

**PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY**

**\$89,950,000  
Special Tax Revenue Refunding Bonds  
(City of Philadelphia Funding Program)  
Series of 2006**

**CERTIFICATE OF AUTHORITY PURSUANT TO THE BOND PURCHASE  
CONTRACT AND SECTION 2.11(f) OF THE INDENTURE**

This certificate is made in connection with the issuance by the Pennsylvania Intergovernmental Cooperation Authority (the "Authority") of the above-referenced bonds (the "2006 Bonds") as required by Sections 9(e)(ii) and 9(e)(x) of the Bond Purchase Contract dated June 14, 2006 (the "Purchase Contract") between the Authority and RBC Dain Rauscher Inc., and as required by Section 2.11(f) of the Amended and Restated Indenture of Trust, dated as of December 1, 1994, as amended and supplemented, between the Authority and Wachovia Bank, National Association, as trustee. Terms used but not defined herein shall have the meanings set forth in the Purchase Contract.

**WE, THE VICE-CHAIRPERSON AND ASSISTANT SECRETARY OF THE  
AUTHORITY, HEREBY CERTIFY AS FOLLOWS:**

1. Each of the Bond Documents to which the Authority is a party which has been executed and delivered prior to the date hereof is currently in full force and effect and no default on the part of the Authority, or event which with notice or upon lapse of time, or both, would constitute such a default, has occurred thereunder.

2. To the best of our knowledge after reasonable investigation, the Resolution is in full force and effect as of the date hereof and has not been amended or supplemented since the date of its adoption except as specifically provided therein.

3. To the best of our knowledge after reasonable investigation, the representations and warranties of the Authority contained in the Purchase Contract are true and correct as of the date hereof.

4. To the best of our knowledge after reasonable investigation, the Official Statement, except for information furnished by or with respect to the City, the Bond Insurer, Financial Guaranty Insurance Company or any of its affiliates and DTC, as to which no representation is made, does not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

5. To the best of our knowledge after reasonable investigation, no litigation is pending against the Authority (i) to restrain or enjoin the issuance or delivery of any of the 2006 Bonds or the pledge or collection of revenues pledged under the Indenture, (ii) in any way contesting or affecting any authority for the issuance of the 2006 Bonds or the validity of the 2006 Bonds, the Bond Documents or the Purchase Contract, or the validity of the Resolution, or (iii) in any way contesting the existence or powers of the Authority.

6. To the best of our knowledge after reasonable investigation, no event affecting the Authority has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used, or which it is necessary to disclose

therein in order to make the statements and information therein, in light of the circumstances under which they were made, not misleading.

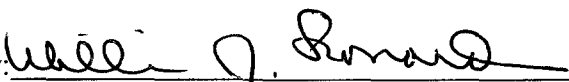
7. To the best of our knowledge after reasonable investigation, the Authority has complied with all agreements, and satisfied all conditions, on its part to be performed or satisfied at or prior to the issuance and sale of the 2006 Bonds.

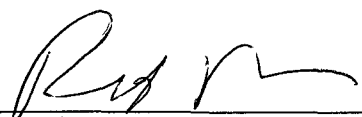
8. Based solely on the verification report of Isdamer & Company, LLC, independent certified public accountants, attached as Exhibit A hereto (the "Accountant Verification"), we hereby certify as follows:

- a. The PICA Taxes (as defined in the Indenture) consisting solely of the Income Tax (as defined in the Indenture) collected with respect to the 12 month period detailed in the Accountant Verification (which period is a period of 12 consecutive months during the 15 month period preceding the date of issuance of the 2006 Bonds) equaled at least one hundred seventy-five percent (175%) of the Maximum Annual Debt Service Requirement (as defined in the Indenture) on Bonds (as defined in the Indenture) to be Outstanding (as defined in the Indenture) after the issuance of the 2006 Bonds.
- b. Based upon the projections contained in the City of Philadelphia's most recent Financial Plan approved by the Authority, the PICA Taxes (consisting solely of the Income Tax) projected to be collected during the 12 month period following the issuance of the 2006 Bonds will equal at least one hundred seventy-five percent (175%) of the Debt Service Requirement (as defined in the Indenture) during such 12 month period on Bonds to be Outstanding after the issuance of the 2006 Bonds.

