

Capital Assets. The URA’s capital assets as of December 31, 2024, are \$12.9 million, a decrease of \$1.6 million from \$14.5 million on December 31, 2023 (net of accumulated depreciation) for its governmental activities. Capital assets in business-type activities were \$49.1 million and \$49.5 million on December 31, 2024, and 2023, respectively, (net of accumulated depreciation) for a decrease of \$0.4 million.

Additional information on capital assets may be found in Note 6 of the Notes to Financial Statements.

Debt Administration. On December 31, 2024, the URA had a total long-term debt outstanding of \$45.6 million.

The outstanding debt was comprised primarily as follows: \$0.5 million of Mortgage Revenue Bonds, which are comprised of various issues and rated AAA by Standard and Poor’s; \$5.7 million of bank loans; \$7.5 million of Bond Payable due to the acquisition of the 412 building; \$30.9 million of Bond Payable relating to the Affordable Housing Bond; and HUD Section 108 loans in the amount of \$1.0 million. Additional information on outstanding long-term liabilities may be found in Note 9 and Note 13 of the Notes to Financial Statements.

Request for Information

This financial report is designed to provide a general overview of the URA’s finances for all those with an interest in the URA’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Urban Redevelopment Authority of Pittsburgh, 412 Boulevard of the Allies, Suite 901, Pittsburgh, Pennsylvania 15219 or (412) 255-6675.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

STATEMENT OF NET POSITION

DECEMBER 31, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Pittsburgh Housing Development Corporation
Assets				
Cash and investments	\$ 122,444,611	\$ 43,855,452	\$ 166,300,063	\$ 240,436
Due from other governments	5,044,553	-	5,044,553	-
Other receivables	1,398,148	95,780	1,493,928	-
Internal balances	(2,632,809)	2,632,809	-	-
Loans to component units	1,287,146	-	1,287,146	-
Loans receivable, net	50,211,943	28,918,689	79,130,632	1,600,000
Property held for redevelopment	10,582,438	-	10,582,438	7,709,716
Leases receivable	1,411,100	32,012,731	33,423,831	-
Other assets	3,041,047	-	3,041,047	100
Capital assets:				
Non-depreciable	3,681,726	25,153,190	28,834,916	-
Depreciable, net of accumulated depreciation	9,170,421	23,942,334	33,112,755	-
Total Assets	\$ 205,640,324	\$ 156,610,985	\$ 362,251,309	\$ 9,550,252
Liabilities				
Accounts payable and other accrued liabilities	\$ 12,521,462	\$ 9,911	\$ 12,531,373	\$ 1,339,523
Unearned revenue	18,893,008	-	18,893,008	-
Loans payable to URA	-	-	-	1,287,146
Loans payable to bank	-	-	-	831,124
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	7,113,954	-	7,113,954	-
Long-term debt, Due within one year	1,137,000	-	1,137,000	-
Long-term debt, Due in more than one year	31,258,883	6,252,075	37,510,958	-
Total Liabilities	71,319,527	6,261,986	77,581,513	3,488,547
Deferred Inflows of Resources				
Lease related	1,337,621	31,169,595	32,507,216	-
Net Position				
Net investment in capital assets	5,342,973	38,696,802	44,039,775	-
Restricted for urban development	41,403,828	-	41,403,828	-
Restricted for lending programs	54,540,136	78,669,996	133,210,132	-
Restricted for housing program	-	-	-	6,061,705
Unrestricted	31,696,239	1,812,606	33,508,845	-
Total Net Position	132,983,176	119,179,404	252,162,580	6,061,705
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 205,640,324	\$ 156,610,985	\$ 362,251,309	\$ 9,550,252

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

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Direct Expenses	Charges for Services	Operating Grants	Capital Grants	Primary Government			Pittsburgh Housing Development Corporation
					Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental activities:								
Urban development	\$ 72,872,117	\$ 2,239,728	\$ 85,991,378	\$ -	\$ 15,358,989	\$ -	\$ 15,358,989	\$ -
General government	11,942,992	6,130,480	4,882,654	-	(929,858)	-	(929,858)	-
Interest on long-term debt	2,179,019	-	-	-	(2,179,019)	-	(2,179,019)	-
Total governmental activities	86,994,128	8,370,208	90,874,032	-	12,250,112	-	12,250,112	-
Business-type activities:								
Lending programs	(392,698)	1,347,082	-	-	-	1,739,780	1,739,780	-
Property management	3,148,927	2,400,540	-	-	-	(748,387)	(748,387)	-
Total business-type activities	2,756,229	3,747,622	-	-	-	991,393	991,393	-
Total primary government	\$ 89,750,357	\$ 12,117,830	\$ 90,874,032	\$ -	12,250,112	991,393	13,241,505	-
Component Unit:								
Pittsburgh Housing Development Corporation	\$ 1,640,242	\$ 638,067	\$ 2,925,365	\$ -	-	-	-	1,923,190
Total component units	\$ 1,640,242	\$ 638,067	\$ 2,925,365	\$ -	-	-	-	1,923,190
General revenues:								
Investment earnings					3,485,226	1,232,165	4,717,391	-
Transfers					(3,156,770)	3,156,770	-	-
Total general revenues and transfers					328,456	4,388,935	4,717,391	-
Change in Net Position					12,578,568	5,380,328	17,958,896	1,923,190
Net position - beginning					120,404,608	113,799,076	234,203,684	4,138,515
Net position - ending					\$ 132,983,176	\$ 119,179,404	\$ 252,162,580	\$ 6,061,705

