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Pennsylvania Intergovernmental
Cooperation Authority
Philadelphia, PA

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Philadelphia, PA

The City of Philadelphia, Pennsylvania
Philadelphia, PA

Reed Smith LLP
Philadelphia, PA

Raymond James & Associates
St. Petersburg, FL

Blank Rome LLP
Philadelphia, PA

**RE: \$165,550,000 Pennsylvania Intergovernmental Cooperation Authority
Special Tax Revenue Refunding Bonds (City of Philadelphia Funding
Program) Series of 2003**

We have completed a supplemental engagement at the request of Bond Counsel to verify the mathematical accuracy of computations hereinafter described relating to the yield on the Pennsylvania Intergovernmental Cooperation Authority Special Tax Revenue Refunding Bonds ("City of Philadelphia Funding Program") Series of 2003 ("2003 Bonds") as part of the current refunding of the Pennsylvania Intergovernmental Cooperation Authority Special Tax Revenue Bonds (City of Philadelphia Funding Program) Series of 1993A ("Refunded Bonds") issued by the Pennsylvania Intergovernmental Cooperation Authority ("Authority") as summarized below:

Refunded Bonds - Original Issue

Amount Refunded

\$178,675,000 Pennsylvania Intergovernmental Cooperation
Authority Special Tax Revenue Bonds (City of Philadelphia
Funding Program) Series of 1993A

\$163,185,000

OUR UNDERSTANDING OF THE TRANSACTION

Our verification was performed solely on the basis of the accompanying schedules and computations provided by Raymond James & Associates ("Underwriter") and the factual assumptions contained or implicit therein. The Underwriter provided us the Official Statement for the 2003 Bonds ("Official Statement") which we assume to be accurate. We did not independently confirm any of the information contained therein. We express no opinion as to the accuracy, reasonableness or attainability of the

assumptions referred to therein, or on any other matter not expressly set forth herein. Such information as provided to us by the Underwriter is set forth in Exhibits A through B attached hereto.

The scope of our engagement was limited to verifying the mathematical accuracy of the computations contained in the schedules provided to us, to the extent described herein. We express no other opinions relating to the 2003 Bonds.

YIELD ON THE 2003 BONDS

We verified the mathematical accuracy of the accompanying computation of the yield on the 2003 Bonds based on an assumed settlement date of June 16, 2003. The computation was made by use of the actuarial method using a 360-day year with interest compounded semi-annually and by adjusting the par amount of the 2003 Bonds for \$1,041,268.01 in bond insurance premium.

Based on the procedures, information and assumptions set forth above, the Underwriter's computations which indicate that the yield on the 2003 Bonds is not less than 4.5569927% are mathematically correct as indicated on Exhibit A.

USE OF THIS REPORT

It is understood that this report is solely for the information of, and assistance to, the addressees hereof in connection with the offering of the 2003 Bonds and the refunding of the Refunded Bonds, and is not to be used, quoted, circulated, or otherwise referred to without our written consent for any other purpose, including, but not limited to, the purchase or sale of the 2003 Bonds, nor is it to be filed with or referred to in whole or in part in the Official Statement or any other document, except that (i) reference may be made to it in the purchase contract and in any closing documents pertaining to the offering of the 2003 Bonds, (ii) the report may be included in the transcripts pertaining to the 2003 Bonds, (iii) the report may be furnished to any rating agency or bond insurer that shall have rated or insured the Refunded Bonds or 2003 Bonds, and (iv) Bond Counsel may make use of and rely upon it in preparing their opinions and Internal Revenue Service Form 8038.

The terms of our engagement are such that we have no obligation to update this report because of events occurring, or data or information coming from activities, subsequent to the date of this report.