IN WITNESS WHEREOF, we have executed this Certificate this 15<sup>th</sup> day of June 2006.

PENNSYLVANIA INTERGOVERNMENTAL  
COOPERATION AUTHORITY

By:   
Vice-Chairperson

Attest:   
Assistant Secretary

# Exhibit A

ISDANER &  
COMPANY, LLC

**ISDANER &  
COMPANY, LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

ISDANER &  
COMPANY, LLC

**PENNSYLVANIA INTERGOVERNMENTAL  
COOPERATION AUTHORITY**

**REPORT ON APPLYING  
AGREED-UPON PROCEDURES**

ISDANER &  
COMPANY, LLC

**ISDANER &  
COMPANY, LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

ISDANER &  
COMPANY, LLC

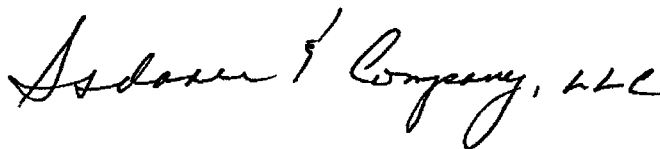
## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Pennsylvania Intergovernmental  
Cooperation Authority  
Philadelphia, Pennsylvania

We have performed the procedures enumerated in the Appendix attached, which were agreed to by the Pennsylvania Intergovernmental Cooperation Authority (the "Authority"), solely to assist the Authority in evaluating its compliance with the requirements of Section 2.11(f) of the Amended and Restated Indenture of Trust dated as of December 1, 1994, as amended and supplemented, between the Authority and Wachovia Bank, National Association (the "Indenture"). The Authority's management is responsible for the Authority's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described in the Appendix either for the purpose for which this report has been requested or for any other purpose. Our procedures and findings are summarized in the Appendix to this report.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the requirements of Section 2.11(f) of the Indenture. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Pennsylvania Intergovernmental Cooperation Authority's management and parties to the Indenture and should not be used by anyone other than these specified parties.



June 7, 2006

Attachments - Appendix  
- Exhibit 1

## APPENDIX

Our procedures and findings are summarized as follows:

1. We obtained the Certificate of Maximum Annual Debt Service in accordance with Section 2.11(f) of the Indenture of Trust (the "Certificate") attached as Exhibit 1, from the Authority's management. We compared the amounts shown on the Certificate as "PICA Taxes Collected" for the months from April 2005 through March 2006 to the monthly totals on a supporting schedule prepared by the Authority's management of individual PICA tax receipts received from the Treasurer of the Commonwealth of Pennsylvania and found such amounts to be in agreement. We recalculated such monthly totals and did not note any exceptions.
2. We confirmed the individual PICA Tax receipts listed on the supporting schedule obtained in (1) directly with the Bureau of Fiscal Review for the Treasury Department of the Commonwealth of Pennsylvania and did not note any exceptions.
3. We compared the individual PICA Tax receipts listed on the supporting schedule obtained in (1) to the Authority's monthly bank statements obtained from the Authority's management and did not note any exceptions.
4. We confirmed the amounts shown on the Certificate as "PICA Taxes Projected to be Collected" for the four quarters from July 2006 to and including June 2007 directly with the Office of the Director of Finance for the City of Philadelphia and did not note any exceptions.
5. We recalculated the amounts shown as "Total" on the Certificate and did not note any exceptions.
6. We recalculated the amount shown on the Certificate as "Maximum Annual Debt Service Limit" and did not note any exceptions.
7. We recalculated the amount shown on the Certificate as "Maximum Debt Service Limit for Corresponding Period" and did not note any exceptions.
8. We compared the amounts shown on the Certificate under the heading "Total Debt Service" for each of the years shown to a schedule received directly from the Underwriters to the Authority with respect to the Authority's Special Tax Revenue Refunding Bonds (City of Philadelphia Funding Program) Series of 2006 and did not note any exceptions.
9. We compared the amount shown on the Certificate as "Maximum Annual Debt Service Limit" to amounts shown on the Certificate under the heading "Total Debt Service" for each year and noted that each of the amounts shown under the heading "Total Debt Service" was less than the amount shown as "Maximum Annual Debt Service Limit."
10. We compared the amount shown as "Maximum Debt Service Limit for Corresponding Period" to the amount shown on the Certificate under the heading "Total Debt Service" for each year and noted that each of the amounts shown under the heading "Total Debt Service" was less than the amount shown as "Maximum Debt Service Limit for Corresponding Period."