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

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

**BALANCE SHEET
GOVERNMENTAL FUNDS**

DECEMBER 31, 2024

	General	Community Development Block Grant	UDAG	HOME	HOF	Housing Bond Fund	Grants	Totals
Assets								
Cash and investments	\$ 18,684,267	\$ 520,826	\$ 2,743,018	\$ 1,175,312	\$ 24,313,684	\$ 32,701,284	\$ 42,306,220	\$ 122,444,611
Receivables (net, where applicable, of allowance for uncollectibles):								
Loans	1,428,322	-	6,978,659	1,783,425	6,477,250	2,599,862	32,231,571	51,499,089
Lease	1,411,100	-	-	-	-	-	-	1,411,100
Other	1,341,434	-	-	-	50,000	-	6,714	1,398,148
Due from other funds	-	-	4,393,062	-	611,798	-	210,366	5,215,226
Due from other governmental units	-	2,688,339	-	-	-	-	2,356,214	5,044,553
Internal loans receivable	8,804,262	67,762	2,289,691	-	5,105	-	1,330,959	12,497,779
Property held for redevelopment	1,580,479	1,345,392	-	-	-	-	7,656,567	10,582,438
Total Assets	\$ 33,249,864	\$ 4,622,319	\$ 16,404,430	\$ 2,958,737	\$ 31,457,837	\$ 35,301,146	\$ 86,098,611	\$ 210,092,944
Liabilities, Deferred Inflows of Resources, and Fund Balance								
Liabilities:								
Accounts payable and other accrued liabilities	\$ 1,260,074	\$ -	\$ -	\$ 60,529	\$ 17,638	\$ -	\$ 10,871,397	\$ 12,209,638
Due to other funds	5,139,819	985,654	-	78,870	-	-	479,157	6,683,500
Internal loans payable	2,152,413	507,284	-	-	-	-	11,002,617	13,662,314
Unearned revenue	-	-	-	-	-	-	18,893,008	18,893,008
Total Liabilities	8,552,306	1,492,938	-	139,399	17,638	-	41,246,179	51,448,460
Deferred Inflows of Resources:								
Unavailable revenue	3,008,801	1,345,392	6,978,659	1,783,425	6,477,250	2,599,862	39,888,138	62,081,527
Lease related	1,337,621	-	-	-	-	-	-	1,337,621
Total Deferred Inflows of Resources	4,346,422	1,345,392	6,978,659	1,783,425	6,477,250	2,599,862	39,888,138	63,419,148
Fund Balance:								
Restricted	-	337,982	9,425,771	235,913	24,962,949	32,701,284	4,669,929	72,333,828
Committed	10,500,000	1,446,007	-	800,000	-	-	-	12,746,007
Assigned	-	-	-	-	-	-	294,365	294,365
Unassigned	9,851,136	-	-	-	-	-	-	9,851,136
Total Fund Balance	20,351,136	1,783,989	9,425,771	1,035,913	24,962,949	32,701,284	4,964,294	95,225,336
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 33,249,864	\$ 4,622,319	\$ 16,404,430	\$ 2,958,737	\$ 31,457,837	\$ 35,301,146	\$ 86,098,611	\$ 210,092,944

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

Fund balance		\$ 95,225,336
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		12,852,147
Loans converted to equity participation are reported in governmental activities as other assets but are not reported in the funds.		3,041,047
Other long-term assets such as loans and property held for redevelopment are not available to pay for current-period expenditures and, therefore, are reported as unavailable in the funds.		62,081,527
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.		(40,216,881)
Net position of governmental activities		<u>\$ 132,983,176</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, 2024

	General	Community Development Block Grant	UDAG	HOME	HOF	Housing Bond Fund	Grants	Totals
Revenues:								
Grants and Intergovernmental	\$ -	\$ 9,918,468	\$ -	\$ 3,397,710	\$ 10,000,000	\$ 2,500,000	\$ 65,057,854	\$ 90,874,032
Investment income	293,660	43,621	153,133	23,491	1,205,395	1,643,757	122,169	3,485,226
Rental income	1,801,572	-	-	-	-	-	34,407	1,835,979
Loan repayments	2,467	-	745,580	140,425	150,934	-	4,309,486	5,348,892
Other	7,397,421	-	387,845	-	-	-	575,445	8,360,711
Total revenues	9,495,120	9,962,089	1,286,558	3,561,626	11,356,329	4,143,757	70,099,361	109,904,840
Expenditures:								
Current:								
Urban development	1,929,966	9,710,978	1,267,962	3,717,936	8,046,990	2,927,575	60,450,959	88,052,366
Administrative	4,855,863	208,461	480,960	208,555	1,001,397	10,500	4,873,380	11,639,116
Other	173,803	-	-	-	52,084	-	96,183	322,070
Debt service	522,682	-	-	-	-	2,094,128	718,605	3,335,415
Total expenditures	7,482,314	9,919,439	1,748,922	3,926,491	9,100,471	5,032,203	66,139,127	103,348,967
Excess (Deficiency) of Revenues Over Expenditures	2,012,806	42,650	(462,364)	(364,865)	2,255,858	(888,446)	3,960,234	6,555,873
Other Financing Sources (Uses):								
Debt proceeds	-	-	-	-	-	-	-	-
Transfers in (out)	(40,977)	-	-	-	-	-	(3,115,793)	(3,156,770)
Total other financing sources (uses)	(40,977)	-	-	-	-	-	(3,115,793)	(3,156,770)
Net Change in Fund Balance	1,971,829	42,650	(462,364)	(364,865)	2,255,858	(888,446)	844,441	3,399,103
Fund Balance:								
Beginning of year	18,379,307	1,741,339	9,888,135	1,400,778	22,707,091	33,589,730	4,119,853	91,826,233
End of year	\$ 20,351,136	\$ 1,783,989	\$ 9,425,771	\$ 1,035,913	\$ 24,962,949	\$ 32,701,284	\$ 4,964,294	\$ 95,225,336

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, 2024

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)	\$ 3,399,103
In governmental funds, the issuance of loans and other long term receivables 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.	11,633,095
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.	1,468,220
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.	(1,961,601)
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.	(1,666,619)
Compensated absences and accrued interest payable on long-term debt 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.	<u>(293,630)</u>
Change in net position of governmental activities (page 2)	<u>\$ 12,578,568</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, 2024

Business-type Activities - Enterprise Funds

	Mortgage Revenue Bond Program	Pittsburgh Development Fund	Commercial Lending Program Fund	Pittsburgh Technology Center Garage Fund	South Side Works Garage Fund	Other Enterprise Funds	Totals
Assets							
Current assets:							
Cash and investments	\$ 7,501,827	\$ 33,207,464	\$ 1,516,743	\$ 1,682,702	\$ (95,159)	\$ 41,875	\$ 43,855,452
Receivables, net	2,385	-	-	93,395	-	-	95,780
Due from other funds	-	1,458,092	-	-	409,214	333,416	2,200,722
Lease receivable	-	-	-	-	28,641	-	28,641
Noncurrent assets:							
Loans receivable, net	1,751,700	23,273,222	3,848,003	-	-	45,764	28,918,689
Internal loans receivable	-	8,582,699	10,209	-	-	-	8,592,908
Lease receivable	-	-	-	-	31,984,090	-	31,984,090
Capital assets, non-depreciable	-	-	-	25,153,190	-	-	25,153,190
Capital assets, net of applicable accumulated depreciation	-	-	-	6,894,884	17,047,450	-	23,942,334
Total Assets	\$ 9,255,912	\$ 66,521,477	\$ 5,374,955	\$ 33,824,171	\$ 49,374,236	\$ 421,055	\$ 164,771,806
Liabilities							
Current liabilities:							
Accounts payable and other accrued liabilities	\$ 6,360	\$ -	\$ -	\$ -	\$ -	\$ 3,551	\$ 9,911
Due to other funds	331,394	-	114,594	269,450	-	17,010	732,448
Bonds and loans payable	-	-	-	-	-	-	-
Noncurrent liabilities:							
Internal loans payable	-	-	1,500,000	4,500,000	1,428,373	-	7,428,373
Bonds and loans payable	530,000	-	-	5,722,075	-	-	6,252,075
Total Liabilities	867,754	-	1,614,594	10,491,525	1,428,373	20,561	14,422,807
Deferred Inflows of Resources							
Lease related	-	-	-	-	31,169,595	-	31,169,595
Net Position							
Net investment in capital assets	-	-	-	21,825,999	16,870,803	-	38,696,802
Restricted for lending programs	8,388,158	66,521,477	3,760,361	-	-	-	78,669,996
Unrestricted	-	-	-	1,506,647	(94,535)	400,494	1,812,606
Total Net Position	8,388,158	66,521,477	3,760,361	23,332,646	16,776,268	400,494	119,179,404
Total Liabilities, Deferred Inflow of Resources, and Net Position	\$ 9,255,912	\$ 66,521,477	\$ 5,374,955	\$ 33,824,171	\$ 49,374,236	\$ 421,055	\$ 164,771,806