June 16, 2003



EXHIBITS INDEX

All Exhibits Provided By Underwriter

<u>Description</u>	<u>Exhibit</u>
Proof of Bond Yield	A
Debt Service Schedule	B

EXHIBIT A

Pennsylvania Intergovernmental Cooperation Authority

Series 2003

Sizing with Expenses @ 4.34%

PROOF OF BOND YIELD @ 4.5569927%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
6/16/2003	-	1.000000x	-	-
9/15/2003	57,939.19	0.9889223x	57,297.36	57,297.36
12/15/2003	3,631,394.40	0.9778450x	3,550,940.89	3,608,238.25
3/15/2004	58,588.42	0.9668918x	56,648.66	3,664,886.91
6/15/2004	9,111,023.42	0.9560612x	8,710,695.88	12,375,582.79
9/15/2004	56,656.12	0.9453519x	53,559.97	12,429,142.76
12/15/2004	3,530,609.12	0.9347627x	3,300,281.56	15,729,424.32
3/15/2005	56,657.83	0.9242920x	52,368.38	15,781,792.70
6/15/2005	9,250,610.83	0.9139386x	8,454,490.30	24,236,282.99
9/15/2005	54,633.45	0.9037012x	49,372.31	24,285,655.31
12/15/2005	3,404,462.45	0.8935784x	3,042,154.27	27,327,809.57
3/15/2006	54,633.45	0.8835691x	48,272.43	27,376,082.00
6/15/2006	9,399,462.45	0.8736719x	8,212,045.89	35,588,127.89
9/15/2006	52,511.75	0.8638855x	45,364.14	35,633,492.03
12/15/2006	3,272,249.25	0.8542088x	2,795,183.94	38,428,675.97
3/15/2007	52,511.75	0.8446404x	44,353.55	38,473,029.52
6/15/2007	9,562,249.25	0.8351792x	7,986,191.89	46,459,221.41
9/15/2007	50,285.64	0.8258240x	41,527.09	46,500,748.50
12/15/2007	3,133,530.14	0.8165736x	2,558,758.06	49,059,506.55
3/15/2008	50,284.12	0.8074268x	40,600.75	49,100,107.30
6/15/2008	9,738,528.62	0.7983825x	7,775,070.88	56,875,178.19
9/15/2008	47,946.60	0.7894395x	37,850.94	56,913,029.13
12/15/2008	2,987,862.60	0.7805966x	2,332,315.51	59,245,344.63
3/15/2009	47,948.05	0.7718528x	37,008.84	59,282,353.47
6/15/2009	9,937,864.05	0.7632070x	7,584,647.38	66,867,000.85
9/15/2009	45,488.36	0.7546580x	34,328.15	66,901,329.00
12/15/2009	2,834,589.36	0.7462047x	2,115,184.04	69,016,513.04
3/15/2010	45,488.36	0.7378462x	33,563.41	69,050,076.46
6/15/2010	10,124,589.36	0.7295813x	7,386,710.73	76,436,787.19
9/15/2010	42,908.34	0.7214089x	30,954.46	76,467,741.65
12/15/2010	2,673,816.34	0.7133281x	1,907,308.36	78,375,050.01
3/15/2011	42,908.34	0.7053378x	30,264.88	78,405,314.88
6/15/2011	10,323,816.34	0.6974370x	7,200,211.85	85,605,526.74
9/15/2011	40,200.91	0.6896247x	27,723.54	85,633,250.28
12/15/2011	2,505,103.91	0.6819000x	1,708,230.28	87,341,480.56
3/15/2012	40,199.69	0.6742617x	27,105.11	87,368,585.67
6/15/2012	10,530,102.69	0.6667090x	7,020,514.53	94,389,100.20
9/15/2012	37,359.63	0.6592409x	24,629.00	94,413,729.20
12/15/2012	2,328,120.13	0.6518565x	1,517,600.24	95,931,329.44
3/15/2013	37,360.76	0.6445548x	24,081.06	95,955,410.50
6/15/2013	10,748,121.26	0.6373349x	6,850,152.26	102,805,562.75
9/15/2013	34,380.82	0.6301958x	21,666.65	102,827,229.40
12/15/2013	2,142,427.32	0.6231367x	1,335,025.10	104,162,254.50
3/15/2014	34,380.82	0.6161567x	21,183.97	104,183,438.47
6/15/2014	10,977,427.32	0.6092549x	6,688,050.88	110,871,489.35
9/15/2014	31,254.00	0.6024303x	18,828.36	110,890,317.71
12/15/2014	1,947,581.00	0.5956823x	1,160,139.44	112,050,457.15