**EXHIBIT #1****Pennsylvania Intergovernmental Cooperation Authority  
Certificate of Maximum Annual Debt Service  
In Accordance with Section 2.11(f) of the Indenture Trust**

## PICA Taxes Collected:

April	2005	\$ 32,834,890
May	2005	30,144,400
June	2005	22,122,307
July	2005	28,781,108
August	2005	24,439,074
September	2005	23,970,643
October	2005	23,315,052
November	2005	25,010,703
December	2005	24,281,783
January	2006	26,100,213
February	2006	22,199,892
March	2006	<u>24,038,436</u>
		<u>\$307,238,501</u>

Maximum Annual Debt Service Limit (1) \$175,564,858

## PICA Taxes projected to be collected (Fiscal Year 2007):

Quarter	Year	
3	2006	\$ 57,406,272
4	2006	59,066,784
1	2007	60,490,080
2	2007	<u>60,252,864</u>
		<u>\$237,216,000</u>

Maximum Debt Service Limit for Corresponding  
Period (2) \$135,552,000

- (1) As set forth in Section 2.11(f) of the Indenture, the total amount for "PICA Taxes Collected" must equal at least 175% of the Maximum Annual Debt Service Limit. The limit is calculated by dividing total PICA taxes collected by 1.75.
- (2) As set forth in Section 2.11(f) of the Indenture, the total amount for "PICA Taxes Projected to be Collected" must equal at least 175% of the Debt Service Limit for the corresponding 12-month period. The limit is calculated by dividing total PICA taxes projected to be collected by 1.75.

**EXHIBIT #1 (Continued)**

**Pennsylvania Intergovernmental Cooperation Authority  
Certificate of Maximum Annual Debt Service  
In Accordance with Section 2.11(f) of the Indenture Trust**

Annual Debt Service Requirements After Issuance of Special Tax Revenue Refunding Bonds, Series 2006

<u>Year Ended June 30</u>	<u>Total Debt Service*</u>
2007	\$ 102,991,450
2008	96,596,550
2009	87,219,750
2010	79,627,900
2011	75,127,975
2012	74,261,313
2013	73,314,975
2014	72,341,225
2015	71,304,038
2016	70,212,075
2017	69,071,525
2018	58,777,788
2019	48,797,688
2020	47,513,413
2021	36,744,013
2022	35,909,363
2023	35,032,300

\*Calculated using the maximum interest rate of 12% for the Series 2003 and 2006 Bonds



ISDANER &  
COMPANY, LLC

**ISDANER &  
COMPANY, LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

ISDANER &  
COMPANY, LLC

Pennsylvania Intergovernmental Cooperation Authority  
1429 Walnut Street  
14<sup>th</sup> Floor  
Philadelphia, PA 19102

We consent to the use in the Official Statement dated June 7, 2006, prepared in connection with the issuance by the Pennsylvania Intergovernmental Cooperation Authority (the "Authority") of its Special Tax Revenue Refunding Bonds (City of Philadelphia Funding Program) Series of 2006, of our report dated October 27, 2005 on our audit of the financial statements for the year ended June 30, 2005 of the Authority included in Appendix A of the above listed document.

*Isdamer & Company, LLC*

June 7, 2006