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, 2024

	Business-type Activities - Enterprise Funds						Totals
	Mortgage Revenue Bond Program	Pittsburgh Development Fund	Commercial Lending Program Fund	Pittsburgh Technology Center Garage Fund	South Side Works Garage Fund	Other Enterprise Funds	
Operating Revenues:							
Program interest income	\$ 126,998	\$ 916,366	\$ 286,610	\$ -	\$ -	\$ 3,909	\$ 1,333,883
Property management revenues	-	-	-	902,111	1,498,429	-	2,400,540
Other	-	2,180	-	11,019	-	-	13,199
Total operating revenues	126,998	918,546	286,610	913,130	1,498,429	3,909	3,747,622
Operating Expenses:							
Originating lender service fees	6,220	-	-	-	-	-	6,220
Administrative expenses	500,000	439,122	1,608	250,000	523,440	75,000	1,789,170
Depreciation	-	-	-	287,287	768,791	-	1,056,078
Property management and improvements	-	-	-	696,039	-	33,046	729,085
Provision for uncollectible loans	(23,990)	(1,387,852)	(78,258)	-	-	(12,351)	(1,502,451)
Other	53,489	8,274	-	26,979	-	600	89,342
Total operating expenses	535,719	(940,456)	(76,650)	1,260,305	1,292,231	96,295	2,167,444
Operating Income (Loss)	(408,721)	1,859,002	363,260	(347,175)	206,198	(92,386)	1,580,178
Non-Operating Revenues (Expenses):							
Investment income	329,544	805,591	1,264	718	90,231	4,817	1,232,165
Interest expense	(25,440)	-	-	(410,416)	(152,929)	-	(588,785)
Debt issuance costs	-	-	-	-	-	-	-
Net non-operating revenues (expenses)	304,104	805,591	1,264	(409,698)	(62,698)	4,817	643,380
Excess (Deficiency) of Revenues Over Expenses Before Transfers	(104,617)	2,664,593	364,524	(756,873)	143,500	(87,569)	2,223,558
Transfers in (out)	-	(5,000)	-	3,131,770	-	30,000	3,156,770
Change in Net Position	(104,617)	2,659,593	364,524	2,374,897	143,500	(57,569)	5,380,328
Net Position:							
Beginning of year	8,492,775	63,861,884	3,395,837	20,957,749	16,632,768	458,063	113,799,076
End of year	<u>\$ 8,388,158</u>	<u>\$ 66,521,477</u>	<u>\$ 3,760,361</u>	<u>\$ 23,332,646</u>	<u>\$ 16,776,268</u>	<u>\$ 400,494</u>	<u>\$ 119,179,404</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, 2024