Pennsylvania Intergovernmental Cooperation Authority

Series 2003

Sizing with Expenses @ 4.34%

PROOF OF BOND YIELD @ 4.5569927%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
3/15/2015	31,254.00	0.5890098x	18,408.91	112,068,866.06
6/15/2015	11,217,581.00	0.5824120x	6,533,254.00	118,602,120.07
9/15/2015	27,973.24	0.5758882x	16,109.46	118,618,229.52
12/15/2015	1,743,141.24	0.5694374x	992,609.83	119,610,839.36
3/15/2016	27,972.39	0.5630589x	15,750.10	119,626,589.46
6/15/2016	11,468,140.39	0.5567518x	6,384,908.25	126,011,497.71
9/15/2016	24,530.70	0.5505154x	13,504.53	126,025,002.24
12/15/2016	1,528,666.20	0.5443489x	832,127.72	126,857,129.95
3/15/2017	24,531.44	0.5382514x	13,204.08	126,870,334.03
6/15/2017	11,733,666.94	0.5322222x	6,244,918.11	133,115,252.14
9/15/2017	20,919.76	0.5262606x	11,009.24	133,126,261.39
12/15/2017	1,303,606.76	0.5203657x	678,352.24	133,804,613.62
3/15/2018	20,919.76	0.5145369x	10,763.99	133,815,377.61
6/15/2018	12,013,606.76	0.5087733x	6,112,202.50	139,927,580.11
9/15/2018	17,129.36	0.5030743x	8,617.34	139,936,197.45
12/15/2018	1,067,409.36	0.4974392x	530,971.23	140,467,168.68
3/15/2019	17,129.36	0.4918672x	8,425.37	140,475,594.05
6/15/2019	12,312,409.36	0.4863575x	5,988,233.12	146,463,827.17
9/15/2019	13,149.62	0.4809096x	6,323.78	146,470,150.95
12/15/2019	819,413.12	0.4755228x	389,649.60	146,859,800.55
3/15/2020	13,149.22	0.4701962x	6,182.71	146,865,983.26
6/15/2020	12,614,412.72	0.4649294x	5,864,810.99	152,730,794.25
9/15/2020	8,974.95	0.4597215x	4,125.98	152,734,920.23
12/15/2020	559,286.95	0.4545720x	254,236.17	152,989,156.40
3/15/2021	8,975.22	0.4494801x	4,034.18	152,993,190.58
6/15/2021	12,934,287.22	0.4444453x	5,748,583.12	158,741,773.70
9/15/2021	4,595.56	0.4394669x	2,019.60	158,743,793.30
12/15/2021	286,370.06	0.4345442x	124,440.46	158,868,233.75
3/15/2022	4,595.56	0.4296767x	1,974.61	158,870,208.36
6/15/2022	13,271,370.06	0.4248637x	5,638,523.63	164,508,731.99
Total	250,307,236.29	-	164,508,731.99	-

DERIVATION OF TARGET AMOUNT

Par Amount of Bonds.....	\$165,550,000.00
Bond Insurance Premium..... (42.0 bp).....	(1,041,268.01)
Original Issue Proceeds.....	\$164,508,731.99

EXHIBIT B

Pennsylvania Intergovernmental Cooperation Authority
Series 2003

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Liquidity	Total P+I
9/15/2003	-	-	-	57,939.19	57,939.19
12/15/2003	-	-	3,572,804.21	58,590.19	3,631,394.40
3/15/2004	-	-	-	58,588.42	58,588.42
6/15/2004	5,460,000.00	4.340%	3,592,435.00	58,588.42	9,111,023.42
9/15/2004	-	-	-	56,656.12	56,656.12
12/15/2004	-	-	3,473,953.00	56,656.12	3,530,609.12
3/15/2005	-	-	-	56,657.83	56,657.83
6/15/2005	5,720,000.00	4.340%	3,473,953.00	56,657.83	9,250,610.83
9/15/2005	-	-	-	54,633.45	54,633.45
12/15/2005	-	-	3,349,829.00	54,633.45	3,404,462.45
3/15/2006	-	-	-	54,633.45	54,633.45
6/15/2006	5,995,000.00	4.340%	3,349,829.00	54,633.45	9,399,462.45
9/15/2006	-	-	-	52,511.75	52,511.75
12/15/2006	-	-	3,219,737.50	52,511.75	3,272,249.25
3/15/2007	-	-	-	52,511.75	52,511.75
6/15/2007	6,290,000.00	4.340%	3,219,737.50	52,511.75	9,562,249.25
9/15/2007	-	-	-	50,285.64	50,285.64
12/15/2007	-	-	3,083,244.50	50,285.64	3,133,530.14
3/15/2008	-	-	-	50,284.12	50,284.12
6/15/2008	6,605,000.00	4.340%	3,083,244.50	50,284.12	9,738,528.62
9/15/2008	-	-	-	47,946.60	47,946.60
12/15/2008	-	-	2,939,916.00	47,946.60	2,987,862.60
3/15/2009	-	-	-	47,948.05	47,948.05
6/15/2009	6,950,000.00	4.340%	2,939,916.00	47,948.05	9,937,864.05
9/15/2009	-	-	-	45,488.36	45,488.36
12/15/2009	-	-	2,789,101.00	45,488.36	2,834,589.36
3/15/2010	-	-	-	45,488.36	45,488.36
6/15/2010	7,290,000.00	4.340%	2,789,101.00	45,488.36	10,124,589.36
9/15/2010	-	-	-	42,908.34	42,908.34
12/15/2010	-	-	2,630,908.00	42,908.34	2,673,816.34
3/15/2011	-	-	-	42,908.34	42,908.34
6/15/2011	7,650,000.00	4.340%	2,630,908.00	42,908.34	10,323,816.34
9/15/2011	-	-	-	40,200.91	40,200.91
12/15/2011	-	-	2,464,903.00	40,200.91	2,505,103.91
3/15/2012	-	-	-	40,199.69	40,199.69
6/15/2012	8,025,000.00	4.340%	2,464,903.00	40,199.69	10,530,102.69
9/15/2012	-	-	-	37,359.63	37,359.63
12/15/2012	-	-	2,290,760.50	37,359.63	2,328,120.13
3/15/2013	-	-	-	37,360.76	37,360.76
6/15/2013	8,420,000.00	4.340%	2,290,760.50	37,360.76	10,748,121.26
9/15/2013	-	-	-	34,380.82	34,380.82
12/15/2013	-	-	2,108,046.50	34,380.82	2,142,427.32
3/15/2014	-	-	-	34,380.82	34,380.82
6/15/2014	8,835,000.00	4.340%	2,108,046.50	34,380.82	10,977,427.32
9/15/2014	-	-	-	31,254.00	31,254.00
12/15/2014	-	-	1,916,327.00	31,254.00	1,947,581.00
3/15/2015	-	-	-	31,254.00	31,254.00