	Business-type Activities - Enterprise Funds						Totals
	Mortgage Revenue Bond Program	Pittsburgh Development Fund	Commercial Lending Program Fund	Pittsburgh Technology Center Garage Fund	South Side Works Garage Fund	Other Enterprise Funds	
Cash Flows From Operating Activities:							
Receipts from tenants and users	\$ -	\$ -	\$ -	\$ 860,256	\$ 1,231,457	\$ 22,890	\$ 2,114,603
Receipts from borrowers	472,977	8,723,358	1,255,312	-	-	-	10,451,647
Loan disbursements to borrowers	-	(292,746)	(1,339,101)	-	-	-	(1,631,847)
Payments for property management and administrative services	(546,989)	(439,122)	(1,608)	(946,039)	(523,440)	(108,046)	(2,565,244)
Receipts from mortgage-backed securities	178,549	-	-	-	-	-	178,549
Other receipts (payments)	-	(6,094)	-	(15,960)	-	(13,320)	(35,374)
Net cash provided by (used in) operating activities	<u>104,537</u>	<u>7,985,396</u>	<u>(85,397)</u>	<u>(101,743)</u>	<u>708,017</u>	<u>(98,476)</u>	<u>8,512,334</u>
Cash Flows From Investing Activities:							
Purchase of investments	-	(10,668,887)	-	-	-	-	(10,668,887)
Proceeds from sales and maturities of investments	-	14,391,619	-	-	-	-	14,391,619
Earnings on investments	329,544	390,592	1,264	718	90,231	4,817	817,166
Net cash provided by (used in) investing activities	<u>329,544</u>	<u>4,113,324</u>	<u>1,264</u>	<u>718</u>	<u>90,231</u>	<u>4,817</u>	<u>4,539,898</u>
Cash Flows From Non-Capital Financing Activities:							
Interest paid	(25,440)	-	-	(312,846)	(152,929)	-	(491,215)
Principal repayments-borrowings	-	-	-	(3,034,200)	(5,993,399)	-	(9,027,599)
Proceeds from bonds and loans	-	-	-	312,846	-	-	312,846
Interfund receipts (payments)	-	(5,000)	-	-	176,647	30,000	201,647
Net cash provided by (used in) non-capital financing activities	<u>(25,440)</u>	<u>(5,000)</u>	<u>-</u>	<u>(3,034,200)</u>	<u>(5,969,681)</u>	<u>30,000</u>	<u>(9,004,321)</u>
Cash Flows From Capital and Related Financing Activities:							
Interest paid on capital related debt	-	-	-	(97,570)	-	-	(97,570)
Interfund receipts (payments)	-	-	-	3,120,723	-	-	3,120,723
Purchase of capital assets	-	-	-	(601,552)	-	-	(601,552)
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,421,601</u>	<u>-</u>	<u>-</u>	<u>2,421,601</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>408,641</u>	<u>12,093,720</u>	<u>(84,133)</u>	<u>(713,624)</u>	<u>(5,171,433)</u>	<u>(63,659)</u>	<u>6,469,512</u>
Cash and Cash Equivalents:							
Beginning of year	6,492,608	14,239,657	1,600,876	2,396,326	5,076,274	105,534	29,911,275
End of year	<u>\$ 6,901,249</u>	<u>\$ 26,333,377</u>	<u>\$ 1,516,743</u>	<u>\$ 1,682,702</u>	<u>\$ (95,159)</u>	<u>\$ 41,875</u>	<u>\$ 36,380,787</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:							
Operating income (loss)	\$ (408,721)	\$ 1,859,002	\$ 363,260	\$ (347,175)	\$ 206,198	\$ (92,386)	\$ 1,580,178
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	-	-	-	287,287	768,791	-	1,056,078
Provision for uncollectible loans receivable	(23,990)	(1,387,852)	(78,258)	-	-	(12,351)	(1,502,451)
Lease related	-	-	-	-	(298,852)	-	(298,852)
Change in operating assets and liabilities:							
Loans issued	-	(292,746)	(1,339,101)	-	-	-	(1,631,847)
Loan repayments received	376,243	7,806,992	968,702	-	-	18,981	9,170,918
Mortgage-backed securities	147,846	-	-	-	-	-	147,846
Receivables	439	-	-	(41,855)	-	-	(41,416)
Due to/from other funds	12,720	-	-	-	-	(12,720)	-
Accounts payable	-	-	-	-	31,880	-	31,880
Total adjustments	<u>513,258</u>	<u>6,126,394</u>	<u>(448,657)</u>	<u>245,432</u>	<u>501,819</u>	<u>(6,090)</u>	<u>6,932,156</u>
Net cash provided by (used in) operating activities	<u>\$ 104,537</u>	<u>\$ 7,985,396</u>	<u>\$ (85,397)</u>	<u>\$ (101,743)</u>	<u>\$ 708,017</u>	<u>\$ (98,476)</u>	<u>\$ 8,512,334</u>
Supplemental Information:							
Cash and investments	\$ 7,501,827	\$ 33,207,464	\$ 1,516,743	\$ 1,682,702	\$ (95,159)	\$ 41,875	\$ 43,855,452
Investments not considered to be cash and cash equivalents	(600,578)	(6,874,087)	-	-	-	-	(7,474,665)
Cash and cash equivalents	<u>\$ 6,901,249</u>	<u>\$ 26,333,377</u>	<u>\$ 1,516,743</u>	<u>\$ 1,682,702</u>	<u>\$ (95,159)</u>	<u>\$ 41,875</u>	<u>\$ 36,380,787</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, 2024

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

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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 d/b/a Pittsburgh Regional Transit, 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.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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.

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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 Legal Assistance Program (LAP) provides a variety of free housing legal services to eligible tenants and homeowners who live in the City of Pittsburgh.
- The Small Landlord Fund (SLF) provides funding to landlords with ten (10) or fewer units for the preservation of existing affordable rental housing and/or the conversion of market/vacant housing to affordable housing in the City of Pittsburgh.

The *Housing Bond Fund* accounts for funds received from bonds issued to finance various affordable housing programs consisting of the URA's Rental Gap Program, For-Sale Development Program, Pittsburgh Downtown Conversion Program, Housing Preservation Program, other URA programs related to construction or rehabilitation of affordable housing

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in the City, and financing costs of issuing the bonds. See Note 9 as the City has agreed to provide an amount not to exceed \$2,500,000 annually for up to 25 years to assist in the repayment of principal and interest on these bonds, with such payments subject to annual appropriation by City Council.

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. In addition, American Rescue Plan Act funding is recorded in this fund and is used for expenditures allowable under the American Rescue Plan Act.

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 *Commercial Lending Program Fund* is used for the Pittsburgh Business Growth Fund loans, which are loans up to \$500,000 for businesses to use for working capital, equipment, real estate acquisition, and leasehold improvements.

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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 the lease of parking garages which are owned by the URA. These garages are 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 major enterprise funds (Mortgage Revenue Bond Program, Pittsburgh Development Fund, and Commercial Lending Program Fund) are interest earned on loans and mortgage-backed securities and for the 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, administrative expenses, depreciation expense on capital assets, property management and improvement costs, and provision for uncollectible loans. 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.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

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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 of 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 represent 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).

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.

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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, 2024, 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 \$194 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.

Leases

The URA is a lessor for several noncancellable leases of land and garages. The URA recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

At the commencement of a lease, the URA initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the URA determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The URA uses its estimated incremental borrowing rate as the discount rate for leases. The incremental borrowing rate for the leases recorded was 4%.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The URA monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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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.

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.

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Employee Benefits Accrual

The URA recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee) during or upon separation from employment. Based on the criteria listed, paid time off of URA employees qualifies for liability recognition for compensated absences. The liability for compensated absences includes salary-related benefits, where applicable.

Other Income

Included in other income in the General Fund on the governmental fund statement of revenues, expenditures, and changes in fund balance is approximately \$5.2 million of charges for services and approximately \$2.1 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 10, 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.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

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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 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 two types of items, which arise under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, unavailable revenue related to long-term loans receivable and property held for redevelopment and lease related deferred inflows, are reported in the governmental funds balance sheet. These amounts are 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.

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- Unrestricted – This component of net position consists of assets that do not meet the definition of “restricted” or “net investment in capital assets.”

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, 2024, 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 and/or bond indentures. At December 31, 2024, the URA’s restricted fund balance related to various urban development projects and programs restricted primarily by grant agreements or other intergovernmental agreements and bond indentures.
- 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, 2024, 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. At December 31, 2024, \$294,365 is assigned as funds available for loan programs.
- 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

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Adopted Pronouncements

The following GASB Statements were adopted for the year ended December 31, 2024: Statement Nos. 100 (Accounting Changes and Error Corrections) and 101 (Compensated Absences). These statements had no significant impact on the URA's financial statements for the year ended December 31, 2024.

Pending Pronouncements

GASB has issued statements that will become effective in future years including Statement Nos. 102 (Certain Risk Disclosures), 103 (Financial Reporting Model Improvements), and 104 (Disclosure of Certain Capital Assets). 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 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:

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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, 2024, \$85,937,577 of the URA’s bank balance of \$87,207,158 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, 2024, the carrying amounts of the URA’s deposits were \$87,184,922.

As of December 31, 2024, \$6,131 of the component unit’s bank balance was exposed to custodial credit risk. As of December 31, 2024, the carrying amounts of the component unit’s deposits were \$240,436.

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	\$ 78,514,562	\$ 78,514,562	\$ -	\$ -	\$ -	\$ -
Freddie Mac	157,071	-	-	-	134,089	22,982
GNMA	407,245	-	-	-	407,245	-
FNMA	36,263	-	-	-	36,263	-
Total	<u>\$ 79,115,141</u>	<u>\$ 78,514,562</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 577,597</u>	<u>\$ 22,982</u>

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

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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, 2024, the URA's investments in Money Market Funds were rated AAAM by Standard and Poor's. The URA's remaining investments were not rated as of December 31, 2024.

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.

Money Market 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	\$	87,184,922
Investments		79,115,141
	\$	<u>166,300,063</u>

Cash and investments per financial statements:

Governmental funds	\$	122,444,611
Proprietary funds		43,855,452
	\$	<u>166,300,063</u>

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NOTES TO FINANCIAL STATEMENTS

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3. Interfund Receivables, Payables, and Transfers

Interfund receivables, payables, and transfers as of December 31, 2024 consisted of:

Fund	Internal Loans		Due to/from	
	Receivables	Payables	Receivables	Payables
Major Funds:				
General	\$ 8,804,262	\$ 2,152,413	\$ -	\$ 5,139,819
Community Development Block Grant	67,762	507,284	-	985,654
UDAG	2,289,691	-	4,393,062	-
HOME	-	-	-	78,870
HOF	5,105	-	611,798	-
Grants	1,330,959	11,002,617	210,366	479,157
Mortgage Revenue Bond Program	-	-	-	331,394
Pittsburgh Development Fund	8,582,699	-	1,458,092	-
Commercial Lending Program Fund	10,209	1,500,000	-	114,594
Pittsburgh Technology Center Garage Fund	-	4,500,000	-	269,450
South Side Works Garage Fund	-	1,428,373	409,214	-
Other Enterprise Funds	-	-	333,416	17,010
	<u>\$ 21,090,687</u>	<u>\$ 21,090,687</u>	<u>\$ 7,415,948</u>	<u>\$ 7,415,948</u>

Fund	Transfers In	Transfers Out
Major Funds:		
General	\$ -	\$ 40,977
Grants	-	3,115,793
Pittsburgh Development Fund	-	5,000
Pittsburgh Technology Center Garage Fund	3,131,770	-
Other Enterprise Funds	30,000	-
	<u>\$ 3,161,770</u>	<u>\$ 3,161,770</u>

Transfers between funds in 2024 primarily relate to the movement of funds from the Grants Fund due to grants for the Pittsburgh Technology Center Garage Fund for certain construction costs of a new garage.

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NOTES TO FINANCIAL STATEMENTS

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4. Loans Receivable

Governmental funds report total loans receivable, net of allowance for uncollectible loans, of approximately \$51.2 million at December 31, 2024. The most significant of the governmental fund loans relates to the UDAG Program, HOME, HOF, Housing Bond, and various loan programs funded by the Community Development Block Grant (CDBG) and other grants. 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. The HOF loans and grants are made to developers creating/preserving affordable housing, as well as first-time homebuyers in need of assistance with their downpayment, and existing homebuyers who need to make necessary repairs to their homes. Housing Bond loans and grants are made for both single-family and multi-family projects to non-profit and for-profit developers for creating and preserving affordable housing units.

Loans receivable include \$1.0 million due to the URA from PHDC and \$250,000 due to Pittsburgh Urban Initiatives from PHDC as described at Note 9.

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, 2024 (excludes internal loans receivable):

<u>Enterprise Funds:</u>	<u>Amount</u>
Mortgage Revenue Bond Program, net of allowance of \$8,656	\$ 1,751,700
Pittsburgh Development Fund, net of allowance of \$6.2 million	23,273,222
Commercial Lending Program, net of allowance of \$780,978	3,848,003
Other Enterprise: Home Improvement Loan Program, net of allowance of \$263,453	45,764
	<u>\$ 28,918,689</u>
Component Unit:	
Pittsburgh Housing Development Corporation	<u>\$ 1,600,000</u>

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During 2024, the enterprise funds experienced a recovery on the provision for uncollectible loans in the amount of \$1.5 million.

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 \$4.7 million in loans to ELTRIDRA, a related entity.

As of December 31, 2024, the URA had approved \$9.8 million of PDF loans and \$2.7 million of UDAG loans to various borrowers. These loans will close and begin to be paid out to the borrowers in 2025.

5. Leases

Southside Works Garage Lease

The URA entered into a 99-year lease with MTP- SSW Garage, LLC (Tenant) with an effective date of September 1, 2021, for five (5) garages in Southside Works. The garages subject to the Agreement are the Ingot Garage, Hot Metal Garage, Furnace Garage, Open Hearth Garage, and Ladle Garage. The Lease provided the Tenant the option to delay taking possession of the garages for up to six months from the effective date of the lease, which the Tenant chose to exercise. Consequently, the Tenant took possession of the garages on March 1, 2022. Per the lease, the Tenant makes monthly lease payments of \$109,052 to the URA, as well as being responsible for all maintenance, utilities, and tax costs.

The URA has determined the net present value of lease receipts based on an estimated interest rate of 4.0%. In the proprietary fund, South Side Works Garage Fund, the URA recognized \$324,121 in lease revenue and \$1,174,308 in interest revenue during 2024 related to this lease. As of December 31, 2024, the URA's receivable for lease payments was \$32,012,731. Also, the URA has deferred inflows associated with this lease that will be recognized as revenue over the lease term. As of December 31, 2024, the balance of the deferred inflows was \$31,169,595.

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Annual lease receipts for this lease are as follows:

Years	Principal	Interest	Total
2025	\$ 28,641	\$ 1,279,988	\$ 1,308,629
2026	29,808	1,278,821	1,308,629
2027	31,022	1,277,607	1,308,629
2028	32,286	1,276,343	1,308,629
2029	33,601	1,275,027	1,308,628
2030 - 2034	189,692	6,353,452	6,543,144
2035 - 2039	231,613	6,311,531	6,543,144
2040 - 2044	282,799	7,505,317	7,788,116
2045 - 2049	345,296	6,197,848	6,543,144
2050 - 2054	421,606	6,121,538	6,543,144
2055 - 2059	514,779	6,028,365	6,543,144
2060 - 2064	628,543	5,914,601	6,543,144
2065 - 2069	767,449	5,775,695	6,543,144
2070 - 2074	937,053	5,606,091	6,543,144
2075 - 2079	1,144,139	5,399,005	6,543,144
2080 - 2084	1,396,989	5,146,155	6,543,144
2085 - 2089	1,705,719	4,837,425	6,543,144
2090 - 2094	2,082,677	4,460,467	6,543,144
2095 - 2099	2,542,942	4,000,202	6,543,144
2100 - 2104	3,104,923	3,438,221	6,543,144
2105 - 2109	3,791,101	2,752,043	6,543,144
2110 - 2114	4,628,921	1,914,223	6,543,144
2115 - 2119	5,651,897	891,247	6,543,144
2120 - 2121	1,489,235	37,499	1,526,734
	<u>\$ 32,012,731</u>	<u>\$ 95,078,711</u>	<u>\$ 127,091,442</u>