Pennsylvania Intergovernmental Cooperation Authority

Series 2003

Sizing with Expenses @ 4.34%

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Liquidity	Total P+I
6/15/2015	9,270,000.00	4.340%	1,916,327.00	31,254.00	11,217,581.00
9/15/2015	-	-	-	27,973.24	27,973.24
12/15/2015	-	-	1,715,168.00	27,973.24	1,743,141.24
3/15/2016	-	-	-	27,972.39	27,972.39
6/15/2016	9,725,000.00	4.340%	1,715,168.00	27,972.39	11,468,140.39
9/15/2016	-	-	-	24,530.70	24,530.70
12/15/2016	-	-	1,504,135.50	24,530.70	1,528,666.20
3/15/2017	-	-	-	24,531.44	24,531.44
6/15/2017	10,205,000.00	4.340%	1,504,135.50	24,531.44	11,733,666.94
9/15/2017	-	-	-	20,919.76	20,919.76
12/15/2017	-	-	1,282,687.00	20,919.76	1,303,606.76
3/15/2018	-	-	-	20,919.76	20,919.76
6/15/2018	10,710,000.00	4.340%	1,282,687.00	20,919.76	12,013,606.76
9/15/2018	-	-	-	17,129.36	17,129.36
12/15/2018	-	-	1,050,280.00	17,129.36	1,067,409.36
3/15/2019	-	-	-	17,129.36	17,129.36
6/15/2019	11,245,000.00	4.340%	1,050,280.00	17,129.36	12,312,409.36
9/15/2019	-	-	-	13,149.62	13,149.62
12/15/2019	-	-	806,263.50	13,149.62	819,413.12
3/15/2020	-	-	-	13,149.22	13,149.22
6/15/2020	11,795,000.00	4.340%	806,263.50	13,149.22	12,614,412.72
9/15/2020	-	-	-	8,974.95	8,974.95
12/15/2020	-	-	550,312.00	8,974.95	559,286.95
3/15/2021	-	-	-	8,975.22	8,975.22
6/15/2021	12,375,000.00	4.340%	550,312.00	8,975.22	12,934,287.22
9/15/2021	-	-	-	4,595.56	4,595.56
12/15/2021	-	-	281,774.50	4,595.56	286,370.06
3/15/2022	-	-	-	4,595.56	4,595.56
6/15/2022	12,985,000.00	4.340%	281,774.50	4,595.56	13,271,370.06
Total	165,550,000.00	-	82,079,932.21	2,677,304.08	250,307,236.29

YIELD STATISTICS

Bond Year Dollars.....	\$1,891,235.14
Average Life.....	11.424 Years
Average Coupon.....	4.3400173%
Net Interest Cost (NIC).....	4.4257123%
True Interest Cost (TIC).....	4.4554093%
Bond Yield for Arbitrage Purposes.....	4.5569927%
All Inclusive Cost (AIC).....	8.9706556%

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Net Interest Cost.....	4.3400173%
Weighted Average Maturity.....	11.424 Years