General Fund Land Leases

The URA, as a lessor, leases land and parking lots under various noncancelable lease agreements. The lease agreements contain lease terms with planned end dates ranging from November 2027 to December 2063. Lease payment rates, terms, cancellation clauses, and other provisions vary based on the lease agreement. Certain leases provided for increases in future minimum annual rental payments. The URA has determined the net present value of lease receipts based on an estimated interest rate of 4.0%. In the governmental fund, the General Fund, lease-related income under these leases for the year ended December 31, 2024 was \$359,372 and \$65,694 for lease income and interest income, respectively.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

As of December 31, 2024, the URA's receivable for lease payments related to leased land was \$1,411,100. Also, the URA has deferred inflows associated with these leases that will be recognized as revenue over the lease term. As of December 31, 2024, the balance of the deferred inflows was \$1,337,621.

6. Capital Assets

Governmental Capital Assets

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

	Balance at December 31, 2023	Additions	Deletions	Balance at December 31, 2024
Non-Depreciable Assets:				
Land and improvements	\$ 4,981,726	\$ -	\$ 1,300,000	\$ 3,681,726
	<u>4,981,726</u>	<u>-</u>	<u>1,300,000</u>	<u>3,681,726</u>
Depreciable Assets:				
Buildings and improvements	10,998,561	-	-	10,998,561
Less: accumulated depreciation	(1,461,521)	(366,619)	-	(1,828,140)
	<u>9,537,040</u>	<u>(366,619)</u>	<u>-</u>	<u>9,170,421</u>
Governmental activities capital assets, net	<u>\$ 14,518,766</u>	<u>\$ (366,619)</u>	<u>\$ 1,300,000</u>	<u>\$ 12,852,147</u>

Business-Type Capital Assets

The business-type capital assets are included in the Pittsburgh Technology Center Garage Fund and the South Side Works Garage Fund, which reported depreciation expense of \$287,287, and \$768,791, respectively.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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

	Balance at December 31, 2023	Additions	Deletions	Balance at December 31, 2024
Non-Depreciable Assets:				
Construction in progress	\$ 24,551,638	\$ 601,552	\$ -	\$ 25,153,190
Depreciable Assets:				
Buildings and improvements	41,861,943	-	-	41,861,943
Less: accumulated depreciation	(16,863,531)	(1,056,078)	-	(17,919,609)
	<u>24,998,412</u>	<u>(1,056,078)</u>	<u>-</u>	<u>23,942,334</u>
Business-type activities capital assets, net	<u>\$ 49,550,050</u>	<u>\$ (454,526)</u>	<u>\$ -</u>	<u>\$ 49,095,524</u>

Construction in progress relates to a new garage that is being built at Pittsburgh Technology Center.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

7. 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, 2024 is as follows:

<u>Valued at Cost:</u>	<u>Number of properties</u>	<u>Amount</u>
Hill District	565	\$ 1,898,562
Chateau	77	1,275,460
Central Business District	56	443,373
Larimer	102	1,164,544
Hunt Armory	1	1,000,000
Southside	32	722,476
Fairywood	33	700,633
Homewood	191	756,738
Other	521	721,292
Garfield	49	382,531
Federal North	5	477,381
Point Breeze	5	278,483
Sheraden	1	468,752
East Allegheny	6	164,183
	<u>1,644</u>	<u>10,454,408</u>
<u>Valued at Estimated Net Realizable Value:</u>		
South Side Works	28	128,030
Total property held for redevelopment	<u>1,672</u>	<u>\$ 10,582,438</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, 2024 because of the URA's active plan to dispose of these properties.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

8. Defined Contribution Plans

The URA provides two defined contribution retirement plans, the Urban Redevelopment Authority of Pittsburgh Retirement Savings Plan and the Urban Redevelopment Authority of Pittsburgh Section 457 Deferred Compensation Plan and Trust, covering all employees. 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.

Under the Retirement Savings Plan, the participants become vested at 25% per year starting 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. Participants are 100% vested in all employee contributions.

The Section 457 Deferred Compensation Plan allows for employee contributions and the URA will match up to 5% of these employee contributions by depositing matching contributions into the Retirement Savings Plan. Employer contributions for the year ended December 31, 2024 were \$244,436 and employee contributions were \$503,266.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

9. Long-Term Debt

The following is a summary of changes in long-term obligations of the URA for the year ended December 31, 2024:

	Balance at December 31, 2023	Additions	Retirements	Balance at December 31, 2024
Primary Government:				
<i>Governmental:</i>				
HUD Section 108 loans	\$ 1,377,000	\$ -	\$ 428,000	\$ 949,000
Housing bonds	31,575,000	-	645,000	30,930,000
Employee benefits accrual	535,077	-	18,194	516,883
Total Governmental Fund Debt	<u>33,487,077</u>	<u>-</u>	<u>1,091,194</u>	<u>32,395,883</u>
<i>Proprietary:</i>				
Mortgage Revenue Bond Program	530,000	-	-	530,000
SSW Garage bank loan	5,993,399	-	5,993,399	-
PTC Garage bank loan	5,409,229	312,846	-	5,722,075
Total Proprietary Fund Debt	<u>11,932,628</u>	<u>312,846</u>	<u>5,993,399</u>	<u>6,252,075</u>
Total Debt and Other Long-Term Obligations - Primary Government	<u>\$ 45,419,705</u>	<u>\$ 312,846</u>	<u>\$ 7,084,593</u>	<u>38,647,958</u>
Component Unit:				
Pittsburgh Housing Development Corporation:				
Loans payable to the URA	\$ 1,566,190	\$ 19,571	\$ 298,615	1,287,146
Loans payable to Schenley Heights Collaborative	30,754	-	-	30,754
Bank construction loans	40,601	1,169,643	379,120	831,124
Total Component Unit Debt	<u>\$ 1,637,545</u>	<u>\$ 1,189,214</u>	<u>\$ 677,735</u>	<u>2,149,024</u>
Total Debt and Other Long-Term Obligations - Reporting Entity				<u>\$ 40,796,982</u>

Proprietary Fund long-term debt loans payable are described below:

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 4.80% and mature through

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

2028. At December 31, 2024, \$530,000 is outstanding. No principal repayments are due on these bonds in 2025.

Bank Loan

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 was fixed at an interest rate of 3.83%. During 2024, this loan was fully repaid.

PTC Garage Loan

During 2023, the URA entered into a bank loan with a maximum amount of \$7,096,208. The proceeds of the loan are being used to partially fund the construction costs of a new parking garage. As of December 31, 2024, \$5,722,075 has been drawn on this loan, which is equal to the outstanding loan balance. During the Construction Phase of the loan, interest on the principal balance is calculated at a rate of prime minus .5% and during the Permanent Phase, interest on the principal balance is calculated at a rate equal to 2.32% in excess of the five-year index rate. Interest-only payments are required during the Construction Phase and principal repayments over 25 years will be required at the commencement of the Permanent Phase. At December 31, 2024, the URA is still in the Construction Phase and anticipates entering the Permanent Phase in 2025.

Annual debt service requirements on outstanding bonds and loans (excluding the PTC Garage loan) of the URA's enterprise funds are as follows:

Years	Bonds	
	Principal	Interest
2025	\$ -	\$ 25,440
2026	-	25,440
2027	-	25,440
2028	530,000	12,720
	<u>\$ 530,000</u>	<u>\$ 89,040</u>

Enterprise fund debt is payable from those respective funds.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

Governmental Fund 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, 2024, \$569,000 is outstanding. \$274,000 is due in 2025.

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, 2024, \$380,000 is outstanding. \$183,000 is due in 2025.

Housing Bond

During 2023, the URA issued Revenue Bonds, Taxable Series of 2023 in the amount of \$31,575,000. The proceeds will be used to finance various affordable housing programs. At December 31, 2024, \$30,930,000 is outstanding and \$680,000 is due in 2025.

In conjunction with this issuance, the URA entered into a Cooperation Agreement with the City, as the City has agreed to provide an amount not to exceed \$2,500,000 annually for up to 25 years to assist in the repayment of principal and interest on these bonds, with such payments subject to annual appropriation by City Council. These bonds, together with interest thereon, are limited obligations of the URA, payable solely from the Trust Estate, which includes the pledged revenues of the Cooperation Agreement, any future receipts or revenues deposited by or on behalf of the Authority, and all income, interest, and profits received from the investment of moneys held in the Trust. Neither the URA, the City, the Commonwealth of Pennsylvania, nor any political subdivision thereof, nor any other public agency shall in any event be liable for the payment of the principal or interest on these bonds except for the City with respect to the Cooperation Agreement.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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

Years	HUD 108 Loans			Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 457,000	\$ 50,492	\$ 507,492	\$ 680,000	\$ 1,688,531	\$ 2,368,531
2026	492,000	26,270	518,270	710,000	1,655,361	2,365,361
2027	-	-	-	745,000	1,621,693	2,366,693
2028	-	-	-	780,000	1,585,754	2,365,754
2029	-	-	-	820,000	1,547,815	2,367,815
2030 - 2034	-	-	-	4,750,000	7,081,303	11,831,303
2035 - 2039	-	-	-	4,775,000	5,692,083	10,467,083
2040 - 2044	-	-	-	7,625,000	4,588,101	12,213,101
2045 - 2048	-	-	-	10,045,000	2,297,492	12,342,492
	<u>\$ 949,000</u>	<u>\$ 76,762</u>	<u>\$ 1,025,762</u>	<u>\$ 30,930,000</u>	<u>\$ 27,758,133</u>	<u>\$ 58,688,133</u>

Governmental fund debt is payable from the Grants Fund and the Housing Bond Fund.

In August of 2020, the URA entered into a Non-Revolving Line Note (Note) with The PNC Foundation in the amount of \$10 million. The Note bears interest at 0%. The proceeds of the Note are to be used for the Emergency Recovery Loan Fund, Invest PGH, Inc., Small Minority Business, and Catapult: Start-up to Storefront Program. Non-repayable Funds in the Note include Administrative, Invest PGH, and Catapult expenses as well as funds invested into projects, programs, and loans where a return on investment is not anticipated or loan repayments are not received. Through December 31, 2024, a total of \$7.5 million of Note proceeds were received by the URA and \$4.6 million is recorded as accounts payable representing the potentially repayable portion of the proceeds.

During 2021, the URA entered into Equity Equivalent Investment Agreements (Agreements) with local banks whereby the banks agreed to advance funds totaling \$3.5 million to be used for community development activities. These advances bear interest at 2%, payable semiannually. The initial term of these agreements ends in 2026, with automatic three-year renewal periods unless either party elects not to renew. During 2024, the URA entered into another Agreement in the amount of \$2.0 million with an interest rate of 3%, payable semiannually. The initial term of this agreement ends in 2029, with automatic three-year renewal periods unless either party elects not to renew. Upon non-renewal of the Agreements, the advances are to be repaid by the URA over a five-year period. At December 31, 2024, \$5.5 million is outstanding under these Agreements and is recorded as accounts payable and other accrued liabilities in the Grants Fund.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

During 2022, PHDC entered into a similar Equity Investment Agreement with a local bank whereby PHDC received \$1 million to be used for community development activities. This advance bears interest at 3% per annum, payable semiannually for each year of the term. The initial term of the Agreement ends in 2027, with automatic three-year renewal periods unless either party elects not to renew. Upon non-renewal of the Agreement, the advance is to be repaid by PHDC over a five-year period. At December 31, 2024, \$1 million is outstanding under this Agreement and is recorded as accounts payable and other accrued liabilities.

Component unit debt consists of the following:

PHDC-URA Loans

PHDC had outstanding construction loans payable to the URA of \$1,287,146. The loans are non-interest bearing. The loans are due upon the sale of related project units but are scheduled to mature in 2025. The loans are secured by a third lien position on real property and improvements or a mortgage on the property.

PHDC-Bank Construction Loans

The PHDC had outstanding construction loans payable to PNC Bank of \$831,124. Interest accrues on the loans at 7.5% to 7.75%. Loans are due when units are sold or March 2026, whichever occurs first.

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 when units are sold or August 2025, whichever occurs first. The loan is secured by the mortgage on the property.

Future Maturities

Principal payments of \$2,149,024 for the component unit are classified as current, as they are generally due upon sale of related property.

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

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

10. Conduit 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, 2024, the aggregate amount of conduit debt outstanding was \$104 million. The amount is comprised of \$83 million Multi-Family Revenue Bonds and \$21 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.

11. 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.

12. 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

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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, 2024, the URA had outstanding contract commitments of approximately \$17 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 obligations. If those obligations are not met, the URA and SEA have a maximum joint liability of \$6,000,000. The Option Agreement is set to expire on October 22, 2025, which will cause these obligations and their liabilities to terminate. The URA will not renew these obligations or their respective liabilities in any extensions to the Option Agreement.

13. Due to Primary Government

In September of 2018, the URA, City, and the Housing Authority of the City of Pittsburgh ("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 23% ownership percentage. 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.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

The URA's obligation is reported as due to primary government on the government-wide statement of net position. Annual repayments of this outstanding balance per the Cooperation Agreement between the City and the URA are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 395,220	\$ 127,462	\$ 522,682
2026	395,220	127,462	522,682
2027	395,220	127,462	522,682
2028	395,220	127,462	522,682
2029	395,220	127,462	522,682
2030-2034	1,976,099	637,312	2,613,411
2035-2039	1,976,099	637,312	2,613,411
2040-2043	1,580,876	509,850	2,090,726
	<u>\$ 7,509,174</u>	<u>\$ 2,421,784</u>	<u>\$ 9,930,958</u>

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, 2024

	Commercial Loan Repayments	Housing Revolving Repayments	Industrial Land Reserve	Landlord Loan Escrow Account	Grants	Loan Repayments	Major Development & Other	PNC Firstside	Residential Land Reserve	Sustainable	Total
Revenues:											
Grants and Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 63,322,799	\$ 265,000	\$ 1,470,055	\$ -	\$ -	\$ -	\$ 65,057,854
Investment Income	508	-	159	232	25,755	7,683	45,055	27,427	35	15,315	122,169
Rental income	-	-	-	-	-	-	34,407	-	-	-	34,407
Loan repayments	1,258,945	419,111	34,762	1,333	278,232	2,267,103	50,000	-	-	-	4,309,486
Other	-	132,367	-	102,527	(222,885)	505,643	35,000	-	22,793	-	575,445
Total revenues	1,259,453	551,478	34,921	104,092	63,403,901	3,045,429	1,634,517	27,427	22,828	15,315	70,099,361
Expenditures:											
Current:											
Urban development	277,535	22,262	151,023	151,090	57,149,063	2,166,304	533,682	-	-	-	60,450,959
Administrative	935,728	69,180	171	469	3,464,241	283,082	120,489	-	20	-	4,873,380
Other	50,208	12,624	-	-	14,742	4,041	13,311	-	-	1,257	96,183
Debt service	-	-	-	-	81,833	-	636,772	-	-	-	718,605
Total expenditures	1,263,471	104,066	151,194	151,559	60,709,879	2,453,427	1,304,254	-	20	1,257	66,139,127
Excess (Deficiency) of Revenues Over Expenditures	(4,018)	447,412	(116,273)	(47,467)	2,694,022	592,002	330,263	27,427	22,808	14,058	3,960,234
Other Financing Sources (Uses):											
Transfers in (out)	-	-	-	-	(3,131,770)	-	15,977	-	-	-	(3,115,793)
Total other financing sources (uses)	-	-	-	-	(3,131,770)	-	15,977	-	-	-	(3,115,793)
Net Change in Fund Balance	\$ (4,018)	\$ 447,412	\$ (116,273)	\$ (47,467)	\$ (437,748)	\$ 592,002	\$ 346,240	\$ 27,427	\$ 22,808	\$ 14,058	\$ 844,441

**Urban Redevelopment Authority
of Pittsburgh**

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

Independent Auditor's Report in Accordance
with *Government Auditing Standards*

Year Ended December 31, 2024

**Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards**

**Board of Directors
Urban Redevelopment Authority of Pittsburgh**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Urban Redevelopment Authority of Pittsburgh (URA), a component unit of the City of Pittsburgh, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the URA’s basic financial statements, and have issued our report thereon dated April 25, 2025. The financial statements of the Pittsburgh Housing Development Corporation, the URA’s discretely presented component unit, were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Pittsburgh Housing Development Corporation.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the URA’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the URA’s internal control. Accordingly, we do not express an opinion on the effectiveness of the URA’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control,

Board of Directors
Urban Redevelopment Authority of Pittsburgh
Independent Auditor’s Report on Internal Control over Financial
Reporting and on Compliance and Other Matters

described in the accompanying schedule of findings and questioned costs as item 2024-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the URA’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The URA’s Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the URA’s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The URA’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Mahe Duessel

Pittsburgh, Pennsylvania
April 25, 2025

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED DECEMBER 31, 2024

Finding 2024-001: Material Adjustments

Condition: Currently, material adjusting journal entries are identified as part of the audit process to present the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). Although significant improvements were made in 2024, during the audit process, some material adjustments were needed to present the financial statements in accordance with GAAP. The significant adjustments primarily affected loans receivable and the related allowance or provision for uncollectible loans. In addition, consistent with prior years, there were immaterial uncorrected misstatements as overall internal receivable/payable balances are out of balance by approximately \$84,000.

Criteria: Management is responsible for the preparation of accurate financial statements.

Cause: The URA's internal control structure did not facilitate the reporting of GAAP basis financial statements and the URA does not produce interim financial statements on a GAAP basis.

Effect: The URA risks reliance on interim and year-end financial reporting balances that likely require adjustments that are only detected through the year-end audit process.

Recommendation: The URA should work toward developing a formal process for the preparation and review of interim financial information. Ideally, closings would occur monthly and financial statements would be reviewed internally. This process would include identifying the various monthly reconciliations and manual entries that need to take place to ensure accurate information is being produced for final closing.

Management's Response: In 2025, the URA will be changing the loan system to help eliminate some of the adjusting entries that are needed. A compliance check we've added is a reconciliation of the loans disbursed versus the accounting system and to reconcile the repayment in the loan system versus the accounting system.

URBAN REDEVELOPMENT AUTHORITY OF PITTSBURGH

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED DECEMBER 31, 2024

Finding 2023-001: Financial Statement Preparation

Condition: The Urban Redevelopment Authority of Pittsburgh (URA) currently relies on the auditors to prepare the financial statements and related notes in accordance with accounting principles generally accepted in the United States of America (GAAP). During the audit process, a significant number of material adjustments were needed to present the financial statements in accordance with GAAP. The adjustments primarily affected cash and investments, internal activity, loans receivable and related allowance, accounts receivable, capital assets, and debt, along with the related revenues and expenses impacted by these adjustments. At the end of the adjustment process, there were immaterial uncorrected misstatements including: overall internal receivable/payable balances out of balance by approximately \$84,000, and overall cash reconciliations were different from the general ledger by approximately \$19,000.

Current Status: Corrective account was not fully implemented but significant improvement was made in 2024.